

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Group is committed to good Environmental, Social and Governance (“ESG”) practices and works towards embedding sustainability into its business processes from its policies and social impact initiatives to its day-to-day operations to deliver continuous business growth that considers the development of communities and the preservation of the environment. Disclosure on the Group’s sustainability efforts are continuously presented in its Sustainability Statement, which contains in depth analyses of its sustainability performance in relation to ESG matters material to the Group and its stakeholders, as well as its support towards the United Nations Sustainable Development Goals.

This Corporate Governance Overview Statement (“Statement”) for the financial year ended 31 December 2025 (“FY2025”) is prepared pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), with guidance drawn from Practice Note 9 of the Listing Requirements and Corporate Governance Guide (4th Edition) issued by Bursa Securities. This Statement should be read in conjunction with the Corporate Governance Report (“CG Report”) in which the Company explains its application of each of the principles of the Malaysian Code on Corporate Governance 2021 (“MCCG”) during FY2025. The CG Report is available on the Company’s website at [www.wellchip.com.my](http://www.wellchip.com.my) as well as via an announcement on the website of Bursa Securities.

This Statement provides shareholders and other stakeholders with an overview of how the Company has applied the corporate governance principles and practices as set out in the MCCG during FY2025.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

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

### I. BOARD RESPONSIBILITIES

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

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

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

### II. BOARD COMPOSITION

The Board comprises nine (9) experienced and competent members with different areas of expertise, out of which five (5) Independent Non-Executive Directors ("INED"), two (2) Non-Independent Non-Executive Directors ("NINED"), and two (2) Executive Directors ("ED"). The NC adheres to a formal and transparent procedure in accordance with the Terms of Reference of the NC and Fit and Proper Policy of the Company for the nomination and appointment of a new Director. The NC and the Board meets with the prospective candidate to ascertain the candidate's suitability for appointment as a Board member. None of the members of the Board is a former key audit partner of the external auditors of the Company.

The Board has established the ARMC, NC and RC to assist in the execution of its responsibilities. Each of the Board Committees is chaired by an INED who is not the Chairman of the Board. The functions, duties and authorities of the Board Committees are set out in the Terms of Reference of each of the Board Committees, which is accessible at [www.wellchip.com.my](http://www.wellchip.com.my).

The Board, through the NC, has conducted the annual peer and self-assessments on the effectiveness of the Board and Board Committees, evaluation of the individual performances of Directors, as well as reviewed the independence of the INEDs and the following matters via questionnaires. The Board will engage an independent expert to facilitate objective and candid Board effectiveness evaluations as and when necessary.

#### (a) Assessment of independence of INEDs

The NC assessed the independence of all INEDs with the following criteria to ensure the INED would be able to discharge their duties and responsibilities effectively:

- Fulfilment of the definition of "independent director" under the Listing Requirements;
- Whether the tenure of INEDs has exceeded a cumulative term of nine (9) years;
- Whether INEDs have received any performance-based remuneration from the Company and the Group;
- Whether INEDs are able to exert considerable influence on the Company's financial standing; and

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

#### (a) Assessment of independence of INEDs (Cont'd)

- Other criteria such as directorships in other listed issuers and public companies, any family relationship with Directors or major shareholders, any conflict of interest or potential conflict of interest he/she has with the Company, interest in securities in the Company, and their attendance of the Board and Board Committees meetings during the financial year.

The NC has determined that all INEDs have remained objective and independent. Each of the INED has provided a confirmation of his/her independence to the NC.

#### (b) Review of the effectiveness of the individual Directors, Board Committees and the Board

The NC reviewed the competencies, contributions and performances of the individual Directors, Board Committees and the Board as a whole. With regard to the mix of skills, experiences, competencies, independence, diversity and other qualities required to meet the needs of the Group as well as the character, personality, integrity and time commitment of the individual Directors, the NC is satisfied with the performance and contribution of the Directors, the Board skills matrix, size and composition of the Board and Board Committees.

#### (c) Review of the ARMC, external auditors and internal auditors

The NC has reviewed and is satisfied with the independence, composition, skills and expertise, term of office and overall performance of the ARMC. The NC also, through the ARMC, reviewed the objectivity, independence, competency, professionalism and resource capacity of the external and internal auditors.

#### (d) Rotation of Directors

The Constitution of the Company ("Constitution") provides that one-third (1/3) of the Directors, with a minimum of one (1), and those appointed during the year shall retire from office and shall be eligible for re-election at every AGM. The Constitution also provides that all Directors shall retire from office at least once in every three (3) years.

The Directors, Mr. Yeah Hiang Nam and Mr. Chan Kam Chiew, who are subject to rotation pursuant to Clause 113 of the Company's Constitution at the forthcoming Third Annual General Meeting ("3rd AGM"), had indicated their intentions to seek for re-election. The Directors who were appointed during the year, Mr. Lew Chern Yong and Mr. Hsu, Kuan-Hua, who are subject to re-election pursuant to Clause 120 of the Company's Constitution at the forthcoming 3rd AGM, had also indicated their intentions to seek for re-election. Having considered the fit and proper criteria in the Fit and Proper Policy, their past contributions, attendance at the Board and Board Committees meetings as well as other criteria such as directorships in other listed issuers and public companies, and any conflict of interest or potential conflict of interest he/she has with the Company, the Board recommended all their re-elections, to be approved by the shareholders at the forthcoming 3rd AGM.

Ms. Wong Chin Chin, who retires by rotation pursuant to Clause 113 of the Company's Constitution, has decided not to seek re-election at the 3rd AGM. Accordingly, she will retire as a Director of the Company at the conclusion of the 3rd AGM, bringing her notable tenure to a close. The Board recognises and deeply appreciates Ms. Wong's contributions to the Company throughout her tenure. Her dedication and commitment will be greatly missed, and the Board extends its best wishes to her in all her future endeavours.

The Board is satisfied with the level of time commitment given by the Directors in fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the Directors' attendance at the Board and Board Committees meetings, and all Directors observing the restriction of the Listing Requirements of holding not more than five (5) directorships in listed issuers.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

At the beginning of the year, the Board and Board Committees will schedule meetings according to the availability of the members and convene additional meetings as and when necessary. Key Senior Management (“KSM”) and advisers are invited to the Board and Board Committees meetings to present relevant subject matters, if applicable. Board and Board Committees meetings are conducted based on a formal agenda on matters to be discussed, with adequate time allocated for deliberation. The Chairman of the Board and the Chairperson of the respective Board Committees chair the meetings, with proper record of minutes kept by the Company Secretary. Draft minutes of the Board and Board Committees meetings are made available to all the members of the Board and Board Committees for confirmation before the next meeting. The attendance of the members of the Board and the Board Committees during FY2025 were as follows:

| Name of Director                                                                                                                                                                                                               | No. of meetings attended /<br>Total no. of meetings held |      |      |      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|------|------|------|
|                                                                                                                                                                                                                                | Board                                                    | ARMC | NC   | RC   |
| Mak Lye Mun<br>Independent Non-Executive Chairman                                                                                                                                                                              | 6/6*                                                     | N/A  | N/A  | N/A  |
| Yeah Hiang Nam<br>Non-Independent Non-Executive Director                                                                                                                                                                       | 6/6                                                      | N/A  | N/A  | N/A  |
| Yeah Chia Kai<br>Non-Independent Non-Executive Director<br>(Appointed as member of ARMC, NC and RC on 24 November 2025)                                                                                                        | 6/6                                                      | N/A  | N/A  | N/A  |
| Ng Hooi Lang<br>Executive Director and Chief Executive Officer                                                                                                                                                                 | 6/6                                                      | N/A  | N/A  | N/A  |
| Tang Soo Yen<br>Executive Director and Director of Retail and Merchandising                                                                                                                                                    | 6/6                                                      | N/A  | N/A  | N/A  |
| Chan Kam Chiew<br>Independent Non-Executive Director                                                                                                                                                                           | 6/6                                                      | 8/8* | 5/5  | 3/3  |
| Wong Chin Chin<br>Independent Non-Executive Director                                                                                                                                                                           | 6/6                                                      | 8/8  | 5/5* | 3/3  |
| Lew Chern Yong<br>Independent Non-Executive Director<br>(Appointed on 19 September 2025 and, on the same day, appointed as the Chairman of RC and a member of ARMC; subsequently appointed as a member of NC on 18 March 2026) | 1/1                                                      | 1/1  | N/A  | N/A* |
| Hsu, Kuan-Hua<br>Independent Non-Executive Director<br>(Appointed on 19 September 2025 and, on the same day, appointed as a member of NC; subsequently appointed as a member of ARMC and RC on 18 March 2026)                  | 1/1                                                      | N/A  | N/A  | N/A  |
| Dr. Yap Lang Ling<br>Independent Non-Executive Director<br>(Retired on 23 June 2025)                                                                                                                                           | 3/3                                                      | 6/6  | 4/4  | 3/3* |

Remarks:

\* Chairperson of the Board/Board Committees

N/A – Not applicable/not the member of the respective Board Committees

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

The Board observes the requirements related to the Mandatory Accreditation Programme (“MAP”) prescribed by Bursa Securities and is mindful that Directors should continuously update their skills and knowledge to maximise the effectiveness of the Board during their tenure. Directors are required to evaluate their own training needs continuously to keep abreast with regulatory requirements and ongoing business development. The Board has approved a budget for Directors to attend relevant training courses which may assist the Directors in discharging their responsibilities. In addition, the Board is notified of a series of training programmes or workshops conducted by Bursa Securities and other training providers for its consideration. The Board receives updates of new statutory and regulatory requirements from time to time from the external auditors and Company Secretary on, among others, amendments to the Malaysian Financial Reporting Standards, the Companies Act 2016, Listing Requirements, publications from Securities Commission Malaysia, sustainability reporting frameworks, and additional disclosures and reporting requirements arising thereto.

During FY2025, the Directors attended various training programmes, seminars, conferences and forums, details of which are set out below:

| Director       | Title of training programmes/seminars/conferences/forums                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mak Lye Mun    | <ul style="list-style-type: none"> <li>ICDM: Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Bursa: The Chairpersons’ Circle 2025</li> </ul>                                                                                                                                                                                                                                                                                                                                             |
| Yeah Hiang Nam | <ul style="list-style-type: none"> <li>Penang Signature Gold, Gems &amp; Jewellery Fair: Market Development Grant (MDG) Seminar</li> <li>Penang Signature Gold, Gems &amp; Jewellery Fair: Gold Price Forecast and Trend Analysis</li> <li>Penang Signature Gold, Gems &amp; Jewellery Fair: Platinum Jewellery – Ready to Shine in a New Era of Demand</li> <li>Penang Signature Gold, Gems &amp; Jewellery Fair: Navigating ASEAN’s Gold Jewellery Market: 2025 Challenges, Opportunities &amp; Insights</li> </ul> |
| Yeah Chia Kai  | <ul style="list-style-type: none"> <li>Korn Ferry Academy: Effective Coaching for Talent Development (Classroom &amp; Asynchronous)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                        |
| Ng Hooi Lang   | <ul style="list-style-type: none"> <li>SSM Webinar: Common Offences Under Companies Act 2016</li> <li>BeyondXcel Consultancy: Jewellery Display &amp; Merchandising Excellence Programme</li> </ul>                                                                                                                                                                                                                                                                                                                   |
| Tang Soo Yen   | <ul style="list-style-type: none"> <li>SSM Webinar: Common Offences Under Companies Act 2016</li> <li>BeyondXcel Consultancy: Jewellery Display &amp; Merchandising Excellence Programme</li> </ul>                                                                                                                                                                                                                                                                                                                   |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

| Director       | Title of training programmes/seminars/conferences/forums                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chan Kam Chiew | <ul style="list-style-type: none"> <li>• KPMG Webinar: MFRS Updates 2024</li> <li>• Standard Chartered Global Research Briefing H1 2025</li> <li>• Standard Chartered: Global Outlook 2025 – Reverberations</li> <li>• BDO Webinar: Cyber Security Act 2024: Everything You Need to Know to Stay Ahead</li> <li>• HSBC Webinar: FX Market Outlook</li> <li>• UOB Webinar: Impact of ‘Liberation Day’ Tariffs on Asia</li> <li>• LGMS: Cyber Security Act 2024: What Business Must Know</li> <li>• KPMG Webinar: Stay ahead of IRB’s evolving tax enforcement strategies</li> <li>• KPMG Webinar: Sales Tax and Service Tax: Expansion of scope revealed – Key highlights</li> <li>• Bursa/ICDM: Game Changer for Your Digital Transformation Era</li> <li>• Anti-Bribery and Anti-Corruption</li> <li>• HSBC: Redefining Treasury – Navigating a dynamic environment towards a real-time treasury</li> <li>• Bursa: Strategic Oversight in Strategic Implementation: Getting Execution Right at the Board Level</li> <li>• Standard Chartered Global Research Briefing H2 2025</li> <li>• Rabobank Asia Webinar: “Tariff and FX Talk”</li> <li>• CTIM: National Tax Conference 2025</li> <li>• IASB-MASB Virtual Outreach on Post-implementation Review of IFRS 16 Leases</li> <li>• Bursa: Board Simulation – Balancing Risks &amp; Opportunity in Sustainability Leadership</li> <li>• KPMG: Demystifying Malaysian Withholding Tax</li> <li>• MASB: Climate-related and Other Uncertainties in the Financial Statements</li> <li>• Standard Chartered Webinar: Asia Rates Strategy</li> <li>• KPMG Tax and Business Summit 2025</li> <li>• BDO Tax Seminar on Budget 2026: Growth, Governance &amp; Reform</li> <li>• ACCA Sustainability Reporting Progress</li> <li>• MIA: Corporate Financial Reporting Conference 2025 - “Elevating Reporting Excellence: Integrating Sustainability”</li> <li>• AOB Conversation with Audit Committees</li> <li>• KPMG 2025 MFRS Updates</li> <li>• MIA: Risk Management Conference 2025</li> <li>• MIA: ESG and IFRS S1 and S2</li> </ul> |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

| Director       | Title of training programmes/seminars/conferences/forums                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Wong Chin Chin | <ul style="list-style-type: none"> <li>30% Club Malaysia supported by Securities Commission: Power, progress, Possibility – Redefining Leadership together by Tan Sri Nazir Razak, Anne Abraham, Chen Li Kai and Sujatha Sekhar Naik</li> <li>ICDM: Boardroom Blindspots: How Our Perceptions of Risk Influence our Boardroom Effectiveness by David R. Koenig, President and Chief Executive Officer of The DCRO Institute</li> <li>ICDM: Climate First or Last by Prof Mak Yuen Teen and Tina Thomas</li> <li>Malaysian Bar Environmental, Social and Governance Conference: 4 Sessions Keynote speaker: Lawrence Power, Head of Chambers, Whitestone Chambers, United Kingdom</li> <li>ICDM: How are Boards Tracking the Progress and Quality of Sustainability Reporting<br/>Panelists:               <ol style="list-style-type: none"> <li>Sharon Machado, Head of Sustainable Business, Policy and Insights, ACCA</li> <li>Dr. Jayanthi Desan, ICDM Faculty &amp; Fellow, Independent Non-Executive Director, Berjaya Assets Berhad</li> <li>Sharath Martin, Board of Trustee of WWF-Malaysia Senior Policy Consultant, ACCA Asia Pacific</li> <li>Ong Ai Lin, Chair of Board Sustainability and Risk Committee of a Public Listed Company and Senior Independent Non-Executive Director of 2 Public Listed Companies</li> <li>Dr. Renard Siew, Head of Corporate Sustainability Yinson Holdings Berhad</li> </ol> </li> <li>Bar Council: Virtual Conference on Corporate and Commercial Law 2025</li> </ul> |
| Lew Chern Yong | <ul style="list-style-type: none"> <li>ICDM: Mandatory Accreditation Programme (MAP)</li> <li>ICDM: Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Hsu, Kuan-Hua  | <ul style="list-style-type: none"> <li>ICDM: Mandatory Accreditation Programme (MAP)</li> <li>ICDM: Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

### III. REMUNERATION

The Company's general policy on Directors' remuneration is to offer competitive remuneration packages to attract and retain high-calibre Directors. The remuneration package for EDs is structured to link the rewards to financial performance and long-term objectives of the Group aside from individual performance. The remuneration package comprises a number of separate elements such as basic salary, allowances, bonuses and other benefits-in-kind.

In the case of Non-Executive Directors, the level of remuneration shall be linked to their experience and the level of responsibilities undertaken. The remuneration package for Non-Executive Directors shall be determined by the Board as a whole. The Director concerned shall abstain from deliberation and voting on decisions in respect of his/her individual remuneration package.

Apart from the remuneration paid and payable by the Company and the Group in respect of FY2025 as follows, the Group has arranged for Directors' and officers' liability insurance to indemnify the Directors and officers of the Company and its group of companies. The amount of premium paid for such liability insurance is set out in the Report of the Directors of the Company's Audited Financial Statements for FY2025.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### III. REMUNERATION (CONT'D)

#### Company

| Category                                           | Fee (RM) | Allowance (RM) | Salary (RM) | Bonus (RM) | Benefit-in-kind (RM) | Other emoluments (RM) | Total (RM) |
|----------------------------------------------------|----------|----------------|-------------|------------|----------------------|-----------------------|------------|
| <b>Executive Directors</b>                         |          |                |             |            |                      |                       |            |
| Ng Hooi Lang                                       | -        | -              | -           | -          | -                    | -                     | -          |
| Tang Soo Yen                                       | -        | -              | -           | -          | -                    | -                     | -          |
| <b>Non-Executive Directors</b>                     |          |                |             |            |                      |                       |            |
| Mak Lye Mun                                        | 135,000  | 6,500          | -           | -          | -                    | -                     | 141,500    |
| Yeah Hiang Nam                                     | 35,000   | 6,000          | -           | -          | -                    | -                     | 41,000     |
| Yeah Chia Kai                                      | 38,644   | 6,500          | -           | -          | -                    | -                     | 45,144     |
| Chan Kam Chiew                                     | 90,000   | 13,000         | -           | -          | -                    | -                     | 103,000    |
| Wong Chin Chin                                     | 80,000   | 13,000         | -           | -          | -                    | -                     | 93,000     |
| Lew Chern Yong<br>(Appointed on 19 September 2025) | 19,802   | 2,000          | -           | -          | -                    | -                     | 21,802     |
| Hsu Kuan-Hua<br>(Appointed on 19 September 2025)   | 12,730   | 2,000          | -           | -          | -                    | -                     | 14,730     |
| Dr. Yap Lang Ling<br>(Retired on 23 June 2025)     | 40,000   | 9,000          | -           | -          | -                    | -                     | 49,000     |



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### III. REMUNERATION (CONT'D)

#### Group

| Category                                           | Fee (RM) | Allowance (RM) | Salary (RM) | Bonus (RM) | Benefit-in-kind (RM) | Other emoluments (RM) | Total (RM) |
|----------------------------------------------------|----------|----------------|-------------|------------|----------------------|-----------------------|------------|
| <b>Executive Directors</b>                         |          |                |             |            |                      |                       |            |
| Ng Hooi Lang                                       | 9,000    | 4,200          | 302,400     | 100,000    | -                    | 49,964                | 465,564    |
| Tang Soo Yen                                       | 4,500    | 4,200          | 276,000     | 88,334     | -                    | 44,671                | 417,705    |
| <b>Non-Executive Directors</b>                     |          |                |             |            |                      |                       |            |
| Mak Lye Mun                                        | 135,000  | 6,500          | -           | -          | -                    | -                     | 141,500    |
| Yeah Hiang Nam                                     | 35,000   | 6,000          | -           | -          | -                    | -                     | 41,000     |
| Yeah Chia Kai                                      | 38,644   | 6,500          | -           | -          | -                    | -                     | 45,144     |
| Chan Kam Chiew                                     | 90,000   | 13,000         | -           | -          | -                    | -                     | 103,000    |
| Wong Chin Chin                                     | 80,000   | 13,000         | -           | -          | -                    | -                     | 93,000     |
| Lew Chern Yong<br>(Appointed on 19 September 2025) | 19,802   | 2,000          | -           | -          | -                    | -                     | 21,802     |
| Hsu, Kuan-Hua<br>(Appointed on 19 September 2025)  | 12,730   | 2,000          | -           | -          | -                    | -                     | 14,730     |
| Dr. Yap Lang Ling<br>(Retired on 23 June 2025)     | 40,000   | 9,000          | -           | -          | -                    | -                     | 49,000     |

The RC reviewed the remuneration component of the Directors, which includes fees, salary, benefits-in-kind and other emoluments. Based on the RC's recommendation, the Board is of the view that the current Directors' fees are appropriate and sufficient to attract and retain Directors of the requisite calibre to serve on the Board. The Directors' fees are disclosed separately at the Group and Company levels, whereby the fees for the Chairman and other Directors amounted to RM135,000 and RM329,676 respectively at the Group level, and RM135,000 and RM316,176 respectively at the Company level.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AUDIT AND RISK MANAGEMENT COMMITTEE

#### (a) Effective and Independent ARMC

The ARMC is relied upon by the Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, internal control environment and internal audit processes, review of related party transactions as well as conflict of interest situations.

The ARMC is chaired by Mr. Chan Kam Chiew, an Independent Non-Executive Director who is distinct from the Chairman of the Board. The majority of the members of the ARMC are financially literate, whilst the Chairman of the ARMC is a member of the Malaysian Institute of Accountants.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

#### (a) Effective and Independent ARMC (Cont'd)

The ARMC comprises five (5) members. The composition of the ARMC complies with Paragraphs 15.09 and 15.10 of the Listing Requirements and the recommendation of MCCG whereby all the five (5) ARMC members are Non-Executive Directors. None of the INED has appointed alternate directors.

None of the members of the ARMC were former key audit partners and to uphold utmost independence, the Board has no intention to appoint any former key audit partner as a member of the ARMC.

The term of office and performance of the ARMC and its members are reviewed by the NC annually to determine whether such ARMC and members have carried out their duties in accordance with the Terms of Reference.

#### (b) Compliance with Applicable Financial Reporting Standards

The Board is assisted by the ARMC in overseeing the financial reporting processes and ensuring the quality of its financial reporting. The Board strives to provide shareholders with a balanced and meaningful evaluation of the Group's financial performance, financial position, and prospects through the annual audited financial statements, interim financial reports, and Annual Report. Announcements to Bursa Securities are made in a timely and accurate manner, with Board oversight and approval obtained where appropriate, in accordance with regulatory requirements.

#### (c) External Auditors

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

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

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

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

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### (a) Effective Risk Management and Internal Control Framework

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

The Board engaged an independent consultant, BDO Governance Advisory Sdn. Bhd. (“BDO”) to conduct an Enterprise Risk Management (“ERM”) assessment based on the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) ERM Framework, with the objective of strengthening risk management practices across the Group. The current two (2) year risk-based internal audit plan was developed based on the outcome of the ERM assessment completed in FY2024, focusing on key auditable areas aligned with the principal risks of the Group.

The ARMC regularly reviews and evaluates the adequacy and effectiveness of the internal control system by considering internal audit reports prepared by the internal auditors and deliberating on the key findings together with management’s responses. Based on these reviews, the Board is of the view that the system of internal control and risk management in place during the financial year under review is sound and adequate to safeguard Company assets, shareholders’ investments, and stakeholders’ interests.

The external auditors are appointed by the Board to review the Statement on Risk Management and Internal Control (“SORMIC”) and to report thereon. Further details on the internal control system of the Group and its effectiveness are set out in the SORMIC section of this Annual Report.

#### (b) Internal Audit Function

The Board recognises that an independent and adequately resourced internal audit function is essential in providing the assurance required on the effectiveness of the system of internal control. The primary role of the internal audit function is to review the adequacy and effectiveness of the system of internal control, and this is carried out with objectivity, professional competence, and due professional care.

An independent professional firm, BDO, was engaged to undertake the internal audit function and reports directly to the ARMC. The firm was appointed by the Board to perform internal audits covering compliance with the Anti-Money Laundering and Countering Financing of Terrorism (“AMLA”), Information Technology General Controls (“ITGCs”) and Personal Data Protection Act (“PDPA”). The internal auditors provide independent assurance on the adequacy, efficiency, and effectiveness of the internal control system. The internal audit plan, including the nature and scope of the audits, was reviewed and approved by the ARMC prior to the commencement of the audits.

None of the internal audit personnel has any family relationship with any Director and or major shareholder of the Company, nor any conflict of interest that could impair objectivity and independence. Further details on the internal audit function are set out in the SORMIC and the ARMC Report in this Annual Report.

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

### I. ENGAGEMENT WITH STAKEHOLDERS

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

#### (a) Discussion with Management

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

#### (b) Compliance with Regulatory Guides

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

#### (c) Communication Measures

##### (i) Announcements to Bursa Securities

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

##### (ii) Company Website

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

##### (iii) Annual Report

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

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

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

##### (v) Investor Relations

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

|                |                                                                                                |
|----------------|------------------------------------------------------------------------------------------------|
| Address:       | No. 23-01 & 23-02,<br>Jalan Harmonium 35/3,<br>Taman Desa Tebrau,<br>81100 Johor Bahru, Johor. |
| Telephone:     | +607-354 4621                                                                                  |
| Email address: | <a href="mailto:ir@wellchip.com.my">ir@wellchip.com.my</a>                                     |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### II. CONDUCT OF GENERAL MEETINGS

The AGM serves as a principal platform for dialogue between the Company and its shareholders. It provides shareholders with the opportunity to seek clarification on matters relating to the Group's operations, performance and governance. Both individual and institutional shareholders are encouraged to participate actively at the AGM through engagement with the Board, as well as by voting on the resolutions tabled. All Directors and KSM are present at the AGM to respond to questions raised by shareholders. Where appropriate, members of the media are also able to engage with the Board following the conclusion of the AGM.

In accordance with the Board Charter, the Company ensures that shareholders are provided with adequate notice of the AGM to allow sufficient time for meeting arrangements and informed decision making. The Notice of AGM is issued at least twenty-eight (28) days prior to the meeting date, reflecting the Board's commitment to transparency, shareholder engagement and good corporate governance, and in line with Practice 13.1 of the MCGG.

During the 2nd AGM, the Chairman invited the shareholders and proxies to raise their questions on the Company's financial statements and other agenda items for adoption at the meeting, prior to the resolution being put to vote. The Chairman ensured that shareholders and proxies are given sufficient opportunities to seek clarification on the Company's affairs and that adequate responses were given. The minutes of 2nd AGM were published on the Company's website within thirty (30) business days after the 2nd AGM. The Chairman ensures that the Board is accessible to shareholders and that an open channel of communication is cultivated.

The Directors, KSM and external auditors will be present to respond to shareholders' queries and to provide clarification where necessary. Shareholders who are unable to attend the AGM in person may appoint proxies to attend and vote on their behalf.

In compliance with paragraph 8.29A of the Listing Requirements, all resolutions set out in the Notice of AGM will be voted on by way of poll. An independent scrutineer will be appointed to verify the poll voting results, and the outcome of all resolutions will be announced to Bursa Securities on the same day following the conclusion of the AGM.

In line with good corporate governance practice, the notice of the forthcoming 3rd AGM, the Form of Proxy and the Annual Report would be issued to the shareholders at least twenty-eight (28) days before the AGM. This is to ensure that shareholders are given sufficient time to review and consider the agenda item of the AGM, and to seek clarifications during general meetings on any matters pertaining to the issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the operational and financial performance of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Malaysian Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Act in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year.

The Directors consider that in preparing the financial statements:

- The Group and the Company have used appropriate accounting policies that are consistently applied;
- Reasonable and prudent judgments and estimates have been made; and
- All applicable approved accounting standards in Malaysia have been adhered to.

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

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

### CONCLUSION

This Statement, together with the Corporate Governance Report has been approved by the Board on 16 April 2026.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board presents the Audit and Risk Management Committee (“ARMC”) Report which provides insights into the manner in which the ARMC discharged its functions for Well Chip Group Berhad (“Well Chip” or “the Company”) in 2025. This report has been reviewed by the ARMC to ensure that they were prepared in compliance with the relevant regulatory requirements and guidelines.

## COMPOSITION AND MEETING ATTENDANCE

The ARMC composition complies with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”) and Practice 9.1 of the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”). The ARMC consists of four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

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

During the financial year ended 31 December 2025 (“FY2025”), the ARMC convened eight (8) meetings. Details of the composition of the ARMC and attendance by each member at the ARMC meeting are as follows:

|    | Name                                                              | Designation                                    | Meeting Attendance |
|----|-------------------------------------------------------------------|------------------------------------------------|--------------------|
| 1. | Chan Kam Chiew                                                    | Chairman, Independent Non-Executive Director   | 8 / 8              |
| 2. | Wong Chin Chin                                                    | Member, Independent Non-Executive Director     | 8 / 8              |
| 3. | Lew Chern Yong<br>(Appointed as ARMC member on 19 September 2025) | Member, Independent Non-Executive Director     | 1 / 1              |
| 4. | Yeah Chia Kai<br>(Appointed as ARMC member on 24 November 2025)   | Member, Non-Independent Non-Executive Director | -                  |
| 5. | Hsu, Kuan-Hua<br>(Appointed as ARMC member on 18 March 2026)      | Member, Independent Non-Executive Director     | -                  |
| 6. | Dr. Yap Lang Ling<br>(Ceased as ARMC member on 23 June 2025)      | Member, Independent Non-Executive Director     | 6 / 6              |

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

In accordance with Paragraph 15.20 of the MMLR, the Board, via the Nominating Committee (“NC”), performed the annual assessment on the term of office and performance of ARMC and each of its members in respect of the FY2025. This evaluation aims to determine whether the ARMC and its members have effectively fulfilled their responsibilities as outlined in their Terms of Reference (“TOR”).

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## COMPOSITION AND MEETING ATTENDANCE (CONT'D)

For the FY2025, the NC has assessed the performance and term of office of the ARMC and reported the same to the Board. The Board is satisfied that the ARMC have performed their duties diligently and have contributed to the committee's overall effectiveness in providing independent oversight on the financial reporting process, internal controls, and audit functions.

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

## TERMS OF REFERENCE

The ARMC discharged its responsibilities in accordance with its TOR which set out its authority, duties and functions. The TOR is accessible on the Company's website at [www.wellchip.com.my](http://www.wellchip.com.my).

## SUMMARY OF ACTIVITIES OF ARMC DURING THE FINANCIAL YEAR

In discharging its duties and responsibilities, the ARMC had undertaken the following activities and work during the FY2025:

### (1) Financial Statements and Reporting

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

### (2) External Audit

- (a) Reviewed and discussed with the external auditors the audited financial statements for the financial year, the results of the statutory audit, significant findings, key audit matters, and the audit report, including recommendations for improvements and Management's remedial actions. After due deliberation, the ARMC recommended the audited financial statements to the Board for approval.
- (b) Reviewed and approved the engagement of external auditors for non-assurance services, to safeguard the independence and objectivity of the audit function by minimising potential conflict of interest arising from the performance of non-audit services.
- (c) Evaluated the external auditors' suitability, objectivity and independence, taking into consideration their technical competencies, audit quality and manpower resource sufficiency to perform the audit of the Group. The evaluation was performed with reference to the Annual Transparency Report issued by the audit firm. Also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group.



# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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

### (2) External Audit (Cont'd)

- (d) Reviewed and discussed with the external auditors the audit planning memorandum, outlining, among others, the scope of work, audit approach, areas of audit emphasis, and key audit matters.
- (e) Reviewed and discussed updates on new and revised accounting standards issued by the Malaysian Accounting Standards Board, and their adoption and implications on the Group's financial statements.
- (f) Obtained assurance of external auditors' professional independence.
- (g) Met with external auditors without the presence of Management twice in a year, in order for the external auditors to express any concerns they may have.

### (3) Internal Audit

- (a) Reviewed the reports from the internal auditors and assessed the internal auditors' findings and recommendations, the Management's responses, and those appropriate actions had been taken by Management to address the issues raised at the scheduled quarterly ARMC meetings.
- (b) Reviewed and discussed the effective implementation of the action plans taken by the Management in response to audit findings and weaknesses identified during the internal audit at the ARMC meeting.
- (c) Monitored the follow-up Audit Report on the internal audit findings and the implementation status based on the internal auditors' recommendations and Management's response and action plan during the internal audit at the ARMC meeting.
- (d) Reviewed and deliberated on the internal audit plan presented by the internal auditors for the next financial year. This was to determine the adequacy of the scope, coverage of work and that the outsourced internal audit function has sufficient resources to perform its work.
- (e) Held two (2) private sessions with BDO without the presence of Management, in assuring that corporate accountability mechanisms were well-established and functioning as intended, while providing BDO an opportunity to express any concerns they may have.

### (4) Related Party Transactions ("RPT") / Recurrent Related Party Transactions ("RRPT")

Reviewed the RPT and/or RRPT, which included provision of management and support services fees, information technology service fees, retail sales of jewellery and gold, loan interest expenses, and rental expenses, during the scheduled quarterly meetings. The ARMC noted that the rental transactions were supported by the valuation report from independent valuer.

All other transactions were supported by appropriate transfer pricing documentation, which had been reviewed by an independent tax specialist to confirm that they were conducted on an arm's length basis. The exception was the provision of management and support services fees, which represented a new source of income during the financial year. These fees were charged under a cost-plus arrangement with a 5% mark-up. In accordance with the Malaysian Transfer Pricing Guidelines ("TP Ruling 2024"), this arrangement qualifies for exemption from the preparation of a benchmarking analysis under the simplified approach. Nevertheless, Well Chip intends to prepare transfer pricing documentation under the simplified approach in subsequent financial year to ensure continued compliance with prevailing requirements.

The ARMC was satisfied that the RPT and/or RRPT were carried out on fair and reasonable terms, in accordance with normal commercial practices, not detrimental to the interests of minority shareholders, and in the best interest of Well Chip, and accordingly recommended them to the Board for consideration and approval.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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

### (5) Conflict of Interest ("COI") Situations

In FY2025, the ARMC maintained oversight of the Conflict of Interest Policy, which was adopted on 20 June 2025, to ensure its consistent application and effectiveness, following the amendments to the MMLR relating to enhanced COI disclosures. The ARMC's scope of review includes COI situations that have arose, are persisting, in addition to those that may potentially arise as well as measures taken to resolve, eliminate or mitigate such COI. This oversight is to ensure that Directors and Key Senior Management act in the best interests of the Group, free from any personal, financial, non-financial or other conflicts that may compromise their judgement or impartiality. For the year under review, there were no COI or potential COI, including the interest in any competing business with the Group and/or its subsidiaries identified.

### (6) Annual Reporting

- (a) Discussed and recommended to the Board for approval, the Statement on Risk Management and Internal Control, the ARMC Report and Directors' Responsibility Statement in relation to the audited financial statements for inclusion in the Annual Report.
- (b) Reviewed the extent of compliance with the relevant provisions set out under the MCCG 2021 for the purpose of preparing the Corporate Governance Overview Statement and Corporate Governance Report and recommend the same for approval by the Board.

## INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm, BDO, Governance Advisory Sdn. Bhd., headed by its Executive Director, Advisory, Karthigayan Supramaniam, who is a Certified Internal Auditor and a professional member of the Institute of Internal Auditors Malaysia. The internal auditors reports directly to the ARMC on its activities based on the approved annual Risk-based Internal Audit Plan covering the key risk functions and processes of the Group.

The role of the Internal Auditor is to provide the ARMC with reports on the state of internal controls and the extent of compliance within the Group's established policies and procedures across its operating entities.

The objective of internal audit function is to provide independent and objective assurance to the ARMC on the adequacy and effectiveness of the Group's system of internal controls. The internal audit activities undertaken for FY2025 covered the following:

- (a) Assessment of the adequacy and testing the integrity of the system of internal controls;
- (b) Review of compliance with policies and procedures, including reviews on Anti-Money Laundering and Countering Financing of Terrorism ("AMLA"), Information Technology General Controls ("ITGC"), and Personal Data Protection Act ("PDPA"), as well as providing recommendation of best practices for Management's consideration and implementation; and
- (c) Identification of any potential areas for improvement to enhance the effectiveness and efficiency of the processes.

The internal audit reports for FY2025 were presented to the ARMC, and Management has taken appropriate steps to address the issues highlighted, where practicable. Further details of the activities of internal audit function are set out in the Statement on Risk Management and Internal Control.

The cost incurred for the internal audit function of the Group for FY2025 was RM102,000.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

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

The Board of Directors (“the Board”) of Well Chip Group Berhad (“Well Chip” or “the Company”) seeks to promote a risk-conscious culture and is committed to maintaining a sound system of internal control and risk management framework across the Company and its subsidiaries (“the Group”). The Board is pleased to present the following Statement on Risk Management and Internal Control (“SORMIC” or “the Statement”), which outlines the nature and scope of the internal control and risk management of the Group for the financial year ended 31 December 2025 (“FY2025”).

## THE BOARD’S RESPONSIBILITIES

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

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

## MANAGEMENT’S RESPONSIBILITY AND ASSURANCE

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

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

## RISK MANAGEMENT FRAMEWORK

The Group’s risk management framework was developed with reference to the principles and guidelines of the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Enterprise Risk Management (“ERM”) Framework. It establishes a structured process, reporting framework, and policies that enable the Group to continuously identify, assess, manage, report, and monitor risks.

The Risk Management Working Group (“RMWG”), comprising the Compliance Officer, Heads of Department, and key business unit leaders, holds responsibility for embedding risk management practices throughout the operations of the Group. The RMWG conducts at least an annual review of key risk areas and operations. Findings from these reviews, together with results from compliance and internal control audits conducted by the internal audit function, are reported to the ARMC and subsequently presented to the Board.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK MANAGEMENT FRAMEWORK (CONT'D)

The Board has established risk appetite and tolerance parameters for the Group and reviews these parameters periodically to ensure ongoing alignment with the strategic objectives of the Group. These parameters serve as benchmarks to guide decision-making and risk-taking activities. The RMWG, supported by Management and internal audit, monitors risk exposures to ensure compliance with approved limits and initiates timely corrective actions where risks exceed defined thresholds or where internal control weaknesses are identified.

The Board and the RMWG also monitor emerging risks, including cybersecurity threats, sustainability risks, and changes in regulatory requirements. These risks are regularly assessed as part of the Group's risks evaluation and monitoring processes to ensure that mitigation measures remain effective in a changing environment. Management has implemented preventive and responsive measures to address these risks. The internal audit function assesses the adequacy and effectiveness of these measures through internal control audits. Significant findings are reported to the ARMC, which then updates and escalates relevant matters to the Board for further consideration.

The Group recognises that sustainability and climate related matters may pose operational, regulatory and reputational risks if not effectively managed. Material sustainability risks, including regulatory compliance, responsible financing, anti-corruption, cybersecurity, supply chain practices, employee welfare and environmental management, are integrated into the Group's risk management framework and monitored on an ongoing basis. Climate related risks, such as extreme weather events and evolving regulatory requirements, are also assessed and managed to minimise potential business impacts. The Board, through the ARMC, oversees these risks as part of the Group's overall risk management and internal control framework. Further details on the Group's sustainability governance and performance are set out in the Sustainability Statement of this Annual Report.

The risk management methodology: -

### (a) Risk Identification

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

### (b) Risk Evaluation/Assessment

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

### (c) Risk Profiling and Risk Treatment

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

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

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

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK MANAGEMENT FRAMEWORK (CONT'D)

The risk management methodology: - (Cont'd)

### (d) Risk Response

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

### (e) Risk Monitoring and Reporting

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

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

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

A review on the adequacy and effectiveness of risk management and internal control system is undertaken on a continuous basis. For FY2025, ARMC has reviewed the risk management profile, and the Board is satisfied that the risk management and internal control system in place is adequate and effective.

## INTERNAL AUDIT FUNCTION

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

Internal control activities are carried out in line with the internal audit plan approved by the ARMC during the financial year, including audit reviews of the Anti-Money Laundering and Countering Financing of Terrorism (“AMLA”), Information Technology General Controls (“ITGCs”), and Personal Data Protection Act (“PDPA”).

The internal audit review results were reported directly to the ARMC. Internal audit findings and the corresponding recommendations for improvement were communicated to Management for the necessary corrective actions. Follow up review were subsequently undertaken to monitor the implementation status of Management’s action plans and to ensure that all identified weaknesses were adequately addressed.

Based on the internal audit reviews conducted during the financial year, the Board is satisfied that there were no significant internal control weaknesses that resulted in material losses, contingencies, or uncertainties requiring separate disclosure in this Annual Report. Any weaknesses noted during the course of the reviews, together with the recommended measures to enhance the internal control environment, were reported to the ARMC. Management continues to take appropriate and practicable steps to address the issues highlighted by the internal auditors.

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

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## KEY ELEMENTS OF INTERNAL CONTROL

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

Key elements of the internal control system, in place throughout the financial year 2025 and up to the date of this Statement, include: -

- Well-defined Terms of Reference, Limits of Authority, and Responsibilities of Various Board Committees:  
This encompasses the ARMC, Nomination Committee, and Remuneration Committee.
- Systematically documented and revised policies and procedures:  
These are made available to guide employees in their daily operations, ensuring alignment with the business objectives.
- Clearly defined corporate policies:  
This includes the Code of Conduct, Whistleblowing Policy, Anti-Bribery and Corruption Policy, Anti-Money Laundering Policy, Fit and Proper Policy, Board Diversity Policy, and Conflict of Interest Policy.
- Structured recruitment process:  
The Group has established a comprehensive recruitment process to bring in talent effectively.
- Training and development programs:  
A wide variety of programs are in place to maintain and enhance employee competency.
- Performance management system:  
A performance management system with clearly defined business objectives and targets is established for relevant employees. Employee performance is regularly monitored, appraised, and rewarded based on the achievement of these targets.
- Quarterly review of financial results and management report:  
Conducted by the ARMC and the Board, this ensures ongoing oversight of financial performance.
- Review of the internal audit report and findings:  
The ARMC reviews internal and external audit reports and their findings and recommendations to address control deficiencies highlighted together with the remedial action plans to be implemented by Management.
- Regular management and operational meetings:  
These meetings focus on business operational performance to ensure that actions are implemented to meet the objectives and performance of the Group.
- Management reporting and performance review:  
A comprehensive reporting system, including budgets, key business indicators, and operational results, is provided to Key Senior Management. This enables quarterly reviews of business unit performance against budgets and targets. The ARMC receives and reviews these reports as part of its oversight of the Group's risk management and internal control.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

Pursuant to Paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors have reviewed the SORMIC. The review was conducted in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), and the Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement included in the Annual Report. The external auditors are not required to form an opinion on the adequacy or effectiveness of the Group's risk management and internal control system.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material respects, in accordance with the disclosures required by section 7 of the SORMIC Guidelines for Directors of Listed Companies, nor is the Statement factually inaccurate.

In line with paragraphs 10.1 and 10.2 of the MCCG 2021, the Board, through the ARMC, has ensured that an independent review of the Group's risk management and internal control framework has been conducted and has considered the findings and recommendations to enhance its effectiveness.

## **CONCLUSION**

The Board has received assurance from the Chief Executive Officer ("CEO") and Senior Financial Controller ("SFC") that risk management and internal control systems within the Group have operated adequately and effectively, in all material respects, throughout the financial year under review and up to the date of this Statement.

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

This Statement has been reviewed and approved by the Board of Directors on 16 April 2026.



## ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in accordance with Chapter 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as set out in Appendix 9C thereto.

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

#### Listing exercise

The utilisation of proceeds from the Public Issue amounting to RM172.5 million as disclosed below should be read in conjunction with the Prospectus of the Company. As at the date of this statement, the utilisation of gross proceeds from the IPO, amounting to RM172.50 million, is outlined as follows:

| Details of use of proceeds                        | Proposed Utilisation | Variation | Revised Proposed Utilisation | Actual Utilisation | Balance to be utilised | Estimated timeframe for use from the date of Listing |
|---------------------------------------------------|----------------------|-----------|------------------------------|--------------------|------------------------|------------------------------------------------------|
|                                                   | RM'000               | RM'000    | RM'000                       | RM'000             | RM'000                 |                                                      |
| <b>Cash Capital for our existing 23 pawnshops</b> | 124,300              | 8,500     | 132,800                      | (132,800)          | -                      | Within 24 months                                     |
| <b>Expansion of pawnshops</b>                     | 40,000               | (8,500)   | 31,500                       | (7,900)            | 23,600                 | Within 24 months                                     |
| <b>Estimated listing expenses</b>                 | 8,200                | -         | 8,200                        | (8,200)            | -                      | Immediate                                            |
| <b>Total</b>                                      | <b>172,500</b>       | <b>-</b>  | <b>172,500</b>               | <b>(148,900)</b>   | <b>23,600</b>          |                                                      |

\* Pursuant to the Company's Initial Public Offering (“IPO”) Prospectus, Section 4.6.2, a balance of RM23.6 million of the proceeds was allocated solely to finance the disbursement of pawn loans. In the same section, it was stated that we expect to commence operations of our new pawnshops within 24 months from the date of listing, 23 July 2024.

However, the implementation timeline has been affected due to several factors, including:

1. Delays in obtaining the initial approval from Ministry of Housing and Local Government (“KPKT”); and
2. In accordance with KPKT's regulatory requirements, the process of securing suitable premises can only be carried out after obtaining the first approval from KPKT, which has consequently affected the timeline for identifying and securing suitable locations.

On 16 April 2026, the Board of Directors has deliberated that the timeline for the utilisation of IPO proceeds, RM23.6million allocated to support pledgebook growth be extended by an additional twelve (12) months from 23 July 2026, in order to allow sufficient time for the completion of renovation works and the commencement of operations for all six (6) pawnshop outlets.

## ADDITIONAL COMPLIANCE INFORMATION

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

The amount of audit and non-audit fees paid to the firm or corporation affiliated to the External Auditors by the Company and the Group for the financial year ended 31 December 2025 are as follows:

| Details of fee         | Group<br>(RM'000) | Company<br>(RM'000) |
|------------------------|-------------------|---------------------|
| <b>Audit fee</b>       | 427               | 50                  |
| <b>Non-audit fee *</b> | 16                | 5                   |

\* The non-audit services rendered are in respect of the review of Statement on Risk Management and Internal Control and Agreed-Upon Procedures Engagements.

### III. MATERIAL CONTRACTS OR LOANS INVOLVING THE INTERESTS OF THE DIRECTORS, CHIEF EXECUTIVE WHICH IS NOT DIRECTOR OR MAJOR SHAREHOLDERS

Saved as disclosed in Note 29 of the audited financial statements for the FY2025, there were no material contracts (not being contracts entered into in the ordinary course of business) between the Company and its subsidiary that involve the interests of the Directors, Chief Executive which is not Director or Major Shareholders.

### IV. CONTRACTS RELATING TO LOANS

During the financial year, the Company and its subsidiaries maintain loans from related parties, directors, and shareholders to support business operations and working capital. These loans were entered into on an arm's length basis and on normal commercial terms, with fixed interest rates comparable to the Group's secured bank borrowings and with fixed repayment periods. Details of these loans are disclosed in Note 20 and 29 of the audited financial statements.

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

There were no shareholders' mandates obtained in respect of recurrent related party transaction of revenue or trading nature entered into by the Group during the financial year ended 31 December 2025.

## ADDITIONAL COMPLIANCE INFORMATION

### DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/Paragraph 9.41(b) of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

#### (A) Group Total Income and Total Assets

| Total Income        | Remarks | Group              |                    |
|---------------------|---------|--------------------|--------------------|
|                     |         | 2025<br>(RM)       | 2024<br>(RM)       |
| Revenue             |         | 270,202,091        | 222,125,297        |
| Other income        |         | 1,771,388          | 442,194            |
| Finance income      |         | 238,935            | 1,276,215          |
| <b>Total</b>        |         | <b>272,212,414</b> | <b>223,843,706</b> |
| <b>Total Assets</b> |         | <b>960,812,962</b> | <b>685,540,221</b> |

#### (B) Business Activities

| Shariah Non-Compliant Activities                                      | Remarks                     | Group              |                    |
|-----------------------------------------------------------------------|-----------------------------|--------------------|--------------------|
|                                                                       |                             | 2025<br>(RM)       | 2024<br>(RM)       |
| Conventional banking & finance and related services                   | Pawnbroking                 | 136,419,753        | 90,759,424         |
| Income from disposal of Shariah non-compliant investments/instruments | Sales of jewellery and gold | 133,782,338        | 131,365,873        |
| <b>Total</b>                                                          |                             | <b>270,202,091</b> | <b>222,125,297</b> |

#### (C) Component of Financial Position

##### (i) Cash Component

| Islamic Account/Instruments             | Remarks | Group             |                   |
|-----------------------------------------|---------|-------------------|-------------------|
|                                         |         | 2025<br>(RM)      | 2024<br>(RM)      |
| Cash at bank (exclude cash in hand)     |         | 630,234           | 212,813           |
| Cash in hand                            |         | 8,566,427         | 5,454,622         |
| Money market instruments                |         | 28,149,704        | 23,775,192        |
| <b>Total</b>                            |         | <b>37,346,365</b> | <b>29,442,627</b> |
| <b>Conventional Account/Instruments</b> |         |                   |                   |
| Cash at bank (exclude cash in hand)     |         | 6,681,726         | 12,776,883        |
| Deposits with licensed bank             |         | -                 | 51,400,000        |
| <b>Total</b>                            |         | <b>6,681,726</b>  | <b>64,176,883</b> |

## ADDITIONAL COMPLIANCE INFORMATION

### (C) Component of Financial Position (Cont'd)

#### (ii) Debt Component

| Islamic Financing                                                                                             | Remarks | Group        |              |
|---------------------------------------------------------------------------------------------------------------|---------|--------------|--------------|
|                                                                                                               |         | 2025<br>(RM) | 2024<br>(RM) |
| <b>Current</b>                                                                                                |         |              |              |
| Bank overdrafts                                                                                               | N/A     | -            | -            |
| Amount due to<br>Shareholder/Subsidiary/Associate/Joint<br>Venture/Directors/ Third Party without<br>interest | N/A     | -            | -            |
| Bank borrowings                                                                                               | N/A     | -            | -            |
| Revolving credit and financing                                                                                | N/A     | -            | -            |
| <b>Non-Current</b>                                                                                            |         |              |              |
| Bank overdrafts                                                                                               | N/A     | -            | -            |
| Amount due to<br>Shareholder/Subsidiary/Associate/Joint<br>Venture/Directors/ Third Party without<br>interest | N/A     | -            | -            |
| Bank borrowings                                                                                               | N/A     | -            | -            |
| Revolving credit and financing                                                                                | N/A     | -            | -            |
| <b>Total</b>                                                                                                  |         | -            | -            |

  

| Conventional Borrowing                                                                                  | Remarks | Group              |                    |
|---------------------------------------------------------------------------------------------------------|---------|--------------------|--------------------|
|                                                                                                         |         | 2025<br>(RM)       | 2024<br>(RM)       |
| <b>Current</b>                                                                                          |         |                    |                    |
| Term loans                                                                                              |         | 317,279            | 302,155            |
| Bank overdrafts                                                                                         |         | 33,546,827         | 6,202,783          |
| Revolving credit and loans                                                                              |         | 357,800,000        | 171,000,000        |
| Amount due to<br>Shareholder/Subsidiary/Associate/Joint<br>Venture/Directors/ Third Party with interest |         | 47,756,044         | 51,671,656         |
| <b>Non-Current</b>                                                                                      |         |                    |                    |
| Term loans                                                                                              |         | 4,194,218          | 4,502,377          |
| <b>Total</b>                                                                                            |         | <b>443,614,368</b> | <b>233,678,971</b> |

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

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

## FINANCIAL RESULTS

|                                   | GROUP<br>RM | COMPANY<br>RM |
|-----------------------------------|-------------|---------------|
| Net profit for the financial year | 86,145,942  | 44,460,106    |
| Attributable to:                  |             |               |
| Owners of the Company             | 86,145,942  | 44,460,106    |

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

## RESERVES AND PROVISIONS

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

## ISSUE OF SHARES AND DEBENTURES

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

## DIVIDEND

On 20 February 2026, the Board of Directors has proposed a final dividend of RM0.051 per ordinary share, amounted to RM30,600,000 for the financial year ended 31 December 2025, subject to approval of shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect these proposed dividends. The dividends will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2026.

## DIRECTORS

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

|                   |                                  |
|-------------------|----------------------------------|
| Mak Lye Mun       |                                  |
| Yeah Hiang Nam    |                                  |
| Ng Hooi Lang      |                                  |
| Tang Soo Yen      |                                  |
| Yeah Chia Kai     |                                  |
| Chan Kam Chiew    |                                  |
| Wong Chin Chin    |                                  |
| Lew Chern Yong    | (Appointed on 19 September 2025) |
| Hsu, Kuan-Hua     | (Appointed on 19 September 2025) |
| Dr. Yap Lang Ling | (Retired on 23 June 2025)        |

# DIRECTORS' REPORT

## DIRECTORS OF THE SUBSIDIARIES

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

|                  |                  |
|------------------|------------------|
| Chan Xin         | Ng Jing Xiang    |
| Chong Guang Ming | Ng Si Ling       |
| Fang Kui Chin    | Ng Si Ming       |
| Kau Zhe Yin      | Tang Soo Yen     |
| Lee Moi Keow     | Wong Soon Chyi   |
| Ng Heah Joo      | Yeo Mooi Huang   |
| Ng Hooi Hwang    | Yeow Choong Kuan |
| Ng Hui Chin      | Yeow Chun Huat   |
| Ng Hooi Lang     |                  |

## DIRECTORS' INTERESTS

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

The directors holding office at the end of the financial year and their interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 were as follow:

|                          | Number of shares |          |            |               |
|--------------------------|------------------|----------|------------|---------------|
|                          | At 1.1.2025      | Acquired | (Disposed) | At 31.12.2025 |
| <b>THE COMPANY</b>       |                  |          |            |               |
| <b>Direct interest</b>   |                  |          |            |               |
| Ng Hooi Lang             | 5,513,884        | -        | (100,000)  | 5,413,884     |
| Tang Soo Yen             | 4,987,646        | -        | -          | 4,987,646     |
| <b>Indirect interest</b> |                  |          |            |               |
| Ng Hooi Lang^            | 991,534          | -        | -          | 991,534       |
| Tang Soo Yen^^           | 5,424,066        | 679,600  | (991,700)  | 5,111,966     |
| Yeah Hiang Nam*          | 393,046,843      | -        | -          | 393,046,843   |



# DIRECTORS' REPORT

## DIRECTORS' INTERESTS (CONT'D)

|                                 | Number of shares |          |            |               |
|---------------------------------|------------------|----------|------------|---------------|
|                                 | At 1.1.2025      | Acquired | (Disposed) | At 31.12.2025 |
| <b>ULTIMATE HOLDING COMPANY</b> |                  |          |            |               |
| <b>VYN Holdings Sdn. Bhd.</b>   |                  |          |            |               |
| <b>Direct interest</b>          |                  |          |            |               |
| Ng Hooi Lang                    | 16,397,036       | -        | -          | 16,397,036    |
| Tang Soo Yen                    | 14,877,827       | -        | -          | 14,877,827    |
| <b>Indirect interest</b>        |                  |          |            |               |
| Yeah Hiang Nam#                 | 133,356,260      | -        | -          | 133,356,260   |

^ Deemed interested by virtue of the shares held by her spouse, pursuant to Section 8 of the Companies Act 2016.

^^ Deemed interested by virtue of the shares held by her spouse and children, pursuant to Section 8 of the Companies Act 2016.

\* Deemed interested by virtue of his shareholding in Yeah Holdings Pte. Ltd., pursuant to Section 8 of the Companies Act 2016.

# Deemed interested by virtue of his shareholding in Yeah Holdings Pte. Ltd., which holds more than 20% direct equity interest in ValueMax Group Limited, which holds 100% direct equity interest in VMM Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

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

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

## DIRECTORS' 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 remuneration received or due and receivable by directors as shown under directors' remuneration and in the notes to the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with a director or with a firm of which a director is a member or with a company in which a director has a substantial financial interest.

# DIRECTORS' REPORT

## DIRECTORS' REMUNERATIONS

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

|                                       | GROUP<br>RM      | COMPANY<br>RM  |
|---------------------------------------|------------------|----------------|
| <b>Executive directors:</b>           |                  |                |
| Salaries, allowances and bonuses      | 775,134          | -              |
| Fees                                  | 13,500           | -              |
| Defined contributions plan            | 92,058           | -              |
| Other related expenses                | 2,577            | -              |
|                                       | <u>883,269</u>   | <u>-</u>       |
| <b>Non-executive directors:</b>       |                  |                |
| Fees                                  | 451,176          | 451,176        |
| Meeting allowances                    | 59,000           | 59,000         |
|                                       | <u>510,176</u>   | <u>510,176</u> |
| <b>Directors of subsidiaries:</b>     |                  |                |
| Salaries, allowances and bonuses      | 1,861,262        | -              |
| Fees                                  | 107,330          | -              |
| Defined contributions plan            | 217,260          | -              |
| Other related expenses                | 15,432           | -              |
|                                       | <u>2,201,284</u> | <u>-</u>       |
| <b>Total directors' remunerations</b> | <u>3,594,729</u> | <u>510,176</u> |

## INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' and officers' liability insurance throughout the financial year, which provides appropriate insurance cover for the directors and officers of the Company. The insurance premium paid for the directors and officers of the Company is RM46,980. No indemnities or insurances have been given out to the auditors of the Group, during the financial year.

## SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of the significant event during the financial year is disclosed in note 34 to the financial statements.

## ULTIMATE HOLDING COMPANY

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

# DIRECTORS' REPORT

## SUBSIDIARIES

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

## OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which it might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would require the write off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
  - (iv) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the Group's and the Company's financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since end of financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to substantially affect the results of the operations of the Group and of the Company for the current financial year.

## DIRECTORS' REPORT

### AUDITORS

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

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

|                | GROUP<br>RM | COMPANY<br>RM |
|----------------|-------------|---------------|
| Audit fees     | 427,000     | 50,000        |
| Non-audit fees | 16,000      | 5,000         |
|                | 443,000     | 55,000        |

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

**NG HOOI LANG**

**TANG SOO YEN**

Johor Bahru

16 April 2026

# STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

| ASSETS                        | Note | GROUP         |               | COMPANY     |             |
|-------------------------------|------|---------------|---------------|-------------|-------------|
|                               |      | 2025 RM       | 2024 RM       | 2025 RM     | 2024 RM     |
| NON-CURRENT ASSETS            |      |               |               |             |             |
| Property, plant and equipment | 7    | 8,508,537     | 6,800,865     | -           | -           |
| Right-of-use assets           | 8    | 29,575,680    | 25,742,698    | -           | -           |
| Investment in subsidiaries    | 9    | -             | -             | 235,088,803 | 171,646,606 |
| Goodwill                      | 10   | 18,491,744    | 425,260       | -           | -           |
|                               |      | 56,575,961    | 32,968,823    | 235,088,803 | 171,646,606 |
| CURRENT ASSETS                |      |               |               |             |             |
| Inventories                   | 11   | 28,606,262    | 27,290,483    | -           | -           |
| Trade and other receivables   | 12   | 831,093,821   | 531,241,373   | 266,009,756 | 142,766,728 |
| Short-term investment         | 13   | 28,149,704    | 23,775,192    | 28,149,704  | 23,775,192  |
| Current tax assets            |      | 508,827       | 420,032       | -           | -           |
| Cash and bank balances        | 14   | 15,878,387    | 69,844,318    | 1,645,006   | 53,753,665  |
|                               |      | 904,237,001   | 652,571,398   | 295,804,466 | 220,295,585 |
| TOTAL ASSETS                  |      | 960,812,962   | 685,540,221   | 530,893,269 | 391,942,191 |
| EQUITY AND LIABILITIES        |      |               |               |             |             |
| EQUITY                        |      |               |               |             |             |
| Share capital                 | 15   | 339,432,613   | 339,432,613   | 339,432,613 | 339,432,613 |
| Reorganisation deficit        | 16   | (143,963,465) | (143,963,465) | -           | -           |
| Retained profits              |      | 287,824,013   | 225,678,071   | 45,568,324  | 25,108,218  |
| TOTAL EQUITY                  |      | 483,293,161   | 421,147,219   | 385,000,937 | 364,540,831 |
| LIABILITIES                   |      |               |               |             |             |
| NON-CURRENT LIABILITIES       |      |               |               |             |             |
| Lease liabilities             | 17   | 15,450,367    | 17,057,522    | -           | -           |
| Loans and borrowings          | 18   | 4,194,218     | 4,502,377     | -           | -           |
| Deferred tax liabilities      | 19   | 113,054       | 113,054       | -           | -           |
|                               |      | 19,757,639    | 21,672,953    | -           | -           |
| CURRENT LIABILITIES           |      |               |               |             |             |
| Lease liabilities             | 17   | 2,295,603     | 2,291,310     | -           | -           |
| Loans and borrowings          | 18   | 391,664,106   | 177,504,938   | 43,000,000  | -           |
| Other payables                | 20   | 54,384,682    | 56,721,851    | 101,158,332 | 27,250,160  |
| Current tax liabilities       |      | 9,417,771     | 6,201,950     | 1,734,000   | 151,200     |
|                               |      | 457,762,162   | 242,720,049   | 145,892,332 | 27,401,360  |
| TOTAL LIABILITIES             |      | 477,519,801   | 264,393,002   | 145,892,332 | 27,401,360  |
| TOTAL EQUITY AND LIABILITIES  |      | 960,812,962   | 685,540,221   | 530,893,269 | 391,942,191 |

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

|                                                                     | Note | GROUP         |               | COMPANY     |             |
|---------------------------------------------------------------------|------|---------------|---------------|-------------|-------------|
|                                                                     |      | 2025<br>RM    | 2024<br>RM    | 2025<br>RM  | 2024<br>RM  |
| <b>REVENUE</b>                                                      | 21   | 270,202,091   | 222,125,297   | 42,500,000  | 30,114,765  |
| <b>COST OF SALES</b>                                                |      | (112,348,270) | (116,965,472) | -           | -           |
| <b>GROSS PROFIT</b>                                                 |      | 157,853,821   | 105,159,825   | 42,500,000  | 30,114,765  |
| <b>OTHER INCOME</b>                                                 | 22   | 1,771,388     | 442,194       | 3,163,615   | 79,681      |
| <b>ADMINISTRATIVE EXPENSES</b>                                      |      | (39,196,072)  | (35,407,359)  | (2,295,873) | (5,601,086) |
| <b>FINANCE INCOME</b>                                               | 23   | 238,935       | 1,276,215     | 10,087,237  | 2,330,535   |
| <b>FINANCE COSTS</b>                                                | 24   | (401,788)     | (401,369)     | (5,987,074) | (1,141,011) |
| <b>PROFIT BEFORE TAXATION</b>                                       | 25   | 120,266,284   | 71,069,506    | 47,467,905  | 25,782,884  |
| <b>TAXATION</b>                                                     | 26   | (34,120,342)  | (21,085,328)  | (3,007,799) | (343,200)   |
| <b>NET PROFIT/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b> |      | 86,145,942    | 49,984,178    | 44,460,106  | 25,439,684  |
| <b>EARNING PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>      |      |               |               |             |             |
| Earning per ordinary share                                          |      |               |               |             |             |
| - Basic and diluted (sen)                                           | 27   | 14.36         | 9.68          | -           | -           |

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

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

|                                                              | Attributable to the owners of the Company |                       |                              |                        |                    |
|--------------------------------------------------------------|-------------------------------------------|-----------------------|------------------------------|------------------------|--------------------|
|                                                              | Share capital<br>RM                       | Invested equity<br>RM | Reorganisation deficit<br>RM | Retained profits<br>RM | Total equity<br>RM |
| <b>GROUP</b>                                                 |                                           |                       |                              |                        |                    |
| Balance as at 1 January 2024                                 | 1                                         | 27,683,141            | -                            | 175,693,893            | 203,377,035        |
| Issuance of shares pursuant to acquisition of subsidiaries   | 171,646,606                               | (27,683,141)          | (143,963,465)                | -                      | -                  |
| Issuance of shares pursuant to Initial Public Offering       | 172,500,000                               | -                     | -                            | -                      | 172,500,000        |
| Share issuance expenses                                      | (4,713,994)                               | -                     | -                            | -                      | (4,713,994)        |
| Net profit/Total comprehensive income for the financial year | -                                         | -                     | -                            | 49,984,178             | 49,984,178         |
| Balance as at 31 December 2024/1 January 2025                | 339,432,613                               | -                     | (143,963,465)                | 225,678,071            | 421,147,219        |
| Net profit/Total comprehensive income for the financial year | -                                         | -                     | -                            | 86,145,942             | 86,145,942         |
| Dividend paid (Note 30)                                      | -                                         | -                     | -                            | (24,000,000)           | (24,000,000)       |
| Balance as at 31 December 2025                               | 339,432,613                               | -                     | (143,963,465)                | 287,824,013            | 483,293,161        |

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



## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

|                                                              | Attributable to the owners of the Company |                                               |                                             |
|--------------------------------------------------------------|-------------------------------------------|-----------------------------------------------|---------------------------------------------|
|                                                              | Share capital<br>RM                       | (Accumulated Loss)/<br>Retained profits<br>RM | Total (deficit)/<br>surplus in equity<br>RM |
| <b>COMPANY</b>                                               |                                           |                                               |                                             |
| Balance as at 1 January 2024                                 | 1                                         | (331,466)                                     | (331,465)                                   |
| Issuance of shares pursuant to acquisition of subsidiaries   | 171,646,606                               | -                                             | 171,646,606                                 |
| Issuance of shares pursuant to Initial Public Offering       | 172,500,000                               | -                                             | 172,500,000                                 |
| Share issuance expenses                                      | ( 4,713,994)                              | -                                             | (4,713,994)                                 |
| Net profit/Total comprehensive income for the financial year | -                                         | 25,439,684                                    | 25,439,684                                  |
| Balance as at 31 December 2024/1 January 2025                | 339,432,613                               | 25,108,218                                    | 364,540,831                                 |
| Dividend paid (Note 30)                                      | -                                         | (24,000,000)                                  | (24,000,000)                                |
| Net profit/Total comprehensive income for the financial year | -                                         | 44,460,106                                    | 44,460,106                                  |
| Balance as at 31 December 2025                               | 339,432,613                               | 45,568,324                                    | 385,000,937                                 |

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

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

|                                                                                        | GROUP                |                     | COMPANY             |                    |
|----------------------------------------------------------------------------------------|----------------------|---------------------|---------------------|--------------------|
|                                                                                        | 2025<br>RM           | 2024<br>RM          | 2025<br>RM          | 2024<br>RM         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                            |                      |                     |                     |                    |
| Profit before taxation                                                                 | 120,266,284          | 71,069,506          | 47,467,905          | 25,782,884         |
| Adjustments for:                                                                       |                      |                     |                     |                    |
| Depreciation of                                                                        |                      |                     |                     |                    |
| - Property, plant and equipment                                                        | 2,254,616            | 2,107,169           | -                   | -                  |
| - Right-of-use assets                                                                  | 2,485,225            | 2,338,234           | -                   | -                  |
| Interest expense                                                                       | 17,315,009           | 14,985,730          | 5,987,074           | 1,141,011          |
| Interest income                                                                        | (238,935)            | (1,276,215)         | (10,087,237)        | (2,330,535)        |
| Dividend income                                                                        | -                    | -                   | (42,500,000)        | (30,114,765)       |
| (Gain)/Loss on disposal of<br>property, plant and equipment                            | (943)                | 617                 | -                   | -                  |
| Inventories written off                                                                | 169,585              | 4,135               | -                   | -                  |
| Provision of doubtful debts on pledged<br>receivables                                  | 155,010              | 74,250              | -                   | -                  |
| Reversal of provision of doubtful debts on<br>pledged receivables                      | -                    | (89,070)            | -                   | -                  |
| Property, plant and equipment written off                                              | 48,303               | 6,832               | -                   | -                  |
| Gain on modification of leases                                                         | (7,595)              | -                   | -                   | -                  |
| Write-down of slow-moving inventories                                                  | 434,286              | -                   | -                   | -                  |
| <b>Operating profit/(loss) before working<br/>    capital changes</b>                  | <b>142,880,845</b>   | <b>89,221,188</b>   | <b>867,742</b>      | <b>(5,521,405)</b> |
| Change in inventories                                                                  | (1,919,650)          | 4,802,192           | -                   | -                  |
| Change in trade and other receivables                                                  | (261,954,081)        | (110,740,918)       | (31,900,326)        | (1,000,173)        |
| Change in other payables                                                               | 3,098,385            | (184,451)           | 157,292             | (164,074)          |
| <b>Net cash used in operations</b>                                                     | <b>(117,894,501)</b> | <b>(16,901,989)</b> | <b>(30,875,292)</b> | <b>(6,685,652)</b> |
| Interest paid                                                                          | (16,913,221)         | (14,584,361)        | (5,987,074)         | (1,141,011)        |
| Interest received                                                                      | 238,935              | 1,276,215           | 10,087,237          | 2,330,535          |
| Tax paid                                                                               | (31,116,428)         | (17,348,381)        | (1,424,999)         | (192,000)          |
| Tax refunded                                                                           | 584,963              | 129,425             | -                   | -                  |
| <b>Net cash used in operating activities</b>                                           | <b>(165,100,252)</b> | <b>(47,429,091)</b> | <b>(28,200,128)</b> | <b>(5,688,128)</b> |
| <b>CASH FLOWS FROM INVESTING<br/>ACTIVITIES</b>                                        |                      |                     |                     |                    |
| Withdrawal/(placement) of fixed deposits<br>with maturity period of more than 3 months | 10,000,000           | (10,000,000)        | 10,000,000          | (10,000,000)       |
| Purchase of property, plant and equipment                                              | (3,945,854)          | (1,347,975)         | -                   | -                  |
| Purchase of right-of-use assets (Note B)                                               | (5,560,000)          | (1,736,506)         | -                   | -                  |

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

|                                                                    | GROUP               |                    | COMPANY              |                      |
|--------------------------------------------------------------------|---------------------|--------------------|----------------------|----------------------|
|                                                                    | 2025<br>RM          | 2024<br>RM         | 2025<br>RM           | 2024<br>RM           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES (CONT'D)</b>               |                     |                    |                      |                      |
| Acquisition of subsidiaries                                        | (56,420,050)        | -                  | -                    | -                    |
| Proceeds from disposal of property, plant and equipment            | 11,863              | 17,303             | -                    | -                    |
| Movement of subsidiaries balance                                   | -                   | -                  | (112,284,900)        | (111,117,881)        |
| <b>Net cash used in investing activities</b>                       | <b>(55,914,041)</b> | <b>13,067,178</b>  | <b>(102,284,900)</b> | <b>(121,117,881)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                        |                     |                    |                      |                      |
| Movement of loans and borrowings                                   | 186,506,965         | 5,252,008          | 43,000,000           | -                    |
| Movement of loans from related parties, shareholders and directors | (3,915,612)         | (24,022,484)       | -                    | -                    |
| Movement of related parties balance                                | (1,757,081)         | 1,017,450          | 472,281              | (767,337)            |
| Movement of subsidiaries balance                                   | -                   | -                  | 73,278,600           | 27,095,787           |
| Payment of lease liabilities                                       | (2,353,654)         | (2,240,437)        | -                    | -                    |
| Term loans interest paid                                           | (164,360)           | (177,980)          | -                    | -                    |
| Lease liabilities interest paid                                    | (237,428)           | (223,389)          | -                    | -                    |
| Dividend paid                                                      | (24,000,000)        | -                  | (24,000,000)         | -                    |
| Proceeds from issuance of ordinary shares                          | -                   | 167,786,006        | -                    | 167,786,006          |
| <b>Net cash generated from financing activities</b>                | <b>154,078,830</b>  | <b>147,391,174</b> | <b>92,750,881</b>    | <b>194,114,456</b>   |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>        | <b>(66,935,463)</b> | <b>86,894,905</b>  | <b>(37,734,147)</b>  | <b>67,308,447</b>    |
| <b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>                   | <b>77,416,727</b>   | <b>(9,478,178)</b> | <b>67,528,857</b>    | <b>220,410</b>       |
| <b>CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE A)</b>          | <b>10,481,264</b>   | <b>77,416,727</b>  | <b>29,794,710</b>    | <b>67,528,857</b>    |

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

## NOTES TO THE STATEMENTS OF CASH FLOWS

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

|                                                                 | GROUP        |              | COMPANY    |              |
|-----------------------------------------------------------------|--------------|--------------|------------|--------------|
|                                                                 | 2025<br>RM   | 2024<br>RM   | 2025<br>RM | 2024<br>RM   |
| Cash and bank balances (Note 14)                                | 15,878,387   | 69,844,318   | 1,645,006  | 53,753,665   |
| Add: Short-term investments (Note 13)                           | 28,149,704   | 23,775,192   | 28,149,704 | 23,775,192   |
| Less: Fixed deposits with maturity period of more than 3 months | -            | (10,000,000) | -          | (10,000,000) |
| Less: Bank overdrafts (Note 18)                                 | (33,546,827) | (6,202,783)  | -          | -            |
|                                                                 | 10,481,264   | 77,416,727   | 29,794,710 | 67,528,857   |

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

|                                                                                   | GROUP       |             | COMPANY    |            |
|-----------------------------------------------------------------------------------|-------------|-------------|------------|------------|
|                                                                                   | 2025<br>RM  | 2024<br>RM  | 2025<br>RM | 2024<br>RM |
| Addition during the year                                                          | 8,172,354   | 5,564,536   | -          | -          |
| Less: Addition to right-of-use assets in exchange for increased lease liabilities | (2,612,354) | (3,698,030) | -          | -          |
| Less: Amount financed by hire purchase                                            | -           | (130,000)   | -          | -          |
| Cash payments                                                                     | 5,560,000   | 1,736,506   | -          | -          |

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

|                                                  | GROUP      |            | COMPANY    |            |
|--------------------------------------------------|------------|------------|------------|------------|
|                                                  | 2025<br>RM | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| Included in net cash from operating activities   |            |            |            |            |
| - Payment relating to low-value assets           | 58,098     | 5,020      | -          | -          |
| Included in net cash from financing activities:  |            |            |            |            |
| - interest paid in relation to lease liabilities | 237,428    | 223,389    | -          | -          |
| - payment of lease liabilities                   | 2,353,654  | 2,240,437  | -          | -          |
| Total cash outflows for leases                   | 2,649,180  | 2,468,846  | -          | -          |

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

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

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

|                                                   | Lease liabilities<br>RM | Term loans<br>RM | Revolving credits<br>RM | Loans from shareholders, directors and related parties<br>RM | Movement of related parties balance<br>RM | Movement of subsidiaries balance<br>RM | Total<br>RM |
|---------------------------------------------------|-------------------------|------------------|-------------------------|--------------------------------------------------------------|-------------------------------------------|----------------------------------------|-------------|
| <b>2025 GROUP</b>                                 |                         |                  |                         |                                                              |                                           |                                        |             |
| At the beginning of financial year                | 19,348,832              | 4,804,532        | 171,000,000             | 51,671,656                                                   | 1,757,081                                 | -                                      | 248,582,101 |
| Inflows from external borrowings                  | -                       | -                | 186,800,000             | -                                                            | -                                         | -                                      | 186,800,000 |
| Net inflow and outflow with inter-related parties | -                       | -                | -                       | (3,915,612)                                                  | (1,757,081)                               | -                                      | (5,672,693) |
| Outflow of repayments                             | -                       | (293,035)        | -                       | -                                                            | -                                         | -                                      | (293,035)   |
| Payment of lease liabilities                      | (2,353,654)             | -                | -                       | -                                                            | -                                         | -                                      | (2,353,654) |
| Interest paid                                     | (237,428)               | (164,360)        | -                       | -                                                            | -                                         | -                                      | (401,788)   |
| <u>Non-cash changes</u>                           |                         |                  |                         |                                                              |                                           |                                        |             |
| Additions                                         | 2,612,534               | -                | -                       | -                                                            | -                                         | -                                      | 2,612,534   |
| Lease modification                                | (1,861,742)             | -                | -                       | -                                                            | -                                         | -                                      | (1,861,742) |
| Interest expenses recognised in profit and loss   | 237,428                 | 164,360          | -                       | -                                                            | -                                         | -                                      | 401,788     |
| At the end of the financial year                  | 17,745,970              | 4,511,497        | 357,800,000             | 47,756,044                                                   | -                                         | -                                      | 427,813,511 |
| <b>COMPANY</b>                                    |                         |                  |                         |                                                              |                                           |                                        |             |
| At the beginning of financial year                | -                       | -                | -                       | -                                                            | -                                         | 27,095,787                             | 27,095,787  |
| Inflows from external borrowings                  | -                       | -                | 43,000,000              | -                                                            | -                                         | -                                      | 43,000,000  |
| Net inflow and outflow with inter-related parties | -                       | -                | -                       | -                                                            | 472,281                                   | 73,278,600                             | 73,750,881  |
| At the end of the financial year                  | -                       | -                | 43,000,000              | -                                                            | 472,281                                   | 100,374,387                            | 143,846,668 |

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 1. CORPORATE INFORMATION

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

The registered office of the Company is located at 12<sup>th</sup> floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya Selangor.

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

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

The consolidated financial statements for the financial year ended 31 December 2025 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 16 April 2026.

### 2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

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

### 3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

#### 4.1 Basis of accounting

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

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

#### 4.2 Basis of consolidation

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

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

##### (a) Subsidiaries

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

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

The Group's financial statements incorporate the results, cash flows, assets and liabilities of all of its controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

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

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

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

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 4.7.

##### (b) Business combinations

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

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



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

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

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

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

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

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

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

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

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

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

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

##### (c) Transactions eliminated on consolidation

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

#### 4.3 Property, plant and equipment

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

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

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

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

|                        |                                 |
|------------------------|---------------------------------|
| Buildings              | 50 years                        |
| Computers              | 3 years                         |
| Furniture and fittings | 5 years                         |
| Office equipment       | 5 years                         |
| Renovations            | Lower of lease term and 5 years |

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

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

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

#### 4.4 Leases

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

#### 4.4 Leases (Cont'd)

##### (a) Definition of a lease (Cont'd)

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

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

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

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

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

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

|                |                 |
|----------------|-----------------|
| Leasehold land | 30 to 887 years |
| Buildings      | 50 years        |
| Shop-lots      | Over lease term |
| Motor vehicle  | 5 years         |

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

#### 4.4 Leases (Cont'd)

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

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

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

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

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

##### (c) Subsequent measurement

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

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

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

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

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

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

#### 4.5 Inventories

Inventories principally comprise gold, jewellery and luxury watches for trading purposes. The inventories form part of the Group's normal purchases and sales for its retailing activities.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

#### 4.6 Intangible assets

##### Goodwill

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

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

#### 4.7 Impairment of non-financial assets

##### (a) Impairment of non-financial assets other than goodwill

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

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

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

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

##### (b) Impairment of goodwill

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

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

Goodwill impairment is not reversed in any circumstances.

#### 4.8 Financial instruments

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

#### 4.8 Financial instruments (Cont'd)

##### (a) Initial recognition and measurement (Cont'd)

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

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

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

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

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

##### (c) Financial assets

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

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

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

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

##### (ii) Financial asset at FVPL

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

#### 4.8 Financial instruments (Cont'd)

##### (c) Financial assets (Cont'd)

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4.8(g).

##### (d) Financial liabilities

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

##### (e) Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in Note 4.16.

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

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

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

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

###### Trade receivables – Pawnbroking segment

The Group recognises an allowance for expected credit losses (“ECLs”) for trade receivables from the pawnbroking segment. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

#### 4.8 Financial instruments (Cont'd)

##### (g) Impairment of financial assets (Cont'd)

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

For trade receivables from the sales of unredeemed and bid pledges, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

#### 4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at banks, fixed deposits placed with licensed banks with maturity period of not more than 3 months and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the statements of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statements of financial position.

#### 4.10 Equity instruments

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

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

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

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

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

#### 4.11 Employees benefits

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

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

##### (b) Defined contribution plan

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



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

#### 4.12 Revenue recognition

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

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

##### (i) Pawnbroking business

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

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

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

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

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

##### (iii) Dividend income

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

#### 4.13 Income tax

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

#### 4.13 Income tax (Cont'd)

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

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

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

#### 4.14 Earnings per share

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

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

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

#### 4.15 Operating segments

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

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

#### 4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Group and the Company use market observable data to the extent possible.

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

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

#### 4.16 Fair value measurement (Cont'd)

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

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

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

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

#### 5.1 Amendment to MFRSs adopted

For the preparation of the financial statements, the following amendment to the MFRSs issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2025:

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

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

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

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

##### Amendments to MFRSs effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to MFRS – Volume 11

##### New MFRSs and amendments to MFRSs effective for annual periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency*

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 5. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (CONT'D)

#### 5.2 New MFRSs and amendments to MFRSs not yet effective (Cont'd)

##### Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed

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

The directors anticipate that the above-mentioned new MFRSs and amendments will be adopted by the Group and the Company when they become effective.

The initial application of new MFRSs and amendments to MFRSs is not expected to have any significant impact on the financial statements of the Group and the Company.

### 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its financial statements, the Group has made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Group periodically monitors such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates. The judgements made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (a) Valuation of pledged articles for collateralised loans of pawnbroking segment

The Group has trade receivables that are in the form of collateralised loans to customers. These loans are extended to customers based on a portion of the individual values of the corresponding pledged articles, for which individual values are assigned to each article by the Group's appraisers. Appraising the values of the articles requires the Group to make certain judgement, including assessing prevailing market conditions and gold prices.

#### (b) Impairment of trade receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that the trade receivables are impaired. The trade receivables are mainly from pledge receivables and accrued interest, which they are secured by pledges of goods. The carrying amount of the trade receivables may not be fully recover in the event that the customers do not renew or redeem pledged article within the agreed redemption period from the grant date of the loan.

The determination of the appropriate allowance for expected credit loss on trade receivables require management to consider factors such as the significant decline in values of pledged article and the authenticity of the pledged article.

#### (c) Net realisable value of inventories

The Group assesses periodically the allowance for inventories to record inventories at the lower of cost and net realisable value. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an allowance for inventories. To determine whether there is objective evidence of obsolescence or decline in net realisable value, the Group estimates future demand for the product and assesses prevailing market conditions and gold prices. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 11.

## NOTES TO THE FINANCIAL STATEMENTS

### - 31 DECEMBER 2025

#### 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### (d) Impairment of goodwill

The Group reviews goodwill for impairment at least on an annual basis or on a more frequent basis if events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating unit ("CGU") that is expected to benefit from synergies of the business combination.

The recoverable amount of the CGU is determined using the value-in-use method which requires management to make an estimate of expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of the cash flows. Changes in the assumptions used by the management in assessing the impairment could materially affect the net present value of the goodwill and may result in recognition of impairment loss.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 7. PROPERTY, PLANT AND EQUIPMENT

| GROUP                           | Freehold land RM | Buildings RM | Computers RM | Furniture and fittings RM | Office equipment RM | Renovations RM | Renovation in progress RM | Total RM   |
|---------------------------------|------------------|--------------|--------------|---------------------------|---------------------|----------------|---------------------------|------------|
| <b>Cost</b>                     |                  |              |              |                           |                     |                |                           |            |
| As at 1 January 2024            | 486,000          | 1,134,000    | 1,664,314    | 4,134,984                 | 2,514,287           | 8,522,601      | -                         | 18,456,186 |
| Additions                       | -                | -            | 251,693      | 391,809                   | 111,023             | 563,035        | 30,415                    | 1,347,975  |
| Disposals                       | -                | -            | (50,725)     | (5,280)                   | (16,885)            | -              | -                         | (72,890)   |
| Written off                     | -                | -            | (48,798)     | (97,445)                  | (14,635)            | -              | -                         | (160,878)  |
| <b>As at 31 December 2024/</b>  |                  |              |              |                           |                     |                |                           |            |
| 1 January 2025                  | 486,000          | 1,134,000    | 1,816,484    | 4,424,068                 | 2,593,790           | 9,085,636      | 30,415                    | 19,570,393 |
| Acquisition from subsidiaries   | -                | -            | -            | 5,308                     | 337,839             | 99,060         | -                         | 442,207    |
| Additions                       | 1,340,000        | 610,000      | 532,923      | 519,768                   | 344,997             | 598,166        | -                         | 3,945,854  |
| Disposals                       | -                | -            | (22,286)     | -                         | (18,150)            | -              | -                         | (40,436)   |
| Written off                     | -                | -            | (74,080)     | (30,300)                  | (9,886)             | -              | -                         | (114,266)  |
| Reclassification                | -                | -            | -            | -                         | -                   | 30,415         | (30,415)                  | -          |
| As at 31 December 2025          | 1,826,000        | 1,744,000    | 2,253,041    | 4,918,844                 | 3,248,590           | 9,813,277      | -                         | 23,803,752 |
| <b>Accumulated depreciation</b> |                  |              |              |                           |                     |                |                           |            |
| As at 1 January 2024            | -                | 168,210      | 897,361      | 2,890,706                 | 1,410,553           | 5,504,545      | -                         | 10,871,375 |
| Charge for the financial year   | -                | 22,680       | 383,703      | 427,112                   | 349,305             | 924,369        | -                         | 2,107,169  |
| Disposal                        | -                | -            | (40,869)     | (2,667)                   | (11,434)            | -              | -                         | (54,970)   |
| Written off                     | -                | -            | (45,806)     | (93,730)                  | (14,510)            | -              | -                         | (154,046)  |
| As at 31 December 2024          | -                | 190,890      | 1,194,389    | 3,221,421                 | 1,733,914           | 6,428,914      | -                         | 12,769,528 |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| GROUP                                    | Freehold land RM | Buildings RM | Computers RM | Furniture and fittings RM | Office equipment RM | Renovations RM | Renovation in progress RM | Total RM   |
|------------------------------------------|------------------|--------------|--------------|---------------------------|---------------------|----------------|---------------------------|------------|
| <b>Accumulated depreciation (Cont'd)</b> |                  |              |              |                           |                     |                |                           |            |
| As at 1 January 2025                     | -                | 190,890      | 1,194,389    | 3,221,421                 | 1,733,914           | 6,428,914      | -                         | 12,769,528 |
| Acquisition from subsidiaries            | -                | -            | -            | 5,117                     | 262,377             | 99,056         | -                         | 366,550    |
| Charge for the financial year            | -                | 30,813       | 434,449      | 456,777                   | 363,569             | 969,008        | -                         | 2,254,616  |
| Disposal                                 | -                | -            | (15,004)     | -                         | (14,512)            | -              | -                         | (29,516)   |
| Written off                              | -                | -            | (34,358)     | (25,612)                  | (5,993)             | -              | -                         | (65,963)   |
| As at 31 December 2025                   | -                | 221,703      | 1,579,476    | 3,657,703                 | 2,339,355           | 7,496,978      | -                         | 15,295,215 |
| <b>Net carrying amount</b>               |                  |              |              |                           |                     |                |                           |            |
| As at 31 December 2024                   | 486,000          | 943,110      | 622,095      | 1,202,647                 | 859,876             | 2,656,722      | 30,415                    | 6,800,865  |
| As at 31 December 2025                   | 1,826,000        | 1,522,297    | 673,565      | 1,261,141                 | 909,235             | 2,316,299      | -                         | 8,508,537  |

Certain property, plant and equipment with the carrying amount of RM4,773,179 (2024: RM5,876,004) have been pledged as security to secure the bank overdrafts and revolving credits as disclosed in Note 18.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 8. RIGHT-OF-USE ASSETS

| GROUP                                 | Leasehold<br>land<br>RM | Buildings<br>RM | Shop-<br>lots<br>RM | Motor<br>vehicle<br>RM | Total<br>RM |
|---------------------------------------|-------------------------|-----------------|---------------------|------------------------|-------------|
| <b>Cost</b>                           |                         |                 |                     |                        |             |
| As at 1 January 2024                  | 2,797,000               | 2,183,000       | 20,394,579          | -                      | 25,374,579  |
| Addition during the year              | 882,000                 | 835,427         | 3,698,030           | 149,079                | 5,564,536   |
| Modification                          | -                       | -               | 31,783              | -                      | 31,783      |
| Derecognition                         | -                       | -               | (866,640)           | -                      | (866,640)   |
| As at 31 December 2024/1 January 2025 | 3,679,000               | 3,018,427       | 23,257,752          | 149,079                | 30,104,258  |
| Addition during the year              | 3,023,000               | 2,537,000       | 2,612,354           | -                      | 8,172,354   |
| Modification                          | -                       | -               | (2,213,311)         | -                      | (2,213,311) |
| Derecognition                         | -                       | -               | (732,142)           | -                      | (732,142)   |
| As at 31 December 2025                | 6,702,000               | 5,555,427       | 22,924,653          | 149,079                | 35,331,159  |
| <b>Accumulated depreciation</b>       |                         |                 |                     |                        |             |
| As at 1 January 2024                  | 44,925                  | 57,889          | 2,787,152           | -                      | 2,889,966   |
| Charge for the year                   | 42,857                  | 43,660          | 2,241,778           | 9,939                  | 2,338,234   |
| Derecognition                         | -                       | -               | (866,640)           | -                      | (866,640)   |
| As at 31 December 2024/1 January 2025 | 87,782                  | 101,549         | 4,162,290           | 9,939                  | 4,361,560   |
| Charge for the year                   | 69,653                  | 59,985          | 2,325,771           | 29,816                 | 2,485,225   |
| Modification                          | -                       | -               | (359,164)           | -                      | (359,164)   |
| Derecognition                         | -                       | -               | (732,142)           | -                      | (732,142)   |
| As at 31 December 2025                | 157,435                 | 161,534         | 5,396,755           | 39,755                 | 5,755,479   |
| <b>Net carrying amount</b>            |                         |                 |                     |                        |             |
| As at 31 December 2024                | 3,591,218               | 2,916,878       | 19,095,462          | 139,140                | 25,742,698  |
| As at 31 December 2025                | 6,544,565               | 5,393,893       | 17,527,898          | 109,324                | 29,575,680  |



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 8. RIGHT-OF-USE ASSETS (CONT'D)

The leasehold land and buildings ("leasehold properties") are for pawnbroking activities and for retail and trading of jewellery and gold activities. The lease periods range from 30 to 887 years. (2024: 30 to 85 years).

Certain leasehold properties with the carrying amount of RM10,263,895 (2024: RM4,790,670) have been pledged as security to secure term loans, bank overdrafts and revolving credits as disclosed in Note 18.

The Group leases shop-lots to carry on business for pawnbroking and for retail and trading of jewellery and gold activities. The leases for shop-lots generally have initial lease terms of 3 years (2024: 3 to 4 years), with renewal options in multiples of 3 years, up to 4 terms.

There were changes to the lease amount due to renewal of tenancy agreements between the landlords with the Group. This resulted in the lease modification adjusted to the right-of-use assets and lease liabilities in the current and prior financial years.

### 9. INVESTMENT IN SUBSIDIARIES

|                             | COMPANY     |             |
|-----------------------------|-------------|-------------|
|                             | 2025<br>RM  | 2024<br>RM  |
| Unquoted shares, at cost    |             |             |
| At 1 January                | 171,646,606 | -           |
| Acquisition of subsidiaries | 63,442,197  | 171,646,606 |
| At 31 December              | 235,088,803 | 171,646,606 |

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:

| Name of the Company                | Effective ownership |      | Principal activities                          |
|------------------------------------|---------------------|------|-----------------------------------------------|
|                                    | 2025                | 2024 |                                               |
| Thye Shing Pawnshop Sdn. Bhd.      | 100%                | 100% | Pawnbroking                                   |
| Kedai Pajak Well Chip Sdn. Bhd.    | 100%                | 100% | Pawnbroking                                   |
| Kedai Emas Well Chip Sdn. Bhd.     | 100%                | 100% | Trading and retail sale of jewellery and gold |
| SYT Pavilion Sdn. Bhd.             | 100%                | 100% | Investment holding                            |
| Fook Foh Pawnshop Sdn. Bhd. #      | 100%                | -    | Pawnbroking                                   |
| Lian Foh Pawnshop Sdn. Bhd. #      | 100%                | -    | Pawnbroking                                   |
| Pajak Gadai Koong Sing Sdn. Bhd. # | 100%                | -    | Pawnbroking                                   |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows (cont'd):

| Name of the Company                           | Effective ownership |      | Principal activities |
|-----------------------------------------------|---------------------|------|----------------------|
|                                               | 2025                | 2024 |                      |
| <u>Subsidiaries of SYT Pavilion Sdn. Bhd.</u> |                     |      |                      |
| Pajak Gadai Bintang Sdn. Bhd.                 | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Shinegold Sdn. Bhd.               | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Berlian Sdn. Bhd.                 | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Grand Chip Sdn. Bhd.              | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Cahaya Damai Sdn. Bhd.            | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Mutiara Pesona Sdn. Bhd.          | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Rubi Kristal Sdn. Bhd.            | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Jubli Intan Sdn. Bhd.             | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Fajar Tebrau Sdn. Bhd.            | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Nilam Sdn. Bhd.                   | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Delima Sdn. Bhd.                  | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Well Chip (1) Sdn. Bhd.           | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Well Chip (2) Sdn. Bhd.           | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Well Chip (3) Sdn. Bhd.           | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Well Chip (4) Sdn. Bhd.           | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Well Chip (5) Sdn. Bhd.           | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Well Chip (6) Sdn. Bhd.           | 100%                | 100% | Pawnbroking          |
| Pajak Gadai Well Chip (7) Sdn. Bhd. ^         | 100%                | 100% | Pawnbroking          |
| Well Chip (8) Sdn. Bhd. *                     | 100%                | 100% | Pawnbroking          |
| Well Chip (9) Sdn. Bhd. *                     | 100%                | 100% | Pawnbroking          |
| Well Chip (10) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (11) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (12) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (13) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (14) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (15) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (16) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (17) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (18) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (19) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (20) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (21) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (22) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |
| Well Chip (23) Sdn. Bhd. *                    | 100%                | 100% | Pawnbroking          |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows (cont'd):

# Newly acquired during the financial year.

^ Formerly known as Well Chip (7) Sdn. Bhd.

\*The principal activities stated above are the intended principal activities as the subsidiaries have yet to commence their business as at the date of these financial statements.

#### Acquisition of Pajak Gadai Koong Sing Sdn. Bhd., Lian Foh Pawnshop Sdn. Bhd. and Fook Foh Pawnshop Sdn. Bhd.

On 19 May 2025, the Company acquired 100% equity interest of Pajak Gadai Koong Sing Sdn. Bhd., Lian Foh Pawnshop Sdn. Bhd. and Fook Foh Pawnshop Sdn. Bhd. for a total consideration of RM63,442,197.

The acquisition enabled the Group to expand its footprint to the Northern region of Malaysia, namely the state of Perak, which is in line with the strategic direction of the Group to expand operations in its core business of pawnbroking.

The fair value of the consideration transferred has been finalised during the financial year, following the completion of the measurement period stipulated under MFRS 3.

#### Fair value of the identifiable assets acquired and liabilities recognised at the date of acquisition:

|                                         | GROUP<br>2025<br>RM |
|-----------------------------------------|---------------------|
| <b>Assets</b>                           |                     |
| Plant and equipment                     | 75,657              |
| Trade and other receivables             | 37,845,488          |
| Cash and cash equivalents               | 7,022,147           |
| Current tax assets                      | 461,855             |
| Total assets                            | 45,405,147          |
| <b>Liabilities</b>                      |                     |
| Other payables                          | (29,434)            |
| Fair value of net assets acquired       | 45,375,713          |
| Goodwill arising on acquisition         | 18,066,484          |
| Fair value of net assets acquired       | 45,375,713          |
| Fair value of consideration transferred | 63,442,197          |

The trade and other receivables comprise gross contractual amounts of RM37,845,488, and none of the amounts was expected to be uncollectible at the acquisition date.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 9. INVESTMENT IN SUBSIDIARIES (CONT'D)

**Acquisition of Pajak Gadai Koong Sing Sdn. Bhd., Lian Foh Pawnshop Sdn. Bhd. and Fook Foh Pawnshop Sdn. Bhd.(Cont'd)**

**Effect of cash flow arising from the acquisition of the subsidiaries:**

|                                                          | <b>GROUP<br/>2025<br/>RM</b> |
|----------------------------------------------------------|------------------------------|
| Fair value of consideration transferred                  | 63,442,197                   |
| Less: Non-cash consideration                             | -                            |
| Consideration paid in cash                               | 63,442,197                   |
| Less: Cash and cash equivalents of subsidiaries acquired | (7,022,147)                  |
| Net cash outflow on acquisition                          | 56,420,050                   |

**Effect of acquisition in statements of comprehensive income:**

From the date of acquisition, the subsidiaries' contribution to revenue and profit net of tax are as follow:

|                                 | <b>GROUP<br/>2025<br/>RM</b> |
|---------------------------------|------------------------------|
| Revenue                         | 12,311,880                   |
| Profit for the financial period | 4,276,605                    |

If the acquisition had occurred on 1 January 2025, the consolidated results for the financial year ended 31 December 2025 are as follow:

|                               | <b>GROUP<br/>2025<br/>RM</b> |
|-------------------------------|------------------------------|
| Revenue                       | 15,594,622                   |
| Profit for the financial year | 6,933,082                    |

### 10. GOODWILL

|                             | <b>GROUP</b>       |                    |
|-----------------------------|--------------------|--------------------|
|                             | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| <b>Cost</b>                 |                    |                    |
| At 1 January                | 425,260            | 425,260            |
| Acquisition of subsidiaries | 18,066,484         | -                  |
| At 31 December              | 18,491,744         | 425,260            |
| <b>Net carrying amount</b>  | 18,491,744         | 425,260            |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 10. GOODWILL (CONT'D)

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. Each of those CGU represents the Group's respective subsidiaries.

The aggregate carrying amounts of goodwill allocated to each unit are as follow:

|                                                 | GROUP      |            |
|-------------------------------------------------|------------|------------|
|                                                 | 2025<br>RM | 2024<br>RM |
| <b>Cost</b>                                     |            |            |
| Lian Foh Pawnshop Sdn. Bhd.                     | 7,513,947  | -          |
| Fook Foh Pawnshop Sdn. Bhd.                     | 5,380,517  | -          |
| Pajak Gadai Koong Sing Sdn. Bhd.                | 5,172,020  | -          |
| Pajak Gadai Fajar Tebrau Sdn. Bhd.              | 415,856    | 415,856    |
|                                                 | 18,482,340 | 415,856    |
| Other subsidiaries without significant goodwill | 9,404      | 9,404      |
|                                                 | 18,491,744 | 425,260    |

On 19 May 2025, the Company completed the acquisition of the entire equity interests in Pajak Gadai Koong Sing Sdn. Bhd., Lian Foh Pawnshop Sdn. Bhd. and Fook Foh Pawnshop Sdn. Bhd., for a total purchase consideration of RM63,442,197. Following the completion of the acquisition, these companies became wholly-owned subsidiaries of the Group.

The goodwill recognised arose from the excess of the total purchase consideration over the fair values of the identifiable assets and liabilities of the acquired companies. The goodwill brought forward from the prior year is allocated mainly to Pajak Gadai Fajar Tebrau Sdn. Bhd..

#### (a) Impairment test of goodwill

On an annual basis, the Group undertakes an impairment testing on goodwill. No impairment loss was identified on the carrying amount of goodwill assessed at the reporting date as their recoverable amounts were above their carrying amounts.

#### (b) Recoverable amount based on value in use

The recoverable amount of the cash-generating units ("CGUs") pertaining to the above goodwill is determined based on value in use calculations. Management had made estimates about the future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rate, which was amongst others, dependent on forecasted economic conditions. These recoverable amounts calculations used pre-tax cash flow projections that have been projected based on one (1) year base financial budget approved by management. The sales and price gap of the cash-generating units used in preparing the projected cash flows were determined based on past business performance and management's expectations on market development. The discount rate was determined based on the industry weighted average cost of capital and applied to the cash flow projections.

The key assumptions used for determining value in use in projecting the cash flow of the CGUs are as follows:

| Key assumptions                               | Rates                       |
|-----------------------------------------------|-----------------------------|
| Pre-tax discount rates                        | 8% (2024: 7%)               |
| Range of annual growth rates used for revenue | 2% to 40% (2024: 2% to 24%) |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 10. GOODWILL (CONT'D)

#### (b) Recoverable amount based on value in use (Cont'd)

##### Sensitivity to changes in assumptions

The Group believes that any reasonable possible change in the above key assumptions applied are not likely to materially cause the recoverable amounts to be lower than carrying amounts.

### 11. INVENTORIES

|                                         | GROUP      |             |
|-----------------------------------------|------------|-------------|
|                                         | 2025<br>RM | 2024<br>RM  |
| Gold and jewelleryes                    | 28,606,262 | 27,290,483  |
| <b>Recognised in profit or loss:-</b>   |            |             |
| Inventories recognised in cost of sales | 95,167,050 | 102,381,111 |
| Inventories written offs                | 169,585    | 4,135       |
| Write-down of slow-moving inventories   | 434,286    | -           |

### 12. TRADE AND OTHER RECEIVABLES

|                                                             | GROUP       |             | COMPANY     |            |
|-------------------------------------------------------------|-------------|-------------|-------------|------------|
|                                                             | 2025<br>RM  | 2024<br>RM  | 2025<br>RM  | 2024<br>RM |
| <b>Trade</b>                                                |             |             |             |            |
| Pledged receivables                                         | 798,005,958 | 506,874,510 | -           | -          |
| Accrued interest                                            | 29,973,043  | 19,781,467  | -           | -          |
|                                                             | 827,979,001 | 526,655,977 | -           | -          |
| Less: Provision of doubtful debts<br>on pledged receivables | (664,015)   | (509,005)   | -           | -          |
|                                                             | 827,314,986 | 526,146,972 | -           | -          |
| <b>Non-trade</b>                                            |             |             |             |            |
| Other receivables                                           | 231,557     | 440,084     | -           | 211,705    |
| Loan to subsidiaries                                        | -           | -           | 217,522,090 | 61,082,881 |
| Amount due from:                                            |             |             |             |            |
| -Subsidiaries                                               | -           | -           | 5,880,120   | 50,035,000 |
| -Ultimate holding company                                   | 15,000      | -           | -           | -          |
| -Related companies                                          | 30,000      | -           | -           | -          |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 12. TRADE AND OTHER RECEIVABLES (CONT'D)

|                                   | GROUP       |             | COMPANY     |             |
|-----------------------------------|-------------|-------------|-------------|-------------|
|                                   | 2025<br>RM  | 2024<br>RM  | 2025<br>RM  | 2024<br>RM  |
| Dividend receivable               | -           | -           | 42,500,000  | 30,114,765  |
| Deposits                          | 765,854     | 2,083,374   | 4,500       | 1,312,344   |
| Prepayments                       | 2,736,424   | 2,570,943   | 103,046     | 10,033      |
|                                   | 3,778,835   | 5,094,401   | 266,009,756 | 142,766,728 |
| Total trade and other receivables | 831,093,821 | 531,241,373 | 266,009,756 | 142,766,728 |

Pledged receivables to customers are secured by pledges of goods. The quantum of loans granted to customers is based on the market value of the articles pledged to the Group. In the event that a customer does not renew or redeem a pledged article within 6 months from the grant date of the loan, the pledged article will be disposed by auction, in accordance with the requirements of the Pawnbrokers Act 1972 in Malaysia.

The pawn loans bear monthly interest ranging from 1.00% to 2.00% (2024: 1.00% to 2.00%) per month.

The loan to subsidiaries bears interest rate at 7.00% (2024: 7.00%) per annum, unsecured, and repayable on demand.

The amounts due from subsidiaries, ultimate holding company and related companies are unsecured, interest free and repayable on demand.

The movement of provision for doubtful debts on pledged receivables are as follow:

|                | 2025<br>RM | 2024<br>RM |
|----------------|------------|------------|
| At 1 January   | 509,005    | 523,825    |
| Addition       | 155,010    | 74,250     |
| Reversal       | -          | (89,070)   |
| At 31 December | 664,015    | 509,005    |

### 13. SHORT-TERM INVESTMENT

|                                     | GROUP AND COMPANY |            |
|-------------------------------------|-------------------|------------|
|                                     | 2025<br>RM        | 2024<br>RM |
| Fair value through profit or loss:- |                   |            |
| Money market fund                   | 28,149,704        | 23,775,192 |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 13. SHORT-TERM INVESTMENT (CONT'D)

The fund invested mainly into deposit and money market instrument and thus have minimum exposure to changes in market value.

The weighted average effective interest rate for the short-term investment of the Group and of the Company at financial year is 3.10% (2024: 3.62%) per annum.

Short-term investment of the Group and of the Company represent money market fund investment managed by licensed financial institution. This short-term investment is investment in highly liquid money market which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

The short-term investment of the Group and of the Company is carried at fair value. The fair value hierarchy for money market fund is classified as Level 1.

### 14. CASH AND BANK BALANCES

|                                       | GROUP      |            | COMPANY    |            |
|---------------------------------------|------------|------------|------------|------------|
|                                       | 2025<br>RM | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| Cash in hand                          | 8,566,427  | 5,454,622  | -          | -          |
| Cash at bank                          | 7,311,960  | 12,989,696 | 1,645,006  | 2,353,665  |
| Fixed deposits with<br>licensed banks | -          | 51,400,000 | -          | 51,400,000 |
| Total cash and bank balances          | 15,878,387 | 69,844,318 | 1,645,006  | 53,753,665 |

The fixed deposits with licensed banks of the Group and the Company at the end of the prior financial year bear effective interest rates ranging from 3.20% to 3.80% per annum. The fixed deposits from prior financial year have maturity periods ranging from 14 to 184 days for the Group and the Company.

### 15. SHARE CAPITAL/INVESTED EQUITY

#### (a) Share capital

|                                  | GROUP AND COMPANY            |              |             |             |
|----------------------------------|------------------------------|--------------|-------------|-------------|
|                                  | Number of<br>ordinary shares |              | Amount      |             |
|                                  | 2025<br>Unit                 | 2024<br>Unit | 2025<br>RM  | 2024<br>RM  |
| As at 1 January                  | 600,000,000                  | 1            | 339,432,613 | 1           |
| Acquisition of subsidiaries      | -                            | 449,999,999  | -           | 171,646,606 |
| Issued during the financial year | -                            | 150,000,000  | -           | 172,500,000 |
| Transaction costs at share issue | -                            | -            | -           | (4,713,994) |
| As at 31 December                | 600,000,000                  | 600,000,000  | 339,432,613 | 339,432,613 |



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 15. SHARE CAPITAL/INVESTED EQUITY (CONT'D)

During the prior financial year, the Company:

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

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

#### (b) Invested equity

|                                                               | GROUP                                        |                      |                                              |                      |
|---------------------------------------------------------------|----------------------------------------------|----------------------|----------------------------------------------|----------------------|
|                                                               | Number of<br>ordinary shares<br>2025<br>Unit | Amount<br>2025<br>RM | Number of<br>ordinary shares<br>2024<br>Unit | Amount<br>2024<br>RM |
| As at 1 January                                               | -                                            | -                    | 23,897,932                                   | 27,683,141           |
| Issuance of shares pursuant<br>to acquisition of subsidiaries | -                                            | -                    | (23,897,932)                                 | (27,683,141)         |
| As at 31 December                                             | -                                            | -                    | -                                            | -                    |

Invested equity for the financial year ended 31 December 2023 comprised the aggregate number of issued and paid-up ordinary shares of the combined entities of the Group. During the prior financial year, the amount has been reversed pursuant to the completion of the acquisitions of subsidiaries.

### 16. REORGANISATION DEFICIT

The reorganisation deficit arose from the difference between the costs of acquisitions and the nominal value of share capital of the Company's subsidiaries upon consolidation under the merger accounting principles.

### 17. LEASE LIABILITIES

|                                                     | GROUP       |             |
|-----------------------------------------------------|-------------|-------------|
|                                                     | 2025<br>RM  | 2024<br>RM  |
| Future minimum lease payments:                      | 2,488,565   | 2,504,055   |
| - Not later than one year                           | 7,502,010   | 8,549,143   |
| - Later than one year and not later than five years | 9,447,520   | 10,114,867  |
| - Later than five years                             | 19,438,095  | 21,168,065  |
| Less: Future interest charges                       | (1,692,125) | (1,819,233) |
| Present value of lease liabilities                  | 17,745,970  | 19,348,832  |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 17. LEASE LIABILITIES (CONT'D)

|                                                     | GROUP      |            |
|-----------------------------------------------------|------------|------------|
|                                                     | 2025<br>RM | 2024<br>RM |
| Repayable as follows:                               |            |            |
| Current                                             |            |            |
| - Not later than one year                           | 2,295,603  | 2,291,310  |
| Non-current                                         |            |            |
| - Later than one year and not later than five years | 7,176,495  | 7,724,475  |
| - Later than five years                             | 8,273,872  | 9,333,047  |
|                                                     | 15,450,367 | 17,057,522 |
|                                                     | 17,745,970 | 19,348,832 |

The lease liabilities bear effective interest rates at 6.00% (2024: 6.00%) per annum.

The Group had purchased motor vehicles under hire purchase arrangement which is classified under lease liabilities. The hire purchase is repayable over 48 (2024: 60) monthly instalments from the date of full drawdown and bears effective interest rates at 2.36% (2024: 2.36%) per annum.

Lease payments not recognised as a lease liabilities:

|                                     | GROUP      |            |
|-------------------------------------|------------|------------|
|                                     | 2025<br>RM | 2024<br>RM |
| Low-value assets                    |            |            |
| Included in administrative expenses | 58,098     | 5,020      |

### 18. LOANS AND BORROWINGS

|                             | GROUP       |             |
|-----------------------------|-------------|-------------|
|                             | 2025<br>RM  | 2024<br>RM  |
| <b>Non-current</b>          |             |             |
| Term loans (secured)        | 4,194,218   | 4,502,377   |
| <b>Current</b>              |             |             |
| Term loans (secured)        | 317,279     | 302,155     |
| Bank overdrafts (secured)   | 33,546,827  | 6,202,783   |
| Revolving credits (secured) | 357,800,000 | 171,000,000 |
|                             | 391,664,106 | 177,504,938 |
|                             | 395,858,324 | 182,007,315 |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 18. LOANS AND BORROWINGS (CONT'D)

|                             | COMPANY    |            |
|-----------------------------|------------|------------|
|                             | 2025<br>RM | 2024<br>RM |
| <b>Current</b>              |            |            |
| Revolving credits (secured) | 43,000,000 | -          |

#### Group

##### Term loans

Term loan 1 is repayable over 255 (2024: 267) monthly instalments from 15 February 2022.

Term loan 2 is repayable over 195 (2024: 207) monthly instalments from 11 February 2022.

Term loan 3 is repayable over 216 (2024: 228) monthly instalments from 1 December 2023.

Term loan 4 is repayable over 45 (2024: 57) monthly instalments from 23 August 2024.

Term loans obtained from licensed banks are secured by way of:

- (a) legal charges over the leasehold properties of the Group as disclosed in Note 7 and 8 to the financial statements respectively; and
- (b) corporate guarantees executed by the Company.

The term loans bear effective interest rates ranging from 3.95% to 4.37% (2024: 4.20% to 4.37%) per annum.

##### Bank overdrafts and revolving credits

The bank overdrafts and revolving credits obtained from licensed banks are secured by way of:

- (a) debenture over all the Group's fixed and floating assets; and
- (b) corporate guarantees executed by the Company.

The bank overdrafts bear effective interest rates ranging from 6.26% to 7.10% (2024: 6.82% to 6.85%) per annum.

The revolving credits bear effective interest rates ranging from 4.90% to 5.42% (2024: 5.25% to 5.79%) per annum.

#### Company

The revolving credits obtained from licensed banks are secured by way of debenture over the subsidiaries' fixed and floating assets.

The revolving credits bear effective interest rates ranging from 5.08% to 5.40 % (2024: NIL) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 19. DEFERRED TAX LIABILITIES

|                                        | GROUP      |            |
|----------------------------------------|------------|------------|
|                                        | 2025<br>RM | 2024<br>RM |
| At 1 January                           | 113,054    | 57,695     |
| Recognised in profit or loss (Note 26) | -          | 55,359     |
| At 31 December                         | 113,054    | 113,054    |

The balance in the deferred tax liabilities is made up of tax effects of temporary differences arising from:

|                                                                                           | GROUP      |            |
|-------------------------------------------------------------------------------------------|------------|------------|
|                                                                                           | 2025<br>RM | 2024<br>RM |
| Excess of net book value over the tax written down value of property, plant and equipment | 113,054    | 113,054    |

### 20. OTHER PAYABLES

|                      | GROUP      |            | COMPANY     |            |
|----------------------|------------|------------|-------------|------------|
|                      | 2025<br>RM | 2024<br>RM | 2025<br>RM  | 2024<br>RM |
| Third parties        | 183,895    | 469,381    | -           | -          |
| Loan from:           |            |            |             |            |
| -Related parties     | 23,879,141 | 25,415,918 | -           | -          |
| -Directors           | 11,839,937 | 13,034,021 | -           | -          |
| -Shareholders        | 12,036,966 | 13,221,717 | -           | -          |
| -Subsidiaries        | -          | -          | 100,374,387 | 27,095,787 |
| Amount due to:       |            |            |             |            |
| -Related companies   | 457,251    | 1,757,081  | 457,251     | -          |
| -Subsidiaries        | -          | -          | 15,030      | -          |
| Other payables       | 16         | 94,984     | -           | -          |
| Accruals             | 5,987,476  | 2,728,749  | 311,664     | 154,373    |
| Total other payables | 54,384,682 | 56,721,851 | 101,158,332 | 27,250,160 |

The loan from related parties, directors, shareholders and subsidiaries bear interest rate of 7.00% (2024: 7.00%) per annum.

The amounts due to related companies and subsidiaries are unsecured, interest free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 21. REVENUE

Revenue for the Group is comprised of revenue from contract with customers.

#### Disaggregation of revenue

Revenue from contracts with customers is disaggregated by business activities of the Group and the timing of the revenue recognition as follows:

|                                                | GROUP       |             |
|------------------------------------------------|-------------|-------------|
|                                                | 2025<br>RM  | 2024<br>RM  |
| <b>Business activities</b>                     |             |             |
| Pawnbroking administrative fees                | 377,573     | 292,304     |
| Interest income on pawnbroking                 | 136,042,180 | 90,467,120  |
| Total revenue from pawnbroking                 | 136,419,753 | 90,759,424  |
| Sales of scrap gold                            | 113,858,904 | 110,988,758 |
| Retail sales of jewellery and gold             | 19,923,434  | 20,377,115  |
| Total revenue from sales of jewellery and gold | 133,782,338 | 131,365,873 |
| Total revenue                                  | 270,202,091 | 222,125,297 |
| <b>Timing of revenue recognition</b>           |             |             |
| Revenue recognised at point in time            | 134,159,911 | 131,658,177 |
| Revenue recognised over time                   | 136,042,180 | 90,467,120  |
|                                                | 270,202,091 | 222,125,297 |
|                                                | COMPANY     |             |
|                                                | 2025<br>RM  | 2024<br>RM  |
| <b>Revenue from other sources:</b>             |             |             |
| Dividend income from subsidiaries              | 42,500,000  | 30,114,765  |

Revenue is recognised over time as the Group provides pawnbroking services over the contractual period. The Group applies the practical expedient under MFRS 15 as the Group's pawnbroking contracts are short-term in nature, generally not exceeding 12 months, and revenue is recognised over the contractual period. Accordingly, no disclosure of remaining performance obligations is required.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 22. OTHER INCOME

|                                                   | GROUP      |            | COMPANY    |            |
|---------------------------------------------------|------------|------------|------------|------------|
|                                                   | 2025<br>RM | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| Gain on short-term investments:                   |            |            |            |            |
| - realised                                        | 743,363    | 23,478     | 743,363    | 23,478     |
| - unrealised                                      | 431,203    | 39,223     | 431,203    | 39,223     |
| Interest income from short-term investments       | 158,049    | -          | 158,049    | -          |
| Service income                                    | 183,255    | 219,005    | -          | -          |
| Rental income                                     | 152,884    | 134,455    | -          | -          |
| Miscellaneous income                              | 49,096     | 26,033     | -          | 16,980     |
| Management fee income                             | 45,000     | -          | -          | -          |
| Corporate guarantee income                        | -          | -          | 1,831,000  | -          |
| Gain on disposal of property, plant and equipment | 943        | -          | -          | -          |
| Gain on modification of leases                    | 7,595      | -          | -          | -          |
|                                                   | 1,771,388  | 442,194    | 3,163,615  | 79,681     |

### 23. FINANCE INCOME

|                                           | GROUP      |            | COMPANY    |            |
|-------------------------------------------|------------|------------|------------|------------|
|                                           | 2025<br>RM | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| Interest income from bank                 | 238,935    | 1,276,215  | 230,294    | 1,242,430  |
| Interest income from loan to subsidiaries | -          | -          | 9,856,943  | 1,088,105  |
|                                           | 238,935    | 1,276,215  | 10,087,237 | 2,330,535  |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 24. FINANCE COSTS

|                                                            | GROUP      |            | COMPANY    |            |
|------------------------------------------------------------|------------|------------|------------|------------|
|                                                            | 2025<br>RM | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| Interest expenses on:                                      |            |            |            |            |
| - term loans                                               | 164,360    | 177,980    | -          | -          |
| - bank overdrafts                                          | 358,105    | 1,145,183  | -          | -          |
| - revolving credits                                        | 13,101,213 | 9,106,465  | 1,217,601  | -          |
| - loan from subsidiaries                                   | -          | -          | 4,769,473  | 1,141,011  |
| - loan from shareholders,<br>directors and related parties | 3,453,903  | 4,332,713  | -          | -          |
| - lease liabilities                                        | 237,428    | 223,389    | -          | -          |
|                                                            | 17,315,009 | 14,985,730 | 5,987,074  | 1,141,011  |

Presented in the statements of profit or loss and other comprehensive income as:

|               |            |            |           |           |
|---------------|------------|------------|-----------|-----------|
| Cost of sales | 16,913,221 | 14,584,361 | -         | -         |
| Finance costs | 401,788    | 401,369    | 5,987,074 | 1,141,011 |
|               | 17,315,009 | 14,985,730 | 5,987,074 | 1,141,011 |

### 25. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

|                                          | GROUP      |            | COMPANY    |            |
|------------------------------------------|------------|------------|------------|------------|
|                                          | 2025<br>RM | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| Auditors' remuneration:                  |            |            |            |            |
| RSM Malaysia PLT                         |            |            |            |            |
| - statutory audits                       | 427,000    | 195,000    | 50,000     | 20,000     |
| - non-audit services                     | 16,000     | 24,100     | 5,000      | 12,000     |
| Other services:                          |            |            |            |            |
| - Local affiliate of RSM Malaysia<br>PLT | 78,117     | 47,600     | 7,917      | 500        |
| Directors' remuneration (Note 28)        | 3,594,729  | 3,185,334  | 510,176    | 492,500    |
| Depreciation of                          |            |            |            |            |
| - property, plant and equipment          | 2,254,616  | 2,107,169  | -          | -          |
| - right-of-use assets                    | 2,485,225  | 2,338,234  | -          | -          |
| Employee benefits expenses<br>(Note 28)  | 22,419,287 | 13,982,853 | -          | -          |
| Inventories written off                  | 169,585    | 4,135      | -          | -          |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 25. PROFIT BEFORE TAXATION (CONT'D)

Profit before taxation is arrived at after charging/(crediting) : (Cont'd)

|                                                                | GROUP      |            | COMPANY    |            |
|----------------------------------------------------------------|------------|------------|------------|------------|
|                                                                | 2025<br>RM | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| Provision of doubtful debts on pledged receivables             | 155,010    | 74,250     | -          | -          |
| Reversal of provision of doubtful debts on pledged receivables | -          | (89,070)   | -          | -          |
| Write-down of slow-moving inventories                          | 434,286    | -          | -          | -          |
| Property, plant and equipment written off                      | 48,303     | 6,832      | -          | -          |
| (Gain)/loss of disposal of property, plant and equipment       | (943)      | 617        | -          | -          |
| Realised loss on foreign exchange                              | 106        | 15,138     | -          | 14         |
| Expenses/(income) arising from leases:                         |            |            |            |            |
| - Leases of low-value assets                                   | 58,098     | 5,020      | -          | -          |
| - Rental income relating to sub-lease of premise               | (152,844)  | (134,455)  | -          | -          |

### 26. TAXATION

|                                        | GROUP      |            | COMPANY    |            |
|----------------------------------------|------------|------------|------------|------------|
|                                        | 2025<br>RM | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| Current tax                            |            |            |            |            |
| - current year                         | 33,959,300 | 21,112,200 | 2,867,000  | 343,200    |
| - under/(over) provision in prior year | 161,042    | (82,231)   | 140,799    | -          |
|                                        | 34,120,342 | 21,029,969 | 3,007,799  | 343,200    |
| Deferred tax (Note 19)                 |            |            |            |            |
| - current year                         | -          | 83,805     | -          | -          |
| - over provision in prior year         | -          | (28,446)   | -          | -          |
|                                        | -          | 55,359     | -          | -          |
| Total taxation                         | 34,120,342 | 21,085,328 | 3,007,799  | 343,200    |



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 26. TAXATION (CONT'D)

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

|                                                                | GROUP       |            | COMPANY      |             |
|----------------------------------------------------------------|-------------|------------|--------------|-------------|
|                                                                | 2025<br>RM  | 2024<br>RM | 2025<br>RM   | 2024<br>RM  |
| Profit before taxation                                         | 120,266,284 | 71,069,506 | 47,467,905   | 25,782,884  |
| Tax effect in respect of 24%<br>(2024: 24%)                    | 28,863,908  | 17,056,681 | 11,392,297   | 6,187,892   |
| Non-allowable expenses                                         | 5,324,064   | 4,256,080  | 1,674,703    | 1,382,852   |
| Non-taxable income                                             | (226,994)   | (191,615)  | (10,200,000) | (7,227,544) |
| Deferred tax asset not recognised<br>on temporary differences  | -           | 74,859     | -            | -           |
| Utilisation of deferred tax asset<br>previously not recognised | (1,678)     | -          | -            | -           |
| Under/(over) provision in prior<br>year                        |             |            |              |             |
| - current tax                                                  | 161,042     | (82,231)   | 140,799      | -           |
| - deferred tax                                                 | -           | (28,446)   | -            | -           |
|                                                                | 34,120,342  | 21,085,328 | 3,007,799    | 343,200     |

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

|                                                     | GROUP      |            |
|-----------------------------------------------------|------------|------------|
|                                                     | 2025<br>RM | 2024<br>RM |
| Unabsorbed capital allowances                       | 246,492    | 399,688    |
| Unutilised business losses                          | 556,471    | 446,124    |
| Unrecognised other deductible temporary differences | 55,300     | 19,443     |
|                                                     | 858,263    | 865,255    |

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of the subsidiaries in the Group in the foreseeable future and they have arisen in a subsidiary that have recent history of losses.

As for unutilised business losses, it can only be carried forward up to ten (10) consecutive years of assessment ("YA"). Upon expiry of the 10 years, the unutilised business losses shall be disregarded.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 26. TAXATION (CONT'D)

The expiry of the unutilised business losses is as follow:

|                              | GROUP          |                |                                |
|------------------------------|----------------|----------------|--------------------------------|
|                              | 2025<br>RM     | 2024<br>RM     | Carried<br>forward<br>up to YA |
| Business losses incurred in: |                |                |                                |
| YA 2022                      | 273,056        | 273,056        | 2032                           |
| YA 2023                      | 173,068        | 173,068        | 2033                           |
| YA 2025                      | 110,347        | -              | 2035                           |
|                              | <u>556,471</u> | <u>446,124</u> |                                |

The unabsorbed capital allowances are available indefinitely to offset against future taxable profits of the subsidiaries in which those items arose.

### 27. EARNINGS PER SHARE

#### Basic earnings per ordinary share and diluted earnings per ordinary share

Basic earnings per ordinary share are based on the profit for the financial year attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per ordinary share are based on the profit for the financial year attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The basic earnings per ordinary share are computed as follows:

|                                                                                    | GROUP        |             |
|------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                    | 2025<br>RM   | 2024<br>RM  |
| Profit after tax for the financial year attributable to owners of the Company (RM) | 86,145,942   | 49,984,178  |
| Weighted average number of ordinary shares in issue                                | 600,000,000  | 516,575,342 |
| Basic and diluted earnings per ordinary share (sen)                                | <u>14.36</u> | <u>9.68</u> |

The diluted earnings per share of the Group for the financial year ended 31 December 2025 and 31 December 2024 are same as the basic earnings per ordinary share of the Group as the Group has no dilutive potential ordinary shares.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 28. EMPLOYEE BENEFITS EXPENSES

Employee benefits recognised as expense (exclude Directors' remuneration):

|                                   | GROUP      |            | COMPANY    |            |
|-----------------------------------|------------|------------|------------|------------|
|                                   | 2025<br>RM | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| Salaries and other emoluments     | 20,354,757 | 12,521,060 | -          | -          |
| Defined contributions plan        | 2,064,530  | 1,461,793  | -          | -          |
|                                   | 22,419,287 | 13,982,853 | -          | -          |
| Directors' remunerations:         |            |            |            |            |
| <b>Executive:</b>                 |            |            |            |            |
| Salaries, allowances and bonuses  | 775,134    | 666,287    | -          | -          |
| Fees                              | 13,500     | 13,500     | -          | -          |
| Defined contributions plan        | 92,058     | 78,576     | -          | -          |
| Other related expenses            | 2,577      | 2,434      | -          | -          |
|                                   | 883,269    | 760,797    | -          | -          |
| <b>Non-executive:</b>             |            |            |            |            |
| Fees                              | 451,176    | 455,000    | 451,176    | 455,000    |
| Meeting allowances                | 59,000     | 37,500     | 59,000     | 37,500     |
|                                   | 510,176    | 492,500    | 510,176    | 492,500    |
| <b>Directors of subsidiaries:</b> |            |            |            |            |
| Salaries, allowances and bonuses  | 1,861,262  | 1,634,845  | -          | -          |
| Fees                              | 107,330    | 85,535     | -          | -          |
| Defined contributions plan        | 217,260    | 196,709    | -          | -          |
| Other related expenses            | 15,432     | 14,948     | -          | -          |
|                                   | 2,201,284  | 1,932,037  | -          | -          |
|                                   | 3,594,729  | 3,185,334  | 510,176    | 492,500    |

Other key management personnel:

|                                  | GROUP      |            |
|----------------------------------|------------|------------|
|                                  | 2025<br>RM | 2024<br>RM |
| Salaries, allowances and bonuses | 505,176    | 627,161    |
| Defined contributions plan       | 60,618     | 75,218     |
| Other related expenses           | 2,785      | 2,782      |
|                                  | 568,579    | 705,161    |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 29. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

The Group has related party relationship with its ultimate holding company, related parties, related companies, subsidiaries, Directors, shareholders and key management personnel.

(a) The transactions of the Group and of the Company with the related parties were as follows:

|                                 | GROUP      |            | COMPANY      |              |
|---------------------------------|------------|------------|--------------|--------------|
|                                 | 2025<br>RM | 2024<br>RM | 2025<br>RM   | 2024<br>RM   |
| <b>Ultimate holding company</b> |            |            |              |              |
| Rental paid and payable         | 97,200     | 97,200     | -            | -            |
| Management fees income          | (15,000)   | -          | -            | -            |
| <b>Subsidiaries</b>             |            |            |              |              |
| Loan interest                   |            |            |              |              |
| - income                        | -          | -          | (9,856,943)  | (1,088,105)  |
| - expenses                      | -          | -          | 4,769,473    | 1,141,011    |
| Dividend income                 | -          | -          | (42,500,000) | (30,114,765) |
| Corporate guarantee income      | -          | -          | (1,831,000)  | -            |
| <b>Related companies</b>        |            |            |              |              |
| Corporate guarantee fees        | -          | 1,757,081  | -            | -            |
| Management fees income          | (30,000)   | -          | -            | -            |
| Rental income                   | (22,200)   | (21,600)   | -            | -            |
| <b>Related parties</b>          |            |            |              |              |
| Loan interest expenses          | 1,710,903  | 2,314,310  | -            | -            |
| Rental paid and payables        | 188,760    | 188,760    | -            | -            |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a) The transactions of the Group and of the Company with the related parties were as follows (Cont'd):

|                                    | GROUP      |            | COMPANY    |            |
|------------------------------------|------------|------------|------------|------------|
|                                    | 2025<br>RM | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| <b>Shareholders</b>                |            |            |            |            |
| Loan interest expenses             | 888,401    | 1,098,376  | -          | -          |
| Rental paid and payable            | 174,000    | 174,000    | -          | -          |
| Retail sales of jewellery and gold | (494,955)  | (120,325)  | -          | -          |
| <b>Directors</b>                   |            |            |            |            |
| Loan interest expenses             | 854,599    | 920,027    | -          | -          |
| Rental paid and payable            | 214,742    | 210,840    | -          | -          |
| Retail sales of jewellery and gold | (33,351)   | (8,621)    | -          | -          |

(b) The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 12 and 20.

(c) Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel compensation is paid to executive directors, non-executive directors, directors of subsidiaries and other key management personnel as disclosed in Note 28.

### 30. DIVIDENDS

The following dividend was declared and paid by the Company:

|                                                                               | 2025<br>RM |
|-------------------------------------------------------------------------------|------------|
| <u>In respect of the financial year ended 31 December 2024</u>                |            |
| Final single-tier dividend of RM0.04 per ordinary share, paid on 11 July 2025 | 24,000,000 |

On 20 February 2026, the Board of Directors has proposed a final dividend of RM0.051 per ordinary share, amounted to RM30,600,000 for the financial year ended 31 December 2025, subject to approval of shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect these proposed dividends. The dividends will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2026.

### 31. OPERATING SEGMENTS

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decision about resource allocation and performance assessment. All operating segments' results are reviewed regularly by the Chief Operating Decision Maker ("CODM"), which in this case is Group Chief Executive Officer ("CEO"), to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 31. OPERATING SEGMENTS (CONT'D)

The two reportable operating segments are as follows:

| Business segment                         | Product and services                                                                                                                                                                                                                    |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pawnbroking services                     | <ul style="list-style-type: none"> <li>Provision of pawn loans in exchange for pledges such as gold, jewellery, and watches.</li> </ul>                                                                                                 |
| Retail and trading of jewellery and gold | <ul style="list-style-type: none"> <li>Retail sale of new and pre-owned jewellery and gold.</li> <li>Sale of scrap gold acquired from unredeemed and bid pledges, and pre-owned jewellery and gold from walk-in individuals.</li> </ul> |

Inter-segment pricing is determined on negotiated basis.

#### (a) Primary reporting format - by business segment

|                                                  | Pawn-broking<br>RM | Sales of<br>jewellery<br>and gold<br>RM | Adjustment<br>and<br>eliminations<br>RM | Total<br>RM  |
|--------------------------------------------------|--------------------|-----------------------------------------|-----------------------------------------|--------------|
| <b>2025</b>                                      |                    |                                         |                                         |              |
| <b>Revenue:</b>                                  |                    |                                         |                                         |              |
| Revenue from external customers                  | 136,419,753        | 133,782,338                             | -                                       | 270,202,091  |
| Inter-segment revenue                            | 85,298,120         | -                                       | (85,298,120)                            | -            |
| Segment profit from operations                   | 119,506,533        | 38,347,288                              | -                                       | 157,853,821  |
| Other income                                     |                    |                                         |                                         | 1,771,388    |
| Administrative expenses                          |                    |                                         |                                         | (39,196,072) |
| Finance income                                   |                    |                                         |                                         | 238,935      |
| Finance costs                                    |                    |                                         |                                         | (401,788)    |
| Taxation                                         |                    |                                         |                                         | (34,120,342) |
| Profit for the financial year                    |                    |                                         |                                         | 86,145,942   |
| <b>Results:</b>                                  |                    |                                         |                                         |              |
| Included in the measure of segments profits are: |                    |                                         |                                         |              |
| Employee benefits expenses                       |                    |                                         |                                         | 22,419,287   |
| Depreciation of                                  |                    |                                         |                                         |              |
| - property, plant and equipment                  |                    |                                         |                                         | 2,254,616    |
| - right-of-use assets                            |                    |                                         |                                         | 2,485,225    |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 31. OPERATING SEGMENTS (CONT'D)

#### (a) Primary reporting format - by business segment (Cont'd)

|                                                  | Pawn-<br>broking<br>RM | Sales of<br>jewellery<br>and gold<br>RM | Adjustment<br>and<br>eliminations<br>RM | Total<br>RM  |
|--------------------------------------------------|------------------------|-----------------------------------------|-----------------------------------------|--------------|
| <b>2025</b>                                      |                        |                                         |                                         |              |
| <b>Revenue:</b>                                  |                        |                                         |                                         |              |
| <b>Assets:</b>                                   |                        |                                         |                                         |              |
| Segment assets                                   | 1,355,205,083          | 102,021,213                             | (496,413,334)                           | 960,812,962  |
| <b>Liabilities:</b>                              |                        |                                         |                                         |              |
| Segment liabilities                              | 741,301,715            | 15,608,048                              | (279,389,962)                           | 477,519,80   |
| <b>2024</b>                                      |                        |                                         |                                         |              |
| <b>Revenue:</b>                                  |                        |                                         |                                         |              |
| Revenue from external customers                  | 90,759,424             | 131,365,873                             | -                                       | 222,125,297  |
| Inter-segment revenue                            | 89,990,159             | -                                       | (89,990,159)                            | -            |
| Segment profit from operations                   | 76,175,063             | 28,984,762                              | -                                       | 105,159,825  |
| Other income                                     |                        |                                         |                                         | 442,194      |
| Administrative expenses                          |                        |                                         |                                         | (35,407,359) |
| Finance income                                   |                        |                                         |                                         | 1,276,215    |
| Finance costs                                    |                        |                                         |                                         | (401,369)    |
| Taxation                                         |                        |                                         |                                         | (21,085,328) |
| Profit for the financial year                    |                        |                                         |                                         | 49,984,178   |
| <b>Results:</b>                                  |                        |                                         |                                         |              |
| Included in the measure of segments profits are: |                        |                                         |                                         |              |
| Employee benefits expenses                       |                        |                                         |                                         | 13,982,853   |
| Depreciation of                                  |                        |                                         |                                         |              |
| - property, plant and equipment                  |                        |                                         |                                         | 2,107,169    |
| - right-of-use assets                            |                        |                                         |                                         | 2,338,234    |
| <b>Assets:</b>                                   |                        |                                         |                                         |              |
| Segment assets                                   | 1,115,752,536          | 100,206,117                             | (530,418,432)                           | 685,540,221  |
| <b>Liabilities:</b>                              |                        |                                         |                                         |              |
| Segment liabilities                              | 509,796,145            | 13,812,475                              | (259,215,618)                           | 264,393,002  |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 31. OPERATING SEGMENTS (CONT'D)

#### (b) Secondary reporting format - by geography

The Group's business segments are operated and managed in one (1) geographical area which is in Malaysia.

The sales are generated and managed in Malaysia. Total assets and capital expenditure are located in Malaysia.

#### (c) Third reporting format – by major customers

##### (i) Pawnbroking services

Customers of the pawnbroking services segment are walk-in individuals and the contribution from each customer as a percentage of the Group's total revenue is negligible.

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

Customers of the retail and trading of jewellery and gold segment are scrap gold traders and individual customers.

The Group's major customers are scrap gold traders who purchase unredeemed and bid pledges acquired by the Group as well as pre-owned gold jewellery from walk-in customers. The revenue contribution from each individual customer during the financial year of review was negligible.

Revenue from major scrap gold customers for the financial year under review are as follows:

|                  | 2025<br>RM | 2024<br>RM |
|------------------|------------|------------|
| <b>Customers</b> |            |            |
| - Customer A     | 22,781,265 | 52,323,043 |
| - Customer B     | 89,410,990 | 58,665,715 |
| - Customer C     | 1,615,648  | -          |

The remaining customers are individual customers. Contribution from each individual customer as a percentage of the Group's total revenue is negligible.

### 32. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Financial assets measured at amortised costs ("AC")
- (ii) Financial liabilities measured at amortised costs ("AC")
- (iii) Fair value through profit or loss ("FVTPL")



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as follows (Cont'd):

|                                                | Carrying amount<br>RM | AC<br>RM           | FVTPL<br>RM       |
|------------------------------------------------|-----------------------|--------------------|-------------------|
| <b>Group</b>                                   |                       |                    |                   |
| <b>31 December 2025</b>                        |                       |                    |                   |
| <u>Financial assets</u>                        |                       |                    |                   |
| Trade and other receivables, net of prepayment | 828,357,397           | 828,357,397        | -                 |
| Short-term investment                          | 28,149,704            | -                  | 28,149,704        |
| Cash and bank balances                         | 15,878,387            | 15,878,387         | -                 |
|                                                | <u>872,385,488</u>    | <u>844,235,784</u> | <u>28,149,704</u> |
| <u>Financial liabilities</u>                   |                       |                    |                   |
| Other payables                                 | 54,384,682            | 54,384,682         | -                 |
| Loans and borrowings                           | 395,858,324           | 395,858,324        | -                 |
|                                                | <u>450,243,006</u>    | <u>450,243,006</u> | <u>-</u>          |
| <b>31 December 2024</b>                        |                       |                    |                   |
| <u>Financial assets</u>                        |                       |                    |                   |
| Trade and other receivables, net of prepayment | 528,670,430           | 528,670,430        | -                 |
| Short-term investment                          | 23,775,192            | -                  | 23,775,192        |
| Cash and bank balances                         | 69,844,318            | 69,844,318         | -                 |
|                                                | <u>622,289,940</u>    | <u>598,514,748</u> | <u>23,775,192</u> |
| <u>Financial liabilities</u>                   |                       |                    |                   |
| Other payables                                 | 56,721,851            | 56,721,851         | -                 |
| Loans and borrowings                           | 182,007,315           | 182,007,315        | -                 |
|                                                | <u>238,729,166</u>    | <u>238,729,166</u> | <u>-</u>          |
| <b>Company</b>                                 |                       |                    |                   |
| <b>31 December 2025</b>                        |                       |                    |                   |
| <u>Financial assets</u>                        |                       |                    |                   |
| Trade and other receivables, net of prepayment | 265,906,710           | 265,906,710        | -                 |
| Short-term investment                          | 28,149,704            | -                  | 28,149,704        |
| Cash and bank balances                         | 1,645,006             | 1,645,006          | -                 |
|                                                | <u>295,701,420</u>    | <u>267,551,716</u> | <u>28,149,704</u> |
| <u>Financial liabilities</u>                   |                       |                    |                   |
| Other payables                                 | 101,158,332           | 101,158,332        | -                 |
| Loans and borrowings                           | 43,000,000            | 43,000,000         | -                 |
|                                                | <u>144,158,332</u>    | <u>144,158,332</u> | <u>-</u>          |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as follows (Cont'd):

|                                                | Carrying amount<br>RM | AC<br>RM    | FVTPL<br>RM |
|------------------------------------------------|-----------------------|-------------|-------------|
| <b>Company (Cont'd)</b>                        |                       |             |             |
| <b>31 December 2024</b>                        |                       |             |             |
| <u>Financial assets</u>                        |                       |             |             |
| Trade and other receivables, net of prepayment | 142,756,695           | 142,756,695 | -           |
| Short-term investment                          | 23,775,192            | -           | 23,775,192  |
| Cash and bank balances                         | 53,753,665            | 53,753,665  | -           |
|                                                | 220,285,552           | 196,510,360 | 23,775,192  |
| <u>Financial liability</u>                     |                       |             |             |
| Other payables                                 | 27,250,160            | 27,250,160  | -           |

#### (b) Financial risk management objective and policies

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse effects on the performance of the Group.

The Group operates within an establish risk management framework and clearly defined guidelines that are reviewed by the Board of Director and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies.

The Group and the Company are exposed mainly to the following risks. Information on the management of related exposures are detailed below:

- (i) Market risk
- (ii) Credit risk
- (iii) Liquidity risk

##### (i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

##### Interest risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objective and policies (Cont'd)

##### (i) Market risk (Cont'd)

##### Interest risk (Cont'd)

##### *Interest risk sensitivity*

The Group and the Company are exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's short-term placement is considered immaterial.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows:

|                                    | 2025<br>RM           | 2024<br>RM           |
|------------------------------------|----------------------|----------------------|
| <b>Group</b>                       |                      |                      |
| <b>Fixed rate instruments</b>      |                      |                      |
| <u>Financial asset</u>             |                      |                      |
| Fixed deposits with licensed banks | -                    | 51,400,000           |
| <br><u>Financial liabilities</u>   |                      |                      |
| Lease liabilities                  | (17,745,970)         | (19,348,832)         |
| Loan from related parties          | (23,879,141)         | (25,415,918)         |
| Loan from directors                | (11,839,937)         | (13,034,021)         |
| Loan from shareholders             | (12,036,966)         | (13,221,717)         |
|                                    | <u>(65,502,014)</u>  | <u>(71,020,488)</u>  |
| <br>Net financial liabilities      | <u>(65,502,014)</u>  | <u>(19,620,488)</u>  |
| <br><b>Floating instruments</b>    |                      |                      |
| <u>Financial liabilities</u>       |                      |                      |
| Term loans                         | (4,511,497)          | (4,804,532)          |
| Bank overdrafts                    | (33,546,827)         | (6,202,783)          |
| Revolving credits                  | (357,800,000)        | (171,000,000)        |
|                                    | <u>(395,858,324)</u> | <u>(182,007,315)</u> |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objective and policies (Cont'd)

##### (i) Market risk (Cont'd)

##### Interest risk (Cont'd)

##### *Interest risk sensitivity (Cont'd)*

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows: (Cont'd)

|                                    | 2025<br>RM           | 2024<br>RM          |
|------------------------------------|----------------------|---------------------|
| <b>Company</b>                     |                      |                     |
| <b>Fixed rate instruments</b>      |                      |                     |
| <u>Financial assets</u>            |                      |                     |
| Fixed deposits with licensed banks | -                    | 51,400,000          |
| Loan to subsidiaries               | 217,522,090          | 61,082,881          |
|                                    | <u>217,522,090</u>   | <u>112,482,881</u>  |
| <br><u>Financial liability</u>     |                      |                     |
| Loan from subsidiaries             | <u>(100,374,387)</u> | <u>(27,095,787)</u> |
| <br>Net financial assets           | <u>117,147,703</u>   | <u>85,387,094</u>   |
| <br><b>Floating instruments</b>    |                      |                     |
| <u>Financial liability</u>         |                      |                     |
| Revolving credit                   | <u>(43,000,000)</u>  | <u>-</u>            |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objective and policies (Cont'd)

##### (i) Market risk (Cont'd)

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 100 (2024: 100) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rates for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

|                | (Decrease)/increase<br>on net profit for the<br>financial year |               |
|----------------|----------------------------------------------------------------|---------------|
|                | +100 bp<br>RM                                                  | -100 bp<br>RM |
| <b>GROUP</b>   |                                                                |               |
| 2025           | (3,008,523)                                                    | 3,008,523     |
| 2024           | (1,383,255)                                                    | 1,383,255     |
| <b>COMPANY</b> |                                                                |               |
| 2025           | (326,800)                                                      | 326,800       |
| 2024           | -                                                              | -             |

##### (ii) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers and related parties.

#### Receivable from pawnbroking business

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position. Pledged receivables are secured by pledges of gold and jewellery which are redeemable by the customers within 6 months from the dates of grant of the loans. The carrying amount of the pledged receivables is disclosed in Note 12.

There are no receivables that are past due or impaired at the end of the reporting date, other than those individually impaired as disclosed in Note 12. The pledged articles related to the pledge loans remain redeemable until they are disposed of by auction in accordance with the provisions of the Pawnbrokers Act 1972 in Malaysia. However, the Group's policy allows for an extension of up to 3 months for customers to redeem the pledged articles or renew the pawn loans.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objective and policies (Cont'd)

##### (ii) Credit risk (Cont'd)

###### Inter-company balances

The Group and the Company provide unsecured loans and advances to related parties. The Group and the Company monitor the results of the related parties regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

As at the end of the reporting period, there was no indication that the loans and advances to the related parties are not recoverable. The Group does not specifically monitor the ageing of current advances to the related parties.

###### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risk.

###### Financial corporate guarantees

The financial corporate guarantees and undertakings are provided by the Company to banks to secure borrowings of certain subsidiaries. The Company monitors the financial performance (including the ability to service the loans and facilities) of the subsidiaries on an on-going and individual basis.

The maximum exposure to credit risk amounts to RM395,858,324 (2024: RM182,007,315), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit shareholder's fund and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

As at the end of the reporting period, the Company did not recognise any allowance for impairment in respect of financial guarantees since the fair value on initial recognition was not material.

##### (iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objective and policies (Cont'd)

##### (iii) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

|                                             | Carrying<br>amount<br>RM | Contractual<br>interest<br>rate/coupon<br>% | Contractual<br>Cash flows<br>RM | On demand<br>or within<br>1 year<br>RM | 2-5 years<br>RM | More than<br>5 years<br>RM |
|---------------------------------------------|--------------------------|---------------------------------------------|---------------------------------|----------------------------------------|-----------------|----------------------------|
| <b>GROUP</b>                                |                          |                                             |                                 |                                        |                 |                            |
| <b>2025</b>                                 |                          |                                             |                                 |                                        |                 |                            |
| <i>Non-derivative financial liabilities</i> |                          |                                             |                                 |                                        |                 |                            |
| Lease liabilities                           | 17,745,970               | 2.36 - 6.00                                 | 19,438,095                      | 2,488,565                              | 7,502,010       | 9,447,520                  |
| Term loans                                  | 4,511,497                | 3.95 - 4.37                                 | 6,333,259                       | 522,972                                | 1,796,732       | 4,013,555                  |
| Bank overdrafts                             | 33,546,827               | 6.26 - 7.10                                 | 35,745,822                      | 35,745,822                             | -               | -                          |
| Revolving credits                           | 357,800,000              | 4.90 - 5.42                                 | 375,421,650                     | 375,421,650                            | -               | -                          |
| Loan from related parties                   | 23,879,141               | 7.00                                        | 25,550,681                      | 25,550,681                             | -               | -                          |
| Loan from directors                         | 11,839,937               | 7.00                                        | 12,668,733                      | 12,668,733                             | -               | -                          |
| Loan from shareholders                      | 12,036,966               | 7.00                                        | 12,879,554                      | 12,879,554                             | -               | -                          |
| Amount due to related parties               | 457,251                  | -                                           | 457,251                         | 457,251                                | -               | -                          |
| Other payables                              | 6,171,387                | -                                           | 6,171,387                       | 6,171,387                              | -               | -                          |
| Total undiscounted financial liabilities    | 467,988,976              |                                             | 494,666,432                     | 471,906,615                            | 9,298,742       | 13,461,075                 |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objective and policies (Cont'd)

##### (iii) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (Cont'd)

|                                             | Carrying<br>amount<br>RM | Contractual<br>interest<br>rate/coupon<br>RM | Contractual<br>Cash flows<br>RM | On demand<br>or within<br>1 year<br>RM | 2-5 years<br>RM | More than<br>5 years<br>RM |
|---------------------------------------------|--------------------------|----------------------------------------------|---------------------------------|----------------------------------------|-----------------|----------------------------|
| <b>GROUP</b>                                |                          |                                              |                                 |                                        |                 |                            |
| <b>2024</b>                                 |                          |                                              |                                 |                                        |                 |                            |
| <i>Non-derivative financial liabilities</i> |                          |                                              |                                 |                                        |                 |                            |
| Lease liabilities                           | 19,348,832               | 2.36 - 6.00                                  | 21,168,065                      | 2,504,055                              | 8,549,143       | 10,114,867                 |
| Term loans                                  | 4,804,532                | 4.20 - 4.37                                  | 6,869,874                       | 524,640                                | 2,040,176       | 4,305,058                  |
| Bank overdrafts                             | 6,202,783                | 6.82 - 6.85                                  | 6,627,674                       | 6,627,674                              | -               | -                          |
| Revolving credits                           | 171,000,000              | 5.25 - 5.79                                  | 180,270,000                     | 180,270,000                            | -               | -                          |
| Loan from related parties                   | 25,415,918               | 6.00 - 7.00                                  | 27,195,032                      | 27,195,032                             | -               | -                          |
| Loan from directors                         | 13,034,021               | 7.00                                         | 13,946,402                      | 13,946,402                             | -               | -                          |
| Loan from shareholders                      | 13,221,717               | 7.00                                         | 14,147,237                      | 14,147,237                             | -               | -                          |
| Amount due to related parties               | 1,757,081                | -                                            | 1,757,081                       | 1,757,081                              | -               | -                          |
| Other payables                              | 3,293,114                | -                                            | 3,293,114                       | 3,293,114                              | -               | -                          |
| Total undiscounted financial liabilities    | 258,077,998              |                                              | 275,274,479                     | 250,265,235                            | 10,589,319      | 14,419,925                 |

The above amounts reflect the contractual cash flows, which differ from the carrying values of the financial liabilities at the reporting date.



# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objective and policies (Cont'd)

##### (iii) Liquidity risk (Cont'd)

|                                             | Carrying<br>amount<br>RM | Contractual<br>interest rate<br>% | Contractual<br>cash flows<br>RM | On demand or<br>within 1 year<br>RM |
|---------------------------------------------|--------------------------|-----------------------------------|---------------------------------|-------------------------------------|
| <b>COMPANY</b>                              |                          |                                   |                                 |                                     |
| <b>2025</b>                                 |                          |                                   |                                 |                                     |
| <i>Non-derivative financial liabilities</i> |                          |                                   |                                 |                                     |
| Revolving credits                           | 43,000,000               | 5.08 - 5.40                       | 45,253,200                      | 45,253,200                          |
| Other payables                              | 311,664                  | -                                 | 311,664                         | 311,664                             |
| Amount due to related parties               | 457,251                  | -                                 | 457,251                         | 457,251                             |
| Amount due to subsidiaries                  | 15,030                   | -                                 | 15,030                          | 15,030                              |
| Loan from subsidiaries                      | 100,374,387              | 7.00                              | 107,005,941                     | 107,005,941                         |
| Financial corporate guarantee               | -                        | -                                 | 395,858,324                     | 395,858,324                         |
|                                             | <u>144,158,332</u>       |                                   | <u>548,901,410</u>              | <u>548,901,410</u>                  |
| <b>2024</b>                                 |                          |                                   |                                 |                                     |
| <i>Non-derivative financial liabilities</i> |                          |                                   |                                 |                                     |
| Other payables                              | 154,373                  | -                                 | 154,373                         | 154,373                             |
| Loan from subsidiaries                      | 27,095,787               | 7.00                              | 28,992,492                      | 28,992,492                          |
| Financial corporate guarantee               | -                        | -                                 | 182,007,315                     | 182,007,315                         |
|                                             | <u>27,250,160</u>        |                                   | <u>211,154,180</u>              | <u>211,154,180</u>                  |

#### (c) Fair values of financial instruments

The carrying amounts of cash and bank balances, short term receivables and payables and short-term borrowings reasonably approximate their fair value due to relatively short term nature of these financial instruments.

The fair values of loans and borrowings that carry floating interest rates approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

The fair values of lease liabilities that carry fixed interest rates are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company as credit enhancement of the subsidiaries' secured borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (c) Fair values of financial instruments (Cont'd)

The table below analyses other financial instruments at fair value:

|                          | Carrying<br>amount<br>RM | Level 1<br>RM | Level 2<br>RM | Level 3<br>RM | Total<br>RM |
|--------------------------|--------------------------|---------------|---------------|---------------|-------------|
| <b>GROUP AND COMPANY</b> |                          |               |               |               |             |
| <b>2025</b>              |                          |               |               |               |             |
| Financial asset          |                          |               |               |               |             |
| Short-term investment    | 28,149,704               | 28,149,704    | -             | -             | 28,149,704  |
| <b>2024</b>              |                          |               |               |               |             |
| Financial asset          |                          |               |               |               |             |
| Short-term investment    | 23,775,192               | 23,775,192    | -             | -             | 23,775,192  |

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

### 33. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year.

The debt-to-equity ratio of the Group and of the Company as at the end of the reporting period was as follows:

|                           | <b>GROUP</b>       |                    | <b>COMPANY</b>     |                    |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
|                           | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| Loans and borrowings      | 395,858,324        | 182,007,315        | 43,000,000         | -                  |
| Loan from related parties | 23,879,141         | 25,415,918         | -                  | -                  |
| Loan from directors       | 11,839,937         | 13,034,021         | -                  | -                  |
| Loan from shareholders    | 12,036,966         | 13,221,717         | -                  | -                  |
| Loan from subsidiaries    | -                  | -                  | 100,374,387        | 27,095,787         |
| Lease liabilities #       | 104,149            | 133,225            | -                  | -                  |
| Total debts               | 443,718,517        | 233,812,196        | 143,374,387        | 27,095,787         |

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 DECEMBER 2025

### 33. CAPITAL MANAGEMENT (CONT'D)

The debt-to-equity ratio of the Group and of the Company as at the end of the reporting period was as follows: (Cont'd)

|                                              | GROUP       |             | COMPANY     |             |
|----------------------------------------------|-------------|-------------|-------------|-------------|
|                                              | 2025<br>RM  | 2024<br>RM  | 2025<br>RM  | 2024<br>RM  |
| Equity attributable to owners of the Company | 483,293,161 | 421,147,219 | 385,000,937 | 364,540,831 |
| Debt-to-equity ratio (times)                 | 0.92        | 0.56        | 0.37        | 0.07        |

# Lease liabilities of the Group comprise of tenancy agreements entered with the landlords in relation to the lease of shop-lots, which are recognised in accordance with MFRS 16, and hire-purchase loan with financial institution. Pursuant thereto, lease liabilities in relation to tenancy agreements are excluded from the calculation of debt-to-equity ratio in view that these lease liabilities are not related to the loans and borrowings of the Group.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

### 34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

#### Acquisition of Pajak Gadai Koong Sing Sdn. Bhd., Lian Foh Pawnshop Sdn. Bhd. and Fook Foh Pawnshop Sdn. Bhd.

On 19 May 2025, the Company completed the acquisition of the entire equity interests in Pajak Gadai Koong Sing Sdn. Bhd., Lian Foh Pawnshop Sdn. Bhd. and Fook Foh Pawnshop Sdn. Bhd., for a total purchase consideration of approximately RM63,442,197. Following the completion of the acquisition, these companies became wholly owned subsidiaries of the Group.

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

We, the undersigned, being two of the directors of **WELL CHIP GROUP BERHAD Registration No. 202301014119 (1508041-A)**, do hereby state that, in the opinion of the directors, the financial statements set out on pages 93 to 160 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

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

**NG HOOI LANG**

**TANG SOO YEN**

Johor Bahru

16 April 2026

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

I, **WOON FOO WEN**, being the officer primarily responsible for the financial management of **WELL CHIP GROUP BERHAD Registration No. 202301014119 (1508041-A)**, do solemnly and sincerely declare that the financial statements set out on pages 93 to 160 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

**WOON FOO WEN**  
**(MIA CA17580)**

Subscribed and solemnly declared  
by the abovenamed at Johor Bahru  
in the state of Johor on 16 April 2026

Before me

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELL CHIP GROUP BERHAD

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Well Chip Group Berhad ("the Company"), which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 93 to 160.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### *Basis for Opinion*

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

### *Independence and Other Ethical Responsibilities*

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

### *Key audit matters*

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

### Existence of pledged receivables, cash in hand and inventories

We concentrate on pledged receivables (RM797,341,943), cash in hand (RM8,566,427) and inventories (RM28,606,262) as the total carrying amount is material to the financial statements, which is approximately 87% of total assets. We consider the significant amounts to contribute to a higher risk of material misstatement relating to the existence of pledged receivables, cash in hand, and inventories.

We have specifically focused our audit efforts to determine the possibility of overstatement of pledged receivables, cash in hand, and inventories.

In addressing this, we have performed the following audit procedures:

- We obtained an understanding of, and evaluated, the design and implementation of internal controls relevant to the existence of pledged receivables, cash in hand, and inventories;
- On a sampling basis, we attended inventory counts, cash counts and sighted to pledges at the Group's pawnbroking and retail outlets; and
- We obtained cash confirmations for cash in hand held by the cash custodians.

Refer to Notes 11, 12 and 14 to the financial statements.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELL CHIP GROUP BERHAD

## *Key audit matters (Cont'd)*

### Impairment assessment of goodwill

As at 31 December 2025, the Group recorded goodwill amounting to RM18,491,744, which RM18,066,484 is arising from the acquisition of 3 new subsidiaries (Lian Foh Pawnshop Sdn. Bhd., Fook Foh Pawnshop Sdn. Bhd. and Pajak Gadai Koong Sing Sdn. Bhd.) during the financial year. Goodwill is allocated to the pawnbroking business of respective subsidiaries which represents the cash generating unit ("CGU").

We focused on this area due to the magnitude of the carrying amount and the inherent subjectivity in making judgement and estimation on determining the recoverable amount, which determined by the estimation of the present value of future cash flows expected to be generated from the CGUs. The key assumptions used in the estimation of the recoverable amount involves a significant degree of management judgement.

In addressing this, we have performed the following audit procedures:

- We have obtained an understanding of the management control process in respect of estimating the recoverable amount of the CGU and evaluated the design and implementation of the relevant controls;
- We have reviewed the impairment assessment of goodwill prepared by management and challenged the reasonableness of the key assumptions used in the cash flows projections;
- We have involved valuation specialist in reviewing the appropriateness of the valuation methodology and the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the CGU;
- We have evaluated the work of valuation specialist including the relevance and reasonableness of that specialist's findings or conclusion;
- We have assessed the impairment by comparing the recoverable amount determined from an estimation of the present value of future cash flows expected to be generated from the CGU to its carrying amount;
- We have performed sensitivity analysis on management's key assumptions to assess whether reasonable changes on the key assumptions would result in the carrying amount of the CGU to exceed its recoverable amount; and
- We have assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Refer to Note 10 to the financial statements.

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

### *Information Other than the Financial Statements and Auditors' Report Thereon*

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

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

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

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELL CHIP GROUP BERHAD

## Impairment assessment of goodwill (Cont'd)

### *Responsibilities of the Directors for the Financial Statements*

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

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

### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELL CHIP GROUP BERHAD

## *Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)*

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

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

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

## **Other Matter**

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

**RSM Malaysia PLT**  
202206000002 (LLP0030276-LCA) & AF 0768  
Chartered Accountants

Johor Bahru

16 April 2026

**Thun Siew Yuen**  
03718/03/2027 J  
Chartered Accountant



## LIST OF PROPERTIES

| Location of properties                                                                                                                                                   | Description and existing use                                                       | Tenure                       | Approximate Age of Building (years) | Approximate Land Area/ Built-up Area (Sqm) | Net Book Value as at 31 December 2025 (RM'000) | Date of Revaluation/ Acquisition |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------|-------------------------------------|--------------------------------------------|------------------------------------------------|----------------------------------|
| <b>PAJAK GADAI BINTANG SDN BHD</b>                                                                                                                                       |                                                                                    |                              |                                     |                                            |                                                |                                  |
| Geran 41493, Lot 27531, Mukim Pulau, District of Johor Bahru, State of Johor<br><br>No. 27, 27A & 27B, Jalan Persisiran Perling, Taman Perling, 81200 Johor Bahru, Johor | Description: A 3-storey end-lot shop house<br><br>Existing use: Pawnshop           | Freehold                     | 39 years                            | Land area: 156                             | 1,406                                          | Acquisition: 11 September 2014   |
| <b>PAJAK GADAI JUBLI INTAN SDN BHD</b>                                                                                                                                   |                                                                                    |                              |                                     |                                            |                                                |                                  |
| PN 53073, Lot 11958, Bandar Kluang, District of Kluang, State of Johor<br><br>No. 2, Jalan Syed Abd Hamid Sagaff, Bandar Kluang, 86000 Kluang, Johor                     | Description: A 4-storey corner shop house<br><br>Existing use: Pawnshop            | Leasehold (Expiring in 2108) | 7 years                             | Land area: 136                             | 1,882                                          | Acquisition: 27 August 2021      |
| <b>PAJAK GADAI WELL CHIP (3) SDN BHD</b>                                                                                                                                 |                                                                                    |                              |                                     |                                            |                                                |                                  |
| HSD 238459, PTD 115898, Mukim Plentong, District of Johor Bahru, State of Johor<br><br>No. 17, Jalan 9/9, 81700 Pasir Gudang, Johor                                      | Description: A double-storey corner shop house<br><br>Existing use: Pawnshop       | Leasehold (Expiring in 2094) | 27 years                            | Land area: 230                             | 1,409                                          | Acquisition: 27 September 2021   |
| <b>KEDAI EMAS WELL CHIP SDN BHD</b>                                                                                                                                      |                                                                                    |                              |                                     |                                            |                                                |                                  |
| PN 53072, Lot 11957, Bandar Kluang, District of Kluang, State of Johor<br><br>No. 4, Jalan Syed Abd Hamid Sagaff, Bandar Kluang, 86000 Kluang, Johor                     | Description: A 4-storey intermediate shop house<br><br>Existing use: Retail outlet | Leasehold (Expiring in 2108) | 7 years                             | Land area: 124                             | 1,421                                          | Acquisition: 10 April 2023       |

## LIST OF PROPERTIES

| Location of properties                                                                                                                                     | Description and existing use                                                      | Tenure                       | Approximate Age of Building (years) | Approximate Land Area/ Built-up Area (Sqm) | Net Book Value as at 31 December 2025 (RM'000) | Date of Revaluation/ Acquisition |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------|-------------------------------------|--------------------------------------------|------------------------------------------------|----------------------------------|
| <b>WELL CHIP (10) SDN BHD</b>                                                                                                                              |                                                                                   |                              |                                     |                                            |                                                |                                  |
| PM89, Lot 629 Mukim of Ulu Benut, District of Kluang, State of Johor<br><br>57, Jalan Besar, 86200 Simpang Renggam, Johor                                  | Description: A 4-storey shop house<br><br>Existing use: Pawnshop                  | Leasehold (Expiring in 2054) | 32 years                            | Land area: 177                             | 1,674                                          | Acquisition: 20 September 2024   |
| <b>PAJAK GADAI BERLIAN SDN BHD</b>                                                                                                                         |                                                                                   |                              |                                     |                                            |                                                |                                  |
| HS(D) 262979, PTD74085, Mukim Pulau, District of Johor Bahru, State of Johor<br><br>No. 4, Jalan Seri Orkid 31, Taman Seri Orkid, 81300 Johor Bahru, Johor | Description: A 3-storey intermediate-lot shop house<br><br>Existing use: Pawnshop | Freehold                     | 11 years                            | Land area: 156                             | 1,779                                          | Acquisition: 11 March 2025       |
| HS(D) 262980, PTD74086, Mukim Pulau, District of Johor Bahru, State of Johor<br><br>No. 2, Jalan Seri Orkid 31, Taman Seri Orkid, 81300 Johor Bahru, Johor | Description: A 3-storey corner-lot shop house<br><br>Existing use: Pawnshop       | Freehold                     | 11 years                            | Land area: 190                             | 3,778                                          | Acquisition: 11 March 2025       |
| <b>PAJAK GADAI KOONG SING SDN BHD</b>                                                                                                                      |                                                                                   |                              |                                     |                                            |                                                |                                  |
| Geran 35327, Lot No. 73, Bandar Kuala Kangsar, District of Kuala Kangsar, State of Perak<br><br>No. 8, Jalan Daeng Selili, 33000 Kuala Kangsar, Perak      | Description: A 2-storey shop house<br><br>Existing use: Pawnshop                  | Freehold                     | 28 years                            | Land area: 127                             | 796                                            | Acquisition: 19 May 2025         |

## LIST OF PROPERTIES

| Location of properties                                                          | Description and existing use                             | Tenure   | Approximate Age of Building (years) | Approximate Land Area/ Built-up Area (Sqm) | Net Book Value as at 31 December 2025 (RM'000) | Date of Revaluation/ Acquisition |
|---------------------------------------------------------------------------------|----------------------------------------------------------|----------|-------------------------------------|--------------------------------------------|------------------------------------------------|----------------------------------|
| LIAN FOH PAWNSHOP SDN BHD                                                       |                                                          |          |                                     |                                            |                                                |                                  |
| Geran 33699, No Lot. 99, Pekan Setiawan, District of Manjung, State of Perak    | Description: A double-storey Intermediate-lot shop house | Freehold | 29 years                            | Land area: 234                             | 698                                            | Acquisition: 19 May 2025         |
| Geran 33700, No Lot. 104, Pekan Setiawan, District of Manjung, State of Perak   | Existing use: Pawnshop                                   |          |                                     |                                            |                                                |                                  |
| No. 20, Jalan Haji Mohd Ali, 32000 Sitiawan, Perak                              |                                                          |          |                                     |                                            |                                                |                                  |
| FOOK FOH PAWNSHOP SDN BHD                                                       |                                                          |          |                                     |                                            |                                                |                                  |
| Geran 33698, Lot No. 137, Pekan Ayer Tawar, District of Manjung, State of Perak | Description: A double-storey intermediate shop house     | Freehold | 29 years                            | Land area: 186                             | 447                                            | Acquisition: 19 May 2025         |
| No. 255, Jalan Besar, 32400 Ayer Tawar, Perak                                   | Existing use: Pawnshop                                   |          |                                     |                                            |                                                |                                  |

\*Held by the group as at 31 December 2025

# STATISTICS OF SHAREHOLDINGS AS AT 31 MARCH 2026

|                               |   |                           |
|-------------------------------|---|---------------------------|
| Total number of issued shares | : | 600,000,000               |
| Class of share                | : | Ordinary share            |
| Voting rights                 | : | 1 vote per ordinary share |

## SIZE OF SHAREHOLDINGS

| Size of Shareholdings                   | No. of Shareholders |           | Total No. of Shareholders |                | No. of Issued Shares |                    | Total No. of Issued Shares |                |
|-----------------------------------------|---------------------|-----------|---------------------------|----------------|----------------------|--------------------|----------------------------|----------------|
|                                         | Malaysian           | Foreigner | No.                       | %              | Malaysian            | Foreigner          | No.                        | %              |
| 1 - 99                                  | 4                   | -         | 4                         | 0.29%          | 174                  | 0                  | 174                        | *              |
| 100 - 1,000                             | 254                 | 2         | 256                       | 18.66%         | 141,500              | 300                | 141,800                    | 0.02%          |
| 1,001 - 10,000                          | 662                 | 3         | 665                       | 48.47%         | 3,440,800            | 19,403             | 3,460,203                  | 0.58%          |
| 10,001 - 100,000                        | 282                 | 16        | 298                       | 21.72%         | 9,912,300            | 779,000            | 10,691,300                 | 1.78%          |
| 100,001 - less than 5% of issued shares | 127                 | 20        | 147                       | 10.71%         | 163,026,135          | 29,633,545         | 192,659,680                | 32.11%         |
| 5% and above of issued shares           | 1                   | 1         | 2                         | 0.15%          | 304,171,887          | 88,874,956         | 393,046,843                | 65.51%         |
| <b>Total</b>                            | <b>1,330</b>        | <b>42</b> | <b>1,372</b>              | <b>100.00%</b> | <b>480,692,796</b>   | <b>119,307,204</b> | <b>600,000,000</b>         | <b>100.00%</b> |

Note: \* Negligible

## SUBSTANTIAL SHAREHOLDERS

| No. | Name                    | Direct             |        | Indirect                   |                       | Total              |        |
|-----|-------------------------|--------------------|--------|----------------------------|-----------------------|--------------------|--------|
|     |                         | No. of shares held | %      | No. of shares held         | %                     | No. of shares held | %      |
| 1.  | Yeah Hiang Nam          | -                  | -      | 393,046,843 <sup>(1)</sup> | 65.51% <sup>(1)</sup> | 393,046,843        | 65.51% |
| 2.  | Tan Hong Yee            | -                  | -      | 393,046,843 <sup>(1)</sup> | 65.51% <sup>(1)</sup> | 393,046,843        | 65.51% |
| 3.  | VYN Holdings Sdn Bhd    | 304,171,887        | 50.70% | -                          | -                     | 304,171,887        | 50.70% |
| 4.  | VMM Holdings Sdn Bhd    | 88,874,956         | 14.81% | 304,171,887 <sup>(2)</sup> | 50.70% <sup>(2)</sup> | 393,046,843        | 65.51% |
| 5.  | ValueMax Group Limited  | -                  | -      | 393,046,843 <sup>(3)</sup> | 65.51% <sup>(3)</sup> | 393,046,843        | 65.51% |
| 6.  | Yeah Holdings Pte. Ltd. | -                  | -      | 393,046,843 <sup>(4)</sup> | 65.51% <sup>(4)</sup> | 393,046,843        | 65.51% |

Notes:

<sup>(1)</sup>Deemed interested by virtue of his/her shareholding in Yeah Holdings Pte. Ltd. pursuant to Section 8 of the Companies Act 2016 ("Act").

<sup>(2)</sup>Deemed interested by virtue of its shareholding in VYN Holdings Sdn Bhd pursuant to Section 8 of the Act.

<sup>(3)</sup>Deemed interested by virtue of its shareholding in VMM Holdings Sdn Bhd pursuant to Section 8 of the Act.

<sup>(4)</sup>Deemed interested by virtue of its shareholding in ValueMax Group Limited pursuant to Section 8 of the Act.

# STATISTICS OF SHAREHOLDINGS AS AT 31 MARCH 2026

## DIRECTORS' SHAREHOLDINGS

| No.          | Name           | Direct             |              | Indirect                   |                       | Total              |               |
|--------------|----------------|--------------------|--------------|----------------------------|-----------------------|--------------------|---------------|
|              |                | No. of shares held | %            | No. of shares held         | %                     | No. of shares held | %             |
| 1.           | Mak Lye Mun    | -                  | -            | -                          | -                     | -                  | -             |
| 2.           | Yeah Hiang Nam | -                  | -            | 393,046,843 <sup>(1)</sup> | 65.51% <sup>(1)</sup> | 393,046,843        | 65.51%        |
| 3.           | Ng Hooi Lang   | 5,413,884          | 0.90%        | 991,534 <sup>(2)</sup>     | 0.17% <sup>(2)</sup>  | 6,405,418          | 1.07%         |
| 4.           | Tang Soo Yen   | 4,987,646          | 0.83%        | 4,763,966 <sup>(3)</sup>   | 0.79% <sup>(3)</sup>  | 9,751,612          | 1.63%         |
| 5.           | Yeah Chia Kai  | -                  | -            | -                          | -                     | -                  | -             |
| 6.           | Chan Kam Chiew | -                  | -            | -                          | -                     | -                  | -             |
| 7.           | Wong Chin Chin | -                  | -            | -                          | -                     | -                  | -             |
| 8.           | Lew Chern Yong | -                  | -            | -                          | -                     | -                  | -             |
| 9.           | Hsu, Kuan-Hua  | -                  | -            | -                          | -                     | -                  | -             |
| <b>Total</b> |                | <b>10,401,530</b>  | <b>1.73%</b> | <b>398,802,343</b>         | <b>66.47%</b>         | <b>409,203,873</b> | <b>68.20%</b> |

### Notes:

<sup>(1)</sup>Deemed interested by virtue of his shareholding in Yeah Holdings Pte. Ltd. pursuant to Section 8 of the Act.

<sup>(2)</sup>Deemed interested by virtue of the shareholding of her spouse, Poon Foo Wha, pursuant to Section 8 of the Act.

<sup>(3)</sup>Deemed interested by virtue of the shareholdings of her spouse, Yeow Chun Huat and children pursuant to Section 8 of the Act.

## TOP 30 SECURITIES ACCOUNT HOLDERS

(According to the Record of Depositors)

| No. | Name                                                                                                                               | No. of shares held | %     |
|-----|------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------|
| 1   | VYN HOLDINGS SDN.BHD.                                                                                                              | 304,171,887        | 50.70 |
| 2   | VMM HOLDINGS SDN.BHD.                                                                                                              | 88,874,956         | 14.81 |
| 3   | CIMB GROUP NOMINEES (ASING) SDN. BHD.<br>EXEMPT AN FOR DBS BANK LTD (SFS)                                                          | 15,939,100         | 2.66  |
| 4   | DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD<br>DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING<br>INVESTMENTSSMALL-CAP FUND | 8,942,300          | 1.49  |
| 5   | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)                                                | 7,950,000          | 1.33  |
| 6   | HSBC NOMINEES (TEMPATAN) SDN BHD<br>HSBC (M) TRUSTEE BHD FOR MANULIFE INSURANCE BERHAD (EQUITY<br>FUND)                            | 6,845,700          | 1.14  |
| 7   | YEO MOOI HUANG                                                                                                                     | 6,805,828          | 1.13  |
| 8   | DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD<br>DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND<br>FUND             | 5,783,600          | 0.96  |
| 9   | NG HOOI LANG                                                                                                                       | 5,413,884          | 0.90  |

# STATISTICS OF SHAREHOLDINGS

## AS AT 31 MARCH 2026

### TOP 30 SECURITIES ACCOUNT HOLDERS (CONT'D)

(According to the Record of Depositors)

| No.          | Name                                                                                                     | No. of<br>shares held | %            |
|--------------|----------------------------------------------------------------------------------------------------------|-----------------------|--------------|
| 10           | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR ONE KL FAMILY OFFICE SDN. BHD.     | 5,334,500             | 0.89         |
| 11           | CIMB GROUP NOMINEES (TEMPATAN) SDN BHD<br>CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND             | 5,159,100             | 0.86         |
| 12           | TANG SOO YEN                                                                                             | 4,987,646             | 0.83         |
| 13           | YEOW CHOONG KUAN                                                                                         | 4,462,013             | 0.74         |
| 14           | YEOW CHUN HUAT                                                                                           | 4,297,546             | 0.72         |
| 15           | HONG LEONG ASSURANCE BERHAD<br>AS BENEFICIAL OWNER (UNITLINKED FLF)                                      | 3,657,000             | 0.61         |
| 16           | Cartaban Nominees (Tempatan) Sdn Bhd<br>CN CIMB Commerce Trustee Berhad For Kenanga Growth Fund Series 2 | 3,169,800             | 0.53         |
| 17           | NG HUI CHIN                                                                                              | 3,165,552             | 0.53         |
| 18           | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR TING SIEW PIN (8118995)      | 3,075,900             | 0.51         |
| 19           | CHUA SWEE HEONG                                                                                          | 2,974,576             | 0.50         |
| 20           | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)               | 2,915,200             | 0.49         |
| 21           | NG YAH CHING                                                                                             | 2,849,231             | 0.47         |
| 22           | CITIGROUP NOMINEES (ASING) SDN BHD<br>MERRILL LYNCH INTERNATIONAL                                        | 2,814,700             | 0.47         |
| 23           | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ESPRING ABSR EQ)       | 2,676,600             | 0.45         |
| 24           | TEOW MOY WHA                                                                                             | 2,645,783             | 0.44         |
| 25           | CITIGROUP NOMINEES (ASING) SDN BHD<br>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)                   | 2,636,300             | 0.44         |
| 26           | PHILLIP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR GOH CHOON KIM                      | 2,500,000             | 0.42         |
| 27           | HSBC NOMINEES (TEMPATAN) SDN BHD<br>HSBC (M) TRUSTEE BHD FOR PRINCIPAL LIFETIME BALANCED INCOME<br>FUND  | 2,385,100             | 0.40         |
| 28           | NG HOOI HWANG                                                                                            | 2,310,964             | 0.39         |
| 29           | HONG LEONG ASSURANCE BERHAD<br>AS BENEFICIAL OWNER (UNITLINKED FLF)                                      | 2,247,100             | 0.37         |
| 30           | HSBC NOMINEES (TEMPATAN) SDN BHD<br>HSBC (M) TRUSTEE BHD FOR PRINCIPAL TITANS GROWTH & INCOME<br>FUND    | 2,214,500             | 0.37         |
| <b>Total</b> |                                                                                                          | <b>519,206,366</b>    | <b>86.53</b> |

# NOTICE OF 3RD ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Third Annual General Meeting (“3rd AGM”) of Well Chip Group Berhad (“the Company”) will be held at Ballroom 3, Level 2, Renaissance Johor Bahru Hotel, 2, Jalan Permas 11, Bandar Baru Permas Jaya, 81750 Masai, Johor Darul Ta’zim, Malaysia on Monday, 22 June 2026 at 10.00 a.m. for the following purposes:

## AGENDA

- |     |                                                                                                                                                                                                                                                                                        |                                                                |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| 1.  | To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.                                                                                                                             | (Please refer to Explanatory Note 1)                           |
| 2.  | To approve the payment of a final single tier dividend of RM0.051 per ordinary share in respect of the financial year ended 31 December 2025.                                                                                                                                          | Ordinary Resolution 1<br>(Please refer to Explanatory Note 2)  |
| 3.  | To re-elect the following Directors, who are retiring by rotation in accordance with Clause 113 of the Company’s Constitution and being eligible, have offered themselves for re-election:                                                                                             | (Please refer to Explanatory Note 3)                           |
|     | (a) Yeah Hiang Nam                                                                                                                                                                                                                                                                     | Ordinary Resolution 2                                          |
|     | (b) Chan Kam Chiew                                                                                                                                                                                                                                                                     | Ordinary Resolution 3                                          |
|     | Ms. Wong Chin Chin who also retires by rotation in accordance with Clause 113 of the Company’s Constitution, has expressed her intention not to seek re-election. Hence, she will retain office until the close of the 3rd AGM.                                                        |                                                                |
| 4.  | To re-elect the following Directors, who are retiring in accordance with Clause 120 of the Company’s Constitution and being eligible, have offered themselves for re-election:                                                                                                         | (Please refer to Explanatory Note 3)                           |
|     | (a) Lew Chern Yong                                                                                                                                                                                                                                                                     | Ordinary Resolution 4                                          |
|     | (b) Hsu, Kuan-Hua                                                                                                                                                                                                                                                                      | Ordinary Resolution 5                                          |
| 5.  | To approve the payment of additional Directors’ fees of RM41,269 to the Directors of the Company for the financial period from 1 July 2025 to 30 June 2026 to be payable following approval by the shareholders at the 3rd AGM.                                                        | Ordinary Resolution 6<br>(Please refer to Explanatory Note 4)  |
| 6.  | To approve the payment of additional Directors’ benefits of RM7,000 to the Directors of the Company for the financial period from 1 July 2025 to 30 June 2026 to be payable following approval by the shareholders at the 3rd AGM.                                                     | Ordinary Resolution 7<br>(Please refer to Explanatory Note 4)  |
| 7.  | To approve the payment of Directors’ fees of up to RM560,000 to the Directors of the Company from 1 July 2026 until the conclusion of the next Annual General Meeting (“AGM”) to be held in year 2027, to be payable quarterly in arrears.                                             | Ordinary Resolution 8<br>(Please refer to Explanatory Note 4)  |
| 8.  | To approve the payment of Directors’ benefits of up to RM80,000 to the Non-Executive Directors of the Company from 1 July 2026 until the conclusion of the next AGM to be held in year 2027, to be payable quarterly in arrears.                                                       | Ordinary Resolution 9<br>(Please refer to Explanatory Note 4)  |
| 9.  | To approve the payment of Directors’ fees of up to RM138,000 to the Directors of the Company’s subsidiaries from 1 July 2026 until the conclusion of the next AGM to be held in year 2027, to be payable in the subsequent year following approval by the shareholders at the 3rd AGM. | Ordinary Resolution 10<br>(Please refer to Explanatory Note 4) |
| 10. | To re-appoint Messrs RSM Malaysia PLT as the Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration.                                                                                                          | Ordinary Resolution 11<br>(Please refer to Explanatory Note 5) |

# NOTICE OF 3RD ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS

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

### 11. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

“THAT subject to Sections 75 and 76 of the Companies Act 2016 (“the Act”), the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approval of the relevant governmental and/or regulatory authorities, where necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to allot and issue shares in the Company from time to time at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be allotted and issued does not exceed ten percent (10%) of the total number of issued shares of the Company (“New Shares”) for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company (“the Mandate”).

Ordinary Resolution 12  
(Please refer to  
Explanatory Note 6)

AND THAT in connection to the above, pursuant to Section 85 of the Act read together with Clause 62 of the Company’s Constitution, the shareholders of the Company do hereby waive their pre-emptive rights to be offered New Shares and the Company be given the approval to disapply the statutory pre-emptive rights conferred upon the shareholders of the Company and that the Directors are exempted from the obligation to offer such New Shares first to the existing shareholders of the Company arising from any issuance of the New Shares ranking *pari passu* with the existing shares, pursuant to the Mandate.”

12. To transact any other business of the Company for which due notice shall have been given.

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the 3rd AGM, the proposed final single tier dividend of RM0.051 per ordinary share in respect of the financial year ended 31 December 2025 will be paid on 16 July 2026 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 1 July 2026.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares transferred into the Depositor’s Securities Account before 4.30 p.m. on 1 July 2026;
- (b) Shares deposited into the Depositor’s Securities Account before 12.30 p.m. on 1 July 2026 (in respect of shares which are exempted from mandatory deposit); and
- (c) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.



# NOTICE OF 3RD ANNUAL GENERAL MEETING

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT (CONT'D)

### BY ORDER OF THE BOARD

**TAN AI NING** (SSM PC No. 202008000067) (MAICSA 7015852)

**QUECK WAI FONG** (SSM PC No. 202208000287) (MAICSA 7023051)

Company Secretaries

Selangor Darul Ehsan

30 April 2026

### NOTES:

1. A member of the Company who is entitled to attend and vote at the meeting, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a Member. There shall be no restriction as to the qualification of the proxy.
2. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
3. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple Beneficial Owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy, duly completed must be deposited at Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. All Form of Proxy submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.
7. Please ensure all the particulars as required in the Form of Proxy are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
8. Last date and time for lodging the Form of Proxy is Saturday, 20 June 2026 at 10.00 a.m.
9. In respect of deposited securities, only members whose names appear on the Record of Depositors on Monday, 15 June 2026 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, speak, and vote on his/her behalf at the 3rd AGM.
10. For the purpose of determining who shall be entitled to participate in the meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the Company's Constitution to issue a Record of Depositors as at 15 June 2026. Only members whose names appear in the said Record of Depositors shall be eligible to participate, speak and vote at the meeting or appoint proxy(ies) to participate, speak and vote on his/her behalf.

# NOTICE OF 3RD ANNUAL GENERAL MEETING

## NOTES: (CONT'D)

11. A member is permitted to give the Company notice of revocation of a person's authority to act as proxy not less than forty-eight (48) hours before the time appointed for holding the meeting. The notice of revocation must be in writing and be deposited at the Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
12. Please bring along the original of the following documents (whichever applicable) for verification purposes at the registration counter: (a) Identity Card (NRIC for Malaysian), or (b) Police report (for loss of NRIC for Malaysian), or (c) Passport (for Foreigner).

## EXPLANATORY NOTE ON ORDINARY BUSINESS

### 1. To receive Audited Financial Statements

Agenda item 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("Act"), does not require formal approval of shareholders for the Audited Financial Statements. Hence, this item is not put forward for voting.

### 2. Ordinary Resolution 1 – Final Single Tier Dividend

On 20 February 2026, the Board of Directors ("the Board") has proposed a final single tier dividend of RM0.051 per ordinary share for the financial year ended 31 December 2025 ("FYE2025"), subject to approval of shareholders at the forthcoming Annual General Meeting ("AGM"). The Ordinary Resolution 1 if passed, the dividend will be paid on 16 July 2026 to shareholders whose names appear in the Record of Depositors at the close of business on 1 July 2026.

### 3. Ordinary Resolutions 2, 3, 4 and 5 – Re-election of retiring Directors

Clause 113 of the Company's Constitution expressly states that at each AGM, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office. Each Director shall retire from office once at least in each three (3) years but shall be eligible for re-election. Mr. Yeah Hiang Nam and Mr. Chan Kam Chiew who are retiring by rotation in accordance with Clause 113 of the Company's Constitution and being eligible, have offered themselves for re-election at the 3rd AGM.

Clause 120 of the Company's Constitution provides that any Director appointed either to fill a casual vacancy or as an addition to the existing Board, shall hold office only until the next AGM and shall be eligible for re-election. Mr. Lew Chern Yong and Mr. Hsu, Kuan-Hua who were appointed during the period under review is standing for re-election as Directors and being eligible, have offered themselves for re-election at the 3rd AGM.

The Nomination Committee ("NC") has conducted an assessment on the Directors who are seeking re-election at this 3rd AGM, as well as assessing the independence of the Independent Director as applicable. The NC is satisfied that the Independent Directors comply with and meet the independence criteria as required by the Listing Requirements. The profiles of these Directors are presented on page 5 to page 13 of the Annual Report 2025. These four (4) retiring Directors had abstained from deliberations and decisions at the relevant Board and NC Meetings on their own eligibility to stand for re-election at this 3rd AGM and will continue to do so. The Board has endorsed the NC's recommendation subject to the shareholders' approval at the 3rd AGM.

### Retirement of Director

Ms. Wong Chin Chin ("Ms. Wong"), who retires pursuant to Clause 113 of the Company's Constitution has notified the Board of her decision not to seek re-election at the 3rd AGM. Accordingly, she will retire as a Director of the Company with effect from the conclusion of the 3rd AGM, marking the end of her distinguished tenure. The Board wishes to place on record its sincere appreciation for Ms. Wong's valuable contributions, dedication and commitment to the Company throughout her tenure. Her presence and contributions will be greatly missed. The Board extends its best wishes to Ms. Wong in all her future endeavours.

# NOTICE OF 3RD ANNUAL GENERAL MEETING

## EXPLANATORY NOTE ON ORDINARY BUSINESS (CONT'D)

### 4. Ordinary Resolutions 6, 7, 8, 9 and 10 - Payment of Directors' Fees and benefits

Section 230(1) of the Companies Act 2016 ("Act"), provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agree that the shareholders' approval shall be sought at the 3rd AGM on the Directors' remuneration in five (5) separate resolutions as below:

- Ordinary Resolution 6 on payment of additional Directors' fees of RM41,269 for the period from 1 July 2025 to 30 June 2026;
- Ordinary Resolution 7 on payment of additional Directors benefits of RM7,000 for the period from 1 July 2025 to 30 June 2026;
- Ordinary Resolution 8 on payment of Directors' fees of up to RM560,000 from 1 July 2026 until the conclusion of the next AGM to be held in year 2027;
- Ordinary Resolution 9 on payment of Directors' benefits of up to RM80,000 from 1 July 2026 until the conclusion of the next AGM to be held in year 2027; and
- Ordinary Resolution 10 on payment of Directors' fees of up to RM138,000 from 1 July 2026 until the conclusion of the next AGM to be held in year 2027.

(collectively referred as "Relevant Period")

The payment of the Directors' fees and benefits will only be made if the proposed Ordinary Resolutions 6, 7, 8, 9 and 10 have been passed at the 3rd AGM pursuant to Section 230(1) of the Act. The estimated total amount of the Directors' benefits for the Relevant Period comprises of meeting allowance payable to the Non-Executive Directors which only be accorded based on actual attendance of meetings by the Non-Executive Directors. In determining the estimated total amount of the Directors' benefits, the Board considered various factors, including the number of scheduled meetings for the Board and Board Committee as well as the number of Directors involved in these meetings.

The details of the Directors' fees and benefits paid to each Director for FYE2025 are disclosed in the Corporate Governance Overview Statement in the Annual Report 2025.

### 5. Ordinary Resolution 11 – Re-appointment of Auditors

The Audit and Risk Management Committee and the Board have considered the re-appointment of Messrs. RSM Malaysia PLT ("RSM") as External Auditors of the Company and collectively agreed that RSM has met the relevant criteria prescribed under Paragraph 15.21 of the Listing Requirements. RSM have indicated their willingness to continue their service to the Company.

### 6. Ordinary Resolution 12 - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 12, if passed, will empower the Directors of the Company, from the date of the above AGM, authority to issue and allot shares from the unissued capital of the Company up to an amount not exceeding in total ten percent (10%) of the total issued and paid-up share capital of the Company for such purposes and to such person or persons as the Directors in their absolute discretion consider to be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The approval of the issuance and allotment of the new shares under Section 75 and 76 of the Act shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Act and Clause 62 of the Company's Constitution, the shareholders of the Company hereby agree to waive and are deemed to have waived their pre-emptive rights pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Act, which will result in a dilution to their shareholdings percentage in the Company.

# NOTICE OF 3RD ANNUAL GENERAL MEETING

## **EXPLANATORY NOTE ON ORDINARY BUSINESS (CONT'D)**

### **6. Ordinary Resolution 12 - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Cont'd)**

The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for the purposes of funding current and/or future investment projects, working capital, repayment/paring down of borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

# NOTICE OF 3RD ANNUAL GENERAL MEETING

## STATEMENT ACCOMPANYING THE NOTICE OF 3RD ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements")

### 1. Details of individuals who are standing for election as Directors

The Directors retiring in accordance with the Company's Constitution and seeking for re-election are as follows:

Pursuant to Clause 113 of the Company's Constitution

- (a) Yeah Hiang Nam
- (b) Chan Kam Chiew

Pursuant to Clause 120 of the Company's Constitution

- (a) Lew Chern Yong
- (b) Hsu, Kuan-Hua

The profiles of the abovenamed Directors are stated in the Directors' Profile on page 5 to page 13 of the Annual Report 2025.

### 2. Statement relating to the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements

The details of the general mandate are set out in the Notice of Annual General Meeting dated 30 April 2026 under Explanatory Notes on Special Business.

**WELL CHIP GROUP BERHAD**  
[Registration No. 202301014119 (1508041-A)]  
(Incorporated in Malaysia)

**FORM OF PROXY**

|                   |  |
|-------------------|--|
| No of shares held |  |
| CDS Account No.   |  |

\*I/ We \_\_\_\_\_ \*NRIC/Passport/Company No. \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITAL)

of \_\_\_\_\_  
(FULL ADDRESS)

and telephone no./email address \_\_\_\_\_ being \*a member/members

of Well Chip Group Berhad (Registration No. 202301014119 (1508041-A)) hereby appoint:

| Full Name and Address (in Block Letters)<br>(First Proxy) |             | NRIC/Passport No. | No. of Shares | % of Shareholding |
|-----------------------------------------------------------|-------------|-------------------|---------------|-------------------|
|                                                           |             |                   |               |                   |
| Email:                                                    | Contact No: |                   |               |                   |

\*and/or

| Full Name and Address (in Block Letters)<br>(First Proxy) |             | NRIC/Passport No. | No. of Shares | % of Shareholding |
|-----------------------------------------------------------|-------------|-------------------|---------------|-------------------|
|                                                           |             |                   |               |                   |
| Email:                                                    | Contact No: |                   |               |                   |

and failing \*him/her, the Chairman of the Meeting, as \*my/our \*proxy/proxies to participate, speak and vote for \*me/us on \*my/our behalf at the Third Annual General Meeting ("3rd AGM") of Well Chip Group Berhad ("Company") which will be held at Ballroom 3, Level 2, Renaissance Johor Bahru Hotel, 2, Jalan Permas 11, Bandar Baru Permas Jaya, 81750 Masai, Johor Darul Ta'zim, Malaysia on Monday, 22 June 2026 at 10.00 a.m. or at any adjournment thereof.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at \*his/her discretion.

| Resolution             | Agenda                                                                                                                                                                                          | For | Against |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| Ordinary Resolution 1  | Payment of a final single tier dividend of RM0.051 per ordinary share in respect of the financial year ended 31 December 2025                                                                   |     |         |
| Ordinary Resolution 2  | Re-election of Yeah Hiang Nam as Director                                                                                                                                                       |     |         |
| Ordinary Resolution 3  | Re-election of Chan Kam Chiew as Director                                                                                                                                                       |     |         |
| Ordinary Resolution 4  | Re-election of Lew Chern Yong as Director                                                                                                                                                       |     |         |
| Ordinary Resolution 5  | Re-election of Hsu, Kuan-Hua as Director                                                                                                                                                        |     |         |
| Ordinary Resolution 6  | Payment of additional Directors' fees of RM41,269 to the Directors from 1 July 2025 to 30 June 2026                                                                                             |     |         |
| Ordinary Resolution 7  | Payment of additional Directors' benefits of RM7,000 to the Directors from 1 July 2025 to 30 June 2026                                                                                          |     |         |
| Ordinary Resolution 8  | Payment of Directors' fees of up to RM560,000 to the Non-Executive Directors from 1 July 2026 until the conclusion of the next Annual General Meeting to be held in year 2027                   |     |         |
| Ordinary Resolution 9  | Payment of Directors' benefits of up to RM80,000 to the Non-Executive Directors of the Company from 1 July 2026 until the conclusion of the next Annual General Meeting to be held in year 2027 |     |         |
| Ordinary Resolution 10 | Payment of Directors' fees of up to RM138,000 to the Company's subsidiaries from 1 July 2026 until the conclusion of the next Annual General Meeting to be held in year 2027                    |     |         |
| Ordinary Resolution 11 | Re-appointment of Messrs. RSM Malaysia PLT as Auditors of the Company until the conclusion of next Annual General Meeting                                                                       |     |         |
| Ordinary Resolution 12 | Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016                                                                                       |     |         |

Subject to the above stated voting instructions, \*my/our \*proxy/proxies may vote or abstain from voting on any resolutions as \*he/she/they may think fit.

\* Strike out whichever is not desired

Signature of Member(s)/ Common Seal  
Contact No.:

Date:



**NOTES:**

1. A member of the Company who is entitled to attend and vote at the meeting, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a Member. There shall be no restriction as to the qualification of the proxy.
2. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
3. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
4. Appointment of proxies (2) where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple Beneficial Owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy, duly completed must be deposited at Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. All Form of Proxy submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.
7. Please ensure all the particulars as required in the Form of Proxy are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
8. Last date and time for lodging the Form of Proxy is Saturday, 20 June 2026 at 10.00 a.m.
9. In respect of deposited securities, only members whose names appear on the Record of Depositors on Monday, 15 June 2026 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, speak, and vote on his/her behalf at the 3rd AGM.
10. For the purpose of determining who shall be entitled to participate in the meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the Company's Constitution to issue a Record of Depositors as at 15 June 2026. Only members whose names appear in the said Record of Depositors shall be eligible to participate, speak and vote at the meeting or appoint proxy(ies) to participate, speak and vote on his/her behalf.
11. A member is permitted to give the Company notice of revocation of a person's authority to act as proxy not less than forty-eight (48) hours before the time appointed for holding the meeting. The notice of revocation must be in writing and be deposited at the Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
12. Please bring along the original of the following documents (whichever applicable) for verification purposes at the registration counter: (a) Identity Card (NRIC for Malaysian), or (b) Police report (for loss of NRIC for Malaysian), or (c) Passport (for Foreigner).

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of 3rd AGM dated 30 April 2026.

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AFFIX  
STAMP

The Poll Administrator of  
**WELL CHIP GROUP BERHAD**  
[Registration No.: 202301014119 (1508041-A)]

**Boardroom Share Registrars Sdn Bhd**  
11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia.

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Fold This Flap For Sealing







**WELL CHIP GROUP BERHAD**

(Registration No. 202301014119 (1508041-A))  
(Incorporated in Malaysia under the Companies Act, 2016)

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

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