



## ANNUAL REPORT



**WELL CHIP GROUP BERHAD**  
(Registration No. 202301014119 (1508041-A))



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## CORPORATE INFORMATION



### **Mak Lye Mun**

*Independent Non-Executive  
Chairman*

### **Yeah Hiang Nam**

*Non-Independent Non-Executive  
Director*

### **Yeah Chia Kai**

*Non-Independent Non-Executive  
Director*

### **Ng Hooi Lang**

*Executive Director and  
Chief Executive Officer*

### **Tang Soo Yen**

*Executive Director and Director of  
Retail and Merchandising*

### **Dr. Yap Lang Ling**

*Independent Non-Executive Director*

### **Chan Kam Chiew**

*Independent Non-Executive Director*

### **Wong Chin Chin**

*Independent Non-Executive Director*

## AUDIT AND RISK MANAGEMENT COMMITTEE

### **Chan Kam Chiew**

*Chairman  
(Independent Non-Executive  
Director)*

### **Dr. Yap Lang Ling**

*Member  
(Independent Non-Executive  
Director)*

### **Wong Chin Chin**

*Member  
(Independent Non-Executive  
Director)*

## NOMINATION COMMITTEE

### **Wong Chin Chin**

*Chairperson  
(Independent Non-Executive  
Director)*

### **Chan Kam Chiew**

*Member  
(Independent Non-Executive  
Director)*

### **Dr. Yap Lang Ling**

*Member  
(Independent Non-Executive  
Director)*

## REMUNERATION COMMITTEE

### **Dr. Yap Lang Ling**

*Chairperson  
(Independent Non-Executive  
Director)*

### **Chan Kam Chiew**

*Member  
(Independent Non-Executive  
Director)*

### **Wong Chin Chin**

*Member  
(Independent Non-Executive  
Director)*

## Corporate Information (Cont'd)

### COMPANY SECRETARIES

**Santhi A/P Saminathan**

Professional Qualification:  
Chartered Secretary, Malaysian  
Institute of Chartered Secretaries  
and Administrators ("MAICSA")  
(MAICSA No. 7069709)  
(CCM Practising Cert No. 201908002933)

**Raidah Binti Abd Rahman**

Professional Qualification:  
Licensed Secretary  
(LS 0010350)  
(CCM Practising Cert No. 201908002931)

### REGISTERED OFFICE

Suite 9D, Level 9, Menara Ansar,  
65, Jalan Trus, 80888,  
Ibrahim International Business District, Johor  
Tel: +607-224 1035  
Fax: +607-221 0891

### HEAD/MANAGEMENT OFFICE

No. 23-01 & 23-02,  
Jalan Harmonium 35/3,  
Taman Desa Tebrau,  
81100 Johor Bahru, Johor.  
Tel: +607 354 4621  
Email: [ir@wellchip.com.my](mailto:ir@wellchip.com.my)

### SHARE REGISTRAR

**Boardroom Share Registrars Sdn Bhd**

11th Floor, Menara Symphony  
No.5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, Petaling Jaya,  
46200 Selangor.  
Tel: +603-7890 4700  
Fax: +603 7890 4670

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
("Bursa Malaysia")  
Stock Name : WELLCHIP  
Stock Code : 5325

### AUDITORS

RSM Malaysia PLT (Chartered Accountants)  
202206000002 (LLP0030276-LCA) & AF 0768  
Suite 16-02, Level 16, Menara Landmark,  
No 12, Jalan Ngee Heng,  
80888, Ibrahim International Business District,  
Johor, Malaysia

### PRINCIPAL BANKERS

**OCBC Bank (Malaysia) Berhad**

(Registration No. 199401009721 (295400-W))

**United Overseas Bank (Malaysia) Berhad**

(Registration No. 199301017069 (271809-K))

**CIMB Bank Berhad**

(Registration No. 197201001799 (13491-P))

**Malayan Banking Berhad**

(Registration No. 196001000142 (3813-K))

### WEBSITE

[www.wellchip.com.my](http://www.wellchip.com.my)



# CORPORATE STRUCTURE



## Well Chip Group Berhad



Pajak Gadai Berlian Sdn. Bhd.	Pajak Gadai Rubi Kristal Sdn. Bhd.	Well Chip (8) Sdn. Bhd.	Well Chip (17) Sdn. Bhd.
Pajak Gadai Bintang Sdn. Bhd.	Pajak Gadai Shinegold Sdn. Bhd.	Well Chip (9) Sdn. Bhd.	Well Chip (18) Sdn. Bhd.
Pajak Gadai Cahaya Damai Sdn. Bhd.	Pajak Gadai Well Chip (1) Sdn. Bhd.	Well Chip (10) Sdn. Bhd.	Well Chip (19) Sdn. Bhd.
Pajak Gadai Delima Sdn. Bhd.	Pajak Gadai Well Chip (2) Sdn. Bhd.	Well Chip (11) Sdn. Bhd.	Well Chip (20) Sdn. Bhd.
Pajak Gadai Fajar Tebrau Sdn. Bhd.	Pajak Gadai Well Chip (3) Sdn. Bhd.	Well Chip (12) Sdn. Bhd.	Well Chip (21) Sdn. Bhd.
Pajak Gadai Grand Chip Sdn. Bhd.	Pajak Gadai Well Chip (4) Sdn. Bhd.	Well Chip (13) Sdn. Bhd.	Well Chip (22) Sdn. Bhd.
Pajak Gadai Jubli Intan Sdn. Bhd.	Pajak Gadai Well Chip (5) Sdn. Bhd.	Well Chip (14) Sdn. Bhd.	Well Chip (23) Sdn. Bhd.
Pajak Gadai Mutiara Pesona Sdn. Bhd.	Pajak Gadai Well Chip (6) Sdn. Bhd.	Well Chip (15) Sdn. Bhd.	
Pajak Gadai Nilam Sdn. Bhd.	Well Chip (7) Sdn. Bhd.	Well Chip (16) Sdn. Bhd.	

## PROFILE OF DIRECTORS

### MAK LYE MUN

Independent Non-Executive Chairman

Malaysian | Male | Age 67

**Mr. Mak Lye Mun** was appointed as an Independent Non-Executive Director of Well Chip Group Berhad on 28 June 2023 and was subsequently redesignated as the Independent Non-Executive Chairman on 8 September 2023. He holds a Master of Business Administration from the University of Texas, United States, and graduated with a First-Class Honours Bachelor's Degree in Civil Engineering from the University of Malaya, Malaysia.

He has over thirty (30) years of banking experience. He started his career at Citicorp Investment Bank (Singapore) Limited in 1989 and left in 1994 as Director of the Corporate Finance Division. Between 1994 and 2001, he held various senior positions in the Oversea-Chinese Banking Corporation, Ernst & Young, Vickers Ballas & Co. Pte. Ltd., and DBS Bank Ltd. In 2002, he joined GK Goh Securities Pte. Ltd. as the Head of Corporate Finance and following the acquisition by CIMB, he served as CEO of CIMB Bank Singapore in 2008 and Country Head, Singapore in 2009 until his retirement in December 2019. He later served as an Advisor to the CEO of CIMB Group from 2020 to 2021.

He serves as a governing board member of Duke-NUS Medical School and he was part of the inaugural SGX Listings Advisory Committee and the ADDX (ICHX Tech) Listing Committee. Mr. Mak currently also holds directorships in other listed entities, including Boustead Singapore Limited, AV Jennings Limited, and Intraco Limited.

Mr. Mak does not have any family relationships with any director or major shareholder of the Company, nor does he have any conflict of interest or potential conflict of interest, including any interest in a competing business with Well Chip Group Berhad or its subsidiaries. He has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

During the financial year ended on 31 December 2024, Mr. Mak attended six (6) out of six (6) board meetings.



## Profile of Directors (Cont'd)

### YEAH HIANG NAM

Non-Independent Non-Executive Director

Singaporean | Male | Age 77

**Mr. Yeah Hiang Nam** was appointed as Non-Independent Non-Executive Chairman of Well Chip Group Berhad on 28 June 2023 and was subsequently redesignated as the Non-Independent Non-Executive Director on 8 September 2023.

He has over fifty (50) years of experience in handling valuables, including more than thirty-five (35) years in the pawnbroking industry. After completing primary school at SJK (C) Pai Teik in Nibong Tebal, Pulau Pinang, Mr. Yeah began his career in the 1960s as a sales assistant at a Chinese medicine store, later transitioning to work in a jewellery store. In 1979, he ventured into gold jewellery wholesale and trading by establishing Golden Goldsmith Jewellers in Singapore. He entered the pawnbroking industry in 1988, co-founding Ban Soon Pawnshop Pte. Ltd. with other business partners. A year later, he expanded his operations by founding Goldjew Sdn. Bhd., specialising in the manufacture of gold jewellery for export.

In 1999, Mr. Yeah founded ValueMax Pawnshop (BD) Pte. Ltd., the first subsidiary of ValueMax Group Limited, which is listed on SGX. He has played a pivotal role in the

Group's growth and development, consistently guiding its strategic direction and business expansion. From 2013 until 2022, he served as Managing Director and Chief Executive Officer of ValueMax Group Limited, before assuming his current position as Executive Chairman of ValueMax Group Limited. Beyond this role, he does not hold any directorships in other publicly listed companies.

Mr. Yeah is the spouse of Tan Hong Yee, a substantial shareholder of the Company, and the parent of Yeah Chia Kai, a Non-Independent Non-Executive Director of the Company. He also sits on the board of the holding company, namely Yeah Holdings. He has family ties with other Executive Directors of the Company. He has no conflict of interest with the Group except for those transactions as disclosed in Note 30 to the financial statements. He has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies for the financial year ended 2024.

During the financial year ended on 31 December 2024, Mr. Yeah attended six (6) out of six (6) board meetings.

## Profile of Directors (Cont'd)

### YEAH CHIA KAI (STEVEN)

Non-Independent Non-Executive Director

Singaporean | Male | Age 46

**Mr. Steven** was appointed as Alternate Director to Mr. Yeah Hiang Nam on 28 June 2023 and was subsequently redesignated as the Non-Independent Non-Executive Director on 28 August 2023.

He holds a Bachelor of Commerce in Marketing from Curtin University of Technology in Australia, as well as two Master of Business Administration degrees, one from Columbia University in the United States and another from London Business School in the United Kingdom. Mr. Steven also holds a Certified Diamond Grader Diploma from HRD Antwerp Institute of Gemmology and a Foundation Certificate in Gemmology from the Gemmological Association of Great Britain.

Mr. Steven has over twenty (20) years of experience in pawnbroking and jewellery retail. He began his career in 2004 at ValueMax Group Limited as an Operations Executive. In 2006, he left the company to found Mischief Studios Pte. Ltd., where he served as Executive Producer and oversaw software development projects until 2007. He then returned to ValueMax Group Limited in December 2007 as General Manager, taking on responsibility for the company's overall management, including its corporatisation and the expansion of its

pawnbroking business in Singapore. In 2013, he was appointed Executive Director, and in 2022, he became Chief Executive Officer, broadening his leadership to guide the company's strategic direction. Apart from his role at ValueMax Group Limited, he does not hold any directorships in other publicly listed companies.

Mr. Steven is the son of Yeah Hiang Nam, Non-Independent Non-Executive Director and substantial shareholder of the Company, and the son of Tan Hong Yee, also the substantial shareholder of the Company. He also sits on the board of the holding company, namely ValueMax Group Limited and VMM Holdings. He also has family ties with other Executive Directors of the Company. He has no conflict of interest with the Group except for those transactions as disclosed in Note 30 to the financial statements. He has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 2024.

During the financial year ended on 31 December 2024, Mr. Steven attended six (6) out of six (6) board meetings.



## Profile of Directors (Cont'd)

### NG HOOI LANG

Executive Director and Chief Executive Officer

Malaysian | Female | Age 59

**Ms. Ng Hooi Lang** was appointed as Chief Executive Officer of Well Chip Group Berhad on 1 September 2022 and was appointed as Executive Director and Chief Executive Officer on 12 April 2023, where she is primarily responsible for overseeing the day-to-day business operations and charting the business direction and strategies of our Group.

Ms. Ng has more than forty (40) years of experience in handling gold and jewellery. In 1981, she obtained her Lower Secondary Assessment from Sekolah Kebangsaan Tunku Abd. Rahman, Penang, and thereafter in 1983 she began her career as a gold craftswoman at Chin Yee Goldsmith where she was trained in jewellery design and crafting for more than twenty (20) years. Between May 2007 and September 2007, she joined ValueMax Group Pte. Ltd., Singapore, as a management trainee, where she was responsible for appraising gold jewellery.

In September 2007, she was appointed as the director of Kedai Pajak Well Chip Sdn. Bhd. where she was primarily responsible for overseeing the day-to-day operations and management of the pawnbroking company, including

amongst others, appraisal of gold jewellery, supervision of staff and customer service, as well as management of periodic auction of pawn items. Subsequently, she was appointed as a director of Kedai Emas Well Chip Sdn. Bhd. in September 2009, Thye Shing Pawnshop in February 2010 and SYT Pavilion in August 2013. Since then and over the years, she has overseen the expansion of pawnbroking business and has been pivotal in the establishment of new pawnbroking shop for our Group.

Ms. Ng sits on the board of subsidiary companies or of the substantial shareholder of the holding company. She has family ties with other Directors of the Company. She has no conflict of interest with the Group, except for those transactions as disclosed in Note 30 to the financial statements. She has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 2024.

During the financial year ended on 31 December 2024, Ms. Ng attended six (6) out of six (6) board meetings.

## Profile of Directors (Cont'd)

### TANG SOO YEN

Executive Director and Director of Retail and Merchandising

Malaysian | Female | Age 45

**Ms. Tang Soo Yen** was appointed as the Executive Director and Director of Retail and Merchandising of Well Chip Group Berhad on 28 June 2023 where she is responsible for overseeing and managing the procurement of gold and jewellery products for our Group and managing the post auction processes for defaulted pawn items, human resources and other general administrative matters of our Group.

Ms. Tang has more than twenty-five (25) years of experience in handling gold and jewellery. In 1997, she obtained her Malaysian Certificate of Education from Sekolah Menengah Tun Syed Sheh Barakbah, Sg. Jawi, Pulau Pinang and thereafter in 1998, she began her career as a gold craftswoman with Zai Chen Goldsmith. In April 2007, she joined ValueMax Group Pte. Ltd. as a management trainee and ventured into the pawnbroking industry. In September 2007, she started her journey at Kedai Pajak Well Chip Sdn. Bhd. as a pawnshop admin and subsequently promoted to executive director in January

2021 where she oversees and manages procurement, human resources and other general administrative matters. Ms. Tang was also appointed with multiple directorships within our Group and has been contributing to the expansion of our Group's pawnbroking business in Malaysia over the period of more than fifteen (15) years.

Ms. Tang sits on the board of subsidiary companies or of the substantial shareholder of the holding company. She has family ties with other Directors of the Company. She has no conflict of interest with the Group, except for those transactions as disclosed in Note 30 to the financial statements. She has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 2024.

During the financial year ended on 31 December 2024, Ms. Tang attended six (6) out of six (6) board meetings.



## Profile of Directors (Cont'd)

### DR. YAP LANG LING

Independent Non-Executive Director

Malaysian | Female | Age 52

**Dr. Yap Lang Ling** was appointed as an Independent Non-Executive Director of Well Chip Group Berhad on 28 June 2023, and as the Chairman of the Remuneration Committee on 8 September 2023.

She graduated with a Doctorate in Service Supply Chain Management from Universiti Sains Malaysia, a Master of Human Resource Management, and a Bachelor of Economics (Hons) both from Universiti Utara Malaysia. She also holds a Certificate in Sustainable Development Goals and the Law, and a Certificate in The Paris Agreement, Sustainable Development and the Law from University of Cambridge, United Kingdom. She has Project Management Professional (PMP) credential and Global Remuneration Professional (GRP) designation. She serves as an Industrial Advisory Panel for the Master of Philosophy and Doctor of Philosophy programmes in the Faculty of Business at Multimedia University (MMU).

Dr. Yap has various leadership experiences in MNCs across the High-Tech, Financial Services and Energy industries; including local conglomerate for the Real Estate and Healthcare industries.

She has two (2) years of strategic sourcing and procurement experience in managing outsourced business processes with global suppliers for group insurance benefits, occupational health, employee services, finance and administration in Asia and Latin America and four (4) years of manufacturing operations and systems engineering related experience for global high-paced virtual factories as well as two (2) years of quality, risk management, and infection prevention and control for group healthcare in Malaysia and Singapore.

Dr. Yap also has nineteen (19) years of human resource (HR) experience in various leadership capacities with progressively responsible experience in Pay/Stock/Benefits design and administration for manufacturing, sales and marketing, greenfield, brownfield, start-up and mergers and acquisitions in Asia, Latin America, Europe, Middle East and Africa which required strong stakeholder management skills. As a Senior Director of HR, she was responsible for the full spectrum of HR and business top strategic priorities and provided outside-in HR consultation and guidance to the senior leadership team. Areas of focus included business transformation and cultural change.

Dr. Yap has served as Independent Director for main market listed issuers in Financial Services and Healthcare Manufacturing industries, Chair of Group Board Risk Committee, Member of Audit Committee, Chair of Nomination and Remuneration Committee, and Chair of ESG Committee.

Dr. Yap is also an Independent Non-Executive Director of Sapura Resources Berhad.

Dr. Yap does not have any family relationships with any director or major shareholders of the Company, and she does not have any conflict of interest with the Company. She has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

During the financial year ended on 31 December 2024, Dr. Yap attended six (6) out of six (6) board meetings.

## Profile of Directors (Cont'd)

### CHAN KAM CHIEW

Independent Non-Executive Director

Malaysian | Male | Age 60

**Mr. Chan Kam Chiew** was appointed as an Independent Non-Executive Director of Well Chip Group Berhad on 28 June 2023, and as the Chairman of the Audit and Risk Management Committee on 8 September 2023. He is a member of the Malaysian Institute of Accountants ("MIA"), Malaysian Institute of Certified Public Accountants ("MICPA") and Institute of Corporate Directors Malaysia ("ICDM").

He joined Peat Marwick (now known as KPMG) in Malaysia in December 1984. Between September 1991 and April 1993, he was seconded to KPMG in San Francisco. In October 1998, he was admitted as a Partner of KPMG Malaysia and served until his retirement at the end of December 2020. He has served as a member of Malaysia Accounting Standards Board ("MASB") for two (2) terms from 2012 to 2018. He also served as a member and chaired a few working groups of MASB and was an examiner for the Regulatory and Financial Reporting Framework examination for the MICPA. In 2023, he was appointed as a member of the Malaysia Financial Reporting Standards Application and Implementation Committee of the MASB.

During his thirty-six (36) years in KPMG, Mr. Chan garnered his experience in providing audit and business advisory services to a wide range of public listed companies and multinational corporations in various industries

including those in automotive, real estate investments trust, property development and construction, oil and gas, electronics and information technology, freight and shipping, industrial manufacturing, food and beverages, retail and consumer and banking and financial services.

He is currently the Group Finance Director of Can-One Berhad and Box-Pak (Malaysia) Berhad, both of which are listed on the Main Market of Bursa Securities. He is an Independent Non-Executive Director of Kerjaya Prospek Group Berhad, which is listed on the Main Market of Bursa Securities as well as an Independent Non-Executive Director of LGMS Berhad and Panda Eco System Berhad, both of which are listed on the ACE Market of Bursa Securities.

Mr. Chan does not have any family relationships with any director or major shareholder of the Company, nor does he have any conflict of interest or potential conflict of interest, including any interest in a competing business with Well Chip Group Berhad or its subsidiaries. He has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

During the financial year ended on 31 December 2024, Mr. Chan attended six (6) out of six (6) board meetings.



## Profile of Directors (Cont'd)

### WONG CHIN CHIN

Independent Non-Executive Director

Malaysian | Female | Age 59

**Ms. Wong Chin Chin** was appointed as an Independent Non-Executive Director of Well Chip Group Berhad on 28 August 2023, and as the Chairman of the Nomination Committee on 8 September 2023. She holds a Bachelor of Laws (LL.B.) from the University of Sydney, Australia and was admitted as a Barrister of the Supreme Court of New South Wales and subsequently as an Advocate and Solicitor of the High Court of Malaya.

She is a partner in Adnan Sundra & Low and has over thirty (30) years of experience as a practitioner in mergers and acquisitions, take-overs, equity capital markets, corporate real estate, joint ventures, commercial contracts and general corporate advisory.

She has been involved in a broad range of corporate work and has, amongst others, advised financial institutions, life and general insurance companies, manufacturers, wholesalers, retailers and speciality traders, logistics, aviation, travel and leisure operators and renewable energies companies on their mergers and acquisitions transactions. She has also advised on matters pertaining to the privatisation of companies via selective capital reduction, take-overs, acquisition of assets and transfer of listing status. Further, she has advised in the debt restructuring of corporations via schemes of arrangements. In the equity capital markets

space, she has acted for both issuers and underwriters in several initial public offerings (including the listing of special purpose acquisition company and stapled securities) on the Main Market of Bursa Securities, and in the rights issue of shares and/or warrants of public listed companies. She has also advised various corporate real estate transactions with varying degrees of complexities.

She has been recognised as distinguished practitioner, Corporate and M&A, by Asialaw Leading Lawyers, a highly regarded practitioner by the IFLR1000, recognised as one of Malaysia's top 100 lawyers by Asia Business Law Journal and a ranked practitioner by Chambers & Partners.

Ms. Wong does not have any family relationships with any director or major shareholder of the Company, nor does she have any conflict of interest or potential conflict of interest, including any interest in a competing business with Well Chip Group Berhad or its subsidiaries. She has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

During the financial year ended 31 December 2024, Ms. Wong attended six (6) out of six (6) board meetings.

## KEY SENIOR MANAGEMENT'S PROFILE

### SIA SHU YEE

Chief Financial Officer

Malaysian | Female | Age 42

**Ms. Sia Shu Yee** was appointed as the Chief Financial Officer of Well Chip Group Berhad in September 2022. She is responsible for managing and supervising the Group's accounting and finance functions, including financial planning, cash flow management, and financial reporting. She holds a Bachelor's Degree in Accounting (Hons) from Multimedia University Malaysia.

Ms. Sia has over twenty (20) years of experience in audit, accounting, corporate finance, treasury, and taxation. She began her career at Ernst & Young, gaining extensive experience in auditing companies across various industries, including construction, property development, and manufacturing. Following her promotion to Senior Associate, she briefly pursued further studies before rejoining Ernst & Young in 2007.

In May 2008, she joined BCB Berhad as an Accountant and was promoted to Group Financial Controller in 2009. Subsequently, she founded SSY Advisory Sdn. Bhd. in 2010, offering accounting, tax, and secretarial services. In 2015, she joined Samurai 2K Aerosol Limited, a company listed in the Catalist Board of Singapore Stock Exchange, as Chief Financial Officer, subsequently redesignated as

Chief Process Officer in November 2017, and Acting CFO in July 2018 and was reappointed as Chief Financial Officer in May 2019 to manage the group's financial, treasury, compliance, and human resource functions. She resigned from Samurai 2K Aerosol Limited in 2022, and joined as Chief Financial Officer of Shiya Sdn. Bhd. and Shiya Development Sdn. Bhd., overseeing financial planning and reporting for both companies. In September 2022, she joined Kedai Pajak Well Chip Sdn. Bhd., a subsidiary of Well Chip Group Berhad, as Chief Financial Officer.

Ms. Sia does not hold any directorships in other publicly listed companies or listed issuers. She does not have any family relationships with any director or major shareholder of the Company, nor does she have any conflict of interest or potential conflict of interest, including any interest in a competing business with Well Chip Group Berhad or its subsidiaries. She has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Her last service date with the Group was 31 March 2025.

## Key Senior Management's Profile (Cont'd)

### TAN KWEE SHENG

Head of Corporate Services

Malaysian | Male | Age 45

**Mr. Tan Kwee Sheng** was appointed as the Head of Corporate Services of Well Chip Group Berhad in February 2023. He oversees several departments, including information technology, digital marketing, human resources and operations of our Group. He graduated with a Bachelor's Degree in Technology Management from Universiti Teknologi Malaysia (UTM) in 2003.

Mr. Tan has over twenty (20) years of experience managing teams, projects, and operations across various industries. He began his career at Chung Hwa Picture Tube Sdn. Bhd. as Section Head of Production Control in 2003. In 2007, he joined Ajiya Safety Glass Sdn. Bhd. as a Senior Production Executive and was promoted to Manufacturing Manager. During his employment, he oversees the production, purchasing, quality control, and human resources functions.

In May 2014, he joined Nam Heng Safety Glass (J) Sdn. Bhd., as Factory Manager cum Director where he was primarily responsible for overall business operations. In 2021, he joined Seng Hiap Safety Glass as Factory Manager and was responsible for operational productivity and efficiency as well as assisting the CEO with strategic assignments and projects.

Mr. Tan does not hold any directorships in publicly listed companies or listed issuers. He does not have any family relationships with any director or major shareholder of the Company, nor does he have any conflict of interest or potential conflict of interest, including any interest in a competing business with Well Chip Group Berhad or its subsidiaries. He has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

### SOON WEI

Compliance Officer

Malaysian | Female | Age 34

**Ms. Soon Wei** was appointed as the Compliance Officer of Well Chip Group Berhad in December 2024. She is primarily responsible for enhancing the Group's compliance with implementing robust internal controls and policies and external regulations, focusing on improving processes to mitigate operational, and compliance risks of fraud. She graduated with a Bachelor's Degree in Business (Accounting) from Victoria University, Australia, in 2014. She is a Chartered Accountant and a member of the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants (MIA).

In 2014, she began her career at Ernst & Young as an Audit Associate 1 and promoted to Audit Manager in 2019 and left as Audit Manager 3 in 2022. Over the course of nine years, she gained comprehensive experience in audit and assurance of various industries. Between November 2022 to December 2023, she joined PricewaterhouseCoopers Singapore as Audit Manager

3 where she primarily responsible in managing teams to deliver financial reporting, compliance, and advisory services.

In October 2024, Ms. Soon joined Kedai Pajak Well Chip Sdn. Bhd. as Compliance Officer.

Ms. Soon does not hold any directorships in other publicly companies or listed issuers. She does not have any family relationships with the director or major shareholder of the Company, nor does she have any conflict of interest or potential conflict of interest, including any interest in a competing business with Well Chip Group Berhad or its subsidiaries. She has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty were imposed by the relevant regulatory bodies during the financial year.



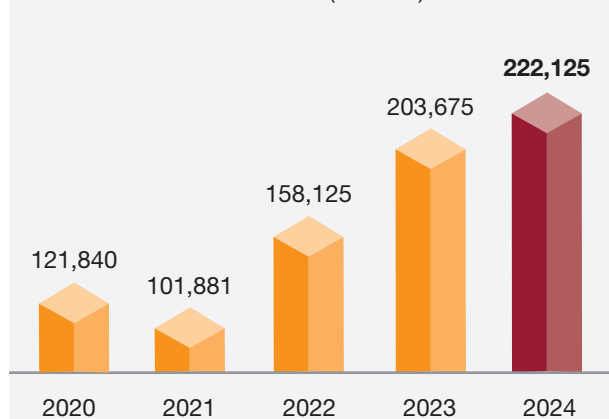
## FINANCIAL HIGHLIGHTS

		FY2020	FY2021	FY2022	FY2023	FY2024
<b>INCOME STATEMENT</b>						
Revenue	RM'000	121,840	101,881	158,125	203,675	222,125
Gross Profit	RM'000	62,954	52,491	62,533	77,432	105,160
Profit Before Tax	RM'000	46,160	32,746	36,778	49,993	71,070
Net profit attributable to owners of the Company	RM'000	33,608	23,965	26,352	36,430	49,984
<b>FINANCIAL POSITION</b>						
Total Assets	RM'000	303,109	334,221	434,568	495,826	685,540
Net Current Assets	RM'000	126,620	145,007	163,781	192,376	409,851
Total Borrowings	RM'000	86,752	89,084	146,934	192,496	182,007
Shareholder Equity	RM'000	132,010	150,540	171,795	203,377	421,147
<b>STATISTICS AND RATIO</b>						
Basic EPS	sen	7.50	5.30	5.60	7.80	9.70
Gross Profit Margin	%	51.67%	51.52%	39.55%	38.02%	47.34%
Net Profit Margin	%	27.58%	23.52%	16.67%	17.89%	22.50%
Return on Assets	%	11.09%	7.17%	6.06%	7.35%	7.29%
Current Ratio	x	1.75	1.80	1.66	1.70	2.69
Net Gearing Ratio	x	1.22	1.16	1.41	1.32	0.56

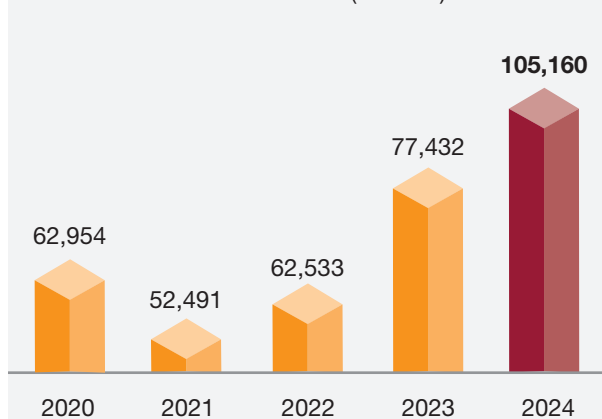
- 1) Financial results for the FY2020 to FY2023 are presented on a combined basis as set out in our Prospectus dated 26 June 2024.
- 2) Basic EPS in FY2020 to FY2023 are computed based on profit attributable to owners divided by the weighted average number of ordinary shares in issue of 450,000,000 shares on the assumption these shares has been issued pursuant to the Pre-Initial Public Offering ("Pre-IPO") restructuring as disclosed in the Prospectus of Well Chip Group Berhad dated 26 June 2024 but before the completion of the Initial Public Offering ("IPO") of the company.
- 3) Basic EPS in FY2024 is computed based on profit attributable to owners divided by the weighted average number of ordinary shares in issue of 516,575,342, after the completion of the IPO of the Company on 23 July 2024.

## Financial Highlights (Cont'd)

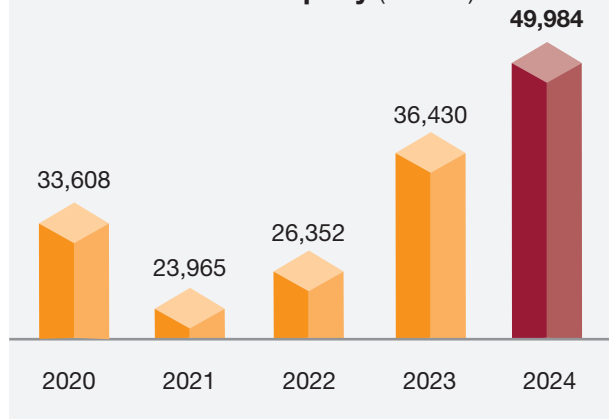
**Revenue (RM'000)**



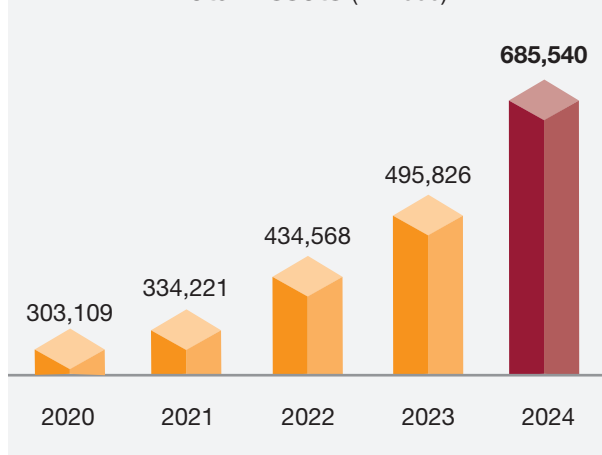
**Gross Profit (RM'000)**



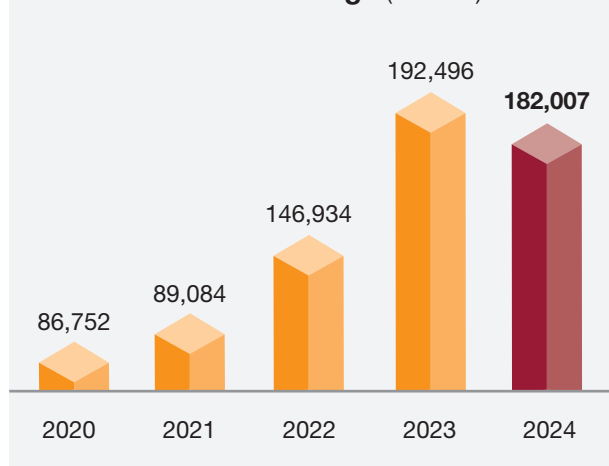
**Net Profit Attributable To Owners  
of the Company (RM'000)**



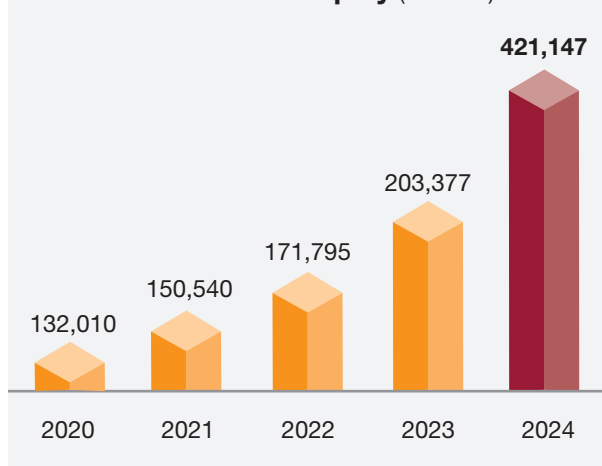
**Total Assets (RM'000)**



**Total Borrowings (RM'000)**



**Shareholder Equity (RM'000)**



## EVENTS HIGHLIGHTS 2024



On 23 July 2024, Well Chip Group Berhad achieved a significant milestone by successfully listing on the Main Market of Bursa Malaysia, marking a new chapter of growth and opportunity.



Well Chip Group Berhad is honored to sponsor the Pawnbrokers Association of Malaysia (MPBA) as a strategic partner for the Majlis Anugerah Kredit Madani (AKM) Tahun 2024, which is organised by the Ministry of Housing and Local Government (KPKT) on 15 November 2024.



Our team-building initiatives, guided by the theme 'As Solid as Gold, Stronger Together', focused on strengthening bonds and enhancing teamwork, reflecting our commitment to unity and collaboration.



## CHAIRMAN'S STATEMENT

### DEAR VALUED SHAREHOLDERS,

*On behalf of the Board of Directors, I am delighted to present Well Chip Group Berhad's Annual Report for the financial year ended 31 December 2024 ("**FY2024**"). This marks our first annual report since the Group achieved a new milestone, becoming the first pawnbroking group to list on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 23 July 2024.*

#### FIRST PAWNBROKER LISTED ON MAIN MARKET OF BURSA SECURITIES

Our Listing on the Main Market of Bursa Securities raised RM172.5 million through an initial public offering ("IPO") to fund our cash capital requirements and expansion plans. The overwhelming support from the Malaysian public was evident in the IPO balloting, which was oversubscribed by 12.9 times. This successful IPO marks the beginning of an exciting new chapter for Well Chip Group Berhad. It reinforces our commitment to delivering exceptional services to our customers, solidifying our position as one of the leading pawnbrokers in the industry, and expanding our presence beyond Johor.

#### FINANCIAL RESULTS

In FY2024, Well Chip Group Berhad delivered a strong financial performance, gross profit surged by 35.8% to RM105.16 million, achieving a robust gross profit margin of 47.3%, compared to 38.0% in FY2023, mainly driven by enhanced profitability in our core pawnbroking segment. Profit after tax (PAT) rose by an impressive 41.6% to RM49.98 million. These results highlight our operational strength and strategic execution, laying a solid foundation for sustained growth and value creation.

#### FY2025 OUTLOOK

As we look ahead to 2025 and beyond, the Group remains cautious in facing future market conditions which may be impacted by global events and fluctuation in gold prices. However, the Group remains optimistic about the market's underlying demand, as showcased in FY2024, where our pawn loan disbursements exceeded RM1 billion.

The Group is committed to continue to expand our pawnshop network in Johor and also seek new geographical presence within Peninsular Malaysia. This expansion has been solidified through a proposed acquisition announced in December 2024 and targeted for completion by the second quarter of 2025 (2Q2025). In addition, a new pawnshop application, which was recently approved by KPKT in March 2025, is expected to open in the third quarter of 2025. These efforts highlight our measured growth strategy amidst global and local challenges.

#### APPRECIATION

On behalf of the Board, I wish to extend our heartfelt appreciation to the management team, our employees, bankers and business associates for their utmost effort and commitment towards Well Chip's success.

Last but not least, I would like to thank our Board members for their contributions and to all shareholders for your trust and support.

Sincerely,

**Mak Lye Mun**  
Independent Non-Executive Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW

Well Chip Group Berhad is an investment holding company and through its subsidiaries, are principally involved in the provision of pawnbroking services and business of retail and trading of jewellery and gold.

### Pawnbroking services

We provide pawnbroking services where we offer pledge-backed pawn loans with a short repayment period to our pawnbroking customers. Pawnbroking services are a form of micro-financing extended by pawnbrokers in the form of pawn loans, which are short-term collateralised loans provided against pledges such as gold, jewellery and luxury watches. Customers are individuals seeking loans that are part of the financially unserved or underserved population or are unable to obtain loans from banks or other financial institutions.

Pawnbroking services in Malaysia is regulated by the Kementerian Perumahan dan Kerajaan Tempatan (Ministry of Housing and Local Government) ("KPKT") under the Pawnbrokers Act 1972 ("PA 1972"). As a licensed business, we are committed to adhering to the regulations under the PA 1972.

Our revenue is derived from the following:

- (a) Monthly interest charges earned from the pawn loans are recognised over time basis using the effective interest method. We recognise interest income based on the outstanding pawn loans receivable at the end of each month. We charge a monthly interest rate which ranges between 1.00% to 2.00% of the pawn loan amount; and
- (b) One-off administrative fees for our pawnbroking services are recognised at a point in time when the performance obligation is satisfied upon issuance of pawn ticket. We charged a maximum one-off administrative fee of RM0.50 for the issuance of pawn tickets for any pawn loans of more than RM10.00.

### Retail and trading of jewellery and gold

Apart from pawnbroking services, we are also involved in the business of retail and trading of jewellery and gold.

We sell and trade jewellery and gold through the following channels:

- (i) our retail outlets which are adjacent to our pawnshops;
- (ii) our website (<https://www.shop.wellchip.com.my>) and e-commerce platforms such as Shopee, Lazada and Facebook Live; and
- (iii) scrap gold traders.

Our revenue is derived from the following:

- (a) Sale of new as well as pre-owned jewellery and gold, and watches; and
- (b) Sale of scrap gold to scrap gold traders.

Revenue from our retail and trading of jewellery and gold segment is recognised at the point when the control of goods is passed to the customers, which is at the point of transfer of significant risk and rewards of ownership of our products to the customers. Revenue recognised usually is based on the invoice price, net of returns and allowances, trade discounts and volume rebates given to customers.

As at 31 December 2024, we have 23 (31 December 2023 : 22) pawnshops and 4 (31 December 2023 : 4) retail outlets across Johor.

## Management Discussion and Analysis (Cont'd)

### FINANCIAL PERFORMANCE

Summary of the financial performance of Well Chip Group Berhad (“the Company”) and its subsidiaries (collectively, “the Group”) for financial year ended 31 December 2024 (“FY2024”) as compared to the financial year ended 31 December 2023 (“FY2023”) are as follows:

	FY2024	FY2023	Increase	
Revenue (RM' million)	222.13	203.68	18.45	9.1%
Gross profit (“GP”) (RM' million)	105.16	77.43	27.73	35.8%
Profit before taxation (“PBT”) (RM' million)	71.07	49.99	21.08	42.2%
Profit after taxation (“PAT”) (RM' million)	49.98	35.32	14.66	41.5%
Earnings Before Interest, Tax, Depreciation and Amortisation (RM' million)	74.64	53.94	20.70	38.4%
GP margin (%)	47.3	38.0	9.3	
PBT margin (%)	32.0	24.5	7.5	
PAT margin (%)	22.5	17.3	5.2	
Basic / Diluted earnings per ordinary share (sen) <sup>(1)</sup>	9.7	7.8	1.9	

Notes:

- (1) Basic / Diluted earnings per ordinary share (“EPS”) for FY2024 is computed based on PAT divided by the weighted average number of ordinary shares in issue of 516,575,342, after completion of the Initial Public Offering (“IPO”) of the Company.

EPS for FY2023 is computed based on PAT divided by the number of ordinary shares in issue of 450,000,000 shares on the assumption these shares has been issue pursuant to the Pre-IPO restructuring as disclosed in the Prospectus of the Company dated 26 June 2024 but before the completion of the IPO of the Company.

Our financial performance based on segment are as follows:

	FY2024	FY2023	Increase	
	RM' Million	RM' Million	RM' Million	%
<b>Revenue</b>				
Pawnbroking services	90.76	73.24	17.52	23.9
Retail and trading of jewellery and gold	131.37	130.44	0.93	0.7
<b>TOTAL</b>	<b>222.13</b>	<b>203.68</b>	<b>18.45</b>	<b>9.1</b>
<b>Gross profit</b>				
Pawnbroking services	76.18	58.24	17.94	30.8
Retail and trading of jewellery and gold	28.98	19.19	9.79	51.0
<b>TOTAL</b>	<b>105.16</b>	<b>77.43</b>	<b>27.73</b>	<b>35.8</b>
	%	%	Increase %	
<b>Gross profit margin</b>				
Pawnbroking services	83.9	79.5	4.4	
Retail and trading of jewellery and gold	22.1	14.7	7.4	
<b>TOTAL</b>	<b>47.3</b>	<b>38.0</b>	<b>9.3</b>	

Our revenue increased by RM18.45 million or approximately 9.1% from RM203.68 million in FY2023 to RM222.13 million in FY2024, mainly attributed to increase in revenue from pawnbroking services segment.



## Management Discussion and Analysis (Cont'd)

### FINANCIAL PERFORMANCE (CONT'D)

The revenue from pawnbroking segment increased by RM17.52 million or approximately 23.9%, mainly driven by an increase in pawn loans disbursed in FY2024 by RM371.29 million, to RM1,361.93 million (FY2023 : RM990.64 million).

The revenue from retail and trading of jewellery and gold segment increased by RM0.93 million or 0.7% mainly due to higher sales of scrap gold to scrap gold traders.

In FY2024, we also recorded a higher gross profit at RM105.16 million, reflecting a 35.8% increase from FY2023, which was in tandem with the increase in our revenue mainly attributable to the increase in gross profit from pawnbroking service segment.

As a result, the overall gross profit margin increased to 47.3% in FY2024, as compared to 38.0% in FY2023.

Our Group also recorded a higher profit before tax of RM71.07 million in FY2024 as compared to RM49.99 million in FY2023, marking a 42.2% increase over the previous fiscal year. The growth was partially offset by one-off IPO listing expenses of RM3.52 million and increase in administrative expenses of RM8.05 million mainly attributed to higher staff costs due to increase in the headcount in line with the opening of 1 new pawnshop and expansion of office staff, professional and legal fee as well as increase in depreciation of property, plant and equipment and right-of-use assets.

### FINANCIAL POSITION REVIEW

	FY2024	FY2023	Increase/(Decrease)	
	RM' Million	RM' Million	RM' Million	%
Total non-current assets	32.97	30.50	2.47	8.1
Total current assets	652.57	465.33	187.24	40.2
<b>Total assets</b>	<b>685.54</b>	<b>495.83</b>	<b>189.71</b>	<b>38.3</b>
<b>Total equity</b>	<b>421.15</b>	<b>203.38</b>	<b>217.77</b>	<b>107.1</b>
Total non-current liabilities	21.67	19.49	2.18	11.2
Total current liabilities	242.72	272.96	(30.24)	(11.1)
<b>Total liabilities</b>	<b>264.39</b>	<b>292.45</b>	<b>(28.06)</b>	<b>(9.6)</b>
<b>Key financial ratio</b>				
Trade receivables collection period (days)	119	130		
Inventory holding (days)	106	110		
Return on equity (%)	11.9	17.4		
Current ratio (times)	2.69	1.70		
Gearing ratio (times)	0.56	1.32		

As at 31 December 2024, the total assets of the Group increased to RM685.54 million, representing a 38.3% increase. This primarily resulted from the increase in the trade receivables that arose from additional pawn loans disbursed and cash and bank balances.

As at 31 December 2024, the Group recorded a cash and bank balances of RM69.84 million (31 December 2023 : RM12.47 million).

The total liabilities of the Group decreased by RM28.06 million or 9.6% mainly due to repayment of loans owing to related parties and shareholders as well as reduction in bank overdraft utilisation.

## Management Discussion and Analysis (Cont'd)

### CASH FLOWS REVIEW

The cash and cash equivalent of the Group increased by RM86.90 million to RM77.42 million as at 31 December 2024 (31 December 2023 : (RM9.48 million)).

The Group has recorded a cash used in operating activities of RM47.43 million mainly due to increase in pawn loans disbursed during the year. Net cash used in investing activities was RM13.07 million mainly due acquisition of property, plant and equipment and right-of-use assets. Net cash generated from financing activities was RM147.39 million primarily attributable to proceeds raised from the IPO, partially offset by repayments of loans owing to related parties and shareholders.

### KNOWN TRENDS AND EVENT

The Group is currently not aware of any trends and events that are likely to have a material effect on the operations, performance, financial condition, and liquidity of the Group.

### ANTICIPATED OR KNOWN RISKS

Our Group is dedicated to a robust risk management framework in managing regulatory, operational, financial, economic, security risks that we are facing. The management also monitor risk management framework and address the risk with appropriate mitigating actions to reduce the risk to an acceptable level. The Group actively explores new possibilities and goals while keeping focus on successful growth tactics.

#### 1. Our business is exposed to unlawful and suspicious pawn transactions

We are subject to the risk of people using our pawnbroking services and retail trading of jewellery and gold for money laundering or terrorists financing purpose. Even though there has been no incidence of breaches against the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA 2001"), there can be no assurance that the measures taken by us to prevent the use of our pawnbroking services and retail and trading of jewellery and gold for money laundering or terrorists financing purpose are sufficient to fully eliminate unlawful and suspicious transactions. If we are convicted, we may be subject to fines, penalties and/or imprisonment, and our reputation and business may be adversely affected.

The measures taken by our Group to prevent such risks are to conduct customer due diligence by verifying the customer's identity through National Registration Identity Cards ("NRIC") or passport, recording the relevant information into our pawnbroking system and conducting internal assessment as well as ensuring that the pledges received are directly from the rightful owners. However, there is no assurance that the measures taken can fully eliminate transactions of stolen gold, jewellery or watches. We are exposed to the risk of losing the pledges or items purchased if such items are subsequently confiscated by the police. As a result, we may not be able to recover the pawn loans disbursed for such confiscated pledges.

#### 2. We require substantial Cash Capital to fund and/or grow our pawnbroking business

Our pawnbroking business requires cash capital for the disbursement of pawn loans to our pawnbroking customers. Such cash capital requirements will increase as we grow our number of pawnshops and/or disburse more pawn loans. As such, our growth as well as our profitability, in a large part, is dependent upon our access to, and the costs associated with, securing additional funding for our cash capital.

In the event that we are unable to meet the cash capital needs, we may not be able to implement our business strategies and subsequently would adversely affect our business growth and financial performance.

Following the successful listing of our Group, we have allocated RM160.40 million from the proceeds from Public Issue in order to raise sufficient funds for disbursement as pawn loans to our customers. Additionally, we continuously monitor our financial position and cash flow to ensure adequate funding to meet our cash capital requirement.

## Management Discussion and Analysis (Cont'd)

### ANTICIPATED OR KNOWN RISKS (CONT'D)

#### 3. We are subject to regulatory requirements for our pawnbroking business

Our pawnbroking business is governed under the PA 1972. Each pawnshop is required to hold a valid pawnbroking license issued by the KPKT in order to operate, whereby such license is valid for 2 years and is subject to renewal provided that the pawnshop adheres to the regulations enforced by KPKT.

Our ability to maintain and renew our pawnbroking licenses is subject to our continued compliance with the PA 1972. In the event of non-compliance with the PA 1972, the affected pawnshop's pawnbroking licenses may be suspended, revoked or may not be renewed upon expiry. As a result, the affected pawnshop would not be allowed to process new pawn transactions until the validity of the pawnbroking license is extended. In such circumstances, our business would be adversely affected.

We have implemented measures to ensure that we adhere to all the regulations under the PA 1972 in order to ensure successful renewal of pawnbroking license. In the past, we have not experienced any instances of failure in obtaining, maintaining or renewing our pawnbroking licenses.

#### 4. We are dependent on skilled, reliable and trustworthy pawnshop and outlet personnel

We believe that the continuous growth and success of our business largely stem from the extensive expertise and experience of our skilled pawnshop and outlet personnel. Their proficiency in providing pawnbroking services, as well as handling the retail and trading of jewellery and gold, plays a crucial role, particularly their skills in assessing the value and authenticity of the pledges/pre-owned jewellery brought in by walk-in individuals. Further, our ability to provide quality customer service is also largely dependent on the performance of our pawnshop and outlet personnel.

Given the nature of our business, which involves cash and valuable items, we rely on reliable and trustworthy personnel for our operations.

Our pawnshop and outlet personnel are guided by our experienced and knowledgeable Executive Directors and Key Management as well as branch manager for each outlet. All new employees undergo comprehensive training upon joining, as well as continuous on-the-job training. Furthermore, we conduct background checks during the hiring process to mitigate potential risks associated with the role.

#### 5. We are subject to gold price volatility

Due to the nature of our business which is highly dependent to the gold price, the Group is exposed to volatility in global gold price. Gold is a globally traded commodity and hence, its market price fluctuates and is affected by various factors.

Whilst the gold price has generally been on an uptrend, there is no assurance that this uptrend will continue in the future. In the event there is a sudden or prolonged downward movement, the profitability of our trading in gold and jewellery business will decline.

### FORWARDING-LOOKING STATEMENT

Growth in the pawnbroking industry is expected to be driven by demand for quick and accessible financing. Unlike banks, pawnbrokers provide loans without requiring credit checks or income verification, allowing individuals to secure financing more easily. Additionally, pawn loans can be disbursed on immediate basis upon verification or within the same day, making pawnbrokers a fast and convenient financing option. As a result, demand for pawnbroking services is likely to remain strong.

Furthermore, the industry is expected to see increased demand from underserved individuals who lack bank accounts, proof of income, or a credit score – factors that typically hinder their ability to obtain traditional bank loans. These individuals are likely to turn to pawnbrokers for their financial needs.



## Management Discussion and Analysis (Cont'd)

### FORWARDING-LOOKING STATEMENT (CONT'D)

Our Group is actively expanding our pawnshop network by opening new outlets and pursuing acquisition of existing pawnshops when opportunities arise. By acquiring established pawnshops, we can quickly enter new markets with instant brand recognition and existing customer base. Our expansion strategy positions us to meet the growing demand for alternative financing solutions, strengthen our market presence and solidifying our role as a key player in the pawnbroking industry.

Overall, the Malaysian pawnbroking sector is poised for continued growth, supported by strong demand for accessible financial services and strategic expansions by key industry players.

### DIVIDEND POLICY

Our Board intends to recommend and distribute dividends of at least 35.0% of our consolidated profit after tax attributable to our shareholders for the first 3 financial years after our IPO Listing, (i.e. in respect of the financial years ended/ending 31 December 2024, 31 December 2025 and 31 December 2026).

The Board has proposed a final dividend of RM0.04 per ordinary shares, a total of RM24.0 million, for the financial year ended 31 December 2024, subject to the approval of shareholders at the forthcoming Annual General Meeting.

# SUSTAINABILITY STATEMENT

We are pleased to present to you our Inaugural Sustainability Statement which outlines the initial steps that we have taken on our path towards enhanced organisational sustainability. Our attention has been directed towards matters that are considered of utmost importance to Well Chip Group Berhad after conducting a comprehensive assessment of material factors.

## INTRODUCTION

Our Statement encompasses the business of Well Chip Group Berhad and its subsidiaries (“Well Chip”, “the group”, “we”, and “our”) efforts and performance in managing our material sustainability matters.

## REPORTING FRAMEWORK

This statement has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and guided by GRI Standards, which serve as the foundation for the Statement’s reporting framework. In preparing this statement, we have taken into consideration of new developments – such as adoption of the National Sustainability Reporting Framework by the government of Malaysia.

## REPORTING SCOPE

This sustainability statement covers Well Chip’s sustainability activities for the financial year ended 31 December 2024 FY2024, “the year”, and “reporting period”). This report addresses our response to material sustainability matters, which impacts our business and our ability to deliver value to all our stakeholders.

## ASSURANCE STATEMENT

Information in this report has not been assured by our internal audit function or any other independent assurance provider. The Board, through management, will continuously review the need to obtain limited assurance on information disclosed in future disclosures.

## SUSTAINABILITY GOVERNANCE STRUCTURE

The Board of Directors (“BOD”) takes an oversight role in sustainability-related matters through an informal group comprising the Heads of Department, the Sustainability Working Group (“SWG”). The SWG supports the Board’s oversight of the Group’s sustainability objectives, policies, and targets.

Board of Directors (“BOD”)
<ul style="list-style-type: none"> <li>Review, approve, and ensure integrity of sustainability reporting.</li> </ul>
Chief Executive Officer (“CEO”)
<ul style="list-style-type: none"> <li>Day-to-day management, accountable for the Well Chip’s achievements and reports to the Board on sustainability-related matters.</li> </ul>
Sustainability Working Group (“SWG”)
<ul style="list-style-type: none"> <li>Monitoring and evaluating sustainability-related matters.</li> </ul>

More detailed disclosure on our corporate governance framework vis a vis Malaysian Code of Corporate Governance (MCCG) is available in our Corporate Governance Statement of this Annual Report.

## Sustainability Statement (Cont'd)

### STAKEHOLDER ENGAGEMENT

At Well Chip, we strive to be a responsible corporate citizen by working closely with our stakeholders to understand their concerns and feedback. The stakeholder engagement provides valuable information for our sustainability reporting, particularly in determining the material sustainability matters. We will continue to engage our external stakeholders more extensively to identify areas that are material, sustainable, and necessary for future development.

Key Stakeholders	How We Engage Them	Key Topics
Our Customers	<ul style="list-style-type: none"> <li>Direct engagement by front officers, and branch management.</li> <li>Informal feedback sessions.</li> </ul>	<ul style="list-style-type: none"> <li>Product features.</li> <li>Customer feedback.</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>General Meeting(s).</li> <li>Direct engagement between board members and Key Senior Management.</li> <li>Emails with (potential) investors.</li> </ul>	<ul style="list-style-type: none"> <li>Financial results.</li> <li>Key business developments such as new acquisitions, opening of new outlets, entering new related businesses, etc.</li> <li>Investor relations.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Performance appraisals.</li> <li>Team bonding and company events.</li> <li>Internal communication through face-to-face meetings, telephone calls, emails, WhatsApp, and social media.</li> <li>Review and update of Enterprise Risk Management ("ERM").</li> </ul>	<ul style="list-style-type: none"> <li>Information update by management.</li> <li>Staff feedback on work-related issues.</li> <li>Awareness and compliance management, especially on key legislations.</li> <li>Compliance risks (e.g. AMLA, PDPA, MACC Act).</li> <li>Environmental footprint of our business.</li> </ul>
Government and Regulatory Agencies	<ul style="list-style-type: none"> <li>Media statements and disclosure of policy.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and industry standards and guidelines.</li> </ul>
Local Community	<ul style="list-style-type: none"> <li>Community outreach activities.</li> </ul>	<ul style="list-style-type: none"> <li>Partner with local not-for-profit charitable organisations to identify target beneficiaries.</li> </ul>
Trade Associations	<ul style="list-style-type: none"> <li>Regular communication through meetings, emails, telephone calls, and online meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives for industry and businesses.</li> <li>Feedback and updates on regulations and government guidelines.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Regular communication through meetings, emails, telephone calls, and online meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Product/service quality.</li> <li>Pricing.</li> </ul>

## Sustainability Statement (Cont'd)

### MATERIALITY ASSESSMENT

Our sustainability strategic planning processes are guided by the concept of materiality. Identifying, comprehending, and concentrating on sustainability matters that hold relevance for our business and industry, particularly those that significantly influence the assessments and decisions of our stakeholders, is vital to prevent significant repercussions for our organisation as a whole.

In our materiality assessment exercise, which will undergo review and enhancement in the subsequent years, we followed these steps:

Peer Review	<ul style="list-style-type: none"> <li>Consolidated issues based on reports from local peers.</li> </ul>
Standards & Frameworks	<ul style="list-style-type: none"> <li>Industry standards from global frameworks (GRI Standards) and Bursa Malaysia's reporting framework have been used to identify potentially relevant material issues.</li> </ul>
Stakeholder Engagement	<ul style="list-style-type: none"> <li>Engaged with key internal stakeholders of Well Chip to obtain insights on prioritisation of the material topics.</li> </ul>
Materiality Assessment Prioritisation	<ul style="list-style-type: none"> <li>Tabulated the results from the stakeholder engagement into a materiality matrix. All identified material topics were deemed to be relevant to both Well Chip and its stakeholders.</li> </ul>
Validation	<ul style="list-style-type: none"> <li>Presented the material sustainability matters (In the form of materiality matrix) to the Board of Directors for discussion and endorsement.</li> </ul>

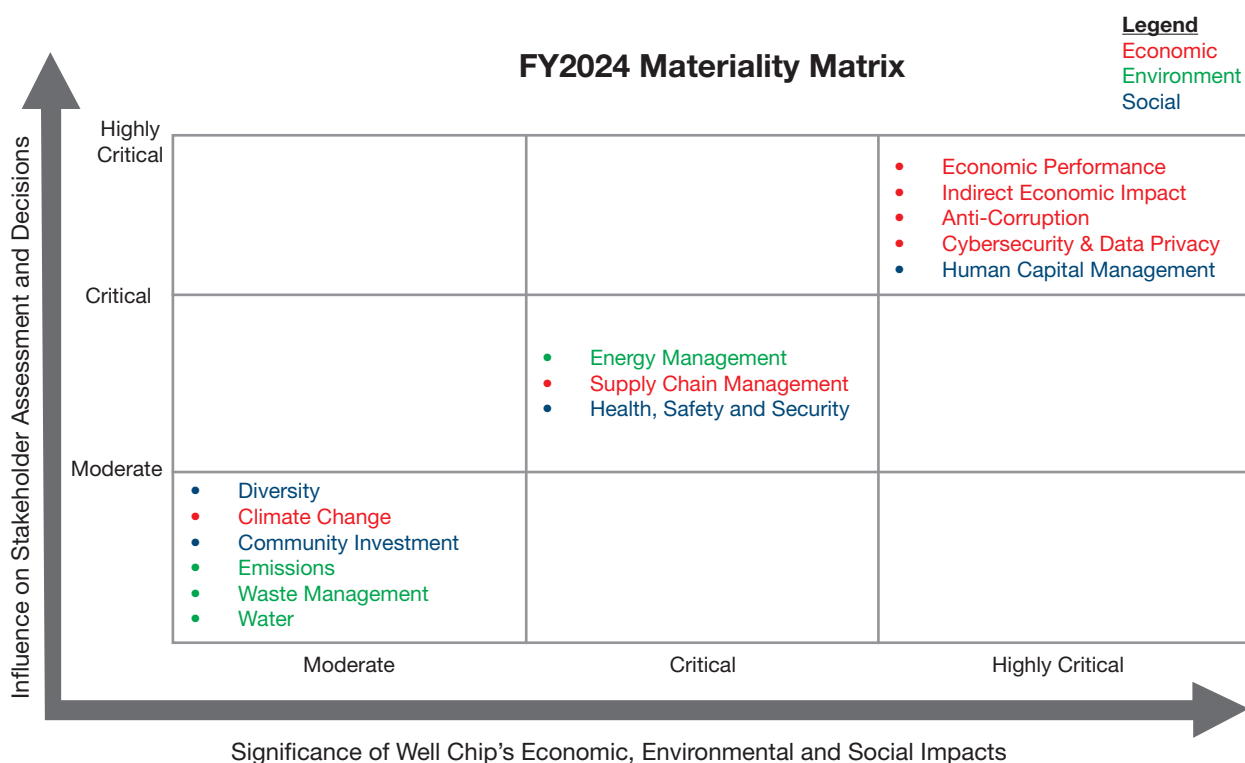


## Sustainability Statement (Cont'd)

### MATERIALITY MATRIX

The materiality matrix below illustrates a comprehensive list of our material topics. These topics are plotted along the horizontal to demonstrate their significance to our business (i.e. financial and non-financial impact), while the vertical axis reflects the criticality of each matter in influencing stakeholder decisions concerning our business engagements.

The material sustainability matters illustrated in the materiality matrix below is divided into economic, environmental and social pillars – demonstrating three main pillars of our sustainability management.



Number	Material Topic	GRI Ref	Indicators
1	Economic Performance	201-1	Direct economic value generated and distributed.
		N/A	Total sum insured for all pawn and retail outlets.
2	Indirect Economic Impact	203-2	Significant Indirect Economic Impact.
3	Cybersecurity & Data Privacy	418-1	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.
4	Anti-Corruption	205-1	% of operations assessed for corruption-related risks.
		205-2	% of employees that have received training on anti-corruption by employee category.
		205-3	Confirmed incidents of corruption and action taken.
5	Supply Chain Management	204-1	Proportion of spending on local suppliers.
6	Community Investment	201-1	Total amount invested in the community where the target beneficiaries are external.
			Total number of beneficiaries of the investment in communities.
7	Climate Change	N/A	Refer to climate report section of this sustainability statement.

## Sustainability Statement (Cont'd)

### MATERIALITY MATRIX (CONT'D)

Number	Material Topic	GRI Ref	Indicators
8	Health, Safety and Security	403-9	Number of work-related fatalities.
		403-9	Lost time incident rate.
		403-5	Number of employees trained on health and safety standards.
9	Human Capital Management	404	Total hours of training by employee category.
		401	% of employees that are contractors or temporary staff.
		401-1	Total number of employee turnover by employee category.
		N/A	No. of substantiated complaints concerning human rights violations.
10	Diversity	405-1	% of employees by gender and age group for each employee category.
		405-1	% of directors by gender and age group.
11	Energy Management	302-1	Total energy consumption.
12	Emissions	305-1 305-2	(i) Scope 1 emissions in tonnes of CO <sub>2</sub> e, (ii) Scope 2 emissions in tonnes of CO <sub>2</sub> e, (iii) Scope 3 emissions in tonnes of CO <sub>2</sub> e (limited to business travel and employee commuting).
13	Water	303-5	Total volume of water used.
14	Waste Management	306-3 306-4 306-5	Total waste generated and a breakdown of the following: (i) Total waste diverted from disposal; and (ii) Total waste directed to disposal.

## ECONOMIC

### Economic Performance

In light of the challenging market conditions to which we are exposed, our economic performance remains a central concern amongst our stakeholders – customers, employees, investors, and government. The table below summarises the economic value which was generated and distributed to our stakeholders.

RM ('Million)	FY2024	FY2023
<b>Economic Value Generated</b>	222.1	203.7
<b>Economic Value Distributed, which includes:</b>	163.2	167.3
• Payment to Employee	16.6	13.9
• Payment to Providers of Capital	14.8	20.0
• Payment to Government	18.7	14.0
• Payments to Vendors	113.1	119.4
<b>Economic Value Retained</b>	58.9	36.4

For more information on our economic performance, please refer to the Management Discussion & Analysis section of this Annual Report.

## Sustainability Statement (Cont'd)

### ECONOMIC (CONT'D)

#### Mitigating Economic Loss

Cognisant of the nature of our business (i.e. pawnbroking) and recognising the fact that we are unable to foolproof our business entirely, we endeavour to maintain an adequate level of insurance against losses arising from events such as burglary/theft, to mitigate risk of economic loss.

	FY2024	FY2023
<b>Total sum insured for all pawn and retail outlets RM ('Million)</b>	812.2	528.5

#### **Indirect Economic Impact**

##### Pawnbroking – serving the unserved and underserved

Beyond the direct economic impact through our job creation and wealth creation through our direct payments, the Well Chip's business model, strategy and presence create significant and positive socio-economic impact through the provision of pawnbroking services.

Through our pawnbroking service, we provide the local community which we serve especially the unserved and underserved segment with an alternative and sustainable source of finance.

This allows our customers to meet their commitments, especially in times of distress or significant need. This may range from education expenses, medical bills and in some instances putting food on their table. In certain instances, the capital raised can be used to support our customer's entrepreneurship endeavours, thus stimulating growth of micro and small enterprises in Malaysia.

The pawn loans provided to our customers are backed by pledges against valuable items, i.e. such as gold jewellery, diamond jewellery and luxury watches, which safeguard the interest of our business. If our customers do not redeem their pledge, renew their pawn loans or pay the interest charges upon the expiration of pawn tickets, we will provide a grace period, at our discretion, of up to 3 months, on the day immediately after expiration of grace period, their pawn loans will be categorized as default pawn loan. In such event, we will send the unredeemed pledges for public auction and to recover the pawn loan disbursed and thus mitigate any potential losses.

The economic value generated by our business demonstrates our ability in delivering our value proposition which is providing an alternative and sustainable source of finance for those in need.

#### **Cybersecurity & Data Privacy**

Here at Well Chip, we acknowledge the critical importance of cybersecurity and the protection of our customers' personal information. As a responsible business, we recognise the risks associated with cybersecurity, including the potential for data breaches and data leakage, which could impact the trust of our customers place in us.

During the reporting year, we experienced malware attack that compromised certain IT servers within our network, temporarily restricting access to the data stored on those servers. Upon detecting the breach, we immediately took action to contain, isolate, and remediate the affected systems. To date and based on our investigation, nothing has come to our attention to suggest any external leakage of sensitive customer and employee data.

We take this incident seriously and are committed to strengthening our cybersecurity measures to prevent future occurrences.

## Sustainability Statement (Cont'd)

### ECONOMIC (CONT'D)

#### Cybersecurity & Data Privacy (Cont'd)

Summary of key enhancements undertaken as a result of this incident is as follows:

Key Initiatives	Status
Appoint an external forensic team to investigate the root cause of the ransomware incident, allowing management to identify areas that need strengthening.	Completed
Enhance frequency and continued monitoring of daily backup for all outlets, in order to secure our data.	Continuous
Review and enhance configuration and setup of Virtual Private Network (VPN) encryption and Internet Protocol Security firewall for network data protection.	Completed
Enhance policy on cybersecurity audit – yearly IT Security penetration test.	Continuous
Appointment of external cybersecurity experts to provide the following: <ul style="list-style-type: none"> <li>Enhanced network security monitoring, including detecting suspicious activities, notifying the company, and taking necessary actions such as network blocking and investigation; and</li> <li>Enhanced Endpoint Detection &amp; Respond Software for 24 hours/ 7 days monitoring through a Security Operations Centre ("SOC").</li> </ul>	Completed
Enhance two-factor authentication for VPN access, enabling staff to securely connect to the company server from outside the office.	Completed

As part of our commitment to good governance and transparency, we ensured immediate disclosure of the incident, its impact, and our response to the Bursa exchange, which has resulted in press coverage.

We did not incur any loss of revenue or any legal fines/penalties as a result of this malware attack. All our outlets remain open and operational, and we continue to serve our customers during these turbulent times. We remain grateful to our employees and customers for their continuous support of our business during this period.

As a result of this incident, we incurred costs totalling RM 163,995 due to investigation, internal control review, and contingency expenses stemming from our interim measures.

During the reporting period, we have not received any substantiated complaints or reports from regulatory authorities regarding breaches of customer privacy or loss of data.

Substantiated complaints concerning breaches of customer privacy and losses of customer data <sup>1,2,3</sup>	FY2024	FY2023
	Nil	Nil

- Substantiated complaints refer to written statements by regulatory or similar official body addressed to the company that identifies breaches of customer privacy, or a complaint lodged with the company that has been recognised as legitimate by the company.
- Customer privacy refer to the right of the customer to privacy and personal refuge.
- Breaches of customer privacy refer to non-compliances with existing legal regulations regarding the protection of customer privacy.

Notwithstanding, we continue to ensure our policies and practices comply with local data protection laws such as Malaysia's Personal Data Protection Act (PDPA) 2010. Our commitment to protecting customer information remains a top priority, and we will continue to ensure adequate cybersecurity measures to safeguard data privacy.



## Sustainability Statement (Cont'd)

### ECONOMIC (CONT'D)

#### Anti-Corruption

The Board acknowledges the significance of ethical business conduct to our stakeholders and the imperative to uphold trust throughout our operations as financial crimes undermine both the integrity and trust of the financial system. With respect to this, we ensure compliance with key anti-corruption legislation such as the Malaysian Anti-Corruption Commission (“MACC”) Act 2009 and the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities (“AMLA”) Act 2001.

In accordance with Section 17A of the MACC Act 2009 and Main Market Listing Requirement (“MMLR”), under Chapter 15.29, we have established and continue to ensure effective implementation of anti-corruption policy and procedures.

Subsequently, and as a business involved in pawnbroking and dealings of precious metals, we are deemed as a reporting institution under the AMLA Act 2001 and, therefore have in place AMLA policy and procedures in line with requirements by Bank Negara Malaysia.

As a responsible business, we are cognisant that the adverse impact arising from failure to maintain an effective compliance environment extends beyond legal penalties under various anti-corruption legislation which includes loss of trust among the local community which our business serves and our inability to deliver value to our shareholders. We are aware of, and exercise heightened vigilance; in ensuring we do not encourage any crime (i.e. inbound bribery) or facilitate dealings arising from the proceeds of any crime.

Our anti-corruption and anti-money laundering policy is shaped by our corruption risk assessment and is subject to ongoing enhancements.

<b>Percentage of operations assessed for corruption related risks for FY2024 and FY2023:</b>	100%
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In order to encourage compliance towards our anti-corruption policy and procedures, we are committed to ensuring adequate communication and awareness initiatives are in place. This often takes place in the form of management's compliance monitoring and feedback sessions, top management discussions and meetings and awareness through email/WhatsApp.

To ensure ongoing adherence to our anti-bribery and anti-corruption policies, we also conduct formal and comprehensive anti-corruption training for all employees at planned intervals, or when there is onboarding of key personnel. The following table shows the percentage of employees who have received training on anti-corruption:

Percentage of employees who have received training on anti-corruption training, by employee category	FY2024 (%)	FY2023 (%)
Senior Management	100	Nil
Middle Management	100	
Executive	100	
Non-Executive	100	

The scope of this training extends beyond bribery risks and includes other corruption/compliance risks such as non-compliance to other key legal requirements such as AMLA and data privacy. We continue to review and implement improvements to our training.

During the reporting period, we are pleased to announce that no instances of corruption were identified or reported among our employees or business partners with respect to their employment or business dealings with us.

<b>Number of confirmed incidents of corruption and action taken for FY2024 and FY2023.</b>	Nil
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## Sustainability Statement (Cont'd)

### ECONOMIC (CONT'D)

#### Supply Chain Management

In our commitment to maintaining a consistent supply chain and bolstering the Malaysian economy, we actively support and consistently prioritise local suppliers, provided they meet our stringent criteria for pricing, quality, performance, and ethical standards.

	FY2024	FY2023
Proportion of spending on local suppliers (%)	100%	100%

We continuously assess the performance of our vendors and engage in constructive communication to highlight areas where improvement is needed, fostering a collaborative relationship.

#### Community Investment

We recognise the significance of community involvement in our operational areas. Therefore, we strive to contribute positively to the society in which we operate or those connected by our operations through our economic presence by contributing to a range of individuals and corporations. This initiative focuses on building relationships, addressing concerns, and supporting local development.

Community Engagement	FY2024	FY2023
Total amount invested into the community where the target beneficiaries are external to Well Chip (RM)	55,800	9,813
Total number of beneficiaries of investment in the communities <sup>1,2</sup>	3	100

- Given the difficulty in tracking the exact number of beneficiaries, we are unable to provide precise data on the number of individuals who have benefited from our initiatives.
- For FY2024, we estimated 3 beneficiaries based on the number of legal beneficiaries – MPBA (strategic partner for the event), Southern University College Education Fund and Foon Yew High School Kulai.

The list of events and programmes we contributed to in FY2024 is as listed below:

- Sponsorship of RM50,000 to Pawnbrokers Association of Malaysia (MPBA) being strategic partner for Majlis Anugerah Kredit Madani (AKM) Tahun 2024, which was organised by Ministry of Housing and Local Government on 15 November 2024.
- Donation of RM3,000 to the Southern University College, Johor: A donation was made in support of the university's 49th anniversary. This contribution will be allocated to the University's Education Fund, aimed at enhancing university resources and creating an improved learning environment for students.
- Donation of RM2,800 to Foon Yew High School Kulai, Johor: A donation was contributed to support the school's art initiative, aimed at enhancing the learning environment for students.

Moving forward, we hope to enhance community investment as a strategic tool in enhancing our brand in the local neighbourhood where we operate, build better relationships with relevant stakeholders, and invest in environmental-related causes, as opposed to solely focusing on social causes. However, this is subject to our financial feasibility and impact assessment.

#### Climate Change

Given the pressing nature of the climate crisis and its far-reaching effects – not only to the environment but to people, communities, and our business – we continue to explore our climate related opportunities and risks in this regard.

Recognising the impact of physical and transitional climate risks on our business, along with evolving climate disclosure requirements, we have prepared a separate climate report which is attached to this Sustainability Statement.

## Sustainability Statement (Cont'd)

### SOCIAL

#### Health, Safety & Security

Due to the nature of our business, we are aware of the heightened exposure to robbery and theft which not only lead to economic loss for our businesses but may lead to safety incidents involving our employees.

Therefore, our security and surveillance tools serve as a deterrent from untoward incidents which could harm our customers and employees. Not only do we ensure adequate maintenance of our security and surveillance equipment, but we also have clear procedures and an awareness programme for our employees on what to do in the event of a robbery/theft.

Besides burglary, we have clear policies and procedures for preventing and mitigating other safety threats such as fire.

With respect to health, we are continuously vigilant towards health threats, especially in the aftermath of the Covid-19 pandemic. We have in place a quarantine policy, to ensure at-risk employees do not come to work if they have contracted any infectious disease. Furthermore, our staff are trained to be continuously vigilant, and to wear masks if they identify potential exposures from customers.

In FY2024, a total of 67 employees participated in health and safety training sessions. Additionally, we have implemented various communication and awareness initiatives, including continuous employee engagement, to reinforce a strong safety culture within the organization.

Number of employees trained on health and safety standards	FY2024	FY2023
	67	Nil

To this end, we are pleased to report no work-related fatalities or injuries have occurred during the reporting period.

	FY2024	FY2023
Number of Work-Related Fatalities	Nil	Nil
Loss Time Incident Rate <sup>1</sup>	Nil	Nil

1. Loss time incident rate refers to the loss of productivity associated with accidents or injuries arising out of or in the course of work.

#### Human Capital Management

Well Chip believes that its employees are pivotal to its success. We value the contributions made by our employees towards driving Well Chip's success.

#### Labour Practices & Standards

We strive to uphold labour rights and comply with local employment laws across our operations.

## Sustainability Statement (Cont'd)

### SOCIAL (CONT'D)

#### Human Capital Management (Cont'd)

##### Labour Practices & Standards (Cont'd)

We align our labour practices with the standards set by the International Labour Organization (“ILO”). Below is an overview of our practices:

Areas	Description
Equal Benefits	<ul style="list-style-type: none"> <li>Ensure non-discriminatory benefit practices for all employees. i.e. Equal pay for equal work.</li> </ul>
No Recruitment Fees Policy	<ul style="list-style-type: none"> <li>We support Malaysia’s stance of “No recruitment fee”. Malaysia as a member state of the ILO has adopted a “no recruitment fee” concept from its Fair Recruitment Initiative in 2014 whereby it has been implemented verbally to disclose the responsibilities of the employers in bearing the cost of recruitment.</li> </ul>
Passport Handling	<ul style="list-style-type: none"> <li>As a business, we do not rely on foreign workers. Notwithstanding, we ensure our practices are in line with local laws – which ensures passports or any other travel/identification documents are only held by their rightful owners.</li> </ul>
Employee Accommodation	<ul style="list-style-type: none"> <li>Ensure that housing facilities provided by our company are comfortable and meet the required standards. We are aware on the importance of a comfortable and conducive living space on our employee’s health and well-being – thus allowing them to be productive at the workplace.</li> </ul>
Overtime, Leaves	<ul style="list-style-type: none"> <li>Our practices with respect to overtime and leaves in accordance with requirements under local labour laws.</li> </ul>

During the reporting year, we are pleased to announce that no substantiated complaints were received from any regulatory or official bodies in relation to the violation of human rights of our workers.

<b>Number of substantiated complaints concerning violation of human rights received in FY2024 and FY2023</b>	Nil
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##### Pay & Benefits

To demonstrate our commitment to competitive and fair wages, we offer a competitive entry-level salary, which is higher than the National Minimum Wage. On top of this and subject to confirmation of employment, we offer additional benefits.

Annual benchmarking is in place to ensure that our remuneration packages are in line with the market rate, in order for us to attract and retain talent .

##### Training and Education

In light of the intense competition for talent, nurturing and developing our workforce is paramount to enhancing Well Chip’s future capabilities. Investing in the training and development of our employees is a strategic imperative, essential for both cultivating and retaining our talent pipeline, enabling us to meet present and future demands effectively. By doing so, we can cultivate a robust talent pool comprising of skilled salespersons, capable executives, and adept management associates.



## Sustainability Statement (Cont'd)

### SOCIAL (CONT'D)

#### Human Capital Management (Cont'd)

##### Training and Education (Cont'd)

For FY2024, the Group has conducted a total of 3,628.5 training hours and is analysed as follows:

Total hours of training by employee category	FY2024 (Hours)	FY2023 (Hours)
Senior Management	142.5	10.0
Middle Management	1,015.0	270.5
Executive	401.0	17.5
Non-Executive	2,070.0	1,163.0
Total	3,628.5	1,461.0

##### Utilisation of contractors/temporary staff

We maintain a policy of hiring employees on a permanent rather than a temporary basis to ensure consistency and continuity in delivering our business to customers and meeting the requirements of our stakeholders.

Percentage of employees that are contractors or temporary staff	% for FY2024	% for FY2023
	0%	0%

##### Employee turnover

The following is a breakdown of the number of employee turnover, by employee category. We try to minimise turnover among business-critical and high-performing employees, through continuous employee engagement to identify areas of improvement.

Total number of employee turnover by employee category	Number of Employee Turnover <sup>1</sup>	
	FY2024	FY2023
Senior Management	Nil	Nil
Middle Management	Nil	4
Executive	3	8
Non-Executive	44	32
Total	47	44

1. Employee turnover refers to employees who leave the company voluntarily or due to dismissal, retirement, or death in service.

#### Diversity

##### Employee Diversity

Well Chip is a firm believer in equal opportunity and provides opportunities to employees on meritorious grounds regardless of gender, age, or ethnicity. We recognise the importance of a diverse workforce in terms of the added value it brings to our business; however, we do not compromise on our value which is meritocracy. Therefore, we do not have any diversity-based targets, with respect to recruitment and promotion decisions.

The table below summarises the gender distribution across all employment levels within Well Chip.

Gender Diversity by Employee Category	% for FY2024		% for FY2023	
	Male	Female	Male	Female
Senior Management	20	80	Nil	100
Middle Management	50	50	49	51
Executive	53	47	46	54
Non-Executive	25	75	28	72
Overall Composition	32	68	33	67

## Sustainability Statement (Cont'd)

### SOCIAL (CONT'D)

#### Diversity (Con'd)

##### Employee Diversity (Cont'd)

In terms of age diversity, the majority of our workforce consists of employees who are under the age group of 30 to 50. We believe that having a diverse workforce, inclusive of verifying age groups, contributes to a dynamic and innovative work environment. The breakdown of employee categories by age group is as listed below.

Age Diversity by Employee Category	% for FY2024			% for FY2023		
	<30	30-50	>50	<30	30-50	>50
Senior Management	Nil	80	20	Nil	67	33
Middle Management	2	61	37	6	52	42
Executive	29	65	6	29	71	Nil
Non-Executive	47	43	10	47	44	9
Overall Composition	36	49	15	38	48	14

##### Board Diversity

With respect to board diversity, currently, 4 out of 8 current board members are female which represents 50% of total board composition, above the 30% female representations recommended by the Malaysian Code of Corporate Governance ("MCCG").

Gender diversity within board of directors	% for FY2024		% for FY2023	
	Male	Female	Male	Female
	50	50	50	50

In terms of age diversity of the board members, 6 board members are above the age of 50 years old, with the oldest being 77 years old, whilst the remaining 2 board members are in their mid-40s.

Age diversity within board of directors	% for FY2024			% for FY2023		
	<30	30-50	>50	<30	30-50	>50
	Nil	25	75	Nil	25	75

### ENVIRONMENTAL

#### Energy Management

The Group is aware that energy costs are expected to keep rising, in line with the government's policy of reducing its energy subsidy spending. We have implemented initiatives such as installing energy-efficient lighting and encouraging employees to save electricity by switching off appliances when not in use.

Notwithstanding, our electricity consumption is minimal vis-à-vis industries such as manufacturing, property, and large-scale retailers. Our energy consumption is limited to normal office use and electricity used in lighting up our retail outlets. The table below illustrates the breakdown of Well Chip's energy consumption, by source:

Total Energy Consumed	FY2024 (Megawatt)	FY2023 (Megawatt)
Purchased Electricity	1,048	951
Fuel Consumption <sup>1</sup>	9	Nil
Total Energy Consumed	1,057	951

1. The energy conversion factors used are 9.73 kWh/litre for petrol, which is 100% mineral oil.

## Sustainability Statement (Cont'd)

### ENVIRONMENTAL (CONT'D)

#### Emissions

We are not an emission-intensive business. Our current emissions are mostly from the electricity, which we purchase from the national grid. Therefore, we are reliant on utility service providers' ability to shift to renewable energy sources to reduce our emissions.

For FY2024, we have expanded the scope of our emission disclosure to include Scope 3 emissions. However, our scope 3 emission is limited to emissions incurred by our employees as a result of their employment – business travel and employee commuting.

The following is a summary of our emissions, as a result of our business operations.

Greenhouse Gas (GHG) Emission		FY2024 (tCO <sub>2e</sub> )	FY2023 (tCO <sub>2e</sub> )
Scope 1 - Direct GHG Emissions <sup>1,2</sup>		2	Nil
Scope 2 - Indirect GHG Emissions <sup>3</sup>		811	736
Scope 3 - Indirect GHG Emissions <sup>4</sup>	Business Travel <sup>6</sup>	19	Nil
	Employee Commuting <sup>5</sup>	552	Nil
Total GHG Emissions		1,384	736

1. Scope 1 emissions are direct GHG emissions that occur from sources that are owned or controlled by the Group. The Emission Conversion factor for Scope 1 is derived from the UK Government GHG Conversion Factors for Company Reporting 2024, based on petrol which is 100% mineral oil.
2. Our disclosure of Scope 1 emissions is limited to the fuel consumption of our vehicles only.
3. Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the Group. The emission conversion factor used for purchase electricity for Malaysia is derived from the Malaysia Energy Information Hub: Grid Emission Factor (GEF) in Malaysia, 2017-2022, using the peninsular grid emission factor of 0.774 GgCO<sub>2e</sub>/GWh.
4. We have only begun tracking Scope 3 (employee commuting and business travel) for the reporting year.
5. For employee commuting, emissions are obtained based on employees' estimate of fuel consumption by way of survey. A total of 203 employees participated in this survey.
6. For business travel, distance travelled is estimated from total mileage claims (RM) and Well Chip's mileage claim policy. Subsequently, we estimated the emissions using an average petrol car size emissions factor of 0.0001645 tCO<sub>2e</sub>/KM from UK Government GHG Conversion Factors for Company Reporting 2024. We excluded emissions from any overnight stays and any form of other travel.

#### Water

The Group's water consumption about the treated water provided by local authorities. Given the nature of our operations, our water usage is relatively minimal and limited to washroom use of our employees. The table below summarises the total volume of water used:

	FY2024	FY2023
Total volume of water used (Megalitres/ MI)	5.1	4.9

Nevertheless, we continue to promote water conservation within our business. As part of our outlet maintenance and enhancement initiatives, we do the following:

- Water Efficient Fittings - low-flow faucets and toilets;
- Water Storage Tank - for the collection and storage of water for non-potable use, - reliable supply during shortages (where possible); and
- Inspection and Repairs - replace or repair old pipes, fittings, and equipment as needed.

#### Waste Management

Given the nature of our business, which is pawnbroking, retail and trading of jewellery and gold, most of our waste is paper used in our day-to-day operations. In the current reporting year, we estimate that a total of 2.7 tonnes of paper waste, consisting of A4 papers and pawn tickets, were utilised, and subsequently disposed of.

## Sustainability Statement (Cont'd)

### ENVIRONMENTAL (CONT'D)

#### Waste Management (Cont'd)

Waste Category	FY2024 (Tonne)	FY2023 (Tonne)
Waste directed to disposal <sup>1</sup>	2.7	2.7
Waste diverted from disposal <sup>2</sup>	Nil	Nil
<b>Total Waste Generated</b>	<b>2.7</b>	<b>2.7</b>

1. Waste directed to disposal is based on management's estimate. The basis of this estimate is the amount spend on paper during the reporting year. We estimated 969 kg of paper purchased (444 reams @ 2.18kg per ream) and 2,585kg of pawn tickets (518,046 printed sheets) used in the reporting year.
2. We have yet to put in place recycling measures concerning our paper. Hence, no waste was diverted from disposal.

### CONCLUSION

Our inaugural Sustainability Statement marks the beginning of an essential journey towards a more responsible and sustainable future. As we move forward, we are excited about the possibilities that lie ahead. Our sustainability journey is not just about meeting regulatory requirements; it is about making a positive impact for our stakeholders.

### CLIMATE REPORT

While climate risks have always been an integral part of our risk management strategy, even before our public listing, FY2024 marks our first attempt at a dedicated climate-related disclosures.

Our Board and management are actively monitoring developments in this area. While we recognise the evolving risks and opportunities posed by climate change, our response will be shaped by factors such as our financial performance, the feasibility of climate initiatives, and the effectiveness of government policies supporting a low-carbon, climate-resilient economy. Climate change adaptation is and will remain a work in progress for Well Chip.

The table below outlines Well Chip's approach to addressing the four pillars of climate-related disclosure expounded in IFRS S2 – governance; strategy; risk management and metrics.

Salient areas		Our Responses
Governance		
a)	Describe the Board's oversight of climate-related risks and opportunities.	Climate change issues are overseen through the Sustainability Governance framework as outlined in the "Sustainability Governance Structure" section of our Sustainability Statement.  We recognise the interconnected nature of climate change with other sustainability concerns, including economic performance, health, safety and security, water security, energy security, and impact to nature. We continue to monitor the development in this area.
b)	Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	We have not conducted scenario analysis for physical and transitional climate risks. However, we are aware of the increasing importance of this area and will continue to monitor and evaluate our capacity to carry out such analysis in order to assess and disclose the resilience of our business activities and strategy to climate risks.
b)	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	



## Sustainability Statement (Cont'd)

### CLIMATE REPORT (CONT'D)

Salient areas	Our Responses
Strategy (Cont'd)	
	<p>In line with our commitment to enhanced disclosure and addressing stakeholder needs, we have provided an overview of the key risks and opportunities arising from climate change as follows:</p> <p>Risks posed by climate change to our business:</p> <p><b>a) Security of People and Property</b></p> <p>The increased risk of extreme weather events, such as floods and heatwaves, poses a potential threat to the safety of our staff, the security of our premises, and the protection of valuable assets within our pawn shop.</p> <p>Apart from extreme weather events, we are aware that an increase in the mean temperature as a result of global warming also poses security risk for our people and property.</p> <p><b>Impact:</b></p> <ul style="list-style-type: none"> <li>• Damage to building and infrastructure, leading to costly repairs.</li> <li>• Risk to the physical safety of staff during severe weather events.</li> <li>• Damage or destruction of valuable items in our stores due to weather-related impacts.</li> <li>• Increased operational costs from repairs, inventory loss, or temporary business interruptions.</li> </ul> <p><b>Adaptation Plan:</b></p> <ul style="list-style-type: none"> <li>• Regular property inspections and maintenance schedules.</li> <li>• Continuous monitoring by management personnel on weather, in order to mitigate untoward incidents.</li> <li>• Flood risk assessment when considering new outlets – for expansion.</li> <li>• Contingency plan as part of manpower planning in order to ensure employees that fall ill can take adequate time off to recover, without compromising our business.</li> </ul> <p>Refer: Health, Safety, and Security section of our Sustainability Statement.</p> <p><b>b) Supply Chain Disruption</b></p> <p>Supply chain disruption as a result of climate-related factors extends beyond the availability of inventory for our business and includes the availability of manpower and utilities (i.e. power/water supply) which are essential for our business.</p> <p><b>Impact:</b></p> <ul style="list-style-type: none"> <li>• Disruptions in business operations.</li> </ul>

## Sustainability Statement (Cont'd)

### CLIMATE REPORT (CONT'D)

Salient areas	Our Responses
<b>Strategy (Cont'd)</b>	
	<b>Mitigation plan:</b> <ul style="list-style-type: none"> <li>• Diversifying suppliers to reduce dependency on vulnerable sources.</li> <li>• Periodic review of inventory levels of high-demand items and manpower practices, when required.</li> <li>• Integrate passive design elements (improved ventilation and sun light which allow our outlets to continue to operate despite power disruption.</li> <li>• Ensure our air conditioners adequately meet our store's needs and are properly maintained at all times.</li> <li>• Ensure contingency measures such as Uninterruptible Power Supply (UPS) for critical IT applications such as servers are in place and properly maintained.</li> </ul>
<b>Risk Management</b>	
a) Describe the organisation's processes for identifying and assessing climate-related risks. b) Describe the organisation's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	<p>Our Enterprise Risk Management ("ERM") framework establishes a structure for identifying, assessing, and managing enterprise-level risks across all business functions.</p> <p>We will periodically review our ERM to ensure that climate related risks are actively monitored and managed.</p> <p>Detailed disclosure of our Enterprise Risk Management framework is available in our SORMIC (Statement on Risk Management and Internal Control) section of this Annual Report.</p>

## Sustainability Statement (Cont'd)

### CLIMATE REPORT (CONT'D)

Salient areas	Our Responses
<b>Metrics and Targets</b>	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Key metrics are included in our discussion within the Sustainability Statement, for following areas:</p> <ul style="list-style-type: none"> <li>• Health and Safety – fatalities and loss time injury;</li> <li>• Energy Management – energy consumption; and</li> <li>• Emission Management – Greenhouse Gas (GHG) Emissions.</li> </ul> <p>Apart from the non-financial metrics which we have referred to in our sustainability statement, we also monitor climate risk and opportunities through the financial metrics. This includes:</p> <ul style="list-style-type: none"> <li>• Loss of revenue due to business disruption as a result of weather/climate related events;</li> <li>• Increase in energy costs which is partly attributed to the Malaysian Government's Net Zero aspiration, or disruption due to climate-related events on the energy source;</li> <li>• Increase in cost of inventory due to climate-related disruption at production sites, logistic routes and our operation sites;</li> <li>• Cost of maintenance and asset enhancements due to climate-related factors;</li> <li>• Increase in insurance premium, which can be attributed to climate-related risks; and</li> <li>• Increase in medical expenses or medical insurance claims due to climate-related risks.</li> </ul> <p><u>Targets and our performance</u></p> <p>The Group manages climate related risks and opportunities by monitoring our performance against the following targets:</p> <ul style="list-style-type: none"> <li>• Ensuring zero fatalities and loss time injuries amongst our employees;</li> <li>• Avoiding unexpected and significant financial impact to our profitability;</li> <li>• Ensure that unexpected and significant cost and loss of revenue due to climate-related impact are avoided;</li> <li>• Minimise Scope 2 emissions by optimising electricity consumption;</li> <li>• Reduce Scope 3 emissions for employee commuting and business travel by promoting carpooling and public transport usage.</li> </ul> <p>During the reporting year we did not note any material financial impact to our business, as a result of climate-related risks.</p>
b) Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas ("GHG") emissions and the related risks.	
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

## Sustainability Statement (Cont'd)

### PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
<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
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Middle Management	Percentage	100.00
Executive	Percentage	100.00
Non-Executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
<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	55,800.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	67
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	143
Middle Management	Hours	1,015
Executive	Hours	401
Non-Executive	Hours	2,070
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Middle Management	Number	0
Executive	Number	3
Non-Executive	Number	44
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	80.00
Senior Management Above 50	Percentage	20.00
Middle Management Under 30	Percentage	2.00
Middle Management Between 30-50	Percentage	61.00
Middle Management Above 50	Percentage	37.00
Executive Under 30	Percentage	29.00
Executive Between 30-50	Percentage	65.00
Executive Above 50	Percentage	6.00
Non-Executive Under 30	Percentage	47.00



## Sustainability Statement (Cont'd)

### PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2024
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Non-Executive Between 30-50	Percentage	43.00
Non-Executive Above 50	Percentage	10.00
Gender Group by Employee Category		
Senior Management Male	Percentage	20.00
Senior Management Female	Percentage	80.00
Middle Management Male	Percentage	50.00
Middle Management Female	Percentage	50.00
Executive Male	Percentage	53.00
Executive Female	Percentage	47.00
Non-Executive Male	Percentage	25.00
Non-Executive Female	Percentage	75.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	50.00
Female	Percentage	50.00
Under 30	Percentage	0.00
Between 30-50	Percentage	25.00
Above 50	Percentage	75.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	1,057.00
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	2.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	811.00
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	571.00
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	5.100000
<b>Bursa (Waste management)</b>		
Bursa C10(a) Total waste generated	Metric tonnes	2.70
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00 *
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	2.70 *

Internal assurance

External assurance

No assurance

(\*)Restated

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Well Chip Group Berhad (“Well Chip” or “the Company”) is committed to uphold high standards of corporate governance through maintaining a high standard of corporate governance framework within the Company and its subsidiaries (“the Group”) that promotes ethical conduct, transparency, and sustainable value creation. The Board believes good corporate governance is crucial for long-term organisational success and growth by creating value for and safeguarding the interest of stakeholders.

This Corporate Governance Overview Statement (“Statement”) for the financial year ended 31 December 2024 (“FY2024”) is prepared pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), with guidance drawn from Practice Note 9 of the MMLR and Corporate Governance Guide (4th Edition) issued by Bursa Malaysia. This Statement should be read in conjunction with the Corporate Governance Report (“CG Report”) in which the Company explains its application of each of the principles of the Malaysian Code on Corporate Governance 2021 (“MCCG”) during FY2024. The CG Report is available on the Company’s website at [www.wellchip.com.my](http://www.wellchip.com.my) as well as via an announcement on the website of Bursa Malaysia.

This Statement provides shareholders and other stakeholders with an overview of how the Company has applied the corporate governance principles and practices as set out in the MCCG during FY2024.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

The Company acknowledges the vital role played by the Board in the stewardship of the direction and business operations of the Group and the enhancement of long-term shareholders’ value. To fulfil this role, the Board is committed to embedding sustainability into the Group’s business strategy, encompassing key considerations such as employee well-being, economic growth, environmental stewardship, and social responsibility.

### I. BOARD RESPONSIBILITIES

#### Principal Responsibilities of the Board

The Board’s primary role is collectively responsible for the stewardship of the business of the Company with a view to enhance long term shareholder value and investor interests while considering the interest of other stakeholders and maintaining high standards of transparency, accountability, and integrity. Directors, as stewards of the Company, shall exercise reasonable care and due diligence for a proper purpose and good faith, in the best interests of the Company. Directors are required to keep abreast of their responsibilities as directors and of the conduct, business activities and development of the Company.

In discharging the Board’s duties and responsibilities, the Board is guided by a Board Charter, which sets out the principal role of the Board, the responsibilities and powers of the Board as well as the matters the Board may delegate to its Board Committees – Audit and Risk Management Committee (“ARMC”), Nomination Committee (“NC”), and Remuneration Committee (“RC”), to assist the Board in overseeing the Group’s affairs and in the deliberation of issues within their respective functions and terms of reference which clearly outline their objectives, duties and powers. The Board Charter and the Terms of Reference of the Board Committees are available on the Company’s website and are subject to periodic review, in line with the statutory provisions, regulatory requirements, guidelines, principles and best practices.

The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and resolutions or key matters deliberated at each Board Committee meeting through the minutes and reports from the respective Board Committees’ Chairpersons which are presented to the Board during the Board meeting at appropriate regular intervals.

The Board will continue to establish clear functions reserved for the Board and those delegated to the management. The respective roles and responsibilities of the Board and management are continuously being clarified to improve accountability of both parties. The Board delegates responsibility for the day-to-day operations of the business to the Executive Directors who are assisted by management, recognising their responsibility to ensure the Group operates within a framework of prudent and effective controls. Management provides the Board and the Board Committees with sufficient information and materials.

## Corporate Governance Overview Statement (Cont'd)

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

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

##### Principal Responsibilities of the Board (cont'd)

To enable the Board to discharge its responsibilities in meeting the goals and objectives during FY2024, the Board apart from fulfilling its statutory responsibilities, collectively: -

##### Strategy

- Set the values, standards, objectives, and strategic functions of the Group;
- Together with the management, promote good corporate governance within the Group which reinforces ethical, prudent, and professional behaviour;
- Review, challenge, and decide on the management's proposals for the Group and monitors its implementation by the management; and
- Ensure that the Group's strategic direction supports long-term value creation and included strategies on economic, environmental, and social considerations.

##### Risk Management

- Set the risk appetite within which the Board expects the management to operate and ensure that there is a sound risk management framework to identify, analyse, evaluate, manage, and monitor significant financial and non-financial risks faced by the Group; and
- Understand the principal risks of the Group's business and recognise that business decisions involve the appropriate risks.

##### Compliance

- Review, approve and monitor compliance with corporate policies;
- Oversee, review, and monitor the operation of the Group's procedures to ensure compliance with relevant legislation;
- Being aware of and where appropriate, review any litigation, actions, transactions, issues, and reports to external/third parties which impact the Group, and which may attract public interest.

##### Internal Controls

- Oversee, review, and monitor the operation, adequacy, and effectiveness of the Group's reporting systems and overall framework of internal controls established by the management including operational, accounting, and financial reporting controls.

Aside from the core responsibilities listed above, significant matters requiring deliberation and approval from the Board are defined by the Board in the Board Charter as matters reserved for the Board for consideration and approval during Board meetings.

The Independent Non-Executive Directors plays a crucial role in ensuring the strategies proposed by management are properly deliberated and reviewed to ensure the interest of all shareholders are given due consideration in the decision-making process. They are also actively involved in deliberation of various Board Committees.

## Corporate Governance Overview Statement (Cont'd)

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

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

##### Chairman of the Board

The Chairman's responsibilities include leading the Board, guiding the meeting processes, setting the agenda for all Board of Directors meetings, and ensuring that the Board and its Committees operate efficiently. The Chairman does not hold membership in any of the Board Committees.

The responsibilities of the Chairman, amongst others, are as follows: -

- To lead the Board and ensure its effectiveness of all aspects of its role;
- To ensure the efficient organisation and conduct of the Board's function and meetings;
- To ensure balance of power and authority, such that no one individual has unfettered powers of decision making;
- To facilitate the effective contribution of all Directors at Board meetings;
- Lead the Board in establishing and monitoring good corporate governance practices;
- To promote constructive and respectful relations between Directors, and between the Board and the management; and
- To ensure effective communication between the Board, management, and shareholders.

##### Separation of Chairman and Chief Executive Officer

The role of Board Chairman is distinct and separate from that of the Chief Executive Officer to enhance their respective independence, accountability, and responsibility. The Board Chairman is responsible for leading the Board, facilitating effective meetings, promoting active participation, ensuring good governance, and maintaining clear communication with management and shareholders. Meanwhile, the Chief Executive Officer, who also serves as an Executive Director, is tasked by the Board with overseeing daily operations, ensuring compliance with laws and ethics, oversees the overall operations of the Company, acting as a liaison between the Board and Management, and executing policies, strategies, and decisions approved by the Board.

##### Company Secretaries

The Board is supported by qualified and experienced external Company Secretaries who is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and licensed secretary authorised by Companies Commission of Malaysia, who provide active support on secretarial functions to the Board and Board Committees. The Company Secretaries attend Board and Board Committee meetings and ensure meeting procedures are followed, and record minutes of meeting accurately to reflect the deliberations and decisions of the Board, including any concerns raised by individual Directors or dissenting views expressed.

The Company Secretaries also have the responsibility to play a vital role in supporting the Board on governance and other compliance matters and securities laws, including the Companies Act 2016 ("CA 2016"), MMLR and the Capital Markets and Services Act 2009 ("CMSA").

The Company's statutory records are maintained accordingly at the Company's registered office.



## Corporate Governance Overview Statement (Cont'd)

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

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

##### Board Meeting and Access to Information and Advice

The Board has full and unrestricted access to all information related to the Company's business and operations, as well as direct access to management, Company Secretaries, and external auditors to support the effective discharge of their duties. When necessary, the Directors may liaise directly with management to request additional explanations, information, or updates on specific business matters. They are also entitled to seek independent professional advice, including from internal or external auditors, at the Company's expense, to ensure they have sufficient knowledge to make well-informed decisions.

To facilitate effective deliberations at Board and Board Committee meetings, the notice of the meeting, agenda, draft minutes of the previous meeting, and accompanying materials such financial reports are circulated to the Board of Directors at least seven (7) days before the meeting via email. This ensures Directors have adequate time and information to review and prepare for meaningful discussions. In situations requiring critical decisions, meetings may be convened with shorter notice. Management and external advisors may also be invited to provide insights, information, and clarifications on agenda items, supporting the Board in making informed decisions.

During FY2024, the Board met six (6) times where it deliberated and considered various matters including financial results, operations performance, strategic decisions, risk management and other matters requiring the Board's decision. All proceedings of the Board meetings are minuted and circulated to the Board members in advance of the next Board meeting. When necessary, decisions of the Board are also made by way of circular resolutions in between scheduled Board meetings. During the Board meetings, the Chairman of NC, RC and ARMC will brief the Board on the salient matters, recommendation, significant issues, risk matters and findings which require the Board's attention, approval, and direction.

Name of Director	Designation	Attendance
Mak Lye Mun	Independent Non-Executive Chairman	6/6
Yeah Hiang Nam	Non-Independent Non-Executive Director	6/6
Yeah Chia Kai	Non-Independent Non-Executive Director	6/6
Ng Hooi Lang	Executive Director and Chief Executive Officer	6/6
Tang Soo Yen	Executive Director and Director of Retail and Merchandising	6/6
Dr. Yap Lang Ling	Independent Non-Executive Director	6/6
Chan Kam Chiew	Independent Non-Executive Director	6/6
Wong Chin Chin	Independent Non-Executive Director	6/6

##### Board Charter

The Board is guided by a Board charter for the effective discharge of its fiduciary duties. The Board Charter serves as the framework for the Board, which sets the authorities, roles, functions, composition, and responsibilities of the Board to assist directors of the Company to be aware of their roles, duties and responsibilities and to effectively discharge their fiduciary duty in managing the affairs of the Company.

The Board Charter outlines the respective responsibilities of the Board, the Chairman and the Executive Directors, covering essential areas such as Board appointments, succession planning, the establishment of Board Committees, stakeholder engagement, and risk management. By providing clear governance principles, the charter supports effective decision-making and accountability at all levels of the organisation.

For transparency and accessibility, the Board Charter is published and available on the Company's website at [www.wellchip.com.my](http://www.wellchip.com.my).

## Corporate Governance Overview Statement (Cont'd)

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

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

##### **Code of Conduct and Ethics**

The Board is committed in maintaining good corporate integrity and adopted the code of conduct and ethics to promote the corporate culture which engenders ethical conduct that permeates throughout the Group. The Code provides clear policy statements defining the standards of behaviour and ethical conduct expected of all individuals within the organisation.

Compliance with the code of ethics extend beyond employees and directors to include contractors, consultants and other representatives performing work or services on behalf of the Group. This ensures that ethical standards are maintained across all business operations.

The Code will be reviewed periodically in accordance with the needs of the Group and is published on the Company's website at [www.wellchip.com.my](http://www.wellchip.com.my).

##### **Whistleblowing Policy**

The Board has established a Whistleblowing Policy, reflecting its commitment to the highest standards of corporate ethics. This policy underscores the Group's dedication to conducting its operations ethically, responsibly, and transparently. It provides a confidential channel for employees and stakeholders to report suspected misconduct or concerns related to the Group's Code of Ethics and Conduct, ensuring protection for individuals who raise such concerns in good faith.

The Board will review the Whistleblowing Policy periodically to ensure its relevance and effectiveness. The policy is published and available on the Company's website at [www.wellchip.com.my](http://www.wellchip.com.my).

##### **Anti-Bribery and Anti-Corruption Policy**

The Group adopts a "Zero tolerance" policy against all forms of bribery and corruption and is committed to conducting business professionally and upholding high standards of ethics and integrity. In this regard, the Group has adopted the Anti-Bribery and Anti-Corruption Policy to ensure compliance with and adherence to all applicable laws including, amongst others, the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") and any of its amendments that may be made by the relevant authority from time to time. The Anti-Bribery and Anti-Corruption Policy will be reviewed by the Board from time-to-time, at least once every three (3) years and make necessary amendments if required to ensure that it continues to remain relevant, appropriate and effective in its execution and to ensure continued compliance with prevailing law. The policy is published and available on the Company's website at [www.wellchip.com.my](http://www.wellchip.com.my).

##### **Anti-Money Laundering Policy**

The Board has implemented an Anti-Money Laundering (AML) Policy to prevent the misuse of Well Chip's products and services for money laundering and terrorist financing (ML/TF), in compliance with the Anti-Money Laundering, Anti-Terrorism Financing, and Proceeds of Unlawful Activities Act 2001 (AMLA). This policy aligns with Bank Negara Malaysia's (BNM) guidelines and supports efforts to combat ML/TF activities effectively. The policy is published and available on the Company's website [www.wellchip.com.my](http://www.wellchip.com.my).

##### **Fit and Proper Policy**

The Fit and Proper Policy guides the Board and the NC in reviewing and assessing existing directors for reappointment and evaluating candidates for nomination or appointment as directors of the Company. It ensures that individuals appointed or re-elected as directors possess the required qualities, including integrity, competence, character, commitment and meets the fit and proper criteria. The policy is published and available on the Company's website at [www.wellchip.com.my](http://www.wellchip.com.my).

## Corporate Governance Overview Statement (Cont'd)

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

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

##### Sustainability Governance

The Board is cognisant of the importance of business sustainability. The Board has the overall responsibility of overseeing the Group's sustainability matters, its direction and performance. The impact on economic, environmental, and social aspects is always taken into consideration by the Board when developing and implementing any strategies, business plans, major plans of action and risk management of the Group. The Sustainability Statement of the Group provides an overview of the sustainability performance for the financial year ended 31 December 2024 and is included in the Annual Report 2024.

#### II. BOARD COMPOSITION

##### Independent Directors

The Board consists of eight (8) members, comprising four (4) Independent Non-Executive Directors and four (4) Executive Directors. This composition meets the MMLR, which requires a minimum of two (2) or one-third (1/3) of the Board members, whichever is greater, must be Independent Directors.

Name	Designation
Mak Lye Mun	Independent Non-Executive Chairman
Yeah Hiang Nam	Non-Independent Non-Executive Director
Yeah Chia Kai	Non-Independent Non-Executive Director
Ng Hooi Lang	Executive Director and Chief Executive Officer
Tang Soo Yen	Executive Director and Director of Retail and Merchandising
Dr. Yap Lang Ling	Independent Non-Executive Director
Chan Kam Chiew	Independent Non-Executive Director
Wong Chin Chin	Independent Non-Executive Director

Currently, the Board includes four (4) women Directors, representing 50% of its total composition. Therefore, the Board composition aligns with:

- (i) Practice 5.2 of the MCCG, which recommends that at least half of the Board comprises Independent Non-Executive Directors; and
- (ii) Practice 5.9 of the MCCG, which requires for at least 30% women representation on the Board.

The NC periodically reviews the size and composition of the Board to ensure it is appropriate for effective discussion and decision-making while maintaining strong independence. No single individual or small group dominates the Board's decisions. All Independent Non-Executive Directors are free from management influence and have no family or business relationships with the Executive Directors or major shareholders that could compromise their independent judgment.

The NC, with the Board's agreement, considers the current Board size optimal for the Group's operations. It reflects a well-balanced mix of financial, technical, and business expertise, essential for the effective governance and stewardship of the Group.

## Corporate Governance Overview Statement (Cont'd)

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

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

##### Tenure of Independent Directors

The Board acknowledges Practice 5.3 of the MCCG, which recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the cumulative nine (9) years, if the Board intend to retain the said Director as Independent, the Board must provide justification and seek shareholders' approval via two-tier voting process. Alternatively, the Board may or re-designate the Director as Non-Independent Director. An Independent Director who has served a cumulative term of twelve (12) years is required to either resign from the Board or be re-designated as a Non-Independent Director.

The current Independent Directors are strong individuals demonstrating independence. The Board believes independence is a result of a director's state of mind and integrity and not dependent on the years of service. The experience of the Independent Directors is valuable for continued stability and growth.

The Board believes it is the best position to evaluate and determine whether any Independent Director can continue to provide independent and objective judgement during board deliberations and act in the best interests of the Company. The NC will continue, on an annual basis to assess the independence of the Independent Directors.

##### Appointment of Board and Key Senior Management

The NC is responsible for identifying, assessing, and recommending suitably qualified directors to the Board for appointment. The NC periodically evaluates the composition and performance of the Board to ensure these objectives are adopted in the processes of board recruitment, performance evaluation, and succession planning, further supporting the Company's commitment to a diverse and effective Board. In addition to the Board, the NC also evaluates Key Senior Management to ensure strong leadership and effective governance across the organisation.

The Board has a good balance of members such that no one individual or a small group of individuals can dominate the Board's decision-making process. The Board consists of directors that include professionals from various backgrounds, with different experiences and knowledge. With their diverse backgrounds and specialisations, the directors bring along a wide range of experience, expertise, and perspective in discharging their responsibilities and duties as stewards of the Company. The Board recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

##### Gender Diversity

Although the Company has not established a formal gender diversity policy for the Board, it actively promotes gender diversity, and it is evidenced by the presence of four (4) women Directors, who represent 50% of the Board's composition. Their inclusion aims to enhance diversity in the Board's deliberations and decision-making processes while encouraging greater participation of women on the Board. The Board also recognising the importance of enhancing diversity at the Board level as a key factor in achieving the Company's strategic objectives. Board member appointments are guided by objective criteria, merit, and careful consideration of diversity in skills, experience, age, cultural background, and gender.

##### Identifying Candidates for Appointment and Re-appointment of Directors

The NC is responsible for identifying candidates to the Board to fill the vacancy arising from resigning, retirement, or any other reasons, and if there is a need to appoint additional directors with the required skill or expertise.

In selecting a suitable candidate, the NC considers factors such as skills, experience, age, gender cultural background, competence, and time commitment, including the suitability of those seeking re-election. For the appointment of an Independent Director, the NC shall also assess whether the candidate meets the requirements for independence based on the criteria prescribed in the MMLR and the fit and proper criteria assessment.



## Corporate Governance Overview Statement (Cont'd)

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

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

##### Identifying Candidates for Appointment and Re-appointment of Directors (cont'd)

In evaluating the suitability of candidates for the Board, the NC takes into consideration the following aspects, in line with the Directors' Fit and Proper Policy of the Company, as follows: -

- (a) Character and integrity
  - Probity
  - Personal integrity
  - Financial integrity
  - Reputation
- (b) Experience and competence
  - Qualification, training, and skills
  - Relevant experience and expertise
  - Relevant past performance or track record
- (c) Time and commitment
  - Ability to discharge role having regard to other commitments
  - Participation and contribution in the board or track record

The appointed individual will stand for re-election at the next AGM in accordance with the Constitution of the Company. The suitable candidates to be considered for the appointment as Directors are facilitated through recommendations from the Directors, management, and shareholders of the Company. The NC may seek professional advice from independent search firms as and when the NC considers it necessary to identify and short-list suitable candidates.

The process for assessing the fitness and propriety of the responsible persons is summarised as follow: -

- Identification of skills applicable/required for new candidates;
- Selection of candidates/annual evaluation of existing directors;
- "Fit and Proper" assessment by the NC;
- Interaction with candidates(s) and between existing directors;
- NC's evaluation, deliberation, and confirmation that the Responsible Person is fit and proper for purposes of the Board and the Company;
- Recommendation by NC for the Board's approval; and
- Decision by the Board on the recommended appointment/evaluation of the new or existing director, as the case may be.

In accordance with the Company's Constitution, all Directors are required to retire and be eligible for re-election at the first Annual General Meeting ("AGM"). At every subsequent AGM, one-third (1/3) of the Directors, or the closest number to one-third (1/3), must retire and may offer themselves for re-election. Additionally, all Directors must retire at least once every three (3) years, but they remain eligible for re-election. The Directors to retire each year are those who have served the longest since their last election. In cases where multiple Directors were appointed on the same day, the decision on who will retire is determined by lot unless they reach an agreement among themselves.

In the event of any vacancy in the Board composition resulting in non-compliance with the MMLR, the Company will fill the vacancy within 3 months.

Before commending a director for re-election or re-appointment, the NC reviews the Director's tenure, performance, and contributions to the Board to ensure they continue to meet the required standards.

In FY2024, there was no new Director appointed for the Company.

## Corporate Governance Overview Statement (Cont'd)

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

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

##### Nomination Committee

The NC established by the Board comprises exclusively of three (3) Independent Non-Executive Directors. Three (3) NC meetings were held during the FY2024. Details of the NC members meeting attendance during the FY2024 are as follows: -

Name	Designation	Meeting Attendance
Wong Chin Chin (Independent Non-Executive Director)	Chairperson	3/3
Chan Kam Chiew (Independent Non-Executive Director)	Member	3/3
Dr. Yap Lang Ling (Independent Non-Executive Director)	Member	3/3

The NC's Terms of Reference is available on the Company's website at [www.wellchip.com.my](http://www.wellchip.com.my).

##### Board Assessment and Annual Evaluation

The Board through the NC, conducts an annual evaluation to review the performance of each Individual Director and the effectiveness of the Board and its Board Committees as well as the Independent Non-Executive Directors. These assessment focuses mainly on the performance of Individual Directors, attendance, competencies and skill, participation, and contribution of the Directors to the Board Committees meetings and the Company.

The evaluation form is accessible to the Board and its Committees through the designated assessment tools and approaches for board evaluation. The summary of the assessments and evaluations conducted by the NC in fulfilling its responsibilities, are documented in the NC minutes.

As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and Individual directors, the NC considers the balance of skills, experience, expertise, independence, and the diversity representation on the Board.

The NC is satisfied with the Board's composition, being well balanced with the required mix of skills, experience, knowledge, and competencies, which is required for an effective Board.

For FY2024, the NC: -

- Reviewed the evaluation forms on the performance of the Board, Individual Directors, Board Committees, Chief Executive Officer, and Chief Financial Officer based on relevant terms of reference and Board policies;
- Reviewed the composition of the Board based on the required mix of skills, experience and other qualities;
- Reviewed the composition of the Board Committees based on their compliances with the provisions of the regulations;
- Assessed the independence of the Independent Non-Executive Directors;
- Reviewed the evaluation forms and ratings for the directors' assessment;
- Assessed the overall Board and its Committees' performance and effectiveness;
- Evaluated the directors to ensure they satisfied the fit and proper criteria; and
- Presented the outcome of the annual assessment and evaluation for directors during a Board meeting.

The NC is satisfied that sufficient time and attention were given by each director to the affairs of the Company.

Any director accepting new directorships in the other companies will be required to make known to the Board prior to his/her new appointment and give commitment to the Board that his/her time for attending board meetings will not be compromised in any manner.

## Corporate Governance Overview Statement (Cont'd)

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

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

##### Time commitment

The Directors understand the time commitment required to address the Company's affairs, including attending Board, Board Committee, and other meetings. The annual Board meeting calendar is prepared and agreed upon with the Directors before the start of each new financial year.

The Board meets on a quarterly basis with additional meetings being convened when necessary to address urgent matters. All Directors have met the minimum attendance requirement of 50% of the total board meetings held during the financial year, as mandated by MMLR. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

##### Directors' Training

The Directors recognise the importance of continuous development to update themselves and to further enhance their skills, knowledge and better equip themselves to effectively discharge their fiduciary duties. All directors are encouraged to attend external professional programmes which are relevant and useful in contributing towards the effective discharge of their duties as directors.

All directors have completed the Mandatory Accreditation Programme (MAP) Part 1 as required by MMLR. The details are disclosed in Directors' Training section in this Annual Report.

#### III. REMUNERATION

##### Remuneration Policy

The remuneration policy outlines the principles and guidelines for the remuneration of the Directors and Key Senior Management of the Group. A fair remuneration package is crucial for attracting and retaining the right talent within the Board and senior management, enabling them to pursue the long-term objectives and ensure Group's business sustainability.

The Board will review for approval, recommendations made by the RC on the remuneration packages of Executive Directors and Key Senior Management. The fee of Non-Executive Directors is subject to shareholders' approval at the AGM.

Non-Executive Directors are paid fixed annual Director's fees as members of the Board and Board Committees. The RC recommends the Directors' fees payable to the Board and deliberated at the Board before being tabled at the AGM for shareholders' approval. The amount of remuneration for each Non-Executive Director varies with the level of responsibilities undertaken by the individual.

In addition to fixed annual Director's fees, Non-Executive Directors are paid a meeting allowance. In recognition of the additional time and commitment required, the Chairman of the respective Board Committees also receives an annual fixed fee for their chairmanship of the respective Board Committees. Individual Directors are not permitted to participate in the discussion and decision of their own remuneration.

## Corporate Governance Overview Statement (Cont'd)

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

#### III. REMUNERATION (CONT'D)

##### Remuneration Committee Composition

The RC established by the Board comprises exclusively of three (3) Independent Non-Executive Directors. Three (3) RC meetings were held during FY2024 and details of the RC members attendance during FY2024 are as follows: -

Name	Designation	Meeting Attendance
Dr. Yap Lang Ling (Independent Non-Executive Director)	Chairperson	3/3
Chan Kam Chiew (Independent Non-Executive Director)	Member	3/3
Wong Chin Chin (Independent Non-Executive Director)	Member	3/3

The RC's Terms of Reference is available on the Company's website at [www.wellchip.com.my](http://www.wellchip.com.my).

For FY2024, the RC: -

- Reviewed and recommended to the Board to seek the shareholders' approval on the proposed directors' fees and benefits payable for FY2024 until the next AGM of the Company.
- Established formal and transparent process for approving remuneration of the Board and Committee and Key Senior Management.
- Formulated the Remuneration Policy for the Board of Directors and Key Senior Management.
- Reviewed and recommended to the Board on the remuneration for Compliance Officer.
- Reviewed and recommended to the Board on the annual salary increment for the Chief Financial Officer.
- Reviewed and recommended to the Board FY2025 Key Senior Management's salary increment, annual bonus and one-off performance bonus.
- Initiated Board remuneration review and appointed external consultant in March 2025 to conduct remuneration review.

## Corporate Governance Overview Statement (Cont'd)

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

#### III. REMUNERATION (CONT'D)

##### Directors' Remuneration

The Board is of the view that the transparency and accountability in corporate governance related to Directors' remuneration are adequately disclosed.

Details of the remuneration of the directors (Company and Group) for FY2024 are as follows: -

##### Company

Category	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefit-in-kind (RM)	Other emoluments (RM)	Total (RM)
<u>Executive Directors</u>							
Ng Hooi Lang	–	–	–	–	–	–	–
Tang Soo Yen	–	–	–	–	–	–	–

<u>Non-Executive Directors</u>							
Mak Lye Mun	135,000	4,000	–	–	–	–	139,000
Yeah Hiang Nam	35,000	4,000	–	–	–	–	39,000
Yeah Chia Kai	35,000	4,000	–	–	–	–	39,000
Dr. Yap Lang Ling	80,000	8,500	–	–	–	–	88,500
Chan Kam Chiew	90,000	8,500	–	–	–	–	98,500
Wong Chin Chin	80,000	8,500	–	–	–	–	88,500

##### Group

Category	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefit-in-kind (RM)	Other emoluments (RM)	Total (RM)
<u>Executive Directors</u>							
Ng Hooi Lang	9,000	3,427	288,000	55,836	–	42,874	399,137
Tang Soo Yen	4,500	3,427	264,000	51,597	–	38,136	361,660

<u>Non-Executive Directors</u>							
Mak Lye Mun	135,000	4,000	–	–	–	–	139,000
Yeah Hiang Nam	35,000	4,000	–	–	–	–	39,000
Yeah Chia Kai	35,000	4,000	–	–	–	–	39,000
Dr. Yap Lang Ling	80,000	8,500	–	–	–	–	88,500
Chan Kam Chiew	90,000	8,500	–	–	–	–	98,500
Wong Chin Chin	80,000	8,500	–	–	–	–	88,500



## Corporate Governance Overview Statement (Cont'd)

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

#### III. REMUNERATION (CONT'D)

##### Directors' Remuneration (cont'd)

The details of the remuneration of the top five (5) Key Senior Management (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM50,000 during the financial year ended 31 December 2024 are as follows: -

Number of Top Key Senior Management	Remuneration Band Per Annum (RM)
3	350,001 – 400,000
1	250,001 – 300,000
1*	< RM50,000

\* From date of service as employed during the year.

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. AUDIT AND RISK MANAGEMENT COMMITTEE

##### Audit And Risk Management Committee Composition

The ARMC established by the Board comprises exclusively of three (3) Independent Non-Executive Directors. Four (4) ARMC meetings were held during FY2024. Details of ARMC members meeting attendance during FY2024 are as follows: -

Name	Designation	Meeting Attendance
Chan Kam Chiew (Independent Non-Executive Director)	Chairman	4/4
Dr. Yap Lang Ling (Independent Non-Executive Director)	Member	4/4
Wong Chin Chin (Independent Non-Executive Director)	Member	4/4

The ARMC's Terms of Reference is available on the Company's website at [www.wellchip.com.my](http://www.wellchip.com.my).

The Chairman of the ARMC is not the Chairman of the Board. The members of the ARMC are financially literate with at least one (1) member being a member of the Malaysian Institution of Accountants ("MIA"). The ARMC members collectively possess a mix of skills, knowledge, and experience to discharge their duties and responsibilities to oversee the financial reporting process, internal controls, risk management and governance effectively and independently.

None of the members of the ARMC were a former key audit partner of the present auditors of the Group. The Terms of Reference of the ARMC includes a clause that requires a former key partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

The ARMC assist the Board in fulfilling its statutory and fiduciary responsibilities of overseeing, monitoring, and assessing the reliability of the Group's financial management, accounting process, financial reporting practices and system controls. Additionally, the ARMC is responsible for assessing the independence of both external and internal audit function providing direction and oversight functions on behalf of the Board. Details of the ARMC activities in FY2024 are set out in the ARMC Report.

## Corporate Governance Overview Statement (Cont'd)

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

#### I. AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

##### Compliance with Applicable Financial Reporting Standards

The Board is assisted by the ARMC in overseeing the financial reporting processes and ensuring the quality of its financial reporting. The Board strives to provide shareholders with a balanced and meaningful evaluation of the Group's financial performance, financial position, and prospects through the annual audited financial statements, interim financial reports, Annual Report, and announcements to Bursa Malaysia.

##### External Auditors

The ARMC maintains a transparent relationship with the external auditors. Under the ARMC's Terms of Reference, the ARMC is to review the suitability, objectivity, and independence of the external auditors annually.

The Board strives to establish a transparent and professional relationship with the external auditors with the assistance of the ARMC. Participation of the Executive Directors and/or management in the ARMC meeting is strictly by invitation only, so the external auditors can highlight any issues or concerns on the Group's operations and management practices.

The ARMC obtains written assurance from the external auditors confirming they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Upon completion of the assessment and if found suitably by the ARMC, the external auditors would then be recommended to the Board for their re-appointment, and thereafter for tabling to the shareholders of the Company for approval at the AGM.

#### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### Effective Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility in maintaining a sound system of internal controls and risk management as well as reviewing its adequacy and effectiveness to safeguard shareholders' investment and the Group's assets. However, the Board recognises this is a concerted and on-going process, whereby such system is designed to manage rather than eliminate the risk of failure. In pursuing these objectives, the system of internal controls can only provide reasonable and not absolute assurance against any material misstatement or loss.

The Board regards risk management as an integral part of the business operations, and the directors acknowledge their responsibility to maintain a sound system of internal controls. The Board recognises its overall responsibility for continuous review and maintenance of the system of internal controls with the assistance of the ARMC together with the internal auditors, and the ARMC.

For FY2024, the Board engaged an independent consultant, BDO Governance Advisory Sdn. Bhd., to carry out an Enterprise Risk Management (ERM) assessment. The assessment was based on the principles and guidelines of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Enterprise Risk Management (ERM) Framework, with the goal of improving risk management practices. The ERM serves as a fundamental management competency, incorporating a structured and systematic process to identify business risks and mitigate their impact on the Group. This process includes:

- Identification of each business risk;
- Measurement of the identified business risk;
- Implementation of controls or risk management strategies aligned with the Group's policies and strategies; and
- Continuous monitoring and communication of risks associated with any activity, function, or process, enabling the Group to minimise losses and capitalise on opportunities.

## Corporate Governance Overview Statement (Cont'd)

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

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

##### Effective Risk Management and Internal Control Framework (cont'd)

The completion of the ERM process resulted in the development of a two-year risk-based internal audit plan, designed around key auditable areas aligned with significant risks.

The external auditors are appointed by the Board to review the Statement on Risk Management and Internal Control ("SORMIC") and to report thereon. The details regarding the Group's internal control system and its effectiveness are provided in SORMIC in this Annual Report.

##### Effective Internal Audit Function

The Board is aware that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control. The main role of the internal audit function is to review the effectiveness of the system internal control, and this is performed with impartiality, proficiency and due for professional care.

An independent professional firm, BDO Governance Advisory Sdn. Bhd. was engaged to handle the function and reports directly to the ARMC. For FY2024, the Board engaged BDO Governance Advisory Sdn. Bhd. to perform the internal audit of the Anti-Bribery and Anti-Corruption Management. The internal auditors provide an independent assessment of the adequacy, efficiency, and effectiveness of the Group's internal control system. The internal auditors' audit plan, nature and scope of the internal audit were approved by the ARMC prior to the commencement of their audit.

None of the internal audit members have any family relationship with any director and/or major shareholder of the listed issuer and any conflict of interest with the listed issuer, which could impair their objectivity and independence. Further details can be found under the SORMIC, and the Audit Committee Report in this Annual Report.

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### I. ENGAGEMENT WITH STAKEHOLDERS

The Board places significant importance on transparent and effective communication with its stakeholders. This commitment is upheld through various channels and practices to ensure timely and accurate dissemination of material information in compliance with regulatory requirements.

##### (a) Discussion with Management

The Board holds discussions with the Management team prior to disseminating material information and corporate disclosures in order to comply with the Listing Requirements.

##### (b) Compliance with Regulatory Guides

In making decisions regarding disclosures and announcements, the Board adheres to the Corporate Disclosure Guide issued by Bursa Malaysia, ensuring alignment with regulatory standards.

## Corporate Governance Overview Statement (Cont'd)

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

#### I. ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

##### (c) Communication Measures:

##### (i) Announcements to Bursa Malaysia

Timely updates, material information, and periodic financial reports are communicated through official announcement to Bursa Securities. Shareholders and investors can access these announcements via the dedicated Bursa Securities website at [www.bursamalaysia.com](http://www.bursamalaysia.com) or the Company's website at [www.wellchip.com.my](http://www.wellchip.com.my).

##### (ii) Company Website

The Company website containing pertinent information about the Group's activities, financial performance, strategic developments, and other matters relevant to stakeholders' interests.

##### (iii) Annual Report

The Company's Annual Reports serves as a central communication tool to shareholders, providing insights into the Group's operations, activities, performance for the financial year, and compliance status with regulatory requirements.

##### (iv) AGMs/ General Meetings

AGMs and General Meetings serves as crucial forums for shareholders to engage in meaningful dialogue and raise pertinent issues concerning the Group.

##### (v) Investor Relations

Shareholders and interested parties are encouraged to engage with the Company through various communication channels, including written correspondence, telephone, or facsimile, using the following contact details:

Address: No. 23-01 & 23-02, Jalan Harmonium 35/3,  
Taman Desa Tebrau, 81100 Johor Bahru, Johor.

Telephone No.: 607-354 4621

Email Address: [ir@wellchip.com.my](mailto:ir@wellchip.com.my)

## Corporate Governance Overview Statement (Cont'd)

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

#### II. CONDUCT OF GENERAL MEETINGS

The AGM serves as a vital platform for shareholders to address and clarify any concerns related to the Group, gaining deeper insights into its activities and performance. Both individual and institutional shareholders are encouraged to actively engage with the Board during the AGM, participating in discussions and voting on resolutions. All Directors and Key Senior Management personnel are present to respond to shareholders questions during the AGM. Additionally, the Board remains accessible to members of the press post-AGM.

In accordance with the Board Charter, the Company ensures shareholders are given adequate notice prior to the AGM, providing them sufficient time to plan their attendance. Demonstrating its commitment to good governance, the Notice of the AGM will be issued at least 28 days before the scheduled date. This approach promotes transparency, encourages stakeholder participation, and aligns with Practice 13.1 of the MCCG.

The Company convened its first AGM prior to its listing on the Main Market of Bursa Malaysia. The upcoming AGM, scheduled to be held physically on 23 June 2025, will mark the Company's second AGM and the first since its listing on the Main Market of Bursa Malaysia. Shareholders who are unable to attend in person will have the option to appoint proxies to attend and vote on their behalf.

In compliance with paragraph 8.29A of the Listing Requirements of Bursa Malaysia, poll voting is mandatory for resolutions outlined in the AGM notice. All resolutions tabled at the AGM will be voted by way of poll. An independent scrutineer is appointed to validate the votes cast at the AGM. The outcome of all resolutions tabled at the AGM shall be announced to Bursa Malaysia on the same day after the meeting.

### DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The CA 2016 requires the Directors to prepare financial statements that provide a true and fair view of the Company and the Group as at the end of the financial year, as well as the results of their operations and cash flows for the financial year. The Board is 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 and reflect a true and fair view of the Company's and the Group's financial position, results, and cash flows for the financial year under review.

The Directors ensured that the Company maintain proper accounting and other records, which disclose, with reasonable accuracy, the financial position of the Company and the Group at any time and enable them to ensure that the financial statements comply with the Act and the applicable approved accounting standards.

### CONCLUSION

This Statement, together with the Corporate Governance Report has been approved by the Board on 16 April 2025.



## DIRECTORS' TRAINING

The Board recognises the importance of continuous training for its members and remains committed to identifying their training needs. This ensures they are well-equipped to fulfill their responsibilities effectively while staying informed about regulatory and business environment changes, sustainability-related matters, and industry developments relevant to the Group.

The Directors had participated in the Mandatory Accreditation Programme (MAP) Part 1 which covered essential principles of good corporate governance and fiduciary duties, while Part 2 focused on overseeing the Company's material sustainability matters.

Below are the training details attended by our directors during the financial year ended 31 December 2024:

Director	Description	Date
Mak Lye Mun	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP)</li> </ul>	<ul style="list-style-type: none"> <li>10-11 June 2024</li> </ul>
Yeah Hiang Nam	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP)</li> </ul>	<ul style="list-style-type: none"> <li>10-11 June 2024</li> </ul>
	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>	<ul style="list-style-type: none"> <li>9-12 December 2024</li> </ul>
Yeah Chia Kai	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP)</li> </ul>	<ul style="list-style-type: none"> <li>10-11 June 2024</li> </ul>
	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>	<ul style="list-style-type: none"> <li>9-12 December 2024</li> </ul>
Ng Hooi Lang	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP)</li> </ul>	<ul style="list-style-type: none"> <li>10-11 June 2024</li> </ul>
	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>	<ul style="list-style-type: none"> <li>28-29 October 2024</li> </ul>
Tang Soo Yen	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP)</li> </ul>	<ul style="list-style-type: none"> <li>10-11 June 2024</li> </ul>
	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>	<ul style="list-style-type: none"> <li>28-29 October 2024</li> </ul>
Dr. Yap Lang Ling	<ul style="list-style-type: none"> <li>The US Economy in 2024: If the US Sneezes, will the world catch a cold?</li> </ul>	<ul style="list-style-type: none"> <li>11 January 2024</li> </ul>
	<ul style="list-style-type: none"> <li>BNRC Dialogue &amp; Networking + ADIP Graduation Ceremony 2024: Cultivating Future Board Leaders</li> </ul>	<ul style="list-style-type: none"> <li>23 January 2024</li> </ul>
	<ul style="list-style-type: none"> <li>RBL Group's 25 Years of HR Innovation with Dave Ulrich: Harnessing the Past to Drive Future Value of Human Capability</li> </ul>	<ul style="list-style-type: none"> <li>25 January 2024</li> </ul>
	<ul style="list-style-type: none"> <li>Introduction, Definition and Example of Conflict of Interest</li> </ul>	<ul style="list-style-type: none"> <li>26 January 2024</li> </ul>
	<ul style="list-style-type: none"> <li>Navigating Recent Tax Changes in Malaysia: A Guide for Employers and Directors</li> </ul>	<ul style="list-style-type: none"> <li>31 January 2024</li> </ul>
	<ul style="list-style-type: none"> <li>Generative AI: What Boards Need to Know Now</li> </ul>	<ul style="list-style-type: none"> <li>8 February 2024</li> </ul>
	<ul style="list-style-type: none"> <li>FRC: Unpacking the New UK Corporate Governance Code</li> </ul>	<ul style="list-style-type: none"> <li>9 February 2024</li> </ul>
	<ul style="list-style-type: none"> <li>Deutsche Bundesbank Eurosystem: Carbon content measurement for products, organisations, and aggregates: creating a sound basis for decision making</li> </ul>	<ul style="list-style-type: none"> <li>21-23 February 2024</li> </ul>
	<ul style="list-style-type: none"> <li>COP28 Debrief</li> </ul>	<ul style="list-style-type: none"> <li>1 March 2024</li> </ul>

## Directors' Training (Cont'd)

Below are the training details attended by our directors during the financial year ended 31 December 2024: (cont'd)

Director	Description	Date
Dr. Yap Lang Ling (cont'd)	• Diversity, Equity & Inclusion: A Global Perspective	• 7 March 2024
	• Global Women on Board Alumni Sharing Session	• 7 March 2024
	• Sustainable Development Goals and the Law	• 4-17 March 2024
	• Power Talk Series: Future-Proofing Malaysian Businesses – Navigating Cyber-Threats in the Age of AI & Thriving in a High-risk Landscape	• 11 March 2024
	• Navigating the ESG Reporting Landscape in Asia Pacific	• 19 March 2024
	• CSRD Beyond Compliance: How It Can Become a Competitive Advantage	• 20 March 2024
	• Prepare for Revolution – Technology, AI and the Transformation for Content	• 21 March 2024
	• The Paris Agreement, Sustainable Developments and the Law	• 15-28 April 2024
	• Conservation by Community – Bio Security in Antarctica	• 25 April 2024
	• A Global Exchange on International Law & Indigenous Trade: Indigenous People's Economic & Trade Cooperation Arrangement (IPETCA)	• 1 June 2024
	• Changing Societal Expectations of Boards	• 5 June 2024
	• Official Site Event at the Bonn Climate Change Conference (SB60): Courage, Contributions and Compliance Implementing Paris Agreement Climate Adaptation & Resilience Commitments	• 7 June 2024
	• UNFCCC COP29 Prep in Bonn – Live from Bonn Roundtable	• 11 June 2024
	• Boards and Nature - the Evolving Landscape for Director's Duties	• 11 July 2024
	• Empowerment through Engagement: Sparking Inclusive Conversations – A Stakeholder Engagement Research by Black Sun Global and the Singapore Institute of Directors	• 18 July 2024
	• Globalisation, Sustainability and the Power of Ideas: World Trade, Development and Sustainability	• 20 July 2024
	• ICDM Members Meet & Greet Session	• 24 July 2024
	• Empowerment through Engagement: The Role of Investors	• 31 July 2024
	• An Interview with Alan H. Kessel, former Legal Advisor of the Department of Global Affairs Canada	• 20 September 2024
	• Power Talk: How Can Board Make the Most of Block Chain & Digital Assets	• 20 September 2024

## Directors' Training (Cont'd)

Below are the training details attended by our directors during the financial year ended 31 December 2024: (cont'd)

Director	Description	Date
Dr. Yap Lang Ling (cont'd)	• The Role of the Audit Committee in Building Trust	• 2 October 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	• 2-3 October 2024
	• APAC Board Leadership Forum 2024	• 15-16 October 2024
	• 2024 Asia Pacific Semiconductor Summit & Expo	• 16 October 2024
	• Geopolitics and the US Election: What Board Need to Know	• 16 October 2024
	• The Board's Role in the Climate Challenge: Looking Ahead to COP29	• 20 November 2024
	• Anti-Bribery and Anti-Corruption Training	• 3 December 2024
	• 2 <sup>nd</sup> Sustainability & ESG Conference & Expo 2024	• 4 December 2024
Chan Kam Chiew	• OCBC: 2024 Market Outlook	• 24 January 2024
	• KPMG: Navigating Capital Gains Tax	• 29 January 2024
	• KPMG: Conflict of Interest	• 5 March 2024
	• MASB/MIA: Seminar on IFRS Sustainability Disclosure Standards	• 7 March 2024
	• BDO: Talk - Simplifying e-invoicing	• 18 March 2024
	• KPMG: Tax digitalisation in action: Landscape of e-Invoicing in Malaysia	• 19 March 2024
	• Rabobank Webinar: Opening the 2024 Chapter: Inflation, geopolitics and what lies ahead?	• 20 March 2024
	• BDO ESG Seminar - Mastering TCFD	• 14 May 2024
	• OCBC: Economic Market Updates	• 24 May 2024
	• MIA Conference 2024	• 11-12 June 2024
	• Rabobank Webinar: Agri Commodity Markets and Energy Outlook	• 26 June 2024
	• KPMG Webinar: Transfer Pricing Awareness – OECD Pillar 1	• 10 July 2024
	• KPMG Board Leadership Centre Exclusive I Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Act 2024	• 11 September 2024
	• KPMG Webinar: Unlocking the Scope 3 opportunity – Insights from Asia Pacific businesses	• 19 September 2024
	• KPMG Workshop: Global Talent Mobilisation – Tax and immigration perspective	• 1 October 2024
	• Bursa Academy: Conflict of Interest and Governance of Conflict of Interest	• 2 October 2024

## Directors' Training (Cont'd)

Below are the training details attended by our directors during the financial year ended 31 December 2024: (cont'd)

Director	Description	Date
Chan Kam Chiew (cont'd)	<ul style="list-style-type: none"> <li>KPMG Webinar: Enhance compliance through Malaysia's Tax Corporate Governance Programme</li> </ul>	<ul style="list-style-type: none"> <li>4 October 2024</li> </ul>
	<ul style="list-style-type: none"> <li>KPMG Symposium: Beyond ESG</li> </ul>	<ul style="list-style-type: none"> <li>7 October 2024</li> </ul>
	<ul style="list-style-type: none"> <li>MKP: Malaysian Cross-Sector Merger Control on the Horizon - What to Expect and Lessons from Abroad</li> </ul>	<ul style="list-style-type: none"> <li>9 October 2024</li> </ul>
	<ul style="list-style-type: none"> <li>KPMG: International Tax – Outbound investment into Vietnam</li> </ul>	<ul style="list-style-type: none"> <li>10 October 2024</li> </ul>
	<ul style="list-style-type: none"> <li>ASPAC Board Leadership Centre (BLC) Webinar 2024   Geopolitical Risks and the Strategic Imperatives for Boards and C-Suite</li> </ul>	<ul style="list-style-type: none"> <li>17 October 2024</li> </ul>
	<ul style="list-style-type: none"> <li>MASB: IASB-MASB Virtual Outreach on Exposure Draft Equity Method of Accounting – IAS 28 Investments in Associates and Joint Ventures (revised 202x)</li> </ul>	<ul style="list-style-type: none"> <li>17 October 2024</li> </ul>
	<ul style="list-style-type: none"> <li>BDO Tax Seminar 2024</li> </ul>	<ul style="list-style-type: none"> <li>5 November 2024</li> </ul>
	<ul style="list-style-type: none"> <li>KPMG Tax and Business Summit 2024</li> </ul>	<ul style="list-style-type: none"> <li>6 November 2024</li> </ul>
	<ul style="list-style-type: none"> <li>AOB Conversation with Audit Committees</li> </ul>	<ul style="list-style-type: none"> <li>19 November 2024</li> </ul>
	<ul style="list-style-type: none"> <li>ICDM: Mandatory Accreditation Programme Part II - Leading for Impact</li> </ul>	<ul style="list-style-type: none"> <li>9-12 December 2024</li> </ul>
Wong Chin Chin	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP)</li> </ul>	<ul style="list-style-type: none"> <li>10-11 June 2024</li> </ul>
	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>	<ul style="list-style-type: none"> <li>9-12 December 2024</li> </ul>

## AUDIT COMMITTEE REPORT

Pursuant to paragraph 15.15(1) of the Listing Requirements of Bursa Malaysia (“Bursa Malaysia”), the Board of Directors (“the Board”) of Well Chip Group Berhad (“Well Chip” or “the Company”) is pleased to present the following Audit and Risk Management Committee Report for the financial year ended 31 December 2024 (“FY2024”), which provides insights into the manner in which the Audit and Risk Management Committee (“ARMC” or “the Committee”) has discharged its duties and responsibilities during the FY2024.

The primary objective of the ARMC is to assist the Board in the effective discharge of its fiduciary responsibilities for financial reporting, corporate governance, risk management, and internal control system. The ARMC is guided by its Terms of Reference (“TOR”), covering the scope of duties and responsibilities, authority, and other relevant matters, which is available on the Company’s website.

### COMPOSITION AND MEETING ATTENDANCE

The ARMC composition complies with Paragraph 15.09 and 15.10 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia and Practice 9.1 of the Malaysian Code on Corporate Governance (“MCCG”). The committee consists of three (3) Independent Non-Executive Directors.

The Chairman of the ARMC is a Certified Public Accountant and a member of both the Malaysian Institute of Certified Public Accountant (“MICPA”) and the Malaysian Institute of Accountant (“MIA”). Additionally, the Chairman of the ARMC is not the Chairman of the Board, ensuring a clear separation of responsibilities and independent oversight. No alternative director is appointed as a member, reflecting the Company’s commitment to strong corporate governance, independent oversight, and regulatory compliance.

During FY2024, the ARMC convened four (4) meetings. Details of the composition of the ARMC and attendance by each member at the ARMC meeting are as follows: -

Name	Designation	Meeting Attendance
Chan Kam Chiew (Independent Non-Executive Director)	Chairman	4/4
Dr. Yap Lang Ling (Independent Non-Executive Director)	Member	4/4
Wong Chin Chin (Independent Non-Executive Director)	Member	4/4

The ARMC meetings were held in the presence of the Company Secretary and the proceedings at meetings were duly minuted. During the meetings, Key Senior Management representatives were invited to provide updates on matters pertaining to operations, key financial performance, internal controls, ethical issues, related party transactions, and other relevant matters. Additionally, representatives from the external auditors, RSM, and internal auditors, BDO, were invited to present their independent reports and recommendations.

In accordance with Paragraph 15.20 of the MMLR of Bursa Malaysia, the Board, via the Nominating Committee, performed the annual assessment on the term of office and performance of ARMC and each of its members in respect of the FY2024. This evaluation aims to determine whether the ARMC and its members have effectively fulfilled their responsibilities as outlined in their TOR.

Based on the assessment, the Nominating Committee is satisfied that the ARMC and its members have performed their duties diligently and have contributed to the committee’s overall effectiveness in providing independent oversight on the financial reporting process, internal controls, and audit functions. The roles and responsibilities of the ARMC are detailed in its TOR, which was last reviewed and approved by the Board on 19 June 2023, and is available on the Company’s website.

The Chairman of the ARMC reports to the Board on matters deliberated during the ARMC meetings together with recommendations of the ARMC for consideration and approval by the Board.



## Audit Committee Report (Cont'd)

### SUMMARY OF ACTIVITIES OF ARMC DURING THE FINANCIAL YEAR

For FY2024, the ARMC in the discharge of its functions and duties as set out in its TOR, carried out the following main activities: -

#### (a) Financial Statements and Reporting

1. Reviewed and discussed the unaudited quarterly financial reports of the Well Chip with the Management at the scheduled quarterly ARMC meetings and recommended the same to the Board for consideration and approval.
2. Reviewed the information covering the financial performance against the budget and key operational performance indicators related to pawnbroking, trading, and retail operations at the scheduled quarterly ARMC meetings and reported the same to the Board for notation.
3. Reviewed the audited financial statements of the Well Chip prior to submission to the Board for their perusal and approval. This was to ascertain that the financial statements have been prepared in compliance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### (b) External Audit

1. Reviewed the audit plan and audit remuneration presented by the external auditors for the year under review to determine that the scope of work adequately covers the activities of Well Chip Group.
2. Reviewed with the external auditors the audited financial statements for the financial year, the results of the audit, audit report and their recommendations for areas for improvements and the ARMC after due deliberation, recommended the same to the Board for approval.
3. Reviewed and deliberated the reports issued by the external auditors on significant findings and remedial actions to be taken by the Management to address the issues raised arising from the statutory audit and key audit matters raised by the external auditors at the ARMC meetings.
4. Reviewed and discussed the new developments on accounting standards issued by the Malaysian Accounting Standards Board and their adoption and implications to the financial statements.
5. Evaluated and deliberated on the re-appointment of the external auditors for the next financial year and recommended the same to the Board for approval.

#### (c) Internal Audit

1. Reviewed and deliberated on the internal audit plan presented by the Internal Auditors for the next financial year. This was to determine the adequacy of the scope, coverage of work and that the outsourced internal audit function has sufficient resources to perform its work.
2. Reviewed the reports from the internal auditors and assessed the internal auditors' findings and recommendations, the management's responses, and those appropriate actions had been taken by management to address the issues raised.
3. Reviewed and discussed the effective implementation of the action plans taken by the management in response to audit findings and weaknesses identified during the internal audit.
4. Monitored the follow-up Audit Report on the internal audit findings and the implementation status based on the internal auditors' recommendations and management's response and action plan.
5. Reviewed the performance and effectiveness of the internal audit function pursuant to Paragraph 15.12 of the MMLR of Bursa Malaysia, which include the scope, functions, competency and resources of the internal audit function.

## Audit Committee Report (Cont'd)

### SUMMARY OF ACTIVITIES OF ARMC DURING THE FINANCIAL YEAR (CONT'D)

For FY2024, the ARMC in the discharge of its functions and duties as set out in its TOR, carried out the following main activities: - (cont'd)

#### (d) Related Party Transactions

1. Reviewed the recurrent related party transactions ("RRPT") of a revenue and trading nature entered by the Company at the scheduled quarterly ARMC meetings to determine that the transactions were fair, reasonable, on normal commercial terms, not detrimental to the interests of the minority shareholders and in the best interest of Well Chip and recommended the same to the Board for consideration and approval.

#### (e) Annual Reporting

1. Reviewed the risk assessment results to ascertain the significant risks of the Group and that appropriate risk management processes be implemented that can effectively identify, analyse, evaluate, monitor, and mitigate the significant risks impacting the Group.
2. Discussed and recommended to the Board for approval, the Statement on Risk Management and Internal Control, the ARMC Report and Directors' Responsibility Statement in relation to the Audited Financial Statements for inclusion in the Annual Report.
3. Reviewed the extent of compliance with the relevant provisions set out under the Malaysian Code of Corporate Governance for the purpose of preparing the Corporate Governance Overview Statement and Corporate Governance Report and recommend the same for approval by the Board.

#### (f) Other matter(s)

1. Reviewed and assisted in evaluating proposals in respect to the corporate exercise undertaken in FY2024 (except for interested directors) at the ARMC level before proposing recommendations to the Board for consideration and approval.
2. Reviewed the proposed dividend pay-out taking into consideration the cash flow requirements before recommending to the Board for approval.

### EXTERNAL AUDITORS

The Board established a formal and transparent arrangement with the external auditors of the Company through the ARMC. The external auditors and management representatives are present to answer questions and provide explanations to the ARMC.

The ARMC communicated directly and independently with the external auditors quarterly and where necessary. The ARMC had discussions with external auditors to discuss issues arising from interim and final audits, or any other matters which the external auditors may wish to discuss in the absence of management.

The independent external auditors play an essential role in enhancing the reliability of the financial statements and by giving assurance of that reliability to users of the financial statements.

	Audit Fees (RM)	Non-Audit Fees (RM)
Group	195,000	24,100
Company	20,000	12,000

## Audit Committee Report (Cont'd)

### EXTERNAL AUDITORS (CONT'D)

The ARMC is satisfied with the external auditors' competency and independence and had recommended the reappointment of Messrs RSM Malaysia PLT to the Board for the coming financial year.

This Statement is made in compliance with Paragraph 15.25 of the Bursa Malaysia's Listing Requirements and approved by the Board on 16 April 2025.

### INTERNAL AUDIT FUNCTION

The purpose of the Internal Audit function is to provide the Board, through the ARMC, with reasonable assurance of the effectiveness of the risk management, control and governance processes in the Group.

The internal audit function is supported by an independent professional firm – BDO Governance Advisory Sdn. Bhd. which provides assurance to the ARMC on the adequacy and integrity of internal control system in the discharge of the ARMC's duties and responsibilities. This external independent service provider reports directly to the ARMC.

The Internal Audit Plan for FY2024 covered the following:

- (i) Assessment of the adequacy and testing the integrity of the system of internal controls;
- (ii) Assessed compliance with policies and procedures, and recommended best practices to management for implementation; and
- (iii) Identification of any potential areas for improvement in the effectiveness and efficiency of the processes (if any).

The Internal Audit Report 2024 was presented to the ARMC and management has taken steps to ensure that the issues highlighted were properly addressed to the extent practicable.

For FY2024, the Internal Audit fees was RM30,000.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

This Statement is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad, Statement on Risk Management & Internal Control- Guidelines for Directors of Listed Issuers and Practice 10.2 of the Malaysian Code on Corporate Governance 2021 (“MCCG”).

The Board of Directors (“the Board”) of Well Chip Group Berhad (“Well Chip” or “the Company”) seeks to promote a risk-conscious culture and is committed to maintaining a sound system of internal control and risk management framework across the Company and its subsidiaries (“the Group”). The Board is pleased to present the following Statement on Risk Management and Internal Control (“the Statement”), which outlines the nature and scope of the internal control and risk management of the Group for the financial year ended 31 December 2024 (“FY2024”).

## THE BOARD’S RESPONSIBILITIES

The Board understands its ultimate responsibility and is dedicated to upholding a robust internal control and risk management across the Group. The Board, in demonstrating such commitment, integrates risk management into the business function and processes of the Group to identify and manage the level of risk tolerance and actively reviews, assesses and monitors the key business risks to safeguard the interests of shareholders and assets of the Group.

The Board, with the assistance from the Audit and Risk Management Committee (“ARMC”) and a Compliance Officer, is responsible to oversee the risk management of the Group and that the Group maintains a sound, adequate and effective systems of internal controls and risk management to safeguard the interests of the Group and its shareholders.

## MANAGEMENT’S RESPONSIBILITY AND ASSURANCE

The Management of the Group is responsible to identify the risks that are relevant to the business and operation functions of the Group and adequate and sound internal control policies and procedures have been implemented, and these policies and procedures are continuously evaluated, monitored and thereafter reported to the Board with corrective action taken, as appropriate. The responsibilities of the Management include but are not limited to the following:

- identifying the risks that impact the Group from achieving its objectives and performance
- analysing, assessing and implementing adequate and proper risk management framework and system of internal control policies and processes
- monitoring the risk management framework and responding to the risks with appropriate correction actions and/or mitigation measures
- reporting and providing recommendations to ARMC at least once annually

## RISK MANAGEMENT FRAMEWORK

The risk management framework was developed with reference to the principles and guidelines of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Enterprise Risk Management (ERM) Framework. This included the development of a risk management process, risk management reporting structure, risk management policy, to enable the Group to continuously assess, manage, report and monitor risks.

The Risk Management Working Group (“RMWG”) comprise Compliance Officer and Heads of Department as well as key business unit leaders to ensure that the risk management efforts of the Group are firmly embedded within the core business activities of the Group. The RMWG conducts a risk assessment review on the operation of the Group at least once in a year and the results are tabled to the ARMC and thereafter are brought to the attention of the Board.

## Statement on Risk Management and Internal Control (Cont'd)

### RISK MANAGEMENT FRAMEWORK (CONT'D)

The risk management methodology: -

(a) Risk Identification

The RMWG identifies both prior and potential internal and external events that may impact the achievement of the objectives and performance of the Group. It differentiates between events with negative impacts, which are considered risks, and those with positive impacts, which are viewed as opportunities. These factors are carefully evaluated and incorporated into the strategy setting process of the Group.

(b) Risk Evaluation/Assessment

Identified risks shall be analysed, considering likelihood and impact, as a basis for determining how they should be managed. Risks are assessed on an inherent and residual basis. As well as mapping the likelihood and impact of individual risks, the RMWG shall also consider how individual risks interrelate.

(c) Risk Profiling and Risk Treatment

A risk register by department is maintained. The risks typically include the department for: -

- Strategic
- Finance
- Information Technology
- Compliance
- Human Resource Administration
- Outlet Operation
- Marketing
- Merchandising

Risk profile was generated by plotting each risk event onto a Risk Matrix which outlines the residual risk rating of each risk identified. The residual risks are rated "Critical", "High", "Medium" and "Low", with regards to the combination of the ratings in term of the likelihoods and impact of the risk event, and the effectiveness of the existing controls.

(d) Risk Response

RMWG shall select appropriate actions to align risks with risk tolerance and risk appetite. This stage can be seen in terms of the four main responses – reduce, accept, transfer or avoid. Risk responses chosen shall be realistic, considering the costs of responding as well as the impact on.

(e) Risk Monitoring and Reporting

The Risk Management Committee shall report to the ARMC and provides recommendations to the ARMC at least annually. ARMC upon receiving the relevant report, reviews and recommend to the Board any action plan(s) it deems appropriate to strengthen the risk management process and internal controls.

The Management to continually identify, assess, mitigate, review and report risks within their business units so that all risks are mitigated and managed to an acceptable level in accordance with the risk appetite.

The performance of the risk management and internal control system shall be monitored and with modifications made at least annually. Monitoring is accomplished through ongoing management activities, evaluations of internal control processes and the segregation of duties, or both. Risk-based internal audit plans are developed and executed to review the adequacy and effectiveness of internal control systems to mitigate the risks. The risk register is maintained by each department and shall be the basis for all internal audits.

A review on the adequacy and effectiveness of risk management and internal control system is undertaken on a continuous basis. For FY2024, ARMC had reviewed the risk management profile, and the Board is satisfied that the risk management and internal control system in place is adequate and effective.



## Statement on Risk Management and Internal Control (Cont'd)

### INTERNAL AUDIT FUNCTION

The Company outsources its internal audit function to an external independent professional consulting firm, BDO Governance Advisory Sdn. Bhd. to assist the ARMC in undertaking regular reviews on the key risk areas and business processes of the Group with the intent of assessing the adequacy and effectiveness of the system of internal control of the Group as well as to enhance its efficacy and coverage where appropriate. The internal audit function is free from any relationship or conflict of interest that could impair its objectivity and independence.

Internal control activities are carried out in line with the internal audit plan approved by the ARMC during the financial year, including audit reviews of the Anti-Bribery and Anti-Corruption Management.

Results of the reviews were reported directly to the ARMC. Internal audit findings and recommendations for improvements were highlighted to Management for corrective actions to be taken, as appropriate. Follow-up reviews on the implementation of action plans were carried out to ensure that any deficiency highlighted have subsequently been addressed.

Based on the internal audit reviews conducted, there were no major internal controls weaknesses which has resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

In addition to the internal audit function, the ARMC also receives report and management letter from the external auditors. External audit findings and recommendations for improvements were highlighted to Management for corrective actions to be taken, as appropriate.

### KEY ELEMENTS OF INTERNAL CONTROL

The Board maintains key elements of an organisational structure with clearly define levels of responsibility, accountability, authority, lines of responsibility, and delegation of authority. The Board reviews internal control matters and is updated on significant control gaps, if any. The Management will highlight to the Board on those issues and/or matters of concern relating to the business operations and any significant matters noted will be acted on a timely basis.

Key elements of the internal control system, in place throughout the financial year 2024 and up to the date of this Statement, include: -

- Well-defined Terms of Reference, Limits of Authority, and Responsibilities of Various Board Committees:  
This encompasses the ARMC, Nomination Committee, and Remuneration Committee.
- Systematically documented and revised policies and procedures:  
These are made available to guide employees in their daily operations, ensuring alignment with the business objectives.
- Clearly defined corporate policies:  
This includes the Code of Conduct, Whistle-blowing Policy, and Anti-Bribery and Corruption Policy, Anti-Money Laundering Policy, Fit and Proper Policy, Board Diversity Policy.
- Structured recruitment process:  
The Group has established a comprehensive recruitment process to bring in talent effectively.
- Training and development programs:  
A wide variety of programs are in place to maintain and enhance employee competency.
- Quarterly review of financial results and management report:  
Conducted by the ARMC and the Board, this ensures ongoing oversight of financial performance.

## Statement on Risk Management and Internal Control (Cont'd)

### KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

- Review of the internal audit report and findings:  
The ARMC reviews internal and external audit reports and their findings and recommendations to address control deficiencies highlighted together with the remedial action plans to be implemented by Management.
- Regular management and operational meetings:  
These meetings focus on business operational performance to ensure that actions are implemented to meet the objectives and performance of the Group.

### REVIEW OF THE STATEMENTS ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Listing Requirements of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control included in this Annual Report. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the processes that the Board has adopted in the review on adequacy and effectiveness of the Group's risk management and internal control system.

In line with Paragraphs 10.1 and 10.2 of the MCCG 2021, the Board, through the ARMC, has ensured that an independent review of the risk management and internal control framework has been conducted. The Board has also considered the findings and insights from this review and taken necessary actions to enhance the risk management and internal control effectiveness of the Group.

### CONCLUSION

The Board has received assurance from the Chief Executive Officer, Executive Director and Chief Financial Officer that the risk management and internal control system of the Group is operating adequately and effectively, in all material aspects, based on the risk management and internal control system adopted for the financial year under review and up to the date as of this Statement.

The Board is not aware of any significant risk management and internal control deficiency or weakness which has directly resulted in any material misstatement, losses or contingencies to the Group for the financial year under review.

## ADDITIONAL COMPLIANCE INFORMATION

### I. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (“IPO”)

#### Listing exercise

In conjunction with the Company’s listing on the Main Market of Bursa Securities, on 26 June 2024, the Company issued its Prospectus for its IPO entailing the following:

- (a) 30,000,000 new Ordinary Shares made available for application by the Malaysian public;
  - (b) 45,000,000 new Ordinary Shares by way of private placement to institutional and selected investors; and
  - (c) 75,000,000 new Ordinary Shares by way of private placement to Bumiputera Investors approved by the Ministry of Investment, Trade and Industry
- at and IPO price of RM1.150 per Share.

Our Company was admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 150,000,000 Ordinary Shares was listed and quoted on the Main Market of Bursa Securities on 23 July 2024.

The utilisation of the proceeds as disclosed below should be read in conjunction with the Prospectus of the Company. As at the date of this statement, the utilisation of gross proceeds from the IPO, amounting to RM172.50 million, is outlined as follows:

	Description of Utilisation	Proposed Utilisation (RM’000)	Actual Utilisation (RM’000)	Unutilised Amount (RM’000)	Estimated Timeframe for Utilisation Upon Listing
(i)	Cash Capital for our existing 23 pawnshops	124,300	123,076	1,224	Within 24 months
(ii)	Expansion of pawnshops	40,000	–	40,000	Within 24 months
(iii)	Estimated listing expenses	8,200	8,200	–	Immediate
	<b>Total</b>	<b>172,500</b>	<b>131,276</b>	<b>41,224</b>	

### II. AUDIT FEES AND NON-AUDIT FEES

Details of audit fees and non-audit fees paid to the Group’s and the Company’s External Auditors for the financial year ended 2024 are as follows: -

	Audit Fees (RM)	Non-Audit Fees (RM)
Group	195,000	24,100
Company	20,000	12,000

Audit fees paid and payable to the external auditors by the Group and the Company for the financial year ended 31 December 2024.

At the Company level, 58% of non-audit fees were incurred for professional consultation on a business acquisition, while 42% were related to the review of the Statement on Risk Management and Internal Control. At the Group level, 50% of non-audit fees were attributed to agreed-upon procedures engagements, 29% to professional consultation on the Group’s business acquisition, and 21% to the review of the Statement on Risk Management and Internal Control conducted for the Group during FY2024.

## Additional Compliance Information (Cont'd)

### III. EMPLOYEES SHARE OPTION SCHEME (“ESOS”)

The Company did not establish any employee share scheme and there was no subsisting employee share scheme during FY2024.

### IV. MATERIAL CONTRACT

There were no material contracts entered into by the Company and its subsidiaries involving the interests of its Directors or major shareholders, either still subsisting at the end of FY2024, or entered into since the end of the previous financial year.

### V. CONTRACTS RELATING TO LOANS

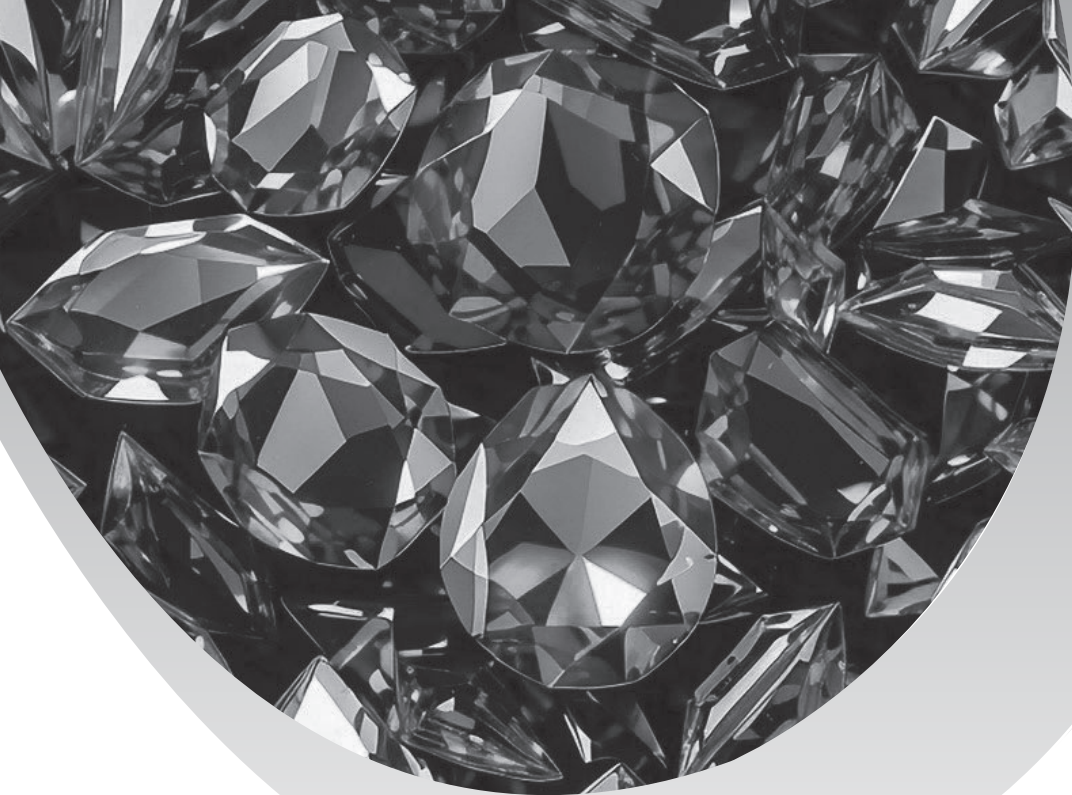
During the financial year, the Company and its subsidiaries maintain loans from related parties, directors, and shareholders to support business operations and working capital. These loans were entered into on an arm's length basis and on normal commercial terms, with fixed interest rates comparable to the Group's secured bank borrowings and with fixed repayment periods. Details of these loans are disclosed in Note 20 and 30 of the audited financial statements.

### VI. VARIATION IN RESULTS

There was no material variance between the audited results for the financial year and the unaudited results previously announced.

### VII. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

Details of the significant related party transactions undertaken by the Group during the financial year ended 31 December 2024 are disclosed in Note 30 of the audited financial statements herein. There are no recurrent related party transactions which require shareholders mandate during the FY2024.



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## DIRECTORS' REPORT

The directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are pawnbroking, trading and retail sale of jewellery and gold and investment holding.

### FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Net profit for the financial year	49,984,178	25,439,684
Attributable to:		
Owners of the Company	49,984,178	25,439,684

In the opinion of the directors, the financial results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

### RESERVES AND PROVISIONS

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

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

- (i) Issued 449,999,999 new ordinary shares at a price of RM0.38 per ordinary share for a total consideration of RM171,646,606 for the acquisition of 100% equity interest in SYT Pavilion Sdn. Bhd., Kedai Pajak Well Chip Sdn. Bhd., Kedai Emas Well Chip Sdn. Bhd. and Thye Shing Pawnshop Sdn. Bhd. pursuant to the conditional share sale agreements dated 9 November 2023. The acquisition was completed on 20 May 2024; and
- (ii) Issued 150,000,000 new ordinary shares at a price of RM1.15 per ordinary share for a total cash consideration of RM172,500,000 pursuant to the Initial Public Offering ("IPO") of the Company on the Main Market of Bursa Malaysia Securities Berhad on 23 July 2024.

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

The Company did not issue any debentures during the financial year.

## Directors' Report (Cont'd)

### DIVIDEND

No dividend has been paid or declared by the Company since the end of previous financial period.

On 26 February 2025, the Board of Directors has proposed a final dividend of RM0.04 per ordinary share, amounted to RM24,000,000 for the financial year ended 31 December 2024, subject to approval of shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect these proposed dividends. The dividends will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2025.

### DIRECTORS

The directors who held office during the financial year until the date of this report are:

Mak Lye Mun  
Yeah Hiang Nam  
Ng Hooi Lang  
Tang Soo Yen  
Yeah Chia Kai  
Chan Kam Chiew  
Wong Chin Chin  
Dr. Yap Lang Ling

### DIRECTORS OF THE SUBSIDIARIES

The directors who held office in the subsidiaries during the financial year and up to the date of this report are as follows:

Chan Xin  
Chong Guang Ming  
Fang Kui Chin  
Kau Zhe Yin  
Lee Moi Keow  
Ng Heah Joo  
Ng Hooi Hwang  
Ng Hui Chin  
Ng Hooi Lang

Ng Jing Xiang  
Ng Si Ling  
Ng Si Ming  
Tang Soo Yen  
Wong Soon Chyi  
Yeo Mooi Huang  
Yeow Choong Kuan  
Yeow Chun Huat

## Directors' Report (Cont'd)

### DIRECTORS' INTERESTS

During and at the end of the financial year, the Company was not a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

The directors holding office at the end of the financial year and their interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 were as follow:

	At 1.1.2024	Number of shares Acquired/(Disposed)		At 31.12.2024
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#### THE COMPANY

##### Direct interest

Ng Hooi Lang	1	5,513,883	–	5,513,884
Tang Soo Yen	–	4,987,646	–	4,987,646

##### Indirect interest

Ng Hooi Lang ^	–	20,357,781	–	20,357,781
Tang Soo Yen ^^	–	36,569,202	–	36,569,202
Yeah Hiang Nam*#	–	144,287,278	–	144,287,278
Yeah Chia Kai*	–	14,905,834	–	14,905,834

	At 1.1.2024	Number of shares Acquired/ (Disposed)		At 31.12.2024
--	----------------	--	--	------------------

#### HOLDING COMPANY

##### VYN Holdings Sdn. Bhd.

##### Direct interest

Ng Hooi Lang	5,389	16,391,647	–	16,397,036
Tang Soo Yen	4,890	14,872,937	–	14,877,827

##### Indirect interest

Yeah Hiang Nam*#	28,473	86,584,623	–	86,613,096
Yeah Chia Kai*	2,941	8,942,324	–	8,945,265

^ Indirect interest through her spouse and VYN Holdings Sdn. Bhd..

^^ Indirect interest through her spouse, children and VYN Holdings Sdn. Bhd..

\* Indirect interest through Valuemax Group Limited.

# Indirect interest through his spouse.

By virtue of their interests in the shares of the Company, Ng Hooi Lang, Tang Soo Yen, Yeah Hiang Nam and Yeah Chia Kai are also deemed to be interested in the shares of all the subsidiaries to the extent the Company has an interest.

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations.

## Directors' Report (Cont'd)

### DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors as shown under directors' remuneration and in the notes to the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with a director or with a firm of which a director is a member or with a company in which a director has a substantial financial interest.

### DIRECTORS' REMUNERATIONS

The amount of remunerations received or receivable by the directors of the Group and of the Company during financial year are as follows:

	GROUP RM	COMPANY RM
<b>Executive directors:</b>		
Salaries, allowances and bonuses	666,287	–
Fees	13,500	–
Defined contributions plan	78,576	–
Other related expenses	2,434	–
	760,797	–
<b>Non-executive directors:</b>		
Fees	455,000	455,000
Meeting allowances	37,500	37,500
	492,500	492,500
<b>Directors of subsidiaries:</b>		
Salaries, allowances and bonuses	1,634,845	–
Fees	85,535	–
Defined contributions plan	196,709	–
Other related expenses	14,948	–
	1,932,037	–
<b>Total directors' remunerations</b>	<b>3,185,334</b>	<b>492,500</b>

### INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' and officers' liability insurance throughout the financial year, which provides appropriate insurance cover for the directors and officers of the Company. The insurance premium paid for the directors and officers of the Company is RM45,370. No indemnities or insurances have been given out to the auditors of the Group, during the financial year.

## Directors' Report (Cont'd)

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of the significant events during the financial year are disclosed in note 35 to the financial statements.

### SUBSEQUENT EVENTS AFTER REPORTING DATE

Details of the subsequent events after the reporting date are disclosed in note 36 to the financial statements.

### HOLDING COMPANY

The directors regard VYN Holdings Sdn. Bhd., a company incorporated in Malaysia, as the holding company.

### SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in note 9 to the financial statements.

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that no provision for doubtful debts was necessary; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which it might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts inadequate to any substantial extent or require the setting up of provision for doubtful debts in the financial statements of the Group and of the Company; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
  - (iv) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the Group's and the Company's financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since end of financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.



## Directors' Report (Cont'd)

### OTHER STATUTORY INFORMATION (CONT'D)

(d) In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) 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 substantially affect the results of the operations of the Group and of the Company for the current financial year other than as disclosed in the financial statements.

### AUDITORS

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

The amounts paid to or receivable by the auditors as remuneration for their services as auditors are as follow:

	GROUP RM	COMPANY RM
Audit fees	195,000	20,000
Non-audit fees	24,100	12,000
	219,100	32,000

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

**NG HOOI LANG**

**TANG SOO YEN**

Johor Bahru

16 April 2025

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 RM	GROUP 2023 RM	2024 RM	COMPANY 2023 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	7	6,800,865	7,584,811	–	–
Right-of-use assets	8	25,742,698	22,484,613	–	–
Investment in subsidiaries	9	–	–	171,646,606	–
Goodwill on consolidation	10	425,260	425,260	–	–
		32,968,823	30,494,684	171,646,606	–
<b>CURRENT ASSETS</b>					
Inventories	11	27,290,483	32,096,810	–	–
Trade and other receivables	12	531,241,373	420,470,295	142,766,728	533,909
Short-term investments	13	23,775,192	–	23,775,192	–
Current tax assets		420,032	299,305	–	–
Cash and bank balances	14	69,844,318	12,465,537	53,753,665	220,410
		652,571,398	465,331,947	220,295,585	754,319
<b>TOTAL ASSETS</b>		<b>685,540,221</b>	<b>495,826,631</b>	<b>391,942,191</b>	<b>754,319</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	15	339,432,613	1	339,432,613	1
Invested equity	15	–	27,683,141	–	–
Reorganisation deficit	16	(143,963,465)	–	–	–
Retained profits/(Accumulated loss)		225,678,071	175,693,893	25,108,218	(331,466)
<b>TOTAL EQUITY/(DEFICIT IN EQUITY)</b>		<b>421,147,219</b>	<b>203,377,035</b>	<b>364,540,831</b>	<b>(331,465)</b>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	17	17,057,522	15,603,688	–	–
Loans and borrowings	18	4,502,377	3,831,204	–	–
Deferred tax liabilities	19	113,054	57,695	–	–
		21,672,953	19,492,587	–	–
<b>CURRENT LIABILITIES</b>					
Lease liabilities	17	2,291,310	2,110,428	–	–
Loans and borrowings	18	177,504,938	188,665,035	–	–
Other payables	20	56,721,851	79,911,336	27,250,160	1,085,784
Current tax liabilities		6,201,950	2,270,210	151,200	–
		242,720,049	272,957,009	27,401,360	1,085,784
<b>TOTAL LIABILITIES</b>		<b>264,393,002</b>	<b>292,449,596</b>	<b>27,401,360</b>	<b>1,085,784</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>685,540,221</b>	<b>495,826,631</b>	<b>391,942,191</b>	<b>754,319</b>

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2024

	Note	GROUP		COMPANY	
		1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
<b>REVENUE</b>	21	222,125,297	203,675,365	30,114,765	–
<b>COST OF SALES</b>		(116,965,472)	(126,243,380)	–	–
<b>GROSS PROFIT</b>		105,159,825	77,431,985	30,114,765	–
<b>OTHER INCOME</b>	22	442,194	169,232	79,681	–
<b>ADMINISTRATIVE EXPENSES</b>		(35,407,359)	(27,360,088)	(5,601,086)	(331,466)
<b>FINANCE INCOME</b>	23	1,276,215	129,895	2,330,535	–
<b>FINANCE COSTS</b>	24	(401,369)	(377,952)	(1,141,011)	–
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	25	71,069,506	49,993,072	25,782,884	(331,466)
<b>TAXATION</b>	26	(21,085,328)	(14,672,124)	(343,200)	–
<b>NET PROFIT/(LOSS)/TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR FROM CONTINUING OPERATIONS</b>		49,984,178	35,320,948	25,439,684	(331,466)
<b>NET PROFIT/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR FROM DISCONTINUED OPERATIONS</b>	27	–	1,109,495	–	–
<b>NET PROFIT/(LOSS)/TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR/PERIOD</b>		49,984,178	36,430,443	25,439,684	(331,466)
<b>EARNING PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>					
Earning per ordinary share					
- Basic and diluted (sen)	28	9.68	147.80	–	–

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

## STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024

GROUP	Share capital RM	Attributable to the owners of the Company			Total equity RM
		Invested equity RM	Reorganisation deficit RM	Retained profits RM	
Balance as at 1 January 2023	1	27,683,141	-	144,111,604	171,794,746
Dividend paid (Note 31)	-	-	-	(4,848,154)	(4,848,154)
Net profit/Total comprehensive income for the financial year	-	-	-	36,430,443	36,430,443
Balance as at 31 December 2023/1 January 2024	1	27,683,141	-	175,693,893	203,377,035
Issuance of shares pursuant to acquisition of subsidiaries	171,646,606	(27,683,141)	(143,963,465)	-	-
Issuance of shares pursuant to Initial Public Offering	172,500,000	-	-	-	172,500,000
Share issuance expenses	(4,713,994)	-	-	-	(4,713,994)
Net profit/Total comprehensive income for the financial year	-	-	-	49,984,178	49,984,178
Balance as at 31 December 2024	339,432,613	-	(143,963,465)	225,678,071	421,147,219

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

## Statements of Changes in Equity (Cont'd)

	Share capital RM	Attributable to the owners of the Company (Accumulated loss)/Retained profits RM	Total (deficit in equity)/ equity RM
<b>COMPANY</b>			
Balance as at 12 April 2023 (date of incorporation)	1	–	1
Net loss/Total comprehensive expenses for the financial period	–	(331,466)	(331,466)
Balance as at 31 December 2023/1 January 2024	1	(331,466)	(331,465)
Issuance of shares pursuant to acquisition of subsidiaries	171,646,606	–	171,646,606
Issuance of shares pursuant to Initial Public Offering	172,500,000	–	172,500,000
Share issuance expenses	(4,713,994)	–	(4,713,994)
Net profit/Total comprehensive income for the financial year	–	25,439,684	25,439,684
Balance as at 31 December 2024	339,432,613	25,108,218	364,540,831

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

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(loss) before taxation from:				
- Continuing operations	71,069,506	49,993,072	25,782,884	(331,466)
- Discontinued operations	–	1,226,647	–	–
Adjustment for:				
Depreciation of				
- Property, plant and equipment				
- Continuing operations	2,107,169	1,667,471	–	–
- Discontinued operations	–	16,597	–	–
- Right-of-use assets	2,338,234	2,033,474	–	–
Interest expense	14,985,730	15,370,388	1,141,011	–
Interest income	(1,276,215)	(129,895)	(2,330,535)	–
Dividend income	–	–	(30,114,765)	–
Loss/(Gain) on disposal of property, plant and equipment	617	(160)	–	–
Inventories written off	4,135	–	–	–
Pledged receivables written off	74,250	49,660	–	–
Reversal of pledged receivables written off	(89,070)	–	–	–
Property, plant and equipment written off	6,832	23,009	–	–
Unrealised loss on foreign exchange	–	874,588	–	–
<b>Operating profit/(loss) before working capital changes</b>	<b>89,221,188</b>	<b>71,124,851</b>	<b>(5,521,405)</b>	<b>(331,466)</b>
Decrease in inventories	4,802,192	2,923,955	–	–
Increase in loans receivables	–	(4,205,679)	–	–
Increase in trade and other receivables	(110,740,918)	(77,108,623)	(1,000,173)	(533,909)
(Decrease)/increase in other payables	(184,451)	(446,196)	(164,074)	318,447
<b>Net cash used in operations</b>	<b>(16,901,989)</b>	<b>(7,711,692)</b>	<b>(6,685,652)</b>	<b>(546,928)</b>
Interest paid	(14,584,361)	(14,992,436)	(1,141,011)	–
Interest received	1,276,215	129,895	2,330,535	–
Tax paid	(17,348,381)	(13,559,737)	(192,000)	–
Tax refunded	129,425	–	–	–
<b>Net cash used in operating activities</b>	<b>(47,429,091)</b>	<b>(36,133,970)</b>	<b>(5,688,128)</b>	<b>(546,928)</b>



## Statements of Cash Flows (Cont'd)

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of discontinued operations	–	2,479,829	–	–
Placement of fixed deposits with maturity period of more than 3 months	(10,000,000)	–	(10,000,000)	–
Purchase of property, plant and equipment				
- Continuing operations	(1,347,975)	(2,956,920)	–	–
- Discontinued operations	–	(959)	–	–
Purchase of right-of-use assets (Note B)	(1,736,506)	(222,000)	–	–
Proceeds from disposal of property, plant and equipment	17,303	26,126	–	–
Movement of subsidiaries balance	–	–	(111,117,881)	–
<b>Net cash used in investing activities</b>	<b>(13,067,178)</b>	<b>(673,924)</b>	<b>(121,117,881)</b>	<b>–</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Movement of loans and borrowings	5,252,008	65,800,553	–	–
Movement of loans from related parties, shareholders and directors	(24,022,484)	6,056,807	–	–
Movement of related parties balance	1,017,450	(2,510,650)	(767,337)	767,337
Movement of subsidiaries balance	–	–	27,095,787	–
Payment of lease liabilities	(2,240,437)	(1,957,084)	–	–
Interest paid	(177,980)	(170,525)	–	–
Lease liabilities interest paid	(223,389)	(207,427)	–	–
Dividends paid	–	(4,848,154)	–	–
Proceeds from issuance of ordinary shares	167,786,006	–	167,786,006	–
<b>Net cash generated from financing activities</b>	<b>147,391,174</b>	<b>62,163,520</b>	<b>194,114,456</b>	<b>767,337</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>86,894,905</b>	<b>25,355,626</b>	<b>67,308,447</b>	<b>220,409</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD/DATE OF INCORPORATION</b>	<b>(9,478,178)</b>	<b>(34,833,804)</b>	<b>220,410</b>	<b>1</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE A)</b>	<b>77,416,727</b>	<b>(9,478,178)</b>	<b>67,528,857</b>	<b>220,410</b>

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

## Statements of Cash Flows (Cont'd)

### NOTES TO THE STATEMENTS OF CASH FLOWS

- A. Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:-**

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Cash and bank balances (Note 14)	69,844,318	12,465,537	53,753,665	220,410
Add: Short-term investments (Note 13)	23,775,192	–	23,775,192	–
Less: Fixed deposits with maturity period of more than 3 months	(10,000,000)	–	(10,000,000)	–
Less: Bank overdrafts (Note 18)	(6,202,783)	(21,943,715)	–	–
	77,416,727	(9,478,178)	67,528,857	220,410

**B. Acquisition of right-of-use assets**

Addition during the year	5,564,536	8,698,998	–	–
Less: Addition to right-of-use in exchange for increased lease liabilities	(3,698,030)	(7,218,998)	–	–
Less: Amount financed by term loans	–	(1,258,000)	–	–
Less: Amount financed by hire purchase	(130,000)	–	–	–
Cash payments	1,736,506	222,000	–	–

**C. Cash outflows for leases as lease liabilities:**

Included in net cash from operating activities				
- Payment relating to low-value assets	5,020	33,630	–	–
Included in net cash from financing activities:				
- interest paid in relation to lease liabilities	223,389	207,427	–	–
- payment of lease liabilities	2,240,437	1,957,084	–	–
Total cash outflows for leases	2,468,846	2,198,141	–	–

# Statements of Cash Flows

(Cont'd)

## NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

### D. Reconciliation of liabilities arising from financing activities

	Lease liabilities RM	Term Loans RM	Revolving credits RM	Loans from shareholders, directors and related parties RM	Movement of related parties balance RM	Movement of subsidiaries balance RM	Total RM
<b>2024</b>							
<b>GROUP</b>							
At the beginning of financial year	17,714,116	3,952,524	166,600,000	75,694,140	739,631	-	264,700,411
Inflows from external borrowings	-	1,000,000	4,400,000	-	-	-	5,400,000
Net inflow and outflow with inter-related parties	-	-	-	(24,022,484)	1,017,450	-	(23,005,034)
Outflow of repayments	-	(147,992)	-	-	-	-	(147,992)
Payment of lease liabilities	(2,240,437)	-	-	-	-	-	(2,240,437)
Interest paid	(223,389)	(177,980)	-	-	-	-	(401,369)
<u>Non-cash changes</u>							
Additions	3,843,370	-	-	-	-	-	3,843,370
Lease modification	31,783	-	-	-	-	-	31,783
Interest expenses recognised in profit and loss	223,389	177,980	-	-	-	-	401,369
At the end of the financial year	19,348,832	4,804,532	171,000,000	51,671,656	1,757,081	-	248,582,101
<b>COMPANY</b>							
At the beginning of financial year	-	-	-	-	767,337	-	767,337
Net inflow and outflow with inter-related parties	-	-	-	-	(767,337)	27,095,787	26,328,450
At the end of the financial year	-	-	-	-	-	27,095,787	27,095,787

## Statements of Cash Flows (Cont'd)

### NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

#### D. Reconciliation of liabilities arising from financing activities (cont'd)

	Lease liabilities RM	Term Loans RM	Revolving credits RM	Loans from shareholders, directors and related parties RM	Movement of related parties balance RM	Movement of subsidiaries balance RM	Total RM
<b>2023</b>							
<b>GROUP</b>							
At the beginning of financial year	12,496,184	3,893,971	99,600,000	95,679,757	3,250,281	-	214,920,193
Inflows from external borrowings	-	-	67,000,000	-	-	-	67,000,000
Net inflow and outflow with inter-related parties	-	-	-	6,056,807	(2,510,650)	-	3,546,157
Outflow of repayments	-	(1,199,447)	-	-	-	-	(1,199,447)
Payment of lease liabilities	(1,957,084)	-	-	-	-	-	(1,957,084)
Interest paid	(207,427)	(170,525)	-	-	-	-	(377,952)
<b>Non-cash changes</b>							
Additions in lease liabilities	7,218,998	-	-	-	-	-	7,218,998
Lease modification	(43,982)	-	-	-	-	-	(43,982)
Term loan financing	-	1,258,000	-	-	-	-	1,258,000
Settlement through contra of balances	-	-	-	(26,042,424)	-	-	(26,042,424)
Interest expenses recognised in profit and loss	207,427	170,525	-	-	-	-	377,952
At the end of the financial year	17,714,116	3,952,524	166,600,000	75,694,140	739,631	-	264,700,711
<b>COMPANY</b>							
At the date of incorporation	-	-	-	-	-	-	-
Net inflow and outflow with inter-related parties	-	-	-	-	767,337	-	767,337
At the end of the financial period	-	-	-	-	767,337	-	767,337

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2024

## 1. CORPORATE INFORMATION

Well Chip Group Berhad (“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 registered office of the Company is located at Suite 19D, Level 9 Menara Ansar, 65 Jalan Trus, 80300 Johor Bahru, Johor.

The principal place of business of the Company is located at No. 23-02, Jalan Harmonium 35/3, Taman Desa Tebrau, 81100 Johor Bahru, Johor.

The Directors regard VYN Holdings Sdn. Bhd., which is incorporated in Malaysia as the holding company during the financial year and until the date of this report.

The consolidated financial statements for the financial year ended 31 December 2024 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 16 April 2025.

## 2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities and details of the subsidiaries are disclosed in Notes 9 to the financial statements.

## 3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

### 4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the financial statements.

The preparation of financial statements requires the directors to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the directors’ best knowledge of events and actions, actual results could differ from those estimates.

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

### 4.2 Basis of consolidation

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

#### (a) Subsidiaries

A subsidiary is an entity controlled by the Group, i.e. the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The existence and effect of potential voting rights that the Group has the practical ability to exercise (i.e. substantive rights) are considered when assessing whether the Group controls another entity.

The Group's financial statements incorporate the results, cash flows, assets and liabilities of Kedai Pajak Well Chip Sdn. Bhd., Kedai Emas Well Chip Sdn. Bhd., Thye Shing Pawnshop Sdn. Bhd. and SYT Pavilion Sdn. Bhd. and all of its controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control are accounted for as transactions with owners in their capacity as owners (i.e. equity transactions). The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Upon loss of control of a subsidiary, the Group's profit or loss is calculated as the difference between (i) the fair value of the consideration received and of any investment retained in the former subsidiary and (ii) the previous carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and any non-controlling interests.

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution.

#### (b) Business combinations

Business combinations arising from transfers of interests in entities that are under the control of common shareholders that control the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts previously recognised in the Group controlling shareholder's consolidated financial statements. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Under the merger method of accounting, the financial statements of the subsidiary are included in the consolidated financial statements as if the business combination had occurred from the earliest date presented and that the Group has operated as a single economic entity throughout the financial periods presented in the consolidated financial statements.



## Notes to the Financial Statements (Cont'd)

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

#### 4.2 Basis of consolidation (cont'd)

##### (b) Business combinations (cont'd)

The Group applies the acquisition method to account for acquired businesses, whereby the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values (with few exceptions as required by MFRS 3 *Business Combinations*).

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group.

Acquisition-related costs (e.g. finder's fees, consulting fees, administrative costs, etc.) are recognised as expenses in the periods in which the costs are incurred and the services are received.

On acquisition date, goodwill is measured as the excess of the aggregate of consideration transferred, any non-controlling interests in the acquiree, and acquisition-date fair value of the Group's previously held equity interest in the acquiree (if business combination achieved in stages) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after appropriate reassessment, the amount as calculated above is negative, it is recognised immediately in profit or loss as a bargain purchase gain.

At acquisition date, non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement is made separately for each business combination. Other components of non-controlling interests are measured at their acquisition-date fair values, unless otherwise required by MFRS.

The acquisition-date fair value of any contingent consideration is recognised as part of the consideration transferred by the Group in exchange for the acquiree. Changes in the fair value of contingent consideration that result from additional information obtained during the measurement period (maximum one year from the acquisition date) about facts and circumstances that existed at the acquisition date are adjusted retrospectively against goodwill. Other changes resulting from events after the acquisition date are adjusted at each reporting date, only when the contingent consideration is classified as an asset or a liability, and the adjustment is recognised in profit or loss.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. If any, changes in the value of the Group's equity interest in the acquiree that have been previously recognised in other comprehensive income are reclassified to profit or loss, if appropriate had that interest been disposed of directly.

##### (c) Transactions eliminated on combination

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the combined financial statements.

## Notes to the Financial Statements (Cont'd)

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

#### 4.3 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 4.8.

#### 4.4 Property, plant and equipment

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the cost of dismantling and removing the items and restoring the site on which they are located.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

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

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follow:

Building	2%
Computers	33.33%
Furniture and fittings	20%
Office equipment	20%
Renovations	20%

Freehold land is not depreciated. Renovation in progress is not depreciated until the assets are ready for their intended use.

Useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## Notes to the Financial Statements (Cont'd)

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

#### 4.5 Leases

##### (a) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

##### (b) Recognition and initial measurement

###### (i) As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The depreciation period for the current and comparative periods are as follows:

Leasehold land	30 to 84 years
Buildings	50 years
Shop-lots	Over lease term
Motor vehicle	5 years

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. Generally, the Group entities use their incremental borrowing rate as the discount rate.

## Notes to the Financial Statements (Cont'd)

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

#### 4.5 Leases (cont'd)

##### (b) Recognition and initial measurement (cont'd)

###### (i) As a lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use 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 recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

###### (ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

##### (c) Subsequent measurement

###### (i) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in 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 estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## Notes to the Financial Statements (Cont'd)

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

#### 4.5 Leases (cont'd)

##### (c) Subsequent measurement (cont'd)

##### (ii) As a lessor

The Group recognises lease payments received under operating leases as income on straight-line basis over the lease term as part of "other income".

#### 4.6 Inventories

Inventories principally comprise gold held for trading and inventories that form part of the Group's normal purchase, sale or usage requirements for its retailing activities.

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

Cost is determined on the specific identification method and comprises the original cost of purchase plus the cost of bringing the inventories to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs necessary to make the sales.

#### 4.7 Intangible assets

##### Goodwill

Goodwill arising in a business combination is initially measured at its cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

#### 4.8 Impairment of non-financial assets

##### (a) Impairment of property, plant and equipment and right-of-use assets

The carrying amounts of such assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through profit or loss to its estimated recoverable amount. Recoverable amount is the higher of value in use and the fair value less costs to sell of the individual asset or the cash-generating unit. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Value in use is the present value of the estimated future cash flows of that unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the unit which impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the unit.

Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

## Notes to the Financial Statements (Cont'd)

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

#### 4.8 Impairment of non-financial assets (cont'd)

##### (b) Impairment of goodwill and of intangible assets with an indefinite useful life

Irrespective of whether there is any indication of impairment, such assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

Goodwill impairment is not reversed in any circumstances.

#### 4.9 Financial instruments

##### (a) Initial recognition and measurement

The Group and the Company recognise a financial asset or a financial liability (including derivative instruments) in the statements of financial position when, and only when, an entity in the Group and the Company become the party to the contractual provisions of the instruments.

If a contract is a host financial liability or a non-financial host contract that contains an embedded derivative, the Group and the Company assess whether the embedded derivative shall be separated from the host contract on the basis of the economic characteristics and risks of the embedded derivative and the host contract at the date when the Group and the Company become a party to the contract. If the embedded derivative is not closely related to the host contract, it is separated from the host contract and accounted for as a stand-alone derivative. The Group and the Company do not make a subsequent reassessment of the contract unless there is a change in the terms of the contract that significantly modifies the expected cash flows or when there is a reclassification of a financial liability out of the fair value through profit or loss category. Embedded derivatives in host financial assets are not separated.

On initial recognition, all financial assets (including intra-group loans and advances) and financial liabilities (including intra-group payables and government loans at below market interest rates) are measured at fair value plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

##### (b) Derecognition of financial instruments

For derecognition purposes, the Group and the Company first determine whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial assets, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Group and the Company transfer the contractual rights to receive cash flows of the financial asset, including circumstances when the Group and the Company act only as a collecting agent of the transferee, and retain no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Group and the Company consider a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate is different by 10% or more when compared with the carrying amount of the original liability.



## Notes to the Financial Statements (Cont'd)

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

#### 4.9 Financial instruments (cont'd)

##### (c) Financial assets

For the purpose of subsequent measurement, the Group and the Company classify financial assets into three measurement categories, namely: (i) financial asset at amortised cost ("AC"); (ii) financial assets at fair value through other comprehensive income ("FVOCI") and (iii) financial assets at fair value through profit or loss ("FVPL"). The classification is based on the Group's and the Company's business model objective for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

After initial recognition, the Group and the Company measure financial assets, as follow:

##### (i) Financial assets at AC

A financial asset is measured at amortised cost if: (a) it is held within the Group's and the Company's business objective to hold the asset only to collect contractual cash flows, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

##### (ii) Financial assets at FVOCI

A financial asset is measured at FVOCI if: (a) it is held within the Group's and the Company's business objective to hold the asset both to collect contractual cash flows and selling the financial asset, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

##### (iii) Financial asset at FVPL

A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the condition specified for the AC or FVOCI model.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4.9(g).

##### (d) Financial liabilities

After initial recognition, the Group and the Company measure all financial liabilities at amortised cost using the effective interest method, except for:

##### (i) Financial liabilities at fair value through profit or loss (including derivatives that are liabilities) are measured at fair value.

##### (ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Paragraph 3.2.15 and 3.2.17 of MFRS 9 apply to the measurement of such financial liabilities.

##### (iii) Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees issued are initially measured at fair value, net of transaction cost that are directly attributable to the issuance of the guarantee. Subsequently, they are measured at higher of: (a) the amount of the loss allowance; and (b) the amount initially recognised less, when appropriate, the cumulative of income recognised in accordance with the principles in MFRS 15 *Revenue from Contracts with Customers*.

## Notes to the Financial Statements (Cont'd)

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

#### 4.9 Financial instruments (cont'd)

##### (e) Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in Note 4.17.

##### (f) Recognition of gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets mandatorily measured at FVOCI, interest income (calculated using the effective interest rate method), impairment losses, and exchange gains or loss are recognised in profit or loss. All other gains or losses are recognised in other comprehensive income and retained in a fair value reserve. On derecognition of the financial assets, the cumulative gain or loss recognised in OCI is reclassified to profit or loss as a reclassification adjustment.

For financial assets and financial liabilities carried at amortised cost, interest income and interest expense are recognised in profit or loss using the effective interest method. A gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

##### (g) Impairment of financial assets

###### Trade receivables – Pawnbroking segment

The Group recognises an allowance for expected credit losses ("ECLs") for trade receivables from the pawnbroking segment. 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 expects 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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

###### Trade receivables – Sales of unredeemed and bid pledges

For trade receivables from the sales of unredeemed and bid pledges, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has 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.

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## Notes to the Financial Statements (Cont'd)

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

#### 4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at banks, fixed deposits placed with licensed banks, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the statements of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statements of financial position.

#### 4.11 Equity instruments

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transactions cost.

Retained profits include all current and prior years retained profits. Cost directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained profits.

All transactions with owners of the parent are recorded separately within equity.

#### 4.12 Employees benefits

##### (a) Short-term benefit

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absence such as paid annual leave is recognised when services are rendered by employees and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

##### (b) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees' Provident Fund ("EPF"). The contributions are recognised as a liability after deducting any contribution already paid and as an expense in profit or loss in the period in which the employee render their services. Once the contributions have been paid, the Group and the Company have no further payment obligations.

#### 4.13 Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as trade discounts, and volume rebates), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient, the effects of any significant financing component are not adjusted if the payment for the good or service will be within one year.

## Notes to the Financial Statements (Cont'd)

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

#### 4.13 Revenue recognition (cont'd)

The Group and the Company's revenue comprises mainly as following:

##### (i) Pawnbroking business

Safeguarding interest and interest income on pawnbroking are recognised on a time-proportion basis using the effective interest method.

Pawnbroking administrative fees is recognised at a point in time when the performance obligation is satisfied upon issuing of pawn ticket.

##### (ii) Retail and trading of jewellery and gold

Revenue from retail sales and trading is recognised at a point in time when control of the goods is passed to the customer, which is the point in time when the significant risks and rewards are transferred to the customer and the transaction has met the probability of inflows and measurement reliability requirements of MFRS 15.

The Group measures revenue from a sale of goods or a service transaction at the fair value of the consideration received or receivables, which is usually the invoice price, net of returns and allowances, trade discounts and volume rebates given to the customer.

##### (iii) Dividend income

Dividend income represents gross dividends from investments and is recognised when the shareholders' right to receive payment is established.

#### 4.14 Income tax

Tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Using the statements of financial position liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the statements of financial position and the corresponding tax base, with the exception of goodwill not deductible for tax purposes and temporary differences arising on initial recognition of assets and liabilities that do not affect taxable or accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that the Group considers that it is probable (i.e. more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's intention is to settle the amounts on a net basis.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination.

## Notes to the Financial Statements (Cont'd)

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

#### 4.15 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the financial year for the effects of conversion of all dilutive potential ordinary shares into ordinary shares.

#### 4.16 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

All operating segments' results are reviewed regularly by the Chief Operating Decision Maker ("CODM"), which in this case is Group Chief Executive Officer ("CEO"), to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

#### 4.17 Fair value measurement

Fair value is 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. When measuring the fair value of an asset or a liability, the Group and the Company use market observable data to the extent possible.

If the fair value of an asset or a liability is not directly observable, it is estimated by the Group and the Company (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group and the Company at the end of the reporting period during which the change occurred.

## Notes to the Financial Statements (Cont'd)

### 5. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS

#### 5.1 Amendments to MFRSs adopted

For the preparation of the financial statements, the following amendments to the MFRSs issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2024:

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

The adoption of the above-mentioned amendments to MFRSs has no significant impact on the financial statements of the Group and the Company.

#### 5.2 New MFRSs and amendments to MFRSs not yet effective

The following are new MFRSs and amendments to the MFRSs that have been issued by the MASB up to the date of the issuance of the Group's and the Company's financial statements but have not been adopted by the Group and the Company:

##### **Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025**

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

##### **Amendments to MFRSs effective for annual periods beginning on or after 1 January 2026**

- Amendments to MFRS 9 *Financial Instruments, MFRS 7 Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*
- Amendments to MFRS 9 *Financial Instruments and MFRS 7 Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to MFRS – Volume 11

##### **New MFRSs effective for annual periods beginning on or after 1 January 2027**

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

##### **Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed**

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

The directors anticipate that the above-mentioned new MFRSs and amendments will be adopted by the Group and the Company when they become effective.

The initial application of new MFRSs and amendments to MFRSs is not expected to have any significant impact on the financial statements of the Group and the Company.



## Notes to the Financial Statements (Cont'd)

### 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its financial statements, the Group has made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Group periodically monitors such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates. The judgements made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (a) Valuation of pledged articles for collateralised loans of pawnbroking segment

The Group has trade receivables that are in the form of collateralised loans to customers. These loans are extended to customers based on a portion of the individual values of the corresponding pledged articles, for which individual values are assigned to each article by the Group's appraisers. Appraising the values of the articles requires the Group to make certain judgement, including assessing prevailing market conditions and gold prices.

#### (b) Impairment of trade receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that the trade receivables are impaired. The trade receivables are mainly from pledge receivables and accrued interest, which they are secured by pledges of goods. The carrying amount of the trade receivables may not be fully recover in the event that the customers do not renew or redeem pledged article within the agreed redemption period from the grant date of the loan.

The determination of the appropriate allowance for expected credit loss on trade receivables require management to consider factors such as the significant decline in values of pledged article and the authenticity of the pledged article.

#### (c) Net realisable value of inventories

The Group assesses periodically the allowance for inventories to record inventories at the lower of cost and net realisable value. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an allowance for inventories. To determine whether there is objective evidence of obsolescence or decline in net realisable value, the Group estimates future demand for the product and assesses prevailing market conditions and gold prices. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 11.

#### (d) Measurement of lease liabilities and right-of-use assets

The measurement of a lease liability and the corresponding right-of-use asset includes in-substance fixed payments, variable lease payments linked to an inflation-related index or rate, estimates of lease term, option to purchase, payments under residual value guarantee and penalties for early termination. The actual payments may not coincide with these estimates. The Group reassesses the lease liability for any change in the estimates and a corresponding adjustment is made to the right-of-use asset.

## Notes to the Financial Statements (Cont'd)

### 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (e) Income tax and deferred tax estimation

Management's judgement is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. There are transactions and computations for which the ultimate tax determination may be different from the initial estimate.

The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Recognition of deferred tax assets and liabilities involves making a series of assumptions. As far as deferred tax assets are concerned, their realisation ultimately depends on taxable profits being available in the future. Deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deferred tax asset can be utilised and it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the Group making assumptions within its overall tax-planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability.

# Notes to the Financial Statements

(Cont'd)

## 7. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Building RM	Computers RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Renovation in progress RM	Total RM
<b>Cost</b>								
As at 1 January 2023	486,000	1,134,000	1,170,917	3,772,724	2,025,849	7,168,624	100,000	15,858,114
Additions	-	-	670,186	476,446	556,311	1,253,977	-	2,956,920
Disposals	-	-	(51,729)	(89,500)	(20,193)	-	-	(161,422)
Written off	-	-	(125,060)	(24,686)	(47,680)	-	-	(197,426)
Reclassification	-	-	-	-	-	100,000	(100,000)	-
As at 31 December 2023/ 1 January 2024	486,000	1,134,000	1,664,314	4,134,984	2,514,287	8,522,601	-	18,456,186
Additions	-	-	251,693	391,809	111,023	563,035	30,415	1,347,975
Disposals	-	-	(50,725)	(5,280)	(16,885)	-	-	(72,890)
Written off	-	-	(48,798)	(97,445)	(14,635)	-	-	(160,878)
As at 31 December 2024	486,000	1,134,000	1,816,484	4,424,068	2,593,790	9,085,636	30,415	19,570,393

# Notes to the Financial Statements

(Cont'd)

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

GROUP	Freehold land RM	Building RM	Computers RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Renovation in progress RM	Total RM
<b>Accumulated depreciation</b>								
As at 1 January 2023	-	145,530	771,993	2,632,569	1,192,362	4,771,323	-	9,513,777
Charge for the financial year	-	22,680	264,033	370,211	277,325	733,222	-	1,667,471
Disposal	-	-	(32,204)	(88,920)	(14,332)	-	-	(135,456)
Written off	-	-	(106,461)	(23,154)	(44,802)	-	-	(174,417)
As at 31 December 2023 / 1 January 2024	-	168,210	897,361	2,890,706	1,410,553	5,504,545	-	10,871,375
Charge for the financial year	-	22,680	383,703	427,112	349,305	924,369	-	2,107,169
Disposal	-	-	(40,869)	(2,667)	(11,434)	-	-	(54,970)
Written off	-	-	(45,806)	(93,730)	(14,510)	-	-	(154,046)
As at 31 December 2024	-	190,890	1,194,389	3,221,421	1,733,914	6,428,914	-	12,769,528
<b>Net carrying amount</b>								
As at 31 December 2023	486,000	965,790	766,953	1,244,278	1,103,734	3,018,056	-	7,584,811
As at 31 December 2024	486,000	943,110	622,095	1,202,647	859,876	2,656,722	30,415	6,800,865

The freehold land and building of the Group have been pledged to a licensed bank for credit facilities granted to a subsidiary as disclosed in Note 18.

## Notes to the Financial Statements (Cont'd)

### 8. RIGHT-OF-USE ASSETS

	Leasehold land RM	Buildings RM	Shop- lots RM	Motor vehicle RM	Total RM
<b>GROUP</b>					
<b>Cost</b>					
As at 1 January 2023	1,950,000	1,550,000	14,934,763	–	18,434,763
Addition during the year	847,000	633,000	7,218,998	–	8,698,998
Modification	–	–	40,210	–	40,210
Derecognition	–	–	(1,799,392)	–	(1,799,392)
As at 31 December 2023/ 1 January 2024	2,797,000	2,183,000	20,394,579	–	25,374,579
Addition during the year	882,000	835,427	3,698,030	149,079	5,564,536
Modification	–	–	31,783	–	31,783
Derecognition	–	–	(866,640)	–	(866,640)
As at 31 December 2024	3,679,000	3,018,427	23,257,752	149,079	30,104,258
<b>Accumulated depreciation</b>					
As at 1 January 2023	20,420	25,834	2,525,438	–	2,571,692
Charge for the financial year	24,505	32,055	1,976,914	–	2,033,474
Modification	–	–	(4,379)	–	(4,379)
Derecognition	–	–	(1,710,821)	–	(1,710,821)
As at 31 December 2023/ 1 January 2024	44,925	57,889	2,787,152	–	2,889,966
Charge for the financial year	42,857	43,660	2,241,778	9,939	2,338,234
Derecognition	–	–	(866,640)	–	(866,640)
As at 31 December 2024	87,782	101,549	4,162,290	9,939	4,361,560
<b>Net carrying amount</b>					
As at 31 December 2023	2,752,075	2,125,111	17,607,427	–	22,484,613
As at 31 December 2024	3,591,218	2,916,878	19,095,462	139,140	25,742,698

The leasehold lands and leasehold buildings ("leasehold properties") are for pawnbroking activities and retail and trading of jewellery and gold activities. The remaining lease period are ranges from 30 to 84 years. (2023: 71 to 85 years).

The leasehold properties have been pledged as security to secure loans and borrowings as disclosed in Note 18.

The Group leases shop-lots to carry on business for pawnbroking and for retail and trading of jewellery and gold activities. The leases for shop-lots generally have initial lease terms between 3 to 4 years (2023: 3 to 4 years), with renewal options up to 3 to 12 years (2023: 3 to 12 years).

There were changes to the lease amount due to renewal of tenancy agreements between the landlords with the Group. This resulted in the lease modification adjusted to the right-of-use assets and lease liabilities in the current and prior financial years.

## Notes to the Financial Statements

(Cont'd)

### 9. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2024 RM	2023 RM
Unquoted shares, at cost		
At 1 January/12 April 2023 (Date of incorporation)	–	–
Acquisition of subsidiaries	171,646,606	–
At 31 December	171,646,606	–

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:

Name of the Company	Effective ownership		Principal activities
	2024	2023	
Thye Shing Pawnshop Sdn. Bhd.	100%	100%	Pawnbroking
Kedai Pajak Well Chip Sdn. Bhd.	100%	100%	Pawnbroking
Kedai Emas Well Chip Sdn. Bhd.	100%	100%	Trading and retail sale of jewellery and gold
SYT Pavilion Sdn. Bhd.	100%	100%	Investment holding
<u>Subsidiaries of SYT Pavilion Sdn. Bhd.</u>			
Pajak Gadai Bintang Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Shinegold Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Berlian Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Grand Chip Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Cahaya Damai Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Mutiara Pesona Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Rubi Kristal Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Jubli Intan Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Fajar Tebrau Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Nilam Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Delima Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Well Chip (1) Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Well Chip (2) Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Well Chip (3) Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Well Chip (4) Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Well Chip (5) Sdn. Bhd.	100%	100%	Pawnbroking
Pajak Gadai Well Chip (6) Sdn. Bhd.	100%	100%	Pawnbroking
Well Chip (7) Sdn. Bhd. *	100%	100%	Pawnbroking
Well Chip (8) Sdn. Bhd. *	100%	100%	Pawnbroking
Well Chip (9) Sdn. Bhd. *	100%	100%	Pawnbroking
Well Chip (10) Sdn. Bhd. *	100%	100%	Pawnbroking



## Notes to the Financial Statements (Cont'd)

### 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows: (cont'd)

Name of the Company	Effective ownership		Principal activities
	2024	2023	
<u>Subsidiaries of SYT Pavilion Sdn. Bhd</u> (cont'd)			
Well Chip (11) Sdn. Bhd. *	100%	100%	Pawnbroking
Well Chip (12) Sdn. Bhd. *	100%	100%	Pawnbroking
Well Chip (13) Sdn. Bhd. *	100%	100%	Pawnbroking
Well Chip (14) Sdn. Bhd. * #	100%	–	Pawnbroking
Well Chip (15) Sdn. Bhd. * #	100%	–	Pawnbroking
Well Chip (16) Sdn. Bhd. * #	100%	–	Pawnbroking
Well Chip (17) Sdn. Bhd. * #	100%	–	Pawnbroking
Well Chip (18) Sdn. Bhd. * #	100%	–	Pawnbroking
Well Chip (19) Sdn. Bhd. * #	100%	–	Pawnbroking
Well Chip (20) Sdn. Bhd. * #	100%	–	Pawnbroking
Well Chip (21) Sdn. Bhd. * #	100%	–	Pawnbroking
Well Chip (22) Sdn. Bhd. * #	100%	–	Pawnbroking
Well Chip (23) Sdn. Bhd. * #	100%	–	Pawnbroking

\* The principal activities stated above are the intended principal activities as the subsidiaries have yet to commence their business as at the date of this financial statements.

# Newly incorporated during the financial year.

### 10. GOODWILL

	GROUP	
	2024 RM	2023 RM
<b>Cost</b>		
At 1 January/31 December	425,260	425,260
<b>Accumulated impairment losses</b>		
At 1 January/31 December	–	–
<b>Net carrying amount</b>	425,260	425,260

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. Each of those CGU represents the Group's investment in subsidiaries. The goodwill is allocated mainly to Pajak Gadai Fajar Tebrau Sdn. Bhd..

## Notes to the Financial Statements (Cont'd)

### 10. GOODWILL (CONT'D)

#### (a) Impairment test of goodwill

On an annual basis, the Group undertakes an impairment testing on goodwill. No impairment loss was identified on the carrying amount of goodwill assessed at the reporting date as their recoverable amounts were above their carrying amounts.

#### (b) Recoverable amount based on value in use

The recoverable amount of cash-generating units containing the above goodwill is determined based on value in use calculations. These calculations use pre-tax cash flow projections that have been projected to perpetuity based on financial budgets approved by management covering a period of not more than three years. The sales and price gap of the cash-generating units used in preparing the projected cash flows were determined based on past business performance and management's expectations on market development.

The key inputs to the calculation are described below:

Assumption	Rate
Average pledged receivables growth rates	25% (2023: 25%)
Discount rates	7% (2023: 6%)

#### Impact of possible changes in key assumption

The management has considered and assessed reasonably possible changes of key assumptions and has not identified any instances that could cause the carrying amount of the goodwill to exceed its recoverable amount.

### 11. INVENTORIES

	2024 RM	GROUP 2023 RM
<b>At cost</b>		
Gold and jewelleryes	27,290,483	32,096,810
<b>Recognised in profit or loss:-</b>		
Inventories recognised in cost of sales	102,381,111	111,250,944
Inventories written off	4,135	–

## Notes to the Financial Statements (Cont'd)

### 12. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Trade</b>				
Pledged receivables	506,365,505	399,295,600	–	–
Accrued interest	19,781,467	16,291,148	–	–
	526,146,972	415,586,748	–	–
<b>Non-trade</b>				
Other receivables	440,084	234,132	211,705	–
Loan to subsidiaries	–	–	61,082,881	–
Amount due from subsidiaries	–	–	50,035,000	–
Dividend receivable	–	–	30,114,765	–
Deposits	2,083,374	727,050	1,312,344	–
Prepayments	2,570,943	3,922,365	10,033	533,909
	5,094,401	4,883,547	142,766,728	533,909
<b>Total trade and other receivables</b>	<b>531,241,373</b>	<b>420,470,295</b>	<b>142,766,728</b>	<b>533,909</b>

Pledged receivables to customers are secured by pledges of goods. The quantum of loans granted to customers is based on the market value of the articles pledged to the Group. In the event that a customer does not renew or redeem a pledged article within 6 months from the grant date of the loan, the pledged article will be disposed by auction, in accordance with the requirements of the Pawnbrokers Act 1972 in Malaysia.

The pawn loans bear monthly interest ranging from 1.00% to 2.00% (2023: 1.00% to 2.00%) per month.

The loan to subsidiaries bears interest rate at 7.00% (2023: NIL) per annum, unsecured, and receivable on demand.

The amount due from subsidiaries is unsecured, interest free and receivable on demand.

During the financial year, the pledged receivables written off against profit or loss amounted to RM74,250 (2023: RM49,660) and the reversal of pledged receivables written off is RM89,070 (2023: NIL).

## Notes to the Financial Statements

(Cont'd)

### 13. SHORT-TERM INVESTMENTS

	GROUP AND COMPANY	
	2024	2023
	RM	RM
<b>Fair value through profit or loss:-</b>		
Money market fund	23,775,192	–

The funds invested mainly into deposits and money market instruments and thus have minimum exposure to changes in market value.

The weighted average effective interest rate for the short-term investments of the Group and of the Company at financial year is 3.62% (2023: NIL) per annum.

Short-term investments of the Group and of the Company represent money market fund investments managed by licensed financial institutions. These short-term investments are investments in highly liquid money market which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

The short-term investments of the Group and of the Company are carried at fair value. The fair value hierarchy for money market funds are classified as Level 1.

### 14. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash in hand	5,454,622	6,452,190	–	1
Cash at bank	12,989,696	6,013,347	2,353,665	220,409
Fixed deposits with licensed banks	51,400,000	–	51,400,000	–
<b>Total cash and bank balances</b>	<b>69,844,318</b>	<b>12,465,537</b>	<b>53,753,665</b>	<b>220,410</b>

The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period bear effective interest rates ranging from 3.20% to 3.80% (2023: NIL) per annum. The fixed deposits have maturity periods ranging from 14 to 184 (2023: NIL) days for the Group and the Company.

## Notes to the Financial Statements (Cont'd)

### 15. SHARE CAPITAL/INVESTED EQUITY

#### (a) Share capital

	GROUP			
	Number of ordinary shares 2024 Unit	Amount 2024 RM	Number of ordinary shares 2023 Unit	Amount 2023 RM
As at 1 January	1	1	1	1
Acquisition of subsidiaries	449,999,999	171,646,606	–	–
Issued during the financial year	150,000,000	172,500,000	–	–
Transaction costs at share issue	–	(4,713,994)	–	–
As at 31 December	600,000,000	339,432,613	1	1

	COMPANY			
	Number of ordinary shares 2024 Unit	2023 Unit	Amount 2024 RM	Amount 2023 RM
As at 1 January/12 April 2023 (Date of incorporation)	1	1	1	1
Acquisition of subsidiaries	449,999,999	–	171,646,606	–
Issued during the financial year	150,000,000	–	172,500,000	–
Transaction costs at share issue	–	–	(4,713,994)	–
As at 31 December	600,000,000	1	339,432,613	1

During the financial year, the Company:

- (i) Issued 449,999,999 new ordinary shares at a price of RM0.38 per ordinary share for a total consideration of RM171,646,606 for the acquisition of 100% equity interest in SYT Pavilion Sdn. Bhd., Kedai Pajak Well Chip Sdn. Bhd., Kedai Emas Well Chip Sdn. Bhd. and Thye Shing Pawnshop Sdn. Bhd. pursuant to the conditional share sale agreements dated 9 November 2023. The acquisition was completed on 20 May 2024; and
- (ii) Issued 150,000,000 new ordinary shares at a price of RM1.15 per ordinary share for a total cash consideration of RM172,500,000 pursuant to the Initial Public Offering ("IPO") of the Company on the Main Market of Bursa Malaysia Securities Berhad on 23 July 2024.

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

## Notes to the Financial Statements (Cont'd)

### 15. SHARE CAPITAL/INVESTED EQUITY (CONT'D)

#### (b) Invested equity

	Number of ordinary shares 2024 Unit	Amount 2024 RM	GROUP Number of ordinary shares 2023 Unit	Amount 2023 RM
As at 1 January	23,897,932	27,683,141	23,897,932	27,683,141
Issuance of shares pursuant to acquisition of subsidiaries	(23,897,932)	(27,683,141)	–	–
As at 31 December	–	–	23,897,932	27,683,141

Invested equity for the financial year ended 31 December 2023 comprised the aggregate number of issued and paid-up ordinary shares of the combined entities of the Group. During the current financial year, the amount has been reversed pursuant to the completion of the acquisitions of subsidiaries.

### 16. REORGANISATION DEFICIT

The reorganisation deficit arose from the difference between the carrying value of the investment in subsidiaries and the nominal value of shares of the Company's subsidiaries upon consolidation under the merger accounting principles.

### 17. LEASE LIABILITIES

	2024 RM	GROUP 2023 RM
Future lease payment payable:		
- Not later than one year	2,504,055	2,312,929
- Later than one year and not later than five years	8,549,143	7,339,240
- Later than five years	10,114,867	9,768,311
	21,168,065	19,420,480
Less: Future interest charges	(1,819,233)	(1,706,364)
Present value of lease liabilities	19,348,832	17,714,116



## Notes to the Financial Statements (Cont'd)

### 17. LEASE LIABILITIES (CONT'D)

	2024 RM	GROUP 2023 RM
Repayable as follows:		
Current		
- Not later than one year	2,291,310	2,110,428
Non-current		
- Later than one year and not later than five years	7,724,475	6,640,951
- Later than five years	9,333,047	8,962,737
	17,057,522	15,603,688
	19,348,832	17,714,116

The lease liabilities bear effective interest rates at 6.00% (2023: 6.00% to 6.50%) per annum.

The Group had purchased motor vehicles under hire purchase arrangement which is classified under lease liabilities. The hire purchase is repayable over 60 (2023: NIL) monthly instalments from the date of full drawdown and bears effective interest rates at 2.36% (2023: NIL) per annum.

Lease payments not recognised as a lease liabilities:

	2024 RM	GROUP 2023 RM
Low-value assets Included in administrative expenses	5,020	33,630

## Notes to the Financial Statements (Cont'd)

### 18. LOANS AND BORROWINGS

	2024 RM	GROUP 2023 RM
<b>Non-current</b>		
Term loans (secured)	4,502,377	3,831,204
<b>Current</b>		
Term loans (secured)	302,155	121,320
Bank overdrafts (secured)	6,202,783	21,943,715
Revolving credits (secured)	171,000,000	166,600,000
	177,504,938	188,665,035
	182,007,315	192,496,239

#### Term loans

Term loan 2 is repayable over 267 (2023: 279) monthly instalments from 15 February 2022.

Term loan 3 is repayable over 207 (2023: 219) monthly instalments from 11 February 2022.

Term loan 4 is repayable over 228 (2023: 240) monthly instalments from 1 December 2023.

Term loan 5 is repayable over 57 (2023: NIL) monthly instalments from 23 August 2024.

Term loans obtained from licensed banks are secured by way of:

- (a) legal charges over the freehold land, leasehold land and buildings of the Group as disclosed in Note 7 and 8 to the financial statements respectively; and
- (b) corporate guarantees by the Company.

The term loans bear effective interest rates ranging from 4.20% to 4.37% (2023: 4.12% to 5.58%) per annum.

#### Bank overdrafts and revolving credits

The bank overdraft and revolving credits obtained from licensed banks are secured by way of:

- (a) debenture over all the Group's fixed and floating assets; and
- (b) corporate guarantees executed by the Company.

The bank overdrafts bear effective interest rates of 6.82% to 6.85% (2023: 6.35% to 7.07%) per annum.

The revolving credits bear effective interest rates ranging from 5.25% to 5.79% (2023: 5.03% to 6.23%) per annum.

## Notes to the Financial Statements (Cont'd)

### 19. DEFERRED TAX LIABILITIES

	2024 RM	GROUP 2023 RM
At 1 January	57,695	73,894
Recognised in profit or loss (Note 26)	55,359	(16,199)
At 31 December	113,054	57,695

The balance in the deferred tax liabilities is made up of tax effects of temporary differences arising from:

	2024 RM	GROUP 2023 RM
Excess of net book value over the tax written down value of property, plant and equipment	113,054	57,695

### 20. OTHER PAYABLES

	2024 RM	GROUP 2023 RM	COMPANY 2024 RM	2023 RM
Third parties	469,381	–	–	160,666
Loan from related parties	25,415,918	42,786,715	–	–
Loan from directors	8,214,558	13,643,921	–	–
Loan from shareholders	18,041,180	19,263,504	–	–
Loan from subsidiaries	–	–	27,095,787	–
Amount due to related parties	1,757,081	739,631	–	767,337
Other payables	94,984	188,136	–	–
Accruals	2,728,749	3,289,429	154,373	157,781
Total other payables	56,721,851	79,911,336	27,250,160	1,085,784

The loan from related parties bear interest rates at 7.00% (2023: 6.00% to 7.00%) per annum. In the previous financial year, the loan from related parties amounted to RM17,320,953 was denominated in Singapore Dollar ("SGD").

The loan from directors, shareholders and subsidiaries bear interest rate of 7.00% (2023: 7.00%) per annum.

The amount due to related parties is unsecured, interest free and repayable on demand. In the previous financial year, the amount due to related parties of the Group amounted to RM739,631 was denominated in Singapore Dollar ("SGD").

## Notes to the Financial Statements

(Cont'd)

### 21. REVENUE

Revenue for the Group is comprised of revenue from contract with customers.

(a) Disaggregation of revenue

Revenue from contracts with customers is disaggregated by business activities of the Group and the timing of the revenue recognition as follows:

	GROUP	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
<b>Business activities</b>		
Pawnbroking administrative fees	292,304	268,277
Interest income on pawnbroking	90,467,120	72,965,490
Total revenue from pawnbroking	90,759,424	73,233,767
Sales of scrap gold	110,988,758	108,907,010
Retail sales of jewellery and gold	20,377,115	21,534,588
Total revenue from sales of jewellery and gold	131,365,873	130,441,598
Total revenue	222,125,297	203,675,365
<b>Timing of revenue recognition</b>		
Revenue recognised at point in time	131,658,177	130,709,875
Revenue recognised over time	90,467,120	72,965,490
	222,125,297	203,675,365
<b>Revenue from other sources:</b>		
Dividend income received from a subsidiary	30,114,765	–

## Notes to the Financial Statements (Cont'd)

### 22. OTHER INCOME

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Gain on short-term investments:				
- realised	23,478	–	23,478	–
- unrealised	39,223	–	39,223	–
Service income	219,005	144,539	–	–
Rental income	134,455	21,300	–	–
Miscellaneous income	26,033	3,393	16,980	–
	442,194	169,232	79,681	–

### 23. FINANCE INCOME

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Interest income from bank	1,276,215	129,895	1,242,430	–
Interest income from loan to subsidiaries	–	–	1,088,105	–
	1,276,215	129,895	2,330,535	–

### 24. FINANCE COSTS

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Interest expenses on:				
- term loans	177,980	170,525	–	–
- bank overdrafts	1,145,183	1,939,120	–	–
- revolving credits	9,106,465	7,231,338	–	–
- loan from subsidiaries	–	–	1,141,011	–
- loan from shareholders, directors and related parties	4,332,713	5,821,978	–	–
- lease liabilities	223,389	207,427	–	–
	14,985,730	15,370,388	1,141,011	–

## Notes to the Financial Statements (Cont'd)

### 24. FINANCE COSTS (CONT'D)

Presented in the statements of profit or loss and other comprehensive income as:

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Cost of sales	14,584,361	14,992,436	–	–
Finance costs	401,369	377,952	1,141,011	–
	14,985,730	15,370,388	1,141,011	–

### 25. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Auditors' remuneration				
RSM Malaysia PLT				
- statutory audits	195,000	152,000	20,000	8,000
- non-audit services	24,100	–	12,000	–
Other services:				
- Local affiliate of RSM Malaysia PLT	47,600	39,600	500	–
Directors' remuneration (Note 29)	3,185,334	2,738,475	492,500	233,411
Depreciation of				
- property, plant and equipment	2,107,169	1,667,471	–	–
- right-of-use assets	2,338,234	2,033,474	–	–
Employee benefits expenses (Note 29)	13,982,853	11,545,299	–	–
Inventories written off	4,135	–	–	–
Pledged receivables written off	74,250	49,660	–	–
Reversal of pledged receivables written off	(89,070)	–	–	–
Property, plant and equipment written off	6,832	23,009	–	–
Loss/(Gain) of disposal of property, plant and equipment	617	(160)	–	–
Realised loss on foreign exchange	15,138	1,354,853	14	421
Unrealised loss on foreign exchange	–	874,588	–	–
Expenses/(income) arising from leases:				
- Leases of low-value assets	5,020	33,630	–	–
- Rental income relating to sub-lease of premise	(37,200)	(14,700)	–	–



## Notes to the Financial Statements (Cont'd)

### 26. TAXATION

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Current tax				
- current year	21,112,200	14,923,198	343,200	–
- over provision in prior year	(82,231)	(234,875)	–	–
	21,029,969	14,688,323	343,200	–
Deferred tax (Note 19)				
- current year	83,805	(15,799)	–	–
- over provision in prior year	(28,446)	(400)	–	–
	55,359	(16,199)	–	–
Total taxation	21,085,328	14,672,124	343,200	–

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

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Profit/(Loss) before taxation	71,069,506	49,993,072	25,782,884	(331,466)
Tax effect in respect of 24% (2023: 24%)	17,056,681	11,998,337	6,187,892	(79,552)
Non-allowable expenses	4,256,080	2,929,956	1,382,852	79,552
Non-taxable income	(191,615)	(167,519)	(7,227,544)	–
Deferred tax asset not recognised on temporary differences	74,859	146,625	–	–
Overprovision in prior year				
- income tax expense	(82,231)	(234,875)	–	–
- deferred tax	(28,446)	(400)	–	–
	21,085,328	14,672,124	343,200	–

## Notes to the Financial Statements (Cont'd)

### 26. TAXATION (CONT'D)

The Group has the following deferred tax assets which are not recognised in the financial statements due to uncertainty in the availability of future taxable income:

	GROUP	
	2024 RM	2023 RM
Unabsorbed capital allowances	121,146	79,795
Unutilised business losses	111,416	107,070
Unutilisation deductible temporary differences	1,264	(27,898)
	233,826	158,967

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of the subsidiaries in the Group in the foreseeable future and they have arisen in a subsidiary that have recent history of losses.

As for unutilised business losses, it can only be carried forward up to ten (10) consecutive years of assessment ("YA"). Upon expiry of the 10 years, the unutilised business losses shall be disregarded.

The expiry of the unutilised business losses is as follow:

	GROUP			Unabsorbed amount will be disregard In YA
	2024 RM	2023 RM	Carried forward up to YA	
Business losses incurred in:				
YA 2022	273,056	273,056	2032	2033
YA 2023	173,068	173,068	2033	2034
YA 2024	18,108	–	2034	2035
	464,232	446,124		

The unabsorbed capital allowances are available indefinitely to offset against future taxable profits of the subsidiaries in which those items arose.

## Notes to the Financial Statements (Cont'd)

### 27. DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY

SYT Pavilion Sdn. Bhd., a subsidiary of the Company had entered into a Share Transfer and Settlement Agreement ("SSA") on 6 June 2023 to dispose its entire interest in Swift Paragon Sdn. Bhd. ("Swift Paragon") (2,000,000 ordinary shares in Swift Paragon), representing the entire share capital of Swift Paragon, to VMM Holdings Sdn. Bhd. at a consideration of RM2,508,219. Management had recognised the disposal of Swift Paragon in June 2023 as the disposal was completed on 28 June 2023. The financial results of the disposed Swift Paragon were presented separately in the statements of profit or loss and other comprehensive income as "Profit from discontinued operations, net of tax". Profit attributable to the discontinued operation was as follows:

	2024 RM	GROUP 2023 RM
<b>Results of discontinued operation</b>		
Revenue	–	1,463,230
Administrative expenses	–	(236,583)
Results from operating activities, net of tax	–	1,226,647
Loss on sale of discontinued operations	–	(117,152)
Profit for the year	–	1,109,495

	2024 RM	GROUP 2023 RM
<b>Cash flows generated from/(used in) discontinued operation/disposal of subsidiary</b>		
Net cash generated from/(used in):		
- operating activities	–	(3,895,068)
- investing activities	–	(959)
- financing activities	–	3,924,417
Effect of cash flows	–	28,390

## Notes to the Financial Statements (Cont'd)

### 27. DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY (CONT'D)

SYT Pavilion Sdn. Bhd., a subsidiary of the Company had entered into a Share Transfer and Settlement Agreement ("SSA") on 6 June 2023 to dispose its entire interest in Swift Paragon Sdn. Bhd. ("Swift Paragon") (2,000,000 ordinary shares in Swift Paragon), representing the entire share capital of Swift Paragon, to VMM Holdings Sdn. Bhd. at a consideration of RM2,508,219. Management had recognised the disposal of Swift Paragon in June 2023 as the disposal was completed on 28 June 2023. The financial results of the disposed Swift Paragon were presented separately in the statements of profit or loss and other comprehensive income as "Profit from discontinued operations, net of tax". Profit attributable to the discontinued operation was as follows: (cont'd)

Effect of disposal on the financial position of the Group:

	2024 RM	GROUP 2023 RM
Property, plant and equipment	–	71,878
Goodwill	–	18,092
Deferred tax assets	–	284,380
Trade and other receivables	–	28,078,788
Cash and cash equivalents	–	232,312
Current tax assets	–	10,030
Other payables	–	(26,070,109)
<b>Net assets</b>	<b>–</b>	<b>2,625,371</b>
Consideration received	–	2,508,219
Less: Net assets disposed off	–	(2,625,371)
Loss on disposal of discontinued operations	–	(117,152)
Profit for the year	–	1,226,647
<b>Profit from discontinued operation</b>	<b>–</b>	<b>1,109,495</b>
Consideration received, satisfied in cash	–	2,508,219
Movement of cash and cash equivalents from discontinued operations	–	(28,390)
<b>Net cash inflow for the Group</b>	<b>–</b>	<b>2,479,829</b>

## Notes to the Financial Statements (Cont'd)

### 28. EARNINGS PER SHARE

#### Basic earnings per ordinary share and diluted earnings per ordinary share

Basic earnings per ordinary share are based on the profit for the financial year attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per ordinary share are based on the profit for the financial year attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The basic earnings per ordinary share are computed as follows:

	2024 RM	GROUP 2023 RM
Profit after tax for the financial year attributable to owners of the Company (RM)	49,984,178	35,320,948
Weighted average number of ordinary shares in issue	516,575,342	23,897,932
Basic and diluted earnings per ordinary share (sen)	9.68	147.80

The diluted earnings per share of the Group for the financial year ended 31 December 2024 and 31 December 2023 are same as the basic earnings per ordinary share of the Group as the Group has no dilutive potential ordinary shares.

### 29. EMPLOYEE BENEFITS EXPENSES

Employee benefits recognised as expense (exclude Directors' remuneration):

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Salaries and other emoluments	12,521,060	10,442,894	–	–
Defined contributions plan	1,461,793	1,102,405	–	–
	13,982,853	11,545,299	–	–

## Notes to the Financial Statements (Cont'd)

### 29. EMPLOYEE BENEFITS EXPENSES (CONT'D)

Directors' remunerations:

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
<b>Executive:</b>				
Salaries, allowances and bonuses	666,287	530,700	–	–
Fees	13,500	13,500	–	–
Defined contributions plan	78,576	63,654	–	–
Other related expenses	2,434	2,317	–	–
	760,797	610,171	–	–
<b>Non-executive:</b>				
Fees	455,000	310,950	455,000	221,411
Meeting allowances	37,500	12,000	37,500	12,000
	492,500	322,950	492,500	233,411
<b>Directors of subsidiaries:</b>				
Salaries, allowances and bonuses	1,634,845	1,531,566	–	–
Fees	85,535	75,994	–	–
Defined contributions plan	196,709	183,791	–	–
Other related expenses	14,948	14,003	–	–
	1,932,037	1,805,354	–	–
	3,185,334	2,738,475	492,500	233,411

Other key management personnel:

	GROUP	
	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Salaries, allowances and bonuses	627,161	464,601
Defined contributions plan	75,218	55,752
Other related expenses	2,782	2,221
	705,161	522,574



## Notes to the Financial Statements (Cont'd)

### 30. SIGNIFICANT RELATED PARTY TRANSACTIONS

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 decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. 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 include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its holding company, related parties, subsidiaries, Directors, shareholders and key management personnel.

(a) The transactions of the Group and of the Company with the related parties were as follows:

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
<b>Holding company</b>				
Rental expenses	97,200	40,500	–	–
<b>Subsidiaries</b>				
Loan interest				
- income	–	–	(1,088,105)	–
- expenses	–	–	1,141,011	–
Dividend income	–	–	(30,114,765)	–
<b>Related parties</b>				
Management fees				
- expenses	–	517,001	–	–
Corporate guarantee fees	1,757,081	1,513,534	–	–
Loan interest				
- expenses	2,314,310	3,551,819	–	–
Rental				
- income	(21,600)	(21,600)	–	–
- expenses	188,760	191,820	–	–

## Notes to the Financial Statements (Cont'd)

### 30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

- (a) The transactions of the Group and of the Company with the related parties were as follows: (cont'd)

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
<b>Shareholders</b>				
Loan interest charged	1,098,376	1,765,992	–	–
Rental expenses	174,000	94,300	–	–
Retail sales of jewellery and gold	(120,325)	(16,809)	–	–
<b>Directors</b>				
Loan interest charged	920,027	504,167	–	–
Rental expenses	210,840	173,640	–	–
Retail sales of jewellery and gold	(8,621)	(35,950)	–	–

- (b) The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 12 and 20.
- (c) Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel compensation is paid to executive directors, non-executive directors, directors of subsidiaries and other key management personnel as disclosed in Note 29.

### 31. DIVIDENDS

The followings dividends were declared and paid by the subsidiaries of the Group prior to the acquisition of the subsidiaries by the Company in 2024:

	2023 RM
<u>In respect of the financial year ended 31 December 2023</u>	
Interim single-tier dividend of RM0.52 per ordinary share, paid on 14 September 2023	2,680,476
Interim single-tier dividend of RM0.26 per ordinary share, paid on 14 September 2023	2,167,678
	4,848,154

The directors of the subsidiaries did not recommend any final dividend in respect of financial year ended 31 December 2023.

On 26 February 2025, the Board of Directors has proposed a final dividend of RM0.04 per ordinary share, amounted to RM24,000,000 for the financial year ended 31 December 2024, subject to approval of shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect these proposed dividends. The dividends will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2025.

## Notes to the Financial Statements

(Cont'd)

### 32. OPERATING SEGMENTS

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decision about resource allocation and performance assessment. All operating segments' results are reviewed regularly by the Chief Operating Decision Maker ("CODM"), which in this case is Group Chief Executive Officer ("CEO"), to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The two reportable operating segments are as follows:

<b>Business segment</b>	<b>Product and services</b>
Pawnbroking services	<ul style="list-style-type: none"> <li>Provision of pawn loans in exchange for pledges such as gold, jewellery, and watches.</li> </ul>
Retail and trading of jewellery and gold	<ul style="list-style-type: none"> <li>Retail sale of new and pre-owned jewellery and gold.</li> <li>Sale of scrap gold acquired from unredeemed and bid pledges, and pre-owned jewellery and gold from walk-in individuals.</li> </ul>

Transfer prices between operating segments are on negotiated basis.

#### (a) Primary reporting format – by business segment

	<b>Pawn-broking RM</b>	<b>Sales of jewellery and gold RM</b>	<b>Adjustment And eliminations RM</b>	<b>Total RM</b>
<b>2024</b>				
<b>Revenue:</b>				
Revenue from external customers	90,759,424	131,365,873	–	222,125,297
Inter-segment revenue	89,990,159	–	(89,990,159)	–
Segment profit from operations	76,175,063	28,984,762	–	105,159,825
Other income				442,194
Administrative expenses				(35,407,359)
Finance income				1,276,215
Finance costs				(401,369)
Taxation				(21,085,328)
Profit for the financial year from continuing operations				49,984,178
<b>Results:</b>				
Included in the measure segments profits from continuing operations are:				
Employee benefits expenses				13,982,853
Depreciation of				
- property, plant and equipment				2,107,169
- right-of-use assets				2,338,234
<b>Assets:</b>				
Segment assets	1,115,752,536	100,206,117	(530,418,432)	685,540,221
<b>Liabilities:</b>				
Segment liabilities	509,796,145	13,812,475	(259,215,618)	264,393,002

## Notes to the Financial Statements (Cont'd)

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

#### (a) Primary reporting format – by business segment (cont'd)

	Pawn- broking RM	Sales of jewellery and gold RM	Adjustment And eliminations RM	Total RM
<b>2023</b>				
<b>Revenue:</b>				
Revenue from external customers	73,233,767	130,441,598	–	203,675,365
Inter-segment revenue	99,108,483	–	(99,108,483)	–
Segment profit from operations	58,241,331	19,190,654	–	77,431,985
Other income				169,232
Administrative expenses				(27,360,088)
Finance income				129,895
Finance costs				(377,952)
Taxation				(14,672,124)
Profit for the financial year from continuing operations				35,320,948
<b>Results:</b>				
Included in the measure segments profits from continuing operations are:				
Employee benefits expenses				11,545,299
Depreciation of				
- property, plant and equipment				1,667,471
- right-of-use assets				2,033,474
<b>Assets:</b>				
Segment assets	699,502,797	70,589,411	(274,265,577)	495,826,631
<b>Liabilities:</b>				
Segment liabilities	459,522,922	7,637,044	(174,710,370)	292,449,596

#### (b) Secondary reporting format – by geography

The Group's business segments are operated and managed in one (1) geographical area which is in Malaysia.

The sales are generated and managed in Malaysia. Total assets and capital expenditure are located in Malaysia.

## Notes to the Financial Statements (Cont'd)

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

#### (c) Third reporting format – by major customers

##### (i) Pawnbroking services

Customers of the pawnbroking services segment are walk-in individuals and the contribution from each customer as a percentage of the Group's total revenue is negligible.

##### (ii) Retail and trading of jewellery and gold

Customers of the retail and trading of jewellery and gold segment are scrap gold traders and individual customers.

The Group's major customers are scrap gold traders who purchase unredeemed and bid pledges that acquired by the Group as well as pre-owned gold jewellery from walk-in customer. The revenue contribution from each individual customer during the financial year of review was negligible.

Revenue from major scrap gold customers for the financial year under review are as follows:

	2024 RM	2023 RM
<b>Customers</b>		
- Customer A	52,323,043	44,265,703
- Customer B	–	6,943,896
- Customer C	58,665,715	57,697,410

The remaining customers are individual customers. Contribution from each individual customer as a percentage of the Group's total revenue is negligible.

### 33. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Financial assets measured at amortised costs ("AC")
- (ii) Financial liabilities measured at amortised costs ("AC")
- (iii) Fair value through profit or loss ("FVTPL")

	Carrying amount RM	AC RM	FVTPL RM
<b>Group</b>			
<b>31 December 2024</b>			
<u>Financial assets</u>			
Trade and other receivables, net of prepayment	528,670,430	528,670,430	–
Short-term investments	23,775,192	–	23,775,192
Cash and bank balances	69,844,318	69,844,318	–
	622,289,940	598,514,748	23,775,192

## Notes to the Financial Statements (Cont'd)

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

#### (a) Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows: (cont'd)

	Carrying amount RM	AC RM	FVTPL RM
<b>Group (cont'd)</b>			
<b>31 December 2024 (cont'd)</b>			
<u>Financial liabilities</u>			
Other payables	56,721,851	56,721,851	–
Lease liabilities	19,348,832	19,348,832	–
Loans and borrowings	182,007,315	182,007,315	–
	258,077,998	258,077,998	–
<b>31 December 2023</b>			
<u>Financial assets</u>			
Trade and other receivables, net of prepayment	416,547,930	416,547,930	–
Cash and bank balances	12,465,537	12,465,537	–
	429,013,467	429,013,467	–
<u>Financial liabilities</u>			
Other payables	79,911,336	79,911,336	–
Lease liabilities	17,714,116	17,714,116	–
Loans and borrowings	192,496,239	192,496,239	–
	290,121,691	290,121,691	–
<b>Company</b>			
<b>31 December 2024</b>			
<u>Financial assets</u>			
Trade and other receivables, net of prepayment	142,756,695	142,756,695	–
Short-term investments	23,775,192	–	23,775,192
Cash and bank balances	53,753,665	53,753,665	–
	220,285,552	196,510,360	23,775,192
<u>Financial liabilities</u>			
Other payables	27,250,160	27,250,160	–
<b>31 December 2023</b>			
<u>Financial assets</u>			
Cash and bank balances	220,410	220,410	–
<u>Financial liabilities</u>			
Other payables	1,085,784	1,085,784	–



## Notes to the Financial Statements (Cont'd)

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

#### (a) Categories of financial instruments (cont'd)

##### (i) Net gain and losses arising from financial instruments

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
At amortised cost				
- Financial assets	1,291,035	80,235	2,330,535	–
- Financial liabilities	(15,000,868)	(17,599,829)	(1,141,025)	(421)
	(13,709,833)	(17,519,594)	1,189,510	(421)

Included in gains/(losses) on financial instruments categorised as amortised cost are:-

	GROUP		COMPANY	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	12.4.2023 to 31.12.2023 RM
Total interest income for financial assets	1,276,215	129,895	2,330,535	–
Total interest expenses for financial liabilities	(14,985,730)	(15,370,388)	(1,141,011)	–
	(13,709,515)	(15,240,493)	1,189,524	–

#### (b) Financial risk management objective and policies

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse effects on the performance of the Company.

The Group operates within an establish risk management framework and clearly defined guidelines that are reviewed by the Board of Director and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies.

The Group and the Company are exposed mainly to the following risks. Information on the management of related exposures are detailed below:

- (i) Market risk
- (ii) Credit risk
- (iii) Liquidity risk

## Notes to the Financial Statements

(Cont'd)

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

#### (b) Financial risk management objective and policies (cont'd)

##### (i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

##### Interest risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

##### Interest risk sensitivity

The Group and the Company are exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's short-term placement is considered immaterial.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows:

	2024 RM	2023 RM
<b>Group</b>		
<b>Fixed rate instruments</b>		
<u>Financial asset</u>		
Fixed deposits with licensed banks	51,400,000	–
<u>Financial liabilities</u>		
Lease liabilities	(19,348,832)	(17,714,116)
Loan from related parties	(25,415,918)	(42,786,715)
Loan from directors	(8,214,558)	(13,643,921)
Loan from shareholders	(18,041,180)	(19,263,504)
	(71,020,488)	(93,408,256)
Net financial liabilities	(19,620,488)	(93,408,256)
<b>Floating instruments</b>		
<u>Financial liabilities</u>		
Term loans	(4,804,533)	(3,953,262)
Bank overdrafts	(6,202,783)	(21,943,715)
Revolving credits	(171,000,000)	(166,600,000)
	(182,007,316)	(192,496,977)

## Notes to the Financial Statements (Cont'd)

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

#### (b) Financial risk management objective and policies (cont'd)

##### (i) Market risk (cont'd)

###### Interest risk (cont'd)

###### Interest risk sensitivity (cont'd)

	2024 RM	2023 RM
<b>Company</b>		
<b>Fixed rate instruments</b>		
<u>Financial liabilities</u>		
Fixed deposits with licensed banks	51,400,000	–
Loan to subsidiaries	61,082,881	–
	112,482,881	–
<u>Financial liability</u>		
Loan from subsidiaries	(27,095,787)	–
Net financial assets	85,387,094	–

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 100 (2023: 100) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rates for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	(Decrease)/Increase on profit for the financial year	
	+100 bp RM	-100 bp RM
<b>GROUP</b>		
2024	1,383,255	(1,383,255)
2023	1,462,977	(1,462,977)

## Notes to the Financial Statements (Cont'd)

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

#### (b) Financial risk management objective and policies (cont'd)

##### (i) Market risk (cont'd)

###### *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk on advances that are denominated in currency other than the presentation currency of the Group and the Company. The currency giving rise is primarily Singapore Dollar ("SGD").

Based on carrying amounts as at the reporting date, financial assets and financial liabilities denominated in SGD which expose the Group and the Company to currency risk are disclosed below:

	2024 RM	GROUP 2023 RM
<b>Financial liabilities</b>		
Loan from a related party	–	17,320,953
Amount due to related parties	–	739,631
Net foreign currency balance exposure	–	18,060,584

###### *Foreign currency sensitivity analysis*

The following table illustrates the sensitivity of profit in regards to the Group's and the Company's financial assets and financial liabilities and the RM/SGD exchange rate with all other things are being equal.

It assumes a +/- 8% (2023: 10%) change of the RM/SGD. The percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's and the Company's foreign currency denominated financial instruments held at each reporting date. If the RM has strengthened against the SGD by 8% (2023: 10%) respectively, this would have the following impact:

	2024 RM	GROUP 2023 RM
Decrease on profit for the financial year	–	(1,372,604)

If the RM has weakened against the SGD by 8% (2023: 10%) respectively, then the impact on profit for the financial year would be the opposite effect.

Exposure to foreign exchange rates varies during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's and the Company's exposures to foreign currency risk.

## Notes to the Financial Statements (Cont'd)

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

#### (b) Financial risk management objective and policies (cont'd)

##### (ii) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers and related parties.

##### Receivables

##### Pawnbroking business

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position. Pledged receivables are secured by pledges of gold and jewellery which are redeemable by the customers within 6 months from the dates of grant of the loans. The carrying amount of the pledged receivables is disclosed in Note 12.

There are no receivables that are past due or impaired at the end of the reporting year. The pledged articles related to the pledge loans remain redeemable until they are disposed of by auction in accordance with the provisions of the Pawnbrokers Act 1972 in Malaysia. However, the Group's policy allows for an extension of up to 3 months for customers to redeem the pledged articles or renew the pawn loans.

##### Inter-company balances

The Group and the Company provide unsecured loans and advances to related parties. The Group and the Company monitor the results of the related parties regularly.

As at end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

As at the end of the reporting period, there was no indication that the loans and advances to the related parties are not recoverable. The Group does not specifically monitor the ageing of current advances to the related parties.

##### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risk.

##### Financial corporate guarantees

The financial corporate guarantees and undertakings are provided by the Company to banks to secure borrowings of certain subsidiaries. The Company monitors the financial performance (including the ability to service the loans and facilities) of the subsidiaries on an on-going and individual basis.

The maximum exposure to credit risk amounts to RM182,007,315 (2023: NIL), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

## Notes to the Financial Statements (Cont'd)

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

#### (b) Financial risk management objective and policies (cont'd)

##### (ii) Credit risk (cont'd)

##### Financial corporate guarantees (cont'd)

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit shareholder's fund and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

As at the end of the reporting period, the Company did not recognise any allowance for impairment in respect of financial guarantees since the fair value on initial recognition was not material.

##### (iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.



## Notes to the Financial Statements (Cont'd)

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

#### (b) Financial risk management objective and policies (cont'd)

##### (iii) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

GROUP	Carrying amount RM	Contractual interest rate/coupon %	Contractual Cash flows RM	Within 1 year RM	2-5 years RM	More than 5 years RM
<b>2024</b>						
<i>Non-derivative financial liabilities</i>						
Lease liabilities	19,348,832	2.36 - 6.00	21,168,065	2,504,055	8,549,143	10,114,867
Term loans	4,804,532	4.20 - 4.37	6,869,874	524,640	2,040,176	4,305,058
Bank overdrafts	6,202,783	6.82 - 6.85	6,627,674	6,627,674	-	-
Revolving credits	171,000,000	5.25 - 5.79	180,270,000	180,270,000	-	-
Loan from related parties	25,415,918	6.00 - 7.00	27,195,032	27,195,032	-	-
Loan from directors	8,214,558	7.00	8,789,577	8,789,577	-	-
Loan from shareholders	18,041,180	7.00	19,304,063	19,304,063	-	-
Amount due to related parties	1,757,081	-	1,757,081	1,757,081	-	-
Other payables	3,293,114	-	3,293,114	3,293,114	-	-
Total undiscounted financial liabilities	258,077,998		275,274,480	250,265,236	10,589,319	14,419,925

## Notes to the Financial Statements (Cont'd)

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

#### (b) Financial risk management objective and policies (cont'd)

##### (iii) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (cont'd)

GROUP	Carrying amount RM	Contractual interest rate/coupon %	Contractual Cash flows RM	Within 1 year RM	2-5 years RM	More than 5 years RM
<b>2023</b>						
<i>Non-derivative financial liabilities</i>						
Lease liabilities	17,714,116	6.00 - 6.50	19,420,480	2,312,929	7,339,240	9,768,311
Term loans	3,952,524	4.12 - 5.58	5,969,388	287,868	1,151,472	4,530,048
Bank overdrafts	21,943,715	6.35 - 7.07	23,495,136	23,495,136	-	-
Revolving credits	166,600,000	5.03 - 6.23	175,772,750	175,772,750	-	-
Loan from related parties	42,786,715	6.00 - 7.00	45,781,785	45,781,785	-	-
Loan from directors	13,643,921	7.00	14,598,995	14,598,995	-	-
Loan from shareholders	19,263,504	7.00	20,611,949	20,611,949	-	-
Amount due to related parties	739,631	-	739,631	739,631	-	-
Other payables	3,477,565	-	3,477,565	3,477,565	-	-
<b>Total undiscounted financial liabilities</b>	<b>290,121,691</b>		<b>309,867,679</b>	<b>287,078,608</b>	<b>8,490,712</b>	<b>14,298,359</b>

The above amounts reflect the contractual cash flows, which differ from the carrying values of the financial liabilities at the reporting date.

## Notes to the Financial Statements (Cont'd)

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

#### (b) Financial risk management objective and policies (cont'd)

##### (iii) Liquidity risk (cont'd)

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Within 1 year RM
<b>COMPANY</b>				
<b>2024</b>				
<i>Non-derivative financial liabilities</i>				
Other payables	154,373	–	154,373	154,373
Loan from subsidiaries	27,095,787	7.00	28,992,492	28,992,492
Financial corporate guarantee	–	–	182,007,315	182,007,315
	27,250,160		211,154,180	211,154,180
<b>2023</b>				
<i>Non-derivative financial liability</i>				
Other payables	1,085,784	–	1,085,784	1,085,784

#### (c) Fair values of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company as at the reporting date are approximately at their fair values due to their short-term nature, insignificant impact of discounting or they are floating rate instruments that are re-priced to market interest rates on or near the reporting date:

	Carrying amount RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>GROUP</b>					
<b>2024</b>					
<i>Financial asset</i>					
Short-term investments	23,775,192	23,775,192	–	–	23,775,192
<i>Financial liability</i>					
<i>Non-current</i>					
Loans and borrowings	4,502,377	–	–	3,723,950	3,723,950
<b>2023</b>					
<i>Financial liability</i>					
<i>Non-current</i>					
Loans and borrowings	3,831,204	–	–	3,093,037	3,093,037

## Notes to the Financial Statements (Cont'd)

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

#### (c) Fair values of financial instruments (cont'd)

The carrying amounts of financial assets and financial liabilities of the Group and of the Company as at the reporting date are approximately at their fair values due to their short-term nature, insignificant impact of discounting or they are floating rate instruments that are re-priced to market interest rates on or near the reporting date: (cont'd)

	Carrying amount RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>COMPANY</b>					
<b>2024</b>					
Financial asset					
Short-term					
investments	23,775,192	23,775,192	–	–	23,775,192

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

#### Level 3 fair value

The fair value of the liability component of loans and borrowings is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

### 34. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year.

## Notes to the Financial Statements (Cont'd)

### 34. CAPITAL MANAGEMENT (CONT'D)

The debt-to-equity ratio of the Group and of the Company as at the end of the reporting period was as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Loans and borrowings	182,007,315	192,496,239	–	–
Loan from related parties	25,415,918	42,786,715	–	–
Loan from directors	8,214,558	13,643,921	–	–
Loan from shareholders	18,041,180	19,263,504	–	–
Loan from subsidiaries	–	–	27,095,787	–
Lease liabilities #	133,225	–	–	–
<b>Total debts</b>	<b>233,812,196</b>	<b>268,190,379</b>	<b>27,095,787</b>	<b>–</b>
Equity attributable to owners of the Company	421,147,219	203,377,035	364,540,831	(331,465)
<b>Debt-to-equity ratio (times)</b>	<b>0.56</b>	<b>1.32</b>	<b>0.07</b>	<b>–</b>

# Lease liabilities of the Group comprise of tenancy agreements entered with the landlords in relation to the lease of shop-lots, which are recognised in accordance with MFRS 16, and hire-purchase loan with financial institution. Pursuant thereto, lease liabilities in relation to tenancy agreements are excluded from the calculation of debt-to-equity ratio in view that these lease liabilities are not related to the loans and borrowings of the Group.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less RM40 million. The Company has complied with this requirement.

### 35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

#### (a) Acquisition of SYT Pavilion Sdn. Bhd., Kedai Pajak Well Chip Sdn. Bhd., Kedai Emas Well Chip Sdn. Bhd. and Thye Shing Pawnshop Sdn. Bhd. ("Subsidiaries")

On 9 November 2023, the Company entered into a conditional share sale agreement to acquire the entire equity interest of Subsidiaries for a total purchase consideration of RM171,646,606 which will be wholly satisfied by the issuance of 449,999,999 shares in the Company at approximately RM0.38 per ordinary share.

The purchase consideration of RM171,646,606 was arrived at on a willing buyer-willing seller basis based on the net assets of Subsidiaries as at 31 December 2022. The acquisition was completed on 20 May 2024.

## Notes to the Financial Statements (Cont'd)

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

#### (b) Listing on Main Market of Bursa Malaysia Securities Berhad

On 26 June 2024, the Company issued its Prospectus for its Initial Public Offering ("IPO") entailing the public issue of 150,000,000 new ordinary shares, representing 25% of the enlarged number of shares of the Company, to be allocated and allotted in the following manner:

- (i) 30,000,000 new Shares, representing 5.0% of the enlarged number of shares of Well Chip, available for application by the Malaysian public through a balloting process, of which 50.0% will be set aside for Bumiputera public investors;
- (ii) 45,000,000 new Shares, representing 7.5% of the enlarged number of shares of Well Chip, by way of private placement to other institutional and selected investors; and
- (iii) 75,000,000 new Shares, representing 12.5% of the enlarged number of shares of Well Chip, by way of private placement to identified selected Bumiputera investors approved by the Ministry of Investment, Trade and Industry Malaysia.

The abovementioned transactions were completed and the Company was successfully listed on 23 July 2024.

#### (c) Proposed Acquisition of Pajak Gadai Koong Sing Sdn. Bhd., Lian Foh Pawnshop Sdn. Bhd. and Fook Foh Pawnshop Sdn. Bhd. ("Targeted Companies")

On 30 December 2024, the Company entered into a share sale agreement ("SSA") with the Targeted Companies in relation to the proposed acquisition of the entire equity interest of each of the Targeted Companies for a total purchase consideration of RM63,442,196.

Upon completion of the Proposed Acquisition, the Targeted Companies will each be a wholly-owned subsidiary of the Company.

### 36. SUBSEQUENT EVENTS AFTER REPORTING DATE

- (i) Pursuant to the Note 35 (c) to the financial statements, the conditions precedent which set out in the SSA has been fulfilled on 22 January 2025. The SSA has become unconditional on even date. The completion shall take place within 90 days from the Unconditional Date.
- (ii) On 11 March 2025, the Group via its subsidiary, Pajak Gadai Berlian Sdn. Bhd., entered into a sale and purchase agreement with a third party to purchase land and building held under Geran 262979, PTD 74085 Mukim Pulau, Johor Bahru, Johor for a purchase consideration of RM1,780,000. As at the reporting date, the acquisition is pending for completion.
- (iii) On 11 March 2025, the Group via its subsidiary, Pajak Gadai Berlian Sdn. Bhd., entered into a sale and purchase agreement with a third party to purchase land and building held under Geran 262980, PTD 74086 Mukim Pulau, Johor Bahru, Johor for a purchase consideration of RM3,780,000. As at the reporting date, the acquisition is pending for completion.

## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the directors of **WELL CHIP GROUP BERHAD Registration No. 202301014119 (1508041-A)**, do hereby state that, in the opinion of the directors, the financial statements set out on pages 77 to 147 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 at 31 December 2024 and of their financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

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

**NG HOOI LANG**

**TANG SOO YEN**

Johor Bahru

16 April 2025

## STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **NG HOOI LANG**, being the director primarily responsible for the financial management of **WELL CHIP GROUP BERHAD Registration No. 202301014119 (1508041-A)**, do solemnly and sincerely declare that the financial statements set out on pages 77 to 147 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

**NG HOOI LANG**

Subscribed and solemnly declared  
by the abovenamed at Johor Bahru  
in the state of Johor on 16 April 2025

Before me

NUR AMREETA KAUR GUBACHEN SINGH  
NO. J276  
Commissioner for Oaths



# INDEPENDENT AUDITORS' REPORT

To the Members of Well Chip Group Berhad

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Well Chip Group Berhad ("the Company"), which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 77 to 147.

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

### *Basis for Opinion*

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

### *Independence and Other Ethical Responsibilities*

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

### *Key audit matters*

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

### Impairment of trade receivables

The Group's trade receivables amounting to RM526,146,972, representing approximately 81% of the Group's total current assets as at 31 December 2024.

We focused on this area because the Group made significant judgement over assumptions about risk of default and expected loss rate. Nevertheless, The trade receivables are secured with pledged articles therefore reducing the expected credit loss.

In addressing this, we have performed the following audit procedures:

- We have obtained the understanding on the design and implementation of control in relation to impairment of trade receivables;
- We have obtained the understanding on the associated with Group's credit risk policy and monitoring of outstanding trade receivables;
- We have performed testing on the impairment working provided by management; and
- We have reviewed the appropriateness of the disclosures made in the financial statements.

## Independent Auditors' Report (Cont'd)

### *Key audit matters (cont'd)*

#### Existence of pledged receivables, cash in hand and inventories

We concentrate on pledged receivables (RM506,365,505), cash in hand (RM5,454,622) and inventories (RM27,290,483) as the total carrying amount is material to the financial statements (approximately 79% of total assets) and the heightened inherent risk.

In addressing this, we have performed the following audit procedures:

- We have obtained an understanding on the design and implementation of control activities in relation to existence of pledged receivables, cash in hand and inventories;
- We have attended year end count for pledged receivables, cash in hand and inventories; and
- We have obtained cash confirmation for cash in hand.

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

### *Information Other than the Financial Statements and Auditors' Report Thereon*

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

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

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

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

### *Responsibilities of the Directors for the Financial Statements*

The directors of the Company are responsible for the preparation of 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.

## Independent Auditors' Report (Cont'd)

### *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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

## Independent Auditors' Report (Cont'd)

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

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

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

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

### **Other Matter**

This report is made solely to the members of the Company 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.

**RSM Malaysia PLT**  
202206000002 (LLP0030276-LCA) & AF: 0768  
Chartered Accountants

Johor Bahru

16 April 2025

**Wong Cheng Pin**  
03611/11/2025 J  
Chartered Accountant

## LIST OF PROPERTIES

Location of properties	Description and existing use	Tenure	Approximate Age of Building (years)	Approximate Land Area/ Built-up Area (Sqm)	Net Book Value as at 31 December 2024 (RM'000)	Date of Revaluation/ Acquisition
<b>PAJAK GADAI BINTANG SDN BHD</b>						
Geran 41493, Lot 27531, Mukim Pulau, District of Johor Bahru, State of Johor	Description: A 3-storey end-lot shop house	Freehold	38 years	Land area: 156	1,429	Acquisition: 11 September 2014
No. 27, 27A & 27B, Jalan Persisiran Perling, Taman Perling, 81200 Johor Bahru, Johor	Existing use: Pawnshop					
<b>PAJAK GADAI JUBLI INTAN SDN BHD</b>						
PN 53073, Lot 11958, Bandar Kluang, District of Kluang, State of Johor	Description: A 4-storey corner shop house	Leasehold (Expiring in 2108)	6 years	Land area: 136	1,911	Acquisition: 27 August 2021
No. 2, Jalan Syed Abd Hamid Sagaff, Bandar Kluang, 86000 Kluang, Johor	Existing use: Pawnshop					
<b>PAJAK GADAI WELL CHIP (3) SDN BHD</b>						
HSD 238459, PTD 115898, Mukim Plentong, District of Johor Bahru, State of Johor	Description: A double-storey corner shop house	Leasehold (Expiring in 2094)	27 years	Land area: 230	1,431	Acquisition: 27 September 2021
No. 17, Jalan 9/9, 81700 Pasir Gudang, Johor	Existing use: Pawnshop					
<b>KEDAI EMAS WELL CHIP SDN BHD</b>						
PN 53072, Lot 11957, Bandar Kluang, District of Kluang, State of Johor	Description: A 4-storey intermediate shop house	Leasehold (Expiring in 2108)	19 years	Land area: 124	1,448	Acquisition: 10 April 2023
No. 4, Jalan Syed Abd Hamid Sagaff, Bandar Kluang, 86000 Kluang, Johor	Existing use: Retail outlet					
<b>WELL CHIP (10) SDN BHD</b>						
PM89, Lot 629 Mukim of Ulu Benut, District of Kluang, State of Johor	Description: A 4-storey shop house	Leasehold (Expiring in 2054)	31 years	Land area: 177	1,717	Acquisition: 20 September 2024
57, Jalan Besar, 86200 Simpang Renggam, Johor	Existing use: Pawnshop					

# STATISTICS OF SHAREHOLDINGS

As at 28 March 2025

Total number of issued shares	:	600,000,000
Class of share	:	Ordinary share
Voting rights	:	1 vote per ordinary share

## SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		Total No. of Shareholders		No. of Issued Shares		Total No. of Issued Shares	
	Malaysian	Foreigner	No.	%	Malaysian	Foreigner	No.	%
1 - 99	2	–	2	0.15%	99	–	99	*
100 - 1,000	219	2	221	16.53%	121,000	500	121,500	0.02%
1,001 - 10,000	627	3	630	47.12%	3,445,400	12,403	3,457,803	0.58%
10,001 - 100,000	341	3	344	25.73%	12,159,075	95,000	12,254,075	2.04%
100,001 - less than 5% of issued shares	123	15	138	10.32%	162,562,835	28,556,845	191,119,680	31.85%
5% and above of issued shares	1	1	2	0.15%	304,171,887	88,874,956	393,046,843	65.51%
<b>Total</b>	<b>1,313</b>	<b>24</b>	<b>1,337</b>	<b>100.00%</b>	<b>482,460,296</b>	<b>117,539,704</b>	<b>600,000,000</b>	<b>100.00%</b>

Note: \* Negligible

## SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct		Indirect		Total	
		No. of shares held	%	No. of shares held	%	No. of shares held	%
1.	VYN Holdings Sdn Bhd	304,171,887	50.70%	–	–	304,171,887	50.70%
2.	VMM Holdings Sdn Bhd	88,874,956	14.81%	133,312,435 <sup>(a)</sup>	22.22% <sup>(a)</sup>	222,187,391	37.03%

Notes:

<sup>(a)</sup> Deemed interest through VYN Holdings Sdn Bhd which holds more than 20% voting shares.

## DIRECTORS' SHAREHOLDINGS

No.	Name	Direct		Indirect		Total	
		No. of shares held	%	No. of shares held	%	No. of shares held	%
1.	Mak Lye Mun	–	–	–	–	–	–
2.	Yeah Hiang Nam	–	–	144,287,278 <sup>(a)</sup>	24.05% <sup>(a)</sup>	144,287,278	24.05%
3.	Ng Hooi Lang	5,513,884	0.92%	20,357,781 <sup>(b)</sup>	3.39% <sup>(b)</sup>	25,871,665	4.31%
4.	Tang Soo Yen	4,987,646	0.83%	36,569,202 <sup>(c)</sup>	6.09% <sup>(c)</sup>	41,556,848	6.93%
5.	Yeah Chia Kai	–	–	14,905,834 <sup>(d)</sup>	2.48% <sup>(d)</sup>	14,905,834	2.48%
6.	Chan Kam Chiew	–	–	–	–	–	–
7.	Wong Chin Chin	–	–	–	–	–	–
8.	Dr. Yap Lang Ling	–	–	–	–	–	–
<b>Total</b>		<b>10,501,530</b>	<b>1.75%</b>	<b>216,120,095</b>	<b>36.02%</b>	<b>226,621,625</b>	<b>37.77%</b>

Notes:

<sup>(a)</sup> Deemed interest through his spouse and Valuemax Group Limited.

<sup>(b)</sup> Indirect interest through her spouse and VYN Holdings Sdn. Bhd..

<sup>(c)</sup> Indirect interest through her spouse, children and VYN Holdings Sdn. Bhd..

<sup>(d)</sup> Deemed interest through Valuemax Group Limited.

## Statistics of Shareholdings (Cont'd)

### ANALYSIS OF EQUITY STRUCTURE

No.	Category of Shareholders	No. of Shareholders		No. of Issued Shares		% of Issued Shares	
		Malaysian	Foreigner	Malaysian	Foreigner	Malaysian	Foreigner
1.	Individual	897	7	68,610,109	4,629,948	11.43	0.77
2.	Body Corporate						
	a. Banks/finance companies	1	1	43,000	50,000	0.01	0.01
	b. Investment trust/foundation/ charities	1	–	1,158,800	–	0.19	–
	c. Industrial and commercial companies	19	2	320,811,887	90,174,956	53.47	15.03
3.	Government agencies/ institutions	–	–	–	–	–	–
4.	Nominees	395	14	91,836,500	22,684,800	15.31	3.78
5.	Others	–	–	–	–	–	–
6.	Trustees	–	–	–	–	–	–
<b>Total</b>		<b>1,313</b>	<b>24</b>	<b>482,460,296</b>	<b>117,539,704</b>	<b>80.41</b>	<b>19.59</b>

### TOP 30 SECURITIES ACCOUNT HOLDERS

(According to the Record of Depositors)

No.	Name	No. of shares held	%
1.	VYN Holdings Sdn. Bhd.	304,171,887	50.70
2.	VMM Holdings Sdn. Bhd.	88,874,956	14.81
3.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Hong Leong Dividend Fund	11,000,000	1.83
4.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt AN For DBS Bank Ltd (SFS)	10,695,900	1.78
5.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	10,487,300	1.75
6.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN For Citibank New York (Norges Bank 14)	8,242,800	1.37
7.	Db (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Eastspring Investmentssmall - CAP Fund	8,040,700	1.34
8.	Yeo Mooi Huang	7,271,228	1.21
9.	Hong Leong Assurance Berhad As Beneficial Owner (Unitlinked GF)	6,214,000	1.04
10.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Insurance Berhad (Equity Fund)	5,807,700	0.97



## Statistics of Shareholdings (Cont'd)

### TOP 30 SECURITIES ACCOUNT HOLDERS (CONT'D)

(According to the Record of Depositors)

No.	Name	No. of shares held	%
11.	Ng Hooi Lang	5,513,884	0.92
12.	Tang Soo Yen	4,987,646	0.83
13.	Yeow Chun Huat	4,804,346	0.80
14.	Yeow Choong Kuan	4,544,013	0.76
15.	Maybank Securities Nominees (Tempatan) Sdn Bhd CMY Incubator Sdn Bhd	4,093,200	0.68
16.	Hong Leong Assurance Berhad As Beneficial Owner (Unitlinked FLF)	3,622,300	0.60
17.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad - Kenanga Growth Fund	3,419,500	0.57
18.	Hong Leong Assurance Berhad As Beneficial Owner (Unitlinked MF)	3,379,900	0.56
19.	Ng Yah Ching	3,050,231	0.51
20.	Ng Hui Chin	3,031,252	0.51
21.	Chua Swee Heong	2,974,576	0.50
22.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Principal Lifetime Balanced Income Fund	2,840,500	0.47
23.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Progress Fund (4082)	2,677,700	0.45
24.	Teow Moy Wha	2,635,783	0.44
25.	Ng Hooi Hwang	2,461,964	0.41
26.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Kenanga Oneprs Growth Fund (420119)	2,150,000	0.36
27.	UOBM Nominees (Tempatan) Sdn Bhd UOB Asset Management (Malaysia) Berhad For Malaysian Timber Council (OF-EQ)	2,078,000	0.35
28.	Cartaban Nominees (Tempatan) Sdn Bhd CN CIMB Commerce Trustee Berhad For Kenanga Growth Fund Series 2	2,075,400	0.35
29.	Kenanga Nominees (Tempatan) Sdn Bhd Sentosa Jaya Capital Sdn Bhd For Suhariyani Binti Supa'At	2,051,000	0.34
30.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Espring ABSR EQ)	2,007,900	0.34
	<b>Total</b>	<b>525,205,566</b>	<b>87.55</b>

## NOTICE OF 2<sup>ND</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Second Annual General Meeting (“2<sup>nd</sup> AGM”) of Well Chip Group Berhad (“WCG” or “Company”) will be held at Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80888 Ibrahim International Business District, Johor, Malaysia on Monday, 23rd June 2025 at 10:00 a.m. to consider and, if thought fit, passing with or without modifications, the following resolutions:

### A G E N D A

#### AS ORDINARY BUSINESS

- |    |  |                                   |
|----|--|-----------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.   | <b>Please refer to<br/>Note 1</b> |
| 2. | To declare and approve the payment of Single Tier First and Final dividend of 4 sen per ordinary share for the financial year ended 31 December 2024.  | <b>Ordinary Resolution 1</b>      |
| 3. | To approve the payment of additional Directors’ fees of RM25,000 to the Directors of the Company’s subsidiaries for the financial period from 1 January 2024 to 30 June 2025 to be payable following approval by the shareholders at the 2 <sup>nd</sup> AGM.  | <b>Ordinary Resolution 2</b>      |
| 4. | To approve the payment of additional Directors benefits of RM25,000 to the Directors of the Company for the financial period from 1 January 2024 to 30 June 2025 to be payable following approval by the shareholders at the 2 <sup>nd</sup> AGM.  | <b>Ordinary Resolution 3</b>      |
| 5. | To approve the payment of Directors fees of up to RM455,000 to the Directors of the Company from 1 July 2025 until the conclusion of next Annual General Meeting (“AGM”) to be held in year 2026, to be payable quarterly in arrears.  | <b>Ordinary Resolution 4</b>      |
| 6. | To approve the payment of Directors fees of up to RM125,000 to the Directors of the Company’s subsidiaries from 1 July 2025 until the conclusion of next Annual General Meeting (“AGM”) to be held in year 2026, to be payable in the subsequent year following approval by the shareholders at the 2 <sup>nd</sup> AGM. | <b>Ordinary Resolution 5</b>      |
| 7. | To approve the payment of Directors’ benefits of up to RM70,000 for the Directors of the Company from 1 July 2025 until the conclusion of next AGM to be held in year 2026, to be payable quarterly in arrears.  | <b>Ordinary Resolution 6</b>      |
| 8. | To re-elect the following Directors of the Company who are retiring in accordance with Clause 113 of the Company’s Constitution and, being eligible, offered themselves for reelection:  |                                   |
|    | i. Ng Hooi Lang  | <b>Ordinary Resolution 7</b>      |
|    | ii. Mak Lye Mun  | <b>Ordinary Resolution 8</b>      |
|    | Dr. Yap Lang Ling who also retires by rotation in accordance with Clause 113 of the Company’s Constitution, has expressed her intention not to seek re-election. Hence, she will retain office until the close of the 2 <sup>nd</sup> AGM.   |                                   |
| 9. | To re-appoint Messrs RSM Malaysia PLT (“RSM”) as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration.  | <b>Ordinary Resolution 9</b>      |

## Notice of 2<sup>ND</sup> Annual General Meeting (Cont'd)

### AS SPECIAL BUSINESS

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

10. Proposed authority to issue and allot shares by the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 (“**CA 2016**”) and waiver of pre-emptive rights pursuant to the CA 2016

#### Ordinary Resolution 10

“THAT pursuant to Sections 75 and 76 of the CA 2016, the Directors be and are hereby authorised to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at the time of issue AND THAT the Directors be and are also authorised to obtain the approval of Bursa Malaysia Securities Berhad (“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 AGM of the Company.

THAT in connection with the above, pursuant to Section 85 of the CA 2016 to be read together with Clause 13 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion to their holdings at such price and on such terms to be offered arising from any issuance of the new shares above by the Company.”

11. To transact any other business for which due notice shall have been given in accordance with the Company’s Constitution and the CA 2016.

### NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATE

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Second (2nd) AGM, the Single Tier First and Final Dividend of 4 sen per share in respect of the financial year ended 31 December 2024 will be paid on 11 July 2025 to the Depositors whose name appears on the Record of Depositors at the close of business on entitlement date. The entitlement date for the said dividend shall be 1 July 2025.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- Shares transferred into the Depositor’s Securities Account before 4.30 p.m. on 1 July 2025 in respect of ordinary transfers; and
- Shares bought on Bursa Malaysia Securities Berhad (“Bursa Securities”) on a cum entitlement basis according to the Rules of Bursa Securities.

### BY ORDER OF THE BOARD

**SANTHI A/P SAMINATHAN** (MAICSA 7069709) (SSM PC No. 201908002933)  
**RAIDAH BINTI ABD RAHMAN (LS0010350) (SSM PC No.: 201908002931)**  
 Company Secretaries

Johor Bahru  
 Date : 30 April 2025

## Notice of 2<sup>ND</sup> Annual General Meeting (Cont'd)

### NOTES:

#### 1. Form of Proxy

- i. A member of the Company who is entitled to attend and vote at the meeting, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a Member. There shall be no restriction as to the qualification of the proxy.
- ii. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
- iii. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
- iv. Appointment of proxies (2) where a member is an Exempt Authorised Nominee 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.
- v. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- vi. The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy, duly completed must be deposited at Share Registrar, Boardroom Share Registrars Sdn Bhd, 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia. All Form of Proxy submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.
- vii. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- viii. Last date and time for lodging the Form of Proxy is Saturday, 21 June 2025 at 10.00 a.m.
- ix. In respect of deposited securities, only members whose names appear on the Record of Depositors on Tuesday, 17 June 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, speak, and vote on his/her behalf at the 2<sup>nd</sup> AGM.
- x. For the purpose of determining who shall be entitled to participate in the meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the Company's Constitution to issue a Record of Depositors as at 17 June 2025. Only members whose names appear in the said Record of Depositors shall be eligible to participate, speak and vote at the meeting or appoint proxy(ies) to participate, speak and vote on his/her behalf.
- xi. A member is permitted to give the Company notice of revocation of a person's authority to act as proxy not less than forty-eight (48) hours before the time appointed for holding the meeting. The notice of revocation must be in writing and be deposited at the Share Registrar, Boardroom Share Registrars Sdn Bhd, 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.
- xii. Please bring along the ORIGINAL of the following documents (whichever applicable) for verification purposes at the registration counter:- (a) Identity Card (NRIC for Malaysian), or (b) Police report (for loss of NRIC for Malaysian), or (c) Passport (for Foreigner).

## Notice of 2<sup>ND</sup> Annual General Meeting (Cont'd)

### EXPLANATORY NOTE ON ORDINARY BUSINESS:-

#### 1. To receive Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Company require formal approval of shareholders for the Audited Financial Statements. Hence, this item is not put forward for voting.

#### 2. Ordinary Resolution 1 - Single Tier First and Final Dividend

On 16 April 2025, the Board of Directors ("the Board") of the Company announced the declaration of Single Tier First and Final Dividend of 4 sen per ordinary share for the financial year ended 31 December 2024 subject to shareholders approval being obtained at the 2<sup>nd</sup> AGM. The Ordinary Resolution 1 if passed, the dividend will be paid on 11 July 2025 to shareholders whose name appears in the Record of Depositors at the close of business on 1 July 2025.

#### 3. Ordinary Resolution 2, 3, 4, 5 and 6 - Payment of Directors' Fees and benefits

Section 230(1) of the CA 2016 provides that "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.

In this respect, the Board wishes to seek shareholders' approval for the payment of the Directors' fees and benefits as proposed under Ordinary Resolutions 2, 3, 4, 5 and 6, if passed, will facilitate the payment of the Directors' and benefits on a quarterly basis in arrears after the Directors' have discharged their responsibilities and rendered their services to the Company and the subsidiaries. In the event that the Directors' fees and benefits payable during the period exceeds the estimated amount sought at this AGM, a shareholders' approval will be sought at the next AGM.

Under Ordinary Resolution 2 and 3, the additional Director's fees and benefits for the financial period from 1 January 2024 to 30 June 2025 is due to the incorporation of new entities and the appointment of additional directors during the period, which increased the required fees, coupled with a higher number of meetings being conducted; which increased the required benefit allowances.

The details of the Directors' fees and benefits paid to each Director for the FYE 2024 are disclosed in the Governance Overview Statement in the Integrated Report 2024.

#### 4. Ordinary Resolution 7 and 8 – Re-election of retiring Directors

Regulation 113 of the Company's Constitution expressly states that at the Annual General Meeting ("AGM") in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office and be eligible for re-election.

Pursuant to Clause Regulation 113 of the Company's Constitution, Ng Hooi Lang and Mak Lye Mun ("retiring Directors") are standing for re-election at this AGM. The Nominating Committee has assessed the evaluation, assess the fit and proper criteria of the retiring directors and upon satisfactory results, the NC recommended the re-election of the retiring directors for shareholders' approval at the forthcoming AGM. The profile of the retiring Directors are provided on page 5 and 8 of the Directors' Profile in the Annual Report 2025.

#### 5. Ordinary Resolution 9 – Re-appointment of Auditors

The Audit Committee and the Board have considered the re-appointment of RSM as Auditors of the Company and collectively agreed that RSM has met the relevant criteria prescribed under Paragraph 15.21 of the MMLR of Bursa Malaysia Securities Berhad. RSM Malaysia PLT have indicated their willingness to continue their service to the Company.

## Notice of 2<sup>ND</sup> Annual General Meeting (Cont'd)

### EXPLANATORY NOTE ON ORDINARY BUSINESS:- (CONT'D)

6. Ordinary Resolution 10 - Proposed Authority to Issue Shares Pursuant to Section 75 and Section 76 of the Companies Act 2016 ("CA 2016") and waiver of pre-emptive rights pursuant to the CA 2016

The proposed Ordinary Resolution 10, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued capital of the Company up to an amount not exceeding in total ten percent (10%) of the total issued and paid-up share capital of the Company for such purposes and to such person or persons as the Directors in their absolute discretion consider to be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The approval of the issuance and allotment of the new shares under Section 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 13 of the Company's Constitution, the shareholders of the Company hereby agree to waive and are deemed to have waived their pre-emptive rights pertaining to the issuance and allotment of new shares under Section 75 and 76 of the Companies Act, 2016, which will result in a dilution to their shareholdings percentage in the Company.

The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purposes funding current and/or future investment projects, working capital, repayment/paring down of borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## Notice of 2<sup>ND</sup> Annual General Meeting (Cont'd)

### STATEMENT ACCOMPANYING THE NOTICE OF 2<sup>ND</sup> ANNUAL GENERAL MEETING

**1. There is no person seeking election as Director of the Company at this Annual General Meeting except for the following Directors standing for re-election at the 2<sup>nd</sup> Annual General Meeting of the Company as follows:-**

- i. Ng Hooi Lang – Executive Director and Chief Executive Officer
- ii. Mak Lye Mun - Independent Non-Executive Chairman

Dr. Yap Lang Ling who also retires in accordance with Article 113 of the Company's Constitution, has expressed her intention not to seek re-election. Hence, she will retain office until the close of the 2<sup>nd</sup> AGM.

The details of the Directors who are standing for re-election are set out in the Profile of Directors in this Annual Report.

Information on securities holdings in the Company and its subsidiaries by the Directors standing for re-election are set out in the Statement of Directors' Interests in the Company and related corporations on page 154-156.

**2. GENERAL MANDATE FOR ISSUE OF SECURITIES PURSUANT TO PARAGRAPH 6.03(3) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

The general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016 is for the purpose of granting the mandate for the Company for potential fund-raising activities including but not limited to further placement of shares for purposes of funding future investments, working capital, repayment of bank borrowings and/or any acquisition.





**Well Chip Group Berhad**  
Registration No. 202301014119 (1508041-A)  
(Incorporated in Malaysia)

**FORM OF PROXY**

No of shares held	
CDS Account No.	

\*I/We \_\_\_\_\_ \*NRIC/ Passport / Company No. \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITAL)

of \_\_\_\_\_  
(FULL ADDRESS)

and telephone no./ email address \_\_\_\_\_ being \*a member/ members  
of Well Chip Group Berhad (Registration No. 202301014119 (1508041-A)) hereby appoint:

Full Name and Address (in Block Letters) (First Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:		Contact No.:		

\*and/or

Full Name and Address (in Block Letters) (First Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:		Contact No.:		

or failing \*him/ her the Chairperson of the Meeting as \*my/ our proxy/ proxies to participate, speak and vote for \*me/ us on \*my/ our behalf at the Second Annual General Meeting ("2<sup>nd</sup> AGM") of Well Chip Group Berhad ("Company") which will held at Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80888 Ibrahim International Business District, Johor, Malaysia on Monday, 23 June 2025 at 10:00 a.m. or at any adjournment thereof.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at \*his/her discretion.

NO.	ORDINARY RESOLUTION	FOR	AGAINST
1	Single Tier First and Final dividend of 4 sen per ordinary share for FYE 31 December 2024.		
2	Approval of additional Directors' fees of RM25,000 for the Company's subsidiaries for the financial period from 1 January 2024 to 30 June 2025		
3	Approval of additional Directors benefits of RM25,000 for the Company for the financial period from 1 January 2024 to 30 June 2025		
4	Approval of Directors' fees of up to RM455,000 for the Company from 1 July 2025 until the conclusion of next AGM in 2026		
5	Approval of the Directors' fees of up to RM125,000 for the Company's subsidiaries from 1 July 2025 until the conclusion of next AGM in 2026		
6	Approval of the Directors' benefits of up to RM70,000 for the Company from 1 July 2025 until the conclusion of next AGM in 2026		
7	Re-election of Retiring Director – Ng Hooi Lang		
8	Re-election of Retiring Director – Mak Lye Mun		
9	Re-appointment of Retiring Auditors, RSM		
10	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of pre-emptive rights.		

Subject to the above stated voting instructions, \*my/our proxy(ies) may vote or abstain from voting on any resolutions as \*he/she/ they may think fit.

\* *Strike out whichever is not desired*

\_\_\_\_\_  
Signature of Member(s)/ Common Seal  
Contact No:

Date:



**Notes:**

- i. A member of the Company who is entitled to attend and vote at the meeting, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a Member. There shall be no restriction as to the qualification of the proxy.
- ii. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
- iii. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
- iv. Appointment of proxies (2) where a member is an Exempt Authorised Nominee 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.
- v. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- vi. The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy, duly completed must be deposited at Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.
- vii. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- viii. Last date and time for lodging the Form of Proxy is Saturday, 21 June 2025 at 10.00 a.m.
- ix. For the purpose of determining who shall be entitled to participate in the meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the Company's Constitution to issue a Record of Depositors as at 17 June 2025. Only members whose names appear in the said Record of Depositors shall be eligible to participate, speak and vote at the meeting or appoint proxy(ies) to participate, speak and vote on his/her behalf.
- x. A member is permitted to give the Company notice of revocation of a person's authority to act as proxy not less than forty eight (48) hours before the time appointed for holding the meeting. The notice of revocation must be in writing and be deposited at the Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.
- xi. Please bring along the ORIGINAL of the following documents (whichever applicable) for verification purposes at the registration counter:- (a) Identity Card (NRIC for Malaysian), or (b) Police report (for loss of NRIC for Malaysian), or (c) Passport (for Foreigner).

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of 2<sup>nd</sup> AGM dated 30 April 2025.

Fold this flap for sealing

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AFFIX  
STAMP

**The Share Registrar**  
**Well Chip Group Berhad**  
Registration No. 202301014119 (1508041-A)  
**c/o Boardroom Share Registrars Sdn Bhd**  
11th Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan,  
Malaysia.

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**WELL CHIP GROUP BERHAD**

(Registration No. 202301014119 (1508041-A))  
(Incorporated in Malaysia under the Companies Act, 2016)

No. 23-01 & 23-02, Jalan Harmonium 35/3, Taman Desa Tebrau, 81100 Johor Bahru, Johor.

Tel: **+607-354 4621** | Email: **ir@wellchip.com.my**

**[www.wellchip.com.my](http://www.wellchip.com.my)**