



HO WAH GENTING BERHAD
Registration Number : 199301018185 (272923-H)

Innovative Solution for
SUSTAINABLE GROWTH





Vision

Supplying customers globally with a diverse portfolio of high quality products.

We aim to be a globally recognized Supplier of raw materials, semi-finished and finished products.

At HO WAH GENTING BERHAD Group, we:

- Exceed the requirements and expectations of **OUR CUSTOMERS.**
- Champion the welfare and wellbeing of **OUR EMPLOYEES.**
- Ensure the continued growth and evolution of our global business for **OUR STOCKHOLDERS.**



Mission

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Proxy Form

Corporate Information

BOARD OF DIRECTORS

Dato' Aaron Lim Ooi Hong
Group Executive Chairman

En. Khalid Bin Ahmad Husni
Senior Independent Non-Executive Director

Ms. Lim Ean Chin
Independent Non-Executive Director

Mr. Lim Wee Kiat
Executive Director

Mr. Kenny Yeoh Khi Khen
Independent Non-Executive Director

GROUP PRESIDENT

Dato' Lim Hui Boon

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Kenny Yeoh Khi Khen (Chairman)
Independent Non-Executive Director

En. Khalid Bin Ahmad Husni
Senior Independent Non-Executive Director

Ms. Lim Ean Chin
Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

En. Khalid Bin Ahmad Husni (Chairman)
Senior Independent Non-Executive Director

Mr. Kenny Yeoh Khi Khen
Independent Non-Executive Director

Ms. Lim Ean Chin
Independent Non-Executive Director

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Dato' Aaron Lim Ooi Hong
Group Executive Chairman

Datuk William Teo Tiew
President Director - PT. Ho Wah Genting

Mr. Song Kok Seng
Vice President of Operations -
PT. Ho Wah Genting

COMPANY SECRETARY

Ms. Coral Hong Kim Heong
MAICSA 7019696
SSM PC No.: 201908001943

REGISTERED OFFICE

3rd Floor, Wisma Ho Wah Genting
No. 35, Jalan Maharajalela
50150 Kuala Lumpur
Tel No.: 603 2143 8811
Fax No.: 603 2141 7477
E-mail: hwgbcorp@hwgb.com

COMPANY'S WEBSITE

<https://www.hwgb.com>

SUBSIDIARY WEBSITES

<https://www.hw-genting.com>
<https://www.hwgbbiotech.com>
<https://www.dviria.com>

AUDITORS

**Messrs Russell Bedford LC PLT
LLP0030621-LCA & AF 1237**
Chartered Accountants
Suite 37, Level 21, Mercu 3
No. 3, Jalan Bangsar
KL ECO City
59200 Kuala Lumpur
Tel No.: 603 2202 6666
Fax No.: 603 2202 6699

SHARE REGISTRAR

**Boardroom Share Registrars Sdn Bhd
[199601006647 (378993-D)]**
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan
Tel No.: 603 7890 4700 (Helpdesk)
Fax No.: 603 7890 4670
Email: BSR.Helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
RHB Bank Berhad
PT. Bank Permata Tbk.
PT. Bank Negara Indonesia (Persero) Tbk.

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Sector : Industrial Products and Services
(industrial materials, components
and equipment)

Securities: Share
Stock Name: HWGB
Stock Code: 9601

Listed on 2nd Board on Bursa Malaysia
on 28 December 1994 and transferred to
Main Market on 2 November 2000

DOMICILE AND DATE OF INCORPORATION

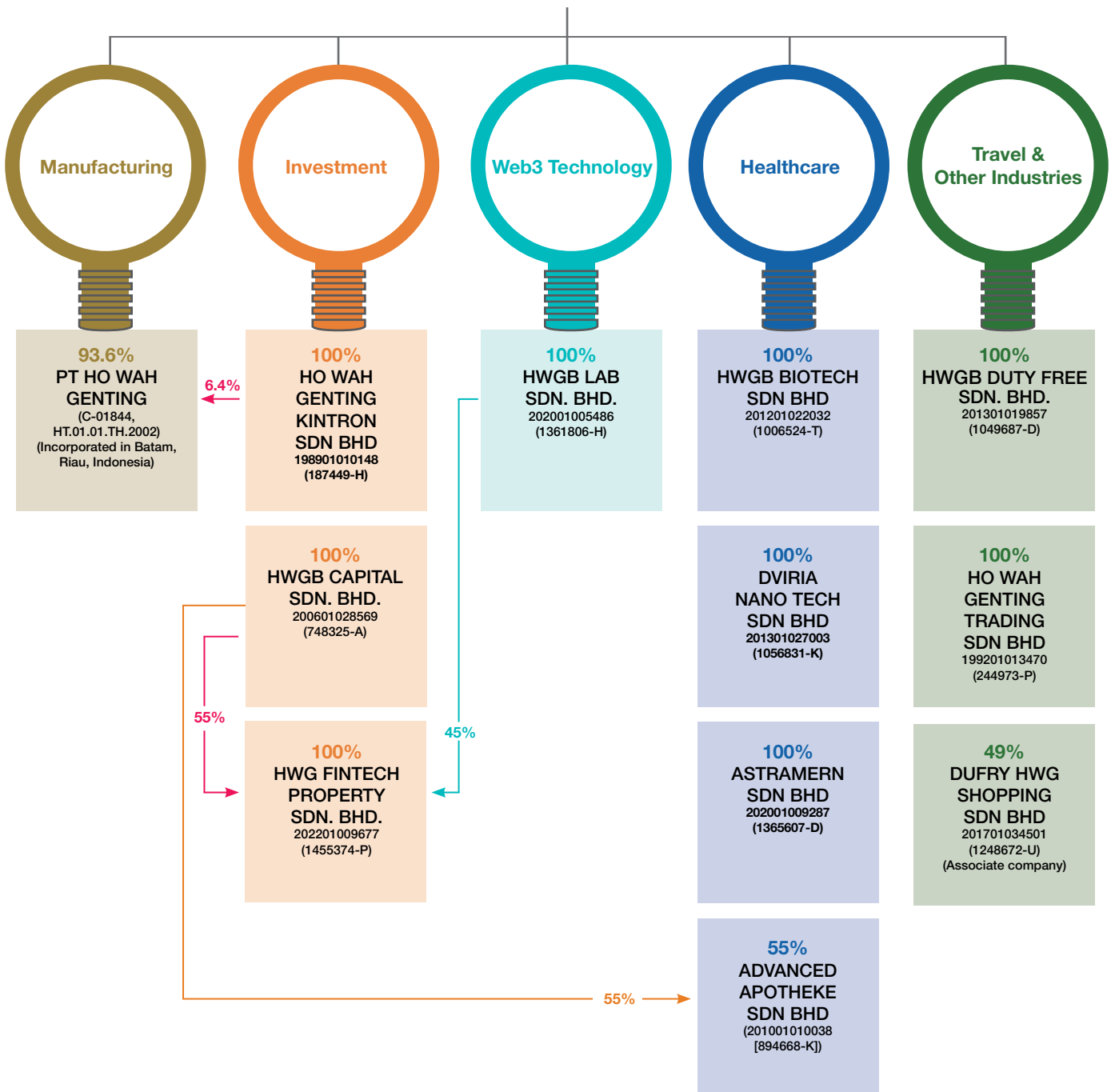
Incorporated in Malaysia on 12 August 1993

Group Corporate Structure



HO WAH GENTING BERHAD
199301018185 (272923-H)

Investment holding and provision of management services





PT. HO WAH GENTING

is an integrated manufacturer engaged in manufacturing of wires and cables, power supply cord sets, and moulded cable assemblies for original equipment manufacturers (OEM) of electrical and electronic devices and for original design manufacturers (ODM).



Board of Directors and Group President



DATO' LIM HUI BOON
Group President

DATO' AARON LIM OOI HONG
Group Executive Chairman

MR. LIM WEE KIAT
Executive Director



MS. LIM EAN CHIN
*Independent
Non-Executive Director*

**MR. KENNY YEOH
KHI KHEN**
Independent Non-Executive Director

**EN. KHALID BIN
AHMAD HUSNI**
*Senior Independent
Non-Executive Director*

Profile of Board of Directors and Group President

DATO' LIM HUI BOON

Group President

Aged 74, Male, Malaysian

Dato' Lim Hui Boon was designated as the Group President and Advisor to the Board of Ho Wah Genting Bhd ("HWGB") after his resignation as an Executive Director and Chairman on 14 June 2011.

He is the founder of HWGB Group of Companies and has been at the helm of HWGB Group since its inception in 1979. Dato' Lim is a self-made businessman who, since his early ventures into the transportation business has, over the years, expanded into various sectors including hospitality, entertainment, large scale renovation and construction, mining, manufacturing, investment bank, payment solution and healthcare.

Through Dato' Lim's leadership, HWGB was successfully listed on the Second Board of Kuala Lumpur Stock Exchange in December 1994, and later transferred to the Main Market of Bursa Malaysia Securities Bhd in November 2000.

Dato' Lim is the father to Dato' Aaron Lim Ooi Hong (the Executive Chairman and a substantial shareholder of the Company) and Mr. Lim Wee Kiat (an Executive Director and a substantial shareholder of the Company). Dato' Lim holds 187,500 shares (0.09%) direct interest in the Company. Dato' Lim also holds 750,000 ESOS in the Company. Save as disclosed above, he does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest or interest in any material contract with the Company and subsidiaries.

He has never been convicted for any offences within the past five years and neither been imposed any public sanction or penalty by any regulatory bodies during the financial year.

DATO' AARON LIM OOI HONG

Group Executive Chairman

Aged 49, Male, Malaysian

Dato' Aaron Lim was appointed as the Managing Director/Chief Executive Officer (CEO) of the Company on 30 August 2012. He was subsequently appointed as the Group Executive Chairman of the Company on 29 July 2021 and relinquished his position as Managing Director/CEO on the same date.

He obtained his Bachelor's Degree in Business (Business Administration) from RMIT University, Australia. He is also an alumnus of Tsinghua University, China, certificate number 131051004262. Additionally, Dato' Aaron Lim completed the "Digital Disruption: Digital Transformation Strategies" program at the Cambridge Judge Business School, Executive Education, University of Cambridge in September 2021.

Dato' Aaron Lim has decades of experience in business development, M&A, capital origination, business valuation, strategic planning, and investment banking, as well as more than 29 years of experience serving in directorship and senior leadership positions in both private and public companies in the Asia Pacific region, including as the former Executive Director and CEO of a public company listed on the Hong Kong Stock Exchange. Throughout his professional career, Dato' Aaron Lim Ooi Hong has consistently executed high-level transactions.

He was also appointed as a director of HWG Digital Investment Bank (Malaysia) P.L.C. on 1st April 2022, an investment bank

incorporated in Labuan and licensed under the Labuan Financial Service and Security Act 2010. Under his leadership, the digital investment bank has embarked on a new phase of transformation in the digital era, focusing on digitalisation and introducing various innovations and disruptive solutions in fintech.

Dato' Aaron Lim is deemed interested in the securities of the Company and its subsidiaries through Ho Wah Genting Holding Sdn Bhd, a substantial shareholder of the Company by virtue of Section 8(4) of the Companies Act, 2016. He also holds direct equity interest of 343,750 shares (0.17%) and 750,000 ESOS in the Company. He is the son of Dato' Lim Hui Boon, the Group President of the Company, and the brother of Mr. Lim Wee Kiat, an Executive Director and a substantial shareholder of the Company. Save as disclosed above, he does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and subsidiaries save and except for the transaction(s) disclosed in Note 32 to the Financial Statements.

He has never been convicted for any offences within the past five years and neither been imposed any public sanction or penalty by any regulatory bodies during the financial year.

Profile of Board of Directors and Group President

MR. LIM WEE KIAT

*Executive Director
Aged 45, Male, Malaysian*

Mr. Lim Wee Kiat was appointed an Executive Director of the Company on 25 June 2010. He was awarded a Doctoral Professional in Leadership Management from Riviera University SAS, France on 4 December 2020. He holds a Bachelor of Science (Honours) in Computing and Information Systems from University of Nottingham, Nottingham, United Kingdom in 2003. He obtained a Postgraduate Certificate in Network Computing from University of Monash, Victoria, Melbourne in 2005. He also holds an Advance Diploma in Information Technology from Royal Melbourne Institute of Technology, Victoria, Melbourne in 2001.

Prior to joining the Group, he has over 9 years of experience in the Information Technology sector with his last position as System Engineer.

Mr. Lim Wee Kiat is deemed interested in the securities of the Company and its subsidiaries through Ho Wah Genting Holding

Sdn Bhd, a substantial shareholder of the Company by virtue of Section 8(4) of the Companies Act, 2016. He also holds direct equity interest of 250,000 shares (0.12%) and 625,000 ESOS in the Company. He is the son of Dato' Lim Hui Boon, the Group President of the Company. He is the brother of Dato' Aaron Lim Ooi Hong, the Executive Chairman and a substantial shareholder of the Company. Save as disclosed above, he does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and subsidiaries save and except for the transaction(s) disclosed in Note 32 to the Financial Statements.

He has no directorship in other public companies and has never been convicted for any offences within the past five years and neither been imposed any public sanction or penalty by any regulatory bodies during the financial year.

MR. KENNY YEOH KHI KHEN

*Independent Non-Executive Director
Chairman of Audit and Risk Management Committee
Member of Nomination and Remuneration Committee
Aged 44, Male, Malaysian*

Mr. Kenny Yeoh Khi Khen was appointed an Independent Non-Executive Director of the Company on 13 June 2018. He was also appointed on 13 June 2018 as a member of the Audit and Risk Management Committee, and a member of the Nomination and Remuneration Committee of the Company. Subsequently he was appointed as the Chairman of the Audit and Risk Management Committee on 22 September 2020.

He holds a Bachelor of Commerce (major in Accounting and Finance) from University of Tasmania, Australia. He is a Certified Public Accountant (CPA Australia) since November 2006, progressing to the Fellow of CPA Australia (FCPA) status in August 2017 and a member of Malaysian Institute of Accountants since December 2010. He has accumulated 21 years of progressive auditing and accounting experience with a big four auditing firm in Malaysia and Australia, and with Baker Tilly Malaysia. He is currently an audit partner in Baker Tilly Malaysia.

Mr. Kenny Yeoh has no shareholding whether direct or indirect in the Company and its subsidiaries. He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company and subsidiaries. He has no directorship in other public companies.

He has never been convicted for any offences within the past five years and neither been imposed any public sanction or penalty by any regulatory bodies during the financial year.

Profile of Board of Directors and Group President

ENCIK KHALID BIN AHMAD HUSNI

*Senior Independent Non-Executive Director
Member of Audit and Risk Management Committee
Chairman of Nomination and Remuneration Committee
Aged 42, Male, Malaysian*

Encik Khalid Bin Ahmad Husni was appointed an Independent Non-Executive Director of the Company on 30 June 2022. He was also appointed on 30 June 2022 as a member of the Audit and Risk Management Committee, and a member of the Nomination and Remuneration Committee of the Company. Subsequently on 28 May 2024, he was appointed as Chairman of the Nomination and Remuneration Committee and also as the Senior Independent Director to whom concerns may be conveyed.

Encik Khalid Bin Ahmad Husni graduated with Honours Degree in accounting and finance from the University of East London in 2007. He is a member of The Institute of Internal Auditors Malaysia.

He has had over 10 years of working experience in Internal Audit and Risk Management, with diverse experience gained in the commercial sector mainly in manufacturing, automotive, asset management, plantation and education. Some of the clients he has managed were Panasonic Manufacturing Malaysia Berhad, Bandar Raya Developments Berhad and others.

In 2012, he joined Yayasan Aulia, a public welfare organization as council member and secretary, he has found his new passion by helping needy people, orphan and single parent through donation, education sponsoring, orphan charity activities and young adult business programs. He left Yayasan Aulia in 2021.

He is currently an Executive Director in charge of overall operation in Marontech Communication Sdn Bhd, a company engaged in telecommunication, customized software and green technology.

Encik Khalid Bin Ahmad Husni has no shareholding whether direct or indirect in the Company and its subsidiaries. He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company and subsidiaries. He has no directorship in other public companies.

He has never been convicted for any offences within the past five years and neither been imposed any public sanction or penalty by any regulatory bodies during the financial year.

MS. LIM EAN CHIN

*Independent Non-Executive Director
Member of Audit and Risk Management Committee
Member of Nomination and Remuneration Committee
Aged 39, Female, Malaysian*

Ms. Lim Ean Chin was appointed as Director on 28 May 2024, she is also appointed as member of the Audit and Risk Management Committee and Nomination and Remuneration Committee on the same date. Ms. Lim Ean Chin brings extensive experience in strategic planning, business development, finance, and corporate governance. Currently serving as Chief Business Development Officer at IRCare Sdn Bhd, she has successfully negotiated high-impact deals and forged strategic partnerships in the hydrogen treatment services sector. With prior experience as a Non-Executive Director at HWG Digital Investment Bank (Malaysia) P.L.C and Vice President at Tomin Group of Companies, she has demonstrated leadership in risk management, corporate governance, and financial oversight. Her background in risk assurance services at PricewaterhouseCoopers LLP further enhances her expertise in regulatory compliance. She holds a Bachelor of

Science in Accounting and Finance from the London School of Economics and Political Science, UK, and is a member of the Institute of Chartered Accountants of England & Wales (ICAEW).

Ms. Lim Ean Chin holds 46,325 ordinary shares (0.02%) in the Company, and does not hold any indirect interest in the Company. She does not hold any shares directly or indirectly in the subsidiaries of the Company. She does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company and subsidiaries.

She has never been convicted for any offences within the past five years and neither been imposed any public sanction or penalty by any regulatory bodies during the financial year.

Note:

Details of the Directors' attendance at Board Meetings are set out in the Corporate Governance Overview Statement of this Annual Report 31 December 2024.

Profile of Key Senior Management



Lam Yew Chung
Chief Financial Officer



Coral Hong Kim Heong
Company Secretary



**Ling Doh Seong,
Richard**
*Head of Executive
Chairman Department*



Datuk William Teo Tiew
*President Director,
PT. Ho Wah Genting*



Wilson Song Kok Seng
*Vice President,
PT. Ho Wah Genting*



Law Shu Pin
*Vice President/Director,
PT. Ho Wah Genting*

Profile of Key Senior Management

MR. LAM YEW CHUNG

*Chief Financial Officer, Ho Wah Genting Berhad
Aged 53, Male, Malaysian*

Mr. Lam Yew Chung was appointed as Chief Financial Officer of Ho Wah Genting Berhad ("HWGB") on 01 April 2021. Prior to his appointment as Chief Financial Officer, he is the Accounts Manager for HWGB.

Mr. Lam Yew Chung holds a Professional Qualifications from Associated Chartered Certified Accountants ("ACCA") since 2002 and obtained his ACCA Membership in the same year and his Fellow Membership in 2007. He is also a Chartered Accountant registered with Malaysian Institute of Accountants ("MIA") since 2003.

As the Chief Financial Officer, he is in charge of supervising, managing and monitoring day to day operations in finance, accounts, taxation, budgeting and costing. He has no directorship in other public companies.

He began his career as an Audit Associate with YYC Advisors (formerly known as SF Yap & Co and Yeo & Co) in 1997. He left YYC Advisors in 2003 and joined DA Consulting Sdn. Bhd. an outsource risk management company in the same year as an Audit Executive. In 2004, he joined Foo, Lee An & Associates as an Audit Supervisor and was promoted to Audit Assistant Manager in 2006.

In 2007, he joined Konsortium Transnasional Berhad a group of companies engaged in public transport, as a group and financial accountant overseeing the finance, accounts, taxation and budgeting.

In 2010, he joined Golden Land Berhad, a group of companies engaged in oil palm plantation and property development as an accountant, overseeing the overseas subsidiaries' finance, accounts, taxation and budgeting.

In early 2013, he joined AYER Holdings Berhad (formerly known as TAHPS Group Berhad), a group of companies also engaged in oil palm plantation and property development as a six-month contract group accountant overseeing the accounts, taxation and budgeting.

Upon the end of his six-month contract with AYER Holdings Berhad, he joined HWGB as Accounts Manager overseeing the accounts, taxation and budgeting until his appointment as HWGB's Chief Financial Officer.

He does not have any family relationship with any other Directors and/or major shareholders of the Company and neither has he had any conflict of interest with the Company and subsidiaries.

He has never been convicted for any offences within the past five years and neither been imposed any public sanction or penalty by any regulatory bodies during the financial year.

MS. CORAL HONG KIM HEONG

*Company Secretary
Aged 54, Female, Malaysian*

Ms. Coral Hong Kim Heong was appointed as Company Secretary and Head of Secretarial Department of the Group since 8 October 2012 and is responsible for the statutory compliances and corporate affairs of the Group.

She is an Associate Member of Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and also holds a Certificate in Accounting from London Chamber of Commerce Industry (LCCI Higher Accounting).

She has over 29 years of experience in corporate sector with attachment via a reputable management consulting firm and some listed companies in various industries, specializing in

corporate secretarial, and corporate exercises advisory. She is an independent non-executive director of Evergreen Fibreboard Berhad.

She does not have any family relationship with any Directors and/or major shareholders, nor any conflict of interest with the Company and subsidiaries. She has no convictions for any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Profile of Key Senior Management

MR. LING DOH SEONG, RICHARD

*Head of Executive Chairman Department
Aged 50, Male, Malaysian*

Mr. Ling Doh Seong, Richard was appointed as an executive assistant to the Chief Executive Officer in July 2014. In July 2021, he was appointed as Head of Executive Chairman Department.

Mr. Ling obtained a bachelor degree in commerce (accounting) from the University of Southern Queensland. He is a Chartered Accountant of the Malaysian Institute of Accountants, a Certified Practising Accountant of CPA Australia and a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants. He is in charge of Chairman Department overseeing project management. He has no directorship in any public companies.

He began his career with a Malaysian auditing firm, Leslie Yap & Co from March 1997 to April 2000. He worked for KPMG Cambodia from May 2000 to January 2003. He was an

internal audit manager of NagaCorp Ltd from February 2003 to June 2004 before being promoted to group financial controller and was responsible in assisting the chief financial officer on group financial matters. He was also the deputy chairman of the anti-money laundering sub-committee and assists the company in dealing with anti-money laundering. He left the company in August 2007 as vice president, finance to join AsiaCruz Sdn Bhd as an executive director until March 2014.

He does not have any family relationship with any Directors and/or major shareholders of the Company and neither has he had any conflict of interest with the Company and subsidiaries.

He has never been convicted for any offences within the past five years and neither been imposed any public sanction or penalty by any regulatory bodies during the financial year.

DATUK WILLIAM TEO TIEW

*President Director, PT. Ho Wah Genting, Indonesia
Member of Employees' Share Option Scheme Committee
Aged 65, Male, Malaysian*

Datuk William Teo Tiew was the first Director of Ho Wah Genting Berhad since incorporation on 12 August 1993 and held the position of Managing Director/Chief Executive Officer of the Company from 26 August 2003. He was re-designated as Executive Chairman on 30 August 2012 and retired from the Board of the Company on 30 June 2020.

He has been the President Director of PT. Ho Wah Genting, Indonesia since 2 July 2001. As the President Director of PT. Ho Wah Genting, he supervises, manages and monitors the day-to-day operations in overall finance and management of the factory.

He is a fellow of the Chartered Association of Certified Accountants since 1984 and a member of the Malaysian Institute of Accountants since 9 April 1987.

He joined Ho Wah Genting Group Sdn Bhd ("HWGG") in 1990 as Group Accountant and Corporate Planner in charge of HWGG's financial affairs, investment, corporate planning and overall management. He has no directorship in any public companies.

He began his career in auditing with Messrs Robert Teo, Kuan & Co, a public accounting firm with his last held position as Audit Manager, where he gained many years of experience in auditing a portfolio of clients ranging from manufacturing, trading, investment holding, property development, engineering and transportation.

On 14 October 2012, Tuan Yang Terutama Yang di-Pertua Negeri Melaka conferred on him the Darjah Pangkuan Seri Melaka (D.P.S.M.) which carries the title of "Datuk".

He does not have any family relationship with any Directors and/or major shareholders of the Company and has no conflict of interest with the Company and subsidiaries.

Profile of Key Senior Management

MR. WILSON SONG KOK SENG

*Vice President, PT Ho Wah Genting, Indonesia
Member of Employees' Share Option Scheme Committee
Aged 60, Male, Malaysian*

Mr. Wilson Song Kok Seng was appointed as General Manager cum Vice President of PT. Ho Wah Genting on 14 May 2002.

He holds a Diploma in Electrical and Electronic Engineering. He obtained "Certified Quality Engineer" from Underwriters Laboratories Inc., USA in 1991. As the Vice President of PT. Ho Wah Genting, he supervises, manages, and monitors the day-to-day operation, production, sourcing, shipping and quality assurance of the factory. He also entrusted with developing sales network in Indonesia. He has no directorship in any public companies.

He began his career as quality engineer with SGS (M) Sdn Bhd in 1988, tasked with conducting inspection of consumer products in Malaysia, Singapore and other Asian countries. He left to join Underwriters Laboratories Inc. Malaysia in 1990 as regional manager and product quality engineer, tasked

with supervision of inspection works, analyzed and evaluated test results for compliance with International Safety Standards of Underwriters Laboratories Inc. and as consultant for numerous organizations' ISO 9000/14000 quality and environment system designing and implementation. He left to join Fuji Advance Sdn Bhd in 1999 as factory manager, wherein he runs the factory operations including sales prior to joining PT. Ho Wah Genting in 2002.

He does not have any family relationship with any Directors and/or major shareholders of the Company and neither has he had any conflict of interest with the Company and subsidiaries.

He has never been convicted for any offences within the past five years and neither been imposed any public sanction or penalty by any regulatory bodies during the financial year.

MR. LAW SHU PIN

*Vice President/Director, PT. Ho Wah Genting, Indonesia
Aged 69, Male, Malaysian*

Mr. Law Shu Pin was appointed as Vice President of PT. Ho Wah Genting in February 2005. On 28 March 2016, he was appointed as a Director of PT. Ho Wah Genting.

He holds a Diploma in Banking Part I from the Institute of Bankers, London. As the Vice President/Director of PT. Ho Wah Genting, he is in charge of supervising, managing and monitoring day-to-day operations in purchasing, finance, accounts and costing. He has no directorship in any public companies.

He began his career as a clerk with UMBC Bank (now known as RHB Bank) in 1974. After obtaining his Diploma in Banking, he was promoted to junior executive officer and served in the following branches: Jalan Tun Perak Branch, Kuala Lumpur, Klang and Tanjung Karang Branch, Selangor, Yong Peng Branch, Johor. In 1981, he left UMBC Bank to join Public Bank.

He joined Public Bank in 1981 as a junior executive officer and rose to the rank of a branch manager. He served as a junior and senior executive officer of the Kuala Lumpur Main Branch.

In 1989, he was posted to Port Dickson Branch, Negeri Sembilan as the assistant manager of the Branch. In 1990 he was posted to Tampoi Branch, Johor as the assistant manager. In 1991, he was posted to Taman Johor Jaya Branch as the branch manager. In 1994, he was posted back to Kuala Lumpur Main Office as the banking services manager.

In 1995, he left Public Bank to join Ho Wah Genting Wire and Cable Sdn Bhd as general manager. He managed the day-to-day operations, production, purchasing, finance and accounts. In February 2005, he was transferred to PT. Ho Wah Genting.

He does not have any family relationship with any Directors and/or major shareholders, nor any conflict of interest with the Company and subsidiaries.

He has never been convicted for any offences within the past five years and neither been imposed any public sanction or penalty by any regulatory bodies during the financial year.

Group Executive Chairman's Statement



To our valued shareholders,

On behalf of the Board of Directors (“Board”), I am pleased and honoured to present this Annual Report of Ho Wah Genting Berhad (“HWGB” or our “Company”) and its subsidiaries (Collectively referred to as “HWGB Group” or our “Group”) for the financial year ended 31 December 2024.

Despite operating in a complex economic and geopolitical landscape, our Group has remained resilient and forward-looking. We adapt to changing market conditions and align our business strategies to create sustainable long-term value.

DATO' AARON LIM OOI HONG
Group Executive Chairman

Business Overview

For the current financial year ended 31 December 2024 (“FYE 2024”), HWGB continued to derive the majority of its revenue from the Moulded Power Supply Cord Sets Division, which contributed 99.98% of total Group revenue. The demand for our products remained strong across international markets, where our revenue is predominantly denominated in US Dollars (USD). While the weakening of the Malaysian Ringgit (RM) against the USD in the early quarters of the year provided a temporary boost to revenue, the gradual strengthening of the RM introduced currency-related complexities in financial planning. The average exchange rate for FYE 2024 was RM4.5752/USD, compared to RM4.5606/USD in FYE 2023. Global economic uncertainties, especially surrounding the US economy and trade policies, further added to market volatility, influencing pricing strategies and financial risk management.

The Healthcare Division underwent a strategic realignment in FYE 2024, responding to evolving consumer preferences, economic factors impacting pricing, and supply chain disruptions that affected operational efficiency and cost structures. As part of our commitment to strengthening our presence in high-growth sectors, the Group is venturing into the wellness segment through retail business focusing on premium skincare, fragrances, and wellness-related products. This strategic shift aligns with our diversification efforts, enabling us to tap into the growing demand for organic and wellness-focused offerings while fostering long-term value creation for the Group.

Group Executive Chairman's Statement

Financial Performance

Our Group recorded a revenue increase to RM328.23 million for FYE 2024, up 28.7% from RM254.98 million in FYE 2023, driven by the Moulded Power Supply Cord Sets Division, which contributed RM328.16 million to total revenue. While the division remained a key revenue generator, overall profitability was impacted by market fluctuations and operational cost pressures.

For the financial year under review, the Group reported a loss before taxation (LBT) of RM0.29 million, compared to a profit before taxation (PBT) of RM3.92 million in the previous year. This was mainly attributed to higher losses in the Investment Holding Division and compressed profit margins in the Moulded Power Supply Cord Sets Division.

The Moulded Power Supply Cord Sets Division faced market volatility, particularly in copper prices, which averaged USD9,325 per metric tonne (FYE 2023: USD9,046). Additionally, competitive pricing pressures and expected credit losses further impacted margins. Despite these challenges, the Group remains committed to enhancing operational efficiencies and strengthening cost management strategies to drive sustainable long-term growth.

Segmental Analysis:

• Moulded Power Supply Cord Sets Division

The Moulded Power Supply Cord Sets Division continued to be the primary revenue contributor, generating RM328.16 million, accounting for 99.98% of the Group's total revenue. Despite its strong revenue performance, the division recorded a lower profit before taxation (PBT) of RM9.21 million, compared to RM12.75 million in FYE 2023. This decline was due to volatile copper prices, which averaged USD9,325 per metric tonne (FYE 2023: USD9,046), competitive pricing pressures, and allowance for expected credit losses.

To mitigate cost pressures and enhance operational resilience, the division has continued its lean manufacturing initiatives, which include semi-automation of production processes, streamlining workforce efficiency, and optimising production cycles. These efforts aim to improve productivity, enhance product quality, reduce defects, and strengthen cost competitiveness, enabling the Group to attract a broader customer base while maintaining long-term sustainability and profitability.

• Healthcare Division

In FYE 2024, the Healthcare Division underwent a strategic reassessment, leading to a temporary pause in certain operations due to shifting consumer preferences, pricing challenges, and supply chain disruptions. These external factors resulted in operational delays and increased costs, impacting the division's overall performance. Despite these headwinds, the Group navigated a new growth trajectory by strengthening its position in the wellness sector, marking a key step towards business diversification.

This transition enables HWGB to tap into the expanding organic skincare and wellness market, leveraging newly acquired distribution channels and digital commerce platforms. The division recorded a lower loss before taxation (LBT) of RM0.06 million, an improvement from RM0.48 million in FYE 2023, reflecting the Group's proactive measures in streamlining operations and reallocating resources toward sustainable growth opportunities.

• Investment Holding Division

The Investment Holding Division, which consists of HWGB, its investment holding subsidiaries, and inactive subsidiaries, reported an LBT of RM10.22 million, slightly higher than RM9.58 million in FYE 2023. The increase in losses was primarily due to ongoing strategic investments and capital allocation adjustments.

Group Executive Chairman's Statement

In response to these challenges, the Group has undertaken a comprehensive reassessment of its investment portfolio, with a strong focus on realigning resources towards high-potential, value-accretive opportunities. HWGB remains committed to exploring innovative investment avenues, optimising its capital structure, and strengthening its financial foundation to support long-term shareholder value creation.

Through prudent financial management and strategic capital deployment, the Group is actively positioning itself for future growth while ensuring financial resilience amid evolving market conditions.

Prospects

The Board remains cautiously optimistic about the outlook for HWGB despite the challenges posed by global macroeconomic conditions. The Moulded Power Supply Cord Sets Division, which continues to be our Group's primary revenue driver, faces increasing cost pressures and market volatility. Factors such as fluctuations in copper prices, rising raw material and component costs, and shipping and freight rate increases due to ongoing geopolitical conflicts in the Middle East have added complexity to operational planning. Additionally, uncertainties surrounding U.S. tariffs and trade policies, coupled with inflationary pressures in Indonesia - our key manufacturing base - have resulted in higher production costs, particularly due to mandatory wage and salary increments. Despite these challenges, we remain committed to enhancing cost efficiencies and strengthening our lean manufacturing strategies to sustain our competitive advantage. Our long-term relationships with key customers in the wire and cable industry provide a solid foundation for business continuity and volume growth.

The expansion into the wellness segment represents a pivotal opportunity to diversify earnings. By leveraging exclusive distributorships and a growing online presence, the Group is well-positioned to build market share in a competitive retail environment. Over the next three years, our focus will be on brand enhancement, customer engagement, and retail expansion across strategic locations.

While external economic uncertainties persist, HWGB remains resilient and forward-looking. We are actively reassessing and optimising our investment portfolio to reallocate resources toward sustainable and high-potential business segments. By enhancing operational efficiencies, diversifying revenue streams, and capitalising on new market opportunities, we aim to fortify our financial position and drive long-term value for shareholders. We remain committed to business resilience and adaptability, ensuring that HWGB continues to thrive in an evolving market environment while delivering sustainable growth and profitability.



Group Executive Chairman's Statement

Dividend

The Board is not recommending any dividend payment for the FYE 2024.

Directorate

I would like to formally welcome Madam Lim Ean Chin who joined the Board as Independent Non-Executive Director on 28 May 2024.

Acknowledgement

On behalf of the Board, I wish to express our sincere thanks to all our valued customers, financiers, business associates, Government authorities and shareholders for their continuous support, co-operation and confidence in our Group.

My sincere appreciation and gratitude also go to my fellow Directors, the management team and employees for their loyal support and commitment in continuing to improve and enhance value to all our stakeholders.

Thank you.

Dato' Aaron Lim Ooi Hong

Group Executive Chairman

Kuala Lumpur

Date: 11 April 2025



Corporate Social Responsibility Statement

As part of its commitment to social and environmental responsibility, Ho Wah Genting Berhad via its main subsidiary, PT. Ho Wah Genting operating a manufacturing plant in Batam, Indonesia collaborate to carry out corporate social responsibility (CSR) activities in the spirit of togetherness. PT. Ho Wah Genting organized a total of five impactful events in 2024, demonstrating its dedication to both the community and its employees. For the benefit of society, PT. Ho Wah Genting hosted two major events: the renovation of Panti Asuhan Anak Bangsa to provide orphans with a better living environment and the planting of 2,024 mangrove trees in collaboration with the Batam City Government to enhance environmental sustainability and air quality. Additionally, to support employee welfare, PT. Ho Wah Genting held three significant events aimed at ensuring safety, health, and celebration within the workplace. These included an Evacuation and Fire Drill to enhance employee preparedness in emergency situations, a comprehensive Medical Check-Up to prioritize health and well-being, and a joyous Christmas Celebration to foster a sense of community and togetherness among staff. Through these initiatives, PT. Ho Wah Genting reaffirms its role as a socially responsible organization that values both the communities it serves and the employees who drive its success.



Evacuation and Fire Drill

PT. Ho Wah Genting places a strong emphasis on safety by conducting an annual Evacuation and Fire Drill to ensure employees are well-prepared for emergency situations. This drill was held to familiarize staff with proper evacuation routes and practices, reinforcing the knowledge and skills needed to evacuate safely and in an orderly manner when needed. As part of this initiative, PT. Ho Wah Genting collaborates with the local fire department to provide refresher training each year, equipping employees with updated techniques and practical knowledge on handling fire-related emergencies effectively. Through these efforts, PT. Ho Wah Genting demonstrates its commitment to maintaining a safe and secure work environment for all.



Corporate Social Responsibility Statement



Giving Orphans a Better Life: Home Upgrades and Renovations

PT. Ho Wah Genting, in collaboration with Rainbow Connection from Singapore, demonstrated its commitment to corporate social responsibility through a meaningful philanthropic initiative at Pantia Asuhan Anak Bangsa. PT. Ho Wah Genting donated 50 million rupiah to fund the renovation and upgrade of the orphanage's facilities, addressing critical needs to create a safer, more comfortable, and nurturing environment for the children. The renovation included improving living spaces, enhancing structural safety, and providing better amenities to support the orphans' daily lives. This effort reflects PT. Ho Wah Genting's dedication to giving back to the communities where it operates, focusing not only on environmental sustainability but also on social welfare. By improving the quality of life for the children at Pantia Asuhan Anak Bangsa, PT. Ho Wah Genting hopes to inspire positive change and set an example of compassion and responsibility for others to follow.



Medical Check-Up

PT. Ho Wah Genting organized its annual Medical Check-Up program, demonstrating its commitment to employees' health and well-being. A total of 506 employees participated in this comprehensive health assessment. The check-up included physical examinations, laboratory tests, X-rays, blood sugar tests, cholesterol checks, and specialized electrocardiogram (ECG) screenings for employees aged 40 and above. Conducted by professional medical practitioners, this initiative aimed to ensure early detection and prevention of potential health issues while promoting a culture of wellness and maintaining a healthy workforce. The Medical Check-Up reflects PT. Ho Wah Genting's broader dedication to creating a caring, supportive and health-conscious workplace environment.



Corporate Social Responsibility Statement

Planting 2,024 Mangrove Seedlings: A Concrete Step Towards Preserving the Ecosystem

PT. Ho Wah Genting, in partnership with the Batam City Government, launched a significant Environmental, Social, and Governance (ESG) initiative by planting 2,024 mangrove trees at the Buana Raja Sei Beduk Mangrove Conservation Shelter. This initiative underscores the PT. Ho Wah Genting's unwavering commitment to environmental preservation, air quality improvement, and ecosystem restoration in Batam City. Mangroves play a vital role in mitigating climate change by absorbing carbon dioxide, protecting coastlines from erosion, and supporting biodiversity. At the event, Mr. Wilson Song, Vice President of PT. Ho Wah Genting, highlighted PT. Ho Wah Genting's dedication to corporate social responsibility, stating, "Planting these mangrove trees is part of our ongoing efforts to promote healthier air and a better environment for Batam residents." He also expressed the PT. Ho Wah Genting's intent to continue similar projects in the future to foster environmental sustainability and support the community. Through this initiative, PT. Ho Wah Genting not only contributes to safeguarding the local ecosystem but also sets a strong example of responsible corporate stewardship.



Christmas Celebration: Arise and Shine

PT. Ho Wah Genting's PDO Kasih organized a joyful Christmas celebration at HKBP Maranatha Ressorst Kavling Lama. This annual event was held to commemorate the birth of Jesus Christ, and to foster unity and togetherness among employees at PT. Ho Wah Genting. Under the theme "Arise and Shine" inspired by Jeremiah 60:1, the celebration aimed to encourage participants to embody integrity, faith, and dedication in their work and daily lives. The program included a Christmas service, followed by festivities featuring entertainment and a distribution of meals, creating a warm and meaningful atmosphere for all attendees. This event highlights PT. Ho Wah Genting's commitment to supporting its employees' spiritual growth and strengthening relationships within the workplace.

This year, PT. Ho Wah Genting successfully demonstrated its unwavering dedication to social and environmental responsibility through impactful initiatives benefiting both the community and its employees. By addressing societal needs, fostering environmental sustainability, and prioritizing employee well-being, PT. Ho Wah Genting reaffirms its commitment to making a meaningful difference. These efforts not only reflect PT. Ho Wah Genting's core values but also serve as a testament to its vision of fostering a more sustainable, compassionate, and united future for all stakeholders.

Employees Training

HWGB Group provides courses and training relevant to staff/employees to enhance their skills in carrying out their duties. The training provided include in-house training and also external training via different organizers.

Overall, HWGB Group sees its social mission as achieving sustainable development goals, which meet the long-term economic interest of business, and contribute to employees' welfare.

Workplace Diversity

HWGB Group recognizes that diversity of employees (in terms of age, gender, race, religion, nationality and education) is vital to the organization's smooth operations and business sustainability. Thus, the Group is dedicated in providing and nurturing a positive culture and environment for all employees to have equal opportunity to strive and work together in harmony to achieve corporate objectives and sustainable growth.

Commitment to the community

The Group sees its social mission as achieving sustainable development goals, which meet the long-term economic interest of business, and contribute to the society.



HWGB BioTech
豪华云顶生物科技

DELIVERING **THE BEST** OF HEALTHCARE TO THE WORLD

About Us

- Provide a comprehensive range of preventive healthcare products and solutions.
- Managed by an experienced management committee and consultants.
- Owned by Ho Wah Genting Berhad (199301018185 [272923 H]) (Bursa stock code: 9601).



BIOTECH

Be Sure with innovative technology for diagnostic product that helps you deliver an accurate testing result.



HEALTH TECH

The future of healthcare is shaping up in front of our very eyes with advances in digital healthcare technologies.



Management Discussion and Analysis

INTRODUCTION

Ho Wah Genting Berhad (“HWGB” or “the Company”) is principally engaged in investment holdings and the provision of management services to its subsidiaries.

BUSINESS DIVISIONS

For the financial year under review, the Company and its subsidiaries (“HWGB Group” or “the Group”) are principally engaged in the businesses of the following:

- Investment holdings (“the Investment Division”);
- Manufacturing and trading of wires and cables, moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment (“the Moulded Power Supply Cord Sets Division”); and
- Healthcare and related businesses which includes the health supplements, biotechnology and healthcare technology sub-segments (“the Healthcare Division”).

Summary of the Group’s revenue by divisions

| | 2024 | | 2023 | |
|--------------------------------|----------------|---------------|---------|--------|
| | RM’000 | % | RM’000 | % |
| Divisions - Continuing | | | | |
| Investment | 75 | 0.02 | 100 | 0.04 |
| Moulded Power Supply Cord Sets | 328,159 | 99.98 | 254,791 | 99.93 |
| Healthcare | - | - | 85 | 0.03 |
| | 328,234 | 100.00 | 254,976 | 100.00 |

LOCATION OF BUSINESS OPERATIONS

The Group’s businesses basically operate in Malaysia and Indonesia.

The Group’s current operation in Malaysia consist of only investment holdings. The healthcare related businesses which is referred to as the Healthcare Division has temporarily ceased operations.

Manufacturing and trading of wires and cables, moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment is located in the Republic of Indonesia.

PRINCIPAL MARKETS OR GEOGRAPHICAL PRESENCE

Summary of the Group’s revenue by geographical market

| | 2024 | | 2023 | |
|----------------------------|----------------|---------------|---------|--------|
| | RM’000 | % | RM’000 | % |
| Geographical market | | | | |
| North America | 296,317 | 90.28 | 227,043 | 89.04 |
| The rest of Asia | 31,791 | 9.68 | 27,125 | 10.64 |
| Malaysia | 126 | 0.04 | 808 | 0.32 |
| | 328,234 | 100.00 | 254,976 | 100.00 |

The Group recorded a revenue of RM328.23 million for the financial year ended 31 December 2024 (“FYE 31/12/2024”) as compared to RM254.98 million for the financial year ended 31 December 2023 (“FYE 31/12/2023”). The Group’s revenue is mainly derived from the Moulded Power Supply Cord Sets Division in Indonesia which represented approximately 99.98% (“FYE 31/12/2023: 99.93%”) of the total revenue of the Group, with the US being the biggest market contributing approximately 90.28% (“FYE 31/12/2023: 89.04%”). The higher revenue in the current financial year end was due to the higher demand from existing customers. The average exchange rate used for the FYE 31/12/2024 was RM4.5752/USD (“FYE 31/12/2023: RM4.5606/USD”).

Management Discussion and Analysis

FINANCIAL INFORMATION

Summary and commentary of the Group's Statements of Comprehensive Income

| | 2024 | 2023 | Changes | |
|--|----------------|--------------|----------------|----------------|
| | RM'000 | RM'000 | RM'000 | % |
| Revenue from continuing operations | 328,234 | 254,976 | 73,258 | 28.73 |
| Continuing operations | | | | |
| Profit from operations | 1,028 | 5,402 | (4,374) | -80.97 |
| Finance income | 107 | 72 | 35 | 48.61 |
| Finance costs | (1,422) | (1,551) | (129) | -8.32 |
| (Loss)/Profit before taxation | (287) | 3,923 | (4,210) | -107.32 |
| Income tax expense | (1,941) | (2,708) | (767) | -28.32 |
| (Loss)/Profit after taxation | (2,228) | 1,215 | (3,443) | -283.37 |
| Discontinuing operations | | | | |
| Loss from discontinuing operation, net of tax | - | (58) | (58) | -100.00 |
| Net (loss)/profit for the year | (2,228) | 1,157 | (3,385) | -292.57 |
| Other comprehensive (loss)/gain for the year, net of tax | (1,749) | 2,907 | (4,656) | -160.17 |
| Total comprehensive (loss)/income for the year | (3,977) | 4,064 | (8,041) | -197.86 |

Profit Before Taxation ("PBT") / (Loss Before Taxation) ("LBT")

Significant changes on PBT/LBT attributable by the following:

| | 2024 | 2023 | Changes | |
|--|--------------|--------|---------|-----------|
| | RM'000 | RM'000 | RM'000 | % |
| Allowance for expected credit loss ("ECL") | 2,642 | 1 | 2,641 | >1,000.00 |
| Depreciation – Property, plant and equipment | 4,141 | 4,449 | (308) | -6.92 |
| Depreciation – Right of use assets | 246 | 144 | 102 | 70.83 |
| Net finance costs | 1,315 | 1,479 | (164) | -11.09 |
| Retirement benefit obligations | 633 | 802 | (169) | -21.07 |
| Realised loss on foreign exchange | 373 | 12 | 361 | >1,000.00 |
| Unrealised loss on foreign exchange | 61 | 187 | (126) | -67.38 |
| Realised gain on foreign exchange | - | (170) | (170) | -100.00 |
| Unrealised gain on foreign exchange | (465) | (334) | 131 | 39.22 |
| Gain on disposal of plant and equipment | (23) | (44) | (21) | -47.72 |
| Gain on disposal of subsidiaries | - | (36) | (36) | - |

The Group incurred a LBT from its continuing operations of RM0.29 million for the FYE 31/12/2024 (FYE 31/12/2023: PBT of RM3.92 million) and were mainly derived from the following:

- Lower profit before taxation of RM9.21 million (FYE 31/12/2023: RM12.75 million) from Moulded Power Supply Cords Sets Division;
- No loss before taxation was incurred (FYE 31/12/2023: RM0.06 million) from the Travel Services Division after the disposal of the division in the FYE 31/12/2023;
- Lower loss before taxation of RM0.06 million (FYE 31/12/2023: RM0.48 million) from the Healthcare Division;
- Higher loss before taxation of RM10.22 million (FYE 31/12/2023: RM9.58 million) from the Investment Division; and
- Inter-group elimination mainly on allowance for expected credit loss on amount due from subsidiaries of RM0.30 million (FYE 31/12/2023: RM0.51 million) and reversal of impairment of investments in subsidiaries of RM0.66 million (FYE 31/12/2023: RM0.85 million)

Management Discussion and Analysis

FINANCIAL INFORMATION (CONT'D)

Allowance for expected credit loss (“ECL”)

The Group incurred an allowance for ECL of RM2.64 million (“FYE 31/12/2023: RM1,000”) from its foreign subsidiary in Indonesia. The allowance for ECL is made in respect of one of its major customer has filed Chapter 11 protection from its debts in the US Bankruptcy Court for the District of Delaware.

Net finance costs

| | 2024 | 2023 | Changes | |
|--|--------------|--------------|--------------|---------------|
| | RM'000 | RM'000 | RM'000 | % |
| Interest income | | | | |
| Interest from bank accounts | (107) | (72) | 35 | 48.61 |
| Interest expense | | | | |
| Trade finance | 680 | 993 | (313) | -31.52 |
| Term loans | 298 | 304 | (6) | -1.97 |
| Hire purchase liabilities | 31 | 25 | 6 | 24.00 |
| Other lease liabilities | 14 | 4 | 10 | 250.00 |
| Promissory notes | 143 | - | 143 | N/A |
| Interest on non-related party advances | 256 | 225 | 31 | 13.78 |
| | 1,422 | 1,551 | (129) | -8.32 |
| | 1,315 | 1,479 | (164) | -11.09 |

Summary and commentary of the Group's Statements of Financial Position

| | 2024 | 2023 | Changes | |
|---|---------------|-------------|---------|-------|
| | RM'000 | RM'000 | RM'000 | % |
| Total non-current assets | 39,805 | 41,376 | (1,571) | -3.80 |
| Total current assets | 100,624 | 90,365 | 10,259 | 11.35 |
| Total current liabilities | (44,173) | (30,637) | 13,536 | 44.18 |
| Total non-current liabilities | (12,025) | (12,896) | (871) | -6.75 |
| Equity attributable to owners of the company | (84,231) | (88,208) | (3,977) | -4.51 |
| Total borrowings | 19,803 | 9,206 | | |
| Debt/Equity (%) | 23.51% | 10.44% | | |
| Debt-to-adjusted capital ratio (%) | 7.42% | n/a | | |
| (Loss)/Profit per share attributable to the owners of the Company (sen) | | | | |
| - continuing operations | (1.08) | 0.70 | | |
| - discontinuing operations | - | (0.03) | | |
| | (1.08) | 0.67 | | |
| Net assets per share (RM) | 0.41 | 0.43 | | |
| Market price of share as at financial year end (RM) | 0.240 | 0.265 | | |
| No. of shares in issue ('000) | 205,547 | 205,547 | | |
| Market capitalisation (RM'000) | 49,331 | 54,470 | | |

Management Discussion and Analysis

FINANCIAL INFORMATION (CONT'D)

Summary and commentary of the Group's Statements of Financial Position (cont'd)

The Group's non-current assets decreased by RM1.57 million or 3.80% and were mainly due to the following:

- Purchase of plant and equipment of RM2.30 million and right of use assets of RM0.96 million;
- Depreciation of property, plant and equipment of RM4.14 million and right of use assets of RM0.25 million;
- Disposal of right of use assets with net carrying amount of RM0.17 million;
- Net decrease in exchange differences of RM0.71 million from the conversion of a foreign subsidiary; and
- Deferred tax assets recognised of RM0.63 million in respect of the allowance expected credit loss of RM2.64 million from a foreign subsidiary.

The Group's current assets increased by RM10.26 million or 11.35% and were mainly due to the following:

- Increase in trade receivables of RM21.93 million for Moulded Power Supply Cord Sets Division;
- Decrease in inventories of RM13.31 million for the Moulded Power Supply Cord Sets Division;
- Decrease in other receivables and prepayments of RM0.25 million for the Moulded Power Supply Cord Sets; and
- Increase in cash and bank balances of RM1.88 million.

The Group's current liabilities increased by RM13.54 million or 44.19% and were mainly due to the following:

- Increase in trade payables of RM0.11 million for the Moulded Power Supply Cord Sets Division;
- Increase in contract liabilities of RM2.97 million;
- Decrease in tax payable of RM0.54 million for a foreign subsidiary;
- Increase in short term and trade financing borrowings of RM10.78 million; and
- Increase in short term lease liabilities of RM0.18 million.

The Group's non-current liabilities decreased by RM0.87 million or 6.75% were mainly due to the following:

- Decrease in retirement benefits obligation of RM0.21 million for a foreign subsidiary;
- Increase in long term lease liabilities of RM0.32 million;
- Decrease in long term borrowings of RM0.46 million; and
- Decrease in deferred taxation liabilities of RM0.52 after recognised in profit or loss.

The decrease in "total equity attributable to owners of the Company" of RM3.98 million or 4.51% were from the total comprehensive loss attributable to the owners of the Company of RM3.98 million for the year.

Summary and commentary of the Group's Statements of Cash Flows

| | 2024 | 2023 | Changes | |
|---|----------------|----------------|---------------|---------------|
| | RM'000 | RM'000 | RM'000 | % |
| Net cash used in operating activities | (3,900) | (4,003) | 103 | 2.57 |
| Net cash used in investing activities | (2,313) | (2,708) | (395) | -14.59 |
| Net cash from/(used in) financing activities | 8,556 | (4,085) | 12,641 | 309.45 |
| Exchange difference | (459) | 840 | (1,299) | 154.64 |
| Net increase/(decrease) in cash and cash equivalents | 1,884 | (9,956) | 11,840 | 118.94 |

The "net cash used in operating activities" of the Group for the FYE 31/12/2024 was RM3.90 million and were mainly from the following:

- Net cash from "operating profit before working capital changes" of RM8.34 million;
- Decrease in inventories of RM11.63 million;
- Increase in trade and other receivables of RM24.81 million;
- Increase in trade and other payables of RM1.57 million;
- Increase in contract liabilities of RM2.97 million;
- Payment of income tax of RM3.56 million;
- Payment of retirement benefits of RM0.15 million; and
- Interest received of RM0.11 million.

The "net cash used in investing activities" of RM2.31 million were mainly from the following:

- Cash payments purchase of plant and equipment of RM2.30 million and purchase of right of use assets of RM0.13 million; and
- Proceeds received from disposal of plant and equipment and right of use assets of RM0.12 million.

The "net cash from financing activities" of RM8.56 million were mainly from the following:

- Net drawdown of trade financing facilities of RM6.89 million;
- Repayment of term loans of RM1.17 million and lease liabilities of RM0.32 million;
- Interest paid RM1.42 million; and
- Proceeds from promissory notes of RM4.58 million.

Management Discussion and Analysis

CAPITAL REQUIREMENT, STRUCTURE AND RESOURCES

(1) Changes of the composition of the Group

There were no changes in the composition of the Group for the current financial year.

(2) Corporate proposal(s) implemented

(a) Conditional Share Sale Agreement (“CSSA”) in relation to the Proposed Acquisition of 275,000 ordinary shares representing 55% equity interest in Advanced Apotheke Sdn Bhd (“AASB”)

On 6 March 2024, the Board of Directors of HWGB had announced that HWGB’s wholly-owned subsidiary, HWGB Capital Sdn. Bhd. (“HWGB Capital”) had on the same date entered into Conditional Share Sale Agreement with Madam Leong Oi Heng (“Vendor”) for the proposed acquisition of 275,000 ordinary shares representing 55% equity interest in AASB (“Proposed Acquisition”) for a total cash consideration of Ringgit Malaysia Two Million and Four Hundred Thousand (RM2,400,000) only. (“Purchase Consideration”).

On 4 February 2025, the Board of Directors of HWGB had announced that HWGB’s wholly-owned subsidiary, HWGB Capital and the Vendor had on the same date entered into a Supplemental Agreement (“SA”) to amend and varied certain terms and conditions of the CSSA. For further information of the amendments and variations, please refer to the Company’s Bursa Malaysia Securities Berhad (“BMSB”) announcement link below: https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3521125

On 6 February 2025, the Board of Directors of HWGB had announced that the rationale of HWGB’s wholly-owned subsidiary, HWGB Capital to entered into the SA is to vary the mode of settlement of the Purchase Consideration to be by way of the issuance of the Redeemable Preference Shares (“RPS”) instead of cash provide flexibility to HWGB Capital in terms of timing to redeem the RPS during its tenure. The RPS is not convertible into HWGB Capital’s ordinary shares. Upon issuance of the RPS, the Proposed Acquisition shall be completed. Therefore, the completion of the Proposed Acquisition by way of issuance of the RPS enables the Group to have better cashflow management taking into consideration of the Group’s internally generated funds as well as from other bank borrowings, if required.

(b) Proposed Notes Issue

On 26 August 2024, the Company through its advisor Kenanga Investment Bank Berhad (“KIBB”) had announced that the Company had on the same date entered into a Conditional Subscription Agreement (“Subscription Agreement”) with Advanced Opportunities Fund VCC (AOF VCC”), Advanced Opportunities Fund 1 (“AOF 1”) and Advanced Opportunities Fund (“AOF”) (collectively, “Subscribers”) to undertake the proposed issuance of Redeemable Convertible Notes (“Notes”) with an aggregate principal amount of up to RM60.00 million (Ringgit Malaysia: Sixty Million Only), which will mature on the date falling 36 months from the closing date of the first sub-tranche (“ST01”) of the Tranche 1 Notes (“T1”) (as defined herein) (“Proposed Notes Issue”).

For further information on the “Proposed Notes Issue”, kindly refer to the Company’s BMSB announcement link below. https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3476786

On 10 September 2024, the Company through its advisor KIBB had announced that the Company had on the same date submitted the listing application in relation to the Proposed Notes Issue to BMSB.

On 21 February 2025, the Company through its advisor KIBB had announced that BMSB had vide letter dated 20 February 2025, resolved to approved the listing and quotation of up to 411,094,000 new ordinary shares to be issued pursuant to the conversion of the Notes arising from the Proposed Notes Issue.

The approval by BMSB is subject to the following conditions:

- (i) HWGB and BIBB must fully comply with the relevant provisions under the Main Market Listing Requirements (“MMLR”) pertaining to the implementation of the Proposed Notes Issue;
- (ii) HWGB/KIBB is required to furnish BMSB with a certified true copy of the resolution passed by shareholders in general meeting approving the Proposed Notes Issue;
- (iii) HWGB and KIBB are required to inform BMSB upon completion of the Proposed Notes Issue;

Management Discussion and Analysis

CAPITAL REQUIREMENT, STRUCTURE AND RESOURCES (CONT'D)

(2) Corporate proposal(s) implemented (cont'd)

(b) Proposed Notes Issue

- (iv) HWGB and KIBB is required to furnish BMSB with a written confirmation of its compliance with the terms and conditions of BMSB's approval once the Proposed Notes issue is completed; and
- (v) Payments of additional listing fees pertaining to the to the conversion of Notes, if relevant. In this respect, HWGB is required to furnish BMSB on a quarterly basis a summary of the total number of share listed pursuant to the conversion of Notes as at the end of each quarter together with a detailed computation of the listing fees payable.

On 8 April 2025, the Company had announced that the ordinary resolution for the Proposed Notes Issue and consequential issuance and allotment of up to a maximum of 411,094,000 New HWGB Shares was not passed at the Extraordinary General Meeting ("EGM") held on the same date.

DISCUSSION AND ANALYSIS BY DIVISIONS

(a) Investment Division

The Investment Division consists of the Company and the subsidiaries which are engaged in investment holdings and those inactive subsidiaries.

Summary of results for the Investment Division

| | 2024 | 2023 | Changes | |
|------------------------------|-----------------|----------------|------------|-------------|
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 75 | 100 | (25) | -25.00 |
| Loss from operations | (9,651) | (9,136) | 515 | 5.63 |
| Finance income | 95 | 62 | 33 | 53.23 |
| Finance costs | (664) | (503) | 161 | 32.01 |
| Loss before taxation | (10,220) | (9,577) | 643 | 6.71 |
| Income tax expense | 116 | 141 | (25) | -17.73 |
| Net loss for the year | (10,104) | (9,436) | 668 | 7.08 |

The Investment Division incurred a LBT of RM10.22 million for the FYE 31/12/2024 (FYE 31/12/2023: RM9.58 million). The lower LBT in the immediate preceding year's corresponding period is the recognition of full amount of "amortisation of financial guarantee liabilities" in other operating income of RM0.67 million. (FYE 2024: RM nil). Included in the LBT for the FYE 31/12/2024 are the following:

- (i) Impairment loss on investment in subsidiaries of RM0.67 million (FYE 31/12/2023: RM0.85 million); and
- (ii) Net allowance for expected credit loss of RM0.30 million (FYE 31/12/2023: RM0.51 million) on advances to subsidiaries.

Summary of results for the Company

| | 2024 | 2023 | Changes | |
|------------------------------|----------------|----------------|------------|-------------|
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 75 | 100 | (25) | -25.00 |
| Loss from operations | (8,814) | (8,180) | 634 | 7.75 |
| Finance income | 23 | 28 | (5) | -17.86 |
| Finance costs | (522) | (352) | 170 | 48.30 |
| Loss before taxation | (9,313) | (8,504) | 809 | 9.51 |
| Income tax expense | 141 | 141 | - | - |
| Net loss for the year | (9,172) | (8,363) | 809 | 9.67 |

Management Discussion and Analysis

DISCUSSION AND ANALYSIS BY DIVISIONS (CONT'D)

(b) Moulded Power Supply Cord Sets Division

Manufacturing and trading of wires and cables, moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment is undertaken by PT Ho Wah Genting ("PT HWG"), a wholly owned subsidiary of HWGB and is located at Kawasan Bintang Industri II, Batam, Kepulauan Riau, Republic of Indonesia.

The products manufactured by PT HWG can be categorised into power supply cords, cord sets, low emission diode ("LED") and lighting sets, cord reels, electronic and building wires.

These products are mainly exported to North America, Malaysia and the rest of Asia.

Summary of sales by geographical of the Moulded Power Supply Cord Sets Division

| | 2024 | | | 2023 | | |
|----------------------------------|----------------|---------------|---------------|---------|---------|--------|
| | RM'000 | USD'000 | % | RM'000 | USD'000 | % |
| Sales to external parties | | | | | | |
| North America | 296,317 | 64,766 | 90.29 | 227,043 | 49,783 | 89.11 |
| Malaysia | 50 | 11 | 0.02 | 623 | 137 | 0.24 |
| The rest of Asia | 31,792 | 6,949 | 9.69 | 27,125 | 5,948 | 10.65 |
| | 328,159 | 71,726 | 100.00 | 254,791 | 55,868 | 100.00 |

Note: "The rest of Asia" refers to Indonesia, Singapore, Thailand, Vietnam and Taiwan.

The Moulded Power Supply Cord Sets Division recorded a revenue of RM328.16 million or USD71.73 million equivalent for the FYE 31/12/2024. (FYE 31/12/2023: RM254.79 million or USD55.87 million equivalent). The higher revenue is due to higher demand from customers. The average copper price purchased for the current financial year was USD9,325 (FYE 31/12/2023: USD9,046) per metric tonne ("MT").

Summary and commentary of results for Moulded Power Supply Cord Sets Division

| | 2024 | | 2023 | | Changes | |
|--------------------------------|--------------|--------------|---------|---------|---------|---------|
| | RM'000 | USD'000 | RM'000 | USD'000 | RM'000 | USD'000 |
| Revenue | 328,159 | 71,726 | 254,791 | 55,868 | 73,368 | 15,858 |
| Profit from operations | 9,951 | 2,175 | 13,785 | 3,022 | (3,834) | (847) |
| Finance income | 12 | 3 | 10 | 2 | 2 | 1 |
| Finance costs | (758) | (166) | (1,048) | (229) | (290) | (63) |
| Profit before taxation | 9,205 | 2,012 | 12,747 | 2,795 | (3,542) | (783) |
| Tax expense | (2,057) | (450) | (2,849) | (625) | (792) | (175) |
| Net profit for the year | 7,148 | 1,562 | 9,898 | 2,170 | (2,750) | (608) |

For the FYE 31/12/2024, the division recorded a PBT of RM9.21 million or USD2.01 million equivalent as compared to a PBT of RM12.75 million or USD2.80 million equivalent for the FYE 31/12/2023. The lower PBT were due to lower profit margin and allowance for expected credit loss of RM2.64 million or USD0.58 million equivalent (FYE 31/12/2023: RM nil).

Summary of London Metal Exchange ("LME") copper price per MT for both FYE 31/12/2024 and FYE 31/12/2023 were as follow:

| | 1/1/2024 to 31/12/2024 | 1/1/2023 to 31/12/2023 |
|---------|------------------------|------------------------|
| Average | USD9,144 | USD8,483 |
| High | USD10,857 (May 2024) | USD9,436 (Jan 2023) |
| Low | USD8,086 (Feb 2024) | USD7,813 (Oct 2023) |

Management Discussion and Analysis

DISCUSSION AND ANALYSIS BY DIVISIONS (CONT'D)

(b) Moulded Power Supply Cord Sets Division (cont'd)

Risk factors affecting the Moulded Power Supply Cord Sets Division

- i) The division is dependent on certain key customers who contribute substantially to the Group's revenue.
- ii) Volatility of copper price may have a big impact on the profitability of the division as the division may not be able to pass the increase in the copper price to the buyers. High copper prices will generate high revenue but require more working capital to finance the purchase of copper. On the contrary, low copper prices will result in low revenue.
- iii) The compulsory annual increment of wages and salaries in Indonesia may adversely affect the results and cash flows of the division. To maintain its competitiveness, the division will continue improving its production efficiency.
- iv) The new products' development is costly and takes a long period to obtain the relevant authorities' approval. Low sales volume and profitability may not be able to recover the research and development costs incurred.
- v) The prolong geopolitical tensions of "Ukraine-Russia" and "Israel-Palestine in Gaza" are causing disruptions in global commodity markets, leading to increase in commodity prices, potentially affecting the cost of goods produced, leading to supply chain disruptions and increased volatility in the global market. The division is not spared from these negative impacts caused by the geopolitical tensions.
- vi) The continuously high interest rate in US to combat the high inflation rate may impact the consumers spending, thus affect our division's revenue and financial results- as US is our main market.

Prospect on Moulded Power Supply Cord Sets Division

The Board is of the opinion that business operations in Moulded Power Supply Cord Sets Division remain challenging in view of the high working capital requirement, intense competition in the US market, rising inflationary cost in Indonesia, especially the compulsory annual increment of wages and salaries, rising cost of materials and components, high copper price and also the increase in shipping and freight charges and others.

The global economic outlook is full of challenges due to aggressive monetary policy tightening in major economies, fears of recession in US and further escalation of geopolitical tensions.

To counter these unfavourable conditions, the Moulded Power Supply Cord Sets Division will continue to focus on lean manufacturing process for better operational productivity, improve efficiencies, and better product quality in order to be more competitive and attract more customers.

(c) Healthcare Division

The Healthcare Division is undertaken by HWGB's wholly owned subsidiaries. These companies are HWGB Biotech Sdn Bhd., Dviria Nano Tech Sdn Bhd. and Astramern Sdn. Bhd.

Amongst the healthcare businesses ventured into are sanitising and disinfectant solutions and equipment, healthcare supplements, healthcare biotechnology products, research and development on biotechnology and minerals for healthcare purpose and medical products and medical devices.

For the FYE 31/12/2024, the Healthcare division has temporarily ceased operations.

Summary and commentary of results for the Healthcare Division

| | 2024 RM'000 | 2023 RM'000 | Changes RM'000 | % |
|------------------------------|----------------|----------------|-------------------|---------------|
| Revenue | - | 85 | (85) | -100.00 |
| Loss from operations | (58) | (475) | (417) | -87.79 |
| Finance costs | - | - | - | - |
| Loss before taxation | (58) | (475) | (417) | -87.79 |
| Tax expense | - | - | - | - |
| Net loss for the year | (58) | (475) | (417) | -87.79 |

No revenue was generated by the Healthcare Division for the FYE 31/12/2024 (FYE 31/12/2023: RM0.09 million).

The division incurred a LBT of RM0.06 million for the FYE 31/12/2024 (FYE 31/12/2023: RM0.48 million). The LBT incurred are mainly consists of administrative expenses.

Corporate Governance Overview Statement

The Board of Directors of Ho Wah Genting Berhad believes that the presence of good corporate governance is fundamental to the continued growth of the Group and in achieving its objective in protecting and enhancing shareholders' long-term value whilst taking into account the interest of other stakeholders.

In line with the above objective, the Board fully supports the disclosure requirements of the Malaysian Code on Corporate Governance ("the Code") and Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s Main Market Listing Requirements ("LR") and is committed to ensure that the Principles and Recommendations contained in the Code are being practiced except where stated otherwise.

The Board is pleased to present an overview of the corporate governance ("CG") practices of the Group, the manners in which the Group had applied the Principles and Recommendations contained in the Code and the state of compliance for the financial year ended 31 December 2024 which is to be read together with the Company's Corporate Governance Report 31 December 2024 published on the Company's website at www.hwgb.com (under *investor relations/announcement*).

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I BOARD RESPONSIBILITIES

1. Board's Leadership, Objectives and Goals

1.1 The Board and Management, Duties and Responsibilities

The Company is managed and led by an experienced and effective Board which consists of professionals who specialize in the fields of manufacturing, marketing, auditing, accounting and finance, corporate finance, strategic planning, business development, and finance, information technology and business development. Together with the Management, they collectively bring a diverse range of skills and expertise required to effectively discharge their fiduciary duties and responsibilities towards achieving the Group's business strategies and corporate goals.

The roles and responsibilities of the Board, the Management, and the Managing Director/Chief Executive Officer ("CEO") are defined in the Board Charter.

The responsibilities and limit of authority of the Managing Director/Chief Executive Officer is to carry out the mandate of the Board, to oversee and monitor the day-to-day running and management of the Group's business and matters reserved for Board. The whole functions are also detailed in the Board Charter. The Board Charter is subject to review as and when needed. *(A copy of the Board Charter is available in corporate governance section of the Company's website)*. The role of the CEO is assumed by the Executive Director.

Management will prepare and submit significant matters to the Board for deliberation and approval, for example: annual budget, new business proposal(s), and corporate proposal(s) involving changes in issued capital, fund raising, substantial acquisition and disposal.

The Board had acted with integrity, had objectively discharged their fiduciaries duties in the interest of the Company, kept abreast of their responsibilities as directors and of the conduct, business activities and development of the Company.

The Board is also responsible for the leadership and long-term success of the Company and the delivery of sustainable value to its stakeholders. To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board had, amongst others:

- a. promoted good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- b. reviewed, challenged and decided on Management's proposals for the Group, and observed its implementation;
- c. ensured that the strategic plan of the Group supports long-term value creation which includes strategies on economic, environmental and social considerations underpinning sustainability;
- d. assessed Management performance;
- e. ensured there is a sound framework for internal controls and risk management;
- f. recognized the principal risks of the Group's business and that business decisions involve the taking of appropriate risks;
- g. set the risk appetite within which the Board expected Management to operate and ensured that there was an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks via the internal audit function;
- h. ensured that Senior Management possessed the necessary skills and experience, and measures were in place to provide for the orderly succession of Board and Senior Management;

Corporate Governance Overview Statement

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

I BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership, Objectives and Goals (cont'd)

1.1 The Board and Management, Duties and Responsibilities (cont'd)

- i. ensured that the Group had in place procedures to enable effective communication with shareholders and stakeholders; and
- j. ensured the integrity of the Group's financial and non-financial reporting.

APPLICATION: APPLIED

1.2 Key Responsibilities of the Chairman

The Chairman is principally responsible for ensuring leadership and effectiveness of the Board, instilling good corporate governance practices, and effectiveness of the Group's strategic business direction. The Chairman is tasked with convening effective Board and Committee meetings, decides on agenda, ensures Management submit meeting papers to the Board timely, encourages interaction and discussion at meetings which leads to conclusion or decision of the agenda tabled. The Chairman also chairs meetings in-line with good CG practices, promotes and encourages compliance with the Code especially in corporate management and reporting requirements.

During Board meetings, the Chairman would invite members of the Board for comments and encourage active participation and opinions from the Board. He also manages the interface between the Board and Management, other than the Head of Finance who attends every Audit Committee /Audit and Risk Management Committee ("ARMC") and Board meetings, other Head of Department (s) will be invited to attend Board or any Board Committee Meetings as and when needed.

APPLICATION: APPLIED

1.3 Separation of Chairman and CEO

The roles of the Chairman and CEO of the Company are separate with clear division of responsibilities between them to ensure balance of power and authority. The positions of Chairman and CEO are held by different individuals.

The CEO is responsible for implementing the policies and decisions of the Board, overseeing the operations, coordinating the development and implementation of business and corporate strategies, internal controls as well as monitoring performance.

The roles and duties of the Chairman, CEO, and the Board, are defined in the Board Charter which is available on the Company's website. The role of the CEO is assumed by the Executive Director.

APPLICATION: APPLIED

1.4 Chairman of Board and Board Committees

The Chairman of the Board and Chairman of the Board Committees are not the same person to mitigate the risk of self-review thus improving the objectivity of the Chairman and the Board on the observations and recommendations put forth by the Board Committees.

APPLICATION: DEPARTURE

MEASURES: The Executive Chairman and Executive Director being the senior executives in-charge of the Group's business operations and management, had attended Audit and Risk Management Committee (ARMC) meetings solely as invitees to provide necessary information on operations, business and financial related matters, feedback and clarification to the queries raised by the ARMC. In addition, the said executives also received feedbacks and comments from the Audit Committee/ARMC, they do not participate in any discussion and decision making of any of the agendas. Moreover, the composition of the Audit Committee/ARMC comprised entirely Independent Directors thus providing sufficient checks and balances and independent decision making. Both the Executive Chairman and Executive Director do not attend any Nomination and Remuneration Committee meetings. The Board is of the view that the Group should maintain the current arrangement for ease of communication between the executive and non-executive directors.

Corporate Governance Overview Statement

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

I BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership, Objectives and Goals (cont'd)

1.5 Responsibility of Company Secretary

The Board of Directors is supported by a competent and professionally qualified Company Secretary, an associate member of The Malaysian Institute of Chartered Secretaries and Administrators.

The Company Secretary advises and assists the Board, Board Committee or Director individually on matters including but not limited to board procedures, rules and Constitution of the Company, legislations, regulations, Code, guidelines and operational matters within the Group. All Board members are entitled and have direct and unrestricted access to the advice and services of the Company Secretary.

The Company Secretary has kept herself abreast with the development and new changes in relation to any legislation and regulations concerning the corporate administration and has highlighted the same to the Board of Directors and Senior Management of the Company accordingly.

APPLICATION: APPLIED

1.6 Effective Board/Committee Meeting

For the Board/Committee to discharge its responsibilities efficiently, all quantitative and qualitative information on the Group's performance is provided for the Board's/Committee's review on a regular basis. Updates on operational, financial, corporate issues and strategic matters as well as current development of the Group which require the Board/Committee members' attention are disseminated promptly.

At least seven (7) days prior to a Board/Committee meeting, agenda and comprehensive board papers containing relevant reports and material information will be distributed to Directors for their perusal to enable them to participate effectively in the meeting for an effective Board/Committee discussion and decision process. The Directors may seek further explanation or clarification on issues before or during the proceedings of the meeting.

During Board/Committee meeting, the Chairman would invite members of the Board/Committee for comments, opinions and suggestions and encourage active participation with adequate time being allocated for Board deliberations.

Minutes of meetings reflecting the matters transpired are properly recorded and circulated to the Board/Committee members for comments. In addition, the Company Secretary will email to the relevant Head of Department for follow up action, if required.

APPLICATION: APPLIED

Board Meeting Attendance:

The details of attendance of each Director during the financial year under review are as follows:

| Directors | Attendance |
|--|------------|
| Dato' Aaron Lim Ooi Hong | 5/5 |
| Mr. Lim Wee Kiat | 5/5 |
| Mr. Kenny Yeoh Khi Khen | 5/5 |
| Encik Khalid Bin Ahmad Husni | 5/5 |
| Ms. Lim Ean Chin (<i>Appointed on 28 May 2024</i>) | 4/4 |
| Ms. Elaine Tan Ai Lin (<i>Resigned on 28 May 2024</i>) | 1/1 |

2. Demarcation of Responsibilities

2.1 Board Charter

The Board Charter sets out the roles and responsibilities of the Board and Committees, and the rights, process and procedures of the Board.

Corporate Governance Overview Statement

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

I BOARD RESPONSIBILITIES (CONT'D)

2. Demarcation of Responsibilities (cont'd)

2.1 Board Charter (cont'd)

The Board Charter is to guide the Directors in discharging their duties and responsibilities as Directors and is drafted in accordance with the fundamental requirements of provisions in the Companies Act 2016, LR, Capital Markets and Services Act 2007, Constitution of the Company and other applicable rules or regulations governing the Group's business activities.

APPLICATION: APPLIED

The Board had formally adopted a Board Charter, which is subject to review periodically (a copy of the Board Charter is available on the Company's website). The Board Charter was reviewed and updated on 23 December 2021.

3. Business Conduct and Corporate Culture

3.1 Code of Ethics for Directors

The Board recognizes the importance of establishing a standard of competence for corporate accountability which includes standard of professionalism and trustworthiness in order to uphold good corporate integrity. The Board adopted a Code of Ethics for Directors which is embedded in the Board Charter of the Company (a copy of which is available on the Company's website). The Code of Ethics was reviewed on 23 December 2021.

APPLICATION: APPLIED

3.2 Policies on Whistleblowing

The Board recognizes the importance in promoting and maintaining transparency, accountability, ethics, integrity and impartiality of the Company and Group, and the conduct of its business and affairs. The Board adopted a Whistleblower Policy which is available on the Company's website. The said policy was reviewed on 23 December 2021.

The Board has named the Senior Independent Director, Encik Khalid Bin Ahmad Husni to whom any concerns may be conveyed via email to whistleblower@hwgb.com.

All stakeholders who have dealing with the Group may contact the relevant Head of Department/Division or the Senior Independent Director.

APPLICATION: APPLIED

3.3 Policies on Anti-Corruption

The Board further adopted an Anti-Corruption Policy and Procedures of the Group that set out the policies and adequate procedures against bribery and corruption activities in the conduct of its business under the gazetted Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The said Policy is available on the Company's website.

APPLICATION: APPLIED

4. Sustainability approach and management

4.1 Governance of sustainability by the Board and Management

The Group had sustainability strategies implemented in the day-to-day operations of each business division taking care of the interest and sustainability of various stakeholders including customers, shareholders, investors, and employees. The business operations are planned with consideration on Environmental, Social and Governance (ESG) factors most relevant to the Group's business and stakeholders. The Group also took significant steps toward transitioning to a circular economy, which prioritizes utilizing sustainable materials and minimizes waste in its productions.

Corporate Governance Overview Statement

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

I BOARD RESPONSIBILITIES (CONT'D)

4. Sustainability approach and management (cont'd)

4.1 Governance of sustainability by the Board and Management (cont'd)

Codes, guides and relevant policies are in place to provide and monitor climate change and energy management; data and privacy, and information technology security; anti-corruption, whistleblowing system; occupational health and safety; labour practices and standard, employee training; products developments and compliance. This approach is led by Management and guided by the Board of Directors.

The Sustainability Statement in the Company's Annual Report provides more information on the sustainability approach deployed in the various business divisions.

APPLICATION: APPLIED

4.2 Sustainability strategies, priorities and targets communicated to stakeholders

The Sustainability Statement 2024 of the Company includes the disclosures of ESG related strategies, targets and initiatives by key subsidiaries.

The Company's representatives engage periodically with external stakeholders to obtain their insights on material issues that are important to the businesses which are detailed in the Company's Sustainability Statement 2024.

All of the Company's material announcements are published through Bursa Malaysia. Stakeholders and the public can access these announcements on the Company's website (www.hwgb.com) to gain the latest information about the Company and the Group.

The Company's Annual General Meeting ("AGM") is an important yearly forum for dialogue with its shareholders, whereby shareholders can ask the Directors and Senior Management on any relevant questions pertaining to the Company and the proposed resolutions of the meeting.

Internally, the employees are periodically kept informed via email, mobile chat, briefing and publication over notice board in the office on any changes in operation procedures, methodology, updates of information, and new requirements on compliance and any other development.

APPLICATION: APPLIED

4.3 Board stay abreast with sustainability issues relevant to the Group's business including climate-related risks and opportunities

The Board and Senior Management had attended and will continue to attend relevant training on sustainability matters and reporting.

The Board is also briefed by the Executive Directors from time to time on any key sustainability developments that will affect the Company, including climate-related risks and opportunities concerning the operations of the business units in particular and the Company as a whole.

The Board reviewed and approved the Company's Sustainability Statement 2024 contained in the Annual Report 31 December 2024 and published on the website.

The Board also receives regular updates on sustainability issued by Bursa Malaysia.

APPLICATION: APPLIED

4.4 Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

In the Board evaluations for year 2024, relevant subject matters relating to environmental, social and governance, and sustainability, arising from the revised Corporate Governance Code 2021 were added to assess the Board's overall performance in relation to its oversight of the Group in managing sustainability risks and opportunities.

APPLICATION: APPLIED

Corporate Governance Overview Statement

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

II. BOARD COMPOSITION

5. Board Decision and Objectivity

5.1 Review of Board composition, tenure, annual re-election of Director by Nomination Committee

The Board through the Nomination and Remuneration Committee ("NRC") evaluates and assesses the performance and contribution of the Executive Directors and their remuneration packages; and the performance and contribution of the Non-Executive Directors, the composition of the Board and ARMC annually. The NRC carries out its duties in accordance with the Terms of Reference and the Directors' Fit and Proper Policy adopted on 20 December 2022 (downloadable from website at www.hwgb.com).

The NRC also reviewed the rotation list and assessed the performance and contribution of the Director(s) retiring prior to recommending to the Board and shareholders the re-election of the retiring Director(s).

APPLICATION: APPLIED

5.2 Board Balance

The present composition of the Board is in compliance with Paragraph 15.02 of the LR and also Practice 5.2 of the Code that requires at least half of the Board members to be Independent Directors. The profile of each Director is set out in the Annual Report under - Profiles of Directors. The Board currently has five members comprising:

- i. The Executive Chairman;
- ii. One Executive Director; and
- iii. Three Independent Non-Executive Directors.

The Audit and Risk Management Committee ("ARMC") composition comprised of three Independent Directors of which one is a member of the Malaysian Institute of Accountants.

APPLICATION: APPLIED

5.3 Tenure of Independent Director

The Code recommended that the tenure of an Independent Director does not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the Board as non-independent director.

Shareholders' approval via two-tier voting process is required if an Independent Director is retained after the nine-year tenure.

The Nomination and Remuneration Committee ("NRC") is tasked by the Board to review and assess the independence of each Independent Director annually, term of office and to submit the relevant recommendation(s) to the Board for ultimate decision and endorsement.

Among the criteria considered for independency includes: ability to exercise independent comments, judgment, and contribution constructively at all times for an effective Board. The relationship between the Independent Directors with Major Shareholders, Executive Directors, persons related to the Executive Director/Major Shareholder, business transactions with the Group and their tenure of office will also be reviewed.

There is no Independent Director of the Company exceeded the nine years tenure.

APPLICATION: APPLIED

5.4 Policy on Tenure of Independent Directors

The Board in its Charter had provided that an Independent Director whose term of office exceeds nine years (*whether on a consecutive or cumulative basis*), on the ninth anniversary year, shall be subject to review by the Board of his or her independency before recommendation on re-appointment as independent director is proposed to shareholders with justification provided in the notes to the Notice of AGM.

APPLICATION: APPLIED

Corporate Governance Overview Statement

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

II. BOARD COMPOSITION (CONT'D)

5. Board Decision and Objectivity (cont'd)

5.5 Diversity of Board and Senior Management

Appointment of Board and Senior Management are based on objective criteria and merit with due regard for diversity in skills, experience, age, cultural background and gender.

The Board considers its current composition, with the mix of skill, expertise and age group provide much diversity of perspective to lead and guide the Group and are adequate to discharge the Directors' duties and responsibilities effectively. The Board through the NRC regularly reviews the composition of the Board and Board Committees.

The brief profile of the Directors and Key Senior Management is set out in the Profile of the Board of Directors and Key Senior Management in the Annual Report.

The NRC carries out its duties in accordance with the Terms of Reference and the Directors' Fit and Proper Policy adopted on 20 December 2022 (downloadable from website at www.hwgb.com).

The NRC had considered and adopted the fit and proper criteria covering character, integrity; experience and competency; time and commitment stated in the Company's Directors' Fit and Proper Policy in appointing new director and also in annual assessment of directors.

APPLICATION: APPLIED

5.6 New Candidate for Board Appointment

The Code recommended the Board to utilize independent sources to identify suitably qualified candidates instead of solely relying on the recommendations from existing Board Members, Management or Major Shareholder.

Besides recommendation from internal sources, the Board will also source externally via recruitment consultants, industry acquaintance and others recommendations.

All recommended candidate(s) will be submitted to the NRC who is tasked with the responsibilities for assessing the curricular vitae of new nominees, the current composition and recommending the appointment to the Board and/or Board Committee(s).

During the financial year, the Committee had reviewed and recommended a new independent director to replace an independent director with more than 9 years tenure, who had resigned.

This was sourced from a Board member's recommendation as the Company had explored utilizing an external independent source to identify suitably qualified candidates but was deemed not feasible.

APPLICATION: APPLIED

5.7 Board to ensure Shareholders have the information require to make an informed decision on the appointment and reappointment of a director. A statement from Board as to whether it supports the appointment or reappointment of the candidate and the reasons

The Company has provided a statement accompanying the Notice of AGM as required under Paragraph 8.27(2) of the LR that there was no individual seeking for election as a Director at its forthcoming AGM a statement as to whether it supports the appointment or reappointment of the candidate and the reasons.

The profile of each Director including their position, interest in the Company; and or conflict of interest with the Company and subsidiary; and/or any relationship with other directors and/or major shareholders, and other directorships are stated in the Annual Report under "Profile of Board of Director" including the Directors subject to retirement by rotation.

As disclosed in Practice 6.1, the NRC carried out an annual evaluation and assessment on each Director at the end of the financial year, including the Directors subject to retirement by rotation and casual vacancy; and their re-election was recommended by the Board as the Board was satisfied with the performance of each of the Directors based on the strong ratings received by the Directors via peer evaluation, the relevant skill sets and experience and bring valuable insights and contribution to the Board and able to exercise independent judgement. The assessment criteria also include fit and proper, knowledge and integrity, contribution and participation, calibre and personality.

Corporate Governance Overview Statement

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

II. BOARD COMPOSITION (CONT'D)

5. Board Decision and Objectivity (cont'd)

5.7 Board to ensure Shareholders have the information require to make an informed decision on the appointment and reappointment of a director. A statement from Board as to whether it supports the appointment or reappointment of the candidate and the reasons (cont'd)

In addition, the Independent Directors will also confirm their independence via the annual assessment form.

APPLICATION: APPLIED

5.8 Nomination Committee

The Board established the NRC on 25 November 2002. The Committee is made up entirely of Independent Directors and chaired by the Senior Independent Director.

A copy of the Board Charter which contains more information on the NRC and Board's policy on its composition, process of appointment, Board and Board Committees procedures and conducts, terms of reference of various Board Committees are available on the Company's website. The NRC terms of reference was reviewed and updated on 23 December 2021.

APPLICATION: APPLIED

5.9 Gender Diversity

The Code recommended the Board comprises at least 30%-woman directors.

The Company has only 1 women Director on Board (20%).

APPLICATION: DEPARTURE

MEASURES: The Board through NRC will consider the gender diversity as part of its future selection and will consider increasing female participation in the Board. Senior Management appointment will be reviewed by the Executive Director in charge of the Division.

5.10 Disclosure in Annual Report Policy on gender diversity for the Board and Senior Management.

The Board of Directors consists of four gentlemen and a lady. On Senior Management level, currently, out of the five Senior Management staff/head of departments, two are ladies.

The Board through the NRC will consider the gender diversity as part of its future selection and will consider increasing female participation in Board as well as Senior Management.

APPLICATION: DEPARTURE

MEASURES: The Board through NRC will consider the gender diversity as part of its future selection and will consider increasing female participation in the Board as well as Senior Management.

6. Overall Effectiveness of Board and Members

6.1 Annual Evaluation and Assessment

The Code recommended the Board to carry out annual evaluation and assessment of the Board and its member.

The Board through the NRC evaluates and assesses the performance of the Executive Directors and their remuneration packages; the Non-Executive Directors, the Board, the ARMC, and members of the ARMC annually. The NRC carries out its duties in accordance with the Terms of Reference and the Directors' Fit and Proper Policy adopted on 20 December 2022 (downloadable from website at www.hwgb.com).

Corporate Governance Overview Statement

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

II. BOARD COMPOSITION (CONT'D)

6. Overall Effectiveness of Board and Members (cont'd)

6.1 Annual Evaluation and Assessment (cont'd)

After the end of the financial year, the NRC met once with full attendance and evaluated and assessed the following:

- i. Board performance: Board structure, training needs, Board operations, roles and responsibilities;
- ii. Board Committee performance: composition of Board Committees and Board Committees operations and reporting;
- iii. Performance review on Non-Executive Directors and Executive Director only based on their contributions and conduct;
- iv. Remuneration package of Executive Directors;
- v. ARMC performance: its composition, understanding of its charter, discharge of duties in accordance with its terms of reference, operations, reporting and conduct of meetings of the ARMC;
- vi. ARMC members' performance based on their contributions and conduct; and assessment on "independence" of independent directors;
- vii. Board evaluations relating to environmental, social, governance, and sustainability, based on the recent additional questions arising from the revised Code.

The Chairman of the NRC reported to the Board the necessary matters and findings of the NRC at the subsequent Board meeting. The minutes of the NRC and summary of the above-mentioned assessments results are also tabled to the Board at the subsequent Board meeting.

The NRC had considered and adopted the fit and proper criteria covering character, integrity; experience and competency; time and commitment stated in the Company's Directors' Fit and Proper Policy.

APPLICATION: APPLIED

III REMUNERATION

7. Level and Composition of Remuneration

7.1 Remuneration Policy

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

The Group has not adopted a formal policy on remuneration for Directors and Senior Management.

APPLICATION: DEPARTURE

MEASURES: The Board through the NRC evaluates and assesses the performance of the Executive Directors and their remuneration packages. Senior Management remuneration will be reviewed by the Executive Director in charge of the Division.

7.2 Remuneration Committee

The Board established the NRC on 25 November 2002. The Committee is made up entirely of Independent Directors and chaired by the Senior Independent Director.

The NRC is responsible for evaluating and assessing the performance of the Executive Directors and their remuneration package; assessing and evaluating the Non-Executive Directors and recommends their fees payable to the Board for consideration.

A copy of the Board Charter which contains more information on the NRC and Board's policy on its composition, process of appointment, Board and Board Committees procedures and conducts, terms of reference of various Board Committees are available on the Company's website. The NRC terms of reference was reviewed and updated on 23 December 2021.

APPLICATION: APPLIED

Corporate Governance Overview Statement

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

III REMUNERATION (CONT'D)

8. Remuneration of Directors and Senior Management

8.1 Details of Remuneration of Directors

The aggregate remuneration of the Directors of the Company for the financial year ended 31 December 2024 are categorized into appropriate components as follows:

| No. | Name | Directorate | Company (RM'000) | | | | | | Group (RM'000) | | | | | |
|--------------|--|----------------------|------------------|-------------|------------|----------|-------------------|----------------|----------------|-------------|------------|----------|-------------------|----------------|
| | | | Fee | * Allowance | #Salary | Bonus | ^Benefits in-kind | Total | Fee | * Allowance | Salary | Bonus | ^Benefits in-kind | Total |
| 1. | Dato' Lim Ooi Hong | Executive Chairman | - | - | 600 | - | 21 | 621 | - | - | 600 | - | 21 | 621 |
| 2. | Lim Wee Kiat | Executive Director | - | - | 288 | - | - | 288 | - | - | 288 | - | - | 288 |
| 3. | Kenny Yeoh Khi Khen | Independent Director | 60 | 3 | - | - | - | 63 | 60 | 3 | - | - | - | 63 |
| 4. | Khalid Bin Ahmad Husni | Independent Director | 60 | 3 | - | - | - | 63 | 60 | 3 | - | - | - | 63 |
| 5. | Lim Ean Chin <i>(Appointed on 28.05.2024)</i> | Independent Director | 35.7 | 2 | - | - | - | 37.7 | 35.7 | 2 | - | - | - | 37.7 |
| 6. | Elaine Tan Ai Lin <i>(Resigned on 28.05.2024)</i> | Independent Director | 25 | 1 | - | - | - | 26 | 25 | 1 | - | - | - | 26 |
| TOTAL | | | 180.7 | 9 | 888 | - | 21 | 1,098.7 | 180.7 | 9 | 888 | - | 21 | 1,098.7 |

^ Benefits-in-kind = Annual value of usage of company's car and driver

* Meeting allowance

Exclude all statutory contributions

APPLICATION: APPLIED

| Category | Group | | Company | |
|-----------------------------|------------------------|----------------------------|------------------------|----------------------------|
| | Executive Directors RM | Non-Executive Directors RM | Executive Directors RM | Non-Executive Directors RM |
| Fees | - | 180,738 | - | 180,738 |
| Salaries [#] | 888,000 | - | 888,000 | - |
| Benefits-in-kind and others | 21,323 [^] | 9,000 [*] | 21,323 [^] | 9,000 [*] |
| TOTAL | 909,323 | 189,738 | 909,323 | 189,738 |

Exclude all statutory contributions

^ Benefits-in-kind = Annual value of usage of company's car and driver

* Meeting allowance

Corporate Governance Overview Statement

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

III REMUNERATION (CONT'D)

8. Remuneration of Directors and Senior Management (cont'd)

8.1 Details of Remuneration of Directors (cont'd)

The remuneration paid to the Directors analyzed into bands of RM50,000 is as follows:

| Range of Remuneration (RM) | Number of Directors | | Total |
|----------------------------|-------------------------|----------------|----------|
| | Executives [#] | Non-Executives | |
| Up to 50,000 | - | 2 | 2 |
| 50,001 – 100,000 | - | 2 | 2 |
| 200,001 – 300,000 | 1 | - | 1 |
| 600,001 – 650,000 | 1 | - | 1 |
| TOTAL | 2 | 4 | 6 |

[#] Exclude all statutory contributions

APPLICATION: APPLIED

8.2 Details of Remuneration of Top Five Senior Management

| Range of Remuneration (RM) | Top 5 Senior Management |
|----------------------------|-------------------------|
| 150,001 - 200,000 | 2 |
| 200,001 - 250,000 | 1 |
| 450,001 - 500,000 | 1 |
| 550,001 - 600,000 | 1 |
| TOTAL | 5 |

APPLICATION: DEPARTURE

MEASURES: The Board, after due consideration, is of the view that the detailed disclosure of individual top 5 Senior Management remuneration will not add significantly to the transparency in corporate governance on Senior Management's remuneration disclosure. Accordingly, the Board chooses to disclose Senior Management's remuneration in successive bands.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT COMMITTEE

9. Effective and Independent Audit Committee

The Code requires:

9.1 Chairman of the Audit Committee

The Chairman of the Audit Committee/ARMC is not Chairman of the Board.

APPLICATION: APPLIED

9.2 Any former key audit-partner to observe a cooling-off period of at least three years before appointed as a member of the Audit Committee

The Group recognizes the importance of independence of its Audit Committee/ARMC members to avoid conflict of interest. None of the members of the Board and Audit Committee/ARMC was former audit partner in charge of the Group.

APPLICATION: APPLIED

Corporate Governance Overview Statement

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

I AUDIT COMMITTEE (CONT'D)

9. Effective and Independent Audit Committee (cont'd)

9.3 Policies and procedures in place to assess the suitability, objectivity and independence of the external auditor

The Audit Committee/ARMC practices obtaining written confirmation from the external auditors each year before commencement of audit for each financial year, that the firm is able to carry out the audit with objectivity and independence. The said written confirmation is tabled at the said Audit Committee/ARMC meeting for review and discussion with the auditors.

During the financial year, the ARMC had also assessed the independence of the external auditors via a questionnaire which was duly completed by the external auditors, and the result was reviewed and discussed by the ARMC with the present of the external auditors.

APPLICATION: APPLIED

9.4 Audit Committee comprise solely of Independent Directors - Step Up

The Audit Committee/ARMC comprises entirely of Independent Directors.

APPLICATION: APPLIED

9.5 The Audit Committee members are expected to be financially literate and have sufficient understanding of the Group's business

The Audit Committee/ARMC consists of three members with accounting and financial qualification with one who is a member of the Malaysian Institute of Accountants, and the other is a member of The Institute of Internal Auditors Malaysia. All members of the Audit Committee/ARMC undertake and continue to undertake continuing professional development.

All the Audit Committee/ARMC members are knowledgeable with the Group's businesses through participation in periodical Board and Board Committee meetings, and frequent updates and communications from Management.

APPLICATION: APPLIED

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10.1 Effective Risk Management and Internal Control

In order to achieve a sound system of risk management and internal control framework, the Board and Management is committed to adopt a risk management and control framework that is embedded into the culture, processes and structure of the Group.

The Board has the overall responsibility for overseeing the Group's system of internal control and the effectiveness in managing risks.

APPLICATION: APPLIED

10.2 Risk Management and Internal Control Framework

The role of Management, recognizing the importance of effective and sound system of internal control, is implementing the Board's policies on risk and control to enhance good corporate governance, achieve Group's business objectives and safeguard shareholders' investment whilst the Board has the overall responsibility for overseeing the Group's system of internal control and the effectiveness in managing risks.

The internal audit function provides assessments as to whether risks, which may hinder the Company from achieving its objectives, are being adequately evaluated, managed and controlled. It further evaluates the effectiveness of the governance, risk management and internal control framework and facilitates enhancement, where appropriate.

Corporate Governance Overview Statement

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

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

10.2 Risk Management and Internal Control Framework (cont'd)

The Board also formed a Risk Management Committee (“RMC”) on 30 May 2019 and the RMC was merged with the Audit Committee on 8 July 2020 and renamed as Audit And Risk Management Committee (ARMC), chaired by an independent director, with participation of all independent directors. The ARMC is to identify, assess and monitor key business and/or operations risks to safeguard shareholders’ investment and the Company’s assets.

Further details on the risk management and internal control activities are set out in the Statement on Risk Management and Internal Control of this Annual Report.

APPLICATION: APPLIED

11 Effective Governance, Risk Management and Internal Control

11.1 Internal Audit Function

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve a company’s operations. It helps a company accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The matters reserved for the ARMC in relation to the internal audit function are outlined in the Terms of Reference, among others, to:

- a) review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- b) review the performance evaluation of the internal audit function;
- c) review the internal audit plan and the internal audit report and whether or not appropriate action is taken on the recommendations of the internal audit function;

The Board has set up an internal audit function that operates effectively, independently and reports directly to the ARMC.

APPLICATION: APPLIED

11.2 Internal Audit Resources

The internal auditors are free from any relationship or conflict of interest or undue influence that could impair their objectivity and independence.

The Company has outsourced its internal audit function to a professional firm which reports directly to the Audit and Risk Management Committee.

Details of the Company’s internal control system and framework are set out in Statement on Risk Management and Internal Control and the Audit and Risk Management Committee Report of this Annual Report respectively.

APPLICATION: APPLIED

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

I COMMUNICATION WITH STAKEHOLDERS

12. Continuous Communication between Company and Stakeholders

The Board recognizes the importance of transparency and accountability to its shareholders and the need for clear, effective communications with the Company’s institutional investors, potential shareholders, shareholders and other stakeholders. The shareholders, investors, employees, and other stakeholders are kept informed of the Group’s performance, business activities, financial performance, material information and corporate events through dialogue, the Annual Report, formal announcements, quarterly reports, circulars and press releases which are released through Bursa Malaysia’s and the Company’s websites, subsidiaries websites, and social media accounts under the Group.

Corporate Governance Overview Statement

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

I COMMUNICATION WITH STAKEHOLDERS (CONT'D)

12. Continuous Communication between Company and Stakeholders (cont'd)

The Group maintains various websites at: www.hwgb.com, www.hw-genting.com, www.dviria.com and www.hwgbbiotech.com to provide information on the Company, the Group's various businesses which shareholders, investors and public may surf.

APPLICATION: APPLIED

II CONDUCT OF GENERAL MEETINGS

13. Encourage Shareholder Participation at General Meeting

The Annual General Meeting ("AGM") is the principal forum for dialogue between the Company and its shareholders and investors. At the AGM, the Board briefs the shareholders on the status of the Group's businesses and operations. The shareholders are given the opportunity to raise questions on the Group's activities and prospects as well as to communicate their expectations and concerns to the Company. Extraordinary General Meeting ("EGM") is held as and when shareholders' approvals are required on specific matters.

The Chairman at the commencement of each general meeting briefs shareholders of their right to speak and vote.

The Chairman will brief shareholders on the financial and operations performance of the Group prior to tabling the motion on the audited financial statements and shareholders will be invited to raise questions concerning the financial statements. Briefing will also be given on other motions not in the ordinary course of business of the agenda as and when needed before voting. The Directors, Auditors and Senior Management are also present to answer any questions that may be raised.

All resolutions set out in the notice of the AGM/EGM were put to vote by poll and the votes casted were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Malaysia immediately on the meeting day.

APPLICATION: APPLIED

13.1 Notice of General Meeting

The Board encourages the participation of shareholders at the general meeting and has been sending AGM notices earlier than the minimum notice period stated in the LR by giving more than 21 days notice and will try to continue sending AGM notices earlier as and when possible.

The Board will ensure sufficient and relevant information are given for each agenda items in the notice of meeting and / or annual report or circular accompanying the notice of meeting.

APPLICATION: APPLIED

13.2 Directors' Attendance

All Directors are normally present at each general meeting. Senior Management and adviser(s) will also be present at general meetings to answer any questions that shareholders may raise.

APPLICATION: APPLIED

13.3 Facilitate shareholders' participation - Electronic voting and remote shareholders' participation

The Company encourages shareholders' participation in voting by using user friendly electronic voting to facilitate the voting process and to obtain quicker and more accurate results.

The Company has been holding general meetings in the Klang Valley area, thus the issue of remote location for meeting does not arise.

APPLICATION: APPLIED

Corporate Governance Overview Statement

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

II CONDUCT OF GENERAL MEETINGS (CONT'D)

13. Encourage Shareholder Participation at General Meeting (cont'd)

13.4 Interactive and meaningful engagement

The AGM is the principal forum for dialogue between the Company and its shareholders and investors. At the AGM, the Board briefs the shareholders on the status of the Group's businesses and operations. The shareholders are given the opportunity to raise questions on the Group's activities and prospects as well as to communicate their expectations and concerns to the Company. EGM is held as and when shareholders' approvals are required on specific matters.

The Chairman at the commencement of each general meeting briefs shareholders of their right to speak and vote.

The Chairman will brief shareholders on the financial and operations performance of the Group prior to tabling the motion on the audited financial statements and shareholders will be invited to raise questions concerning the financial statements. Briefing will also be given on other motions not in the ordinary course of business of the agenda as and when needed before voting. The Directors, Auditors and Senior Management are also present to answer any questions that may be raised.

The Chairman ensures shareholders have opportunity to participate in general meetings effectively; including having access to information they require to participate in discussions and to cast informed votes. The Chairman also invites questions from shareholders concerning the resolution tabled and responds to the questions raised accordingly.

All resolutions set out in the notice of the AGM/EGM were put to vote by poll and the votes casted were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is displayed at the meeting venue at the time of announcing the results of voting and subsequently announced to Bursa Malaysia immediately on the meeting day.

APPLICATION: APPLIED

13.5 Conduct of Virtual Meeting

The Company's Constitution provides for conduct of virtual meeting. The Code requires the Board to ensure the conduct of a virtual meeting supports meaningful engagement between the Board, Senior Management and shareholders.

The Board will decide on the suitable meeting methodology from time to time.

APPLICATION: APPLIED

13.6 Circulation of Minutes of General Meeting

The Company has been posting each general meeting minutes on its website within 30 business days after the completion of the general meeting.

APPLICATION: APPLIED

STATEMENT OF COMPLIANCE

The Board shall continue to adhere to high standards of corporate governance for the Group's operations. The Board opined and is satisfied that the Group has materially complied with the principles and practices detailed in the Code save for those departures mentioned in this Statement.

The Corporate Governance Overview Statement was approved by the Board on 11 April 2025.

Additional Compliance Information

1. Directors' Training

The Board acknowledges the importance of continuous education for Directors. The Company on an on-going basis facilitates appropriate training and education program for Directors' participation from time to time to further enhance their skills and knowledge to fully equip them to discharge their duties effectively. An annual budget is allocated for Directors' training.

The Board through the NRC reviews the training needs of the Directors annually and Directors are invited to state their training needs preference in the Board Assessment and Evaluation Form. Each Director is required to attend at least one training per year. Directors are also encouraged to attend various seminars and conferences to keep themselves abreast of the current developments and business environment affecting their roles and responsibilities.

In addition, the Company Secretary and other Senior Management brief the Directors on any changes and updates on legislation, rules and guidelines issued by relevant regulatory bodies from time to time.

During the financial year under review, the Directors had attended the following seminar / training / conference / workshop:

| Directors | Training | Date |
|------------------------------|---|-------------------|
| Dato' Lim Ooi Hong | Board of Directors: Navigating Resilience via ESG Strategy organized by MIA | 27 November 2024 |
| | "Investment & AI in a challenging world 2024" organized by Pan-Pacific Economic Forum | 23 October 2024 |
| Lim Wee Kiat | Launch of the National Sustainability Reporting Framework organized by Securities Commission Malaysia | 24 September 2024 |
| | Navigating ESG Risk In The Supply Chain by Institute of Corporate Directors Malaysia | 29 July 2024 |
| | Case Study - Based Webinar: ESG Risk Management - Importance of Identifying and Managing ESG Risks organized by MIA | 4 June 2024 |
| Kenny Yeoh Khi Khen | MIA Webinar Series – ISA 570 (Revised) on Going Concern Assessment & Evaluation 2 | 27 November 2024 |
| | MIA Townhall 2024/2025 (Session 1) | 12 November 2024 |
| | GRI Clinic Session 2 organized by Securities Commission | 5 November 2024 |
| | GRI Module 1: Introduction to sustainability reporting and the GRI Standards organized by Securities Commission | 23 October 2024 |
| | GRI Module 2: Reporting with GRI Standards organized by Securities Commission | 24 October 2024 |
| | GRI Module 3: Reporting on Human Rights with GRI Standards 2021 update organized by Securities Commission | 25 October 2024 |
| | GRI Module 4: Integrating the SDGs into sustainability reporting organized by Securities Commission | 25 October 2024 |
| | Induction: Developments in Sustainability Practices and Reporting - Disclosures and Assessment organized by Securities Commission | 16 October 2024 |
| | ISA 600 (Revised) organized by Baker Tilly Malaysia | 27 August 2024 |
| | Stepping Up: Leadership Essentials Training organized by Baker Tilly Malaysia | 13 August 2024 |
| | MIA International Accountants Conference 2024 organized by MIA | 11-12 June 2024 |
| | MIA Webinar Series - Modified Auditors Opinion vs Modified Audit Report organized by MIA | 26 April 2024 |
| Khalid Bin Ahmad Husni | Spotting Key Red Flags in Financial Statements organized by MIA | 24 October 2024 |
| | Navigating Resilience via ESG Strategy organized by MIA | 21 August 2024 |
| | Sustainable Value Creation—An Organization - Wide Perspective organized by MIA | 9 May 2024 |
| Lim Ean Chin | Mandatory Accreditation Program I organized by Institute of Corporate Directors Malaysia | 17-18 July 2024 |

Newly appointed Director(s) will be given induction program to the Group's business operations, understanding of the cultures, the corporate and organizational structures which include meeting with Senior Management and if necessary, visits to operation units. In June 2024, the newly appointed director, Ms. Lim Ean Chin had visited and given an induction programme at the Group's manufacturing plant in Batam, Indonesia.

Newly appointed Director(s) will also attend Mandatory Accreditation Program required under the LR.

2. Utilization of Proceeds from the Private Placement

There was no private placement exercise in year ended 31 December 2024.

Additional Compliance Information

3. Fees Paid to Auditors

During the financial year under review, the amount of audit fees and non-audit fees incurred for services rendered to the Group by the External Auditors of the Company were as follows:

| Category | Group RM | Company RM |
|----------------|----------------|---------------|
| Audit Fees | 228,655 | 78,000 |
| Non-Audit Fees | 7,000 | 7,000 |
| TOTAL | 235,655 | 85,000 |

4. Material Contracts

There were no material contracts entered into by the Company or any of its subsidiaries involving Directors' and Major Shareholders' interests subsisting as at 31 December 2024 or entered into since the end of the previous financial year ended 31 December 2023.

There were no material contracts relating to loans between the Company and its subsidiaries involving Directors' and Major Shareholders' interests during the financial year under review.

5. Information on Employee Share Option Scheme

On 22 February 2016, the Company terminated the Employees' Share Option Scheme (ESOS) 2010/2020 and on 13 April 2016 implemented a New ESOS 2016/2026.

A copy of the Bylaws of the ESOS 2016/2026 was posted on the notice board of the Company and each subsidiary for employee's information.

During the financial year ended 31 December 2024, no additional ESOS were allotted.

Disclosure of ESOS information pursuant to Appendix 9C (27) of Listing Requirements are as follows:

a. Brief details of ESOS:

| No. | ESOS movement during the financial year | Balance |
|------|---|------------------|
| | Total number of options granted and accepted as at 01.01.2024 | 13,833,031 |
| i. | Option granted/Additional adjustment | - |
| ii. | Total number of options exercised | (4,289,444) |
| iii. | Total number of options lapsed due to staff resignation | (1,726,929) |
| | Total options outstanding as at 31.12.2024 | 7,816,658 |

b. ESOS granted to Directors and Chief Executive:

| No. | ESOS movement during the financial year | Balance |
|------|---|------------------|
| | Total number of options granted and accepted as at 01.01.2024 | 3,375,000 |
| i. | Total number of options granted and accepted | - |
| ii. | Aggregate options exercised | - |
| iii. | Aggregate options outstanding as at 31.12.2024 | 3,375,000 |

c. ESOS granted to Directors and Senior Management:

| | Since commencement of the ESOS on 13 April 2016 | Allocated during the year | As at 31 December 2024 |
|--|---|---------------------------|------------------------|
| Aggregate maximum allocation in percentage | 50% | - | 50% |
| Actual percentage granted | 41.57% | - | 47.97% |

The Company's ESOS Bylaws do not provide for allocation of options to Non-Executive Directors.

Audit And Risk Management Committee Report

The Audit and Risk Management Committee is pleased to present its report which provides for activities carried out during the financial year ended 31 December 2024.

COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

CHAIRMAN

Mr. Kenny Yeoh Khi Khen

Independent Non-Executive Director

MEMBERS

Encik Khalid Bin Ahmad Husni

Senior Independent Non-Executive Director

Ms. Lim Ean Chin

Independent Non-Executive Director (appointed on 28 May 2024)

Ms. Elaine Tan Ai Lin

Independent Non-Executive Director (resigned on 28 May 2024)

A. TERMS OF REFERENCE

The Audit Committee was established on 4 October 1994. The Audit Committee was merged with the Risk Management Committee on 8 July 2020 and renamed as the Audit And Risk Management Committee ("ARMC"). It has clear written terms of reference providing its functions, qualifications for membership, authority, scope of duties, responsibilities, and rules and procedures of the ARMC. The aforesaid terms of reference are available on the Company's website.

B. SUMMARY OF ARMC ACTIVITIES

The ARMC held four (4) meetings during the financial year ended 31 December 2024 with due notices of issues to be discussed circulated to the ARMC Members.

Details of the attendance of the ARMC Members are as follows:

| ARMC Members | Attendance |
|--|------------|
| Mr. Kenny Yeoh Khi Khen | 4/4 |
| Encik Khalid Bin Ahmad Husni | 4/4 |
| Ms. Elaine Tan Ai Lin (<i>resigned on 28 May 2024</i>) | 1/1 |
| Ms. Lim Ean Chin (<i>appointed on 28 May 2024</i>) | 3/3 |

During the financial year under review, the ARMC met twice with the external auditors without the presence of any Executive Directors or Management.

The proceedings of each ARMC meeting were minuted and distributed to members of the ARMC accordingly.

The activities undertaken by the ARMC during the financial year under review were as follows:

1. Reviewed the Group's unaudited quarterly financial statements and made recommendations thereon to the Board for approval prior to release to Bursa Malaysia Securities Berhad.
2. Reviewed the Group's audited financial statements and made recommendation to the Board for approval.
3. Monitored and ensured that the internal auditors carried out its functions in accordance with the Internal Audit Plan approved by the ARMC, and affirmed that adequate scope and coverage of the Group's activities are constantly being considered.
4. Reviewed and discussed the quarterly internal audit reports on audit issues highlighted, recommendations and Management's responses and the effectiveness of the Group's system of internal controls.
5. Followed up on issues and/or recommendations highlighted in internal audit reports previously reported.
6. Reviewed the ARMC Report and Statement on Risk Management and Internal Controls.
7. Reviewed Statement on Employees' Share Option Scheme.
8. Reviewed the Audit Planning Memorandum for audit of the financial statements of the Group and the Company for the financial year ended 31 December 2024 prepared by the external auditors which set out the auditors' responsibilities in respect of financial reporting, audit approach, scope of work, current developments, areas of concern, and audit procedures.

Audit And Risk Management Committee Report

B. SUMMARY OF ARMC ACTIVITIES (CONT'D)

The activities undertaken by the ARMC during the financial year under review were as follows: (cont'd)

9. Considered and recommended to the Board for approval the audit fees payable to the internal and external auditors.
10. Ensured compliance with Malaysian Financial Reporting Standard (MFRS) requirements in the preparation of the Group's financial statements.
11. Reviewed related party transactions and conflict of interest situation that may arise within the Company and the Group.
12. Reviewed the "Independence" of the external auditors for the audit of the financial statements for financial year ended 31 December 2024.
13. Assessed the independence of external auditors for the audit of the financial statement for financial year ended 31 December 2024.
14. Reviewed the external auditors' Audit Observations and Recommendation for the financial year ended 31 December 2024 prepared by the external auditors.
15. Reviewed the External Auditors' Letter on their review of "Statement on Risk Management and Internal Control".
16. Discussed on the requirement on Environmental, Social and Governance ("ESG") Risk framework and reporting.
17. Reviewed quarterly on disclosure on any conflict of interest (COI) or potential COI situation (excluding a Related Party Transaction) of the Directors and Senior Management within the Group.

Details of the Company's risk management activities are set out in Statement on Risk Management and Internal Control of this Annual Report.

C. INTERNAL AUDIT FUNCTION

The Board established an internal audit function which reports directly to the ARMC. The function has been outsourced to a professional service firm and the audits are managed by a Certified Internal Auditor to provide assurance to the Board whether internal control is operating effectively.

The professional fees in relation to internal audit activities amounted to RM70,000 for the financial year ended 31 December 2024.

Details of the Company's internal control system and framework are set out in Statement on Risk Management and Internal Control of this Annual Report.

D. SUMMARY OF INTERNAL AUDIT ACTIVITIES

During the financial year under review, the internal auditors carried out the following activities:

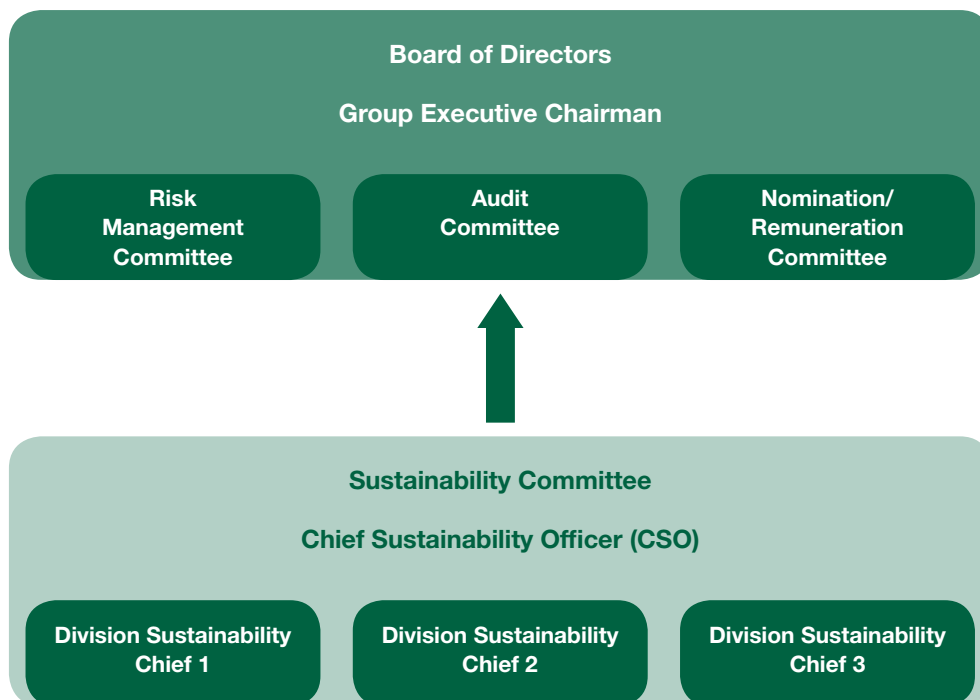
1. Prepared the Risk Assessment Review with executive summary of key risk profile and detailed key risk profile for financial year ended 31 December 2023.
2. Tabled Internal Audit Plan for 2024.
3. Performed internal audit based on Internal Audit Plan 2024.
4. Reported to the ARMC on the execution of internal audit approaches, scope of work, findings and recommendations.
5. Performed internal audit and prepared the Internal Audit Report on PT. Ho Wah Genting ("PT HWG") on inventory management; receiving, warehousing and shipping.
6. Performed internal audit and prepared the Internal Audit Report on PT HWG on pre-production coordination, production planning, production reporting, listing of products in production, monitoring of material usage and outputs, reject control and processing of scrap.
7. Performed internal audit and prepared the Internal Audit Report on PT HWG on sales order processing and billing.

The internal audit function will conduct special reviews as and when requested by the ARMC and / or Management on an ad-hoc basis.

Sustainability Governance

This structure emphasizes a holistic approach to sustainability governance, ensuring that sustainability is embedded in the organization's culture, strategy, operations, and reporting mechanisms. It promotes accountability, strategic oversight, and effective implementation across all levels of the organization, supporting the achievement of sustainability goals and enhancing overall organizational performance.

GOVERNANCE STRUCTURE AND OVERSIGHT



The Board is ultimately responsible for the oversight of sustainability matters within the organization. This includes ensuring the integration of sustainability into the company's culture ("tone from the top"), strategic management of material sustainability matters, including them in the Board's agenda, integrating sustainability into remuneration policies, and approving the company's Sustainability Statement.

The Board oversees the strategic management of material sustainability matters by approving sustainability-related strategies, policies, and materiality assessments. They also monitor the integration of sustainability risks and opportunities into business processes and the performance management of material sustainability matters.

Instead of establishing a separate Board Sustainability Committee, sustainability matters are integrated into the existing Board Audit and Risk Management Committee. All sustainability risk assessments and evaluations are directed to this committee.

- A Sustainability Committee is established as a management committee reporting to the Board of Directors, led by a newly designated Chief Sustainability Officer (CSO), who is the current Executive Director.
- CSO, and Division Heads are appointed to the Sustainability Committee. The Group Executive Chairman shall ensure that sustainability policies, strategies, and practices are aligned with the company's overall vision and mission.
- The CSO coordinates with the Board Risk and Audit Committee and Divisional Heads on sustainability matters, reporting to the Group Executive Chairman and the Board.

The Sustainability Committee, under the leadership of the CSO, is responsible for the strategic management of the company's material sustainability matters. This includes leading the inculcation of a sustainability culture, formulating, and implementing sustainability-related strategies and policies, overseeing materiality assessments, integrating sustainability risks and opportunities into business processes, and driving performance management.

Sustainability Governance

GOVERNANCE STRUCTURE AND OVERSIGHT (CONT'D)

Each division within the organization establishes its own Divisional Sustainability Committee, responsible for the day-to-day implementation of material sustainability matters. These committees report to the main Sustainability Committee.

Department heads are responsible for managing both risks and sustainability opportunities within their departments, integrating sustainability considerations into daily operations.

Annual assessments of the Board and its Committees take sustainability considerations into account, affecting performance evaluation and remuneration. If a Sustainability Statement Assurance is performed by an Internal Auditor, the Board Risk and Audit Committee evaluates and approves the Assurance Report before submission for Board approval.

Sustainability integration and reporting involve aligning sustainability initiatives with the organization's overall business strategies, ensuring transparent communication of sustainability efforts and achievements to stakeholders.

STAKEHOLDERS ENGAGEMENT

The stakeholder mapping exercise undertaken by HWGB's Sustainability Committee helped in identifying and understanding the diverse groups and subgroups integral to the company's operations, especially in the context of sustainability. The process began with the categorization of stakeholders into broad categories such as employees, investors, customers, suppliers, and more, further breaking these down into subgroups to tailor engagement strategies effectively.

Aligning the identified concerns and expectations with the environmental, economic, and social aspects of HWGB's operations allowed the committee to determine where the company's impact is most significant from the stakeholders' viewpoint. This helped pinpoint areas for HWGB's sustainability initiatives, ensuring that efforts are concentrated where they matter most. Through this prioritization, HWGB is able to allocate resources effectively, address stakeholders' concerns proactively, and identify opportunities for innovation and improvement in its sustainability practices.

It ensures that the company's sustainability efforts are aligned with stakeholder expectations and are central to its business model, contributing to the long-term success and resilience of the company. By building stronger, more meaningful relationships with its stakeholders and demonstrating a commitment to sustainability, HWGB enhances its corporate reputation, reduces risks, and fosters trust, setting a strong foundation for sustainable development.

| Stakeholder Group and Sub-group | Engagement Methods | Areas of concerns | Our Response |
|---|--|---|---|
| 1. Employees & Management | Monthly Internal newsletters and regular team meetings. | Workplace safety, sustainable innovation, efficient processes, sustainable office practices, energy efficiency, alignment with sustainability goals, risk management, sustainability reporting. | Enhance safety measures, promote sustainable innovation, implement energy-saving practices, and ensure transparent communication regarding sustainability goals and achievements. |
| 2. Investors & Shareholders | Quarterly, Annually Quarterly earnings calls and annual reports. | Sustainability reporting, integration, ethical practices, commitment to sustainability, long-term performance, transparency. | Commit to regular, transparent ESG reporting, engage in open dialogues with investors about sustainability strategies. |
| 3. Customers | Annually Customer satisfaction surveys and feedback forms. | Demand for sustainable products, supply chain transparency, product sustainability, ethical manufacturing, compliance with regulations. | Enhance product sustainability, ensure supply chain transparency, maintain high ethical standards. |
| 4. Suppliers & Business Partners | Annually Supplier forums or workshops. | Sustainable sourcing, ethical practices, operational efficiency, shared sustainability goals, transparency. | Implement sustainability criteria for supplier selection, foster partnerships with suppliers committed to ethical practices. |
| 5. Local Communities | Annually Community open days or participation in local events. | Pollution impact, resource usage, local development contributions, community engagement, local regulation compliance. | Minimize environmental impacts, invest in community development, ensure compliance with local regulations. |

Sustainability Governance

STAKEHOLDERS ENGAGEMENT (CONT'D)

| Stakeholder Group and Sub-group | Engagement Methods | Areas of concerns | Our Response |
|--|---|---|--|
| 6. Regulatory Authorities | Annually, As Needed Regular compliance reports and direct communications. | Compliance with ESG regulations, international standards adherence, transparency in reporting. | Maintain strict compliance, actively engage with regulatory bodies, ensure transparency in reporting. |
| 7. Industry Associations | Annually Participation in association meetings and industry conferences. | Sustainability standards alignment, industry best practices, sustainability advancement. | Participate in industry associations, contribute to sustainability standards, share best practices. |
| 8. NGOs & Environmental Groups | As Needed Informal meetings or roundtable discussions. | Environmental impact, labor practices, human rights, ethical practices, transparency. | Engage in dialogue with NGOs, implement projects to reduce environmental impacts, uphold labour and human rights standards. |
| 9. Financial Institutions & Creditors | Annually, As Needed Annual financial reviews and briefing sessions. | Sustainable investment, environmental and social risk management, climate resilience, sustainable development funding, ESG performance. | Demonstrate commitment to sustainable development, provide transparent ESG performance data, engage with financial institutions on sustainability opportunities and risks. |
| 10. Media | As Needed Press releases and media briefings. | Sustainability innovations, compliance, corporate sustainability efforts, global challenges, sustainability achievements reporting. | Share information on sustainability innovations, communicate compliance and sustainability efforts, foster positive media relationships. |

MATERIAL MATTERS

HWGB Sustainability Committee undertook an important exercise to delve into the Environmental, Economic, and Social (EES) aspects of the company's operations, building upon insights gained from an earlier stakeholder mapping exercise. The committee conducted an assessment of the direct and indirect impacts of HWGB's activities, with the aim of understanding and quantifying the company's influence on and interaction with these EES factors. This analysis allowed the committee to identify tangible sustainability metrics and indicators that formed the basis for a comprehensive materiality assessment on sustainability matters.

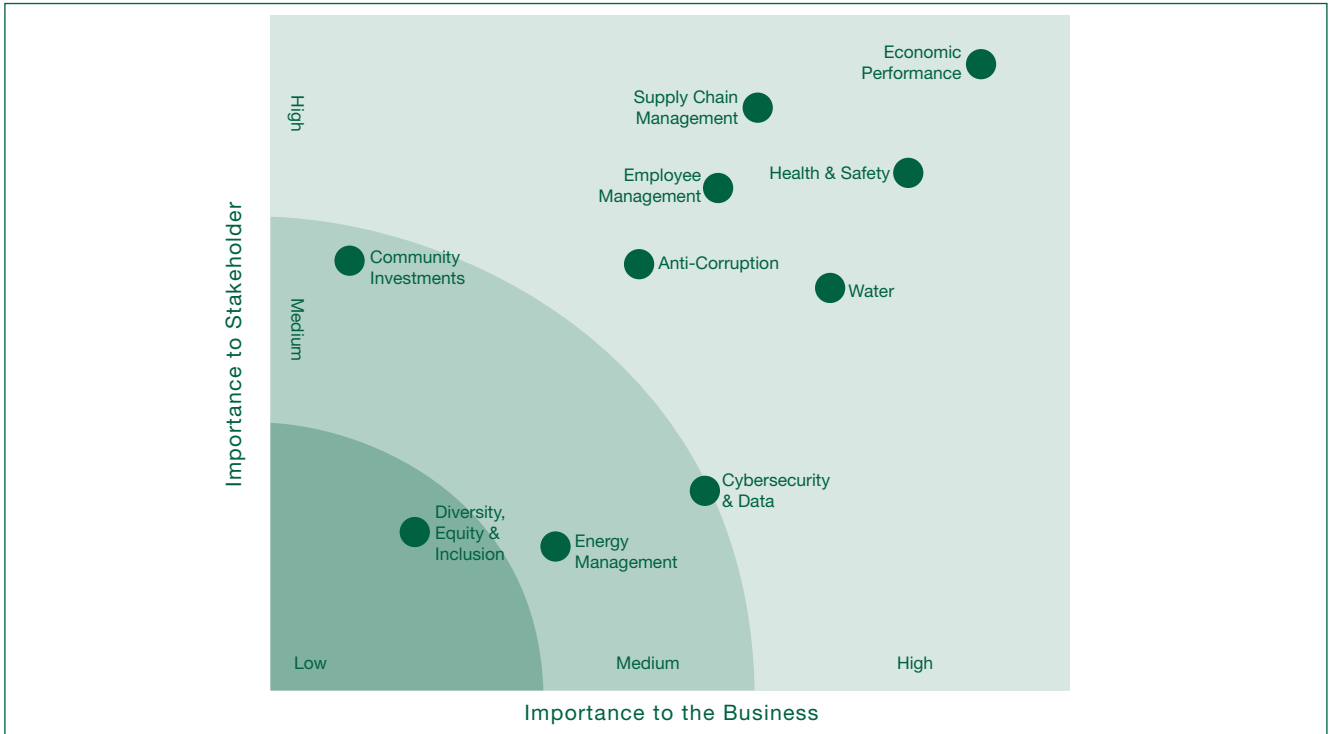
The evaluation process enabled HWGB to focus its sustainability efforts effectively, using empirical data to guide its strategies. By establishing specific metrics for each impact, the committee was able to set the stage for tracking performance, establishing industry benchmarks, and targeting realistic improvements. This approach ensured that the company's sustainability initiatives were not only targeted and efficient but also grounded in a solid understanding of stakeholder expectations and the company's operational influence.

The outcomes from this endeavor were integral to prioritizing sustainability issues within the company, ultimately shaping HWGB's strategic planning and sustainability reporting. By integrating sustainability into its core business activities and communication, the company reinforced its commitment to sustainable development. The insights gained from this comprehensive analysis positioned HWGB as a responsible entity, poised to make significant contributions to sustainable practices within its industry and the broader community.

Sustainability Governance

MATERIAL MATTERS (CONT'D)

HWGB's Material Matrix for 2024



HWGB's Material Matters (Priority Ranking)

1. Economic Performance
2. Health & Safety
3. Water
4. Supply Chain Management
5. Employee Management
6. Anti-Corruption
7. Cybersecurity & Data
8. Diversity, Equity & Inclusion
9. Energy Management
10. Community Investment

RISK MANAGEMENT

The outcomes from this endeavor were integral to prioritizing sustainability issues within the company, ultimately shaping HWGB's strategic planning and sustainability reporting. By integrating sustainability into its core business activities and communication, the company reinforced its commitment to sustainable development. The insights gained from this comprehensive analysis positioned HWGB as a responsible entity, poised to make significant contributions to sustainable practices within its industry and the broader community.

| Material Matters | Risks | Opportunities |
|-----------------------------------|--|--|
| 1. Economic Performance | Economic downturns and fluctuating market transitions can affect sales and profitability. | Diversification of markets and investment in green innovation can open new revenue streams. |
| 2. Health & Safety | Workplace accidents can result in productivity loss, legal repercussions, reputational damages, and financial costs. | A robust health and safety culture improve employee well-being and productivity. |
| 3. Water | Water scarcity and poor water management can disrupt operations and poor sanitation. | Sustainable water management can ensure long-term resource availability and efficiency. |
| 4. Supply Chain Management | Supplier disruptions or ethical issues can impact production and company reputation. | Strengthening supplier relationships can enhance supply chain resilience and sustainability. |
| 5. Employee Management | High turnover and talent scarcity can disrupt operations. | Employee development programs can enhance retention and attract talent. |

Sustainability Governance

RISK MANAGEMENT (CONT'D)

| Material Matters | Risks | Opportunities |
|---|--|---|
| 6. Anti-Corruption | Corruption can lead to legal penalties and loss of business integrity. | A transparent corporate culture can improve stakeholder trust and business prospects. |
| 7. Cybersecurity & Data | Data breaches can lead to significant financial and reputational harm. | Strong cybersecurity measures can protect company data and build customer trust. |
| 8. Diversity, Equity & Inclusion | A lack of diversity can limit innovation and employee engagement. | Embracing diversity can lead to a more creative and inclusive work environment. |
| 9. Energy Management | Rising energy costs and regulations can impact operational expenses. | Investing in energy-efficient technologies can lead to cost savings and reduced environmental impact. |
| 10. Community Investment | Poor community relations can affect local operations and license to operate. | Active community engagement can enhance company reputation and secure local support. |

SUSTAINABILITY FRAMEWORK

Our sustainability framework is anchored in four strategic focus areas: Green Innovation and Sustainable Materials, Sustainable Supply Chain, Sustainability as Employee Culture, and Sustainability Education and Community Engagement. By pursuing eco-friendly technologies and materials, we reduce environmental impact and promote ethical, sustainable sourcing and operations of our supply chain, minimizing our ecological footprint. Infusing sustainability into our corporate culture empowers employees to make eco-conscious decisions, fostering a collective commitment to environmental stewardship. Through engaging communities and stakeholders in sustainability education, we advocate for collective action towards a greener future. This holistic approach addresses material sustainability matters by not only mitigating environmental risks but also by promoting sustainable growth and community well-being, ensuring a responsible and effective energy conduction to communities.

Our Vision:
Empowering communities with sustainable energy conduction.

We are dedicated to innovating and providing high-quality, eco-friendly wiring solutions that ensure safe, efficient, and sustainable energy conduction to power communities' progress.

Our Focus Areas

| Sustainable Innovation | Sustainable Supply Chain | Sustainability as Employee Culture | Sustainability Awareness & Communities |
|---|--|---|--|
| Develop eco-friendly technologies and materials in our products to reduce environmental impact. | Build ethical, sustainable sourcing and operations throughout our supply chain to minimize our ecological footprint. | Infuse sustainability into corporate culture, empowering employees to make eco-conscious decisions daily. | Creating value, accountability and fostering collective action towards a greener future. |

| | | |
|--------------------------|---------------------|-----------------------|
| Supply Chain Management | Employee Management | Economic Performance |
| Anti-Corruption | | |
| Energy, Water, Emissions | | Community Investments |
| Health & Safety | | |
| Diversity & Inclusion | | |
| Cybersecurity & Data | | |

Sustainability Governance

SUSTAINABILITY PERFORMANCE SUMMARY

| Indicator | Unit | 2022 (8 mths ended 31 Dec 2022) | 2023 (12 mths ended 31 Dec 2023) | 2024 (12 mths ended 31 Dec 2024) | Target |
|--|------|--|---|---|---------|
| Economic Performance | | | | | |
| Economic value generated. (i.e., revenue and other Income) | MYR* | 299.5 mil | 270.2 mil | 321.7 mil | 300 mil |
| Economic value distributed. (i.e., operating costs, employee wages and benefits, payments to providers of capital, payments to government, and community investments) | MYR* | 288.9 mil | 259.2 mil | 316.7 mil | 290 mil |
| Economic value retained | MYR* | 10.6 mil | 11.0 mil | 5.0 mil | 10 mil |

* The exchange rate for FYE 31/12/2024 was based on middle rates as extracted from Bank Negara: RM4.47/USD. (FYE 31/12/2022 and FYE 31/12/2023: RM4.75/USD)

Yearly comparison based on adjusted 12 months figures. 2024 based current reporting year.

| Indicator | Unit | 2022 ⁽¹⁾ | 2023 ⁽¹⁾ | 2024 | Target |
|--|-------------|---------------------|---------------------|-------|--------|
| Health & Safety | | | | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 | 0 | 0 | 0 |
| Bursa C5(b) Lost Time Incident Rate ("LTIR") | Rate | 3.09 | 1.55 | 0.69 | 1 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 305 | 424 | 330 | N/A |
| Water | | | | | |
| Bursa C9(a) Total volume of water used | Mega Litres | 14.36 | 9.74 | 11.37 | 11.0 |
| Supply Chain Management | | | | | |
| Bursa C7(a) Proportion of spending on local suppliers | % | 20 | 22 | 25 | 25 |
| Employee Management | | | | | |
| Bursa C6(a) Total hours of training by employee category | | | | | |
| Management | Hours | 82 | 114 | 25 | 100 |
| Executive | Hours | 144 | 148 | 257 | 100 |
| Non-Executive/Technical | Hours | 52 | 52 | 494 | 50 |
| General Worker | Hours | 1,878 | 1,992 | 1,933 | 1,500 |
| Bursa C6(c) Total number of employee turnover by employee category | | | | | |
| Management | Number | 0 | 0 | 1 | 1 |
| Executive | Number | 3 | 1 | 3 | 1 |
| Non-Executive/Technical | Number | 0 | 0 | 5 | 1 |
| General Worker | Number | 40 | 32 | 35 | 40 |
| Anti-Corruption | | | | | |
| Bursa C1(a) Percentage of employees who have received training on anti- corruption by employee category: | | | | | |
| Management | % | 100 | 100 | 100 | 100 |
| Executive | % | 100 | 100 | 100 | 100 |
| Non-executive | % | 100 | 100 | 100 | 100 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | % | 0 | 100 | 100 | 100 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 | 0 | 0 | 0 |

Sustainability Governance

SUSTAINABILITY PERFORMANCE SUMMARY (CONT'D)

| Indicator | Unit | 2022 ⁽¹⁾ | 2023 ⁽¹⁾ | 2024 | Target |
|--|--------|---------------------|---------------------|-------|--------|
| Cybersecurity & Data | | | | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer. | Number | 0 | 0 | 0 | 0 |
| Diversity, Equity & Inclusion | | | | | |
| Bursa C3(a) Percentage of employees by gender and age group by employee category | | | | | |
| <i>Gender group by employee category</i> | | | | | |
| Management - Male | % | 2.67 | 2.42 | 2.46 | 1.5 |
| Management - Female | % | 0.83 | 0.81 | 0.82 | 1.5 |
| Executive - Male | % | 12.33 | 11.61 | 11.66 | 5.0 |
| Executive - Female | % | 5.00 | 5.00 | 5.25 | 5.0 |
| Non-Executive - Male | % | 15.83 | 14.52 | 14.61 | 1.0 |
| Non-Executive - Female | % | 2.33 | 1.94 | 3.45 | 1.0 |
| General Worker - Male | % | 41.50 | 39.03 | 35.47 | 42.5 |
| General Worker - Female | % | 19.50 | 24.68 | 26.27 | 42.5 |
| <i>Age group by employee category (Indonesia)</i> | | | | | |
| Management – 30 & Below | % | 0 | 0 | 0 | 1.1 |
| Management – 31-50 | % | 2.33 | 2.10 | 1.97 | 1.1 |
| Management – Above 50 | % | 1.17 | 1.13 | 1.31 | 1.0 |
| Executive – 30 & Below | % | 3.83 | 3.55 | 4.27 | 1.0 |
| Executive – 31-50 | % | 11.50 | 10.65 | 10.18 | 4.6 |
| Executive – Above 50 | % | 2.00 | 2.26 | 2.46 | 4.6 |
| Non-Executive – 30 & Below | % | 2.33 | 1.94 | 2.30 | 0.6 |
| Non-Executive – 31-50 | % | 14.33 | 13.23 | 14.29 | 0.9 |
| Non-Executive – Above 50 | % | 1.50 | 1.29 | 1.31 | 0.9 |
| Gen. Worker – 30 & Below | % | 43.83 | 45.16 | 43.58 | 41.8 |
| General Worker – 31-50 | % | 15.33 | 16.77 | 16.26 | 41.8 |
| General Worker – Above 50 | % | 1.83 | 1.94 | 1.97 | 0.6 |
| Bursa C3(b) Percentage of directors by gender and age group | | | | | |
| Male | % | 83 | 83 | 100 | 70 |
| Female | % | 17 | 17 | 0 | 30 |
| Age 30 & Below | % | 0 | 0 | 0 | 33 |
| Age 31-50 | % | 83 | 83 | 40 | 33 |
| Age Above 50 | % | 17 | 17 | 60 | 33 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | | | | | |
| Gender diversity - Male | % | 72 | 63 | 57 | 50 |
| Gender diversity - Female | % | 28 | 37 | 43 | 50 |
| Age diversity – 30 & Below | % | 93 | 91 | 90 | 80 |
| Age diversity – 31-50 | % | 7 | 9 | 10 | 15 |
| Age diversity - Above 50 | % | 0 | 0 | 0 | 5 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations. | Number | 0 | 0 | 0 | 0 |
| Figures in the Diversity, Equity & Inclusion excludes Head Office figures which makes up less than 5% of total workforce | | | | | |

Sustainability Governance

SUSTAINABILITY PERFORMANCE SUMMARY (CONT'D)

| Indicator | Unit | 2022 ⁽¹⁾ | 2023 ⁽¹⁾ | 2024 | Target |
|---|--------|---------------------|---------------------|------|----------------------------|
| Energy Management | | | | | |
| Bursa C4(a) Total energy Consumption | GWh | 5.89 | 5.01 | 6.29 | 5 |
| Community Investment | | | | | |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 0 | 0 | 0 | 1% of Econ. Value Retained |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 0 | 0 | 0 | 1,000 |

Note:-

(1) Restated

MANAGEMENT APPROACH FOR SUSTAINABILITY MATTERS

ECONOMIC PERFORMANCE

Economic performance underpins HWGB's ability to invest in innovation, sustain operations, and contribute to societal welfare. For the wire and cables segment, robust economic performance ensures the continuous development of high-quality, sustainable products.

HWGB's Approach

By adopting efficient production techniques and exploring new markets, and reducing non-value add and non-sustainable product lines, HWGB aims to enhance revenue while managing costs effectively.

To further enhance our sustained economic performance, we will continue to diversify our market presence to reduce dependency on any single market or sector. Increasing investments in R&D to stay ahead of industry trends and to develop innovative, sustainable wire and cable products that meet emerging customer needs. Enhancing operational efficiencies through continuous improvement programs and adopting advanced and low carbon manufacturing technologies.

In expanding our sustainability initiatives, we will open up new business opportunities, particularly in markets where environmental and social governance (ESG) factors are becoming increasingly important to consumers and investors. By focusing on these areas, HWGB hopes to strengthen its economic foundation, enabling it to invest more in its employees, communities, and sustainability initiatives, thereby ensuring long-term resilience and success.

Our Performance

Our performance data from the report indicates a slight fluctuation in the economic value generated over the years, with an increase observed from 2022 to 2024. However, our economic value retained has decreased from 2022 to 2024, attributed to the increased in economic value distributed and bad debt loss related to True Value Company. We met our economic value generation and distribution targets but fell short in economic value retention. HWGB remains committed to improving our financial performance and will continue to optimise our economic value retention strategies to align with our targets.

| Indicator | Unit | 2022 (8 mths ended 31 Dec 2022) | 2023 (12 mths ended 31 Dec 2023) | 2024 (12 mths ended 31 Dec 2024) | Target |
|--|------|--|---|---|---------|
| Economic Performance | | | | | |
| Economic value generated. (i.e., revenue and other Income) | MYR | 299.5 mil | 270.2 mil | 321.7 mil | 300 mil |
| Economic value distributed. (i.e., operating costs, employee wages and benefits, payments to providers of capital, payments to government, and community investments) | MYR | 288.9 mil | 259.2 mil | 316.7 mil | 290 mil |
| Economic value retained | MYR | 10.6 mil | 11.0 mil | 5.0 mil | 10 mil |

Sustainability Governance

MANAGEMENT APPROACH FOR SUSTAINABILITY MATTERS (CONT'D)

HEALTH & SAFETY

Safety is paramount in manufacturing environments. A strong health and safety culture prevents accidents, improves employee satisfaction, and increases productivity.

HWGB's Approach

Implementing rigorous safety protocols, continuous employee training, and safety audits ensures a safe working environment. HWGB's commitment to zero fatalities and reducing LTIR exemplifies this focus.

Our Performance

HWGB's commitment to safety is demonstrated through its zero-tolerance policy towards work-related fatalities and its sustained efforts to lower the Lost Time Incident Rate (LTIR). The data presented shows a consistent achievement of zero work-related fatalities across the reported years. This achievement speaks volumes about the company's stringent safety protocols and its success in creating a safe work environment.

In 2024, we recorded zero fatalities and a Lost Time Injury Rate (LTIR) of 0.69, which is well below our ideal target of 1. The decrease in LTIR not only indicates fewer accidents and injuries but also underscores a culture of safety that pervades the company's operations, enhancing employee morale and productivity. This reflects the effectiveness of our current safety measures and demonstrates our commitment to maintaining a safe work environment. Achieving such a low LTIR highlights the success of our ongoing efforts in injury prevention, risk management, and safety training. Moving forward, we will continue to build on these results, striving for even greater safety outcomes while ensuring the well-being of all employees.

Furthermore, a total of 330 employees was trained on the health and safety standards which represents a total of 57% of our total employees trained on health and safety standards, making our employees competent in health and safety, help business avoid the distress that accidents and ill health cause, and help avoid or reduce the financial costs of accidents & occupational ill health. This training is crucial in ensuring that all employees are equipped with the knowledge and skills to perform their tasks safely, which in turn reduces the likelihood of accidents and reinforces a proactive safety culture.

100% training coverage remains our critical objective, this target will ensure that every employee, irrespective of their role, is fully versed in the latest health and safety practices, which is fundamental in maintaining a safe working environment. Enhanced focus on areas with lower training coverage or higher incident rates could provide targeted improvements that help bridge this gap.

In conclusion, HWGB's ongoing efforts and achievements in employee health and safety demonstrate a robust commitment to ensuring the well-being of its workforce. However, to continue to lead and set benchmarks within the industry, HWGB shall consider intensifying its training programs and exploring additional strategies to further reduce LTIR. Sustained excellence in health and safety will not only continue to protect HWGB's employees but also reinforce its reputation as a responsible and employee-centric organization.

| Indicator | Unit | 2022 | 2023 | 2024 | Target |
|--|--------|------|------|------|--------|
| Bursa C5(a) Number of work-related fatalities | Number | 0 | 0 | 0 | 0 |
| Bursa C5(b) Lost Time Incident Rate ("LTIR") | Rate | 3.09 | 1.55 | 0.69 | 1 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 305 | 424 | 330 | N/A |

Sustainability Governance

MANAGEMENT APPROACH FOR SUSTAINABILITY MATTERS (CONT'D)

WATER

Efficient water use reduces environmental impact and operational costs. For HWGB, managing water responsibly is essential for sustainable manufacturing practices.

HWGB's Approach

Through water recycling technologies and efficient water management systems, HWGB minimizes water usage. Regular audits and improvements in water-intensive processes further enhance water efficiency.

Our Performance

This year's water usage shows a slight increase over our target, but we remain focused on enhancing our water management practices to improve our water usage efficiency and work towards meeting our target while minimizing environmental impact and our sustainability goals moving forward.

| Indicator | Unit | 2022 | 2023 | 2024 | Target |
|--|-------------|-------|------|-------|--------|
| Bursa C9(a) Total volume of water used | Mega Litres | 14.36 | 9.74 | 11.37 | 11.0 |

SUPPLY CHAIN MANAGEMENT

A sustainable supply chain enhances resilience, reduces environmental impact, and supports local economies. For the wire and cables business, it ensures the steady supply of materials while fostering ethical practices.

HWGB's Approach

Prioritizing local suppliers and conducting regular sustainability assessments of the supply chain are key strategies. HWGB also works closely with suppliers to improve their sustainability practices.

Our Performance

The slight increase in spending on local suppliers demonstrates HWGB's commitment to strengthening its supply chain sustainability. This approach not only supports local economies but also minimizes logistical footprints.

| Indicator | Unit | 2022 | 2023 | 2024 | Target |
|---|------|------|------|------|--------|
| Bursa C7(a) Proportion of spending on local suppliers | % | 20 | 22 | 25 | 25 |

EMPLOYEE MANAGEMENT

Investing in employees enhances skill sets, boosts morale, and drives innovation. For HWGB, a skilled and motivated workforce is essential for maintaining competitiveness in the wire and cables market.

HWGB's Approach

Comprehensive training programs, performance evaluations, and targeted improvement plans are central to HWGB's employee management strategy. The company also focuses on creating a conducive work environment that supports employee well-being.

Our Performance

In 2024 in comparison with the preceding financial year, we observed a slight decrease of training hours from 1,992 hours to 1,933 hours as well as slight increase of employee turnovers from 33 employees to 44 employees, despite the slight decrease in training hours and the increase in employee turnover, our performance remains adaptive, and this serves as valuable insights to further optimize and enhance our training and retention strategies to continue supporting employee growth and satisfaction.

Sustainability Governance

MANAGEMENT APPROACH FOR SUSTAINABILITY MATTERS (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Our Performance (cont'd)

| Indicator | Unit | 2022 | 2023 | 2024 | Target |
|--|--------|-------|-------|-------|--------|
| Bursa C6(a) Total hours of training by employee category | | | | | |
| Management | Hours | 82 | 114 | 25 | 100 |
| Executive | Hours | 144 | 148 | 257 | 100 |
| Non-Executive/Technical | Hours | 52 | 52 | 494 | 50 |
| General Worker | Hours | 1,878 | 1,992 | 1,933 | 1,500 |
| Bursa C6(c) Total number of employee turnover by employee category | | | | | |
| Management | Number | 0 | 0 | 1 | 1 |
| Executive | Number | 3 | 1 | 3 | 1 |
| Non-Executive/Technical | Number | 0 | 0 | 5 | 1 |
| General Worker | Number | 40 | 32 | 35 | 40 |

ANTI-CORRUPTION

A strong stance against corruption ensures integrity, builds stakeholder trust, and safeguards the company's reputation. In the wire and cables sector, transparency is key to securing contracts and maintaining compliance.

HWGB's Approach

Regular anti-corruption training, risk assessments, and a clear anti-bribery policy form the backbone of HWGB's approach. The company fosters a culture of integrity across all levels of operation.

Our Performance

The ongoing commitment to anti-corruption training and the zero case of confirmed incidents of bribery or corruption reflect HWGB's successful governance practices. This clean record is vital for maintaining stakeholder trust and business continuity.

| Indicator | Unit | 2022 | 2023 | 2024 | Target |
|--|--------|------|------|------|--------|
| Bursa C1(a) Percentage of employees who have received training on anti- corruption by employee category: | | | | | |
| Management | % | 100 | 100 | 100 | 100 |
| Executive | % | 100 | 100 | 100 | 100 |
| Non-executive | % | 100 | 100 | 100 | 100 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | % | 0 | 100 | 100 | 100 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 | 0 | 0 | 0 |

CYBERSECURITY AND DATA

In the digital era, protecting customer and company data against breaches is critical for maintaining trust and complying with legal requirements. For HWGB, cybersecurity safeguards intellectual property and sensitive information.

HWGB's Approach

HWGB implements multi-layered security measures, regular cybersecurity training for employees, and strict data access controls. The company continually updates its policies to address evolving cyber threats.

Our Performance

The absence of substantiated complaints concerning breaches of customer privacy indicates HWGB's effective cybersecurity measures. This achievement is crucial for customer trust and regulatory compliance.

Sustainability Governance

MANAGEMENT APPROACH FOR SUSTAINABILITY MATTERS (CONT'D)

CYBERSECURITY AND DATA (CONT'D)

Our Performance (cont'd)

| Indicator | Unit | 2022 | 2023 | 2024 | Target |
|---|--------|------|------|------|--------|
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer. | Number | 0 | 0 | 0 | 0 |

DIVERSITY, EQUITY, AND INCLUSION

The Diversity, Equity, and Inclusion (DEI) section of HWGB's sustainability performance highlights a focused approach towards creating a more diverse and inclusive workplace.

DEI is crucial for fostering a culture of innovation, understanding, and mutual respect within the workplace. For HWGB, particularly in the wire and cables business, embracing diversity means drawing from a broad spectrum of ideas and perspectives, enhancing discipline and problem-solving capabilities. Equity ensures that all employees have access to the same opportunities, recognizing their unique contributions and potential. Inclusion creates an environment where everyone feels valued and able to contribute to their fullest potential. This holistic approach to DEI is vital for attracting and retaining talent, enhancing employee satisfaction and engagement, and ultimately driving business performance and innovation.

HWGB's Approach

HWGB has taken specific steps to improve DEI within its operations. This includes implementing policies and practices that encourage the hiring and promotion of a diverse workforce, conducting training to raise awareness and reduce biases, and creating platforms for dialogue and sharing experiences. The company's efforts to track and report on gender and age group diversity within different employee categories reflect a commitment to transparency and accountability in its DEI initiatives.

Our Performance

HWGB has actively implemented policies and practices designed to enhance workplace diversity, such as encouraging the hiring and promotion of diverse groups, conducting training to reduce biases, and creating platforms for dialogue. The data presented reflects these efforts, showing a structured approach to tracking and reporting on gender and age group diversity across different employee categories, ensuring transparency and accountability in DEI initiatives.

The performance data indicates that the representation of female employees in management roles are still below the set target of 1.5%. This underscores a challenging yet improving landscape for gender diversity at the management level. In the broader employee categories, there is a notable balance in gender distribution among General Workers, with male representation at 35.47% and female representation at 26.27% in 2024. These figures are closer to the target of 42.5%, indicating a more equitable gender balance in these roles.

Furthermore, age diversity within the company appears better managed, particularly among General Workers, where those aged 30 & below constitute a significant majority (43.68% in 2024), aligning well with the targeted 41.8%. This demographic trend suggests that HWGB is successfully attracting younger talent, which is vital for infusing new ideas and energy into the company.

However, while these figures are promising, our relatively low percentage of women in executive roles and the less-than-optimal representation of older employees highlight areas for future enhancement. This suggests a need for continued focus on creating pathways for diverse talent advancement and ensuring inclusivity across all age groups, thereby enriching the company's cultural and operational fabric.

In summary, HWGB's DEI efforts are coherent with HWGB's corporate culture and also operational effectiveness, reflecting a forward-thinking approach to sustainability. While there are areas for improvement, particularly in increasing female representation in executive roles and broadening age diversity, the ongoing commitment to these DEI practices is poised to enhance employee satisfaction, engagement, and ultimately, business performance and innovation. Moving forward, HWGB shall continue to build on these initiatives, potentially setting more ambitious targets to accelerate progress in these crucial areas. This will not only bolster the company's reputation as a leader in sustainability but also as a champion of a truly diverse and inclusive workplace.

Sustainability Governance

MANAGEMENT APPROACH FOR SUSTAINABILITY MATTERS (CONT'D)

DIVERSITY, EQUITY, AND INCLUSION (CONT'D)

Our Performance (cont'd)

| Indicator | Unit | 2022 | 2023 | 2024 | Target |
|--|--------|-------|-------|-------|--------|
| Bursa C3(a) Percentage of employees by gender and age group by employee category | | | | | |
| <i>Gender group by employee category</i> | | | | | |
| Management - Male | % | 2.67 | 2.42 | 2.46 | 1.5 |
| Management - Female | % | 0.83 | 0.81 | 0.82 | 1.5 |
| Executive - Male | % | 12.33 | 11.61 | 11.66 | 5.0 |
| Executive - Female | % | 5.00 | 5.00 | 5.25 | 5.0 |
| Non-Executive - Male | % | 15.83 | 14.52 | 14.61 | 1.0 |
| Non-Executive - Female | % | 2.33 | 1.94 | 3.45 | 1.0 |
| General Worker - Male | % | 41.50 | 39.03 | 35.47 | 42.5 |
| General Worker - Female | % | 19.50 | 24.68 | 26.27 | 42.5 |
| <i>Age group by employee category</i> | | | | | |
| Management – 30 & Below | % | 0 | 0 | 0 | 1.1 |
| Management – 31-50 | % | 2.33 | 2.10 | 1.97 | 1.1 |
| Management – Above 50 | % | 1.17 | 1.13 | 1.31 | 1.0 |
| Executive – 30 & Below | % | 3.83 | 3.55 | 4.27 | 1.0 |
| Executive – 31-50 | % | 11.50 | 10.65 | 10.18 | 4.6 |
| Executive – Above 50 | % | 2.00 | 2.26 | 2.46 | 4.6 |
| Non-Executive – 30 & Below | % | 2.33 | 1.94 | 2.30 | 0.6 |
| Non-Executive – 31-50 | % | 14.33 | 13.23 | 14.29 | 0.9 |
| Non-Executive – Above 50 | % | 1.50 | 1.29 | 1.31 | 0.9 |
| Gen. Worker – 30 & Below | % | 43.83 | 45.16 | 43.68 | 41.8 |
| General Worker – 31-50 | % | 15.33 | 16.77 | 16.26 | 41.8 |
| General Worker – Above 50 | % | 1.83 | 1.94 | 1.97 | 0.6 |
| Bursa C3(b) Percentage of directors by gender and age group | | | | | |
| Male | % | 83 | 83 | 100 | 70 |
| Female | % | 17 | 17 | 0 | 30 |
| Age 30 & Below | % | 0 | 0 | 0 | 33 |
| Age 31-50 | % | 83 | 83 | 40 | 33 |
| Age Above 50 | % | 17 | 17 | 60 | 33 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | | | | | |
| Gender diversity - Male | % | 72 | 63 | 57 | 50 |
| Gender diversity - Female | % | 28 | 37 | 43 | 50 |
| Age diversity – 30 & Below | % | 93 | 91 | 90 | 80 |
| Age diversity – 31-50 | % | 7 | 9 | 10 | 15 |
| Age diversity - Above 50 | % | 0 | 0 | 0 | 5 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations. | | | | | |
| | Number | 0 | 0 | 0 | 0 |

Figures in the Diversity, Equity & Inclusion excludes Head Office figures which makes up less than 5% of total workforce

Sustainability Governance

MANAGEMENT APPROACH FOR SUSTAINABILITY MATTERS (CONT'D)

ENERGY MANAGEMENT

Reducing energy consumption lowers environmental impact and operational costs, aligning with global sustainability goals. For HWGB, energy efficiency is a key component of sustainable manufacturing.

HWGB's Approach

HWGB adopts energy-efficient technologies and practices, conducts energy audits, and sets targets for reducing energy usage. Continuous improvement in energy management is pursued through staff training and investment in energy-saving technologies.

Our Performance

In 2024, our energy consumption reached 6.29 GWh, an increase from last year's 5.01 GWh, and slightly above our target of 5.0 GWh. We will continue to explore opportunities to optimize energy use and reduce consumption in the coming year to align more closely with our target.

| Indicator | Unit | 2022 | 2023 | 2024 | Target |
|--------------------------------------|------|------|------|------|--------|
| Bursa C4(a) Total energy Consumption | GWh | 5.89 | 5.01 | 6.29 | 5 |

COMMUNITY INVESTMENT

Engaging with and investing in local communities strengthens the social standing to operate, enhances corporate reputation, and supports sustainable development goals. For HWGB, community investment reflects its commitment to being a responsible and integral part of the communities where it operates.

HWGB's Approach

While we have initiated future plans for community investment, HWGB recognizes the importance to implement these programs. HWGB aims to align its community investment strategies with its core business values and sustainability goals, focusing on areas like education, environmental conservation, and local economic development.

Our Performance

Setting a target to invest a percentage of its economic value retained in community initiatives signifies HWGB's intent to strengthen its role in societal welfare. This forward-looking approach demonstrates a commitment to sustainability that extends beyond the company's immediate business interests, aiming to create a positive impact on wider society.

| Indicator | Unit | 2022 | 2023 | 2024 | Target |
|---|--------|------|------|------|----------------------------|
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 0 | 0 | 0 | 1% of Econ. Value Retained |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 0 | 0 | 0 | 1,000 |

Statement on Risk Management and Internal Control

1. INTRODUCTION

The Board affirms that the Statement on Risk Management and Internal Control has been prepared in accordance to Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Board is committed to continuously improve the risk management framework and to maintain a sound system of internal control. Each business unit or functional group has implemented its own control processes under the leadership of the Executive Director, who is responsible for business and regulatory governance. The following statement outlines the nature and scope of the Group's risk management and internal control in financial year ended 31 December 2024 ("Financial Year").

2. BOARD OF DIRECTORS' RESPONSIBILITIES

The Board affirms its responsibility to ensure that a working systems of risk management and internal control are in place to assist the Group in meeting its objectives.

The Board meets on quarterly basis to review the Group's risk management and internal control activities based on the scope collectively agreed by the Board and Senior Management. The Board through the Audit And Risk Management Committee ("ARMC") and supported by an internal audit function that is independent from the activities it audits, conducts quarterly assessments according to areas identified by the Board. Issues as well as actions agreed by Management to address them are tabled and deliberated during the ARMC meetings. Minutes of the ARMC meetings are recorded and presented to the Board.

The Board recognises the need to embed risk management in all aspects of the Company's activities and sets levels of acceptable risk appetite to aid decision making and governance processes. The Board reaffirms the need for a more formal risk management framework and processes that are capable to provide reasonable assurance that risks are managed within tolerable ranges.

The Board has received assurance from the Executive Director that the Group's risk management and internal control system are adequate and effective in all material aspects. In pursuing objectives, the role of Management is to implement the Board's policies, decisions and guidelines on risks and controls that include the identification, evaluation and treatment of risks with appropriate counter measures.

The Board however, recognizes that these systems are designed to manage, rather than eliminate risks. Therefore, the systems provide reasonable, but not absolute assurance against the occurrence of any material misstatement, loss or fraud.

2.1 Control Environment

The Board affirms its tone at the top regarding the importance of internal control and expected standards of conduct that will provide discipline, process and structure throughout the Group. The Board promotes transparency by providing communication channels for all levels within the organization to facilitate and ensure that integrity and ethics are upheld at all times.

The Board reviews Management performances on a quarterly basis and exercises oversight for the development and performance of internal control. Management has attested its commitment to establish, with Board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of the objectives.

The Board and Management are committed to attract, develop and retain competent individuals in alignment with the objectives. Individuals are held accountable for their internal control responsibilities in the pursuit of the objectives.

2.2 Risk Management

The Board has formed the Risk Management Committee ("RMC") on 30 May 2019 and the RMC was merged with the Audit Committee on 8 July 2020 and renamed as the Audit And Risk Management Committee, chaired by an independent director, with participation of all independent directors.

The ARMC is to identify, evaluate and manage significant risks faced by the Group, if any and report to the Board.

During the Financial Year under review, the ARMC with the assistance of the external consultants has performed a risk management exercise which include the following:

- Defining a yearly understanding of risk classification tolerance
- Identifying key risk affecting business objectives and strategic plans
- Identifying emerging risks and promptly bringing these to the attention of the Board where appropriate
- Identifying and evaluating existing controls
- Update the Group's Key Risk Profile

Statement on Risk Management and Internal Control

2. BOARD OF DIRECTORS' RESPONSIBILITIES (CONT'D)

2.2 Risk Management (cont'd)

Risks are managed in accordance with Group's Risk Management Framework, modelled largely on ISO 31000:2018 Risk Management - Principles and Guidelines, which is implemented across the entire Group.

The abovementioned practices and initiatives by ARMC serve as an on-going process to identify, evaluate and manage significant risks from the Group Key Risk Profile during the period under review and up to the date of approval of this statement.

The key anticipated and known risks that the Group are exposed which may have material impacts on the Group's operations, performance and financial condition are as follows:

- Business/Market risk
- Liquidity risk
- Commodity price risk
- Regulatory compliance risks; and
- Human capital

The Group will continue to focus on sound risk management practices and internal control to ensure the Group is able to mitigate and manage these principal risks identified.

2.3 Control Activities

The Board oversees the establishment of policies and procedures to ensure that Management's directives to mitigate risks for the achievement of the objectives are carried out. Control activities are performed at all levels within the Group and at various stages within business processes, and over the technology environment.

Control activities are continuously evolving and improved to ensure that they can better anticipate and mitigate risks to increase the Group's chances in meeting its objectives. Resources and capabilities are continuously being evaluated to ensure that they are able to match the Group's strategic goals.

2.4 Information and Communication

Information is necessary for the Board to carry out internal control responsibilities in support of achievement of the Group's objectives. The Board is committed to ensure that relevant and quality information is generated and communicated to support the internal audit and proper functioning of all the internal control components. Communication procedures are being developed to enable all personnel to understand internal control responsibilities and their importance to the achievement of objectives.

The Board affirms its commitment to ensure that all stakeholders are identified and critical stakeholders are included in its communication plan on matters affecting the functioning of internal control.

2.5 Monitoring Activities

The Board adopts the policy of ongoing and separate evaluations to ascertain whether key internal controls exist and that they are operating effectively. For ongoing evaluations, the Board ensures that Management at all levels is competent and has sufficient knowledge to understand evaluation purpose and procedures, giving thoughtful consideration on information they receive. By focusing on relationships, inconsistencies or other relevant implications, issues are raised immediately and corrective actions followed up consistently.

For separate and periodical evaluations, the Board engages a professional service firm that is independent of the activities it audits to perform internal audit for the Group. Quarterly audits are performed based on the yearly Internal Audit Plan approved by the ARMC. All internal audit reports are communicated to Management and tabled at the quarterly ARMC meetings. Internal audit reports indicate the effectiveness of the internal control system of the areas under review. Management action plans are monitored periodically to ensure agreed counter measures and improvements are being addressed.

Statement on Risk Management and Internal Control

3. INTERNAL AUDIT

Internal audit function was carried out by an independent professional services firm. Scheduled internal audits are carried out based on audit plan approved by the ARMC. The internal audit reports, summarising the observations of control weaknesses, recommendations for improvement and Management responses were presented to the ARMC. These findings were deliberated together with Management at the ARMC Meetings. The ARMC assessed the overall adequacy and effectiveness of the system of internal controls of the Group and reports to the Board, in particular, the matters relating to significant risks and the necessary recommendations for changes.

For the Financial Year under review, the internal audit's scope covered the following based on the approved audit plan:

- a. Manufacturing Division in Indonesia - Inventory Management Receiving, Warehousing and Shipping;
- b. Manufacturing Division in Indonesia - Production process; and
- c. Manufacturing Division in Indonesia - Sales Order Processing and Billing.

4. REVIEW OF THIS STATEMENT

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 December 2024 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system. This Statement has been approved by the Board.

Additionally, the Internal Auditor has reviewed this Statement and reported to the ARMC that, the Statement reflected the general circumstances of risk management and internal control activities during the engagement year.

5. CONCLUSION

The Board is of the view that the risk management and internal control system is operational for the Financial Year under review and is capable to provide basic information relating to the status of the Group's assets, shareholders' investment, interests of customers, regulators, employees and other stakeholders.

The Board has appraised the adequacy and effectiveness of the risk management and internal control system in operation during the Financial Year through the monitoring process set out above. However, it must be made clear that any system of internal control, no matter how well designed, implemented and monitored, does not eliminate the possibility of human error, collusion or the deliberate circumvention of control procedures. The Board remains committed towards building a sound system of internal controls within an effective risk management framework. The Board acknowledges that internal controls must continuously improve to support the Group in achieving its key objectives.

Statement of Directors' Responsibilities

The Directors are required, in accordance with the Companies Act 2016, to prepare financial statements which present a true and fair view of the state of affairs and of the results of the operations of the Group and the Company. The Directors are of the opinion that, in preparing the financial statements for the financial year ended 31 December 2024, the Group and the Company have:

- a. ensured compliance with applicable approved accounting standards in Malaysia;
- b. applied the appropriate and relevant accounting policies on a consistent basis;
- c. made judgements and estimates that are prudent and reasonable; and
- d. prepared the financial statements on the going concern basis.

The Directors are also responsible to ensure that proper accounting records are maintained, which disclose with reasonable accuracy, the financial position of the Group and the Company and are kept in accordance with the Companies Act 2016. In addition, the Directors have general responsibility for the proper safeguarding of the Group's and the Company's assets and to take reasonable steps for the prevention and detection of fraud and other irregularities.



FINANCIAL STATEMENTS

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Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of an investment holding company and the provision of management services. The details of the subsidiaries, including their respective principal activities, are disclosed in Note 15 to the financial statements.

FINANCIAL RESULTS

| | Group RM'000 | Company RM'000 |
|---------------------------------|-----------------|-------------------|
| Net loss for the financial year | <u>2,228</u> | <u>9,172</u> |

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

DIVIDENDS

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any shares and debentures during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS") which is governed by the ESOS By-Laws and was approved by its shareholders at the Extraordinary General Meeting held on 12 November 2015.

The salient features of the ESOS are as follows:

- (a) The ESOS was implemented on 25 March 2016 and is in force for a period of ten (10) years until 24 March 2026 in accordance with the terms of the ESOS By-Laws;
- (b) The total number of new shares to be offered pursuant to the ESOS shall be subject to a maximum of 10% of the Company's issued and paid up share capital (excluding treasury shares) at any one time;
- (c) Employees (including Executive Directors) of the Company or its subsidiaries shall be eligible to participate in the ESOS, if as at the date of offer, the employee:
 - (i) has attained the age of eighteen (18) years;
 - (ii) is employed by and on the payroll of the Company or its subsidiaries; and
 - (iii) has been in the employment of the Company or the subsidiaries for a period of at least twelve (12) full months of continuous services, including services during the probation period and whose employment has been confirmed.

The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the ESOS shall be approved by the shareholders of the Company in the general meeting;

- (d) The price payable upon exercise of ESOS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%;

Directors' Report (cont'd)

EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The salient features of the ESOS are as follows (cont'd):

- (e) In the event that share buy-back exercise of the Company resulting in the number of options that have been offered under the ESOS exceeding 10% of the issued and paid up share capital of the Company, there shall be no granting of additional options at any point in time after the share buy-back, unless the number of options that have been granted under the ESOS falls below 10% of the issued and paid up share capital of the Company;
- (f) The new ordinary shares to be issued upon exercise of the ESOS, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the ESOS; and
- (g) The exercise price and the number of new ordinary shares comprised in the ESOS are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the ESOS By-Laws.

The movements in the Company's ESOS are as follows:

| Offer Date | Number of options over ordinary shares | | | | | Total '000 |
|---------------------|--|------------------|--------------------|-------------------|------------------|---------------|
| | 13.4.2016 '000 | 4.7.2018 '000 | 14.10.2020 '000 | 20.1.2021 '000 | 3.3.2021 '000 | |
| At 1 January 2024 | 65 | 51 | 4,400 | 2,750 | 625 | 7,891 |
| Lapsed | - | - | (70) | - | - | (70) |
| At 31 December 2024 | 65 | 51 | 4,330 | 2,750 | 625 | 7,821 |
| Exercise price (RM) | 0.880 | 0.488 | 2.480 | 2.200 | 2.120 | |

DIRECTORS

The directors of the Company in office since the end of the previous financial period to the date of this report are:

Dato' Lim Ooi Hong
 Lim Wee Kiat
 Kenny Yeoh Khi Khen
 Khalid Bin Ahmad Husni
 Lim Ean Chin (Appointed on 28 May 2024)
 Elaine Tan Ai Lin (Resigned on 28 May 2024)

DIRECTORS' INTERESTS

The shareholdings in the Company and its related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept under Section 59 of the Companies Act 2016, are as follows:

| | Number of ordinary shares | | | Balance as at 31.12.2024 |
|--|---------------------------|--------|------|-----------------------------|
| | Balance as at 1.1.2024 | Bought | Sold | |
| In the Company | | | | |
| Shareholdings registered in the name of directors: | | | | |
| Dato' Lim Ooi Hong | 343,750 | - | - | 343,750 |
| Lim Wee Kiat | 250,000 | - | - | 250,000 |
| Other shareholdings in which directors are deemed to have an interest: | | | | |
| Dato' Lim Ooi Hong * | 19,987,766 | - | - | 19,987,766 |
| Lim Wee Kiat * | 19,987,766 | - | - | 19,987,766 |

Directors' Report (cont'd)

DIRECTORS' INTERESTS (CONT'D)

| | Number of options over ordinary shares | | | Balance as at 31.12.2024 |
|--|--|---------|-----------|-----------------------------|
| | Balance as at 1.1.2024 | Granted | Exercised | |
| Employee share options registered in the name of directors | | | | |
| Dato' Lim Ooi Hong | 750,000 | - | - | 750,000 |
| Lim Wee Kiat | 625,000 | - | - | 625,000 |

* Deemed interested by virtue of his substantial shareholding in Ho Wah Genting Holding Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016

None of the other directors in office at the end of the financial year had any interest in the shares of the Company and its related companies during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain directors of the Company have interest as disclosed in Note 32.1 to the financial statements.

The total remuneration paid or receivable by the directors for the financial year is as follows:

| | RM'000 |
|---|--------------|
| Directors' fee | 181 |
| Directors' remuneration other than fees | 1,027 |
| | 1,208 |

There were no arrangements during or at the end of the financial year, which had the object of enabling directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE

The total amount of indemnity insurance effected for directors of the Company for the financial year amounted to RM5,000,000 (any one claim and in annual aggregate). There was no indemnity given to or insurance effected for any officers and auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

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

- to ascertain that 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 adequate provision had been made for doubtful debts; and
- to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

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

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Group and the Company.

No contingent or other liability of the Group and the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and the Company to meet its obligations as and when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and the Company misleading.

AUDITORS

The auditors, Messrs Russell Bedford LC PLT, have indicated their willingness to continue in office.

The auditors' remuneration paid to or receivable by the statutory auditors of the Group and the Company for the financial year are RM229,000 and RM78,000 respectively.

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

DATO' LIM OOI HONG

LIM WEE KIAT

Kuala Lumpur
Date: 11 April 2025

Statement by Directors

The directors of HO WAH GENTING BERHAD state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards, 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 their cash flows for the year ended on that date.

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

DATO' LIM OOI HONG

LIM WEE KIAT

Kuala Lumpur
Date: 11 April 2025

Statutory Declaration

I, LAM YEW CHUNG (MIA membership number: 21568), being the officer primarily responsible for the financial management of HO WAH GENTING BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
above named LAM YEW CHUNG at Kuala Lumpur)
in Wilayah Persekutuan on 11 April 2025)

LAM YEW CHUNG

Before me,

COMMISSIONER FOR OATH
Lee Chin Hock
No. W 909

Independent Auditors' Report

to the Members of Ho Wah Genting Berhad (Incorporated in Malaysia)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1.1 Opinion

We have audited the accompanying financial statements which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including the material accounting policy information.

In our opinion, the 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 year then ended in accordance with the Companies Act 2016 (the "Act") and the Malaysian Financial Reporting Standards.

1.2 Basis for opinion

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing. Our responsibilities under those standards are further described in the paragraph 1.6.

We are independent of the Group in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA 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 MIA By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1.3 Key audit matters

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

1.3.1 Existence and valuation of inventories

The carrying amount of the Group's inventories is RM53.997 million as at 31 December 2024 representing approximately 39% of the Group's total assets. The Group's inventories are measured at the lower of cost and net realisable value.

The Group's main raw material consists of copper wire also a key component of the Group's finished goods. It is subject to price volatility. Fluctuation in the prices of copper wire can lead to potential issues over the realisable value of the inventory balances.

This, in combination with the significance of inventories as part of total assets, made us conclude that existence and valuation of inventories are a key audit matter of our audit.

How the matter was addressed in the audit

Our audit procedures included, among others:

- obtained an understanding of the inventories valuation process in computing the cost of inventories;
- reviewed the inventories costing computation which includes costs of raw materials, direct labour costs and other direct overhead costs incurred in bringing the inventories to their present location and condition;
- attended and observed period end physical inventory count to examine physical existence and condition of inventories;
- traced the test count quantities during the physical inventory count to the final inventory listing; and
- reviewed subsequent sales and management's assessment on estimated net realisable value on selected inventories items.

The results from our testing were satisfactory.

Independent Auditors' Report

to the Members of Ho Wah Genting Berhad (Incorporated in Malaysia) (cont'd)

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

1.3 Key audit matters (cont'd)

1.3.2 Key audit matters relating to the financial statements of the Company

We have determined that there are no key audit matters to report with respect to our audit of the financial statements of the Company.

1.4 Other information

Management is responsible for the other information. The other information comprises the information included in the Company's directors' report and annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this.

1.5 Responsibilities of management and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Act and the Malaysian Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company and/or its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

1.6 Auditors' responsibilities for the audit of the financial statements

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 266 of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 the Approved Standards on Auditing in Malaysia and the 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.

Independent Auditors' Report

to the Members of Ho Wah Genting Berhad (Incorporated in Malaysia) (cont'd)

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

1.6 Auditors' responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 and/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 on our auditors' report to the related disclosures in the financial statements 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 and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditors' Report

to the Members of Ho Wah Genting Berhad (Incorporated in Malaysia) (cont'd)

2. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Act, we also report that the subsidiary in which we have not acted as auditors, is as disclosed in Note 15 to the financial statements.

3. ENGAGEMENT PARTNER

The engagement partner on the audit resulting in this independent auditors' report is Chin Kim Chung.

RUSSELL BEDFORD LC PLT
LLP0030621-LCA & AF 1237
CHARTERED ACCOUNTANTS

Kuala Lumpur

Date: 11 April 2025

CHIN KIM CHUNG
02006/09/2026 J
CHARTERED ACCOUNTANT

Statements of Comprehensive Income

for the Year Ended 31 December 2024

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Continuing operations | | | | | |
| Revenue | 4 | 328,234 | 254,976 | 75 | 100 |
| Cost of sales | | (309,911) | (236,669) | - | - |
| Gross profit | | 18,323 | 18,307 | 75 | 100 |
| Other operating income | | 4,094 | 5,290 | 6 | 1,442 |
| Distribution costs | | (3,941) | (3,296) | - | - |
| Administrative expenses | | (12,886) | (12,126) | (8,014) | (7,716) |
| Other operating expenses | | (1,920) | (2,776) | (657) | (1,164) |
| Net allowance for expected credit loss | | (2,642) | 3 | (254) | (842) |
| Profit/(Loss) from operations | 6 | 1,028 | 5,402 | (8,814) | (8,180) |
| Finance income | 7 | 107 | 72 | 23 | 28 |
| Finance costs | 8 | (1,422) | (1,551) | (522) | (352) |
| Net finance costs | | (1,315) | (1,479) | (499) | (324) |
| (Loss)/Profit before tax | | (287) | 3,923 | (9,313) | (8,504) |
| Income tax expense | 9 | (1,941) | (2,708) | 141 | 141 |
| (Loss)/Profit from continuing operations | | (2,228) | 1,215 | (9,172) | (8,363) |
| Discontinued operation | | | | | |
| Loss from discontinued operation, net of tax | 10 | - | (58) | - | - |
| Net (loss)/profit for the year | | (2,228) | 1,157 | (9,172) | (8,363) |
| Other comprehensive income/(loss): | | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | | |
| Remeasurement of net retirement benefit obligations | | 271 | 152 | - | - |
| Item that may be reclassified subsequently to profit or loss: | | | | | |
| Foreign currency translation differences | | (2,020) | 2,755 | - | - |
| Other comprehensive (loss)/income for the year, net of tax | | (1,749) | 2,907 | - | - |
| Total comprehensive (loss)/income for the year | | (3,977) | 4,064 | (9,172) | (8,363) |
| Net (loss)/profit attributable to: | | | | | |
| Owners of the Company | | (2,228) | (1,192) | (9,172) | (8,363) |
| Non controlling interests | | - | (35) | - | - |
| | | (2,228) | 1,157 | (9,172) | (8,363) |
| Total comprehensive (loss)/income attributable to: | | | | | |
| Owners of the Company | | (3,977) | (4,099) | (9,172) | (8,363) |
| Non controlling interests | | - | (35) | - | - |
| | | (3,977) | 4,064 | (9,172) | (8,363) |
| (Loss)/Earnings per share (sen) | | | | | |
| Basic | 11 | (1.08) | 0.67 | | |

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

Statements of Financial Position

as at 31 December 2024

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Non current assets | | | | | |
| Property, plant and equipment | 12 | 37,804 | 40,355 | 8,193 | 9,151 |
| Right of use assets | 13 | 1,364 | 826 | 1,347 | 822 |
| Intangible assets | 14 | 7 | 11 | - | - |
| Investment in subsidiaries | 15 | - | - | 109,146 | 109,803 |
| Investment in an associate | 16 | - | - | - | - |
| Other financial assets | 17 | - | - | - | - |
| Deferred tax assets | 27 | 630 | 184 | - | - |
| | | 39,805 | 41,376 | 118,686 | 119,776 |
| Current assets | | | | | |
| Inventories | 18 | 53,997 | 67,304 | - | - |
| Trade receivables | 19 | 31,568 | 9,634 | - | - |
| Other receivables, deposits and prepayments | 20 | 1,507 | 1,759 | 4,054 | 3,479 |
| Cash and bank balances | | 13,552 | 11,668 | 1,122 | 2,975 |
| | | 100,624 | 90,365 | 5,176 | 6,454 |
| Total assets | | 140,429 | 131,741 | 123,862 | 128,230 |
| Equity | | | | | |
| Share capital | 21 | 165,736 | 165,736 | 165,736 | 165,736 |
| Reserves | 23 | (81,505) | (77,528) | (87,717) | (78,545) |
| Equity attributable to owners of the Company | | 84,231 | 88,208 | 78,019 | 87,191 |
| Non current liabilities | | | | | |
| Lease liabilities | 24 | 728 | 404 | 714 | 404 |
| Term loans | 25 | 3,142 | 3,605 | 477 | - |
| Retirement benefit obligations | 26 | 5,506 | 5,714 | - | - |
| Deferred tax liabilities | 27 | 2,649 | 3,173 | 1,357 | 1,498 |
| | | 12,025 | 12,896 | 2,548 | 1,902 |
| Current liabilities | | | | | |
| Trade payables | 28 | 18,281 | 18,168 | - | - |
| Other payables and accruals | 29 | 6,596 | 6,573 | 37,863 | 35,984 |
| Contract liabilities | 30 | 2,981 | 7 | - | - |
| Lease liabilities | 24 | 365 | 186 | 361 | 185 |
| Short term borrowings | 31 | 15,812 | 5,029 | 5,071 | 968 |
| Tax payable | | 138 | 674 | - | - |
| | | 44,173 | 30,637 | 43,295 | 37,137 |
| Total liabilities | | 56,198 | 43,533 | 45,843 | 39,039 |
| Total equity and liabilities | | 140,429 | 131,741 | 123,862 | 126,230 |

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

Statements of Changes in Equity

for the Year Ended 31 December 2024

| Group | Share capital RM'000 | Revaluation reserve RM'000 | Employee share option reserve RM'000 | Foreign currency translation reserve RM'000 | Accumulated losses RM'000 | Total equity RM'000 |
|--|-------------------------|----------------------------------|--|---|---------------------------------|---------------------------|
| At 1 January 2024 | 165,736 | 17,612 | 16,766 | 4,532 | (116,438) | 88,208 |
| Transactions with owners: | | | | | | |
| Employee share options lapsed | - | - | (173) | - | 173 | - |
| Total transactions with owners | - | - | (173) | - | 173 | - |
| Remeasurement of net retirement benefit obligations | - | - | - | - | 271 | 271 |
| Foreign currency translation differences | - | - | - | (2,020) | - | (2,020) |
| Other comprehensive (loss)/income for the year | - | - | - | (2,020) | 271 | (1,749) |
| Net loss for the year | - | - | - | - | (2,228) | (2,228) |
| Total comprehensive loss for the year | - | - | - | (2,020) | (1,957) | (3,977) |
| At 31 December 2024 | 165,736 | 17,612 | 16,593 | 2,512 | (118,222) | 84,231 |

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

Statements of Changes in Equity

for the Year Ended 31 December 2024 (cont'd)

| Group | Share capital RM'000 | Revaluation reserve RM'000 | Employee share option reserve RM'000 | Foreign currency translation reserve RM'000 | Accumulated losses RM'000 | Equity attributable to owners | | Total equity RM'000 |
|--|-------------------------|----------------------------------|--|---|---------------------------------|-------------------------------------|---|---------------------------|
| | | | | | | Company RM'000 | Non controlling interests RM'000 | |
| At 1 January 2023 | 155,808 | 17,612 | 18,006 | 1,777 | (119,022) | 74,181 | 29 | 74,210 |
| Transactions with owners: | | | | | | | | |
| Employee share options lapsed | - | - | (1,240) | - | 1,240 | - | - | - |
| Disposal of subsidiaries | - | - | - | - | - | - | 6 | 6 |
| Shares issued pursuant to private placements | 9,928 | - | - | - | - | 9,928 | - | 9,928 |
| Total transactions with owners | 9,928 | - | (1,240) | - | 1,240 | 9,928 | 6 | 9,934 |
| Remeasurement of net retirement benefit obligations | - | - | - | - | 152 | 152 | - | 152 |
| Foreign currency translation differences | - | - | - | 2,755 | - | 2,755 | - | 2,755 |
| Other comprehensive income for the year | - | - | - | 2,755 | 152 | 2,907 | - | 2,907 |
| Net profit/(loss) for the year | - | - | - | - | 1,192 | 1,192 | (35) | 1,157 |
| Total comprehensive income/(loss) for the year | - | - | - | 2,755 | 1,344 | 4,099 | (35) | 4,064 |
| At 31 December 2023 | 165,736 | 17,612 | 16,766 | 4,532 | (116,438) | 88,208 | - | 88,208 |

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

Statements of Changes in Equity

for the Year Ended 31 December 2024 (cont'd)

| Company | Share capital RM'000 | Revaluation reserve RM'000 | Employee share option reserve RM'000 | Accumulated losses RM'000 | Total equity RM'000 |
|--|-------------------------|----------------------------------|--|---------------------------------|---------------------------|
| At 1 January 2023 | 155,808 | 8,092 | 18,006 | (96,280) | 85,626 |
| Transactions with owners: | | | | | |
| Employee share options lapsed | - | - | (1,240) | 1,240 | - |
| Shares issued pursuant to private placements | 9,928 | - | - | - | 9,928 |
| Total transactions with owners | 9,928 | - | (1,240) | 1,240 | 9,928 |
| Net loss/Total comprehensive loss for the year | - | - | - | (8,363) | (8,363) |
| At 31 December 2023 | 165,736 | 8,092 | 16,766 | (103,403) | 87,191 |
| Transactions with owners: | | | | | |
| Employee share options lapsed | - | - | (173) | 173 | - |
| Total transactions with owners | - | - | (173) | 173 | - |
| Net loss/Total comprehensive loss for the year | - | - | - | (9,172) | (9,172) |
| At 31 December 2024 | 165,736 | 8,092 | 16,593 | (112,402) | 78,019 |

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

Statements of Cash Flows

for the Year Ended 31 December 2024

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Cash flows from/(used in) operating activities | | | | |
| (Loss)/Profit before tax from: | | | | |
| - continuing operations | (287) | 3,923 | (9,313) | (8,504) |
| - discontinued operation | - | (58) | - | - |
| Adjustments for: | | | | |
| Allowance for expected credit loss | 2,642 | 1 | 254 | 842 |
| Allowance for expected credit loss no longer required | - | (4) | - | - |
| Amortisation of financial guarantee liabilities | - | - | - | (674) |
| Amortisation of intangible assets | 4 | 4 | - | - |
| Depreciation of property, plant and equipment | 4,141 | 4,449 | 985 | 982 |
| Depreciation of right of use assets | 246 | 144 | 243 | 138 |
| Gain on disposal of subsidiaries | - | (36) | - | - |
| Gain on disposal of plant and equipment | (23) | (44) | - | - |
| Loss on disposal of right of use asset | 76 | - | 76 | - |
| Loss on disposal of subsidiaries | - | - | - | 79 |
| Impairment loss on investment in subsidiaries | - | - | 657 | 850 |
| Interest expense | 1,422 | 1,551 | 522 | 352 |
| Interest income | (107) | (72) | (23) | (28) |
| Retirement benefit obligations | 633 | 802 | - | - |
| Reversal of impairment loss on investment in subsidiaries | - | - | - | (671) |
| Unrealised gain on foreign exchange | (465) | (334) | - | - |
| Unrealised loss on foreign exchange | 61 | 187 | 36 | 56 |
| Operating profit/(loss) before working capital changes | 8,343 | 10,513 | (6,563) | (6,578) |
| Decrease/(Increase) in inventories | 11,628 | (12,016) | - | - |
| (Increase)/Decrease in trade and other receivables | (24,810) | 5,394 | (972) | 240 |
| Increase/(Decrease) in trade and other payables | 1,566 | (3,354) | 297 | 52 |
| Increase in contract liabilities | 2,974 | 7 | - | - |
| Retirement benefits paid | (152) | (56) | - | - |
| Cash (used in)/generated from operations | (451) | 488 | (7,238) | (6,286) |
| Income tax paid | (3,556) | (4,563) | - | - |
| Interest received | 107 | 72 | 23 | 28 |
| Net cash used in operating activities | (3,900) | (4,003) | (7,215) | (6,258) |

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

Statements of Cash Flows

for the Year Ended 31 December 2024 (cont'd)

| | Group | | Company | |
|---|----------------|-----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Cash flows from/(used in) investing activities | | | | |
| Advances to subsidiaries | - | - | 144 | (806) |
| Proceeds from disposal of plant and equipment | 28 | - | - | - |
| Proceeds from disposal of right of use asset | 94 | 44 | 94 | - |
| Proceeds from disposal of subsidiaries | - | - | - | 160 |
| Net cash inflow from disposal of subsidiaries | - | 6 | - | - |
| Decrease in fixed deposit pledged | - | 100 | - | - |
| Purchase of intangible assets | - | (41) | - | - |
| Purchase of plant and equipment and right of use assets | (2,435) | (2,817) | (158) | (42) |
| Net cash (used in)/from investing activities | (2,313) | (2,708) | 80 | (688) |
| Cash flows from/(used in) financing activities | | | | |
| Proceeds from issue of shares | - | 9,928 | - | 9,928 |
| Proceeds from promissory notes | 4,584 | - | 4,584 | - |
| Proceeds from trade finance | 150,510 | 108,097 | - | - |
| Repayments of trade finance | (143,621) | (119,645) | - | - |
| Repayments of term loans | (1,173) | (730) | (274) | (176) |
| Repayments of lease liabilities | (322) | (184) | (320) | (178) |
| Interest paid | (1,422) | (1,551) | (522) | (352) |
| Advances from subsidiaries | - | - | 1,814 | 21 |
| Net cash from/(used in) financing activities | 8,556 | (4,085) | 5,282 | 9,243 |
| Net increase/(decrease) in cash and cash equivalents | 2,343 | (10,796) | (1,853) | 2,297 |
| Cash and cash equivalents at beginning of year | 11,668 | 21,624 | 2,975 | 678 |
| Exchange differences | (459) | 840 | - | - |
| Cash and cash equivalents at end of year | 13,552 | 11,668 | 1,122 | 2,975 |
| Cash and cash equivalents comprise: | | | | |
| Cash and bank balances | 13,552 | 11,668 | 1,122 | 2,975 |

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

Statements of Cash Flows

for the Year Ended 31 December 2024 (cont'd)

Reconciliation of liabilities arising from financing activities

| | 1.1.2024 RM'000 | Cash flows RM'000 | Effect of changes in foreign exchange RM'000 | Non-cash changes RM'000 | 31.12.2024 RM'000 |
|-------------------|--------------------|----------------------|--|-------------------------------|----------------------|
| Group | | | | | |
| Lease liabilities | | | | | |
| - hire purchase | 572 | (249) | - | 526 | 849 |
| - others | 18 | (73) | - | 299 | 244 |
| Promissory notes | - | 4,584 | - | - | 4,584 |
| Term loans | 5,421 | (1,173) | (23) | - | 4,225 |
| Trade finance | 3,213 | 6,889 | (227) | - | 9,875 |

| | 1.1.2023 RM'000 | Cash flows RM'000 | Effect of changes in foreign exchange RM'000 | Non-cash changes RM'000 | 31.12.2023 RM'000 |
|-------------------|--------------------|----------------------|--|-------------------------------|----------------------|
| Group | | | | | |
| Lease liabilities | | | | | |
| - hire purchase | 542 | (167) | - | 197 | 572 |
| - others | 50 | (17) | - | (15) | 18 |
| Term loans | 4,399 | (730) | 9 | 1,743 | 5,421 |
| Trade finance | 14,189 | (11,548) | 572 | - | 3,213 |

| | 1.1.2024 RM'000 | Cash flows RM'000 | Non-cash changes RM'000 | 31.12.2024 RM'000 |
|----------------------------|--------------------|----------------------|-------------------------------|----------------------|
| Company | | | | |
| Amount due to subsidiaries | 33,690 | 1,814 | - | 35,504 |
| Lease liabilities | | | | |
| - hire purchase | 572 | (249) | 526 | 849 |
| - others | 17 | (71) | 280 | 226 |
| Promissory notes | - | 4,584 | - | 4,584 |
| Term loan | 968 | (274) | - | 694 |

| | 1.1.2023 RM'000 | Cash flows RM'000 | Non-cash changes RM'000 | 31.12.2023 RM'000 |
|----------------------------|--------------------|----------------------|-------------------------------|----------------------|
| Company | | | | |
| Amount due to subsidiaries | 33,669 | 21 | - | 33,690 |
| Lease liabilities | | | | |
| - hire purchase | 542 | (167) | 197 | 572 |
| - others | 23 | (11) | 5 | 17 |
| Term loan | 1,144 | (176) | - | 968 |

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

Notes to the Financial Statements

31 December 2024

1. General information

The principal activities of the Company are that of an investment holding company and the provision of management services. The details of the subsidiaries, including their respective principal activities, are disclosed in Note 15.

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 Company's registered office and principal place of business are located at G3A03, Block G, Phileo Damansara 1, No. 9, Jalan 16/11 off Jalan Damansara, 46350 Petaling Jaya, Selangor.

The financial statements of the Group and the Company were approved and authorised for issue by the Board of Directors on 11 April 2025.

2. Basis of preparation of the financial statements

2.1 Statement of compliance

The financial statements of the Group and the Company have been prepared and presented in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of accounting

The financial statements have been prepared under the historical cost convention and any other bases described in the notes to the financial statements.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and their related IC Interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

The Group has not adopted the new standards, amendments to published standards and IC Interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC Interpretations do not result in significant changes in accounting policies of the Group upon their initial application.

2.3 Material accounting policy information

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

Non controlling interests

For business combination, non controlling interests are initially measured at the present ownership instruments' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Notes to the Financial Statements

31 December 2024 (cont'd)

2. Basis of preparation of the financial statements (cont'd)

2.3 Material accounting policy information (cont'd)

Property, plant and equipment

The Group adopted the revaluation method to measure its entire class of buildings. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Buildings are revalued at a regular interval of every five (5) years with additional valuations in the interval years where market conditions indicate that the carrying values of the revalued buildings materially differ from the market value.

Leases

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 do not contain a purchase option, and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Inventories

Cost of inventories are accounted for on a weighted average basis.

Financial instruments

Financial assets at fair value through profit or loss

The Group classifies its investments in unquoted equity as financial assets at fair value through profit or loss as these investments are held for trading. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss does not include exchange differences, interest and dividend income.

3. Critical accounting estimates and judgements

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Notes to the Financial Statements

31 December 2024 (cont'd)

3. Critical accounting estimates and judgements (cont'd)

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period other than as follows:

- (a) Useful lives of property, plant and equipment

The Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period based on the factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets. Changes in the expected level of use of the assets and the Group's historical experience with similar assets after taking into account anticipated technological changes could impact the economical useful lives and the residual values of the assets. Therefore, future depreciation charges could be revised.

4. Revenue

4.1 Disaggregation of revenue

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Type of goods or services | | | | |
| Sale of healthcare merchandise | - | 85 | - | - |
| Sale of moulded power supply cord sets | 316,413 | 241,671 | - | - |
| Sale of wires and cables | 11,746 | 13,120 | - | - |
| Total revenue from contracts with customers | 328,159 | 254,876 | - | - |
| Others | | | | |
| Rental income | 75 | 100 | 75 | 100 |
| | 328,234 | 254,976 | 75 | 100 |

| | Group | | Company | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Geographical markets | | | | |
| North America | 296,317 | 227,043 | - | - |
| Taiwan | 19,985 | 14,526 | - | - |
| Indonesia | 7,704 | 7,398 | - | - |
| Malaysia | 51 | 708 | - | - |
| Singapore | 3,028 | 4,029 | - | - |
| Thailand | 1,074 | 1,172 | - | - |
| | 328,159 | 254,876 | - | - |
| Timing of revenue recognition | | | | |
| Goods transferred at a point in time | 328,159 | 254,876 | - | - |

Notes to the Financial Statements

31 December 2024 (cont'd)

4. Revenue (cont'd)

4.2 Performance obligations

The Group manufactures and sells wires and cables. The performance obligation is satisfied upon delivery of the products and payment is generally due within 14 to 90 days from delivery.

The Group manufactures and sells moulded power supply cord sets. The performance obligation is satisfied upon delivery of the products and payment is generally due within 14 to 90 days from delivery.

4.3 Transaction price allocated to the remaining performance obligations

For practical expediency, no information is provided on the unsatisfied performance obligations as at the reporting period that have an original expected duration of one year or less as allowed under paragraph 121(a) of MFRS 15.

4.4 Financing components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

5. Staff costs

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Salaries, wages, bonus and allowances | 27,702 | 23,826 | 3,880 | 3,854 |
| Defined benefit obligations | 633 | 802 | - | - |
| Defined contribution plan | 1,877 | 1,756 | 383 | 378 |
| Other employee related expenses | 1,955 | 2,109 | 126 | 257 |
| | 32,167 | 28,493 | 4,389 | 4,489 |

The key management personnel of the Group and the Company whose remuneration are analysed as follows:

| | Group | | Company | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Executive directors: | | | | |
| Salaries and allowances | 888 | 992 | 888 | 962 |
| Defined contribution plan | 107 | 110 | 107 | 107 |
| Benefits-in-kind and others | 21 | 13 | 21 | 13 |
| | 1,016 | 1,115 | 1,016 | 1,082 |
| Non executive directors: | | | | |
| Fees | 181 | 180 | 181 | 180 |
| Others | 9 | 12 | 9 | 12 |
| | 190 | 192 | 190 | 192 |
| Total directors' remuneration | 1,206 | 1,307 | 1,206 | 1,274 |

Notes to the Financial Statements

31 December 2024 (cont'd)

6. Profit/(Loss) from operations

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Profit/(Loss) from operations | | | | |
| is arrived at after charging: | | | | |
| Auditors' remuneration | | | | |
| - auditors' of the Company | | | | |
| - audit services | | | | |
| - current year | 229 | 210 | 78 | 78 |
| - under provision in prior years | - | 3 | - | 2 |
| - other services | 6 | 6 | 6 | 6 |
| - other auditors | | | | |
| - audit services | 73 | 100 | - | - |
| Directors' remuneration | | | | |
| - directors of the Company | | | | |
| - fees | 181 | 180 | 181 | 180 |
| - others | 1,025 | 1,127 | 1,025 | 1,094 |
| - directors of subsidiaries | | | | |
| - others | 173 | 159 | - | - |
| Loss on foreign exchange | | | | |
| - realised | 373 | 12 | - | - |
| - unrealised | 61 | 187 | 36 | 56 |
| Loss on disposal of subsidiaries | - | - | - | 79 |
| Loss on disposal of right of use asset | 76 | - | 76 | - |
| Expenses relating to short term leases | 79 | 104 | 21 | 42 |
| Employee compensation | - | 32 | - | - |
| And crediting: | | | | |
| Gain on disposal of plant and equipment | 23 | 44 | - | - |
| Gain on disposal of subsidiaries | - | 36 | - | - |
| Gain on foreign exchange | | | | |
| - realised | - | 170 | - | 2 |
| - unrealised | 465 | 334 | 36 | - |

7. Finance income

| | Group | | Company | |
|----------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Interest income from | | | | |
| - bank accounts | 107 | 72 | 23 | 28 |

8. Finance costs

| | Group | | Company | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Interest expense from | | | | |
| - hire purchase liabilities | 31 | 25 | 31 | 25 |
| - other lease liabilities | 14 | 4 | 13 | 2 |
| - term loans | 298 | 304 | 79 | 100 |
| - trust receipts | 680 | 993 | - | - |
| - promissory notes | 143 | - | 143 | - |
| - others | 256 | 225 | 256 | 225 |
| | 1,422 | 1,551 | 522 | 352 |

Notes to the Financial Statements

31 December 2024 (cont'd)

9. Income tax expense

| | Group | | Company | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Expected income tax payable | | | | |
| - current year | (2,902) | (3,259) | - | - |
| - over provision in prior years | (9) | - | - | - |
| Deferred tax (Note 27) | | | | |
| - current year | 970 | 551 | 141 | 141 |
| | (1,941) | (2,708) | 141 | 141 |

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| (Loss)/Profit before tax from continuing operations | (287) | 3,923 | (9,313) | (8,504) |
| Loss before tax from discontinued operations | - | (58) | - | - |
| | (287) | 3,865 | (9,313) | (8,504) |
| Taxation at statutory tax rate | | | | |
| of 24% (2023: 24%) | 69 | (928) | 2,235 | 2,041 |
| Different tax rate in foreign jurisdiction | 184 | 269 | - | - |
| Expenses not deductible for tax purposes | (2,184) | (2,146) | (2,094) | (1,900) |
| Income not subject to tax | - | 193 | - | - |
| Deferred tax assets not recognised | (1) | (96) | - | - |
| Over provision of income tax in prior years | (9) | - | - | - |
| Income tax expense for the year | (1,941) | (2,708) | 141 | 141 |

10. Discontinued operation

In the previous reporting period, the Group disposed of its entire equity interest of 5,969,000 ordinary shares in Ho Wah Genting Holiday Sdn Bhd ("HWG Holiday"), represented the Group's travel services segment, in the following manner:

- Disposals of 3,600,000 ordinary shares, representing 60% equity interest in HWG Holiday for a consideration of RM96,499; and
- Disposals of 2,369,000 ordinary shares, representing 39.48% equity interest in HWG Holiday for a consideration of RM63,501.

Notes to the Financial Statements

31 December 2024 (cont'd)

10. Discontinued operation (cont'd)

The results of the discontinued operation included in profit or loss for the year are set out below.

| Results of discontinued operation | 2023 RM'000 |
|--|----------------|
| Revenue | 247 |
| Cost of sales | (227) |
| Gross profit | 20 |
| Administrative expenses | (75) |
| Other operating expenses | (3) |
| Loss from operations/Loss before tax | (58) |
| Income tax expense | - |
| Net loss for the year from discontinued operation | (58) |

| Cash flows used in discontinued operation: | 2023 RM'000 |
|--|----------------|
| Net cash used in operating activities | (4) |
| Net cash used in investing activities | (1) |
| Net cash used in financing activities | (1) |
| Net cash outflows | (6) |

11. (Loss)/Earnings per share

Basic (loss)/earnings per ordinary share is based on net (loss)/profit attributable to ordinary shareholders and weighted average number of ordinary shares in issue as follows:

| | Group | |
|---|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Net (loss)/profit attributable to owners of the Company from: | | |
| - continuing operations | (2,228) | 1,250 |
| - discontinued operation | - | (8) |
| | (2,228) | 1,192 |
| Weighted average number of ordinary shares in issue ('000) | 205,547 | 176,430 |
| (Loss)/Earnings per share (sen): | | |
| - continuing operations | (1.08) | 0.70 |
| - discontinued operation | - | (0.03) |
| | (1.08) | 0.67 |

Diluted earnings per share are not presented in the financial statements as the potential ordinary shares do not have a dilutive effect.

Notes to the Financial Statements

31 December 2024 (cont'd)

12. Property, plant and equipment

| Group | Freehold land RM'000 | Buildings (at valuation) RM'000 | Plant and machinery RM'000 | Furniture, fittings and equipment RM'000 | Motor vehicles RM'000 | Renovations RM'000 | Total RM'000 |
|---|-------------------------|---------------------------------------|----------------------------------|---|-----------------------------|-----------------------|-----------------|
| Cost (unless otherwise indicated) | | | | | | | |
| At 1 January 2023 | 4,606 | 29,975 | 117,999 | 12,128 | 1,892 | 4,318 | 170,918 |
| Additions | - | - | 4,015 | 122 | 240 | 166 | 4,543 |
| Reclassification from right of use assets (Note 13) | - | - | - | - | 376 | - | 376 |
| Disposals | - | - | - | - | (201) | - | (201) |
| Disposal of subsidiaries | - | - | - | (65) | - | (35) | (100) |
| Write offs | - | - | - | (82) | - | - | (82) |
| Exchange differences | 210 | 833 | 2,622 | 21 | 74 | 153 | 3,913 |
| At 31 December 2023 | 4,816 | 30,808 | 124,636 | 12,124 | 2,381 | 4,602 | 179,367 |
| Additions | - | - | 2,010 | 31 | 90 | 173 | 2,304 |
| Disposals | - | - | (1,122) | - | (216) | - | (1,338) |
| Write offs | - | - | (542) | (41) | (35) | - | (618) |
| Exchange differences | (120) | (658) | (1,594) | (13) | (39) | (95) | (2,519) |
| At 31 December 2024 | 4,696 | 30,150 | 123,388 | 12,101 | 2,181 | 4,680 | 177,196 |
| Accumulated depreciation | | | | | | | |
| At 1 January 2023 | - | 6,362 | 114,051 | 8,053 | 1,289 | 1,979 | 131,734 |
| Charge for the year | - | 2,142 | 1,924 | 133 | 104 | 146 | 4,449 |
| Reclassification from right of use assets (Note 13) | - | - | - | - | 266 | - | 266 |
| Disposals | - | - | - | - | (201) | - | (201) |
| Disposal of subsidiaries | - | - | - | (43) | - | (19) | (62) |
| Write offs | - | - | - | (32) | - | - | (32) |
| Exchange differences | - | 470 | 2,276 | 12 | 56 | 44 | 2,858 |
| At 31 December 2023 | - | 8,974 | 118,251 | 8,123 | 1,514 | 2,150 | 139,012 |
| Charge for the year | - | 1,831 | 1,914 | 129 | 118 | 149 | 4,141 |
| Disposals | - | - | (1,117) | - | (216) | - | (1,333) |
| Write offs | - | - | (542) | (41) | (35) | - | (618) |
| Exchange differences | - | (396) | (1,350) | (8) | (25) | (31) | (1,810) |
| At 31 December 2024 | - | 10,409 | 117,156 | 8,203 | 1,356 | 2,268 | 139,392 |
| Accumulated impairment losses | | | | | | | |
| At 1 January 2023 | - | - | - | 50 | - | - | 50 |
| Write offs | - | - | - | (50) | - | - | (50) |
| At 31 December 2023/2024 | - | - | - | - | - | - | - |
| Carrying amount | | | | | | | |
| At 31 December 2024 | 4,696 | 19,741 | 6,232 | 3,898 | 825 | 2,412 | 37,804 |
| At 31 December 2023 | 4,816 | 21,834 | 6,385 | 4,001 | 867 | 2,452 | 40,355 |

Notes to the Financial Statements

31 December 2024 (cont'd)

12. Property, plant and equipment (cont'd)

| Company | Buildings (at valuation) RM'000 | Furniture, fittings and equipment RM'000 | Motor vehicles RM'000 | Renovations RM'000 | Total RM'000 |
|---|---------------------------------------|--|--------------------------|-----------------------|-----------------|
| Cost (unless otherwise indicated) | | | | | |
| At 1 January 2023 | 11,680 | 723 | 15 | 1,222 | 13,640 |
| Additions | - | 25 | - | - | 25 |
| Reclassification from right of use assets (Note 13) | - | - | 376 | - | 376 |
| At 31 December 2023 | 11,680 | 748 | 391 | 1,222 | 14,041 |
| Additions | - | 27 | - | - | 27 |
| At 31 December 2024 | 11,680 | 775 | 391 | 1,222 | 14,068 |
| Accumulated depreciation | | | | | |
| At 1 January 2023 | 2,334 | 294 | 12 | 1,002 | 3,642 |
| Charge for the year | 833 | 90 | 33 | 26 | 982 |
| Reclassification from right of use assets (Note 13) | - | - | 266 | - | 266 |
| At 31 December 2023 | 3,167 | 384 | 311 | 1,028 | 4,890 |
| Charge for the year | 833 | 88 | 38 | 26 | 985 |
| At 31 December 2024 | 4,000 | 472 | 349 | 1,054 | 5,875 |
| Carrying amount | | | | | |
| At 31 December 2024 | 7,680 | 303 | 42 | 168 | 8,193 |
| At 31 December 2023 | 8,513 | 364 | 80 | 194 | 9,151 |

Notes to the Financial Statements

31 December 2024 (cont'd)

12. Property, plant and equipment (cont'd)

At the reporting date, property, plant and equipment of the Group and the Company with carrying amounts of RM21,297,000 (2023:RM22,648,000) and RM7,680,000 (2023:RM8,492,000) respectively, have been charged as collaterals to secure the banking facilities referred to in Note 31.

12.1 Depreciation

No depreciation is provided on freehold land. Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to its residual values on a straight line basis at the following annual rates based on their estimated useful lives:

| | |
|-----------------------------------|-------------|
| Buildings | 2% - 8% |
| Plant and machinery | 10% - 20% |
| Furniture, fittings and equipment | 10% - 25% |
| Motor vehicles | 10% - 20% |
| Renovations | 3.33% - 10% |

12.2 Revaluation

The buildings of the Group and the Company were revalued on 19 March 2020 and 8 May 2020 by the directors based upon valuations carried out by independent professional valuers using the fair value method which is determined by reference to open market values on an existing use basis. Details of valuation techniques and inputs are disclosed in Note 34.

Had the buildings been carried at historical cost, the net book value of the buildings that would have been included in the financial statements of the Group and the Company as at 31 December 2024 would have been RM7,490,000 (2023:RM8,133,000) and RM788,000 (2023:RM946,000) respectively.

12.3 During the reporting period, cash payments made to purchase plant and equipment are as follows:

| | Group | | Company | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Total additions | 2,304 | 4,543 | 27 | 25 |
| Additions through term loan | - | (1,743) | - | - |
| Cash payments | 2,304 | 2,800 | 27 | 25 |

Notes to the Financial Statements

31 December 2024 (cont'd)

13. Right of use assets

| Group | Equipment RM'000 | Motor vehicles RM'000 | Office RM'000 | Total RM'000 |
|---|---------------------|--------------------------|------------------|-----------------|
| Cost | | | | |
| At 1 January 2023 | 100 | 1,446 | - | 1,546 |
| Reclassification to property, plant and equipment (Note 12) | - | (376) | - | (376) |
| Additions | 5 | 214 | - | 219 |
| Disposal of subsidiaries | (25) | - | - | (25) |
| At 31 December 2023 | 80 | 1,284 | - | 1,364 |
| Additions | 33 | 657 | 266 | 956 |
| Write off upon completion | (26) | - | - | (26) |
| Disposal of assets | - | (442) | - | (442) |
| At 31 December 2024 | 87 | 1,499 | 266 | 1,852 |
| Accumulated depreciation | | | | |
| At 1 January 2023 | 50 | 618 | - | 668 |
| Reclassification to property, plant and equipment (Note 12) | - | (266) | - | (266) |
| Charge for the year | 16 | 128 | - | 144 |
| Disposal of subsidiaries | (8) | - | - | (8) |
| At 31 December 2023 | 58 | 480 | - | 538 |
| Charge for the year | 12 | 168 | 66 | 246 |
| Write off upon completion | (24) | - | - | (24) |
| Disposal | - | (272) | - | (272) |
| At 31 December 2024 | 46 | 376 | 66 | 488 |
| Carrying amount | | | | |
| At 31 December 2024 | 41 | 1,123 | 200 | 1,364 |
| At 31 December 2023 | 22 | 804 | - | 826 |
| Company | | | | |
| Cost | | | | |
| At 1 January 2023 | 50 | 1,446 | - | 1,496 |
| Reclassification to property, plant and equipment (Note 12) | - | (376) | - | (376) |
| Additions | 5 | 214 | - | 219 |
| At 31 December 2023 | 55 | 1,284 | - | 1,339 |
| Additions | 14 | 658 | 266 | 938 |
| Disposal | - | (442) | - | (442) |
| At 31 December 2024 | 69 | 1,500 | 266 | 1,835 |
| Accumulated depreciation | | | | |
| At 1 January 2023 | 28 | 617 | - | 645 |
| Reclassification to property, plant and equipment (Note 12) | - | (266) | - | (266) |
| Charge for the year | 10 | 128 | - | 138 |
| At 31 December 2023 | 38 | 479 | - | 517 |
| Charge for the year | 9 | 168 | 66 | 243 |
| Disposal | - | (272) | - | (272) |
| At 31 December 2024 | 47 | 375 | 66 | 488 |
| Carrying amount | | | | |
| At 31 December 2024 | 22 | 1,125 | 200 | 1,347 |
| At 31 December 2023 | 17 | 805 | - | 822 |

Notes to the Financial Statements

31 December 2024 (cont'd)

13. Right of use assets (cont'd)

13.1 Depreciation

The right of use asset is depreciated on a straight line basis over the shorter of the lease term and the estimated useful life as follows:

| | |
|----------------|----------|
| Equipment | 5 years |
| Motor vehicles | 10 years |
| Office | 2 years |

13.2 During the reporting period, cash payments made to purchase right of use assets are as follows:

| | Group | | Company | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Total additions | 956 | 219 | 936 | 219 |
| Additions through lease arrangements | (825) | (202) | (807) | (202) |
| Cash payments | 131 | 17 | 131 | 17 |

14. Intangible assets

| Group | Application software RM'000 | Application software under development RM'000 | Total RM'000 |
|--------------------------------------|--------------------------------|--|-----------------|
| Cost | | | |
| At 1 January 2023 | 271 | 247 | 518 |
| Additions | 5 | 36 | 41 |
| Disposal of subsidiaries | (20) | (283) | (303) |
| Write offs | (238) | - | (238) |
| At 31 December 2023/2024 | 18 | - | 18 |
| Accumulated depreciation | | | |
| At 1 January 2023 | 107 | - | 107 |
| Charge for the year | 4 | - | 4 |
| Disposal of subsidiaries | (4) | - | (4) |
| Write offs | (100) | - | (100) |
| At 31 December 2023 | 7 | - | 7 |
| Charge for the year | 4 | - | 4 |
| At 31 December 2024 | 11 | - | 11 |
| Accumulated impairment losses | | | |
| At 1 January 2023 | 138 | - | 138 |
| Write offs | (138) | - | (138) |
| At 31 December 2023/2024 | - | - | - |
| Carrying amount | | | |
| At 31 December 2024 | 7 | - | 7 |
| At 31 December 2023 | 11 | - | 11 |

14.1 Application software is amortised on a straight line basis over its finite useful life of 5 years.

Notes to the Financial Statements

31 December 2024 (cont'd)

15. Investment in subsidiaries

| | Company | |
|--|-----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Unquoted shares at cost | | |
| At beginning of year | 146,974 | 149,464 |
| Disposal of subsidiaries | - | (2,490) |
| At end of year | 146,974 | 146,974 |
| Provision of financial guarantees | | |
| At beginning of year/end of year | 8,438 | 8,438 |
| Share options granted to employees of subsidiaries pursuant to Company's ESOS | | |
| At beginning of year | 12,511 | 13,855 |
| Disposal of subsidiaries | - | (1,344) |
| At end of year | 12,511 | 12,511 |
| Accumulated impairment losses | | |
| At beginning of year | (58,120) | (61,536) |
| Disposal of subsidiaries | - | 3,595 |
| Impairment loss for the year | (657) | (850) |
| Reversal of impairment loss for the year | - | 671 |
| At end of year | (58,777) | (58,120) |
| Carrying amount | 109,146 | 109,803 |

The details of the subsidiaries are as follows:

| | Country of incorporation | Group's effective and voting interest | | Principal activities |
|------------------------------------|--------------------------|---------------------------------------|-----------|---|
| | | 2024 % | 2023 % | |
| Subsidiaries of the Company | | | | |
| Ho Wah Genting Trading Sdn Bhd | Malaysia | 100 | 100 | Trading of wires and cables. Temporary ceased operations |
| Ho Wah Genting Kintron Sdn Bhd | Malaysia | 100 | 100 | Investment holding company |
| PT Ho Wah Genting # | Indonesia | 100 | 100 | Manufacturing of wires and cables, moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment |
| HWGB Capital Sdn Bhd | Malaysia | 100 | 100 | Investment holding company |
| HWGB Biotech Sdn Bhd | Malaysia | 100 | 100 | Distribution of biotechnology products, tools and related technologies software. Temporary ceased operations. |
| HWGB Duty Free Sdn Bhd | Malaysia | 100 | 100 | Manufacturers, dealers stockist, importers and exporters, traders, repairers of medical devices, tools and supplies which can be used for medical, surgical, dental, optical and general health purpose. Temporary ceased operations. |

Notes to the Financial Statements

31 December 2024 (cont'd)

15. Investment in subsidiaries (cont'd)

The details of the subsidiaries are as follows: (cont'd)

| | Country of incorporation | Group's effective and voting interest | | Principal activities |
|---|--------------------------|---------------------------------------|-----------|--|
| | | 2024 % | 2023 % | |
| Subsidiaries of the Company (cont'd) | | | | |
| Dviria Nano Tech Sdn Bhd | Malaysia | 100 | 100 | Manufacturers, importers, exporters, retailers, distributors, agents and dealers in sanitising and disinfecting machines, equipment, apparatus including the sanitising disinfecting agents, raw materials, products and parts. Temporary ceased operations. |
| HWGB Lab Sdn Bhd | Malaysia | 100 | 100 | Provision of services for system for decentralised, distributed ledger technology that records the provenance of a digital assets and services for digital technology related. Temporary ceased operations. |
| Astramern Sdn Bhd | Malaysia | 100 | 100 | Trading and sales of nutraceutical products, dietary and functional food. Temporary ceased operations. |
| Subsidiary of HWGB Capital Sdn Bhd | | | | |
| HWG Fintech Property Sdn Bhd | Malaysia | 100 | 100 | Buying, selling, leasing, renting of property of all descriptions including but not limited to management of all kinds of property. Temporary ceased operations. |

The financial statements of the subsidiary are not audited by Russell Bedford LC PLT.

15.1 Impairment of investment in subsidiaries

The directors have performed an impairment test on the impaired subsidiaries and impairment loss had been reversed or recognised to write back or write down the investments to their respective recoverable amounts as follows:

| | Company | |
|-----------------------------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| <u>Impairment loss recognised</u> | | |
| HWGB Duty Free Sdn Bhd | (8) | (669) |
| HWGB Capital Sdn Bhd | (76) | (181) |
| Ho Wah Genting Kintron Sdn Bhd. | (278) | - |
| Ho Wah Genting Trading Sdn Bhd | (295) | - |
| | (657) | (850) |

| | Company | |
|---|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| <u>Reversal of impairment loss recognised</u> | | |
| Ho Wah Genting Kintron Sdn Bhd | - | 462 |
| Ho Wah Genting Trading Sdn Bhd | - | 209 |
| | - | 671 |

Notes to the Financial Statements

31 December 2024 (cont'd)

15. Investment in subsidiaries (cont'd)

15.1 Impairment of investment in subsidiaries (cont'd)

The recoverable amounts of HWGB Duty Free Sdn Bhd, HWGB Capital Sdn Bhd, Ho Wah Genting Kintron Sdn Bhd and Ho Wah Genting Trading Sdn Bhd are determined based on audited net assets as at the reporting date as the subsidiaries are not expected to generate substantial operating cash flows for discounting purposes.

The amount of reversal of impairment loss has been included in the Company's profit or loss under "Other operating income" line item.

The amount of impairment loss has been recognised in the Company's profit or loss under "Other operating expenses" line item.

15.2 Disposals of subsidiaries

In the previous reporting period:

- (a) The Company disposed of its entire shareholding of 5,968,999 ordinary shares representing 99% shareholding in Ho Wah Genting Holiday Sdn Bhd and 1 ordinary share held by a subsidiary of the Company, Dviria Nano Tech Sdn Bhd for a total cash consideration of RM160,000. As a result of the disposal, Ho Wah Genting Holiday Sdn Bhd and its subsidiary, HWG Travel (MM2H) Sdn Bhd ceased to be the subsidiaries of the Company.
- (b) The Company disposed of its entire shareholding of 65,000 ordinary shares representing 65% shareholding in HWGB EV Sdn Bhd for a cash consideration of RM2. As a result of the disposal, HWGB EV Sdn Bhd ceased to be a subsidiary of the Company.

The disposal of subsidiaries had the following financial effects on the Group's financial statements:

| | 2023 RM'000 |
|--|----------------|
| Plant and equipment | 38 |
| Right of use assets | 17 |
| Intangible assets | 299 |
| Trade receivables | 58 |
| Other receivables, deposits and prepayments | 247 |
| Fixed deposits with licensed banks | 100 |
| Cash and bank balances | 54 |
| Trade payables | (49) |
| Other payables and accruals | (626) |
| Lease liabilities | (20) |
| Non controlling interests disposed of | 6 |
| Net assets disposed of | 124 |
| Less: Cash consideration received | (160) |
| Gain on disposal of a subsidiary (included in "Other operating income" line item in profit or loss) | (36) |
| Cash consideration received | 160 |
| Less: Cash and cash equivalents disposed of | (154) |
| Net cash inflow on disposal of subsidiaries | 6 |

Notes to the Financial Statements

31 December 2024 (cont'd)

15. Investment in subsidiaries (cont'd)

15.3 Acquisition of a subsidiary

Subsequent to the reporting period, the wholly owned subsidiary of the Company, HWGB Capital Sdn Bhd on 5 March 2025, completed the Conditional Share Sale Agreement to acquire 275,000 ordinary shares representing 55% equity interest in Advanced Apotheke Sdn Bhd ("AASB") for a total consideration of RM2,400,000. Accordingly, AASB has become a subsidiary of the Company.

16. Investment in an associate

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Unquoted shares at cost | | | | |
| At beginning/end of year | 1,127 | 1,127 | 1,127 | 1,127 |
| Accumulated impairment loss | | | | |
| At beginning/end of year | - | - | 1,127 | 1,127 |
| Carrying amount | 1,127 | 1,127 | - | - |
| Share in post-acquisition loss | (1,127) | (1,127) | - | - |
| | - | - | - | - |

The details of the associate are as follows:

| | Country of incorporation | Group's effective and voting interest | | Principal activities |
|---------------------------------|--------------------------|---------------------------------------|-----------|--|
| | | 2024 % | 2023 % | |
| Associate of the Company | | | | |
| Dufry HWG Shopping Sdn Bhd * | Malaysia | 49 | 49 | Travel retail outlet. Ceased operations. |

* The financial statements of the associate are not audited by Russell Bedford LC PLT.

The summarised financial information of the Company's associate is as follows:

(i) Summarised statement of financial position

| | 2024 RM'000 | 2023 RM'000 |
|-------------------------|-----------------|----------------|
| Assets | | |
| Non current assets | - | 6,818 |
| Current assets | 85 | 3,932 |
| Total assets | 85 | 10,750 |
| Liabilities | | |
| Non current liabilities | - | 9,249 |
| Current liabilities | 20,164 | 27,919 |
| Total liabilities | 20,164 | 37,168 |
| Net liabilities | (20,079) | (26,418) |

Notes to the Financial Statements

31 December 2024 (cont'd)

16. Investment in an associate (cont'd)

(ii) Summarised statement of comprehensive income

| | 2024 RM'000 | 2023 RM'000 |
|-----------------------------------|----------------|----------------|
| Revenue | - | 6,473 |
| Loss before tax | (2) | (5,531) |
| Net loss/Total comprehensive loss | (2) | (5,531) |

The accumulated share of losses that have not been recognised by the Group amounted to RM11,818,000 (2023: RM11,817,000).

17. Other financial assets

| | Group | |
|--|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Unquoted equity investment designated at fair value through profit or loss | - | - |

The fair value of unquoted equity investment is determined based on estimated fair value less costs of disposal. As the directors are unable to determine the fair value less cost of disposal and the entity does not generate any operating cashflows, the directors determined that the fair value of the unquoted equity investment to be zero.

18. Inventories

| | Group | |
|--|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| At cost: | | |
| Raw materials and consumable stores: | | |
| - on hand | 12,222 | 17,598 |
| - in transit | 1,200 | 6,318 |
| Work in progress | 25,213 | 28,096 |
| Manufactured goods | 15,362 | 15,292 |
| | 53,997 | 67,304 |
| | | |
| | 2024 RM'000 | 2023 RM'000 |
| Cost of inventories recognised in profit or loss | 309,911 | 236,669 |

Notes to the Financial Statements

31 December 2024 (cont'd)

19. Trade receivables

| | Group | |
|--|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Trade receivables | 34,329 | 9,812 |
| Less: Allowance for expected credit loss | (2,761) | (178) |
| | 31,568 | 9,634 |

The Group's normal trade credit terms range from 14 days to 90 days (2023: 14 days to 90 days). Other credit terms are assessed and approved on a case by case basis. Trade receivables are not secured by any collateral or credit enhancements.

The movements in the allowance for expected credit loss of trade receivables during the reporting period are as follows:

| | Group | |
|----------------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| At beginning of year | 178 | 179 |
| Additions | 2,642 | 1 |
| Reversals | - | (4) |
| Write offs | - | (1) |
| Exchange differences | (59) | 3 |
| At end of year | 2,761 | 178 |

The following table provides details of the credit risk exposure on the Group's trade receivables. As the Group's historical credit loss experience does not show significant different loss patterns (i.e. by geographical area, product type and customer segments) the allowance for expected credit loss based on past due status is not further distinguished between the Group's different customer base.

| 2024 | Trade receivables - days past due | | | | |
|--|-----------------------------------|---------------------|---------------------------|---------------------|-----------------|
| | Not past due RM'000 | < 30 days RM'000 | 31 - 60 days RM'000 | > 60 days RM'000 | Total RM'000 |
| Impaired assessed individually | | | | | |
| Gross carrying amount | 25,843 | 5,715 | 1,423 | 1,348 | 34,329 |
| Less: Allowance for expected credit loss | - | - | (1,423) | (1,338) | (2,761) |
| | 25,843 | 5,715 | - | 10 | 31,568 |

| 2023 | Trade receivables - days past due | | | | |
|--|-----------------------------------|---------------------|---------------------------|---------------------|-----------------|
| | Not past due RM'000 | < 30 days RM'000 | 31 - 60 days RM'000 | > 60 days RM'000 | Total RM'000 |
| Impaired assessed individually | | | | | |
| Gross carrying amount | 9,207 | 404 | 1 | 200 | 9,812 |
| Less: Allowance for expected credit loss | - | - | - | (178) | (178) |
| | 9,207 | 404 | 1 | 22 | 9,634 |

Notes to the Financial Statements

31 December 2024 (cont'd)

20. Other receivables, deposits and prepayments

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Deposits for purchase of raw materials | 208 | 1,292 | - | - |
| Other receivables and deposits | 1,430 | 1,228 | 1,255 | 918 |
| Prepayments | 782 | 152 | 671 | 35 |
| | 2,420 | 2,672 | 1,926 | 953 |
| Less: Allowance for expected credit loss | | | | |
| At beginning/end of year | (913) | (913) | (852) | (852) |
| | 1,507 | 1,759 | 1,074 | 101 |
| Amount due from subsidiaries | - | - | 13,773 | 13,917 |
| Less: Allowance for expected credit loss | | | | |
| At beginning of year | - | - | (10,539) | (9,697) |
| Allowance during the year | - | - | (254) | (842) |
| At end of year | - | - | (10,793) | (10,539) |
| | - | - | 2,980 | 3,378 |
| Amount due from an associate | | | | |
| Unsecured loan receivable bearing effective annual interest at 3.41% (2023: 3.41% per annum) | 7,818 | 7,818 | 7,818 | 7,818 |
| Interest receivable | 265 | 265 | 265 | 265 |
| | 8,083 | 8,083 | 8,083 | 8,083 |
| Less: Allowance for expected credit loss | | | | |
| At beginning/end of year | (8,083) | (8,083) | (8,083) | (8,083) |
| | - | - | - | - |
| | 1,507 | 1,759 | 4,054 | 3,479 |

21. Share capital

| | Group and Company | | | |
|---|---|----------------|---|----------------|
| | 2024 No. of ordinary shares '000 | 2024 RM'000 | 2023 No. of ordinary shares '000 | 2023 RM'000 |
| Issued and fully paid: | | | | |
| At beginning of year | 205,547 | 165,736 | 662,578 | 155,808 |
| Share consolidation | - | - | (496,934) | - |
| Issuance of shares pursuant to private placements | - | - | 39,903 | 10,000 |
| Share issuance expenses | - | - | - | (72) |
| At end of year | 205,547 | 165,736 | 205,547 | 165,736 |

Notes to the Financial Statements

31 December 2024 (cont'd)

21. Share capital (cont'd)

In the previous reporting period,

- (a) the Company completed its share consolidation exercise involving the consolidation of four (4) existing ordinary shares in the Company into one (1) ordinary share. The new consolidated shares of 165,644,500 were issued.
- (b) the Company increased its issued and paid up share capital by way of:
 - (i) private placement of 25,517,600 new ordinary shares at an issue price of RM0.2704 per ordinary shares for cash. The proceeds were used for working capital purposes; and
 - (ii) private placement of 14,384,900 new ordinary shares at an issue price of RM0.2155 per ordinary shares for cash. The proceeds were used for working capital purposes.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

22. Employees' Share Option Scheme ("ESOS")

The Company implemented an ESOS which is governed by the ESOS By-Laws and was approved by its shareholders at the Extraordinary General Meeting held on 12 November 2015.

The salient features of the ESOS are as follows:

- (a) The ESOS was implemented on 25 March 2016 and is in force for a period of ten (10) years until 24 March 2026 in accordance with the terms of the ESOS By-Laws;
- (b) The total number of new shares to be offered pursuant to the ESOS shall be subject to a maximum of 10% of the Company's issued and paid up share capital (excluding treasury shares) at any one time;
- (c) Employees (including Executive Directors) of the Company or its subsidiaries shall be eligible to participate in the ESOS, if as at the date of offer, the employee:
 - (i) has attained the age of eighteen (18) years;
 - (ii) is employed by and on the payroll of the Company or its subsidiaries; and
 - (iii) has been in the employment of the Company or the subsidiaries for a period of at least twelve (12) full months of continuous services, including services during the probation period and whose employment has been confirmed.

The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the ESOS shall be approved by the shareholders of the Company in the general meeting;

- (d) The price payable upon exercise of ESOS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%;
- (e) In the event that share buy-back exercise of the Company resulting in the number of options that have been offered under the ESOS exceeding 10% of the issued and paid up share capital of the Company, there shall be no granting of additional options at any point in time after the share buy-back, unless the number of options that have been granted under the ESOS falls below 10% of the issued and paid up share capital of the Company;
- (f) The new ordinary shares to be issued upon exercise of the ESOS, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the ESOS; and
- (g) The exercise price and the number of new ordinary shares comprised in the ESOS are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the ESOS By-Laws.

Notes to the Financial Statements

31 December 2024 (cont'd)

22. Employees' Share Option Scheme ("ESOS") (cont'd)

The movements in the Company's ESOS are as follows:

| Offer Date | Number of options over ordinary shares | | | | | Total '000 |
|-----------------------------------|--|------------------|--------------------|-------------------|------------------|---------------|
| | 13.4.2016 '000 | 4.7.2018 '000 | 14.10.2020 '000 | 20.1.2021 '000 | 3.3.2021 '000 | |
| At 1 January 2023 | 261 | 202 | 19,728 | 11,000 | 2,500 | 33,691 |
| Lapsed before share consolidation | - | - | (45) | - | - | (45) |
| | 261 | 202 | 19,683 | 11,000 | 2,500 | 33,646 |
| Effect of share consolidation | (196) | (151) | (14,762) | (8,250) | (1,875) | (25,234) |
| | 65 | 51 | 4,921 | 2,750 | 625 | 8,412 |
| Lapsed after share consolidation | - | - | (521) | - | - | (521) |
| At 31 December 2023 | 65 | 51 | 4,400 | 2,750 | 625 | 7,891 |
| Lapsed | - | - | (70) | - | - | (70) |
| At 31 December 2024 | 65 | 51 | 4,330 | 2,750 | 625 | 7,821 |
| Exercise price (RM) | 0.880 | 0.488 | 2.480 | 2.200 | 2.120 | |

23. Reserves

| | Group | | Company | |
|--------------------------------------|------------------|----------------|------------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Accumulated losses | (118,222) | (116,438) | (112,402) | (103,403) |
| Non distributable: | | | | |
| Revaluation reserve | 17,612 | 17,612 | 8,092 | 8,092 |
| Employee share option reserve | 16,593 | 16,766 | 16,593 | 16,766 |
| Foreign currency translation reserve | 2,512 | 4,532 | - | - |
| | 36,717 | 38,910 | 24,685 | 24,858 |
| | (81,505) | (77,528) | (87,717) | (78,545) |

The revaluation reserve represents revaluation surplus arising from buildings. The revaluation reserve is used to record increases in the fair value of buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

Employee share option reserve represents the equity settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity settled share options, and is reduced by the expiry or exercise of the share options.

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Notes to the Financial Statements

31 December 2024 (cont'd)

24. Lease liabilities

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Hire purchase liabilities | 849 | 572 | 849 | 572 |
| Other lease liabilities | 244 | 18 | 226 | 17 |
| | 1,093 | 590 | 1,075 | 589 |
| Less: Portion due within one year | (365) | (186) | (361) | (185) |
| Non current portion | 728 | 404 | 714 | 404 |
| The non current portion of the lease liabilities is payable as follows: | | | | |
| Later than 1 year and not later than 2 years | 318 | 148 | 308 | 148 |
| Later than 2 years and not later than 5 years | 416 | 256 | 406 | 256 |
| | 728 | 404 | 714 | 404 |

The weighted average effective interest rates are as follows:

| | Group | | Company | |
|---------------------------|-----------|-----------|-----------|-----------|
| | 2024 % | 2023 % | 2024 % | 2023 % |
| Hire purchase liabilities | 4.38 | 4.33 | 4.38 | 4.33 |
| Other lease liabilities | 7.15 | 6.95 | 7.15 | 6.95 |

The Group and the Company had total cash outflows for leases of RM446,000 and RM385,000 (2023: RM317,000 and RM247,000) respectively.

25. Term loans

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Amount outstanding | 4,225 | 5,421 | 694 | 968 |
| Less: Portion due within one year (Note 31) | (1,083) | (1,816) | (217) | (968) |
| Non current portion | 3,142 | 3,605 | 477 | - |
| The non-current portion of term loans is payable as follows: | | | | |
| Later than 1 year and not later than 2 years | 885 | 881 | 477 | - |
| Later than 2 years and not later than 5 years | 825 | 944 | - | - |
| Later than 5 years | 1,432 | 1,780 | - | - |
| | 3,142 | 3,605 | 477 | - |

The term loans are secured as disclosed in Note 31.

Notes to the Financial Statements

31 December 2024 (cont'd)

26. Retirement benefit obligations

| | Group | |
|---|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Present value of retirement benefit obligations | 5,506 | 5,714 |

The movements in the retirement benefit obligations in the reporting period are as follows:

| | Group | |
|--|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| At beginning of year | 5,714 | 4,782 |
| Recognised in profit or loss under 'administrative expenses' line item | 633 | 802 |
| Recognised in other comprehensive income | (271) | (152) |
| Benefits paid | (152) | (56) |
| Exchange differences | (418) | 338 |
| At end of year | 5,506 | 5,714 |

Amounts recognised as an expense in profit or loss can be analysed as follows:

| | Group | |
|------------------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Current service cost | 266 | 441 |
| Interest on obligation | 367 | 361 |
| | 633 | 802 |

The amount recognised in other comprehensive income during the reporting period is as follows:

| | Group | |
|---|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Remeasurement of net retirement benefit obligations - actuarial gain | (271) | (152) |

The Group provides for retirement benefit obligations in respect of its overseas subsidiary, PT Ho Wah Genting, in accordance with the provisions of Job Creation Law No.11 2020 established in Indonesia. Under the benefits plan, the benefits are payable upon attaining the normal retirement age or upon resignation of employees.

The provision for employee retirement benefits is determined by independent actuarial valuations using the Projected Unit Credit Method and is made to cover estimated obligations for payment of retirement benefits to employees. The latest actuarial valuation was performed on 31 December 2024.

The principal actuarial assumptions used are as follows:

| | Group | |
|----------------------------|---------------------------------|---------------------------|
| | 2024 | 2023 |
| Discount rate | 7.13% | 6.55% |
| Future salary increase | 5.00% | 5.00% |
| Disable rate | 1% of the mortality rate | 10% of the mortality rate |
| Voluntary resignation rate | 2.5% | 2.5% |

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experiences in Indonesia.

Notes to the Financial Statements

31 December 2024 (cont'd)

26. Retirement benefit obligations (cont'd)

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligations as of the end of the reporting period, assuming if all other assumptions were held constant:

| | 2024 Retirement benefit obligations | |
|-----------------------------|---|-------------------------------------|
| | Discount rate RM'000 | Future salary increase RM'000 |
| Change in assumption | | |
| Increase by 1% | 5,481 | 6,204 |
| Decrease by 1% | 6,244 | 5,508 |

| | 2023 Retirement benefit obligations | |
|-----------------------------|---|-------------------------------------|
| | Discount rate RM'000 | Future salary increase RM'000 |
| Change in assumption | | |
| Increase by 1% | 5,356 | 6,141 |
| Decrease by 1% | 6,115 | 5,328 |

27. Deferred tax liabilities

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| At beginning of year | (2,989) | (3,540) | (1,498) | (1,639) |
| Recognised in profit or loss (Note 9) | 970 | 551 | 141 | 141 |
| At end of year | (2,019) | (2,989) | (1,357) | (1,498) |

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Presented after appropriate offsetting as follows: | | | | |
| Deferred tax assets | 1,875 | 1,313 | - | - |
| Deferred tax liabilities | (1,245) | (1,129) | (1,357) | (1,498) |
| | 630 | (184) | (1,357) | (1,498) |
| Deferred tax liabilities | (2,649) | (3,173) | - | - |
| | (2,019) | (2,989) | (1,357) | (1,498) |

Deferred tax liabilities are in respect of the following:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Excess of tax capital allowances over related depreciation of property, plant and equipment | (1,245) | (1,129) | - | - |
| Revaluation reserve | (2,649) | (3,173) | (1,357) | (1,498) |
| | (3,894) | (4,302) | (1,357) | (1,498) |

Notes to the Financial Statements

31 December 2024 (cont'd)

27. Deferred tax liabilities (cont'd)

Deferred tax assets of the Group are in respect of the following temporary differences:

| Group | Gross | | Tax effects | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Deductible temporary differences | 5,839 | 5,496 | 1,285 | 1,319 |
| Unutilised capital allowances | 1,573 | 1,581 | 377 | 379 |
| Unabsorbed business loss | | | | |
| - to be utilised up to the financial year ending 31 December | | | | |
| - 2028 | 52,234 | 52,240 | 12,536 | 12,538 |
| - 2029 | 31 | 226 | 7 | 54 |
| - 2030 | 267 | 267 | 64 | 64 |
| - 2031 | 1,828 | 1,632 | 439 | 392 |
| - 2032 | 976 | 1,418 | 234 | 340 |
| - 2033 | 811 | 383 | 195 | 92 |
| | 56,147 | 56,166 | 13,475 | 13,480 |
| Allowance for expected credit losses | 2,803 | - | 619 | - |
| Unutilised reinvestment allowances to be utilised up to the financial year ending 31 December 2028 | 15,654 | 15,654 | 3,757 | 3,757 |
| | 82,016 | 78,897 | 19,513 | 18,935 |
| Less: Deferred tax assets recognised | (8,524) | (5,473) | (1,875) | (1,313) |
| Deferred tax assets not recognised | 73,492 | 73,424 | 17,638 | 17,622 |

Unrecognised deferred tax assets of the Company are in the respect of the following temporary differences:

| Company | Gross | | Tax effects | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Unutilised tax losses to be utilised up to year ending 31 December | | | | |
| - 2028 | 29,137 | 29,137 | 6,993 | 6,993 |

Portion of these deferred tax assets of the Group and of the Company has not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these tax benefits.

28. Trade payables

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

Notes to the Financial Statements

31 December 2024 (cont'd)

29. Other payables and accruals

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Financial guarantee liabilities: | | | | |
| At beginning of year | - | - | - | 674 |
| Amortisation for the year | - | - | - | (674) |
| At end of year | - | - | - | - |
| Amount due to subsidiaries | - | - | 35,504 | 33,690 |
| Amount due to companies in which certain directors have interest | 31 | 10 | 31 | 10 |
| Amount due to directors | 67 | 93 | 67 | 93 |
| Assumption of liabilities of a former subsidiary | 1,226 | 1,258 | 1,226 | 1,258 |
| Other payables and accruals | 5,153 | 5,095 | 919 | 821 |
| Statutory liabilities | 119 | 117 | 116 | 112 |
| | 6,596 | 6,573 | 37,863 | 35,984 |

The financial guarantee liabilities relate to a corporate guarantee provided by the Company to a bank for banking facilities amounting to RM4,990,000 (2023: RM4,990,000) taken by a subsidiary.

30. Contract liabilities

| | Group | | Company | |
|----------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Contract liabilities | 2,981 | 7 | - | - |

The movements of the contract liabilities are as follows:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| At beginning of year | 7 | - | - | - |
| Revenue recognised during the year | (7) | - | - | - |
| Advanced payments received from customers | 2,981 | 7 | - | - |
| | 2,981 | 7 | - | - |

The contract liabilities primarily relate to the advance consideration received for the sale of wires, cables and moulded power supply cords set which reserve is recognised at point in time. The contract liabilities are expected to be recognised as reserve over a period of 90 days.

Notes to the Financial Statements

31 December 2024 (cont'd)

31. Short term borrowings

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Secured: | | | | |
| Revolving credits | 9,875 | 3,213 | - | - |
| Promissory notes | 4,854 | - | 4,854 | - |
| Term loans - current portion (Note 25) | 1,083 | 1,816 | 217 | 968 |
| | 15,812 | 5,029 | 5,071 | 968 |

The effective interest rates are as follows:

| | Group | | Company | |
|-------------------|-----------|-----------|-----------|-----------|
| | 2024 % | 2023 % | 2024 % | 2023 % |
| Revolving credits | 7.00 | 6.50 | - | - |
| Promissory notes | 18.73 | - | 18.73 | - |
| Trust receipt | 6.75 | 6.50 | - | - |
| Term loans | 6.75 | 5.99 | 9.50 | 9.50 |

The above banking facilities are secured by way of:

| | Group | | Company | |
|---|-----------------|----------------|-----------------|----------------|
| | Carrying amount | | Carrying amount | |
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Property, plant and equipment (Note 12) | 21,297 | 22,648 | 7,660 | 8,492 |

The above banking facilities are also secured by way of:

- (i) corporate guarantees by the Company for facilities of a subsidiary; and
- (ii) personal guarantee by a key management personnel of the Company on the Company's term loan.

32. Significant related party disclosures

32.1 Related party transactions

Significant transactions with related parties are as follows:

| | Type of transactions | Group | | Company | |
|--|----------------------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| With an associate: | | | | | |
| Dufry HWG Shopping Sdn Bhd | Rental income | - | 24 | - | 24 |
| With companies in which certain directors have interest | | | | | |
| Ho Wah Genting Group Sdn Bhd | Rental income | 60 | 60 | 60 | 60 |
| | Sales | - | 46 | - | - |

Notes to the Financial Statements

31 December 2024 (cont'd)

32. Significant related party disclosures (cont'd)

32.2 Related party balances

Individually significant outstanding balances arising from transactions other than normal trade transactions are as follows:

| | Type of transactions | Group | | Company | |
|----------------------------|------------------------------------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Financial assets | | | | | |
| With subsidiaries | | | | | |
| Astramern Sdn Bhd | Advances | - | - | 4,865 | 4,865 |
| | Allowance for expected credit loss | - | - | (4,865) | (4,865) |
| | | - | - | - | - |
| Dviria Nano Tech Sdn Bhd | Advances | - | - | 2,256 | 2,256 |
| | Allowance for expected credit loss | - | - | (2,256) | (2,256) |
| | | - | - | - | - |
| HWGB Biotech Sdn Bhd | Advances | - | - | 5,795 | 5,995 |
| | Allowance for expected credit loss | - | - | (2,815) | (2,617) |
| | | - | - | 2,980 | 3,378 |
| HWGB Lab Sdn Bhd | Advances | - | - | 857 | 801 |
| | Allowance for expected credit loss | - | - | (857) | (801) |
| | | - | - | - | - |
| With an associate | | | | | |
| Dufry HWG Shopping Sdn Bhd | Loans | 7,818 | 7,818 | 7,818 | 7,818 |
| | Interest receivable | 265 | 265 | 265 | 265 |
| | | 8,083 | 8,083 | 8,083 | 8,083 |
| | Allowance for expected credit loss | (8,083) | (8,083) | (8,083) | (8,083) |
| | | - | - | - | - |

Notes to the Financial Statements

31 December 2024 (cont'd)

32. Significant related party disclosures (cont'd)

32.2 Related party balances (cont'd)

| | Type of transactions | Group | | Company | |
|--|----------------------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Financial liabilities | | | | | |
| With subsidiaries | | | | | |
| Ho Wah Genting Kintron Sdn Bhd | Advances | - | - | 9,045 | 9,045 |
| Ho Wah Genting Trading Sdn Bhd | Advances | - | - | 8,761 | 6,926 |
| HWG Duty Free Sdn Bhd | Advances | - | - | 102 | 102 |
| HWGB Capital Sdn Bhd | Advances | - | - | 17,596 | 17,617 |
| With companies in which certain directors have interest | | | | | |
| Ho Wah Genting Group Sdn Bhd | Rental deposit | 31 | 10 | 31 | 10 |
| With directors | | | | | |
| Dato' Lim Ooi Hong | Advances | 58 | 88 | 58 | 88 |
| Lim Wee Kiat | Advances | 9 | 5 | 9 | 5 |

The advances are unsecured, interest free and receivable/payable on demand.

32.3 Compensation of key management personnel

The key management personnel comprises mainly executive directors of the Company whose remuneration is disclosed in Note 5.

33. Segmental information

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

- | | |
|--------------------------------|--|
| Investment | - Investment in properties and investment by the holding company |
| Moulded power supply cord sets | - Manufacturing and trading of wires and cables, moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment |
| Healthcare | - Healthcare related businesses which includes the health supplement, biotechnology and healthcare technology sub-segment |

Management monitors the operating results of its business units and relies on the segment information as disclosed below for the purpose of making decisions about resource allocation and performance assessment.

Notes to the Financial Statements

31 December 2024 (cont'd)

33. Segmental information (cont'd)

| 2024 | Investment RM'000 | Moulded power supply cord sets RM'000 | Healthcare RM'000 | Total RM'000 | Elimination RM'000 | Consolidated RM'000 |
|--|----------------------|--|----------------------|-----------------|-----------------------|------------------------|
| Revenue | | | | | | |
| External revenue | 75 | 328,159 | - | 328,234 | - | 328,234 |
| Results | | | | | | |
| (Loss)/Profit from operations | (9,651) | 9,951 | (58) | 242 | 786 | 1,028 |
| Finance income | 95 | 12 | - | 107 | - | 107 |
| Finance costs | (664) | (758) | - | (1,422) | - | (1,422) |
| (Loss)/Profit before tax | (10,220) | 9,205 | (58) | (1,073) | 786 | (287) |
| Income tax expense | 116 | (2,057) | - | (1,941) | - | (1,941) |
| Net (loss)/profit attributable to owners of the Company | (10,104) | 7,148 | (58) | (3,014) | 786 | (2,228) |

Notes to the Financial Statements

31 December 2024 (cont'd)

33. Segmental information (cont'd)

| | Investment RM'000 | Moulded power supply cord sets RM'000 | Healthcare RM'000 | Total RM'000 | Elimination RM'000 | Consolidated RM'000 |
|--|----------------------|--|----------------------|-----------------|-----------------------|------------------------|
| 2024 | | | | | | |
| Assets and liabilities | | | | | | |
| Segment assets | 179,980 | 119,576 | 4,738 | 304,294 | (163,865) | 140,429 |
| Segment liabilities | 54,943 | 55,170 | 15,496 | 125,609 | (69,411) | 56,198 |
| 2024 | | | | | | |
| Other information | | | | | | |
| Capital expenditure | 989 | 2,271 | - | 3,260 | - | 3,260 |
| Amortisation of intangible assets | 1 | - | 3 | 4 | - | 4 |
| Depreciation of property, plant and equipment | 984 | 3,153 | 4 | 4,141 | - | 4,141 |
| Depreciation of right of use assets | 246 | - | - | 246 | - | 246 |
| Material non cash items other than depreciation and amortisation | | | | | | |
| - Allowance for expected credit loss | 300 | 2,642 | - | 2,942 | (300) | 2,642 |
| - Impairment loss on investment in subsidiaries | 657 | - | - | 657 | (657) | - |
| - Retirement benefit obligations | - | 633 | - | 633 | - | 633 |
| - Unrealised (gain)/loss on foreign exchange – net | 24 | (428) | - | (404) | - | (404) |

Notes to the Financial Statements

31 December 2024 (cont'd)

33. Segmental information (cont'd)

| 2023 | Investment RM'000 | Moulded power supply cord sets RM'000 | Healthcare RM'000 | Travel services (Discontinued) RM'000 | Total RM'000 | Elimination RM'000 | Consolidated RM'000 | Discontinued operation RM'000 | Total RM'000 |
|--|----------------------|--|----------------------|--|-----------------|-----------------------|------------------------|-------------------------------------|-----------------|
| Revenue | | | | | | | | | |
| External revenue | 100 | 254,791 | 85 | 247 | 255,223 | - | 255,223 | (247) | 254,976 |
| Results | | | | | | | | | |
| (Loss)/Profit from operations | (9,136) | 13,785 | (475) | (58) | 4,116 | 1,228 | 5,344 | 58 | 5,402 |
| Finance income | 62 | 10 | - | - | 72 | - | 72 | - | 72 |
| Finance costs | (503) | (1,048) | - | - | (1,551) | - | (1,551) | - | (1,551) |
| (Loss)/Profit before tax | (9,577) | 12,747 | (475) | (58) | 2,637 | 1,228 | 3,865 | 58 | 3,923 |
| Income tax expense | 141 | (2,849) | - | - | (2,708) | - | (2,708) | - | (2,708) |
| Net (loss)/profit for the year from continuing operations | (9,436) | 9,898 | (475) | (58) | (71) | 1,228 | 1,157 | 58 | 1,215 |
| Net loss for the year from discontinued operation | - | - | - | - | - | - | - | (58) | (58) |
| Non controlling interests | 35 | - | - | - | 35 | - | 35 | - | 35 |
| Net (loss)/profit attributable to owners of the Company | (9,401) | 9,898 | (475) | (58) | (36) | 1,228 | 1,192 | - | 1,192 |

Notes to the Financial Statements

31 December 2024 (cont'd)

33. Segmental information (cont'd)

| | Investment RM'000 | Moulded power supply cord sets RM'000 | Healthcare RM'000 | Total RM'000 | Elimination RM'000 | Consolidated RM'000 |
|--|----------------------|--|----------------------|-----------------|-----------------------|------------------------|
| 2023 | | | | | | |
| Assets and liabilities | | | | | | |
| Segment assets | 100,140 | 116,378 | 4,726 | 221,244 | (89,687) | 131,557 |
| Segment liabilities | 13,851 | 50,849 | 13,548 | 78,248 | (34,899) | 43,349 |
| 2023 | | | | | | |
| Other information | | | | | | |
| Capital expenditure | 286 | 4,513 | 4 | 4,803 | - | 4,803 |
| Amortisation of intangible assets | 1 | - | 3 | 4 | - | 4 |
| Depreciation of property, plant and equipment | 983 | 3,462 | 4 | 4,449 | - | 4,449 |
| Depreciation of right of use assets | 143 | - | 1 | 144 | - | 144 |
| Material non cash items other than depreciation and amortisation | | | | | | |
| - Allowance for expected credit loss | 507 | - | 1 | 508 | (507) | 1 |
| - Allowance for expected credit loss no longer required | - | - | (4) | (4) | - | (4) |
| - Impairment loss on investment in subsidiaries | 850 | - | - | 850 | (850) | - |
| - Amortisation of financial guarantee liabilities | (674) | - | - | (674) | 674 | - |
| - Reversal of impairment loss on investment in subsidiaries | (671) | - | - | (671) | 671 | - |
| - Retirement benefit obligations | - | 802 | - | 802 | - | 802 |
| - Unrealised (gain)/loss on foreign exchange – net | (279) | 132 | - | (147) | - | (147) |

Notes to the Financial Statements

31 December 2024 (cont'd)

33. Segmental information (cont'd)

Customers segment information

Revenue from transactions with major customers arising from sales by the moulded power supply cord sets segment that individually accounted for 10% or more of the Group's revenue are summarised below:

| | 2024 RM'000 | 2023 RM'000 |
|------------|----------------|----------------|
| Customer A | 113,158 | 70,174 |
| Customer B | 82,720 | 67,834 |
| Customer C | 54,207 | 41,232 |
| Customer D | - | 21,745 |
| | 250,085 | 200,985 |

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets.

| | Revenue | | Non current assets | |
|------------------|----------------|----------------|--------------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| North America | 296,317 | 227,043 | - | - |
| The rest of Asia | 31,792 | 27,125 | 29,635 | 31,192 |
| Malaysia | 125 | 808 | 9,540 | 10,000 |
| | 328,234 | 254,976 | 39,175 | 41,192 |

Non current assets information presented above consist of property, plant and equipment, right of use assets, intangible assets and other financial assets as presented in the statements of financial position.

34. Fair value of assets and liabilities

34.1 Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- 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 assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

31 December 2024 (cont'd)

34. Fair value of assets and liabilities (cont'd)

34.2 Assets measured at fair value

The following table provides an analysis of each class of assets measured at fair value at the end of the reporting period:

| | Group 2024 | | | |
|--|--|-------------------|-------------------|-----------------|
| | Fair value measurements at the end of the reporting period using | | | |
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |

Non recurring fair value measurements

Non financial assets:

Property, plant and equipment

| | | | | |
|-----------|---|--------|---|--------|
| Buildings | - | 19,741 | - | 19,741 |
|-----------|---|--------|---|--------|

| | Group 2023 | | | |
|--|--|-------------------|-------------------|-----------------|
| | Fair value measurements at the end of the reporting period using | | | |
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |

Non recurring fair value measurements

Non financial assets:

Property, plant and equipment

| | | | | |
|-----------|---|--------|---|--------|
| Buildings | - | 21,834 | - | 21,834 |
|-----------|---|--------|---|--------|

There were no transfers between these levels of fair values in the current and previous reporting periods.

| | Company 2024 | | | |
|--|--|-------------------|-------------------|-----------------|
| | Fair value measurements at the end of the reporting period using | | | |
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |

Non recurring fair value measurements

Non financial assets:

Property, plant and equipment

| | | | | |
|-----------|---|-------|---|-------|
| Buildings | - | 7,680 | - | 7,680 |
|-----------|---|-------|---|-------|

| | Company 2023 | | | |
|--|--|-------------------|-------------------|-----------------|
| | Fair value measurements at the end of the reporting period using | | | |
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |

Non recurring fair value measurements

Non financial assets:

Property, plant and equipment

| | | | | |
|-----------|---|-------|---|-------|
| Buildings | - | 8,513 | - | 8,513 |
|-----------|---|-------|---|-------|

There were no transfers between these levels of fair values in the current and previous reporting periods.

Valuation techniques used to derive Level 2 fair values

The fair values of buildings have been derived using the income approach and sales comparison approach. Income approach considers the present value of net cash flows to be generated from the property, taking into account average rental per square foot per month, outgoing expenses, capitalisation rate and discount rate. The discount rate estimation considers the quality of building and its location. For sales comparison approach, sales price of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

Notes to the Financial Statements

31 December 2024 (cont'd)

34. Fair value of assets and liabilities (cont'd)

34.3 Financial assets and financial liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, receivables and payables, and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of the Group's and the Company's term loans and lease liabilities approximate their carrying amount. The floating rate term loans are re-priced to market interest rate on or near the reporting date. Lease liabilities and the fixed rate term loan are initially recognised/contracted with interest rates which are reasonable approximation of the market interest rates on or near reporting date.

35. Financial instruments and financial risks management

35.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Financial assets | | | | |
| Fair value through profit or loss: | | | | |
| - other financial assets | - | - | - | - |
| Amortised cost: | | | | |
| - trade and other receivables | 32,085 | 9,948 | 3,383 | 3,444 |
| - cash and bank balances | 13,552 | 11,668 | 1,122 | 2,975 |
| | 45,637 | 21,616 | 4,505 | 6,419 |
| Financial liabilities | | | | |
| Amortised cost: | | | | |
| - borrowings | | | | |
| - floating rate | 4,225 | 5,421 | 694 | 968 |
| - fixed rate | 14,729 | 3,213 | 4,854 | - |
| - lease liabilities (fixed rate) | 1,093 | 590 | 1,075 | 589 |
| - trade and other payables | 24,758 | 24,624 | 37,747 | 35,872 |
| | 44,805 | 33,848 | 44,370 | 37,429 |

35.2 Financial risk management objectives and policies

The Group's overall financial risk management programme seeks to minimise potential adverse effects on financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

Foreign exchange risk management

The Group operates internationally and is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

Notes to the Financial Statements

31 December 2024 (cont'd)

35. Financial instruments and financial risks management (cont'd)

35.2 Financial risk management objectives and policies (cont'd)

Foreign exchange risk management (cont'd)

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

| Functional currency of the Group components | Net Financial Assets/(Liabilities) Held in Non-Functional Currencies | | | |
|---|--|--------------------------------|----------------------------|-----------------|
| | Indonesian Rupiah RM'000 | United States Dollar RM'000 | Singapore Dollar RM'000 | Total RM'000 |
| 2024 | | | | |
| Ringgit Malaysia | - | (913) | (4,854) | (5,767) |
| United States Dollar | (9,598) | - | 785 | (8,813) |
| | (9,598) | (913) | (4,069) | (14,580) |
| 2023 | | | | |
| Ringgit Malaysia | - | (1,249) | - | (1,249) |
| United States Dollar | (10,961) | - | 564 | (10,397) |
| | (10,961) | (1,249) | 564 | (11,646) |

| Functional currency of the Company | Net Financial Assets/(Liabilities) Held in Non-Functional Currencies | | |
|------------------------------------|--|----------------------------|-----------------|
| | United States Dollar RM'000 | Singapore Dollar RM'000 | Total RM'000 |
| 2024 | | | |
| Ringgit Malaysia | (922) | (4,854) | (5,776) |
| 2023 | | | |
| Ringgit Malaysia | (1,245) | - | (1,245) |

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currencies of the respective Group. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusted at the reporting period end for a 10% change in foreign currency rates. If the relevant foreign currencies strengthen by 10% against these respective functional currencies, profitability will increase/(decrease) by:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Functional currency in Ringgit Malaysia | | | | |
| Singapore Dollar | (485) | - | (485) | - |
| United States Dollar | (91) | (125) | (92) | (124) |
| | | | | |
| | | | Group | |
| | | | 2024 RM'000 | 2023 RM'000 |
| Functional currency in United States Dollar | | | | |
| Indonesian Rupiah | | | (960) | (1,096) |
| Singapore Dollar | | | 79 | 56 |

The opposite applies if the relevant foreign currencies weaken by 10% against the functional currency of the Group.

Notes to the Financial Statements

31 December 2024 (cont'd)

35. Financial instruments and financial risks management (cont'd)

35.2 Financial risk management objectives and policies (cont'd)

Interest rate risk management

The Group's primary interest rate risk relates to interest bearing debts. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The information on maturity dates and effective interest rates of financial liabilities are disclosed in their respective notes.

The sensitivity analysis below have been determined based on the exposure to interest rates for the banking facilities at the reporting date. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group and the Company profitability would decrease/increase by RM21,000 (2023: RM46,000) and RM3,000 (2023: RM8,000) respectively.

Credit risk management

The Group's credit risk is primarily attributable to its trade and other receivables and bank balances. The Group minimises credit risk by dealing exclusively with high credit worthy counterparties. At reporting date, there were no significant concentrations of credit risk other than as follows:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Amount due from a trade receivable | 16,464 | - | - | - |
| Amount due from a subsidiary | - | - | 2,980 | 3,378 |
| Bank balances with a financial institution | 10,465 | 8,600 | - | 2,455 |

The amount receivable from customers in United States of America represented approximately 94% (2023: 90%) of the total trade receivables of the Group.

The Group's credit risk grading framework for expected credit losses ("ECL") model is as follows:

| Category | Definition | Basis for recognition of ECL |
|------------|--|------------------------------------|
| Performing | The debtor has a low risk of default and a strong capacity to meet contractual cash flows. | 12-month ECL |
| Doubtful | Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition. | Lifetime ECL – not credit impaired |
| Default | Amount is > 90 days past due or there is evidence indicating the asset is credit impaired. | Lifetime ECL – credit impaired |
| Write off | There is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. | Amount is written off |

Notes to the Financial Statements

31 December 2024 (cont'd)

35. Financial instruments and financial risks management (cont'd)

35.2 Financial risk management objectives and policies (cont'd)

Credit risk management (cont'd)

i) Trade receivables

For trade receivables, the Group has applied the simplified approach to measure the loss allowance at lifetime expected credit losses. In determining the ECL of trade receivables, the management has taken into account the historical default experience and the financial position of the counter parties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtor operates, in estimating the probability of default of each of these financial assets occurring as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

ii) Other receivables

The following other receivables are not considered to have low credit risk as there has been significant increase in the risk of default on the receivables since initial recognition:

| | Company | |
|------------------------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Other receivables | 852 | 852 |
| Amount due from subsidiaries | 13,773 | 13,917 |
| Amount due from associate | 8,083 | 8,083 |

The loss allowance for the amount due from other receivables, subsidiaries and associate is measured at an amount equal to the lifetime ECL as there has been a significant increase in credit risk since initial recognition. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

iii) Bank balances

The bank balances are held with reputable financial institutions with high credit ratings and no history of default. Impairment on bank balances has been measured on a 12-month ECL and reflects the short term maturities of the exposures. The Group considers that its bank balances have low credit risk based on the external credit ratings of the financial institutions. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company provides unsecured financial guarantees to licensed banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. The maximum exposure to credit risk amounts to RM2,748,000 (2023: RM3,006,000) representing the total outstanding banking facilities of the subsidiary as at reporting date.

Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance their activities. The Group finances its operations by a combination of equity and bank borrowings.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Notes to the Financial Statements

31 December 2024 (cont'd)

35. Financial instruments and financial risks management (cont'd)

35.2 Financial risk management objectives and policies (cont'd)

Liquidity risk management (cont'd)

| Group | Contractual cash flows (including interest payments) | | | | | |
|--------------------------------|--|-----------------|---|----------------------------------|----------------------------------|--------------------------------|
| | Carrying amount RM'000 | Total RM'000 | On demand or within 1 year RM'000 | Within 1 to 2 years RM'000 | Within 2 to 5 years RM'000 | More than 5 years RM'000 |
| 2024 | | | | | | |
| Non interest bearing debts | 24,758 | 24,758 | 24,758 | - | - | - |
| Lease liabilities (fixed rate) | 1,093 | 1,196 | 416 | 342 | 438 | - |
| Loans and borrowings | | | | | | |
| - floating rate | 4,225 | 5,022 | 1,309 | 1,050 | 1,080 | 1,583 |
| - fixed rate | 14,729 | 16,225 | 16,225 | - | - | - |
| | 44,805 | 47,201 | 42,708 | 1,392 | 1,518 | 1,583 |
| 2023 | | | | | | |
| Non interest bearing debts | 24,624 | 24,624 | 24,624 | - | - | - |
| Lease liabilities (fixed rate) | 590 | 640 | 209 | 164 | 267 | - |
| Loans and borrowings | | | | | | |
| - floating rate | 5,421 | 6,890 | 2,064 | 1,046 | 1,254 | 2,526 |
| - fixed rate | 3,213 | 3,264 | 3,264 | - | - | - |
| | 33,848 | 35,418 | 30,161 | 1,210 | 1,521 | 2,526 |

| Company | Contractual cash flows (including interest payments) | | | | | |
|--------------------------------|--|-----------------|---|----------------------------------|----------------------------------|--------------------------------|
| | Carrying amount RM'000 | Total RM'000 | On demand or within 1 year RM'000 | Within 1 to 2 years RM'000 | Within 2 to 5 years RM'000 | More than 5 years RM'000 |
| 2024 | | | | | | |
| Non interest bearing debts | 37,747 | 37,747 | 37,747 | - | - | - |
| Lease liabilities (fixed rate) | 1,075 | 1,175 | 411 | 337 | 427 | - |
| Loans and borrowings | | | | | | |
| - floating rate | 694 | 800 | 276 | 524 | - | - |
| - fixed rate | 4,854 | 5,757 | 5,757 | - | - | - |
| | 44,370 | 45,479 | 44,191 | 861 | 427 | - |
| Corporate guarantee | - | 2,869 | 2,869 | - | - | - |
| 2023 | | | | | | |
| Non interest bearing debts | 35,872 | 35,872 | 35,872 | - | - | - |
| Lease liabilities (fixed rate) | 589 | 638 | 207 | 164 | 267 | - |
| Loans (floating rate) | 968 | 1,060 | 1,060 | - | - | - |
| | 37,429 | 37,570 | 37,139 | 164 | 267 | - |
| Corporate guarantee | - | 3,140 | 3,140 | - | - | - |

The fair value of the corporate guarantee provided to the subsidiary is not expected to be material as the total borrowings of the subsidiary are collateralised against the property of the Company. Further, the probability of the subsidiary defaulting on the credit facilities is remote. Accordingly, the corporate guarantee has not been recognised.

As at the reporting date, the counterparties to the corporate guarantee do not have the right to demand payment as there is no default on the borrowings obtained by the subsidiary.

Notes to the Financial Statements

31 December 2024 (cont'd)

36. Capital structure and equity and capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while providing an adequate return to stakeholders through the optimisation of these debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the statements of financial position) less cash and bank balances and fixed deposits. Adjusted capital comprises all components of equity and reserves that are managed as capital.

During the financial year ended 31 December 2024, the Group's and the Company's strategy were unchanged from the financial period from 1 January 2024 to 31 December 2024 which is to maintain the debt-to-adjusted capital ratio at a level deemed appropriate considering business, economic and investment conditions in order to secure access to finance at a reasonable cost. The debt-to-adjusted capital ratios at 31 December 2024 and 31 December 2023 were as follows:

| | Group | | Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Total debts | 19,803 | 9,206 | 6,397 | 1,540 |
| Less: cash and bank balances | (13,552) | (11,668) | (1,122) | (2,975) |
| Net debts/(cash) | 6,251 | (2,462) | 5,275 | (1,435) |
| Total equity | 84,231 | 88,208 | 78,019 | 87,191 |
| Debt-to-adjusted capital ratio | 7.42% | N/A | 6.76% | N/A |

37. Comparative figures

The below comparative figures as at 31 December 2023 have been reclassified to arrive at their presentation as at 31 December 2024.

| | As previously reported RM'000 | Reclassification RM'000 | As restated RM'000 |
|--|-------------------------------------|----------------------------|-----------------------|
| Statement of financial position for the year ended 31 December 2023 | | | |
| Group | | | |
| Deferred tax assets | - | 184 | 184 |
| Deferred tax liabilities | (2,989) | (184) | (3,173) |
| Statement of cash flows for the year ended 31 December 2023 | | | |
| Group | | | |
| Net cash from/(used in) operating activities | (5,554) | 1,551 | (4,003) |
| Net cash from/(used in) financing activities | (2,534) | (1,551) | (4,085) |
| Company | | | |
| Net cash from/(used in) operating activities | (6,610) | 352 | (6,258) |
| Net cash from/(used in) financing activities | (9,595) | (352) | 9,243 |

List of Properties

as at 31 December 2024

| Location/Description | Existing use | Approximate age of building (year) | Land area (sq. ft.) | Tenure | Date of Acquisition ("A")/Revaluation ("R") | Net Book Value RM'000 |
|---|--------------------------------------|------------------------------------|---------------------|----------------------------------|---|-----------------------|
| HO WAH GENTING BERHAD, MALAYSIA | | | | | | |
| Lot 1066, Seksyen 69 Kuala Lumpur Wilayah Persekutuan [No. 35, Jalan Maharajalela 50150 Kuala Lumpur] | Commercial Premises | 40 | 1,324 | Freehold | 08.05.2020 (R) | 2,400 |
| 4 ½ storey shop cum office | | | | | | |
| Lot 1067 and 1068, Seksyen 69 Kuala Lumpur Wilayah Persekutuan [No. 37 & 39, Jalan Maharajalela 50150 Kuala Lumpur] | Commercial Premises | 40 | 3,045 | Freehold | 08.05.2020 (R) | 5,260 |
| Two adjoining 4 ½ storey Intermediate and corner Shop cum office | | | | | | |
| Lot 2.72, 2 nd Floor Wisma Punca Emas Jalan Yam Tuan, Seremban Negeri Sembilan Darul Khusus | Commercial Premises | 42 | 140 | Freehold | 23.03.1994 (A) | 20 |
| A shophot in shopping complex | | | | | | |
| PT HO WAH GENTING, INDONESIA | | | | | | |
| Kawasan Bintang Industri II No. 29, 29A & 30 Jalan Brigadir Jenderal Katamso Tanjung Uncang/Sagulung Sekupang Batam Riau, Indonesia | Industrial cum office premises | 26 | 159,564 | Leasehold expiring in 2034 | 19.03.2020 (R) | 2,545 |
| Comprising Plant I with annexed double storey office | | | | | | |

List of Properties

as at 31 December 2024 (cont'd)

| Location/Description | Existing use | Approximate age of building (year) | Land area (sq. ft.) | Tenure | Date of Acquisition ("A")/Revaluation ("R") | Net Book Value RM'000 |
|--|------------------------|------------------------------------|---------------------|----------------------------------|---|-----------------------|
| PT HO WAH GENTING, INDONESIA (CONT'D) | | | | | | |
| Kawasan Bintang Industri II Lot No. 27 & 28 Jalan Brigadir Jenderal Katamso Tanjung Uncang/Sagulung Sekupang Batam Riau, Indonesia | Industrial Premises | | 273,715 | Leasehold expiring in 2031 | 19.03.2020 (R) | 3,226 |
| Comprising the following buildings | | | | | | |
| | | • Plant II | 23 | | | |
| | | • Plant III | 21 | | | |
| | | • Staff quarters and a canteen | 23 | | | |
| Kawasan Bintang Industri II Lot C No. 27 & 28 Jalan Brigadir Jenderal Katamso Tanjung Uncang/Sagulung Sekupang Batam Riau, Indonesia | Industrial Premises | 21 | 157,326 | Leasehold expiring in 2035 | 19.03.2020 (R) | 6,290 |
| Comprising Plant IV and a warehouse | | | | | | |

Analysis of Shareholdings

as at 2 April 2025

| | | |
|---|---|-----------------------------|
| Issued and fully Paid-up Capital | : | RM165,736,481.89 |
| Number of Shares Issued | : | 205,547,000 |
| Number of Shareholders | : | 16,363 |
| Class of Shares | : | Ordinary shares |
| Voting Rights | : | One vote per ordinary share |

A. DISTRIBUTION OF SHAREHOLDINGS

| Range of Holdings | No. of Holders | % of Holders | No. of Shares | % of Shares |
|--|----------------|--------------|--------------------|-------------|
| Less than 100 | 2,997 | 18.32 | 120,311 | 0.06 |
| 100 to 1,000 | 4,785 | 29.24 | 2,123,214 | 1.03 |
| 1,001 to 10,000 | 6,314 | 38.59 | 23,232,467 | 11.30 |
| 10,001 to 100,000 | 2,020 | 12.34 | 60,269,592 | 29.32 |
| 100,001 to less than 5% of issued shares | 245 | 1.50 | 72,354,800 | 35.20 |
| 5% and above of issued shares | 2 | 0.01 | 47,446,616 | 23.09 |
| TOTAL | 16,363 | 100 | 205,547,000 | 100 |

B. DIRECTORS' INTERESTS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

| Name | Shares | | | |
|------------------------------|---------------|------|-------------------------|-------|
| | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % |
| Dato' Lim Ooi Hong | 343,750 | 0.16 | 21,942,766 ^A | 10.68 |
| Mr. Lim Wee Kiat | 250,000 | 0.12 | 21,942,766 ^A | 10.68 |
| Mr. Kenny Yeoh Khi Khen | - | - | - | - |
| Encik Khalid Bin Ahmad Husni | - | - | - | - |
| Ms. Lim Ean Chin | 46,325 | 0.02 | - | - |

Note:

A Deemed interested through Ho Wah Genting Holding Sdn Bhd by virtue of Section 8(4) of the Act.

C. SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

| Name | Shares | | | |
|--------------------------------|---------------|-------|-------------------------|-------|
| | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % |
| Chien, Chao-Chuan | 25,503,850 | 12.41 | - | - |
| Ho Wah Genting Holding Sdn Bhd | 21,942,766 | 10.68 | - | - |
| Dato' Lim Ooi Hong | 343,750 | 0.16 | 21,942,766 ^A | 10.68 |
| Mr. Lim Wee Kiat | 250,000 | 0.12 | 21,942,766 ^A | 10.68 |

Note:

A Deemed interested through Ho Wah Genting Holding Sdn Bhd by virtue of Section 8(4) of the Act.

Analysis of Shareholdings as at 2 April 2025 (cont'd)

D. TOP THIRTY SECURITIES ACCOUNT HOLDERS

| No. | Shareholders | No. of Shares | % |
|-----|---|-------------------|--------------|
| 1. | Chien, Chao-Chuan | 25,503,850 | 12.41 |
| 2. | Ho Wah Genting Holding Sdn Bhd | 21,942,766 | 10.68 |
| 3. | Hsieh, Ching-Fen | 10,229,400 | 4.98 |
| 4. | Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tee Tiam Hock | 1,544,000 | 0.75 |
| 5. | Kenanga Nominees (Tempatan) Sdn Bhd Loh Kok Loong | 1,519,100 | 0.74 |
| 6. | Yeap Soo Ching | 1,450,000 | 0.71 |
| 7. | Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tay Soon Hwa (E-Tsa) | 1,300,000 | 0.63 |
| 8. | Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For See Bee Yoong (E-Klc/Jpr) | 1,200,000 | 0.58 |
| 9. | Pang Yoke Mui | 1,003,000 | 0.49 |
| 10. | Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheng Choi Teng (E-Klc) | 910,000 | 0.44 |
| 11. | Cgs International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Gan Boon Tian (My4428) | 894,750 | 0.44 |
| 12. | Lai Kim Lan | 829,225 | 0.40 |
| 13. | Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Ng Kwai Wan (Ngk0101c) | 821,650 | 0.40 |
| 14. | RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Gan Boon Tian | 800,000 | 0.39 |
| 15. | Goh Hoey Yein | 720,000 | 0.35 |
| 16. | Yin Yit Fun | 720,000 | 0.35 |
| 17. | Yew Hoo Yong | 639,000 | 0.31 |
| 18. | Koh Eng Poh | 600,000 | 0.29 |
| 19. | Phua Hock | 600,000 | 0.29 |
| 20. | Yue Teck Siong | 600,000 | 0.29 |
| 21. | Tai Thong Ming | 581,125 | 0.28 |
| 22. | Seow Kek Thay | 550,000 | 0.27 |
| 23. | Ooi Bee Lian | 545,025 | 0.27 |
| 24. | Ang Poh Loon | 525,000 | 0.26 |
| 25. | Lai Choye Yoke | 524,000 | 0.26 |
| 26. | Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd For Yeong Jong Luun | 512,325 | 0.25 |
| 27. | Eugene Goh Zhao Tzen | 500,000 | 0.24 |
| 28. | Heng Swee Ngee | 500,000 | 0.24 |
| 29. | Lee Hook Hee | 500,000 | 0.24 |
| 30. | Ngo Seng Loon | 495,000 | 0.24 |
| | TOTAL | 79,059,216 | 38.47 |

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Second Annual General Meeting (“AGM”) of the Company will be held at Phoenix 3, 4 & 5, Level 7, Howard Johnson By Wyndham Kuala Lumpur 118, Jalan Kampung Attap, 50460 Kuala Lumpur on Friday, 23 May 2025 at 09:30 a.m. for the following businesses:

AGENDA

As Ordinary Business

- To receive the audited Financial Statements of the Company for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.
- To approve the payment of Directors’ fees of RM60,000 per annum and meeting allowance of RM500 per day for each Non-Executive Director for the financial year ending 31 December 2025.
- To re-elect En. Khalid Bin Ahmad Husni, the Director who retires pursuant to Article 18.4 of the Company’s Constitution and being eligible, has offered himself for re-election.
- To re-elect Ms. Lim Ean Chin, the Director who retires pursuant to Article 18.2 of the Company’s Constitution and being eligible, has offered herself for re-election.
- To re-appoint Messrs Russell Bedford LC PLT as Auditors and to authorize the Board of Directors to fix their remuneration.

**Please refer to
Note A**

Resolution 1

Resolution 2

Resolution 3

Resolution 4

As Special Business

To consider and if thought fit, to pass the following resolutions:

- Ordinary Resolution**
Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”)

Resolution 5

“THAT subject to the Act, the Constitution of the Company, approval from Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and other relevant authorities, where such approval is necessary, authority be and is hereby given to the Board of Directors pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit, provided always that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain approval for the listing of and quotation on Bursa Malaysia, for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

- To transact any other business of which due notice shall have been given in accordance with the Act.

By Order of the Board

Coral Hong Kim Heong

Company Secretary
(MAICSA 7019696) (SSM PC No.: 201908001943)

Kuala Lumpur
Date: 30 April 2025

NOTES:

- This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act and the Company’s Constitution do not require a formal approval of the shareholders and hence, is not put forward for voting.
- Members Entitled To Attend: Only members whose names appear in the Record of Depositors as at 16 May 2025 shall be entitled to attend the meeting.
 - Voting By Poll: Pursuant to Article 16.5 of the Company’s Constitution, all the resolutions set out in this Notice shall be put to vote by poll.
 - A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.

Notice of Annual General Meeting (cont'd)

NOTES (CONT'D):

4. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member / authorized nominee / exempt authorized nominee appoints two (2) proxies, the appointment shall be invalid unless the proportions of shareholdings to be represented by each proxy is specified.
5. Where a member of the Company is an exempt authorized 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 authorized nominee may appoint in respect of each Omnibus Accounts it holds.
6. The instrument appointing a proxy must be deposited at the registered office of the Company at 3rd Floor, Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, not less than twenty-four (24) hours before the time appointed for the meeting.
7. In the case of a corporate member, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney duly authorized in writing.

Explanatory Notes:

8. If Ordinary Resolution 1 is approved, payment of Directors' fees and benefits will be made on monthly basis and / or as and when incurred.

The amount of Directors' fees and benefits paid to the non-executive Directors for the financial year ended 31 December 2024 was RM189,737.70.

9. Proposed Ordinary Resolution 4 on Re-appointment of Auditors

Pursuant to Section 273(b) of the Act, the term of office of the present External Auditors, Messrs Russell Bedford LC PLT, shall end at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office.

The Audit Committee had conducted an annual assessment of the independence, suitability and effectiveness of Messrs Russell Bedford LC PLT and recommended their re-appointment for shareholders' approval. The Board is satisfied with the performance of Messrs Russell Bedford LC PLT and approved the recommendation of the Audit Committee to seek shareholders' approval to re-appoint Messrs Russell Bedford LC PLT as Auditors of the Company to hold office until the conclusion of the next AGM. This proposed resolution, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

10. The proposed Ordinary Resolution 5, if passed, will give the Directors of the Company the continuing authority to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company.

The renewal of the mandate pursuant to Sections 75 and 76 of the Act, will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions, which the Directors deem necessary and feasible.

No new shares in the Company were issued pursuant to the mandate given to the Directors at the last Annual General Meeting held on 24 May 2024.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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 representative(s) 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.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTOR (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

No individual is seeking election as a Director at the forthcoming Thirty-Second Annual General Meeting (“AGM”) of the Company.

The information on Directors who are standing for re-election at the forthcoming AGM as required pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance including their latest interests in the shares of the Company are provided in the Directors’ Profile of the Annual Report 31 December 2024.

The Nomination and Remuneration Committee of the Company has assessed the performance, contribution and effectiveness of each Director and assess the fit and proper criteria of the Directors, the relevant skill sets and experience and bring valuable insights to the Board. Based on the satisfactory assessment outcome, the Board recommended the retiring Directors to be re-elected according to the resolutions put forth in the forthcoming AGM.

The Directors standing for re-election have abstained from deliberation and participation of their own recommendation for re-election in the relevant Nomination and Remuneration Committee and Board meetings.

2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in the Explanatory Notes of the Notice of Annual General Meeting in the Annual Report 31 December 2024.

3. DISCLOSURE ON CONFLICT OF INTEREST (“COI”) INVOLVING DIRECTORS AND KEY SENIOR MANAGEMENT WITH THE LISTED ISSUER AND ITS SUBSIDIARIES

None of the Directors and Key Senior Management had any COI in any competent business with the Company and its subsidiaries as declared in their profile in the Annual Report 2024. The Directors and the Key Senior Management will continue to declare any COI or potential COI quarterly at Audit and Risk Management Committee meeting and Board of Directors Meeting.

| | | | | | | | | | | | |
|--------------------|--------------------|--|--|--|--|--|--|--|--|--|--|
| No. of Shares Held | CDS Account Number | | | | | | | | | | |
| | | | | | | | | | | | |

HO WAH GENTING BERHAD
 Registration Number :199301018185 (272923-H)
 Incorporated in Malaysia

*I/We (name of shareholder), *NRIC No./Company No.
 of
 (full address),
 being a *member/members of **HO WAH GENTING BERHAD**, do hereby appoint:

Proxy

| | |
|-------------------------------------|---------------------------|
| Full Name (In Block Letter): | NRIC/Passport No.: |
| Address: | Email Address: |
| | Telephone No.: |

*And / Or failing *him/her*

Proxy

| | |
|-------------------------------------|---------------------------|
| Full Name (In Block Letter): | NRIC/Passport No.: |
| Address: | Email Address: |
| | Telephone No.: |

or failing *him/her, the *Chairman of the meeting as *my / our proxy to vote and act for *me / us on *my / our behalf, at the Thirty-Second Annual General Meeting of the Company to be held at Phoenix 3, 4 & 5, Level 7, Howard Johnson By Wyndham Kuala Lumpur 118, Jalan Kampung Attap, 50460 Kuala Lumpur on Friday, 23 May 2025 at 09:30 a.m and at any adjournment thereof.

The proportion of *my/our holding to be represented by *my/our proxies are as follows **(The paragraph below must be completed if two (2) proxies are appointed):**

Percentage (%) of shareholding to be represented:

| | |
|--------------|-------------|
| Proxy 1 | % |
| Proxy 2 | % |
| Total | 100% |

*My / our proxy is to vote as indicated below:

| Resolution No. | Ordinary Business | For (#) | Against (#) |
|----------------|--|---------|-------------|
| 1. | Payment of Non-Executive Directors' Fees and meeting allowance for the financial year ending 31 December 2025. | | |
| 2. | Re-election of En. Khalid Bin Ahmad Husni | | |
| 3. | Re-election of Ms. Lim Ean Chin | | |
| 4. | Re-appointment of Messrs Russell Bedford LC PLT as Auditors and to authorize the Board of Directors to fix their remuneration. | | |
| | Special Business | | |
| 5. | Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016. | | |

(#) Please indicate with an "X" in the appropriate space above how you wish your vote to be cast. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit.

(*) Please delete where not applicable.

Common Seal
 (For Corporate
 Member)

Dated this _____ day of _____, 2025

 Signature / Common Seal of Shareholder

NOTES:

- Members Entitled To Attend: Only members whose names appear in the Record of Depositors as at 16 May 2025 shall be entitled to attend the meeting.
- Voting By Poll: Pursuant to Article 16.5 of the Company's Constitution, all the resolutions shall be put to vote by poll.
- A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.
- A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member / authorized nominee / exempt authorized nominee appoints two (2) proxies, the appointment shall be invalid unless the proportions of shareholdings to be represented by each proxy is specified.
- Where a member of the Company is an exempt authorized 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 authorized nominee may appoint in respect of each Omnibus Accounts it holds.
- The instrument appointing a proxy must be deposited at the registered office of the Company at 3rd Floor, Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, not less than twenty-four (24) hours before the time appointed for the meeting.
- In the case of a corporate member, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney duly authorized in writing.

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 Notice of the Annual General Meeting dated 30 April 2025.

Fold this flap for sealing

Then fold here

STAMP

The Company Secretary
HO WAH GENTING BERHAD
Registration Number :199301018185 (272923-H)
3rd Floor, Wisma Ho Wah Genting,
No. 35, Jalan Maharajalela,
50150 Kuala Lumpur.

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HO WAH GENTING BERHAD

Registration Number : 199301018185 (272923-H)

**3rd Floor, Wisma Ho Wah Genting,
No. 35, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia
T 603 2143 8811 F 603 2141 7477**