



WINSTAR CAPITAL
WINSTAR CAPITAL BERHAD
(Registration No. 202301049890 (1543804-K))
(Incorporated in Malaysia under the Companies Act 2016)

**ANNUAL
REPORT
2024**





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(Incorporated in Malaysia under the Companies Act 2016)



Celebrating

Our 2024 Initial Public Offering (“IPO”) Listing

“ A Significant Step Toward Future Growth ”

The successful listing of Winstar Capital Berhad on ACE Market of Bursa Malaysia Securities Berhad marks a significant milestone in our journey. This achievement reflects the dedication and resilience of our team, the confidence of our investors and our commitment to sustained growth. The IPO Listing Ceremony was a momentous occasion, celebrating this new chapter as we continue to create value for our stakeholders.



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ABOUT US



Established in 2002, Winstar Capital Berhad (“Winstar” or “the Company”) and its subsidiaries (“Winstar Group” or “the Group”) have grown into a leading player in Malaysia’s aluminium manufacturing industry, earning a strong reputation for quality and innovation. Over the years, we have expanded beyond aluminium extrusion, diversifying into fabrication, trading and renewable energy solutions to meet the evolving needs of various industries.

Guided by our vision to lead Malaysia’s aluminium industry, we are dedicated to providing high-quality, sustainable products and solutions while driving innovation and supporting a greener future through renewable energy. Our well-equipped manufacturing facility, decades of industry expertise and diverse product range enable us to deliver reliable and innovative solutions across multiple sectors.

As we look ahead, we continue to refine our capabilities, explore new market opportunities and integrate sustainable practices into our operations. With a strong foundation and a forward-thinking approach, we remain committed to shaping the future of the aluminium industry while contributing to a more sustainable and energy-efficient world.

OUR BUSINESS

Our business focuses on aluminium extrusion and fabrication, producing extruded aluminium profiles, aluminium ladders and solar photovoltaic (“solar PV”) mounting structures. We are also involved in the trading and distribution of building materials, supplying extruded aluminium profiles, stainless-steel products, aluminium products and silicone sealants to various industries.

In 2023, we expanded into renewable energy solutions, including the trading of solar-related materials and the installation of solar PV systems. This expansion is supported by our in-house fabrication of solar PV mounting structures, reinforcing our commitment to sustainable and energy-efficient solutions.



Aluminium Extrusion



Trading & Distribution



Solar PV System



Awards And Business Partner Recognition

Winstar Group received the **V-Tech Top Partner Award 2024 (Platinum)** from Vital Distribution Sdn Bhd ("V-Tech") in recognition of our strong partnership and business collaboration. This award reflects our commitment to quality, reliability and long-term growth with our partners.



(From left: Mr. Chong Jun Kang (our Chief Sales Officer), Mr. David Lai (Senior Manager, Business Development of V-Tech), Mr. Chua Boon Hong (our Chief Executive Officer), Mr. Cheong Chee Leong (Managing Director of V-Tech) and Mr. Lee Yong Zhi (our Chief Operating Officer))

OUR VISION, MISSION AND CORPORATE VALUES

Our VISION



To transform the aluminium industry by driving innovation, fostering sustainable progress, creating lasting value and empowering industries to shape a better future.

Our MISSION



To lead regionally in providing innovative and sustainable aluminium products, empowering clients through a diversified range of offerings and tailored support to achieve their goals.

Corporate VALUES

QUALITY

We consistently uphold the highest standards in production, backed by International Organisation for Standardisation ("ISO") and SIRIM QAS certifications with a focus on excellence in every detail. Quality is the foundation of our reputation, ensuring reliability and trust with each product and service.

INNOVATION

We drive change through cutting-edge aluminium solutions, from advanced processes to custom designed products. Innovation is embedded in everything we do, allowing us to deliver breakthrough solutions that keep us, and our clients, ahead in a dynamic market.

EMPOWERMENT

We empower our clients, employees and partners to achieve their full potential through resources, support and shared innovation. By equipping them with opportunities to succeed, we foster growth, inspire confidence and drive transformative progress.

PEOPLE

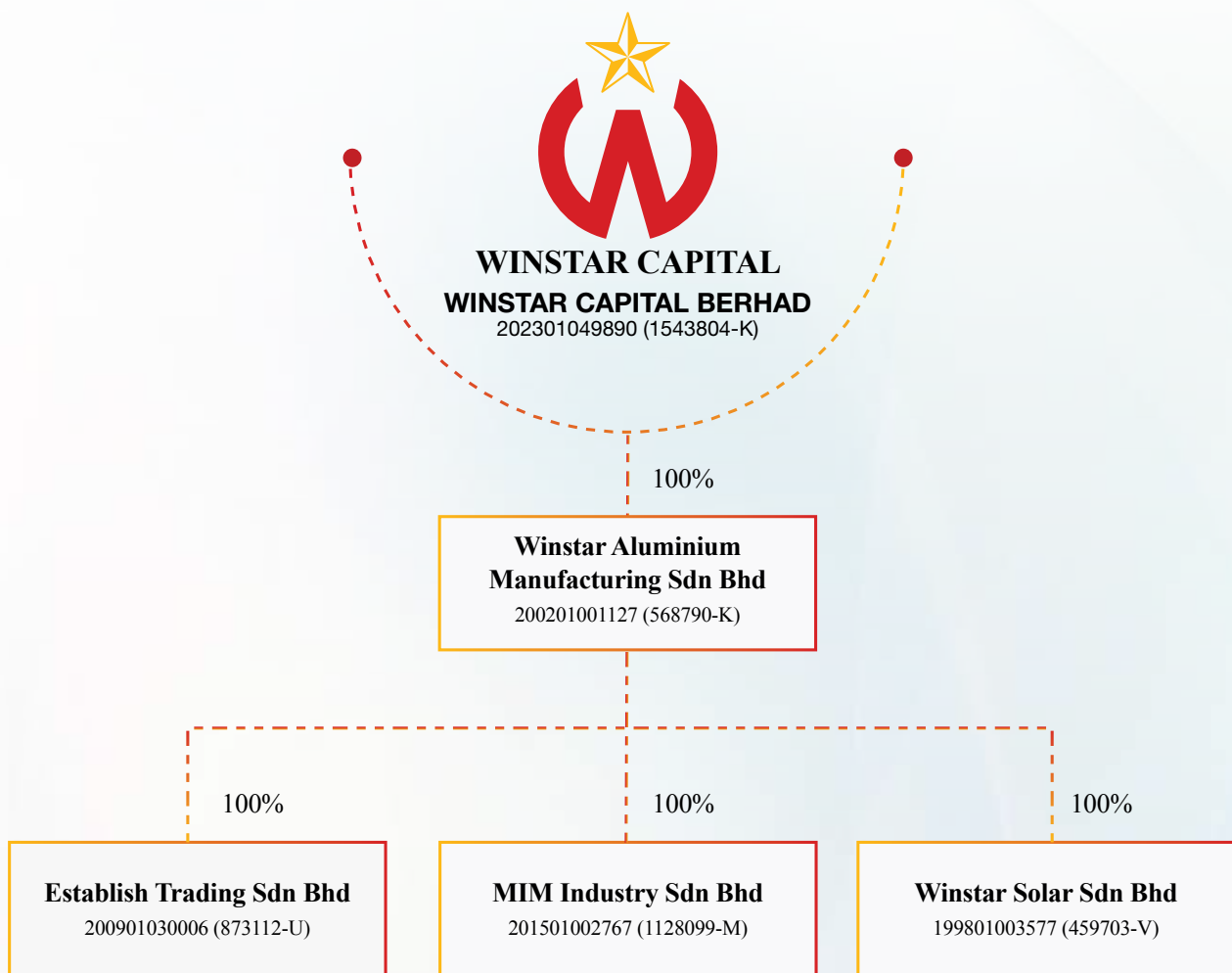
People are at the heart of our business. Whether with clients, employees or communities, we always work to create solutions that foster success for everyone involved. Collaborative and client-focused, our approach ensures we understand and exceed expectations.

SUSTAINABILITY

At Winstar, we are dedicated to sustainable progress. Our commitment to reducing environmental impact includes green practices, energy-efficient production and expanding into renewable energy sectors, ensuring that our growth supports the planet as much as it supports our clients.



CORPORATE STRUCTURE





CORPORATE MILESTONES

2002

- Incorporation of Winstar Aluminium Manufacturing Sdn Bhd in Malaysia on 15 January 2002.
- Commenced operations in a rented factory in Klang, Selangor with one (1) aluminium extrusion line.

2005

- Purchased a factory located at Lot 46A, Wisma NCK 2, 3½ Miles, Jalan Sungai Besi, 57100 Kuala Lumpur.
- Purchased three (3) anodising lines, expanding manufacturing capabilities.

2006

- Acquired 83.33% equity interest in Winstar Solar Sdn Bhd and established its first retail outlet cum warehouse in Klang, Selangor, expanding into the trading and distribution of building materials.

2008

- Began fabricating, assembling and distributing aluminium ladders as an Original Equipment Manufacturer (OEM).

2015

- Acquired the manufacturing plant located at Lot 901 & 902, Batu 29, Jalan Kepong, Ijok, 45600 Batang Berjuntai, Selangor ("Ijok Manufacturing Facility"), significantly increasing production capacity.

2016

- Relocated operations to the Ijok Manufacturing Facility, consolidating aluminium extrusion, anodising and powder coating capabilities.
- Expanded product offerings with the acquisition of MIM Industry Sdn Bhd, introducing the fabrication of aluminium ladders under the "Asteri" brand.
- Acquired a 90.00% equity interest in Establish Trading Sdn Bhd, adding aluminium curtain rails and accessories to the product portfolio.

2024

- Commenced construction of a new manufacturing facility on Lot 903.
- Began fabricating aluminium solar PV mounting structures.
- Accredited with ISO 14001:2015 and ISO 45001:2018 certifications from LRQA.
- Successfully listed on the ACE Market of Bursa Malaysia Securities Berhad on 19 December 2024.

2023

- Ventured into the solar PV industry through Winstar Solar Sdn Bhd, engaging in the trading of solar-related materials and solar PV system installation.
- Acquired an additional three (3) acres of leasehold land in Ijok, Selangor (Lot 904) for future expansion.

2020

- Accredited with ISO 9001:2015 certificate from Lloyd's Register Quality Assurance ("LRQA").

2019

- Acquired an additional three (3) acres of a leasehold land in Ijok, Selangor (Lot 903) for future expansion.

CORPORATE INFORMATION

BOARD OF DIRECTORS

**Y.M. TENGKU LORETA BINTI
TENGKU DATO' SETIA RAMLI ALHAJ**
Independent Non-Executive Chairperson

CHUA NYOK CHONG
Non-Independent Executive Vice Chairman

CHUA BOON HONG
*Non-Independent Executive Director and
Chief Executive Officer ("CEO")*

LEE YONG ZHI
*Non-Independent Executive Director and
Chief Operating Officer ("COO")*

CHOW KIAN HUNG
Non-Independent Non-Executive Director

**DATUK MASTURA BINTI
TAN SRI DATO' MOHD YAZID**
Independent Non-Executive Director

LOW SUET ANN
Independent Non-Executive Director

BEH OI SIEW
Independent Non-Executive Director

BOARD COMMITTEES

**Audit and Risk Management
Committee ("ARMC")**
Low Suet Ann (Chairperson)
Datuk Mastura Binti Tan Sri Dato'
Mohd Yazid
Beh Oi Siew

**Nomination and Remuneration
Committee ("NRC")**
Datuk Mastura Binti Tan Sri Dato'
Mohd Yazid (Chairperson)
Low Suet Ann
Beh Oi Siew

COMPANY SECRETARIES

Ng Shu Fern
(MAICSA 7062881)
(SSM PC No. 201908001840)

Wong Sin Yee
(MAICSA 7071946)
(SSM PC No. 202208000421)

REGISTERED OFFICE

Lot 1902, 19th Floor
Tower 1, Faber Towers
Jalan Desa Bahagia, Taman Desa
58100 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : +603-7971 7288
Email : enquiry@prominencecs.com

HEAD OFFICE/ PRINCIPAL PLACE OF BUSINESS

Lot 901 & 902, Batu 29
Jalan Kepong, Ijok
45600 Batang Berjuntai
Selangor, Malaysia
Tel : +603-3279 3129
Fax : +603-3279 3159
Email : support@winstargroup.com.my
Website : www.winstargroup.com.my

SPONSOR

TA Securities Holdings Berhad
197301001467 (14948-M)
28th Floor, Menara TA One
22 Jalan P. Ramlee
50250 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : +603-2072 1277

SHARE REGISTRAR

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

AUDITORS

UHY Malaysia PLT
202406000040
(LLP0041391-LCA) & AF 1411
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : +603-2279 3088
Fax : +603-2279 3099

PRINCIPAL BANKERS

Affin Bank Berhad
AmBank (M) Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Maybank Islamic Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd

STOCK EXCHANGE LISTING

**ACE Market of Bursa Malaysia
Securities Berhad**
Stock Name : WINSTAR
Stock Code : 0336
Sector : Industrial Products &
Services



PROFILE OF BOARD OF DIRECTORS

Standing, from left to right:

LEE YONG ZHI

DATUK MASTURA BINTI
TAN SRI DATO' MOHD YAZID

LOW SUET ANN

BEH OI SIEW

CHOW KIAN HUNG

Sitting, from left to right:

CHUA BOON HONG

Y.M. TENGKU LORETA BINTI
TENGKU DATO' SETIA RAMLI ALHAJ

CHUA NYOK CHONG



PROFILE OF BOARD OF DIRECTORS

(Cont'd)

Y.M. Tengku Loreta Binti Tengku Dato' Setia Ramli Alhaj

Independent Non-Executive Chairperson



Malaysian



Female



51 years old



Date of Appointment : 15 May 2024

No. of Board Meetings Attended in the financial year : 3/3

Board Committee Membership : NIL

Other Directorships in Public Companies and Listed Entities :

- Puncak Niaga Holdings Berhad
- SL Innovation Capital Berhad

Y.M. Tengku Loreta Binti Tengku Dato' Setia Ramli Alhaj ("Y.M. Tengku Loreta") graduated with a Bachelor of Arts Degree in Communications Studies from Western Michigan University, United States of America ("USA") in 1995. She later obtained a Master of Arts in Telecommunication Management from Ohio University, USA in 1997.

Y.M. Tengku Loreta began her career in 1997 with MEASAT Broadcast Network Systems Sdn Bhd as a broadcast journalist. She later joined Prudential Assurance Malaysia Berhad in 1998 as an insurance agent and a certified financial planner where she was responsible for providing comprehensive and personalised financial advice to her clients. Subsequently, she ventured into takaful insurance business in 2008, where she was authorised as an agent for Prudential BSN Takaful Berhad to market and deal in takaful business.

In 2010, she joined Kontena Nasional Global Logistics Sdn Bhd as a manager in the COO's office and was subsequently transferred to Kontena Nasional Berhad as a manager in the business development unit of the CEO's office where she was responsible for driving the business development unit. Y.M. Tengku Loreta subsequently pursued her passion in sustainability by venturing into the government sector where she assumed the role of special officer to the group CEO of Malaysian Green Technology Corporation ("MGTC") from 2014 to 2017 and represented Malaysia at the EXPO 2017 Astana, Kazakhstan as the head of protocol & public relations for the Malaysian pavilion.

After MGTC, Y.M. Tengku Loreta returned to the private sector and joined Itramas Corporation Sdn Bhd as a business development director in 2018, where she was responsible to establish and maintain key relationship with customers, suppliers, contractors and stakeholders involving in large scale renewable energy projects.

In addition to her involvement in the government and private sector, Y.M. Tengku Loreta had also founded and officially launched MySayang Malaysia Organization in 2019, a non-government organization that focuses on green initiatives in Malaysia as part of an effort to make Malaysia a more environmentally sustainable country.

Currently, Y.M. Tengku Loreta is a member of Institute of Corporate Directors Malaysia ("ICDM") and a member of Malaysian Green Technology and Climate Change Center (formerly known as MGTC). She also holds directorships in private limited companies.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

Chua Nyok Chong

Non-Independent Executive Vice Chairman



Malaysian



Male



65 years old



Date of Appointment : 15 December 2023

No. of Board Meetings Attended in the financial year : 3/3

Board Committee Membership : NIL

Other Directorships in Public Companies and Listed Entities : NIL

Chua Nyok Chong is a veteran entrepreneur with extensive experience in the construction and aluminium industries. With over 20 years of experience, he has played a crucial role in the growth and expansion of our Group. His journey began in 1975, taking on various roles in the construction industry, including renovation, fabrication, installation and welding works.

In 1993, he started Seng Cheong Aluminium & Glass, which principally carried out aluminium fabrication works. In 1995, he started C N C Engineering, specialising in steel structure work including welding services.

In 1998, he acquired Winstar Solar Sdn Bhd and was appointed as the director of the company. The company was then set up to carry out the business of aluminium trading. In 2002, he founded Winstar Aluminium Manufacturing Sdn Bhd to expand the business of aluminium extrusion. Presently, he is responsible for setting our Group's business direction and strategies.

Chua Nyok Chong is a substantial shareholder of our Company and the father of Chua Boon Hong, the Non-Independent Executive Director and CEO and substantial shareholder of our Company.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

Chua Boon Hong

Non-Independent Executive Director and CEO



Malaysian



Male



35 years old



Date of Appointment : 15 December 2023

No. of Board Meetings Attended in the financial year : 3/3

Board Committee Membership : NIL

Other Directorships in Public Companies and Listed Entities : NIL

Chua Boon Hong has extensive experience in sales, operations and business management, particularly in the aluminium industry. Throughout his career, he has held key leadership roles, driving business growth and operational efficiency within our Group.

Chua Boon Hong graduated with a London Chamber of Commerce and Industry (LCCI) certificate from Segi College Kuala Lumpur in 2009 and began his career in 2011 when he joined Establish Trading Sdn Bhd as a sales executive, handling general tasks for the day-to-day operations of the company. He was then promoted to sales manager in the same year, where he took on greater responsibilities in business planning and strategy development. In 2015, he was appointed as the director of Establish Trading Sdn Bhd. During the same year, he founded MIM Industry Sdn Bhd to venture into the business of assembling and trading aluminium accessories, where he served as the director and overseeing the daily operations of the company.

In 2017, he joined Winstar Aluminium Manufacturing Sdn Bhd as an operation and sales manager, overseeing the daily operations, sales and marketing activities of the company. Subsequently, he was appointed as a director of Winstar Aluminium Manufacturing Sdn Bhd in 2022, where he played a key role in streamlining business operations and managing the operation department.

On 1 April 2023, he was appointed as the CEO of our Group, where his responsibilities include overseeing the business operations of our Group as well as formulating and implementing our Group's business growth strategies.

Chua Boon Hong is a substantial shareholder of our Company and the son of Chua Nyok Chong, the Non-Independent Executive Vice Chairman and substantial shareholder of our Company.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

Lee Yong Zhi

Non-Independent Executive Director and COO



Malaysian



Male



42 years old



Date of Appointment : 15 May 2024

No. of Board Meetings Attended in the financial year : 3/3

Board Committee Membership : NIL

Other Directorships in Public Companies and Listed Entities : NIL

Lee Yong Zhi, with extensive experience in engineering, marketing and operations management, has played a key role in driving business growth and operational efficiency within our Group. His career spans diverse industries, including manufacturing, engineering services and aluminium production. Over the years, he has taken on leadership roles, contributing to business development, process improvements and strategic operations.

Lee Yong Zhi graduated with a Bachelor of Engineering from Multimedia University in 2006 and he began his career in 2005 as a trainee with Geniursoft Sdn Bhd for approximately three (3) months, assisting the project team in the software testing process, which includes performing system setup as well as the preparation of database for testing. In 2006, he left Geniursoft Sdn Bhd and joined Alps Electric (Malaysia) Sdn Bhd as an engineer, where he was responsible for performing product design, design verification, production oversight and customer support.

In 2007, he left Alps Electric (Malaysia) Sdn Bhd and joined O.Y.L. Manufacturing Company Sdn Bhd as a service engineer, where he was responsible for providing researching, diagnosing, troubleshooting services as well as providing engineering training to the company's employee. Subsequently, he was seconded to Daikin Mcquay Middle East F.Z.E in 2009 as a product marketing engineer, rendering technical support and product marketing services to the company's client in the middle east and Africa region.

In 2010, he left O.Y.L. Manufacturing Company Sdn Bhd and joined Sunway Winstar Sdn Bhd as an assistant marketing manager and was later transferred to Hsing Yeat Sdn Bhd as a marketing manager, overseeing marketing and business development. In 2015, he joined Winstar Aluminium Manufacturing Sdn Bhd as the operation manager. He was subsequently appointed as a director of Winstar Aluminium Manufacturing Sdn Bhd in 2016, Establish Trading Sdn Bhd in 2017, and MIM Industry Sdn Bhd in 2022. During his time at these companies, he was responsible for the day-to-day operations and processes of the business, strategising process improvement plans and overseeing the operation department.

On 1 April 2023, he was appointed as the COO of our Group, where he oversees all aspects of our Group's operations, which includes implementing processes in ensuring our Group's compliance with the relevant regulatory requirements and industry standards as well as conducting regular reviews and assessments of operational processes.

Lee Yong Zhi is a substantial shareholder of our Company.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

Chow Kian Hung

Non-Independent Non-Executive Director



Malaysian



Male



39 years old



Date of Appointment : 15 May 2024

No. of Board Meetings Attended in the financial year : 3/3

Board Committee Membership : NIL

Other Directorships in Public Companies and Listed Entities :

- Sunview Group Berhad
- ACE Haut Monde Berhad

Chow Kian Hung graduated with a Bachelor of Arts (Commerce) from Liverpool John Moores University, United Kingdom in 2008 and a Master in Business Administration from Liverpool John Moores University, United Kingdom in 2010.

He began his career in 2010 as a key account representative with Wipro Unza (Malaysia) Sdn Bhd where he was responsible for planning and executing promotional plans, ensuring good product merchandising and maintaining key account sales performance report. In 2012, he was promoted to the key account executive of the company where he was responsible for formulating and implementing sales plan, developing, planning and implementing business and promotion programs and preparing and conducting business review with designated key account customers.

In 2013, he left Wipro Unza (Malaysia) Sdn Bhd and joined Mileon Micron Precision Sdn Bhd as an assistant sales & project manager where he was responsible for supporting the project manager of the company in the planning and execution of a client's project.

In 2013, he left Mileon Micron Precision Sdn Bhd and joined Fabulous Sunview Sdn Bhd as the sales and project manager where he was responsible for resource allocation, developing detailed project plan to monitor and track projects' progress and building and maintaining business relationship with customers. Subsequently, he acquired shares in the company in 2015 and was later appointed as a director in 2018 where he was responsible for monitoring project progress and ensuring project quality, making strategic decisions and leading project managers in implementing the company's strategic plans. Upon the listing of Fabulous Sunview Sdn Bhd's holding company, namely Sunview Group Berhad, in 2022, he was appointed as the executive director cum COO of Sunview Group Berhad where he is responsible for overseeing the Sunview Group's day-to-day operations and project executions. In 2024, he was redesignated as Sunview Group's executive director cum COO.

Chow Kian Hung is a substantial shareholder of the Company. He has no other conflict of interest with the Group and the Company except for those transactions as disclosed in Note 32 to the Audited Financial Statements for the financial year ended 31 December 2024 ("FYE 2024").

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

Datuk Mastura Binti Tan Sri Dato' Mohd Yazid

Independent Non-Executive Director



Malaysian



Female



64 years old



Date of Appointment : 15 May 2024
No. of Board Meetings Attended in the financial year : 3/3
Board Committee Membership : NRC (Chairperson) / ARMC (Member)
Other Directorships in Public Companies and Listed Entities : NIL

Datuk Mastura Binti Tan Sri Dato' Mohd Yazid ("Datuk Mastura") graduated with a Bachelor of Arts with Honours (Law) from University of Kent, United Kingdom in 1984 and was admitted into the Honourable Society of Lincoln's Inn and was called to the Degree of an Utter Barrister in 1985. She was admitted as an advocate and solicitor of the High Court of Malaya in 1987. In 1990, she graduated with a Diploma in Syariah Law and Practice from International Islamic University Malaysia. Subsequently, she graduated with a Bachelor of Psychology from Open University Malaysia in 2013.

She began her career as a partner of the law firm of Yazid Baba & Partners and had been practicing as an advocate and solicitor of the High Court of Malaya until 2016.

In 2016, she was elected as the Member of Parliament for the Constituency of Kuala Kangsar. In 2020 to 2022, she was appointed as Deputy Minister in the Prime Minister's Department (Special Functions). Her duties include, among others, carrying out her duties as Deputy Minister as well as assists in answering questions and debates in Parliament for the Prime Minister Department (Special Functions). Presently, she holds directorship in a private limited company.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

Low Suet Ann

Independent Non-Executive Director



Malaysian



Female



37 years old



Date of Appointment : 15 May 2024
No. of Board Meetings Attended in the financial year : 3/3
Board Committee Membership : ARMC (Chairperson) / NRC (Member)

Other Directorships in Public Companies and Listed Entities : NIL

Low Suet Ann graduated with a Bachelor of Arts in Accounting & Finance from University of East London in 2010. Subsequently, she was admitted to full membership of Certified Public Accountant Australia in 2014 and was admitted as a Chartered Accountant under the Malaysian Institute of Accountants ("MIA") in 2015.

In 2010, she began her career in SJ Grant Thornton as a junior associate and was promoted to senior associate in 2011 and subsequently to assistant manager in 2013. During her time with the company, she was responsible for performing statutory audit for Malaysia entities and involved with overseas audit engagement.

In 2014, she left SJ Grant Thornton and joined Deloitte Singapore as a senior associate, where she was responsible for performing statutory audit for companies in accordance with Singapore's requirement.

In 2014, she left Deloitte Singapore and joined Team Relocation Asia Sdn Bhd as an assistant general ledger manager, where she was responsible for preparing monthly management report. In the same year, she joined UEM Edgenta Berhad as an assistant manager and was promoted to the position of manager in 2018. During her time with the company, she was responsible for preparing monthly consolidated report and reviewing subsidiaries account as well monitoring the group's cashflow.

In 2018, she founded NV Capital Sdn Bhd, a company principally involved in providing financial reporting and accounting services. In 2022, she resigned as the director of NV Capital Sdn Bhd and founded Annlo Capital Sdn Bhd, which provides financial reporting, accounting and secretarial services. Presently, she holds directorships in private limited companies.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

Beh Oi Siew

Independent Non-Executive Director



Malaysian



Female



50 years old



Date of Appointment : 15 May 2024
No. of Board Meetings Attended in the financial year : 3/3
Board Committee Membership : ARMC (Member) / NRC (Member)

Other Directorships in Public Companies and Listed Entities : NIL

Beh Oi Siew completed her Association of Chartered Certified Accountants (“ACCA”) exams in 2003. She was admitted as a member of MIA in 2005 and later as a fellow of the ACCA in 2008.

She began her career in 1996 as an audit assistant at Kang & Cheah before transitioning into accounting roles at Unique Mix (Penang) Sdn Bhd in 1997 and Hwang-DBS Securities Berhad in 1999. In the same year, she joined Dufu Industries Sdn Bhd as an assistant accountant, where she managed the company’s accounts until 2004.

In 2004, she joined ASE Electronics (M) Sdn Bhd as an accountant executive before moving to Yikon Jewellery Industry Sdn Bhd in the same year, where she managed the company’s accounts. She then joined Benchmark Electronics (M) Sdn Bhd in 2005 as an accountant, overseeing the accounts payable function. In 2007, she transitioned to Lean Giap Enterprise Sdn Bhd as an accountant, where she was responsible for managing the full spectrum of the company’s accounting and supervising the staff of the company.

In 2008, she joined Cross Country Systems Sdn Bhd as a factory administration manager, overseeing the company’s accounts and human resources. She later became the group accountant at Solution Engineering Sdn Bhd in 2011, where she supervised the accounting and purchasing department as well as ensuring timely submission for all quarterly and annual reports. In 2012, she transitioned to Caterpillar Financial Services Malaysia Sdn Bhd as a senior finance manager, managing the finance department and daily operations.

In 2016, she joined Infinitus International (Malaysia) Sdn Bhd as a finance manager before transitioning to the same role at Green Image Organic Enterprise Sdn Bhd later that year, where she was responsible for supervising the finance department as well as managing daily operational issues.

In 2017, she founded Jessie Management, an accounting firm registered under MIA to provides various services including accounting management services, payroll and human resources services. Presently, she is the sole proprietor of Jessie Management.

Additional information about the Directors:

- Other than as disclosed above, none of the Directors:
 - has any family relationship with any other Director and/or major shareholder of the Company;
 - has any conflict of interest or potential conflict of interest, including any interest in a competing business with the Company and/or its subsidiaries; or
 - serves on the board of directors of any other listed or public company.
- None of the Directors have been convicted of any offence in the past five (5) years, nor have they been subject to any public sanctions or penalties imposed by relevant regulatory bodies during the FYE 2024.
- Details of the Directors’ interests in the securities of the Company are set out in the Analysis of Shareholdings section of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

Standing, from left to right:

CHONG JUN KANG

LEE YONG ZHI

KHOO NEE CHENG

Sitting, from left to right:

CHUA BOON HONG

CHUA NYOK CHONG

SHENG TOY SEI



PROFILE OF KEY SENIOR MANAGEMENT

(Cont'd)



CHUA NYOK CHONG
Non-Independent Executive Vice Chairman

For the profile of Chua Nyok Chong, please refer to Page 11 of this Annual Report.



CHUA BOON HONG
*Non-Independent Executive Director and
CEO*

For the profile of Chua Boon Hong, please refer to Page 12 of this Annual Report.



LEE YONG ZHI
*Non-Independent Executive Director and
COO*

For the profile of Lee Yong Zhi, please refer to Page 13 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

(Cont'd)



KHOO NEE CHENG
Chief Marketing Officer



Malaysian



Male



40 years old

Khoo Nee Cheng has over 22 years of experience in driving marketing strategies and business growth across the aluminium and renewable energy sectors. He completed the Sijil Pelajaran Malaysia (“SPM”) from Sekolah Menengah Jenis Kebangsaan Kwang Hua in 2002.

He began his career in 2002 as a storekeeper with Winstar Enterprise Sdn Bhd where he was responsible for implementing inventory control and disposal procedures. Subsequently, he was promoted to a sales executive in 2004 and as an assistant manager in 2012, where he was responsible for the sales and marketing of the company’s products.

In 2016, he left Winstar Enterprise Sdn Bhd and joined Sunway Winstar Sdn Bhd as an assistant manager. In 2017, he was promoted as a manager, where he was responsible for managing the sale and marketing plans and strategies of the company.

In 2019, he left Sunway Winstar Sdn Bhd and joined Winstar Aluminium Manufacturing Sdn Bhd as an operation manager, where he was responsible for implementing marketing campaigns for the company. Subsequently, he was appointed as a director of the company in 2022 and later as the Chief Marketing Officer (“CMO”) of our Group in 2023. As our CMO, his responsibilities include formulating and implementing marketing strategies and plans for our Group as well as maintain proper relationship with our Group’s customers.

Khoo Nee Cheng is a substantial shareholder of our Company.

PROFILE OF KEY SENIOR MANAGEMENT

(Cont'd)



Malaysian



Male



39 years old

Sheng Toy Sei brings 14 years of expertise in financial management, ensuring fiscal excellence and strategic growth for the company. He graduated with a Bachelor of Science, majoring in Applied Accounting from Oxford Brookes University in 2008. He was admitted as a member of the MIA and the ACCA in 2014, and advanced to Fellowship status in 2020.

He began his career in 2010 as an internal audit executive with BDO Governance Advisory where he was responsible for designing internal audit procedures and assessing the adequacy of internal controls. In 2011, he left BDO Governance Advisory and joined Deloitte Malaysia as a senior associate external auditor. During his time there, he was responsible in conducting statutory audits for both private and public listed companies.

In 2012, he joined BDO Malaysia as a senior associate external auditor where he was responsible to plan and perform operational and financial audits for companies to ensure that financial statements are fairly presented in accordance with Malaysian Financial Reporting Standards ("MFRS") as well as to prepare and present management reports on audit findings.

In 2013, he left BDO Malaysia and joined S P Setia Berhad as a senior executive where he was responsible for preparing and updating financial feasibility studies on new projects and on-going projects. He was subsequently promoted to the position of assistant manager in 2014 and to the position of manager in 2016 where he was responsible for preparing financial models and analysis with recommendations of feasibility of new projects as well as to prepare investment papers for S P Setia Berhad's board of directors and executive committees. In 2020, he was promoted to the position of Senior Manager with new responsibility in overseeing the financial reporting and management for four (4) major eco-themed developments.

In 2023, he left S P Setia Berhad and joined Winstar Aluminium Manufacturing Sdn Bhd as the Chief Financial Officer where he is responsible for overseeing the financial planning, budgeting and forecasting processes of our Group.

PROFILE OF KEY SENIOR MANAGEMENT

(Cont'd)



Chong Jun Kang
Chief Sales Officer



Malaysian



Male



33 years old

Chong Jun Kang has 13 years of experience in driving sales growth and building strategic client relationships in the aluminium and solar industries. He completed the SPM from SMK Raja Jumaat Port Dickson, Negeri Sembilan in 2009.

He began his career in 2009 as a general worker at Acten Marketing Sdn Bhd where he was responsible for overseeing the company's production as well as carrying out marketing activities in relation to the tyre recycling business of the company. In the same year, he was promoted to production and marketing supervisor of the company where he was responsible for liaising with customers and maintaining the existing client base of the company.

In 2011, he left Acten Marketing Sdn Bhd and joined Syarikat Bunga Raya as a sales executive where he was responsible for carrying out the sales and marketing activities.

In 2013, he left Syarikat Bunga Raya and joined Nichi Industries (M) Sdn Bhd as a general manager where he was responsible for overseeing and managing the business operation plans of the company as well as to formulate strategies to expand the company's client base.

In 2017, he joined Winstar Aluminium Manufacturing Sdn Bhd as a sales executive where he was responsible for managing the company's operation, hiring new staffs as well as expanding the company's client base. In 2022, he was promoted to sales and marketing manager where he was responsible for overseeing the sales and marketing department.

In 2023, he was appointed as the Chief Sales Officer of our Group where he is responsible for formulating and implementing plans and strategies to enhance and improve our Group's sales and key performance indicators milestone.

Additional information about the Key Senior Management:

1. Other than as disclosed above, none of the Key Senior Management:
 - has any family relationship with any other Director and/or major shareholder of the Company;
 - has any conflict of interest or potential conflict of interest, including any interest in a competing business with the Company and/or its subsidiaries; or
 - serves on the board of directors of any other listed or public company.
2. None of the Key Senior Management has been convicted of any offence in the past five (5) years, nor have they been subject to any public sanctions or penalties imposed by relevant regulatory bodies during the FYE 2024.

FINANCIAL HIGHLIGHTS

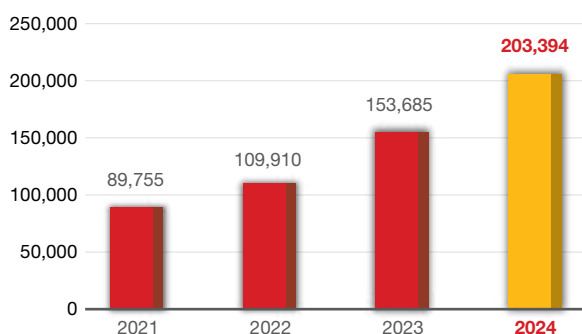
Financial Year Ended 31 December	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	89,755	109,910	153,685	203,394
Profit After Tax ("PAT")	2,625	5,263	8,017	7,405
Total Assets	119,326	127,613	183,517	259,123
Total Equity/ Net Assets ("NA")	49,897	55,160	72,633	98,569
Basic Earnings per Share ("EPS") (sen) ⁽¹⁾	1.12	2.25	3.43	3.15
Net Assets per Share (sen) ⁽²⁾	21.37	23.63	31.11	33.99

Notes:

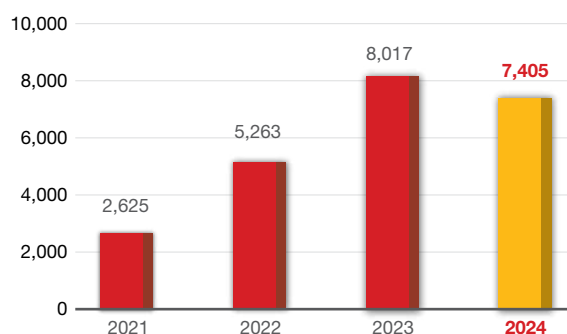
(1) Computed based on PAT over the weighted average number of ordinary shares for the financial year.

(2) Computed based on NA over the number of ordinary shares as at the financial year.

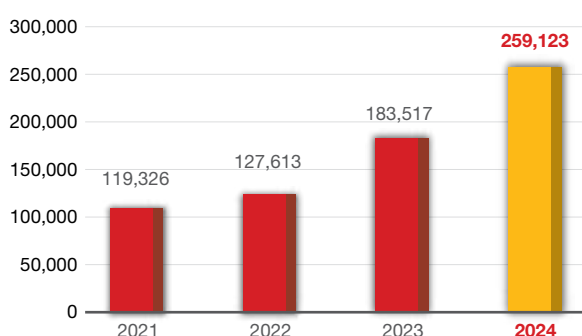
Revenue (RM'000)



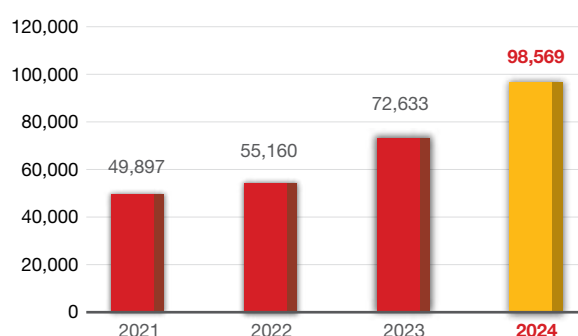
PAT (RM'000)



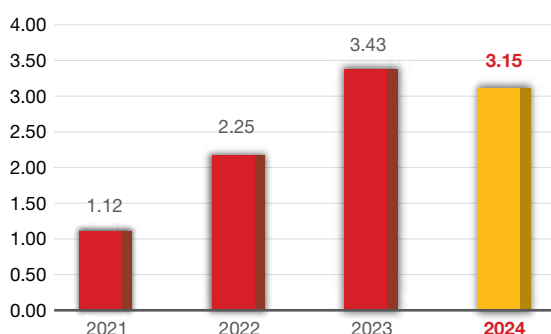
Total Assets (RM'000)



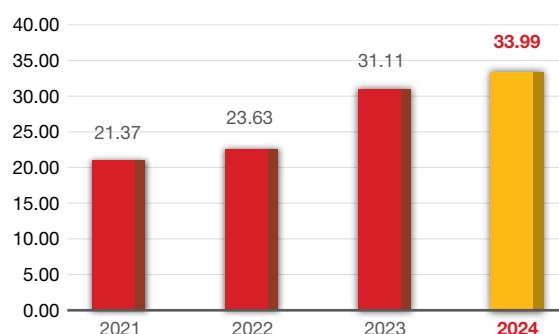
Total Equity (RM'000)



Basic EPS (sen)



NA per Share (sen)



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The history of Winstar Group can be traced back to 2002, when our founder began the business humbly in a rented single-storey factory with just one (1) aluminium extrusion line. At that time, we were involved in the manufacturing, fabricating, processing and selling of aluminium products. With over 20 years of experience in the aluminium extrusion market, the Group has since become a well-established player in Malaysia's aluminium extrusion industry, focusing on aluminium extrusion and fabrication as well as trading and distribution of building materials. In addition, the Group had in financial year ended 2023 ("FYE 2023") expanded its business operations to include the provision of solar PV system installation services.

Currently, the Group operates across three (3) business segments as follows:

Business segment	Principal business activities
Aluminium extrusion	- Conversion of aluminium billets into primary aluminium products, namely extruded aluminium profiles. - Fabrication and assembly of extruded aluminium profiles into aluminium ladders and aluminium solar PV mounting structures and related accessories.
Trading and distribution of building materials	Trading and distribution of various building materials such as extruded aluminium profiles, stainless-steel products, aluminium products, silicone sealants, ironmongery products, among others.
Solar PV system installation services	Provision of solar PV system installation services.

Winstar Group's operations are primarily carried out at our manufacturing plant located in Ijok, Selangor which comprises a three-storey office block and four (4) single-storey factories. The facility is equipped with four (4) aluminium extrusion lines, four (4) anodising lines, and one (1) powder coating line. In addition, the Group operates three (3) retail outlets cum warehouses located in the Klang Valley, specifically in Kepong, Klang, and Puchong, to support our trading and distribution activities.

As part of our strategic growth initiatives, the Group had in April 2024 commenced the construction of a new manufacturing facility, namely the Lot 903 Facility. It is located adjacent to our existing plant in Ijok, Selangor. The facility is expected to be completed by the second quarter of 2025. With an approximate built-up area of 80,000 square feet ("sq. ft."), the Lot 903 Facility will accommodate four (4) aluminium extrusion lines and additional storage space. This expansion will significantly boost our production capacity, enabling us to meet growing market demands and further solidify our competitive position in the industry.

SUCCESSFUL LISTING OF OUR GROUP

On 19 December 2024, we achieved a significant milestone with the successful listing of our Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Our debut was marked by a remarkable performance, with our share price rising by more than 45.0% on the first day of trading. Through the IPO, we successfully raised a total of RM19.79 million, which has been earmarked for the following purposes:

Details of Utilisation of Proceeds	RM'000	%
Capital expenditure for the purchase of new aluminium extrusion press machines and equipment	9,550	48.3
Working capital requirements	6,242	31.5
Defray fees and expenses relating to the IPO	4,000	20.2
	19,792	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

SUCCESSFUL LISTING OF OUR GROUP (CONT'D)

To enhance our aluminium extrusion capacity, we have allocated RM9.55 million or 48.3% of our IPO proceeds to purchase four (4) new aluminium extrusion press machines and related equipment. This investment is expected to increase our total aluminium extrusion capacity by 8,580 tonnes per annum, expanding our capacity from approximately 6,705 tonnes per annum to 15,285 tonnes per annum. With this expansion, we will be able to offer a broader range of extruded aluminium profiles to meet the diverse needs of our customers.

In addition, we have allocated RM6.24 million or 31.5% of our IPO proceeds to finance our working capital requirements. This allocation will primarily be used for the purchase of aluminium billets, in line with our anticipated business and operational growth.

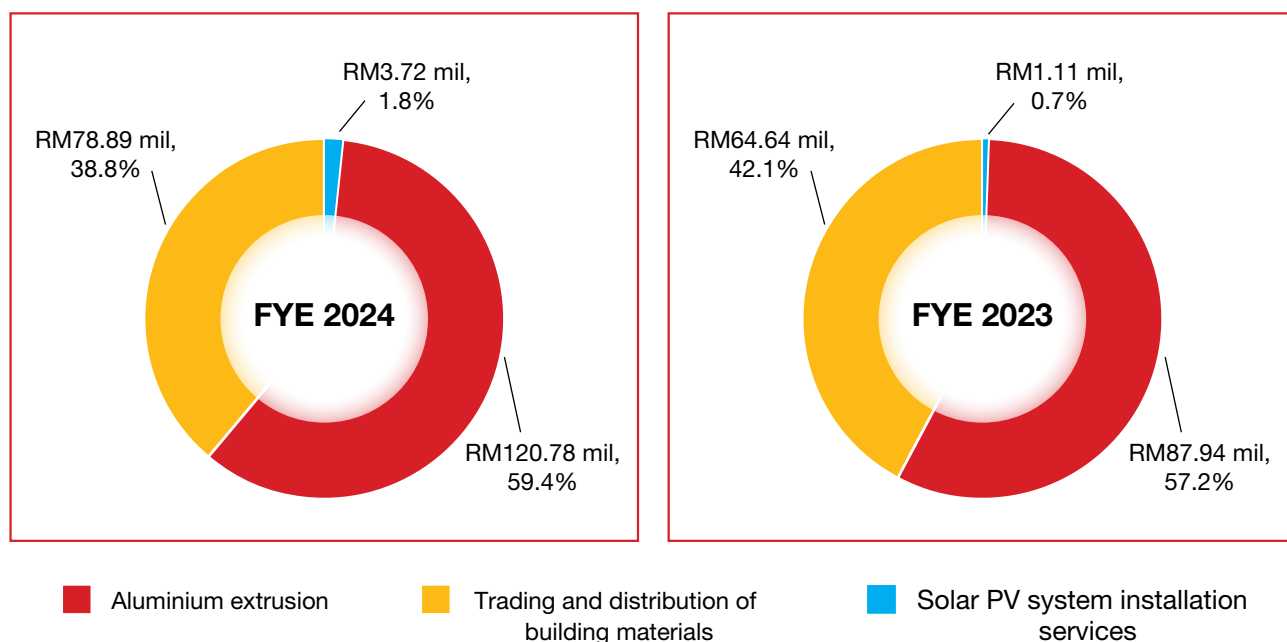
FINANCIAL PERFORMANCE REVIEW

	FYE 2024	FYE 2023	Variance	
	RM'000	RM'000	RM'000	%
Revenue	203,394	153,685	49,709	32.3
Gross profit ("GP")	36,349	30,354	5,995	19.8
Profit before tax ("PBT")	9,632	11,715	(2,083)	(17.8)
PAT	7,405	8,017	(612)	(7.6)
GP margin (%)	17.9	19.8	-	(1.9)
PBT margin (%)	4.7	7.6	-	(2.9)
PAT margin (%)	3.6	5.2	-	(1.6)

Revenue

Our Group recorded a revenue of RM203.39 million for the FYE 2024, marking an increase of RM49.70 million or 32.3% as compared to RM153.69 million in FYE 2023. The increase was mainly attributable to higher revenue from our aluminium extrusion segment, which rose by RM32.84 million, largely due to greater demand from our customers in the construction and property development industries.

Our Group's revenue breakdown by business segments for FYE 2024 and FYE 2023 is as follows:





MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

In FYE 2024, our aluminium extrusion segment remained the largest revenue contributor, contributing to 59.4% of our Group's total revenue. Revenue from this segment increased by RM32.84 million or 37.3%, from RM87.94 million in FYE 2023 to RM120.78 million in FYE 2024. The increase was primarily driven by higher sales volume of the extruded aluminium profiles and the fabricated aluminium ladders. Additionally, the introduction of new products in FYE 2024, including aluminium solar PV mounting structures and related accessories, further contributed to the increase in revenue from this segment.

Our trading and distribution of building materials segment was the second-largest revenue contributor, contributing to 38.8% of our Group's total revenue in FYE 2024. Revenue from this segment increased by RM14.25 million or 22.0%, from RM64.64 million in FYE 2023 to RM78.89 million in FYE 2024, mainly due to higher sales volumes of building materials such as stainless-steel products, silicone sealants and aluminium products, supported by an expanded customer base.

Having commenced our solar PV system installation services in FYE 2023, the revenue contribution from this segment remained relatively modest, representing 1.8% of our Group's total revenue in FYE 2024. However, the revenue from this segment surged by RM2.61 million or 235.1%, from RM1.11 million in FYE 2023 to RM3.72 million in FYE 2024, mainly due to a higher number of projects secured during the year.

GP and GP Margin

In tandem with the revenue growth, our Group's total GP increased by RM6.00 million or 19.8% from RM30.35 million in FYE 2023 to RM36.35 million in FYE 2024. However, our Group's GP margin decreased marginally by 1.9%, from 19.8% in FYE 2023 to 17.9% in FYE 2024. The decrease was primarily due to higher material costs, where the overall increase in costs was not fully passed on to customers in order to remain competitive.

PBT and PBT Margin

Despite the increase in GP, our Group reported a decrease in PBT by RM2.09 million or 17.8%, from RM11.72 million in FYE 2023 to RM9.63 million in FYE 2024. Our Group's PBT margin also decreased by 2.9%, from 7.6% in FYE 2023 to 4.7% in FYE 2024.

The decrease in both our PBT and PBT margin was mainly due to an increase in administrative expenses during FYE 2024, which include one-off listing expenses of RM2.95 million. Excluding the one-off listing expenses, our Group would have reported a PBT of RM12.58 million, representing an increase of RM0.86 million as compared to the PBT of RM11.72 million reported in FYE 2023.

FINANCIAL POSITION REVIEW

	31.12.2024	31.12.2023	Variance	
	RM'000	RM'000	RM'000	%
Non-current assets	67,558	67,319	239	0.4
Current assets	191,565	116,198	75,367	64.9
Total assets	259,123	183,517	75,606	41.2
Non-current liabilities	25,408	30,639	(5,231)	(17.1)
Current liabilities	135,146	80,245	54,901	68.4
Total liabilities	160,554	110,884	49,670	44.8
Total Equity/ NA	98,569	72,633	25,936	35.7
NA per share (sen)	33.99	31.11	2.88	9.3
Current ratio (times)	1.42	1.45	(0.03)	(2.1)
Gearing ratio (times) ⁽¹⁾	1.06	0.81	0.25	30.9

Note: ⁽¹⁾ Computed based on total borrowings over total equity/ NA.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

FINANCIAL POSITION REVIEW (CONT'D)

Our Group's total assets increased by RM75.60 million or 41.2%, from RM183.52 million as at 31 December 2023 to RM259.12 million as at 31 December 2024. The increase was mainly attributable to the increase in current assets by RM75.37 million, arising from the following:

- (i) increase in trade receivables by RM32.21 million, in line with the increase in our Group's revenue;
- (ii) increase in inventories by RM21.40 million, mainly arising from higher purchases of aluminium billets and building materials to meet the anticipated demands; and
- (iii) increase in fixed deposits with licensed banks by RM10.15 million, as a result of higher placement of fixed deposit during FYE 2024.

Our Group's total liabilities increased by RM49.67 million or 44.8%, from RM110.88 million as at 31 December 2023 to RM160.55 million as at 31 December 2024. The increase was primarily attributable to the increase in current liabilities by RM54.90 million, mainly due to a RM49.67 million increase in bank borrowings. The increase in bank borrowings resulted from higher utilisation of short-term facilities, including bankers' acceptances and bank overdrafts, to support our Group's increased working capital requirements.

Meanwhile, as a result of securing additional short-term banking facilities during the financial year, our Group recorded a higher gearing ratio at 1.06 times as at 31 December 2024 as compared to 0.81 times as at 31 December 2023.

Nevertheless, our Group's financial position remains strong and healthy, with a current ratio of 1.42 times while cash and bank balances stood at RM7.35 million. As at 31 December 2024, our Group achieved a stronger NA position of RM98.57 million, translating to a NA per share of 33.99 sen.

CASH FLOW REVIEW

	FYE 2024 RM'000	FYE 2023 RM'000
Net cash (used in)/ from operating activities	(46,179)	2,102
Net cash used in investing activities	(4,260)	(8,855)
Net cash from financing activities	52,760	11,471
Net increase in cash and cash equivalents	2,321	4,718
Cash and cash equivalents at the beginning of the financial year	(368)	(5,086)
Cash and cash equivalents at the end of the financial year	1,953	(368)

In FYE 2024, our Group recorded a net cash used in operating activities of RM46.18 million, compared to a net cash generated from operating activities of RM2.10 million in the preceding year. The net cash used in operating activities was primarily due to the increase in trade receivables by RM32.21 million, which was in line with the increase in our Group's revenue. In addition, higher closing inventories which increased by RM21.40 million, also contributed to the net cash used in operating activities position. The increase in inventories was driven by higher purchases of inventories to ensure adequate stock levels in anticipation of growing customer orders.

Our Group recorded net cash used in investing activities of RM4.26 million in FYE 2024, primarily attributable to the purchase of property, plant and equipment such as moulds, plant and machineries for our business operations.

In FYE 2024, our Group recorded a net cash generated from financing activities of RM52.76 million, mainly due to the net drawdown of bankers' acceptance of RM43.09 million and proceeds of RM18.53 million from the issuance of ordinary shares in conjunction with our Group's IPO. The cash inflow was partially offset by the increase in placement of fixed deposit pledged with financial institutions amounting to RM3.15 million, as well as net repayment of term loans and lease liabilities, which collectively amounting to RM4.24 million.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

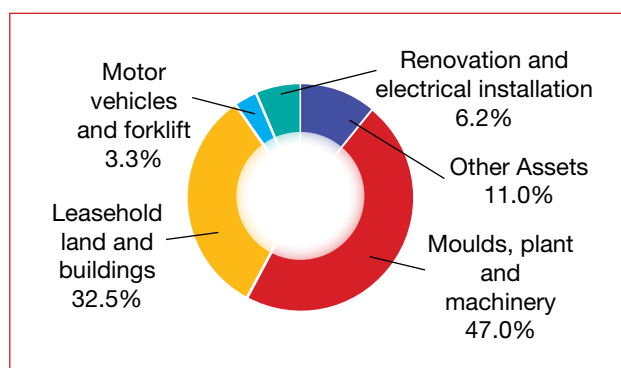
CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE

As at 31 December 2024, the Company's share capital stood at RM90.90 million, comprising 290,000,000 ordinary shares with a NA per share of 33.99 sen.

The Group finances its operations through cash generated from operations, available cash and bank balances, credit extended by suppliers as well as banking facilities provided by financial institutions. Our banking facilities include bank overdrafts, bankers' acceptance, term loans and finance leases.

During FYE 2024, the Group has allocated a total of RM4.41 million for the following capital expenditure:

Capital Expenditure	RM'000
Moulds, plant and machinery	2,069
Leasehold land and buildings	1,431
Renovation and electrical installation	274
Motor vehicles	146
Other assets (Computer and software, furniture and fittings, office equipment)	485
	4,405



As at 31 December 2024, our Group's capital commitment is as follows:

Capital Commitment	RM'000
Approved and contracted for:	
- Construction of Lot 903 Facility	13,069
- Purchase of new aluminium press machines and equipment	9,550
	22,619

ANTICIPATED OR KNOWN RISK

Dependent on major supplier

For our aluminium extrusion activities, we source our primary raw material, namely aluminium billets, almost exclusively from a major supplier. This reliance exposes the Group to potential risks, including supply disruptions and price volatility. If we are unable to procure the aluminium billets in the quantity, quality or at competitive prices, it could negatively impact our production output and production costs as well as our profit margins.

To mitigate this risk, we have fostered a strong and long-term relationships with our major supplier to ensure a consistent supply of aluminium billets on favourable terms. Additionally, our Group has identified alternative local and overseas suppliers. While there is no assurance of securing our aluminium billets from other suppliers at favourable prices and in a timely manner, these measures help to reduce potential supply disruptions and manage cost fluctuations.

Fluctuations in raw material prices

Fluctuations in aluminium billet prices are mainly caused by the fluctuations in the price of its raw material, namely aluminium, which is a globally traded commodity and is mainly priced in United States Dollars ("USD"). The price of aluminium is affected by numerous factors beyond our control, such as global economic and political conditions, supply and demand, inventory levels maintained by suppliers, potential supply chain disruptions and currency exchange rates. Our Group may be impacted by fluctuations in the aluminium prices if the market price of aluminium is higher at the time of purchase and lower at the time of the sale to our customers as we price our aluminium products according to the global aluminium prices.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

ANTICIPATED OR KNOWN RISK (CONT'D)

Fluctuations in raw material prices (Cont'd)

To mitigate this risk, we maintain an aluminium billets inventory of up to two (2) weeks' supply to minimise any delays and potential disruptions in the supply chain. Additionally, we capitalise on favourable market conditions by purchasing aluminium billets in bulk when the prices are favourable, thereby reducing exposure to future price increases. Furthermore, we generally are able to pass on increases in raw material costs to our customers to mitigate the impact on our profitability.

Competition risk

Our Group operates in a competitive environment with approximately 40 players operating within the aluminium extrusion industry. We compete with both established industry players and new market entrants in terms of, amongst others, pricing, delivery times, product and service offerings, customer service quality, and relationships with suppliers and customers. Additionally, our products and services face competition from substitute materials, including conventional steel, composites, and plastics. Customers may opt for these alternatives based on cost competitiveness or specific project requirements. If our Group fails to effectively address these competitive pressures, we may experience a loss of market share, which could negatively impact our Group's business operations and financial performance.

To mitigate this risk, our Group has invested in comprehensive manufacturing facilities equipped with advanced machinery and equipment, enabling efficient production of high-quality products. Additionally, our Group offers a diverse range of products and services, catering to a broad customer base and allowing us to capture a larger market share. Through continuously innovating, strengthening customer relationships, and adapting to market demands, we strive to maintain our competitive edge and minimise the risks associated with substitute materials and new market entrants.

FUTURE PROSPECT AND OUTLOOK

According to the market research report prepared by Protégé Associates Sdn Bhd dated 12 November 2024, the Malaysian aluminium extrusion market is projected to grow between 6.0% and 8.0% during the forecast period from 2024 to 2028. This expansion will be mainly driven by rising demand and utilisation of aluminium extrusion products across various end-user industries, including construction, transportation, and renewable energy sectors.

The global push for sustainability is expected to drive increased demand for aluminium extrusion products, as the Malaysian Government's initiatives to promote green building materials and energy-efficient technologies align with aluminium's environmentally friendly properties such as its lightweight nature and recyclability, thereby boosting the growth of the aluminium extrusion market in Malaysia.

The Malaysia's construction sector, projected to grow at a compound annual growth rate ("CAGR") of 5.32% from 2024 to 2028, will also boost demand for aluminium extrusions, benefitting both our aluminium extrusion and trading and distribution of building materials segments.

Besides local market sentiments, global market dynamics are also favourable to our Group. The Ministry of Finance in China has announced the elimination of export tax rebates for certain products, including aluminium and copper, effective from 1 December 2025. This policy change is expected to result in higher prices for China's aluminium products, thereby presenting a favourable opportunity to our Group as customers may turn to local suppliers.

To capitalise on these market opportunities, we are expanding our manufacturing facility. The construction of our Lot 903 Facility is currently in progress and is expected to be completed in second quarter of 2025. As part of this expansion, we plan to install two (2) additional aluminium extrusion lines in the third quarter of 2025. This will significantly enhance our production capacity, enabling our Group to meet the anticipated growing demand from customers. This shall then drive revenue growth in our aluminium extrusion segment.

We are also focusing on the fabrication of aluminium solar PV mounting structures and related accessories, leveraging on the Malaysian Government's push for a sustainable energy transition. The Malaysian Government has launched the National Energy Transition Roadmap, which outlines the country's long-term strategy for achieving net zero emissions by 2050. This roadmap sets target for various renewable energy initiatives, including programmes like Fifth Large-Scale Solar ("LSS5"), which aims to significantly expand solar energy capacity in Malaysia. The implementation of these initiatives is expected to drive higher demand for these products, potentially resulting in higher revenue for our Group.



MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

FUTURE PROSPECT AND OUTLOOK (CONT'D)

On the other hand, we will continue to expand our solar PV system installation services by securing more projects. As at 31 December 2024, our order book stood at RM3.89 million, and we will actively pursue more projects in this segment.

With a positive industry outlook, we are confident that our business expansion initiatives will enhance the Group's long-term prospects. Moving forward, we remain committed to optimise our operations, driving sustainable growth, and delivering long-term value to our stakeholders.

DIVIDEND

There was no dividend declared or paid in FYE 2024 as we are currently prioritising on strengthening our business operations in order to ensure a sustainable long-term growth.

Moving forward, we target to declare dividends of 30.00% of our audited consolidated PAT for each financial year. Our Board will take into consideration several factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant before recommending the dividends.

SUSTAINABILITY STATEMENT

Dear Valued Stakeholders

In a world where our actions today shape the future for generations to come, sustainability is not merely a choice but a fundamental principle guiding our efforts toward building a better future. At Winstar, we are committed to striking a harmonious balance between growth and responsibility.

In alignment with this commitment, we are pleased to present the Company's maiden Sustainability Statement ("Statement") for the FYE 2024. This Statement underscores our unwavering dedication to upholding your trust while advancing sustainability practices across all areas of our operations. Through transparent reporting and strategic initiatives, we aim to integrate Economic, Environmental, Social and Governance ("EESG") considerations into every aspect of our business. We invite you to join us on this journey towards a sustainable future, fuelled by trust and our collective drive for positive change.



SCOPE AND REPORTING PERIOD

This Statement highlights the sustainability initiatives and performance of Winstar and all its subsidiaries for the period from 1 January 2024 to 31 December 2024, unless otherwise specified.

BASIS, GUIDELINE AND REFERENCE

This Statement was prepared based on all available internal information in accordance to Bursa Securities' ACE Market Listing Requirement ("AMLR") relating to Sustainability Statement and its Sustainability Reporting Guide 3rd Edition. In addition, the United Nations Sustainable Development Goals ("UNSDG") has also been referred as a guideline in mapping our material sustainability matters and formulating the Group's sustainability strategies.

STATEMENT OF ASSURANCE

In conjunction with our first year of listing, we have conducted an initial assessment to identify and evaluate key material matters relevant to both the Group and our diverse stakeholders, as a core component of our sustainability management efforts. Kindly refer to our Materiality Assessment & Sustainability Strategies section within this Statement for further details.

FEEDBACK

As we progress on our sustainability journey, we greatly value our stakeholders' feedback on this Statement and/or other sustainability matters. This input is essential in helping us continuously improve our sustainability practices and reporting standards. All feedback, comments and queries are welcome to be directed to support@winstargroup.com.my.





SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE

At Winstar, we recognise that a strong governance framework is essential in supporting the management and implementation of our sustainability strategies and initiatives.

To ensure effective integration of sustainability across our operations, we have adopted a "tone from the top" approach, with the Board holding the ultimate responsibility in overseeing the Group's sustainability management and performance. This ensures that our sustainability initiatives are aligned with our business objectives. Our Board is supported by the ARMC, which in turn is assisted by the Sustainability Working Committee ("SWC"). The SWC, led by the COO, consists of members from various departments.

The roles and responsibilities of our Board, ARMC and SWC in relation to the sustainability governance are as follows:

Board of Directors

- To oversee the Group's sustainability management and performance.
- To determine the Group's strategic direction in sustainability management.
- To ensure adequate resources are allocated for effective implementation of various sustainability strategies and initiatives.
- To review and approve the annual Sustainability Statement.



ARMC

- To ensure key decisions on sustainability matters align with the Group's overall business strategies and objectives.
- To ensure adequate resources are allocated for the effective implementation of various sustainability strategies and initiatives.
- To review and report on the progress of sustainability management and performance to the Board periodically.



SWC

- To perform material sustainability matters assessment.
- To oversee the integration of sustainability strategies and initiatives into daily operations.
- To recommend sustainability initiatives aimed at improving the Group's sustainability performance.
- To track data related to sustainability initiatives and monitor the relevant progress across the Group.
- To establish and monitor key performance indicators to achieve sustainability objectives.
- To report material sustainability matters, progress and performance to the ARMC periodically.

SUSTAINABILITY STATEMENT

(Cont'd)

STAKEHOLDERS ENGAGEMENT

In line with our commitment to transparency and inclusivity, Winstar recognises that effective stakeholder engagement is crucial to the success of our sustainability management. Stakeholders' engagement enables us to develop sustainability strategies and initiatives that are aligned with the Group's long-term growth objectives. During FYE 2024, we have identified eight (8) key stakeholder categories and engaged them through the following approaches:

Stakeholders	Areas of Concern	Engagement Approaches
Shareholders/ Investors 	- Share price performance - Investment risk and returns - Financial and operational performance - Corporate governance and risk management - Business strategies and future plans	- Quarterly financial results - Annual report - General meetings - Company website - Bursa announcements
Customers 	- High quality products and services - Competitive pricing - On-time delivery - Customer satisfaction and experience - Customer data privacy	- Physical and virtual communications - Company website - Highlight to customers that the Group's product quality meets the standards set by the ISO Certification
Suppliers and Contractors 	- Sustainable business relationships - Efficient and transparent procurement procedures - Credit terms and timely payments	- Periodic suppliers' evaluation - Physical and virtual communications - Contractual agreements
Employees 	- Competitive remuneration and benefits package - Occupational health and safety - Training, upskilling opportunities and career development - Inclusive workplace - Work-life balance	- Internal communications - Equal employment opportunities - Periodic performance assessment and appraisal - Training and development programs
Communities 	- Environmental impact from business operations - Local job creations and economic support	- Company website - Community outreach programs - Corporate Social Responsibility (CSR) projects and sponsorship
Government/ Authorities 	- Regulatory compliance - Corporate governance	- Compliance audit - Bursa announcements - Renewal of licenses and permits
Industry Association 	- Recyclability of aluminium - Material sourcing, innovation and efficiency	- Research and development - Training programs - Active collaborations

SUSTAINABILITY STATEMENT

(Cont'd)

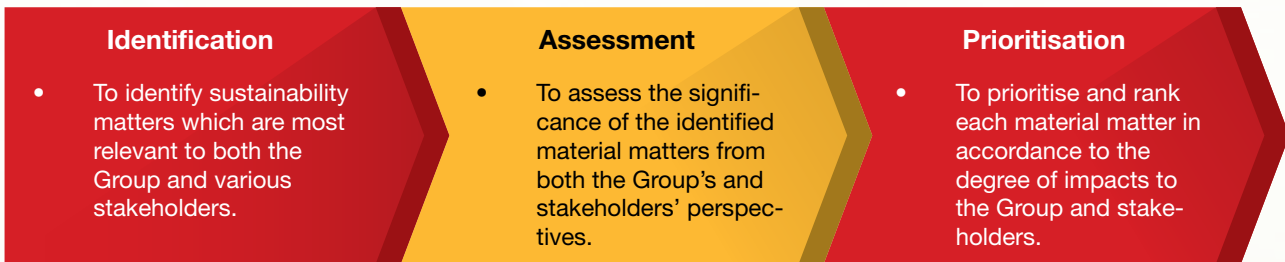
STAKEHOLDERS ENGAGEMENT (CONT'D)

Stakeholders	Areas of Concern	Engagement Approaches
Media/Analyst 	- Financial and operational performance - Business growth and expansion plan - Corporate governance - Share price performance	- Quarterly financial results - Annual report - General meetings - Interview sessions - Company website - Bursa announcements

MATERIALITY ASSESSMENT & SUSTAINABILITY STRATEGIES

Materiality Assessment Process

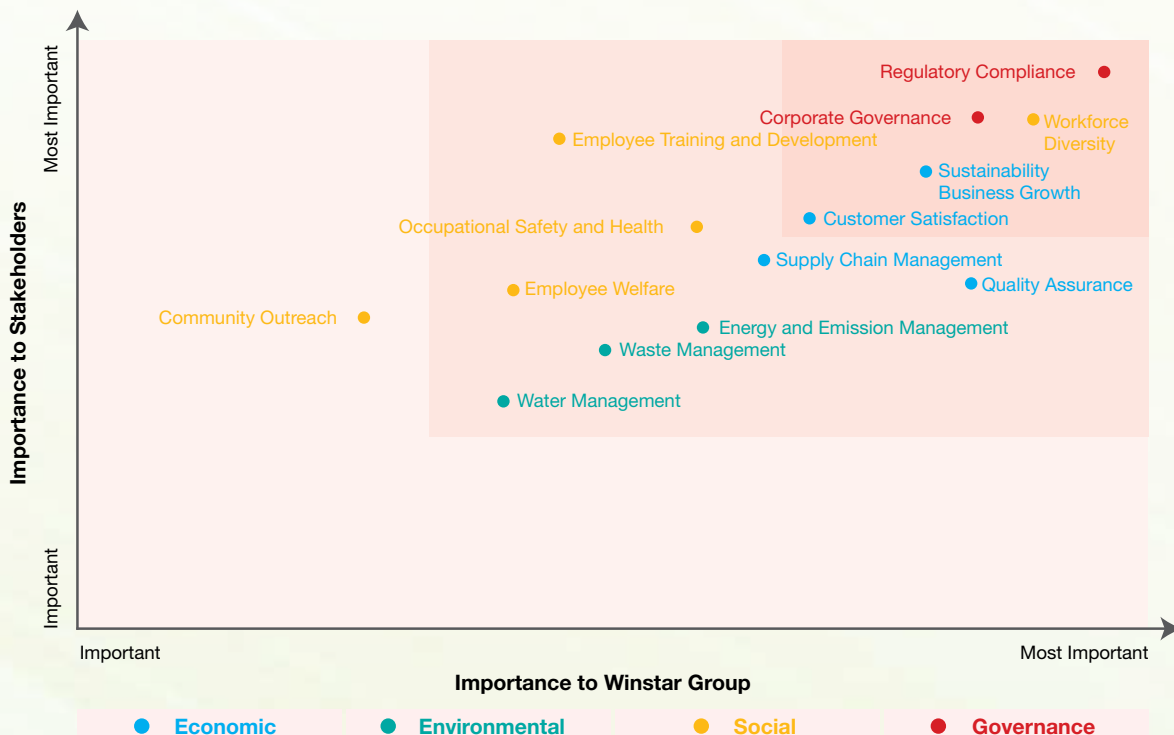
Materiality assessment is essential to identify, assess and prioritise key sustainability matters which are relevant to the Group and various stakeholders. We have adopted a three (3) steps approach to perform materiality assessment, as illustrated follows:



Moving forward, materiality assessment will be conducted annually to assess the relevance of the identified material matters and to uncover any potential new material matters.

Materiality Matrix

After conducting our first materiality assessment, we have identified fourteen (14) material matters for the FYE 2024. These material matters have been ranked based on their level of priority to both the Group and stakeholders, ranging from "Important" to "Most Important", as shown in the following Materiality Matrix:



SUSTAINABILITY STATEMENT

(Cont'd)

MATERIAL MATTERS ASSESSMENT & SUSTAINABILITY STRATEGIES (CONT'D)

Sustainability Strategies & UNSDG Mapping

To ensure that our Group's sustainability strategies stay in line with global sustainability progress, we have considered the 17 UNSDGs introduced by the United Nations Department of Economic and Social Affairs in September 2015. This approach allows us to drive meaningful EESG impacts within our business operations. In FYE 2024, we have aligned eight (8) relevant UNSDGs with our key material matters and developed corresponding sustainability strategies to address them accordingly, outlined as follows:

	Materials Matters	Sustainability Strategies	UNSDGs
ECONOMIC	- Sustainable Business Growth - Customer Satisfaction - Supply Chain Management - Quality Assurance	- To sustain business growth for long-term value creation - To understand and meet customers' requirement while striving to achieve high level of customers satisfaction - To foster strong relationships with suppliers/ subcontractors to ensure an efficient supply chain while supporting the local economy, whenever viable - To maintain high standard of quality for our products and services	
ENVIRONMENT	- Energy and Emission Management - Waste Management - Water Management	- To adopt green energy in our business operations so as to minimise adverse impact to the environment - To prioritise reduce, reuse and recycle waste over disposal and to manage scheduled waste disposal in accordance with environmental regulations - To adopt water-saving initiatives in our business operations	
SOCIAL	- Workforce Diversity - Employee Training and Development - Occupational Safety and Health - Employee Welfare - Community Outreach	- To maintain a safe, healthy and inclusive workplace in order to motivate and retain the right talent - To protect our employees' rights, interests and welfare at all times - To provide sufficient training and development programs for employees' continuous learning and development - To organise company events and activities to foster bonding among employees and the Group - To enrich the local community	
GOVERNANCE	- Regulatory Compliance - Corporate Governance	To adhere to all relevant regulation and laws, policies and procedures for sound regulatory compliance and corporate governance.	

SUSTAINABILITY STATEMENT

(Cont'd)

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SUSTAINABLE BUSINESS GROWTH

Our journey began in 2002, focusing on manufacturing, fabricating, processing and selling of aluminium products in a rented single-storey factory located in Klang, Selangor. In 2006, we expanded our business to include the trading and distribution of building materials by establishing our first retail outlet cum warehouse in Klang, Selangor. In 2023, we expanded further by venturing into the solar PV industry, offering installation services for solar PV systems and trading of solar-related materials and accessories.

Currently, our aluminium extrusion and fabrication activities are carried out at our Ijok Manufacturing Facility, which covers a total built-up area of 231,328 sq. ft. Our trading and distribution of building materials activities are managed through three (3) retail outlets cum warehouses located in the Klang Valley, specifically in Kepong, Klang and Puchong.

On 19 December 2024, our Group reached a significant milestone in the history by successfully debuted on the ACE Market of Bursa Securities. This pivotal event marked the beginning of a new chapter for our Group, underscoring our dedication to sustainable growth and creating value for our stakeholders.

In line with UNSDG Target 8.1, we have a series of strategic planning focused on driving business growth and enhancing our market presence during FYE 2024. These initiatives and expansion plans include:

TARGET

8.1



**SUSTAINABLE
ECONOMIC GROWTH**

(a) Expansion of Manufacturing Facility

In April 2024, we began constructing a new manufacturing facility on Lot 903, adjacent to our Ijok Manufacturing Facility, with a built-up area of approximately 80,000 sq. ft. This additional space will support our operational expansion, including the installation of more aluminium extrusion lines and increased storage capacity.

We plan to install four (4) aluminium extrusion lines, increasing our total production capacity by 8,580 tonnes, from 6,705 to 15,285 tonnes per annum. To efficiently manage working capital and properly train our workforce, we will install two (2) extrusion lines in 2025, with the remaining two (2) lines scheduled for installation in 2026. This phased approach will help optimise our operations before fully operationalising all four (4) lines.

The construction is ongoing currently and is expected to be completed by the second quarter of 2025, with operations beginning in the third quarter of 2025.

(b) Expansion of Extruded Aluminium Product Range for Solar PV Industry Application

Our expansion into the solar PV industry during FYE 2023, through the trading of solar PV related materials and accessories as well as provision of solar PV system installation services, has been instrumental to the overall business growth of our Group.

Building on this venture, we learned and began fabricating aluminium solar PV mounting structures and related accessories from our in-house extruded aluminium profiles in early FYE 2024. This leveraged our core expertise in aluminium extrusion and fabrication, allowing us to diversify our product range and capitalise on the growing demand for renewable energy solutions. The introduction of these products has positively impacted our revenue growth in the aluminium extrusion segment during FYE 2024.

Moving forward, we plan to increase our focus on the fabrication of aluminium solar PV mounting structures and expand our aluminium fabrication activities to include other solar PV related accessories. By broadening our product portfolio, we aim to strengthen our position in this rapidly growing industry and continue supporting the transition towards a sustainable energy world.

SUSTAINABILITY STATEMENT

(Cont'd)

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SUSTAINABLE BUSINESS GROWTH (CONT'D)

(c) Development of business opportunities and stay abreast with the latest technology

In today's fast-paced business environment, staying abreast with technological advancements is essential to maintain our competitive edge. To keep up with the industry trends, we participated in the following exhibitions during FYE 2024:

Exhibitions	
11 – 13 Mar 2024	The 30th Window Door Facade Expo China
03 – 06 Jul 2024	Architecture, Interior Design & Building Exhibition ("Archidex")
11 Oct 2024	International Greentech & Eco Products Exhibition and Conference Malaysia
15 – 17 Nov 2024	Archidex UIA

These exhibitions offered valuable insights into the latest innovations and emerging trends within our industry, enabling us to stay ahead of market developments. Furthermore, they allowed us to connect with potential partners, broaden our customer base, and explore new market opportunities. By leveraging these insights and relationships, we are better positioned to adapt to market changes and continue delivering solutions that drive growth and success.



CUSTOMER SATISFACTION

Customer satisfaction is vital our business sustainability and long-term success. To understand our customers' requirement and ensure their satisfaction, we engage proactively through direct communication channels such as visits, calls, and virtual meetings, while also keep them informed via our company website and social media platforms for any updates.

We measure customer satisfaction through a feedback form that evaluates key areas, including product quality, delivery time, responsiveness to enquiry, payment terms and our overall performance. Customers rate these aspects on a scale of 1 to 5 marks. We are pleased to report positive feedback and no complaints received during FYE 2024.

In the event of issues such as defects or delivery problems, customers can submit complaint, which our sales team shall promptly addresses. We remain committed to continuous improvement and encourage feedback via email at support@winstargroup.com.my.



SUSTAINABILITY STATEMENT

(Cont'd)

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SUPPLY CHAIN MANAGEMENT

Effective supply chain management is critical to our business continuity and operational resilience, as delays in raw materials delivery or substandard product quality from suppliers could disrupt our ability to meet customer demands, leading to customer dissatisfaction, higher operational costs and reputational damage.

Before establishing relationships with new suppliers, we conduct thorough background checks, including Credit Tip-Off Service ("CTOS") searches, to assess their credibility. For existing suppliers, we maintain close collaboration on delivery schedules and address any issues on raw materials supplied promptly.

Over the years, we have developed strong and long-term relationships with our suppliers, recognising that a reliable supply chain is vital in supporting our business operations. We are pleased to report that, during FYE 2024, we maintained a stable and uninterrupted supply chain, ensuring seamless operations.

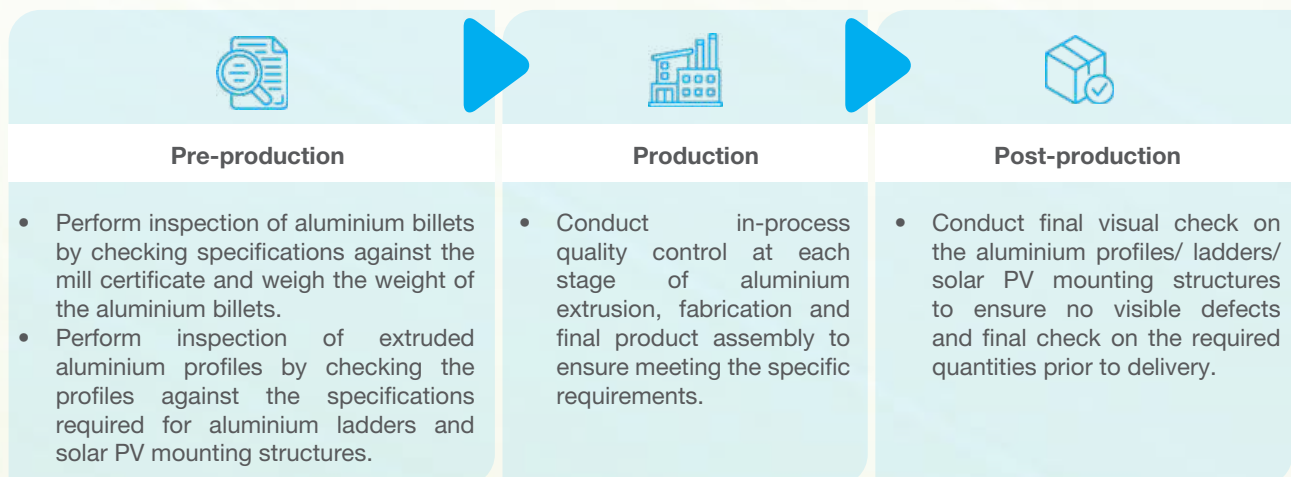
In line with UNSDG Target 8.1, our Group is committed to responsible procurement by prioritising local sourcing whenever feasible. During FYE 2024, we sourced 100.0% of our raw materials locally, demonstrating our commitment to strengthening the domestic supply chain ecosystem. This approach helps reduce our carbon footprint by reducing unnecessary transportation emissions from overseas shipments, while also contributing to our local economy.



QUALITY ASSURANCE

In today's fast-paced business environment, maintaining high product and service quality is crucial to staying competitive. Our Group is dedicated to delivering high quality of products and services by implementing robust quality control measures across key areas of our operations as follows:

Aluminium Extrusion and Fabrication



SUSTAINABILITY STATEMENT

(Cont'd)

ECONOMIC

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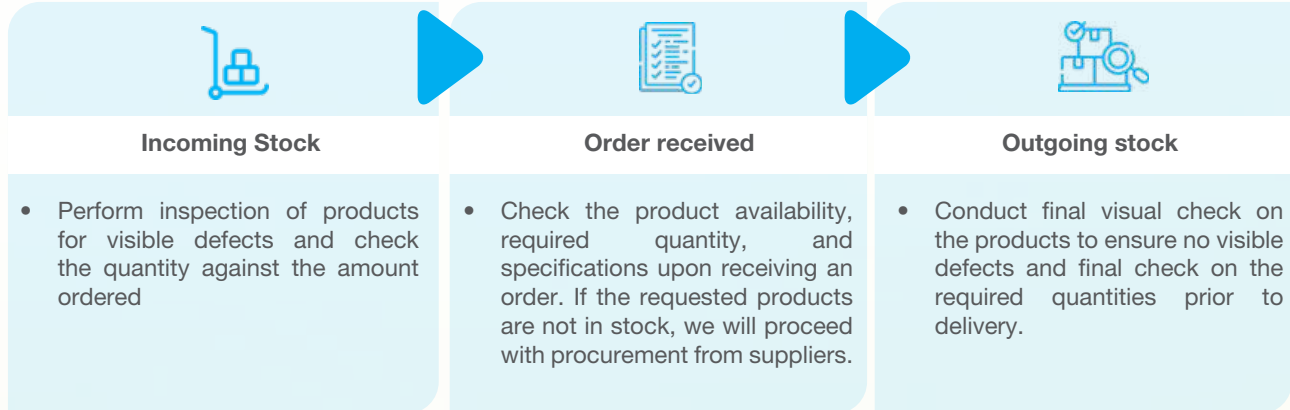
SOCIAL

GOVERNANCE



QUALITY ASSURANCE (CONT'D)

Trading and Distribution



Solar PV System Installation Services

To ensure the quality of our Group's services, our subcontractors are evaluated through pre-qualification reviews such as company profiles and track record. Over the course of the installation services, we monitor the activities carried out by our subcontractors and perform verification of tasks performed by our subcontractors through status reports and project progress claims at specific intervals during the installation process.

As a testament to our commitment towards providing our customers with satisfactory quality products, we have been accredited with the following accreditations:



MS 2289:1010



ISO 9001:2015

SUSTAINABILITY STATEMENT

(Cont'd)

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ENERGY AND EMISSION MANAGEMENT

At Winstar, we are committed to conduct our business in a sustainable manner and strive to minimise any adverse impact to the environment. We believe that integrating green energy into our operations is essential for both environmental stewardship and long-term business success.

In line with UNSDG Target 7.2, we took the initiative to enhance the global share of renewable energy by installing a 565-kilowatt peak ("kWp") rooftop solar PV system at our Ijok Manufacturing Facility in December 2022. During FYE 2024, the system generated a total of 701,961 kWp of solar energy, leading to electricity cost savings of RM123,545. This initiative reduces our reliance on conventional energy sources while contributing to the global shift towards renewable energy, helping to shape a greener future for everyone.

While adopting green energy, we acknowledge that our manufacturing activities contribute to environmental carbon footprint due to greenhouse gas ("GHG") emissions and energy consumption in our operations. This includes the diesel and petrol used in our company-owned vehicles, natural gas consumed by our production machineries, as well as electricity used at our Ijok Manufacturing Facility and retail outlet cum warehouses.

In line with UNSDG Target 13.2, we initiated the process of tracking and monitoring of our GHG emissions. The total GHG emissions for FYE 2024 is shown in the table below:

	FYE 2024 (tonnes)
Direct (Scope 1) GHG emissions (tCO ₂ e)	595.43
Indirect (Scope 2) GHG emissions (tCO ₂ e)	2,842.29
	3,437.72

During FYE 2024, we recorded total emission of 3,437.72 tonnes of CO₂e, with Scope 1 emissions accounted for 17.3% and Scope 2 emissions accounted for 82.7%. Scope 1 emissions are direct emissions arising from the combustion of fuel in company-owned vehicles (e.g. diesel or petrol used in transportation) and on-site fuel combustion for heating or energy generation (e.g. natural gas used at our Ijok Manufacturing Facility). Scope 2 emissions are indirect emissions arising from the consumption of purchased electricity. While these emissions occur at the facility where the energy is produced, they are still attributed to our Group due to the electricity we purchase and consume.

The electricity generated by the solar PV system installed at our Ijok Manufacturing Facility does not contribute to Scope 1 or Scope 2 emissions, as solar energy is a renewable energy source with negligible or no associated GHG emissions.

We will continue to monitor our energy usage and strive to improve energy efficiency in our production processes to support the transition towards a more sustainable future.

TARGET 7.2


INCREASE GLOBAL
PERCENTAGE OF
RENEWABLE ENERGY

TARGET 13.2


INTEGRATE CLIMATE
CHANGE MEASURES
INTO POLICIES AND
PLANNING

SUSTAINABILITY STATEMENT

(Cont'd)

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WASTE MANAGEMENT

Effective waste management goes beyond disposal, it involves rethinking how resources are used, reused, recycled and properly disposed to minimise environmental impact. In line with our commitment to responsible waste management, we have implemented several initiatives to reduce waste generation and improve recycling efforts throughout our operations.

To achieve UNSDG Target 12.5, we focus on efficient material use in our aluminium extrusion processes to minimise waste. Excess cuts from our extrusion activities are reused wherever possible, reducing waste and optimising resource utilisation. For aluminium scraps that cannot be directly reused, we collect and send them to our aluminium billet supplier, who then recycles them into new aluminium billets.

In addition to our manufacturing activities, we encourage our employees to repurpose printed documents as scrap paper in the office.

Meanwhile, our aluminium extrusion activities generate scheduled waste, specifically sludges containing metals. During FYE 2024, a total of 35,472 kg sludges were generated from our operations. In line with UNSDG Target 12.4, we ensure the proper disposal of these sludges regularly by engaging licensed waste contractors who handle and dispose them safely and in compliance with the relevant regulations. In accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005 ("EQSWR"), we have two (2) environmental officers to oversee waste management and ensure adherence to proper disposal practices.

In addition to scheduled waste management, we rent roll-on, roll-off bins to ensure our general waste are disposed of responsibly.

Since June 2024, our Group has been accredited with ISO 14001:2015 certification for our environmental management system in the scope of "manufacturing of aluminium extrusion parts", underscoring our commitment to environmental sustainability. We are pleased to highlight that no environmental laws infringements or fines were incurred during FYE 2024, further demonstrating our dedication to responsible environmental practices.

TARGET 12-5



SUBSTANTIALLY
REDUCE WASTE
GENERATION

TARGET 12-4



RESPONSIBLE
MANAGEMENT OF
CHEMICALS AND
WASTE



WATER MANAGEMENT

Effective water management is important for conserving valuable resources, reducing operational costs and minimising our environmental impact. Water plays a critical role in our daily operations, especially in the aluminium extrusion and anodising process where it is used for cleaning, in the electrolyte bath, and for cooling purposes. The water discharged from the anodising process may contain pollutants such as acids and heavy metals. To minimise adverse environmental impact from our operations, we implement wastewater treatment to remove such contaminants before discharging the water into the drain, ensuring our compliance with environmental regulations.

In FYE 2024, our total water consumption amounted to 65.6 megalitres. As part of our commitment to water conservation, we have adopted measures such as turning off water taps when not in use to reduce unnecessary consumption. Moving forward, we will continue to monitor our water usage and enhance our water management strategies, whenever possible.

SUSTAINABILITY STATEMENT

(Cont'd)

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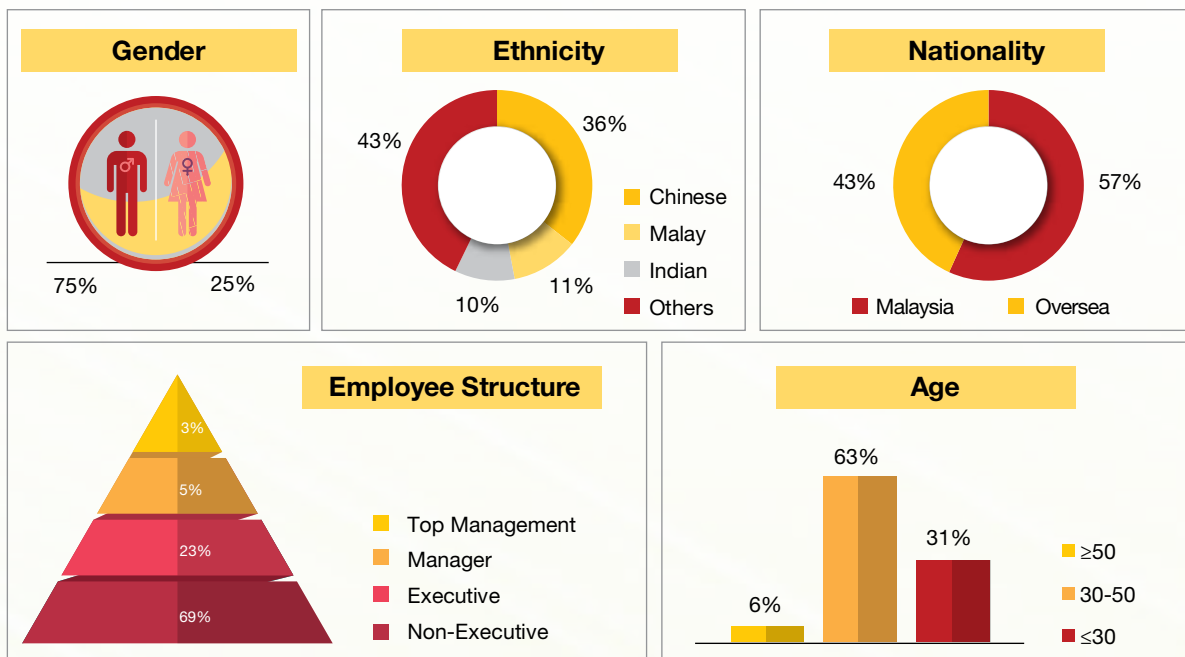
GOVERNANCE



WORKFORCE DIVERSITY

At Winstar, we recognise diversity as a critical driver of innovation and creativity. We are committed to cultivating a workforce that encompasses a broad spectrum of talents with diverse genders, age groups, and ethnic backgrounds, to foster a dynamic and inclusive work environment.

As at 31 December 2024, our Group has a total of 236 employees with the demographics as follows:



In response to the growing global and local emphasis on gender diversity, we are committed to promoting gender equality and diversity, particularly within our Board and Senior Management. Aligned with the UNSDG Target 5.5 and 10.3, which focus on gender equality and women's empowerment, our Board is made up of 50.0% women, including the roles of Independent Non-Executive Chairperson and three (3) Independent Non-Executive Directors.

Our workforce is also diverse, with employees from various nationalities, including local employees and foreign workers from Bangladesh, Myanmar, Nepal, China and India. This reflects our dedication to fostering a multicultural and inclusive work environment. By embracing diversity at all levels, we strive to create equal opportunities for career advancement and leadership development, ensuring a workplace that values and supports individuals of all genders and nationalities.

As we endeavour to attract and recruit suitable talent for our Group, we also recognise the importance of employee retention to ensure the long-term sustainability of our business. High employee turnover can disrupt our operations and negatively impact our employee morale. For FYE 2024, our annual employee turnover rate was 21.0%. Moving forward, we are committed to cultivating a supportive and motivating working environment to enhance employee loyalty and retention within the Group.

TARGET 5-5



ENSURE FULL PARTICIPATION IN LEADERSHIP AND DECISION-MAKING

TARGET 10-3



ENSURE EQUAL OPPORTUNITIES AND END DISCRIMINATION

SUSTAINABILITY STATEMENT

(Cont'd)

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EMPLOYEE TRAINING AND DEVELOPMENT

Employee training and development are essential for both individual growth and the ongoing success of the Group. By continuously investing in employees' training and development, we enhance their skills and knowledges, which directly contributes to improved performance and productivity. This not only supports the personal and professional growth of our workforce but also strengthens the Group's overall competitiveness in the market.

In line with UNSDG Target 4.4, the Group is dedicated to offer relevant training and career development programmes for all employees. These initiatives are aimed to support career advancement and equip employees with the necessary knowledge and skills, enabling them to perform their tasks effectively and deliver results efficiently.

In FYE 2024, we allocated approximately RM85,500 for both internal and external trainings, with a total number of 206 training hours. Below is the summary of the training programs attended by our employees during FYE 2024:



Training Programs	
January 2024	- Course for Certified Environmental Professional in the Operation of Industrial Effluent Treatment System - Physical Chemical Processes ("CePIETSO - PCP") - Environmental, Social and Governance ("ESG") & Sustainability Management - Environmental Aspects and Impacts Assessment
March 2024	- Leadership Transformation Program from Fixed to Growth Mindset - Understanding & Implementing ISO 9001 Quality Management System - Human Resources Key Performance Indicator Performance Measurement and Appraisal for Organisation - Chemical Handling - Forklift Training - Fire Fighter Training
April 2024	E-invoice implementation in Malaysia
May 2024	- Chemical Safety Awareness - Hearing Conversation - Chemical Drill Training
July 2024	- Understanding ISO 45001 HSMS - Malaysia Occupational Health & Safety Law - Ultimate Guide for E-invoice - Course for Certified Environmental Professional in Scheduled Waste Management ("CePSWaM") - Gas Piping SOP Training
August 2024	Hazard Identification and Assessment of Risk and Opportunities ("HAIRO")
September 2024	- Employer's Rights Under Malaysia - The Art of Sales and Leadership
October 2024	2-Day Gen AI x Digital Marketing
November 2024	Kursus Keselamatan Kebakaran Kesedaran Awam

SUSTAINABILITY STATEMENT

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OCCUPATIONAL SAFETY AND HEALTH

Recognising that a safe and healthy work environment is crucial to our long-term success, we are committed to maintaining the highest standards of occupational safety and health management across all our operations, ensuring the safety and well-being of our employees are always our top priority.

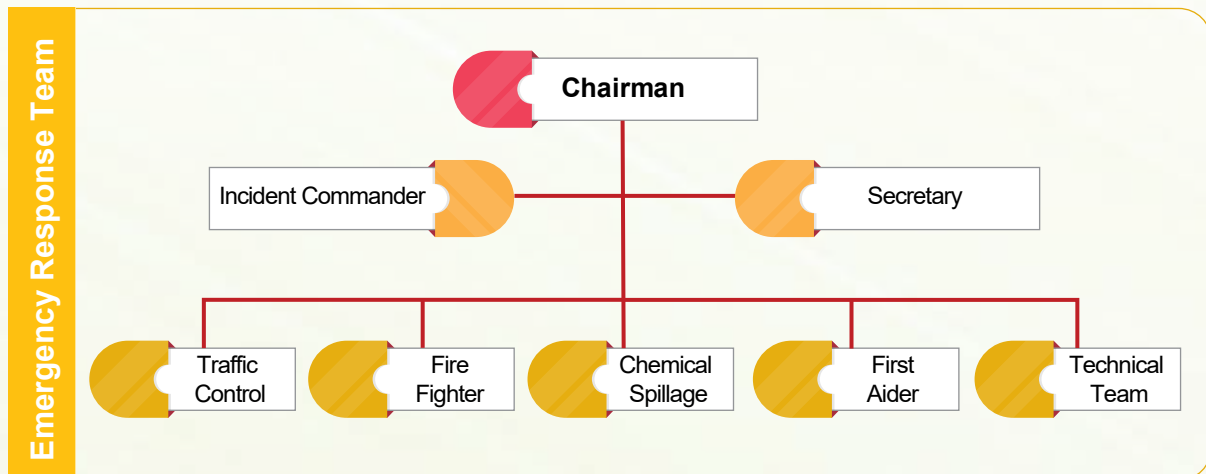
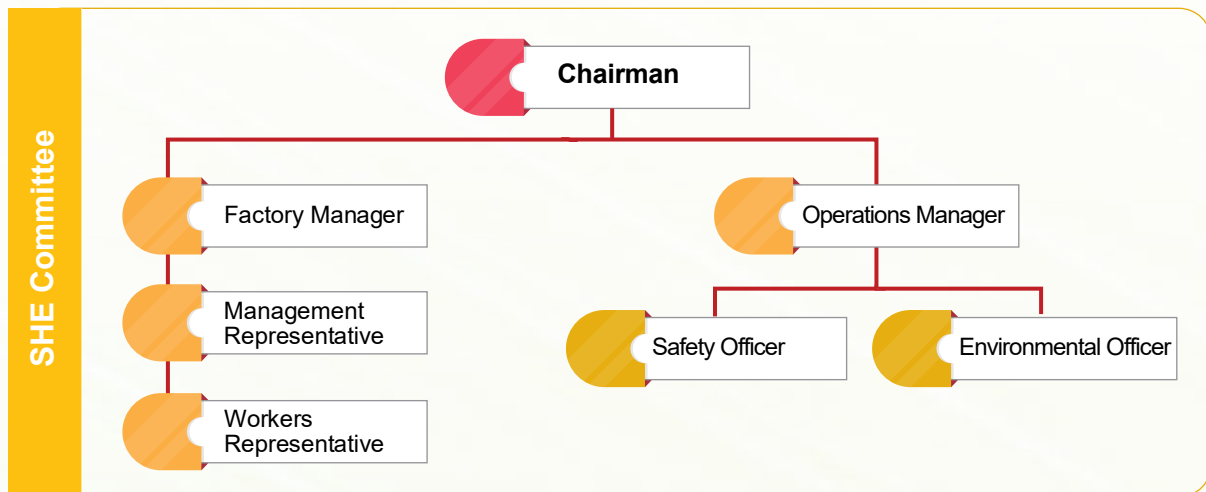
In line with UNSDG Target 8.8, we have formalised and adopted a Safety, Health and Environment (“SHE”) Policy, which provides the framework for our workplace safety initiatives, environmental management practices and employee well-being programs.

To ensure effective SHE management, we have formed SHE Committees and Emergency Response Team to oversee the health and safety matters in the workplace and ensure compliance with the Occupational Safety and Health Act 1994 (“OSHA”).

Our Group’s SHE Committee and Emergency Response Team structure are as follows:

TARGET 8.8

PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS



SUSTAINABILITY STATEMENT

(Cont'd)

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OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

Under the supervision of our SHE Committee, our occupational health and safety management system has been accredited with ISO 45001:2018 certification in October 2024, under the scope of “manufacturing of aluminium extrusion parts”. This certification underscores our commitment to maintaining a safe and healthy work environment and demonstrates our compliance with international standards for occupational health and safety management.

During FYE 2024, Winstar Group has conducted ten (10) safety and health trainings as follows:

Safety and Health Training
• Chemical Handling
• Forklift Training
• Fire Fighter Training
• Chemical Safety Awareness
• Hearing Conservation
• Chemical Drill Training
• Understanding of ISO 45001 HSMS
• Malaysia Health and Safety Law
• Gas Piping SOP Training
• HAIRO



In addition to the trainings provided to our employees, we carry out a range of tests and assessments to maintain a safe working environment. Externally, we engage independent professionals to perform audiometric testing, noise risk assessments, and chemical health risk assessments. Internally, we conduct regular hazard identification, risk assessment, and risk control processes at our Ijok Manufacturing Facility. These measures are crucial for identifying and evaluating potential health hazards, minimising the risk of workplace injuries and illnesses, ensuring compliance with safety regulations, and ultimately fostering a safe and healthy environment for our employees.

We are glad to report that in FYE 2024, we achieved zero-injury workplace and did not incur any fines or non-monetary sanctions for non-compliance with OSHA regulations.



EMPLOYEE WELFARE

We recognise that the long-term success and sustainability of the Group are deeply tied to the commitment and productivity of our employees. To safeguard their rights and benefits, we have developed a comprehensive Employee Handbook. Below are some of the benefits we offer to our employees:

Employee Welfare	
• Medical and hospitalisation leaves	• Car allowance
• Compassionate leaves	• Outpatient and treatment claims
• Maternity and paternity leaves	• Travelling claims
• Marriage leaves	• Training and developments

SUSTAINABILITY STATEMENT

(Cont'd)

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EMPLOYEE WELFARE (CONT'D)

In an effort to promote a harmonious and connected workplace, we proactively engaged our employees through the following events and activities during FYE 2024:

Annual Dinner and Chinese New Year Celebration

We hosted our Company's annual dinner at Jogoya, Kuala Lumpur and celebrated Chinese New Year in our offices as a token of appreciation for our employees' hard work and contributions. These events brought together employees from various departments to celebrate the year's accomplishments and strengthen relationships within the Group. These gathering helped foster unity, a shared sense of purpose, and set the goals for the year ahead.



Winstar's Prospectus Launch and Listing Celebration

FYE 2024 was a remarkable year for Winstar as we successfully listed on the ACE Market of Bursa Securities. We launched our IPO prospectus at M Resort & Hotel Kuala Lumpur and attended the Listing Ceremony at Exchange Square, Bursa Malaysia Berhad. We also celebrated our Listing at FatFire KL to commemorate this milestone and express our gratitude to the hard-working employees whose dedication and efforts contributed to our success.



SUSTAINABILITY STATEMENT

(Cont'd)

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COMMUNITY OUTREACH

Community outreach is an integral part of our sustainability efforts. We are committed to make a positive impact on the local communities where we operate, acknowledging the strong connection between our success and the well-being of the community. At Winstar Group, we focus on building relationships with the community and promoting sustainable values through initiatives in public health and youth empowerment.

In FYE 2024, we contributed to our community through the following events:



Supporting Global Humanitarian Efforts

We donated RM2,000 to World Vision to support their global initiatives aimed at improving the lives of children, families and communities around the world.



"The World is Yours" Charity Bazaar

We donated RM2,000 to Pertubuhan MySayang for the "The World is Yours" Charity Bazaar, held from 14 to 15 September 2024 at Raja Tun Uda Library, Shah Alam. The purpose of this charity event was to raise funds to assist underprivileged children.



Empowering the Future of Education

Meanwhile, we contributed RM1,500 to SRJK(C) Ijok, Selangor, to support the local education and improve the learning environment for students.

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(Cont'd)

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REGULATORY COMPLIANCE

Winstar Group is committed to upholding strong governance and ethical business practices to ensure sustainable growth and long-term success. We strictly adhere to all relevant laws and regulations, including environmental regulations, labour laws, and other statutory obligations. The key laws and regulations governing our business operations include:

- Industrial Co-ordination Act 1975
- Local Government Act 1976
- OSHA
- Street, Drainage and Building Act 1974
- Construction Industry Development Board Act 1994
- Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990
- Environmental Quality Act 1974
- Environmental Quality (Clean Air) Regulations 2014
- Environmental Quality (Industrial Effluent) Regulations 2009
- EQSWR

We are pleased to report that our Group did not incur any fines or penalties from regulatory authorities for violations of applicable laws and regulations in FYE 2024.



CORPORATE GOVERNANCE

Winstar Group is committed to maintaining strong corporate governance that fosters transparency, accountability, and integrity in our business operations. Our Code of Conduct and Ethics ("the Code") sets clear standards for honesty, fairness, and professionalism, guiding employees to comply with legal and regulatory requirements while preventing unethical actions and conflicts of interest. This commitment helps build trust with our customers, suppliers, employees, and stakeholders, ensuring lasting partnerships in a fair and transparent business environment.

In line with UNSDG Target 16.5, the Group has established an Anti-Bribery and Anti-Corruption Policy ("ABC Policy") to demonstrate our zero-tolerance stand to bribery and corruption. This policy aims at promoting a culture of integrity and compliance within the organisation.

Additionally, the Group has implemented a Whistleblowing Policy to support the Code and the ABC Policy. This policy provides a secure platform for employees and stakeholders to raise concerns or report legitimate incidents of fraud, bribery, corruption or misconduct.

Whistleblowers who report in good faith are assured of protection, with all information treated with strict confidentiality and handled with the highest level of discretion. Independent investigations will be conducted and appropriate actions will be taken based on the findings.

As a responsible corporate entity, we view data privacy as both a legal obligation and a moral responsibility. We are committed to safeguarding our customers' data in compliance with the Personal Data Protection Act 2010 ("PDPA"). To ensure confidentiality, we willingly enter into Non-Disclosure, Solicitation and Competition Agreements ("NDSC") along with CTOS Consent Form with customers, ensuring a legally binding relationship to protect their sensitive information.

On the other hand, Winstar has adopted a Directors' Fit and Proper Policy, which serves as a guidance for our NRC to objectively assess the appointment and re-appointment of directors. This ensures that all director appointments and re-elections align with the Group's governance standards.

All the abovementioned policies are published on our Company's website at <https://www.winstargroup.com.my/investor-relations/governance.html>. We are pleased to report that in FYE 2024, there were no complaints or incidents of bribery, corruption, fraud or money laundering reported, nor were any fines or penalties imposed on the Group.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board recognises the significance of adopting sound corporate governance practices across the Group as a fundamental responsibility in safeguarding and enhancing shareholder value and stakeholder interests. It remains committed to upholding effective corporate governance principles in alignment with the recommendations of the Malaysian Code on Corporate Governance ("MCCG").

The Board is pleased to present this Corporate Governance Overview Statement ("CG Statement"), which provides an overview of the Board's key initiatives and commitments to promote good corporate governance throughout the Group during the FYE 2024. This CG Statement has been prepared in accordance with Rule 15.25(1) and Guidance Note 11 of the AMLR, with the application of the following three (3) key corporate governance principles as guided by the MCCG:

Principle A: Board Leadership and Effectiveness

Principle B: Effective Audit and Risk Management

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Shareholders are encouraged to read this CG Statement alongside the Company's Corporate Governance Report ("CG Report"), which provides comprehensive disclosures on the implementation of each corporate governance practices. The CG Report is available on the Bursa Securities' website at www.bursamalaysia.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

1.1 Board Leadership and Strategic Oversight

Functions of the Board

The Board assumes full responsibility for the stewardship of the Company, ensuring that its vision, mission and corporate values guide decision-making and strategic direction. In fulfilling its governance role, the Board is committed to:

- Establishing the Company's values, ethical standards and strategic objectives while integrating EESG considerations into long-term planning.
- Reviewing and challenging management's proposals to uphold sound business conduct and corporate governance principles.
- Identifying key risks and ensuring the implementation of internal controls and risk mitigation measures.
- Overseeing senior management's competency and ensuring effective succession planning for leadership continuity.
- Reviewing and approving financial statements, the annual report and Board Committee reports to ensure transparency and accountability.
- Cultivating a corporate governance culture, implementing anti-corruption measures and ensuring effective oversight across the Group.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART I: BOARD RESPONSIBILITIES (CONT'D)

1.1 Board Leadership and Strategic Oversight (Cont'd)

Board Committees

The Board is supported by the following Board Committees, which operate under their respective Terms of Reference to enhance governance and decision-making:

- **ARMC:** Oversees the financial reporting process, risk management framework and internal control systems while evaluating the performance of internal and external auditors.
- **NRC:** Reviews and recommends Board, Board Committees and senior management appointments, performance evaluations, succession planning and remuneration policies aligned with Company performance and best practices.

Details of the Board Charter and Terms of Reference for each Board Committees are available on the Company's website at www.winstargroup.com.my/investor-relations/governance.html.

1.2 Board Chairman's Role and Independence

The Independent Non-Executive Chairperson, Y.M. Tengku Loreta, provides overall leadership to the Board by fostering a culture of good governance, facilitating balanced discussions and ensuring informed decision-making. Her key responsibilities include:

- promoting sound corporate governance practices and fostering ethical leadership;
- setting Board agendas and ensuring members receive complete and accurate information in a timely manner;
- encouraging open discussions and allowing dissenting views to be expressed;
- acting as a liaison between the Board and management; and
- facilitating engagement with stakeholders and conveying their perspectives to the Board.

In line with good governance practices, the Chairperson is not a member of the ARMC or NRC. While she was invited to attend the ARMC meeting during the Company's IPO corporate exercise in the FYE 2024, her involvement was limited to receiving updates and providing insights without participating in decision-making. To uphold integrity, independence, and objectivity, she will not attend any Board Committee meetings moving forward.

To maintain a clear segregation of responsibilities and prevent undue concentration of power, the roles of the Chairperson and CEO are held by separate individuals. The Chairperson focuses on Board leadership, corporate governance and stakeholder engagement, while the CEO, Mr. Chua Boon Hong, is responsible for executing the Company's strategy, managing operations and ensuring business continuity.

The Board Charter outlines the distinct roles and responsibilities of both positions to ensure balance, accountability and effective governance.

1.3 Board Support and Governance Practices

Company Secretaries

The Board is supported by two (2) qualified Company Secretaries, Ms. Ng Shu Fern and Ms. Wong Sin Yee, both of whom are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). They ensure adherence to corporate governance requirements and provide guidance to the Company on regulatory compliance.

Key responsibilities of the Company Secretaries include:

- advising the Board on governance matters, corporate disclosures and regulatory compliance;
- managing logistics, attending meetings and maintaining accurate statutory records;
- monitoring regulatory developments and ensuring best governance practices; and
- assisting in Board training and professional development.

The Board is satisfied with the performance and competency of the Company Secretaries in supporting effective governance of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART I: BOARD RESPONSIBILITIES (CONT'D)

1.3 Board Support and Governance Practices (Cont'd)

Board Meetings and Decision-Making Process

Board and Board Committee meetings are scheduled in advance through an annual meeting calendar to ensure Directors' availability. The Company Secretaries, in consultation with the Chairpersons, assist in agenda preparation, and Directors receive meeting materials at least seven (7) days in advance to facilitate informed discussions.

Meeting minutes are recorded, reviewed and confirmed at the next meeting to maintain an accurate record of deliberations. While circular resolutions are utilised for administrative matters, complex issues are deliberated at Board meetings to ensure thorough consideration.

To support effective decision-making, the Board has full and unrestricted access to relevant information, as well as to the professional advice and services of the Company Secretaries, internal auditors and external auditors when necessary.

1.4 Board Charter

The Board has adopted a Board Charter that serves as a guiding framework for governance, outlining the distinct roles, responsibilities and authority of the Board, Board Committees, individual Directors and management. It ensures a clear demarcation of responsibilities while upholding accountability and transparency in decision-making.

The Board Charter covers key governance areas, including Board composition and structure, the delegation of authority, financial oversight, corporate policies and engagement with shareholders and stakeholders. It also defines matters reserved for the Board's approval, such as strategic direction, risk management, succession planning, financial reporting and major transactions.

To maintain alignment with evolving regulatory requirements and best practices, the Board Charter is periodically reviewed. This ensures continued adherence to the MCCG, the AMLR and other applicable laws.

1.5 Ethical Governance and Whistleblowing

The Board is committed to fostering an ethical corporate culture by establishing and implementing appropriate internal control systems. To this end, the Board has established the Code, which sets clear expectations and standards for Directors and employees. The Code outlines principles and measures for managing conflicts of interest, preventing corruption, safeguarding confidential information and ensuring compliance with legal and regulatory requirements. It also provides guidance on interactions with external parties.

To reinforce its zero-tolerance stance on bribery and corruption, the Company has adopted an ABC Policy in accordance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018. This policy sets out the principles, reporting mechanisms and governance structures to address corruption risks, with oversight by the ARMC to ensure its effective implementation.

In addition, the Board has implemented a Whistleblowing Policy to provide a secure avenue for employees and stakeholders to report any misconduct. It provides guidance on improper conducts, actions or behaviours that violate corporate policies, enabling whistleblower to exercise their judgement. The policy ensures confidentiality and protection for whistleblowers acting in good faith while outlining clear reporting channels to the ARMC Chairperson.

The Code, ABC Policy and Whistleblowing Policy are periodically reviewed to ensure continued effectiveness and alignment with best practices. These documents are available on the Company's website at www.winstargroup.com.my/investor-relations/governance.html.

For the FYE 2024, the Board is pleased to report that the Group has not received any whistleblower reports concerning breaches of the Company's policies or applicable laws.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART I: BOARD RESPONSIBILITIES (CONT'D)

1.6 Sustainability Governance and Oversight

The Board, in collaboration with management, is responsible for overseeing sustainability governance, ensuring that sustainability strategies, priorities and targets are effectively integrated into business operations. A structured sustainability governance framework has been established to define roles and responsibilities at various levels, including the Board, ARMC and the SWC, ensuring accountability and alignment with the Group's strategic objectives.

To enhance transparency and stakeholder engagement, the Group communicates its sustainability strategies, priorities and performance through the Sustainability Statement in the Annual Report, which is accessible on the Company's website and Bursa Securities' platform. Additionally, the Company conducts stakeholder engagement exercises to assess material sustainability matters, ensuring alignment between sustainability strategies and stakeholder expectations.

The Board remains committed to equipping its Directors with the necessary knowledge of sustainability issues, including climate-related risks and opportunities. To support continuous learning and awareness, the NRC and SWC facilitate training programmes, briefings and discussions.

This commitment is further reinforced through the Board's annual performance evaluation, which incorporates sustainability considerations. While the FYE 2024 evaluation reflected above-average performance in managing sustainability risks and opportunities, the Board acknowledges the need to enhance sustainability leadership and oversight. In line with this, efforts will be made to strengthen ESG related training for Directors. Additionally, the SWC, led by the COO, will oversee and monitor sustainability related initiatives.

PART II: BOARD COMPOSITION

2.1 Board Governance, Independence and Diversity

Board Composition

As of 31 December 2024, the Board composition of the Company is as follows:

No.	Directors	Directorship
1.	Y.M. Tengku Loreta	Independent Non-Executive Chairperson
2.	Chua Nyok Chong	Non-Independent Executive Vice Chairman
3.	Chua Boon Hong	Non-Independent Executive Director and CEO
4.	Lee Yong Zhi	Non-Independent Executive Director and COO
5.	Chow Kian Hung	Non-Independent Non-Executive Director
6.	Datuk Mastura	Independent Non-Executive Director
7.	Low Suet Ann	Independent Non-Executive Director
8.	Beh Oi Siew	Independent Non-Executive Director

Throughout the FYE 2024, the Board composition remained in compliance with:

- **Rule 15.02 of the AMLR**, which requires at least one-third (1/3) of the Board to be independent;
- **Practice 5.2 of the MCGG**, which requires at least half of the Board to comprise Independent Non-Executive Directors; and
- **Practice 5.9 of the MCGG**, which requires at least 30% of the Board to be women.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

2.1 Board Governance, Independence and Diversity (Cont'd)

Board Composition (Cont'd)

The presence of Independent Non-Executive Directors strengthens the Board's governance by ensuring objective and independent deliberation, review and decision-making. Meanwhile, gender diversity brings varied perspectives and insights, further enhancing Board discussions.

With a well-balanced composition, the Board benefits from a diverse mix of skills, experience and industry knowledge, enabling effective oversight of the Group's businesses. The Directors' collective expertise supports informed decision-making and strategic leadership.

The Directors' profiles are available on pages 9 to 17 of this Annual Report.

Board Committees

As of 31 December 2024, the composition of each Board Committee is as follows:

Directors	ARMC	NRC
Datuk Mastura (Independent Non-Executive Director)	Member	Chairperson
Low Suet Ann (Independent Non-Executive Director)	Chairperson	Member
Beh Oi Siew (Independent Non-Executive Director)	Member	Member

The Board Committees are established to oversee specific matters, while the Board retains ultimate responsibility for all decisions. Each Board Committee operates within clearly defined Terms of Reference, ensuring effective delegation of responsibilities while allowing the Board to focus on strategic priorities.

As the Company was listed on 19 December 2024, no NRC meeting was convened during the FYE 2024. Nevertheless, at its meeting held on 25 February 2025, the NRC carried out the following activities:

- Conducted the annual performance evaluation to review the size, composition and effectiveness of the Board and Board Committees as a whole;
- assessed the performance of individual Directors, the ARMC and the NRC;
- evaluated the independence of Independent Directors;
- reviewed and recommended the re-election of the Directors retiring at the forthcoming 1st Annual General Meeting ("AGM");
- identified relevant training programmes to enhance the Directors' skillset, knowledge and effectiveness;
- reviewed the annual remuneration package of Directors and Key Senior Management; and
- reviewed the Directors' fees, allowances and benefits-in-kind.

The summary of ARMC activities carried out during the FYE 2024 is provided in the ARMC Report on pages 63 to 65 of this Annual Report.

Tenure of Independent Non-Executive Directors

The Board upholds a maximum cumulative tenure of nine (9) years for Independent Non-Executive Directors, ensuring alignment with best governance practices. As of 31 December 2024, all Independent Non-Executive Directors have served for less than three (3) years, reinforcing their continued independence and objectivity. Should any Independent Non-Executive Director be considered for retention beyond this tenure, shareholders' approval would be sought through a two-tier voting process.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

2.1 Board Governance, Independence and Diversity (Cont'd)

Tenure of Independent Non-Executive Directors (Cont'd)

The annual assessment of Independent Non-Executive Directors confirms that they fully meet all independence criteria. They continue to demonstrate a strong commitment to governance and ethical responsibilities, remain free from conflicts of interest and dedicate sufficient time to their roles, ensuring effective oversight and decision-making.

Appointment of New Directors and Senior Management

The selection of Directors follows a formal and transparent process, guided by the Board Charter, Directors' Fit and Proper Policy and Board Diversity Policy. The NRC evaluates potential candidates based on merit, expertise and alignment with the Company's strategic needs, leveraging both independent sources and internal recommendations.

To maintain objectivity, the Board ensures that all appointments adhere to clearly defined criteria. The NRC assesses candidates based on integrity, leadership skills, financial literacy and industry knowledge. For Independent Non-Executive Directors, the NRC further assesses their ability to meet the independence criteria outlined in the AMLR and effectively discharge their responsibilities.

Similarly, the NRC reviews new Senior Management appointments based on objective criteria, considering merit, experience, age, cultural background, gender and fit and proper assessment.

Since the Company's listing on the ACE Market of Bursa Securities on 19 December 2024, no new Board or Senior Management appointments were made.

The Directors' Fit and Proper Policy and Board Diversity Policy are available on the Company's website at www.winstargroup.com.my/investor-relations/governance.html.

Re-election of Retiring Directors

In accordance with the Company's Constitution, all the Directors shall retire from office at the first AGM of the Company and shall be eligible for re-election.

To ensure the continued effectiveness of the Board, the NRC conducts an annual performance evaluation to assess the tenure, skills mix, experience, diversity, core competencies and independence of each Director. The NRC also considers Directors' attendance, engagement levels and strategic contributions before recommending their re-election.

Following this evaluation, the NRC and the Board (*excluding the retiring Directors, who abstained from deliberation and voting on their own re-election*) reviewed the suitability and fit-and-proper criteria of the Directors retiring under Clause 102 of the Company's Constitution. As all eight (8) retiring Directors are eligible for re-election and have provided their consent, the Board has resolved to propose their re-election at the forthcoming 1st AGM for shareholders' approval.

The Board's statement of support is provided in the Notice of the 1st AGM of the Company for shareholders' consideration. Additionally, the profiles of the Directors standing for re-election are included in this Annual Report to facilitate informed decision-making by shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

2.1 Board Governance, Independence and Diversity (Cont'd)

Gender Diversity of Board and Senior Management

As guided by its Board Diversity Policy, the Company is committed to fostering diversity at both the Board and Senior Management levels, encompassing professional and business experiences, skills, knowledge, gender, age, ethnicity and cultural background. The policy sets a target of achieving at least 30% representation of women in both Board and Senior Management levels.

As of 31 December 2024, the Board comprises 50% women Directors, exceeding the 30% target. However, there is currently no women representation in Senior Management. To address this, the NRC remains committed to enhancing gender diversity through structured human capital planning, succession planning and leadership development. Efforts will be made to identify, develop and promote qualified women candidates for leadership positions as vacancies arise, in alignment with the Company's growth and business needs.

Beyond gender diversity, the Board embraces a broader spectrum of diversity, including professional background, industry experience and competencies. By fostering an inclusive leadership approach, the Company promotes innovation, enhances decision-making and ensures equitable opportunities at all levels.

2.2 Annual Performance Evaluation

The Board, through the NRC, conducted an annual assessment to evaluate the effectiveness of the Board, Board Committees and individual Directors in relation to their performance during the FYE 2024. Facilitated digitally via a secured online assessment platform managed by the Company Secretaries, the evaluation was conducted internally without engaging an independent expert. The assessment criteria were aligned with the Corporate Governance Guide issued by Bursa Securities, ensuring a structured and objective review process.

The assessment identified key strengths, such as the Board's diverse expertise, open communication and strategic oversight, alongside the effectiveness of the ARMC and NRC in supporting governance functions. The results reaffirmed that the Board possesses the necessary skills and experience to guide the Company's long-term growth while maintaining sound governance practices. However, the assessment also highlighted areas for improvement, including the need to strengthen Board dynamics, enhance engagement with management and refine succession planning for key leadership roles. Additionally, the Board recognised the importance of strengthening sustainability governance and deepening its understanding of ESG risks and opportunities. To support these efforts, the established SWC, led by the COO, is tasked with monitoring and overseeing sustainability related initiatives. These focus areas will be progressively addressed through structured initiatives to enhance governance effectiveness.

Overall, the Board, Board Committees and individual Directors demonstrated above-average performance for the FYE 2024, reflecting their commitment to good corporate governance.

2.3 Meeting Attendance

During the FYE 2024, the number of meetings held and attended by each member of the Board and Board Committees are as follows:

Directors	Board	ARMC	NRC
Y.M. Tengku Loreta	3/3	-	-
Chua Nyok Chong	3/3	-	-
Chua Boon Hong	3/3	-	-
Lee Yong Zhi	3/3	-	-
Chow Kian Hung	3/3	-	-
Datuk Mastura	3/3	1/1	-
Low Suet Ann	3/3	1/1	-
Beh Oi Siew	3/3	1/1	-



CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

2.3 Meeting Attendance (Cont'd)

As the Company was recently listed, the Board and its Board Committees have yet to meet the minimum number of meetings prescribed in the Board Charter and Terms of Reference. The Company will ensure full compliance with these requirements in the financial year ending 31 December 2025 ("FYE 2025").

Based on the attendance of Directors who held office during the FYE 2024, the Board is satisfied with their level of commitment in fulfilling their roles and responsibilities. Their active participation in meetings demonstrates their dedication to maintaining high governance standards and contributing to the Company's overall effectiveness.

2.4 Directors' Training

The Board recognises the importance of continuous training and education to ensure that Directors possess the necessary skills and knowledge to discharge their responsibilities effectively. In compliance with Rule 15.08 of the AMLR, the Directors attended the following training programmes during the FYE 2024:

Directors	Date	Training Programme/Seminar Attended
Y.M. Tengku Loreta	05.02.2024 - 06.02.2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by ICDM
	05.11.2024	PwC Malaysia's Budget 2025 Seminar by PricewaterhouseCoopers Taxation Services Sdn Bhd
Chua Nyok Chong	10.06.2024 - 11.06.2024	Mandatory Accreditation Programme (MAP) by ICDM
Chua Boon Hong	17.01.2024	ESG & Sustainability Conference by Eco Asia Corporate Services Sdn Bhd
	18.01.2024	Environmental Aspects and Impacts Assessment by Cambridge Management Sdn Bhd ("CMCT")
	10.06.2024 - 11.06.2024	Mandatory Accreditation Programme (MAP) by ICDM
Lee Yong Zhi	10.06.2024 - 11.06.2024	Mandatory Accreditation Programme (MAP) by ICDM
	11.07.2024	Understanding of ISO 45001 Training by CMCT
	12.07.2024	Malaysia Health & Safety Law by CMCT
	12.08.2024	Hazard Identification and Assessment of Risk and Opportunities by CMCT
Chow Kian Hung	29.08.2024	Companies (Amendment) Act 2024 Guidelines for the Reporting Framework for Beneficial Ownership 2024 by Cospec Management Services Sdn Bhd
Datuk Mastura	10.06.2024 - 11.06.2024	Mandatory Accreditation Programme (MAP) by ICDM
	25.10.2024 - 27.10.2024	Hands-On Workshop: Mastering Writing of Systematic Literature Review (SLR) Article Using Free AI by Iman Excellence Center
Low Suet Ann	10.06.2024 - 11.06.2024	Mandatory Accreditation Programme (MAP) by ICDM
	15.07.2024	MIA Webinar Series: Sales & Service Tax (SST) Latest Updates – Common Implementation Issues and Health Check in Preparation for Audit by MIA

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

2.4 Directors' Training (Cont'd)

Directors	Date	Training Programme/Seminar Attended
Beh Oi Siew	31.01.2024	Double Materiality Assessment for Sustainability Reporting: Challenges of Regulatory Evolutions by ACCA
	22.02.2024	Mastering Self-Leadership and Motivation in the Workplace by ACCA
	09.03.2024	Capital Gains Tax (CGT) on Foreign and Domestic Transactions by ACCA
	09.03.2024	Mastering Self-Leadership and Motivation in the Workplace by ACCA
	22.04.2024	Sustainability Half-Day Conference by ACCA - Future of Sustainability in Finance Panel Discussion - The Role of the Finance Function and Governance in the Climate - Developments in Sustainability Reporting: What Do They Mean
	24.04.2024	MIA Town Hall 2023/2024 (Session 2) by MIA
	29.04.2024	LinkedUp Webinar Series: The Magic of Super Memory by ACCA
	09.05.2024	Leadership in a Changed World: Upskill Your Leadership Capabilities to Drive Resilient Teams by ACCA
	23.05.2024	MIA Town Hall 2023/2024 (Session 3) by MIA
	29.05.2024	Sustainability Half-Day Conference – Opening Session by ACCA
	29.05.2024	Giving High-Impact Presentations by ACCA
	10.06.2024 – 11.06.2024	Mandatory Accreditation Programme (MAP) by ICDM
	27.06.2024	Celebrating the UN MSME day – Accountants at the heart of SME Resilience and Growth by ACCA
	19.07.2024	Managing Risks: Ethical Consideration in AI Finance by ACCA
	19.07.2024	Trust in an AI-enhanced World: A Foundational Dialogue by ACCA
	07.10.2024	Post Implementation of e-Invoicing in Malaysia: Challenges faced by Businesses and What's Next by ACCA
	12.11.2024	MIA Town Hall 2024/2025 (Session 1) by MIA



CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

2.4 Directors' Training (Cont'd)

In addition to the training programmes attended, the Directors remained informed of relevant changes in the listing requirements, regulatory updates, laws and accounting standards through periodic updates from the Company Secretaries, as well as briefings by the External Auditors and Management.

The Board remains committed to continuously assessing and fulfilling the training needs of its Directors, ensuring they are well-equipped to navigate the complexities of their roles effectively.

PART III: REMUNERATION

3.1 Remuneration Policies, Procedures and Oversight

The Board has established a structured Remuneration Policy for Directors and Senior Management, with the NRC overseeing its application to ensure alignment with the Company's business structure, performance and strategic objectives. To uphold objective review, the NRC comprises exclusively Independent Non-Executive Directors, in line with Practice 7.2 of the MCCG as of 31 December 2024. Details of the NRC membership are provided in Section 2.1 of this CG Statement.

The remuneration framework distinguishes the compensation structure for Non-Executive Directors, Executive Directors and Senior Management based on their roles and level of responsibilities, incorporating both fixed and performance-based components. Performance-linked remuneration is tied to key performance indicators (KPIs) to drive sustainable business growth and enhance shareholder value.

For the FYE 2024, the NRC reviewed and recommended the remuneration structure for the Non-Executive Directors, Executive Directors and Senior Management to ensure it remains competitive, equitable and aligned with industry standards. The Board is satisfied with the existing structure and has resolved to present the proposed remuneration for Non-Executive Directors to shareholders for approval at the forthcoming 1st AGM of the Company. Each Director shall abstain from deliberation and voting on matters related to their own remuneration. Furthermore, Directors who are also shareholders of the Company shall abstain from voting on resolutions concerning their own fees and benefits at general meetings.

The Remuneration Policy for Directors and Senior Management is subject to periodic review and is available on the Company's website at www.winstargroup.com.my/investor-relations/governance.html.

3.2 Remuneration of Directors and Senior Management

The Directors' remuneration on Company and Group basis for the FYE 2024 are as follows:

	Fee	Allowance	Salary	Bonus	Company Contribution	Benefits -in kind	Total
	(RM'000)						
Company							
Non-Executive Director							
Y.M. Tengku Loreta	40	2	-	-	-	-	42
Datuk Mastura	24	2	-	-	-	-	26
Low Suet Ann	24	2	-	-	-	-	26
Beh Oi Siew	24	2	-	-	-	-	26
Chow Kian Hung	-	-	-	-	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART III: REMUNERATION (CONT'D)

3.2 Remuneration of Directors and Senior Management (Cont'd)

	Fee	Allowance	Salary	Bonus	Company Contribution	Benefits -in kind	Total
	(RM'000)						
Group							
Executive Director							
Chua Nyok Chong	-	-	667	174	117	-	958
Chua Boon Hong	-	-	450	90	68	-	608
Lee Yong Zhi	-	-	308	63	48	-	419

The Board has determined that disclosing the remuneration of Senior Management on a named basis may not serve the best interests of the Company, as it could lead to challenges in talent retention, particularly in a highly competitive industry.

To balance transparency with confidentiality, the Board has opted to disclose the aggregate remuneration and benefits of Senior Management for the FYE 2024 on an unnamed basis, categorised in bands of RM50,000. Save for Mr. Chua Nyok Chong, Mr. Chua Boon Hong and Mr. Lee Yong Zhi, whose remuneration details are disclosed above and in Practice 8.1 of the CG Report, the remuneration details of other Senior Management members are presented as follows:

Range of Remuneration*	Number of Senior Management
RM200,001 to RM250,000	2
RM450,001 to RM500,000	1

Note:

* The remuneration includes salary and other emoluments, bonuses, contributions to the defined contribution plan and social security contributions. Successive bands of RM50,000 are not shown entirely as they are not represented.

The Board ensures that the remuneration of Senior Management aligns with their experience, contributions and commitment to fulfilling their responsibilities. This alignment considers the Company's performance and aims to maintain competitive remuneration packages that attract, retain and motivate key talent.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I: AUDIT COMMITTEE

4.1 Effective and Independent ARMC Oversight

ARMC Governance

The ARMC is chaired by Ms. Low Suet Ann, whereas the Board is chaired by Y.M. Tengku Loreta, both of whom are Independent Non-Executive Directors of the Company. The roles are held by two (2) separate individuals to ensure independent oversight and objective reviews, as well as to comply with Practice 1.4 of the MCCG, which requires the chairman of the board is not a member of the audit, nomination or remuneration committees. As of 31 December 2024, the ARMC consists solely of Independent Non-Executive Directors, in line with the recommended Practice 9.4 of the MCCG, and none of its members are alternate Directors in compliance with Rule 15.09(2) of the AMLR. Details of the ARMC membership are provided in Section 2.1 of this CG Statement.

The ARMC aims to provide an objective review of the Group's financial reporting process, risk management and internal control systems. To reinforce this purpose, the ARMC adheres to the requirement that a former partner of the Group's external audit firm and/or its affiliate firm must observe a cooling-off period of at least three (3) years before being eligible for appointment as a member of the ARMC, thereby preserving the independence and objectivity of the external auditors. Currently, none of the ARMC members are former partners of the Group's external audit firm and/or its affiliate firm.

All ARMC members are financially literate and possess diverse industry expertise. Two (2) out of the three (3) members, including the ARMC Chairperson, are qualified accountants and members of the MIA, enhancing its financial oversight. The ARMC members actively participate in professional development programmes to stay updated on evolving accounting and auditing standards. Details of the training attended by the ARMC members are provided in Section 2.4 of this CG Statement.

Based on the annual assessment of the ARMC's performance, the ARMC demonstrated above-average effectiveness in the FYE 2024, with the appropriate composition and a strong commitment to fulfilling its responsibilities. The ARMC has provided valuable recommendations to the Board, while its Chairperson has exhibited strong leadership in ensuring effective oversight and proper reporting.

External Auditors

The ARMC relies on the External Auditors to support its oversight function, ensuring that the Company's financial statements serve as a reliable source of information. Given this reliance, the quality of the External Auditors is crucial.

As guided by its Terms of Reference, the ARMC conducts an annual assessment based on key factors, including independence, technical competency, audit execution and the reasonableness of audit fees to ensure they align with the quality of service provided. The ARMC evaluated the performance of Messrs. UHY Malaysia PLT ("UHY") for the FYE 2024 and received written confirmation of its independence in the Group's audit engagement. Based on the ARMC's recommendation, the Board has proposed the re-appointment of UHY for shareholders' approval at the 1st AGM of the Company.

The details of the re-appointment of UHY are provided in the Notice of the 1st AGM of the Company for shareholders' consideration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Effective Risk Governance and Internal Controls

The Board is committed to maintaining a strong risk management and internal control framework to safeguard shareholders' interests and ensure business resilience. An Enterprise Risk Management ("ERM") Framework has been adopted to systematically identify, assess, mitigate, monitor and report risks in alignment with the Group's strategic objectives. Rather than eliminating risks, the framework ensures they are managed proactively to support informed decision-making.

The ARMC is responsible for overseeing the adequacy and effectiveness of the Group's risk management and internal control system. This includes reviewing key risks, ensuring appropriate mitigation strategies and recommending improvements to the Board. Senior Management plays a crucial role in risk reporting and compliance with the ERM Framework, while employees are required to report emerging risks for further assessment.

The Board also ensures transparency by disclosing key features of its risk management and internal control framework, including periodic risk assessments and internal control reviews for continuous improvement. In line with this, the ARMC actively reviews risk reports, audit findings and corrective actions to enhance the Group's overall governance and risk management effectiveness.

Further details on the Group's risk management and internal control framework and practices are provided in the Statement on Risk Management and Internal Control on pages 66 to 69 of this Annual Report.

5.2 Internal Audit Function

The ARMC is committed to ensuring an independent and effective internal audit function to enhance the Group's risk management and internal control processes. Following the Company's listing on the ACE Market of Bursa Securities on 19 December 2024, Eco Asia Governance Advisory Sdn Bhd ("Eco Asia") was appointed as the independent Internal Auditors of the Company on 25 February 2025, operating on an outsourced basis.

Eco Asia has the necessary resources, access to information and authority to conduct independent assessments in line with the approved internal audit plan. Reporting directly to the ARMC, the Internal Auditors perform periodic reviews to evaluate internal controls, assess risk implications and recommend corrective actions to strengthen governance processes.

The ARMC conducts an annual assessment of the Internal Auditors' effectiveness to determine the continuity of their engagement. Given Eco Asia's recent appointment, the ARMC will evaluate their performance upon completion of the internal audit reviews for the FYE 2025 and present its findings to the Board for deliberation.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL ENGAGEMENT WITH STAKEHOLDERS

PART I: ENGAGEMENT WITH STAKEHOLDERS

6.1 Continuous Communication With Stakeholders

The Board is committed to maintaining effective, transparent and regular communication with its stakeholders. Beyond providing timely and accurate information, the Board actively seeks and values stakeholders' feedback, views and concerns as part of its continuous improvement efforts.

The Board also engages with stakeholders through various initiatives to better understand their key areas of concern. These efforts are outlined in the Sustainability Statement on pages 31 to 48 of this Annual Report, which details stakeholder expectations and the Company's approach to addressing them.

To facilitate meaningful engagement, the Company has established structured communication channels to ensure that stakeholders' queries, feedback and complaints are appropriately addressed. The Board is committed to reviewing and considering the feedback received in a timely manner, taking necessary actions where appropriate to enhance decision-making and governance practices. The Company also adheres to corporate disclosure practices as guided by the AMLR, keeping stakeholders informed of material developments.

Further details on the Group's engagement channels and disclosure practices are provided in the CG Report.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

PART II: CONDUCT OF GENERAL MEETINGS

7.1 General Meetings and Shareholder Engagement

The Board is committed to ensuring effective shareholder engagement through well-structured general meetings, in line with the best practices under the MCCG.

As the Company's inaugural AGM following its listing on the ACE Market of Bursa Securities, this meeting serves as a significant platform for the Board's first direct engagement with the shareholders. The 1st AGM of the Company will be held at Ballroom I & II, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Thursday, 29 May 2025 at 10:00 a.m. Accordingly, the Notice of the 1st AGM including detailed explanations of the proposed resolutions and accompanying documents, will be circulated to shareholders at least 28 days in advance in accordance with Practice 13.1 of the MCCG. This ensures shareholders have adequate time to review the agenda and make informed voting decisions. The Notice of the 1st AGM of the Company is available on pages 146 to 150 of this Annual Report for shareholders' reference.

The AGM aims to provide an opportunity for meaningful discussions on the Group's financial and non-financial performance, long-term strategies and key governance matters. All Directors, including the Chairpersons of the Board Committees, will be in attendance at the 1st AGM of the Company to address shareholders' queries, with Senior Management and External Auditors present to provide further clarifications. Shareholders are encouraged to submit questions in advance through the designated communication channel or raise them during the AGM. The Board welcomes questions and feedback from shareholders and ensures that all concerns received are appropriately addressed.

To facilitate effective interaction, the 1st AGM of the Company will be conducted as a fully physical meeting. Shareholders that are unable to attend in person are encouraged to appoint proxy to participate, speak and vote on their behalf in exercising their rights. The procedures for proxy appointments are outlined in the Notice of the 1st AGM. The Board remains committed to evaluating the feasibility of remote participation and electronic voting for future general meetings.

Beyond the AGM, the Board remains dedicated to continuous shareholder engagement. Shareholders may provide feedback, raise concerns and seek clarifications through the communication channels available on the Company's website, which serves as the primary platform for disseminating key developments.

As part of its commitment to transparency, the minutes of the 1st AGM, including a summary of discussions and Q&A sessions, will be made available on the Company's website within 30 business days of the meeting. Further details on shareholder engagement practices are outlined in the CG Report.

COMPLIANCE STATEMENT

The Group has consistently upheld corporate governance principles and practices in all material aspects, in line with the MCCG and the relevant chapters of the AMLR on corporate governance, except for the departures outlined in the Company's CG Report. The Board remains committed to maintaining strong corporate governance by continuously embracing the principles and best practices outlined in the MCCG and other relevant laws, as appropriate and applicable.

This CG Statement and the CG Report are issued in accordance with a resolution of the Board of Directors dated 8 April 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTRODUCTION

Pursuant to Rule 15.15(1) of the AMLR, the Board is pleased to present the ARMC Report, outlining the functions and activities of the ARMC in fulfilling its duties and responsibilities for the FYE 2024. As the Company was listed on the ACE Market of Bursa Securities on 19 December 2024, certain areas may need alignment with the applicable AMLR and MCCG. The Company is committed to ensuring full compliance in the FYE 2025.

OBJECTIVES AND RESPONSIBILITIES

The ARMC is established to support the Board in fulfilling its fiduciary duties, particularly in overseeing the integrity of the Group's corporate accounting, financial reporting, risk management and internal control systems. Additionally, the ARMC is entrusted with maintaining the independence and quality of both external and internal audit functions within the Group.

The authorities and responsibilities of the ARMC are clearly defined in its Terms of Reference, which is available on the Company's website at www.winstargroup.com.my/investor-relations/governance.html.

COMPOSITION OF THE ARMC

The ARMC comprises the following members, all of whom are Independent Non-Executive Directors:

Name of Committee Members	Designation	Directorship
Low Suet Ann	Chairperson	Independent Non-Executive Director
Datuk Mastura	Member	Independent Non-Executive Director
Beh Oi Siew	Member	Independent Non-Executive Director

The Chairperson of the ARMC, Ms. Low Suet Ann and ARMC member, Ms. Beh Oi Siew, are qualified accountants and members of the MIA. Additionally, Ms. Low Suet Ann does not hold the position of Chairperson of the Board. Accordingly, the composition of the ARMC complies with Rule 15.09(1) of the AMLR and Practices 9.1 and 9.4 of the MCCG.

Furthermore, none of the ARMC members are alternate Directors of the Company or former partners of the Group's external audit firm, UHY.

MEETINGS AND ATTENDANCE

The meeting attendance of each ARMC member during the FYE 2024 are tabled as follows:

Name of Committee Members	Meeting Attendance
Low Suet Ann	1/1
Datuk Mastura	1/1
Beh Oi Siew	1/1

The ARMC held its first meeting on 12 November 2024 during the FYE 2024, prior to the Company's listing on 19 December 2024. The meeting was well-structured with detailed agendas and relevant materials distributed in advance, enabling ARMC members to prepare effectively for discussions.

The ARMC may invite the External Auditors and/or Internal Auditors to attend its meetings as needed. Additionally, other Board members and the Management of the Company and its subsidiaries may be invited to specific meetings to provide relevant insights and assistance.

The Company Secretary supports the ARMC's effective functioning and records the minutes of each meeting. Draft minutes are circulated for members' review before confirmation at the following ARMC meeting and thereafter presented to the Board for notation.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

SUMMARY OF ACTIVITIES

The main activities undertaken by the ARMC during the FYE 2024 and up to the date of this ARMC Report were as follows:

(1) Financial Reporting

Reviewed the unaudited quarterly financial results and annual audited financial statements, and recommended them to the Board for approval, with a particular focus on:

- changes in or implementation of major accounting policies and practices;
- significant matters highlighted including financial reporting issues, significant judgements made by Senior Management, significant and unusual events or transactions and how these matters are addressed;
- significant adjustment arising from the audit; and
- compliance with accounting standards, regulatory and other legal requirements.

(2) External Audit

- (i) Reviewed the audit planning memorandum, which outlined the audit scope, key areas of focus, applicable accounting standards, target audit timeline and proposed audit fees for the statutory audit of the Company's and Group's financial statements.
- (ii) Reviewed the audit progress report and engaged in discussions with the External Auditors to assess significant accounting adjustments and audit findings, particularly recommendations and necessary actions to be taken by Management.
- (iii) Held one (1) private meeting with the External Auditors on 25 February 2025, without the presence of Executive Directors and Management, to address any audit concerns, ensure timely resolution of issues and obtain feedback for improvement.
- (iv) Reviewed the independent auditors' report, including their opinion on the financial statements, key audit matters and the Management letter highlighting identified weaknesses or deficiencies, along with Management's responses.
- (v) Assessed the suitability, objectivity and independence of the External Auditors, taking into account their competency, audit quality and resource capacity, including the appropriateness of audit fees and provision of non-audit services. Following the evaluation of the External Auditors' performance and independence, the ARMC recommended their re-appointment to the Board for shareholders' approval at the AGM.

(3) Internal Audit

- (i) Reviewed the appointment of Internal Auditors of the Group.
- (ii) Reviewed and approved internal audit review plan for the FYE 2025 and the financial year ending 31 December 2026, as presented by the Internal Auditors, including audit scope, timeline and proposed fees for internal audit services.

(4) Related Party Transactions ("RPT"), Recurrent RPT ("RRPT") and Conflict of Interest ("COI")

- (i) Reviewed and deliberated on RPT and RRPT entered or to be entered into by the Group on a quarterly basis, ensuring they serve the best interests of the Group, are conducted fairly and reasonably at arm's length on normal commercial terms and do not compromise the interests of minority shareholders.
- (ii) Reviewed the circular to shareholders in relation to the proposed new shareholders' mandate for RRPT of a revenue or trading nature and recommended the same to the Board for approval.
- (iii) Monitored any COI or potential COI situation (excluding a RRPT) based on declaration by Directors and Senior Management. Where necessary, appropriate measures will be undertaken to address identified conflicts, ensuring transparency and compliance with governance standards.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

SUMMARY OF ACTIVITIES (CONT'D)

The main activities undertaken by the ARMC during the FYE 2024 and up to the date of this ARMC Report were as follows (Cont'd):

(5) Others

- (i) Reviewed the Sustainability Policy and recommended them to the Board for adoption and approval.
- (ii) Reviewed the ARMC Report, Statement on Risk Management and Internal Control, Sustainability Statement, CG Statement and CG Report, and recommended them for the Board's approval for inclusion in this Annual Report.

INTERNAL AUDIT FUNCTION

The Board recognises the internal audit function as an integral component of the Group's governance framework. Following the Company's listing on the ACE Market of Bursa Securities on 19 December 2024, the Company appointed Eco Asia as its outsourced Internal Auditors on 25 February 2025 to undertake the internal audit function. The objective of this function is to provide the Board, through the ARMC, with reasonable assurance regarding the effectiveness of the Group's internal control systems and to provide feedback for the Board and Management on critical issues. The outsourced Internal Auditors operate independently, free from any relationships or conflicts of interest that could impair their objectivity.

The Internal Auditors presented a detailed internal audit review plan for the FYE 2025 to the ARMC, outlining the scope of internal audit activities and the review period as follows:

Scope of Review	Period of Review
• Logistics and Warehouse Controls	Quarter 1, FYE 2025
• Procurement and Vendor Management Review	Quarter 2, FYE 2025
• Health and Safety Compliance	Quarter 3, FYE 2025

The Internal Auditors will carry out the internal audit review in accordance with the approved plan. Upon concluding the audit engagement, they will deliver and present the internal audit report, detailing audit findings, areas for enhancement, root cause analysis and proposed recommendations.

As the Internal Auditors were appointed after the financial year end, no internal audit fee was incurred for the FYE 2024.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control, which outlines the framework and features governing risk management and internal control within the Group during the FYE 2024. This statement has been prepared in accordance with Rule 15.26(b) of the AMLR and aligns with Part II of Principle B of the MCCG. It is also guided by the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*.

BOARD RESPONSIBILITIES

The Board acknowledges its responsibility for establishing and maintaining an adequate and effective risk management and internal control framework to safeguard the Group's assets and interests. This includes reviewing the overall framework, policies and processes to identify, manage, monitor and mitigate significant risks while ensuring alignment with the Group's operational and strategic objectives. The Board, through the ARMC, evaluates the adequacy and effectiveness of internal controls and recommends necessary enhancements for Board approval.

Additionally, the Board reviews the Group's risk appetite and tolerance levels, assesses significant risks including operational, financial, regulatory compliance, sustainability reporting and reputational risks and evaluates the adequacy of mitigating measures. The Board remains committed to strengthening the Group's risk management and internal control framework.

RISK MANAGEMENT SYSTEM

The Board considers risk management a fundamental aspect of Winstar Group's operations and has established an ERM Framework integrated into the Group's management processes and daily business activities. This framework facilitates risk identification, assessment, mitigation and monitoring to safeguard the Group's strategic and operational objectives while upholding good corporate governance principles to foster a risk-aware culture, support informed decision-making and enhance resilience.

The Group's ERM processes are depicted in the diagram below:



IDENTIFY	Systematically recognising and categorising risks across strategic, financial, operational and compliance domains
ANALYSE	Evaluating risks based on their likelihood, potential impact and velocity, using qualitative and quantitative assessment models
RESPOND	Implementing tailored risk response strategies, including avoidance, reduction, transfer or acceptance
MONITOR	Continuously tracking risk exposure and control effectiveness through structured reporting mechanisms, providing management and the Board with actionable insights
REPORT	Periodically reviewing the framework's effectiveness and refining risk strategies to align with emerging threats and business dynamics

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

RISK MANAGEMENT SYSTEM (CONT'D)

Within the ERM system, the Group has adopted the ORCA methodology, **Objectives, Risks, Control** and **Alignment** as its ERM approach, encompassing the following key elements:

- communicating the Group's objectives and goals;
- identifying potential risks that may hinder the achievement of these objectives;
- implementing control measures and response strategies to address identified risks; and
- ensuring alignment of objectives, risks and controls across all levels of the organisation.

The ERM Framework establishes a structured reporting hierarchy to ensure effective oversight, accountability and clear communication of risk related matters. The Board of Directors holds ultimate oversight responsibility, setting the overall risk appetite and governance expectations to guide risk management practices. Where applicable, the ARMC provides dedicated oversight, ensuring that risk management policies align with the Company's corporate strategy.

Senior Management plays a critical role in implementing risk management strategies, ensuring that mitigation measures are effectively in place and escalating significant risks to the Board for further deliberation. At the operational level, staff members serve as the first line of defence, identifying and managing risks within their respective areas and reporting to the risk management function. This structured reporting hierarchy ensures a seamless flow of information, enabling proactive risk management and reinforcing the Company's commitment to organisational resilience and strategic risk oversight.

Based on the ERM Framework adopted by the Company, the five (5) key risks identified and their corresponding mitigation actions are as follows:

Risk Category	Risk Identified	Mitigation Action
Operation	Dependent on major supplier	• Strong and long-term relationship with major supplier • Identified alternative local and overseas suppliers
Operation	Fluctuations in raw material prices	• Maintain an aluminium billets inventory of up to two (2) weeks to minimise any delays and potential disruptions • Capitalise on favourable market conditions by purchasing aluminium billets in bulk when the prices are favourable
Operation	Competition risk	• Invest in comprehensive manufacturing facilities equipped with advanced machinery and equipment, enabling efficient production of high-quality products • Offers a diverse range of products and services, catering to a broad customer base and allowing the capture of a larger market share • Strengthening customer relationships and adapting to market demands help maintain a competitive edge and minimise the risk associated with substitute materials and new market entrants
Political	Political, economic and regulatory changes in Malaysia	• Offers a diverse range of products and services, catering to a broad customer base • Expanding to other industry, namely renewable energy
Finance	Interest rate risk	• Balance fixed-rate and variable-rate debts to reduce exposure to rate changes • Regular rate forecasting and monitoring on central bank policies and economic trends



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

INTERNAL CONTROL SYSTEM

The Board recognises the importance of robust internal controls in ensuring the effective functioning of the Group's risk management system. The internal control system is periodically reviewed and refined to maintain its relevance and effectiveness in adapting to evolving circumstances.

During the FYE 2024, the Group has implemented the following key internal controls:

(1) Establishment of a Formal Organisational Structure

A clearly defined organisational structure has been established to outline accountability, reporting lines and approving authorities. The organisation structure promotes appropriate segregation and delegation of responsibilities, ensuring effective governance and operational efficiency.

(2) Adoption of the Board Charter and Terms of Reference for Board Committees

The Company has formalised the Board Charter and Terms of Reference for its Board Committees, setting out a well-defined scope of duties and authorities to enhance governance practices and accountability at the Board level.

(3) Implementation of Corporate Policies

To uphold integrity and ethical conduct, the Group has adopted key corporate policies, including the Code, ABC Policy and Whistleblowing Policy. These policies serve as a guiding framework for Directors, employees, and stakeholders in fostering ethical business practices and ensuring compliance with regulatory standards.

In addition, the Group has implemented the Directors' Fit and Proper Policy, Board Diversity Policy and Remuneration Policy for Directors and Senior Management. These policies provide the NRC with clear, objective criteria to assess Board appointments, promote diversity and establish fair and competitive remuneration structures that align with the Group's strategic goals.

(4) Standard Operating Procedures ("SOPs") for Operational Consistency

The Group has developed and implemented comprehensive SOPs covering various operational areas. These SOPs ensure consistency and uniformity in internal processes while aligning with the Group's strategic business objectives.

(5) Employee Training

The Group conducts regular training programmes to enhance employees' awareness of health, safety and environmental regulations, particularly in handling heavy machinery. These sessions reinforce safety protocols, promote a secure work environment and ensure compliance with regulatory requirements, minimising workplace risks and operational disruptions.

(6) Enhanced Financial Reporting Procedures

The Group has reinforced financial reporting processes by implementing structured review mechanisms. This includes the assessment of unaudited quarterly financial results, annual audited financial statements, RPT, RRPT and COI scenarios (if any) by the ARMC before submission for Board approval.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

INTERNAL AUDIT FUNCTION

The internal audit function plays a vital role in evaluating and enhancing the effectiveness of the Group's risk management, internal controls and governance processes. It provides independent assurance to the Board, through the ARMC, on the adequacy and efficiency of these systems while identifying areas for improvement.

To support this function, the Company has engaged Eco Asia, an independent professional firm, as its outsourced Internal Auditors to conduct regular assessments of business processes managing key risks across the Group. These reviews aim to evaluate the adequacy and effectiveness of the Group's internal control system while enhancing its coverage and efficiency where necessary. In line with the internal audit review plan, Eco Asia has scheduled three (3) cycle reviews for the FYE 2025 to assess critical risk areas and strengthen the Group's internal control framework.

The outsourced Internal Auditors are also responsible for conducting follow up reviews on identified internal audit findings to ensure that all agreed recommendations are implemented within the specified timeline. They provide updates to the ARMC on the implementation status, ensuring continuous improvement in the Group's internal control and risk management processes.

To maintain independence and objectivity, the Internal Auditors report directly to the ARMC. Additionally, the ARMC will conduct an annual evaluation of the internal audit function, assessing its performance based on the calibre of the internal audit firm, the quality of the engagement team, the scope of the internal audit and its independence.

ASSURANCE ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board has received assurance from the Executive Directors and Management team that the Group's risk management and internal control systems are functioning effectively and remain adequate in all material aspects, in accordance with the Group's established framework.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the AMLR, the Company's External Auditors, UHY have reviewed this statement for inclusion in this Annual Report. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this statement.

The External Auditors' review was conducted in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), a guidance issued by the MIA for auditors on engagements to report on this statement to be included in Annual Report. Under the AAPG 3, the External Auditors are not required to consider whether this statement covers all the risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the assessment and opinion by the Board and Management thereon.

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 this statement, in all material aspects, has not been prepared in accordance with the disclosure requirements of paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*. Additionally, they found no factual inaccuracies or inconsistencies with their understanding of the Board's processes for reviewing the adequacy and integrity of the Group's risk management and internal control systems.

CONCLUSION

The Board is of the view that the Group's existing risk management and internal control system is well aligned with its business objectives, ensuring that risks are managed within the defined risk appetite and tolerance levels. Accordingly, the system is considered adequate and effective in safeguarding shareholders' investments, protecting stakeholders' interests and preserving the Group's assets.

Recognising the need for continuous improvement in response to an evolving business environment, the Board remains committed to strengthening the Group's risk management and internal control framework. Together with Management team, the Board strives to enhance these systems to ensure resilience, operational effectiveness and the protection of the Group's long-term interests.

This statement is made in accordance with a resolution of the Board of Directors dated 8 April 2025.



STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the financial statements for each financial year in compliance with the Companies Act 2016 ("CA 2016"), ensuring adherence to applicable MFRS, International Financial Reporting Standards (IFRS), the requirements of the CA 2016 and the AMLR. They are also responsible for ensuring that the financial statements present a true and fair view of the financial position of the Group and the Company for the FYE 2024, as well as their financial performance and cash flows for the financial year then ended.

In preparing the financial statements for the FYE 2024, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made reasonable judgements, estimates and assumptions based on their best knowledge of current events and circumstances;
- ensured compliance with applicable accounting standards; and
- applied the going concern basis, confirming that the Group and the Company have sufficient resources to sustain operations in the foreseeable future.

The Directors are responsible for maintaining proper accounting and other records that accurately reflect the financial position, performance and cash flows of the Group and the Company, as well as for complying with applicable accounting standards and regulatory requirements. The Directors have a general responsibility for safeguarding the assets of the Group and the Company and implementing all necessary measures to prevent fraud and other irregularities.

Additionally, the Directors have relied on the Group's risk management and internal control systems, along with the independent functions of internal audit and compliance, to provide assurance that the Group's accounting and other relevant records have been maintained in a manner that sufficiently explain transactions, financial position, results and cash flows. This also ensures that true and fair financial statements and documents required by the CA 2016 are prepared for the financial year to which these financial statements relate.

This statement is made in accordance with a resolution of the Board of Directors dated 8 April 2025.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company was listed on the ACE Market of Bursa Securities on 19 December 2024 ("Listing") in conjunction with its IPO. The Company undertook a public issue of 56,550,000 new ordinary shares at an issue price of RM0.35 per share, raising total gross proceeds of RM19.79 million ("IPO Proceeds"). As at 31 March 2025, the status of the utilisation of the IPO Proceeds is as follows:

Details of Use of Proceeds	Proposed Utilisation (RM'000)	Amount Utilised (RM'000)	Balance Unutilised (RM'000)	Estimated Utilisation Timeframe from the date of Listing
Capital expenditure for the purchase of new aluminium extrusion press machines and equipment	9,550	2,550	7,000	Within 24 months
Working capital requirements	6,242	6,242	-	Within 12 months
Defray fees and expenses relating to the Listing	4,000	4,000	-	Within 2 months
Total	19,792	10,242	9,550	

The utilisation of the IPO Proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 26 November 2024. Pending utilisation, unutilised balance of the IPO Proceeds is placed in fixed deposits with financial institutions to generate interest income.

Apart from the proceeds raised through the Listing, the Company did not raise any proceeds from any corporate proposal during the FYE 2024.

AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid or payable to the External Auditors, UHY, by the Group and the Company for the FYE 2024 are as follows:

	Group (RM'000)	Company (RM'000)
Fees for statutory audits	115	20
Fees for non-statutory audit (including special audit)	105	75
Fees for non-audit services (including assurance related services)	240	240
Total	460	335

The fees for non-audit services comprise professional fees for services rendered as the Reporting Accountant for the Company's IPO and for the review of the Statement on Risk Management and Internal Control.

MATERIAL CONTRACTS

Save as disclosed in Note 32 to the Audited Financial Statements for the FYE 2024, there were no material contracts (*not being contracts entered into in the ordinary course of business*) entered into by the Company and/or its subsidiaries involving the interests of the Directors and major shareholders, either still subsisting at the end of the FYE 2024 or entered into since the end of the previous financial year.

RRPT

Save for the RRPT disclosed in Note 32 to the Audited Financial Statements for the FYE 2024, there were no other transactions entered into with the related parties during the FYE 2024.

The Company will be seeking shareholders' mandate for the RRPT following its Listing at the forthcoming 1st AGM, scheduled to be held on Thursday, 29 May 2025. The details of the proposed new shareholders' mandate for RRPT are disclosed in the Circular to Shareholders dated 30 April 2025.



DIRECTORS' REPORT

The Directors of Winstar Capital Berhad have pleasure in submitting their report and audited financial statements of the Group and of the Company for the financial year/period ended 31 December 2024.

Principal Activities

The principal activities of the Company are investment holding.

The principal activities of its subsidiary companies are manufacturing, fabricating, processing and selling of aluminium products, trading and distribution of building materials, solar photovoltaic ("PV") installation services as well as trading of solar PV system related materials and accessories.

Conversion of Private Company to Public Company

The Company was incorporated on 15 December 2023 under the Companies Act 2016 as a private limited company under the name of Winstar Capital Sdn. Bhd. and domiciled in Malaysia.

On 14 June 2024, the Company was converted into a public company limited by shares and assumed its present name, Winstar Capital Berhad.

Financial Results

	Group RM	Company RM
Profit/(Loss) for the financial year/period	7,405,374	(3,493,099)

Reserves and Provisions

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

Dividends

No dividend has been proposed, declared or paid by the Company since the date of incorporation.

The Directors do not recommend the payment of any dividends in respect of the financial period ended 31 December 2024.

Issue of Shares and Debentures

During the financial period, the Company:

- issued 233,449,998 new ordinary shares at the price of RM0.31 per ordinary share for a total consideration of RM72,369,499 for the acquisition of 100% equity interest in Winstar Aluminium Manufacturing Sdn. Bhd. pursuant to the share sale agreements dated on 13 June 2024; and
- issued 56,550,000 new ordinary shares at the price of RM0.35 per ordinary shares for a total consideration of RM19,792,500 pursuant to the Initial Public Offering of the Company on ACE Market of Bursa Malaysia Securities Berhad on 19 December 2024.

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

During the financial period, no new issue of debentures was made by the Company.

DIRECTORS' REPORT

(Cont'd)

Options Granted Over Unissued Shares

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

Directors

The Directors of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Chua Nyok Chong*	(First Director)
Chua Boon Hong*	(First Director)
Lee Yong Zhi*	(Appointed on 15 May 2024)
Chow Kian Hung*	(Appointed on 15 May 2024)
Y.M. Tengku Loreta Binti Tengku Dato' Setia Ramli Alhaj	(Appointed on 15 May 2024)
Datuk Mastura Binti Tan Sri Dato' Mohd Yazid	(Appointed on 15 May 2024)
Low Suet Ann	(Appointed on 15 May 2024)
Beh Oi Siew	(Appointed on 15 May 2024)

* Directors of the Company and of its subsidiary company

The name of director of the Company's subsidiaries who served during the financial period and up to the date of this report, not including those directors mentioned above, is as follows:

Khoo Nee Cheng

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

Directors' Interests in Shares

The interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	At 15.12.2023	Number of Ordinary shares		At 31.12.2024
		Bought	Sold	
Interest in the Company				
Direct Interests				
Chua Nyok Chong	1	84,462,209	(8,993,315)	75,468,895
Chua Boon Hong	1	28,014,000	(2,982,857)	25,031,144
Lee Yong Zhi	-	27,477,065	(2,925,685)	24,551,380
Y.M. Tengku Loreta Binti Tengku Dato’ Setia Ramli Alhaj	-	250,000	-	250,000
Datuk Mastura Binti Tan Sri Dato’ Mohd Yazid	-	250,000	-	250,000
Low Suet Ann	-	250,000	-	250,000
Beh Oi Siew	-	250,000	-	250,000
Indirect interests:				
Chow Kian Hung*	-	70,034,999	-	70,034,999

* Deemed interest by virtue of his interest in Fabulous Sunview Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

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



DIRECTORS' REPORT

(Cont'd)

Directors' Benefits

Since the date of incorporation, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed below) by reason of a contract made by the Company or its related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:

	Group RM	Company RM
Directors' Remuneration:		
- Directors' fee	109,800	109,800
- Salaries, wages, allowances and bonus	1,759,770	8,000
- Defined contribution plans	232,903	-
	2,102,473	117,800
Other related parties transactions:		
- Sales of goods to a related party	7,016,121	-
- Solar PV installation services provided to a related party	3,721,348	-
- Purchases from a related party	30,869	-
- Rental paid to a related party	30,600	-
- Sponsorship to a related party	100,000	-
	10,898,938	-

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

Indemnity and Insurance Costs

There were no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
 - to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT

(Cont'd)

Other Statutory Information (Cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance 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) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (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 the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability 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 when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiaries

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

Auditors' remuneration

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

	Group RM	Company RM
Audit fees		
- Statutory audit	115,000	20,000
- Non-statutory audit (including special audit)	105,000	75,000
Non-audit fees (including assurance related services)	240,000	240,000
	460,000	335,000



DIRECTORS' REPORT

(Cont'd)

Auditors

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

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

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

CHUA NYOK CHONG

CHUA BOON HONG

KUALA LUMPUR

8 April 2025



STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of the Winstar Capital Berhad state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year/period ended.

Signed in accordance with a resolution of the Directors,

CHUA NYOK CHONG

CHUA BOON HONG

KUALA LUMPUR

8 April 2025

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Sheng Toy Sei, being the Officer primarily responsible for the financial management of Winstar Capital Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

SHENG TOY SEI
(MIA Membership No. 38807)

Subscribed and solemnly declared by the abovenamed **Sheng Toy Sei** at Kuala Lumpur in the Federal Territory, this 8 April 2025.

Before me,

COMMISSIONER FOR OATHS



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WINSTAR CAPITAL BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Winstar Capital Berhad which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit 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/period then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 81 to 140.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year/period. 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.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
1. Valuation of trade receivables The Group's trade receivables as at 31 December 2024 amounts to RM78.60 million (31.12.2023: RM46.40 million). Trade receivables are recognised at their anticipated realisable value, which is the original invoiced amount less an estimated valuation allowance. We determine this as a key audit matter as the measurement of estimated valuation allowance, i.e Expected Credit Losses ("ECL") requires the application of significant judgement including the identification of credit exposures with significant deterioration in credit quality, assumptions used in the ECL models and application of current and forward-looking economic trends.	We performed the following audit procedures, amongst others: - Assessed the completeness, accuracy and relevance of data used in the impairment review; - Evaluated the reasonableness of management's key judgement and estimates made in determining the ECL, including the assessment in the selection of methods, models, assumptions and data sources for classification and measurement decisions; and - Evaluated the adequacy of disclosures in respect of credit risk, including ageing profile and movement in allowance for expected credit losses.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINSTAR CAPITAL BERHAD (Cont'd)

Information Other Than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINSTAR CAPITAL BERHAD (Cont'd)

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

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: (Cont'd)

- 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 and on 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Other Matters

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

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

TAN GIM-HENG
Approved Number: 03595/09/2025 J
Chartered Accountant

KUALA LUMPUR

8 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	31.12.2024 RM	Group 31.12.2023 RM (Restated)	Company 31.12.2024 RM
Non-Current Assets				
Property, plant and equipment	4	61,603,096	60,552,466	-
Right-of-use assets	5	3,145,258	3,911,592	-
Investment properties	6	2,717,105	2,762,199	-
Investment in a subsidiary	7	-	-	72,369,499
Goodwill on consolidation	8	92,728	92,728	-
		67,558,187	67,318,985	72,369,499
Current Assets				
Inventories	9	79,995,727	58,601,310	-
Trade receivables	10	78,603,662	46,397,641	-
Other receivables	11	9,513,417	1,618,666	218,116
Contract assets	12	1,655,582	383,291	-
Amount due from a subsidiary company	13	-	-	7,934,144
Tax recoverable		771,019	292,678	-
Fixed deposits with licensed banks	14	13,671,850	3,524,828	7,000,000
Cash and bank balances		7,354,127	5,379,578	928,513
		191,565,384	116,197,992	16,080,773
Total Assets		259,123,571	183,516,977	88,450,272
Equity				
Share capital	15(a)	90,900,049	2	90,900,049
Invested Capital	15(b)	-	8,060,000	-
Merger Deficit	16	(64,309,499)	-	-
Reserves	17	16,799,170	16,799,170	-
Retained earnings		55,179,543	47,774,169	(3,493,099)
Total Equity		98,569,263	72,633,341	87,406,950
Non-Current Liabilities				
Bank borrowings	18	18,648,485	21,628,959	-
Lease liabilities	19	1,860,166	2,713,891	-
Deferred tax liabilities	20	4,899,227	6,295,731	-
		25,407,878	30,638,581	-

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



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

(Cont'd)

	Note	31.12.2024 RM	Group 31.12.2023 RM (Restated)	Company 31.12.2024 RM
Current Liabilities				
Trade payables	21	47,358,657	39,045,335	-
Other payables	22	3,948,465	6,495,063	1,043,322
Bank borrowings	18	82,802,050	33,132,200	-
Lease liabilities	19	1,018,710	1,102,187	-
Tax payables		18,548	470,270	-
		135,146,430	80,245,055	1,043,322
Total Liabilities		160,554,308	110,883,636	1,043,322
Total Equity and Liabilities		259,123,571	183,516,977	88,450,272

As disclosed in Note 37(a) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented, i.e. 1 January 2023 for the financial year ended 31 December 2023.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

		Group 1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	Company 15.12.2023 to 31.12.2024 RM
	Note			
Revenue	23	203,394,414	153,684,717	-
Cost of sales		(167,045,073)	(123,331,150)	-
Gross profit		36,349,341	30,353,567	-
Other income		489,733	673,611	6,631
Administrative expenses		(23,051,949)	(16,282,574)	(3,499,730)
Net changes on impairment on financial instruments		(82,748)	215,732	-
Profit/(Loss) from operations		13,704,377	14,960,336	(3,493,099)
Finance costs	24	(4,072,032)	(3,244,839)	-
Profit/(Loss) before taxation	25	9,632,345	11,715,497	(3,493,099)
Taxation	26	(2,226,971)	(3,698,078)	-
Profit/(Loss) for the financial year/period		7,405,374	8,017,419	(3,493,099)
Other comprehensive income				
Item that will not be reclassified subsequently to profit or loss				
Revaluation gain on land and buildings		-	11,456,253	-
Total other comprehensive income, net of tax		-	11,456,253	-
Total comprehensive income/(loss) for the financial year/period		7,405,374	19,473,672	(3,493,099)
Earnings per share (RM)				
Basic	29(a)	3.15	3.43	
Diluted	29(b)	3.15	3.43	

As disclosed in Note 37(a) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented, i.e. 1 January 2023 for the financial year ended 31 December 2023.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

Group	Note	Share Capital RM	Invested Capital RM	Non-Distributable		Distributable Retained Earnings RM	Total Equity RM
				Merger Deficit RM	Revaluation Reserve RM		
At 1 January 2024		2	8,060,000	-	16,799,170	47,774,169	72,633,341
Total comprehensive income							
- Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	7,405,374	7,405,374
Transactions with owners							
- Issuance of ordinary shares	15	19,792,500	-	-	-	-	19,792,500
- Share issued for the acquisition of a subsidiary	15	72,369,499	(8,060,000)	(64,309,499)	-	-	-
- Share issuance expenses	15	(1,261,952)	-	-	-	-	(1,261,952)
		90,900,047	(8,060,000)	(64,309,499)	-	-	18,530,548
At 31 December 2024		90,900,049	-	(64,309,499)	16,799,170	55,179,543	98,569,263
At 1 January 2023		-	8,060,000	-	5,342,917	41,756,750	55,159,667
Total comprehensive income							
- Profit for the financial year		-	-	-	-	8,017,419	8,017,419
- Revaluation gain on land and buildings, net of tax		-	-	-	11,456,253	-	11,456,253
Transactions with owners							
- Incorporation of the Company	15	-	-	-	11,456,253	8,017,419	19,473,672
- Dividends paid	28	2	-	-	-	-	2
		2	-	-	-	(2,000,000)	(2,000,000)
			-	-	-	(2,000,000)	(1,999,998)
At 31 December 2023		2	8,060,000	-	16,799,170	47,774,169	72,633,341

As disclosed in Note 37(a) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented, i.e. 1 January 2023 for the financial year ended 31 December 2023.

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024
(Cont'd)

	Note	Share Capital RM	Distributable Accumulated Losses RM	Total Equity RM
Company				
At 15 December 2023 (Date of incorporation)		2	-	2
Total comprehensive loss				
- Loss for the financial period, representing total comprehensive loss for the financial period		-	(3,493,099)	(3,493,099)
		-	(3,493,099)	(3,493,099)
Transactions with owners				
- Issuance of ordinary shares	15	19,792,500	-	19,792,500
- Share issued for the acquisition of a subsidiary	15	72,369,499	-	72,369,499
- Share issuance expenses	15	(1,261,952)	-	(1,261,952)
		90,900,047	-	90,900,047
At 31 December 2024		90,900,049	(3,493,099)	87,406,950

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



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

	1.1.2024 to 31.12.2024 RM	Group 1.1.2023 to 31.12.2023 RM (Restated)	Company 15.12.2023 to 31.12.2024 RM
Cash Flows from Operating Activities			
Profit/(Loss) before taxation	9,632,345	11,715,497	(3,493,099)
Adjustments for:			
Bad debts written off	124,264	-	-
Depreciation of:			
- property, plant and equipment	3,132,277	2,689,676	-
- right-of-use assets	1,045,278	1,331,958	-
- investment properties	45,094	45,092	-
Gain on disposal of			
- property, plant and equipment	-	(9,999)	-
- asset previously written off	(23,500)	-	-
Gain on lease modification	(3,603)	-	-
Impairment loss on trade receivables	764,476	143,709	-
Interest expense	4,072,032	3,244,839	-
Interest income	(170,289)	(143,313)	(6,631)
Inventories written down	210,485	-	-
Property, plant and equipment written off	77,044	8	-
Recovery of bad debt written off	(130,728)	(380,590)	-
Reversal of impairment loss on trade receivables	(681,728)	(359,441)	-
Operating profit/(loss) before working capital changes	18,093,447	18,277,436	(3,499,730)
Changes in working capital			
Inventories	(21,604,902)	(11,706,380)	-
Receivables	(40,177,056)	(21,191,533)	(218,116)
Payables	7,237,251	22,694,725	1,043,322
Contract assets	(1,272,291)	(383,291)	-
	(55,816,998)	(10,586,479)	825,206
Cash generated from operations	(37,723,551)	7,690,957	(2,674,524)
Interest paid	(4,072,032)	(3,244,839)	-
Interest received	170,289	143,313	6,631
Tax paid	(4,567,533)	(2,495,000)	-
Tax refund	13,995	7,738	-
	(8,455,281)	(5,588,788)	6,631
Net cash (used in)/from operating activities	(46,178,832)	2,102,169	(2,667,893)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024

(Cont'd)

	1.1.2024 to 31.12.2024 RM	Group 1.1.2023 to 31.12.2023 RM (Restated)	Company 15.12.2023 to 31.12.2024 RM
Cash Flows from Investing Activities			
Incorporation of a company	-	2	-
Proceed from disposal of property, plant and equipment	23,500	10,000	-
Purchase of:			
- property, plant and equipment	(4,259,948)	(8,619,312)	-
- right of use assets	(23,522)	(245,763)	-
Advance to subsidiary companies	-	-	(7,934,144)
Net cash used in investing activities	(4,259,970)	(8,855,073)	(7,934,144)
Cash Flows from Financing Activities			
Proceeds from issuance of ordinary shares	18,530,548	-	18,530,548
Dividends paid	-	(2,000,000)	-
Repayment to directors	(1,470,527)	(4,261,400)	-
Net changes in banker's acceptance	43,085,672	7,357,000	-
Net changes in term loans	(3,050,071)	9,979,292	-
Increase in fixed deposit pledged	(3,147,022)	1,780,552	-
Repayment of lease liabilities	(1,189,024)	(1,384,656)	-
Net cash from financing activities	52,759,576	11,470,788	18,530,548
Net increase in cash and cash equivalents	2,320,774	4,717,884	7,928,511
Cash and cash equivalents at the beginning of the financial year/date of incorporation	(367,714)	(5,085,598)	2
Cash and cash equivalents at the end of the financial year/period	1,953,060	(367,714)	7,928,513
Cash and cash equivalents at the end of the financial year/period comprises:			
Cash and bank balances	7,354,127	5,379,578	928,513
Fixed deposits with licensed banks	13,671,850	3,524,828	7,000,000
Bank overdrafts	(12,401,067)	(5,747,292)	-
	8,624,910	3,157,114	7,928,513
Less: Deposit pledged with licensed bank	(6,671,850)	(3,524,828)	-
	1,953,060	(367,714)	7,928,513

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



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2024
(Cont'd)

	1.1.2024 to 31.12.2024 RM	Group 1.1.2023 to 31.12.2023 RM (Restated)	Company 15.12.2023 to 31.12.2024 RM
Cash outflows for leases for a lessee			
Included in net cash from operating activities:			
Interest paid in relation to lease liabilities	(181,608)	(182,727)	-
Included in net cash from financing activities:			
Payment of lease liabilities	(1,189,024)	(1,384,656)	-
Total cash outflows for leases	(1,370,632)	(1,567,383)	-

As disclosed in Note 37(a) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented, i.e. 1 January 2023 for the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. Corporate Information

The Company was incorporated on 15 December 2023 under the Companies Act 2016 as a private limited company under the name of Winstar Capital Sdn. Bhd. and domiciled in Malaysia. On 14 June 2024, the Company was converted into a public limited company and assumed its present name, Winstar Capital Berhad.

The Company was incorporated to facilitate the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The registered office of the Company is located at Lot 1902, 19th Floor, Tower 1, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur.

The principal place of business of the Company is located at Lot 901 & 902, Batu 29, Jalan Kepong, Ijok, 45600, Batang Berjuntai, Selangor.

The principal activities of the Company are investment holding. The principal activities of its subsidiary companies are disclosed in Note 7. There have been no significant changes in the nature of these activities during the financial year/period.

On 19 December 2024, the Company's entire enlarged issued share capital was listed on the ACE Market of Bursa Malaysia Securities Berhad.

2. Basis of Preparation

(a) Statement of compliance

On 30 October 2024, the Company has completed the acquisition of the entire equity interest in Winstar Aluminium Manufacturing Sdn. Bhd. ("WAMSB") as disclosed in Note 7(a).

These are the Company's first set of financial statements since its date of incorporation. The acquisition of WAMSB is a business combination under common control. Accordingly, the Group is regarded as a continuing entity and the merger method of accounting is used.

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

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards.

During the current financial year/period, the Group and the Company has adopted all the MFRSs that were effective on or before 1 January 2024.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year/period:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) are expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

(b) Functional and presentation currency

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

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

2. Basis of Preparation (Cont'd)

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

Judgements (Cont'd)

Determining the lease term of contracts with renewal and termination options - the Group as lessee (Cont'd)

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

The Group and the Company include the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Satisfaction of performance obligations in relation to contracts with customers

The Group and the Company are required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group and the Company recognise revenue over time in the following circumstances:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- (ii) the Group and the Company do not create an asset with an alternative use to the Group and the Company and has an enforceable right to payment for performance completed to date; and
- (iii) the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group and the Company assess each contract with customers to determine when the performance obligation of the Group and the Company under the contract is satisfied.

Key sources of estimation uncertainty

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

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

The Group and the Company regularly review the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for property, plant and equipment, ROU assets and investment properties are disclosed in Notes 4, 5 and 6 respectively.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Revaluation of Leasehold land and buildings

Leasehold land and buildings are carried at revalued amount. Revaluation of these assets is based on the valuation performed by independent professional property valuers on 12 January 2024. The independent professional property valuers may exercise judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in their valuation process. Judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations may materially affect these estimates and the resulting valuation estimates.

Determination of transaction prices

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

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

Inventories valuation

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

Provision for expected credit loss of financial assets at amortised cost

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

The carrying amounts at the reporting date for receivables are disclosed in Notes 10, 11, 12 and 13.

Discount rate used in leases

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Income taxes

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

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2024, the Group has tax recoverable of RM771,019 (31.12.2023: RM292,678) and tax payable of RM18,548 (31.12.2023: RM470,270) respectively.

Revenue from installation of solar photovoltaic system related materials and accessories

Installation of solar photovoltaic system related materials and accessories revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The Group recognised installation of solar photovoltaic system related materials and accessories revenue in profit or loss by the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that costs incurred for work performed to date bear to the estimated total costs expected to be incurred up to the completion of the installation of solar photovoltaic system related materials and accessories. The estimated total construction and other related costs to be incurred up to the completion of installation of solar photovoltaic system related materials and accessories are based on contracted amounts and experience and knowledge of the management to make estimates of the amounts to be incurred.

The contract assets of the Group arising from construction contracts are disclosed in Note 12.

3. Material Accounting Policies

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

- (a) Basis of consolidation

- (i) Subsidiaries

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Business combination - Merger method

A business combination involving entity under common control is a business combination in which all the combining entity or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of Winstar Aluminium Manufacturing resulted in a business involving common control entity since the management of all the entity which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entity in the consolidated financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidated had taken place before the state of the earliest year presented in the combined financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been affected throughout the current period. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. 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 reserves which are attributable to share capital of the merged entity, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other reserves.

Business combination – Acquisition method

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Business combination – Acquisition method (Cont'd)

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

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

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

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

(ii) Changes in ownership interests in subsidiaries without change of control

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

(iii) Disposal of subsidiaries

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

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. Refer accounting policy Note 3(l)(i) on impairment of non-financial assets.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(l)(i) on impairment of non-financial assets.

(i) Recognition and measurement

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

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

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss. On disposal of a revalued asset, the amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Land and buildings are measured at fair value less accumulated depreciation on leasehold land and buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every three years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings are recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives. Capital work-in-progress are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives on straight line basis at the following annual rates:

Leasehold land and buildings	Over the remaining period of the lease
Freehold buildings	2%
Moulds, plant and machinery	10% - 25%
Motor vehicles and forklift	20%
Renovation and electrical installation	10% - 20%
Other assets	10% - 20%

Freehold land is not depreciated.

The moulds acquired are capitalised as property, plant and equipment as in the opinion of the Directors that moulds have a life span of 5 years, therefore capitalised as fixed asset is more appropriate.

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

(c) Leases

As lessee

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

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

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

Motor vehicles	5 years, or over the lease term, if shorter
Plant and machinery	4 to 10 years, or over the lease term, if shorter
Lease of office, hostel and factory	Over the lease term



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(c) Leases (Cont'd)

As lessee (Cont'd)

The ROU assets are subject to impairment.

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

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

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

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option.

As lessor

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

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

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

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

(d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(d) Investment properties (Cont'd)

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Leasehold buildings	Over the remaining period of the lease
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(l)(i) on impairment of non-financial assets.

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

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

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

(e) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, contract assets, amounts due from subsidiary companies and related parties, fixed deposits with licensed banks and cash and bank balances.

Financial assets at amortised cost

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

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

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(e) Financial assets (Cont'd)

Financial assets at amortised cost (Cont'd)

The Group and the Company have not designated any financial assets at fair value through other comprehensive income ("FVOCI") and FVTPL.

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

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(f) Financial liabilities

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

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

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

(g) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(i) Inventories

Raw materials and finished goods are stated at the lower of cost and net realisable.

Cost of raw material comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a weighted average basis. Cost of finished goods consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a weighted average cost basis.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(j) Contract assets

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings-to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with banks, bank overdraft and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

(l) Impairment of assets

(i) Non-financial assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(l) Impairment of assets (Cont'd)

(ii) Financial assets

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

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

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

Impairment for other receivables and amount due from subsidiaries and related companies are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

(m) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(n) Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(n) Provisions (Cont'd)

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

(o) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit and loss as incurred. Once the contributions have been paid, the Group has no further payment obligation.

(p) Revenue Recognition

(i) Revenue from contracts with customers

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

(1) Revenue from sales of goods

Revenue is recognised upon delivery of goods where control of the goods has been transferred to the customer. Revenue is recognised based on the price specified in the contract, net of rebates and discounts.

(2) Revenue from installation of solar photovoltaic system related materials and accessories

Revenue is recognised over time as the customers simultaneously received and consumed the benefits provided by the Group's performance, and the Group has a present right to payment for the services.

Revenue is recognised over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation. Revenue is measured on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The stage of completion is determined by the proportion of contract costs incurred to-date relative to the estimated total contract costs.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(p) Revenue Recognition (Cont'd)

(ii) Revenue from other source and other income

(1) Rental income

Rental income are recognised on a straight-line basis over lease term.

(2) Interest income

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

(q) Borrowing costs

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

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

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

(r) Income taxes

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

3. Material Accounting Policies (Cont'd)

(r) Income taxes (Cont'd)

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

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

(s) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

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

Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

(t) Contingencies

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

4. Property, Plant and Equipment

	<Revaluation>		Cost					Total RM
	Leasehold Land and Buildings RM	Freehold lands RM	Freehold buildings RM	Moulds, plant and machinery RM	Motor vehicles and forklift RM	Renovation and electrical installation RM	Other assets RM	
Group								
31.12.2024								
Cost								
At 1 January	46,389,125	6,582,510	157,720	22,133,866	1,784,786	2,868,585	3,379,023	83,295,615
Additions	1,431,191	-	-	2,069,270	-	274,072	485,415	4,259,948
Transfer from right-of-use assets	-	-	-	-	486,984	-	-	486,984
Written off	-	-	-	(114,304)	-	-	-	(114,304)
At 31 December	47,820,316	6,582,510	157,720	24,088,832	2,271,770	3,142,657	3,864,438	87,928,243
Accumulated depreciation								
At 1 January	1,389,125	-	12,616	16,080,655	1,784,766	2,260,255	1,215,732	22,743,149
Charge for the financial year	697,186	-	3,154	1,869,949	-	320,079	241,909	3,132,277
Transfer from right-of-use assets	-	-	-	-	486,981	-	-	486,981
Written off	-	-	-	(37,260)	-	-	-	(37,260)
At 31 December	2,086,311	-	15,770	17,913,344	2,271,747	2,580,334	1,457,641	26,325,147
Carrying amount								
At 31 December	45,734,005	6,582,510	141,950	6,175,488	23	562,323	2,406,797	61,603,096

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

4. Property, Plant and Equipment (Cont'd)

	Cost							
	<Revaluation> Leasehold Land Buildings RM	Freehold lands RM	Freehold buildings RM	Moulds, plant and machinery RM	Motor vehicles and forklift RM	Renovation and electrical installation RM	Other assets RM	Total RM
Group								
31.12.2023 - Restated								
Cost								
At 1 January	29,264,600	6,582,510	157,720	16,105,571	1,942,401	2,640,484	1,676,608	58,369,894
Additions	4,155,791	-	-	3,046,830	-	228,101	1,988,590	9,419,312
Revaluation gain	12,968,734	-	-	-	-	-	-	12,968,734
Disposal	-	-	-	-	(87,825)	-	-	(87,825)
Transfer from right-of-use assets	-	-	-	3,781,465	110,948	-	-	3,892,413
Transfer to right-of-use assets	-	-	-	(800,000)	-	-	-	(800,000)
Written off	-	-	-	-	(180,738)	-	(286,175)	(466,913)
At 31 December	46,389,125	6,582,510	157,720	22,133,866	1,784,786	2,868,585	3,379,023	83,295,615
Accumulated depreciation								
At 1 January	932,691	-	9,462	11,976,486	1,896,204	1,971,620	1,262,071	18,048,534
Charge for the financial year	456,434	-	3,154	1,655,448	46,173	288,635	239,832	2,689,676
Disposal	-	-	-	-	(87,824)	-	-	(87,824)
Transfer from right-of-use assets	-	-	-	2,528,721	110,947	-	-	2,639,668
Transfer to right-of-use assets	-	-	-	(80,000)	-	-	-	(80,000)
Written off	-	-	-	-	(180,734)	-	(286,171)	(466,905)
At 31 December	1,389,125	-	12,616	16,080,655	1,784,766	2,260,255	1,215,732	22,743,149
Carrying amount								
At 31 December	45,000,000	6,582,510	145,104	6,053,211	20	608,330	2,163,291	60,552,466



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

4. Property, Plant and Equipment (Cont'd)

(a) Assets pledged as securities to financial institution

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 18 are:

	31.12.2024 RM	Group 31.12.2023 RM
Leasehold lands and buildings	45,734,005	45,000,000
Freehold lands and buildings	6,724,460	6,727,614
	<u>52,458,465</u>	<u>51,727,614</u>

(b) The remaining lease period of the leasehold land and buildings range from 59 to 81 (31.12.2023: 60 to 82) years.

(c) Revaluation of leasehold lands and buildings

Land and buildings of the Group were revalued on 31 December 2023 with a report dated 12 January 2024, by City Valuers & Consultants Sdn. Bhd., an independent professional valuer.

The fair value of two pieces of leasehold lands (Lot 903 and Lot 904) is within level 2 of the fair value hierarchy. The fair value was determined by based on market comparable approach that reflects recent transaction price for similar properties.

The fair value of leasehold lands and buildings (Lot 901 and Lot 902) is within level 3 of the fair value hierarchy. The fair value was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence. The significant inputs include the estimated construction costs and other ancillary expenditure of approximately RM19.4 million. A slight increase in the estimated construction costs would result in a significant increase in the fair value of the buildings, and vice versa.

There has been no change to the valuation technique during the financial year.

There was no transfer between Level 1 and Level 2 during the financial year.

Had the land and buildings been carried at historical cost less accumulated depreciation and impairment loss, their carrying amounts would have been RM24,995,936 (31.12.2023: RM25,385,293) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

5. Right-of-Use Assets

	Motor vehicles RM	Plant and machinery RM	Lease of office, hostel and factory RM	Total RM
Group				
31.12.2024				
Cost				
At 1 January	1,619,039	800,000	3,594,929	6,013,968
Additions	146,145	-	187,976	334,121
Transfer to property, plant and equipment	(486,984)	-	-	(486,984)
Written off	-	-	(212,951)	(212,951)
At 31 December	1,278,200	800,000	3,569,954	5,648,154
Accumulated depreciation				
At 1 January	1,202,678	80,000	819,698	2,102,376
Charge for the financial year	165,553	80,000	799,725	1,045,278
Transfer to property, plant and equipment	(486,981)	-	-	(486,981)
Written off	-	-	(157,777)	(157,777)
At 31 December	881,250	160,000	1,461,646	2,502,896
Carrying amount				
At 31 December	396,950	640,000	2,108,308	3,145,258
31.12.2023 - Restated				
Cost				
At 1 January	1,454,966	3,781,465	1,705,928	6,942,359
Additions	275,021	-	3,346,582	3,621,603
Transfer from property, plant and equipment	-	800,000	-	800,000
Transfer to property, plant and equipment	(110,948)	(3,781,465)	-	(3,892,413)
Written off	-	-	(1,457,581)	(1,457,581)
At 31 December	1,619,039	800,000	3,594,929	6,013,968
Accumulated depreciation				
At 1 January	1,087,304	2,150,575	1,549,788	4,787,667
Charge for the financial year	226,321	378,146	727,491	1,331,958
Transfer from property, plant and equipment	-	80,000	-	80,000
Transfer to property, plant and equipment	(110,947)	(2,528,721)	-	(2,639,668)
Written off	-	-	(1,457,581)	(1,457,581)
At 31 December	1,202,678	80,000	819,698	2,102,376
Carrying amount				
At 31 December	416,361	720,000	2,775,231	3,911,592



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

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

- (a) The net carrying amount of right-of-use assets of the Group acquired under lease arrangement are as follows:

	31.12.2024 RM	Group 31.12.2023 RM
Motor vehicles	396,950	416,361
Plant and machinery	640,000	720,000
	1,036,950	1,136,361

Leased assets of the Group are pledged as securities for the related financing facilities.

- (b) The aggregate additional costs for the right-of-use assets of the Group during the financial year acquired under lease financing, term loan financing and cash payments are as follows:

	31.12.2024 RM	Group 31.12.2023 RM (Restated)
Aggregate costs	334,121	4,421,603
Less: Lease financing	(310,599)	(4,175,840)
Cash payments	23,522	245,763

6. Investment Properties

	Freehold lands and buildings RM	Leasehold lands and buildings RM	Total RM
Group			
31.12.2024			
At cost			
At 1 January/31 December	2,002,263	999,235	3,001,498
Accumulated depreciation			
At 1 January	206,894	32,405	239,299
Charge for the financial year	34,046	11,048	45,094
At 31 December	240,940	43,453	284,393
Carrying amount			
At 31 December	1,761,323	955,782	2,717,105
Fair value			
At 31 December	2,060,220	1,703,499	3,763,719

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(Cont'd)

6. Investment Properties (Cont'd)

	Freehold lands and buildings RM	Leasehold lands and buildings RM	Total RM
Group (Cont'd)			
31.12.2023			
At cost			
At 1 January/31 December	2,002,263	999,235	3,001,498
Accumulated depreciation			
At 1 January	172,849	21,358	194,207
Charge for the financial year	34,045	11,047	45,092
At 31 December	206,894	32,405	239,299
Carrying amount			
At 31 December	1,795,369	966,830	2,762,199
Fair value			
At 31 December	2,406,150	1,030,000	3,436,150

(a) Investment properties under leases

Certain investment properties are leasehold properties with remaining lease period range from 82 to 89 (31.12.2023: 83 to 90) years.

(b) Income and expenses recognised in profit and loss

The following are recognised in profit and loss in respect of investment properties.

	31.12.2024 RM	Group 31.12.2023 RM
Rental income	46,200	40,200
Direct operating expenses:		
- Income generating investment properties	(20,305)	(9,436)

(c) Fair value basis of investment properties

Fair value of investment properties is arrived by reference to market evidence of transaction prices for similar properties. The fair value is within Level 3 of the fair value hierarchy.

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

(d) Asset pledged as securities to financial institution

Included in the investment properties of the Group are freehold lands and buildings with the carrying amount of RM1,334,922 (31.12.2023: RMNil) and leasehold lands and buildings with the carrying amount of RM955,780 (31.12.2023: RMNil), which has pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 18.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

7. Investment in a Subsidiary

	Company 31.12.2024 RM
In Malaysia	
At Cost	
Unquoted shares	72,369,499

Details of the subsidiary companies are as follows:

Name of company	Place of Business/ Country of Incorporation	Effective interest 31.12.2024 %	Principal activities
Direct holding			
Winstar Aluminium Manufacturing Sdn. Bhd. ("WAMSB")	Malaysia	100	Manufacturing, fabricating, processing and selling of aluminium products as well as trading and distribution of building materials
Held through WAMSB			
MIM Industry Sdn. Bhd.	Malaysia	100	Fabrication and trading of aluminium products.
Winstar Solar Sdn. Bhd.	Malaysia	100	Solar PV installation services and trading of solar PV system related materials and accessories.
Establish Trading Sdn. Bhd.	Malaysia	100	Trading and distribution of building materials.

(a) Acquisition of WAMSB

On 13 June 2024, the Company has entered into a conditional share sale agreement to acquire the entire equity interest in WAMSB comprising 8,060,000 ordinary shares for a total purchase consideration of RM72,369,499 only ("Acquisition"). The purchase consideration for the Acquisition will be satisfied by the issuance of 233,449,998 new ordinary shares at an issue price of RM0.31 each.

The Acquisition was completed on 30 October 2024 and consequently, WAMSB became a wholly-owned subsidiary of the Company.

8. Goodwill on Consolidation

	31.12.2024 RM	Group 31.12.2023 RM
Cost		
At 1 January/31 December	164,581	164,581
Accumulated impairment losses		
At 1 January/31 December	71,853	71,853
Carrying amount		
At 1 January/31 December	92,728	92,728

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

8. Goodwill on Consolidation (Cont'd)

(a) Impairment test for goodwill on consolidation

Goodwill on consolidation has been allocated to Group's cash-generating units ("CGUs") identified according to business segments as follows:

	31.12.2024 RM	Group 31.12.2023 RM
Manufacturing	92,728	92,728

(b) Key assumptions used to determine the recoverable amount

The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by management covering a five years period. The key assumptions used for value in use calculations are based on future projection of the Group in Malaysia are as follows:

	31.12.2024	31.12.2023
Manufacturing		
Discount rate (per annum)	8.69%	9.43%
Growth rate	8.70%	10.50%

The key assumptions that the Directors have used in the cash flow projections to undertake impairment testing are as follows:

- (i) Growth rate - The growth rates used to estimate cash flows for the five years are based on past performance and on the Group's five-year strategic plan, taking into consideration the expected economic conditions and industry trends.
- (ii) Discount rate - The discount rate is based on the Company's weighted average cost of capital ("WACC") after considering the risks associated with the specific reporting unit and the market in which it operates. The WACC is calculated using a combination of the Company's cost of equity and cost of debt.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

(c) Sensitivity to changes in assumptions

The management believes that a reasonably possible change in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

9. Inventories

	31.12.2024 RM	Group 31.12.2023 RM
At cost		
Raw materials	4,684,979	3,036,327
Packing materials	71,847	72,820
Work-in-progress	1,537,474	895,711
Finished goods	73,911,912	54,596,452
	80,206,212	58,601,310
Less: Inventories written down	(210,485)	-
	79,995,727	58,601,310

The cost of inventories of the Group recognises as an expense in cost of sales during the financial year was RM163,945,161 (31.12.2023: RM122,388,565).

10. Trade Receivables

	31.12.2024 RM	Group 31.12.2023 RM
Trade receivables		
- third parties	78,107,322	49,622,799
- related parties	5,220,417	1,416,171
	83,327,739	51,038,970
Less: Accumulated impairment losses	(4,724,077)	(4,641,329)
	78,603,662	46,397,641

Trade receivables are non-interest bearing and are generally on 30 to 90 days (31.12.2023: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses are as follows:

	Credit impaired RM	Lifetime allowance RM	Total RM
Group			
31.12.2024			
At 1 January	3,012,999	1,628,330	4,641,329
Impairment losses recognised	495,414	269,062	764,476
Impairment losses reversed	(625,640)	(56,088)	(681,728)
At 31 December	2,882,773	1,841,304	4,724,077

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

10. Trade Receivables (Cont'd)

Movements in the allowance for impairment losses are as follows: (cont'd)

	Credit impaired RM	Lifetime allowance RM	Total RM
Group (Cont'd)			
31.12.2023			
At 1 January	3,321,120	1,535,941	4,857,061
Impairment losses recognised	-	143,709	143,709
Impairment losses reversed	(308,121)	(51,320)	(359,441)
At 31 December	3,012,999	1,628,330	4,641,329

During the financial year, the Group recognised a reversal of impairment losses on trade receivables amounting to RM681,728 (31.12.2023: RM359,441). The reversal was mainly attributable to the recovery of amounts previously impaired, following cash receipts from credit-impaired customers amounting to RM625,640 (31.12.2023: RM308,121). In addition, certain adjustments were made to the collectively impaired receivables.

Included in the reversal of impairment losses is an amount of RM56,088 (31.12.2023: RM51,320) attributable to lifetime loss allowance which is assessed collectively based on customers' historical data as an assumption for possibility of default.

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group has purchased policy from insurance provider that provides coverage on losses sustained from unpaid insured receivables by 90%, capped at 50 times of the premium amount paid.

A significantly lower loss allowance was recognised for certain receivables which were individually assessed where the expected realisable value of the underlying collateral was higher than the exposure at default at the reporting date.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

10. Trade Receivables (Cont'd)

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

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
31.12.2024			
Neither past due nor impaired	54,522,587	(803,717)	53,718,870
Past due not impaired:			
Less than 30 days	10,251,867	(199,489)	10,052,378
31 to 60 days	5,898,177	(24,544)	5,873,633
61 to 90 days	1,999,713	(11,956)	1,987,757
More than 91 days	7,772,622	(801,598)	6,971,024
	25,922,379	(1,037,587)	24,884,792
	80,444,966	(1,841,304)	78,603,662
Credit impaired:			
Individually impaired	2,882,773	(2,882,773)	-
	83,327,739	(4,724,077)	78,603,662
31.12.2023			
Neither past due nor impaired	35,146,060	(743,767)	34,402,293
Past due not impaired:			
Less than 30 days	3,729,125	(273,702)	3,455,423
31 to 60 days	2,956,201	(99,948)	2,856,253
61 to 90 days	2,857,890	(103,464)	2,754,426
More than 91 days	3,336,695	(407,449)	2,929,246
	12,879,911	(884,563)	11,995,348
	48,025,971	(1,628,330)	46,397,641
Credit impaired:			
Individually impaired	3,012,999	(3,012,999)	-
	51,038,970	(4,641,329)	46,397,641

As at 31 December 2024, trade receivables of the Group amounting to and RM24,884,792 respectively (31.12.2023: RM11,995,348) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM2,882,773 (31.12.2023: RM3,012,999), relate to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debt recovery process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

11. Other Receivables

	31.12.2024 RM	Group 31.12.2023 RM	Company 31.12.2024 RM
Other receivables	37,866	77,364	-
Deposits	625,011	819,031	218,116
Prepayment	8,850,540	722,271	-
	9,513,417	1,618,666	218,116

Included in the prepayment of the Group is an amount of RM6,007,680 (2023: RMNil) which are contract costs in connection with unsatisfied performance obligations as at the end of the reporting period. The costs are to be amortised, consistent with the pattern of recognition of the associated revenue.

12. Contract Assets

	31.12.2024 RM	Group 31.12.2023 RM
Contract costs incurred to date	4,830,272	1,108,923
Less: Progress billings	(3,174,690)	(725,632)
	1,655,582	383,291
Presented as:		
- Contract assets	1,655,582	383,291

The contract assets primarily relate to the Group's rights to consideration for work completed on installation of solar related materials and accessories contract but not yet billed at the reporting date. Typically, the amount generally will be billed within 30 days and payment is expected within 30 days.

13. Amount Due from a Subsidiary Company

These represent unsecured, non-interest bearing advances and is repayable on demand.

14. Fixed Deposits with Licensed Banks

Fixed deposits with licensed banks of the Group and the Company amounting to RM6,671,850 (31.12.2023: RM3,524,828) are pledged as security for bank facilities granted to the Group and the Company as disclosed in Note 18.

The effective interest rate of the deposits with licensed bank is 2.00% to 2.60% (31.12.2023: 2.60% to 2.80%) per annum.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

15. Share Capital

(a) Share Capital

	Note	Group and Company Number of Shares Unit	Amount RM
Issued and fully paid ordinary shares			
At 15 December 2023 (date of incorporation)		2	2
Issuance of new shares pursuant to:			
- Acquisition of a subsidiary	(i)	233,449,998	72,369,499
- Initial Public Offering	(ii)	56,550,000	19,792,500
Share issuance expenses		-	(1,261,952)
		290,000,000	90,900,049

- (i) On 30 October 2024, the Company has issued 233,449,998 new ordinary shares at the price of RM0.31 per ordinary share for a total consideration of RM72,369,499 for the acquisition of 100% equity interest in Winstar Aluminium Manufacturing Sdn. Bhd. pursuant to the share sale agreements dated on 13 June 2024.
- (ii) On 19 December 2024, the Company has issued 56,550,000 new ordinary shares at the price of RM0.35 per ordinary shares for a total consideration of RM19,792,500 pursuant to the Initial Public Offering of the Company on ACE Market of Bursa Malaysia Securities Berhad.
- (iii) The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

(b) Invested Capital

	Group		Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Number of Shares Unit	Unit	Amount RM	Amount RM
Issued and fully paid ordinary shares				
At 1 January	8,060,000	8,060,000	8,060,000	8,060,000
Adjustments pursuant to the acquisition of a subsidiary	(8,060,000)	-	(8,060,000)	-
At 31 December	-	8,060,000	-	8,060,000

Invested capital comprised the aggregate number of issued and paid-up ordinary shares of the combined entities of the Group. During the financial year, the amount has been reversed pursuant to the completion of the acquisition of the subsidiary on 30 October 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

16. Merger Deficit

The merger deficit arise from the difference between carrying value of the investment and the nominal value of the shares of a subsidiary upon consolidation under merger accounting principles.

17. Reserves

	31.12.2024 RM	Group 31.12.2023 RM	Company 31.12.2024 RM
Non-distributable reserve:			
Revaluation reserve	16,799,170	16,799,170	-
Distributable reserve:			
Retained earnings	55,179,543	47,774,169	(3,493,099)
	71,978,713	64,573,339	(3,493,099)

The nature of reserves of the Group and the Company is as follows:

Revaluation reserve

This is in respect of revaluation surplus net of deferred tax arising from the revaluation of the Group's land and buildings and is non-distributable.

	31.12.2024 RM	Group 31.12.2023 RM
At 1 January	16,799,170	5,342,917
Revaluation surplus of land and buildings, net of tax	-	11,456,253
At 31 December	16,799,170	16,799,170

The revaluation reserve represents increases in the fair value of land and buildings and decrease to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

18. Bank Borrowings

	31.12.2024 RM	Group 31.12.2023 RM
Secured		
Bank overdrafts	12,401,067	5,747,292
Bankers' acceptance	66,523,672	23,438,000
Term loans	22,525,796	25,575,867
	101,450,535	54,761,159
 Analysed as:		
Non-current		
Term loans	18,648,485	21,628,959
	18,648,485	21,628,959
 Current		
Bank overdrafts	12,401,067	5,747,292
Bankers' acceptance	66,523,672	23,438,000
Term loans	3,877,311	3,946,908
	82,802,050	33,132,200
 Total	101,450,535	54,761,159

The banking facilities of the Group obtained from licensed banks are secured by the followings:

- As principal instrument, Facility Agreements;
- A registered open all monies first party charges stamped nominally over the Group's leasehold lands and buildings and the Group's freehold buildings;
- First party, first and legal charges over the Group's freehold and leasehold lands and buildings;
- A specific debenture over the machinery and equipment financed by the bank for RM600,000;
- Pledged of fixed deposits with interest to be capitalised as disclosed in Note 14;
- Essential Life Insurance Policy on director;
- A guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad; and
- Jointly and severally guaranteed by the certain directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

18. Bank Borrowings (Cont'd)

Maturity of bank borrowings are as follows:

	31.12.2024 RM	Group 31.12.2023 RM
Within one year	82,802,050	33,132,200
Between one to two years	3,901,612	4,769,968
Between two to five years	10,865,151	12,896,049
Later than five years	3,881,722	3,962,942
	101,450,535	54,761,159

The average effective interest rate per annum are as follows:

	31.12.2024 %	Group 31.12.2023 %
Bank overdrafts	7.64 - 8.02	7.39 - 7.82
Bankers' acceptance	4.15 - 5.41	5.15 - 5.90
Term loans	3.50 - 7.95	3.50 - 7.95

The Group has outstanding borrowings amounting to RM27,165,907 under various banking facilities. These facilities are subjected to certain financial covenants agreed with the lenders, including maintaining a level of certain gearing ratio.

The Group is required to comply with these covenants on an ongoing basis, with compliance assessments conducted at each financial year end as per the terms of the respective loan agreements.

19. Lease Liabilities

	31.12.2024 RM	Group 31.12.2023 RM
At 1 January	3,816,078	1,024,894
Additions	310,599	4,175,840
Payments	(1,370,632)	(1,567,383)
Accretion of interest	181,608	182,727
Lease modification	(58,777)	-
At 31 December	2,878,876	3,816,078
Presented as:		
Non-current	1,860,166	2,713,891
Current	1,018,710	1,102,187
	2,878,876	3,816,078

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

19. Lease Liabilities (Cont'd)

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

	Group	
	31.12.2024 RM	31.12.2023 RM
Within one year	1,144,127	1,269,889
Between one to two years	973,060	1,106,652
Between two to five years	1,003,667	1,830,471
	3,120,854	4,207,012
Less: Future finance charges	(241,978)	(390,934)
Present value of lease liabilities	2,878,876	3,816,078

The Group leases land and buildings, motor vehicles, plant and machinery. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities of the Group at the reporting date range from 2.24% to 7.70% (31.12.2023: 2.24% to 7.70%) per annum.

20. Deferred Tax Liabilities

	Group	
	31.12.2024 RM	31.12.2023 RM
At 1 January	6,295,731	3,264,179
Recognised directly in other comprehensive income	-	1,512,481
Recognised in the profit or loss (Note 26)	(1,396,504)	1,519,071
At 31 December	4,899,227	6,295,731

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

	Group	
	31.12.2024 RM	31.12.2023 RM
Deferred tax liabilities	6,146,645	7,393,325
Deferred tax assets	(1,247,418)	(1,097,594)
	4,899,227	6,295,731

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

20. Deferred Tax Liabilities (Cont'd)

The components and movement of deferred tax liabilities are as follows:

	Accelerated capital allowances RM	Revaluation reserve RM	Total RM
Group			
Deferred tax liabilities:			
At 1 January 2024	4,193,607	3,199,718	7,393,325
Recognised in the profit or loss	(1,246,680)	-	(1,246,680)
At 31 December 2024	2,946,927	3,199,718	6,146,645
At 1 January 2023	2,719,974	1,687,237	4,407,211
Recognised in the other comprehensive income	-	1,512,481	1,512,481
Recognised in the profit or loss	1,473,633	-	1,473,633
At 31 December 2023	4,193,607	3,199,718	7,393,325
	Other temporary differences RM	Trade receivables RM	Total RM
Group			
Deferred tax assets:			
At 1 January 2024	-	(1,097,594)	(1,097,594)
Recognised in the profit or loss	(74,336)	(75,488)	(149,824)
At 31 December 2024	(74,336)	(1,173,082)	(1,247,418)
At 1 January 2023	-	(1,143,032)	(1,143,032)
Recognised in the profit or loss	-	45,438	45,438
At 31 December 2023	-	(1,097,594)	(1,097,594)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

20. Deferred Tax Liabilities (Cont'd)

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

	31.12.2024 RM	Group 31.12.2023 RM
Unutilised tax losses	10,271	488,350
Other deductible temporary differences	6,096	-
	16,367	488,350

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

For the Malaysian entities, pursuant to Section 8 of the Finance Act 2021 (Act 833) and the amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the time limit on the carried forward unused tax losses has been extended to maximum of ten (10) consecutive years of assessment. Any unused tax losses accumulated up to the year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment (i.e.: from year of assessment 2019 to 2028) under the current tax legislation.

The recognised and unrecognised unused tax losses shall be disregarded after the end of the year of assessment as follows:

	31.12.2024 RM	Group 31.12.2023 RM
Unutilised tax losses to be carried forward until:		
- Year of assessment 2028	-	488,350
- Year of assessment 2034	10,271	-
	10,271	488,350

21. Trade Payables

The normal trade credit terms granted to the Group range from 30 to 90 days (31.12.2023: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

22. Other Payables

	31.12.2024 RM	Group 31.12.2023 RM	Company 31.12.2024 RM
Other payables	1,808,580	2,556,675	917,882
Deposits	11,000	8,972	-
Accruals	2,128,885	2,458,889	125,440
Amount due to directors	-	1,470,527	-
	3,948,465	6,495,063	1,043,322

23. Revenue

	Group 1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Revenue from contracts with customers		
Aluminium extrusion	120,785,365	87,935,760
Trading and distribution of building materials	78,887,825	64,640,034
Solar PV system installation services	3,721,224	1,108,923
	203,394,414	153,684,717
Timing of revenue recognition:		
At a point in time	199,673,190	152,575,794
Over time	3,721,224	1,108,923
	203,394,414	153,684,717

In accordance with MFRS 15 Revenue from Contract with Customers, paragraph 121(a), the Group applies the practical expedient to not disclose information about remaining performance obligations that have original expected durations of 1 year or less.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

24. Finance Costs

	Group	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Interest expenses on:		
Bank overdrafts	849,901	689,622
Bankers' acceptance	1,670,489	1,134,641
Bank guarantees	8,628	8,397
Lease liabilities	181,607	182,727
Term loans	1,361,407	1,229,452
	4,072,032	3,244,839

25. Profit/(Loss) Before Taxation

Profit/(Loss) before taxation is determined after charging/(crediting) amongst other, the following items:

	Group		Company
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM (Restated)	15.12.2023 to 31.12.2024 RM
Auditors' remuneration:			
- Statutory	115,000	143,500	20,000
- Non-statutory	61,350	-	61,350
- Others	82,369	-	82,369
Bad debts written off	124,264	-	-
Depreciation of:			
- Property, plant and equipment	3,132,277	2,689,676	-
- Right-of-use assets	1,045,278	1,331,958	-
- Investment properties	45,094	45,092	-
Impairment loss on trade receivables	764,476	143,709	-
Inventory written down	210,485	-	-
Lease expenses relating to short term leases:			
- Rental of premises	58,000	38,300	-
- Rental of others	53,450	36,600	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

25. Profit/(Loss) Before Taxation (Cont'd)

Profit/(Loss) before taxation is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM (Restated)	15.12.2023 to 31.12.2024 RM
Listing expenses (excluding auditors' remunerations)	2,806,783	-	2,806,783
Property, plant and equipment written off	77,044	8	-
Gain on disposal of property, plant and equipment	-	(9,999)	-
Gain on disposal of asset previously written off	(23,500)	-	-
Gain on lease modification	(3,603)	-	-
Interest income from licensed bank	(170,289)	(143,313)	(6,631)
Rental income from investment properties	(46,200)	(40,200)	-
Recovery of bad debts	(130,728)	(380,590)	-
Reversal of impairment on trade receivables	(681,728)	(359,441)	-

26. Taxation

	Group	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Tax expenses recognised in profit or loss:		
Current tax provision	3,288,979	2,744,029
Under/(Over) provision in prior years	334,496	(565,022)
	3,623,475	2,179,007
Deferred tax (Note 20):		
Relating to origination and reversal of temporary differences	38,156	644,959
(Over)/Under provision in prior years	(1,434,660)	874,112
	(1,396,504)	1,519,071
Tax expenses for the financial year	2,226,971	3,698,078

The Company does not have any tax charges as there is no chargeable income during the financial period.

Malaysian income tax is calculated at the statutory tax rate of 24% (31.12.2023: 24%) of chargeable income of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the jurisdiction.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

26. Taxation (Cont'd)

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

	1.1.2024 to 31.12.2024 RM	Group 1.1.2023 to 31.12.2023 RM	Company 15.12.2023 to 31.12.2024 RM
Profit/(Loss) before taxation	9,632,345	11,715,497	(3,493,099)
At Malaysian statutory tax rate of 24%	2,311,762	2,811,719	(838,344)
Tax relief on tax incentive rate of 17%	-	(42,000)	-
Income not subject to tax	(91,380)	(124,033)	-
Expenses not deductible for tax purposes	1,220,029	861,121	838,344
Deferred tax assets not recognised	3,928	-	-
Utilisation of prior year unrecognised tax losses	(117,204)	(117,819)	-
Under/(Over) provision of income tax expenses in prior year	334,496	(565,022)	-
(Over)/Under provision of deferred tax in prior year	(1,434,660)	874,112	-
Tax expenses for the financial year	2,226,971	3,698,078	-

The Group has estimated unutilised capital allowances and unused tax losses carry forward, available for offset against future taxable profits as follows:

	Group 31.12.2024 RM	31.12.2023 RM
Unutilised tax losses	10,271	488,350

27. Staff Costs

	1.1.2024 to 31.12.2024 RM	Group 1.1.2023 to 31.12.2023 RM	Company 15.12.2023 to 31.12.2024 RM
Directors' fee	109,800	-	109,800
Salaries, bonuses and other benefits	13,973,834	11,584,477	8,000
Defined contributions plan	1,491,305	1,095,232	-
	15,574,939	12,679,709	117,800

The staff costs of the Group recognised as an expense in cost of sales during the financial year was RM4,259,678 (31.12.2023: RM3,568,636).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

27. Staff Costs (Cont'd)

Included in the staff costs is aggregate amount of remuneration received or receivable by the Directors of the Group and of the Company during the financial year/period as below:

	Group 1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	Company 15.12.2023 to 31.12.2024 RM
Executive Directors			
Salaries, bonuses and other benefits	1,751,770	1,455,315	-
Defined contributions plan	232,903	218,904	-
	1,984,673	1,674,219	-
Non-executive Directors			
Directors' fee	109,800	-	109,800
Salaries, bonuses and other benefits	8,000	-	8,000
	117,800	-	117,800
	2,102,473	1,674,219	117,800

28. Dividends

A final single-tier dividend of 24.81 sen per ordinary share on 8,060,000 ordinary shares, in respect of the financial year 31 December 2022 was paid on 30 August 2023.

The Directors do not recommend the payment of any dividends in respect of the financial period ended 31 December 2024.

29. Earnings Per Share

(a) Basic earnings per share

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

	Group 31.12.2024 RM	31.12.2023 RM
Profit for the financial year, attributable to owners of the parent (RM)	7,405,374	8,017,419
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at beginning of the year*	233,450,000	233,450,000
Effect of Initial Public Offering during the year	2,014,110	-
Weighted average number of ordinary shares	235,464,110	233,450,000
Basic earnings per ordinary shares (sen)	3.15	3.43

* For the computation of earnings per share for the financial year ended 31 December 2024 and 31 December 2023, it is assumed that the number of ordinary shares arising from the acquisition of subsidiary were in issue throughout the current and previous financial year.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

29. Earnings Per Share (Cont'd)

(b) Diluted earnings per share

Diluted earnings per ordinary share equals basic earnings per ordinary share because there are no potentially dilutive instruments in existence as at the end of each reporting period.

30. Reconciliation of Liabilities Arising from Financing Activities

	At 1 January RM	Financing cash flows RM	Non-cash changes New lease (Note 19) RM	Lease modification (Note 19) RM	At 31 December RM
Group					
31.12.2024					
Lease liabilities	3,816,078	(1,189,024)	310,599	(58,777)	2,878,876
Banker's Acceptance	23,438,000	43,085,672	-	-	66,523,672
Term loans	25,575,867	(3,050,071)	-	-	22,525,796
	52,829,945	38,846,577	310,599	(58,777)	91,928,344
31.12.2023					
Lease liabilities	1,024,894	(1,384,656)	4,175,840	-	3,816,078
Banker's Acceptance	16,081,000	7,357,000	-	-	23,438,000
Term loans	15,596,575	9,979,292	-	-	25,575,867
	32,702,469	15,951,636	4,175,840	-	52,829,945

31. Contingent Liability

A claim of specific damages amounted to RM171,446 (being the value of the "defective" products returned, the mould, costs to reorder a mould and losses due to cancellation with clients), costs, general damages for retaining the Plaintiff's mould and affecting their good name and reputation, punitive damages, exemplary damages and interests was lodged against WAMSB during the financial year ended 31 December 2023. The trial has commenced. The Plaintiff's witnesses have since testified. The case is now fixed for continued trial on 9 April 2025, 17 April 2025 and 30 April 2025 respectively.

The Group has disclaimed liability and is defending the action. Legal advice obtained indicates that it is unlikely that any significant liability will arise. The Directors are of the view that no material losses will arise in respect of the legal claim at the date of these combined financial statements.

32. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint 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. 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 and chief executive officers of major subsidiary companies of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

32. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

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

	Group	Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	15.12.2023 to 31.12.2024 RM
Transactions with related parties:			
- Sales	10,737,470	2,337,478	-
- Purchases	61,469	4,996,902	-
- Administrative expenses	100,000	-	-

(c) Compensation of key management personnel

Information regarding compensation of key management personnel is as follows:

	Group	Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	15.12.2023 to 31.12.2024 RM
Directors' fee	109,800	-	109,800
Salaries, bonuses and other benefits	2,564,778	1,455,315	8,000
Defined contributions plan	232,903	218,904	-
	2,907,481	1,674,219	117,800

33. Segmental Information

The Group has three reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. The following summary describes the operations in each of the Group's reportable segments.

The main business segments of the Group comprise of the following:

Aluminium Extrusion	Conversion of aluminium billets into primary aluminium products, namely extruded aluminium profiles, fabrication and assembly of extruded aluminium profiles into aluminium ladders.
Trading and distribution of building materials	Trading and distribution of various building materials such as extruded aluminium profiles, stainless-steel products, aluminium products, silicone sealants, ironmongery products among others.
Solar PV system installation services	Provision of engineering, procurement, construction and commissioning of solar photovoltaic facilities.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

33. Segmental Information (Cont'd)

(a) Business segment

	Aluminium extrusion RM	Trading and distribution of building material RM	Solar PV system installation services RM	Total RM
31.12.2024				
Revenue				
Total revenue	120,785,365	78,887,825	3,721,224	203,394,414
Results				
Segment gross profit	22,456,808	13,334,455	558,078	36,349,341
31.12.2023				
Revenue				
Total revenue	87,935,760	64,640,034	1,108,923	153,684,717
Results				
Segment gross profit	20,951,889	9,235,340	166,338	30,353,567

Segment assets, segment liabilities and segment profit after taxation are neither included in the internal management report nor provided regularly to the Group's chief operating decision maker for regular review. Accordingly, there are no further disaggregation of segment assets, segment liabilities and segment profit after taxation of the Group.

(b) Geographical segment

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers. Segment assets and segment capital expenditure are based on geographical location of assets. The geographical location of customers and assets are within Malaysia. As such, segmental reporting by geographical segment is deemed not necessary.

(c) Major customers

There is no significant concentration of revenue from any major customer as the revenue generated by the Group are from many customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

34. Financial Instruments

(a) Classification of financial instruments

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

	At amortised cost		
	Group 31.12.2024 RM	31.12.2023 RM	Company 31.12.2024 RM
Financial Assets			
Trade receivables	78,603,662	46,397,641	-
Other receivables	662,877	896,395	218,116
Amount due from a subsidiary	-	-	7,934,144
Fixed deposits with licensed banks	13,671,850	3,524,828	7,000,000
Cash and bank balances	7,354,127	5,379,578	928,513
	100,292,516	56,198,442	16,080,773
Financial Liabilities			
Trade payables	47,358,657	39,045,335	-
Other payables	3,948,465	6,495,063	1,043,322
Bank borrowings	101,450,535	54,761,159	-
Lease liabilities	2,878,876	3,816,078	-
	155,636,533	104,117,635	1,043,322

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group 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 deposits with licensed banks and financial institutions. There are no significant changes as compared to prior periods.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with licensed banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The gross carrying amounts of credit impaired receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables and contract assets that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year/period represents the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions for banking facilities and supply of goods and services granted to certain subsidiary companies amounting to RM45,106,787 (31.12.2023: RMNil), representing the outstanding credit facilities of the subsidiaries at the end of the reporting period. There was no indication that any subsidiary would default in repayment at the end of the financial year/period.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group and the Company also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements. The Group monitors compliance with financial covenants regularly as part of its risk management framework. Any breach could require accelerated repayment or renegotiation of terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
31.12.2024						
Trade payables	47,358,657	-	-	-	47,358,657	47,358,657
Other payables	3,948,465	-	-	-	3,948,465	3,948,465
Bank borrowings	83,992,792	4,865,979	12,408,240	4,847,282	106,114,293	101,450,535
Lease liabilities	1,144,127	973,060	1,003,667	-	3,120,854	2,878,876
	136,444,041	5,839,039	13,411,907	4,847,282	160,542,269	155,636,533
31.12.2023						
Trade payables	39,045,335	-	-	-	39,045,335	39,045,335
Other payables	6,495,063	-	-	-	6,495,063	6,495,063
Bank borrowings	34,669,736	5,199,574	14,470,917	11,910,576	66,250,803	54,761,159
Lease liabilities	1,269,889	1,106,652	1,830,471	-	4,207,012	3,816,078
	81,480,023	6,306,226	16,301,388	11,910,576	115,998,213	104,117,635



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Later than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company						
31.12.2024						
Other payables	1,043,322	-	-	-	1,043,322	1,043,322
Corporate guarantee*	45,106,787	-	-	-	45,106,787	-
	46,150,109	-	-	-	46,150,109	1,043,322

* Based on the maximum amount that can be called for under the financial guarantee contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Interest rate risk

The Group's and Company's exposures to interest rate risk arises primarily from financing through interest bearing financial assets and financial liabilities. The Group's and the Company's policy is to obtain the financing with the most favourable interest rates in the market.

The Group and the Company manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group and the Company manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Company does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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 was:

	31.12.2024 RM	Group 31.12.2023 RM	Company 31.12.2024 RM
<u>Fixed rate instruments</u>			
Financial asset			
Fixed deposits with licensed banks	13,671,850	3,524,828	7,000,000
Financial liability			
Lease liabilities	2,878,876	3,816,078	-
<u>Floating rate instrument</u>			
Financial liability			
Bank borrowings	101,450,535	54,761,159	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in market interest rates at the end of the reporting period would not affect profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis (Cont'd)

Cash flow sensitivity analysis for floating rate instruments

This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

	31.12.2024 RM	Group 31.12.2023 RM
Effect to profit before taxation		
Interest rate increased by 0.5%	507,253	273,806
Interest rate decreased by 0.5%	(507,253)	(273,806)

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

35. Capital Commitment

	31.12.2024 RM	Group 31.12.2023 RM
Approved and contracted for		
Construction of building	13,068,809	14,500,000
Approved but not contracted for		
Plant and machineries	9,550,400	9,550,400
	22,619,209	24,050,400

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

36. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	31.12.2024 RM	Group 31.12.2023 RM	Company 31.12.2024 RM
Bank borrowings	101,450,535	54,761,159	-
Lease liabilities	2,878,876	3,816,078	-
	104,329,411	58,577,237	-
Less:			
Fixed deposits with licensed banks	(13,671,850)	(3,524,828)	(7,000,000)
Cash and bank balances	(7,354,127)	(5,379,578)	(928,513)
Net debts	83,303,434	49,672,831	(7,928,513)
Total equity	98,569,263	72,633,341	87,406,950
Debt-to-equity ratio	0.85	0.68	N/A

N/A – Not applicable

37. Comparative figures

- The comparative figures of the Group were presented based on the financial statements of subsidiary which were accounted for by using the merger method of accounting as the subsidiary was under common control by the same parties both before and after the acquisition by the Company, and that control is not transitory.
- These are the first set of the Company's financial statements since its date of incorporation. Hence, no comparative figures are presented for the Company.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Cont'd)

37. Comparative figures (Cont'd)

(c) The following comparative figures have been reclassified to conform to current year's presentation:

	As previously stated RM	Group Reclassifications RM	As restated RM
Statement of financial position as at 31 December 2023			
Non-current assets			
Property, plant and equipment	15,552,466	45,000,000	60,552,466
Right-of-use assets	48,911,592	(45,000,000)	3,911,592
Statement of cash flow for the financial year ended 31 December 2023			
Cash Flows from Investing Activities			
Purchase of:			
- property, plant and equipment	(5,263,521)	(3,355,791)	(8,619,312)
- right of use assets	(3,601,554)	3,355,791	(245,763)

38. Date of Authorisation for Issue

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 8 April 2025.

LIST OF PROPERTIES

No.	Property address/ Title details	Description of property/ Existing use	Tenure	Expiry date	Land area/ Built-up area (sq. ft.)	Acquisition date/ Last revaluation date	Approximate age of building	Audited net book value as at 31 December 2024 (RM'000)
1.	Lot 901 & 902, Batu 29, Jalan Kepong, Ijok, 45600 Batang Berjuntai, Selangor / HSM 12428, PT 1224, Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor	3-storey office block and 4 units of single storey factory / Manufacturing factory, office and warehouse	Leasehold for 99 years	5 November 2083	Land area 261,261.63 / Built-up area 231,328	11 April 2016 / 31 December 2023	29 years	31,662
2.	HSD 17567, PT 338, Pekan Simpang Tiga Ijok, Daerah Kuala Selangor, Negeri Selangor	Vacant industrial land / To erect Lot 903 Facility	Leasehold for 99 years	17 January 2106	Land area 130,684.64	22 May 2020 / 31 December 2023	N/A	9,235
3.	HSD 8542, Lot 904, Pekan Simpang Tiga Ijok, Daerah Kuala Selangor, Negeri Selangor	Vacant agricultural land / Vacant land held for future expansion	Leasehold for 99 years	8 June 2102	Land area 131,319.71	12 September 2023 / 31 December 2023	N/A	4,838



LIST OF PROPERTIES

(Cont'd)

No.	Property address/ Title details	Description of property/ Existing use	Tenure	Expiry date	Land area/ Built-up area (sq. ft.)	Acquisition date/ Last revaluation date	Approximate age of building	Audited net book value as at 31 December 2024 (RM'000)
4.	No. 197, Jalan 1, Taman Perindustrian Ehsan Jaya, 52100 Kepong, Kuala Lumpur / GM 1329, Lot 58308, Bandar Kepong, Daerah Gombak, Negeri Selangor	1 ½ storey semi-detached light industrial factory / Retail outlet cum warehouse and office	Freehold	N/A	Land area 5,996 / Built-up area 6,796	1 April 2014 / N/A	31 years	3,362
5.	No. 198, Jalan 1, Taman Perindustrian Ehsan Jaya, 52100 Kepong, Kuala Lumpur / GM 1330, Lot 58309, Bandar Kepong, Daerah Gombak, Negeri Selangor	1 ½ storey semi-detached light industrial factory / Retail outlet cum warehouse and office	Freehold	N/A	Land area 5,996 / Built-up area 6,795	1 April 2014 / N/A	31 years	3,362

ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

ISSUED SHARES OF THE COMPANY

Total Number of Issued Shares	:	290,000,000 Ordinary Shares
Class of Shares	:	Ordinary Share
Voting Rights	:	One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 – 99	5	0.231	100	0.000
100 – 1,000	367	16.983	185,500	0.064
1,001 – 10,000	1,013	46.876	5,509,800	1.900
10,001 – 100,000	654	30.264	22,010,300	7.590
100,001 to 14,499,999 (*)	117	5.414	46,244,300	15.946
14,500,000 and above (**)	5	0.231	216,050,000	74.500
Total	2,161	100.00	290,000,000	100.00

Notes:

* Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders of the Company)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
1. Chua Nyok Chong	75,468,895	26.024	-	-
2. Chua Boon Hong	25,031,144	8.631	-	-
3. Lee Yong Zhi	24,551,380	8.466	-	-
4. Khoo Nee Cheng	20,963,582	7.229	-	-
5. Vafe System Sdn Bhd	70,034,999	24.150	-	-
6. Fabulous Sunview Sdn Bhd	-	-	70,034,999 ⁽¹⁾	24.150
7. Sunview Group Berhad	-	-	70,034,999 ⁽²⁾	24.150
8. New Energy Capital Sdn Bhd	-	-	70,034,999 ⁽³⁾	24.150
9. Chow Kian Hung	-	-	70,034,999 ⁽⁴⁾	24.150
10. Ong Hang Ping	-	-	70,034,999 ⁽⁴⁾	24.150
11. Khoo Kah Kheng	-	-	70,034,999 ⁽⁴⁾	24.150

Notes:

⁽¹⁾ Deemed interested by virtue of its interests in Vafe System Sdn Bhd pursuant to Section 8 of the CA 2016.

⁽²⁾ Deemed interested by virtue of its interests in Fabulous Sunview Sdn Bhd, the holding company of Vafe System Sdn Bhd pursuant to Section 8 of the CA 2016.

⁽³⁾ Deemed interest by virtue of its interests in Sunview Group Berhad, the holding company of Fabulous Sunview Sdn Bhd pursuant to Section 8 of the CA 2016.

⁽⁴⁾ Deemed interested by virtue of his interests in Sunview Group Berhad and/or New Energy Capital Sdn Bhd pursuant to Section 8 of the CA 2016.



ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

(Cont'd)

DIRECTORS' SHAREHOLDINGS

(Based on the Register of Directors' Shareholdings of the Company)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
1. Y.M. Tengku Loreta	250,000	0.086	-	-
2. Chua Nyok Chong	75,468,895	26.024	-	-
3. Chua Boon Hong	25,031,144	8.631	-	-
4. Lee Yong Zhi	24,551,380	8.466	-	-
5. Chow Kian Hung	-	-	70,034,999 ⁽¹⁾	24.150
6. Datuk Mastura	250,000	0.086	-	-
7. Low Suet Ann	250,000	0.086	-	-
8. Beh Oi Siew	250,000	0.086	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his interests in Sunview Group Berhad and New Energy Capital Sdn Bhd pursuant to Section 8 of the CA 2016.

LIST OF TOP 30 LARGEST SHAREHOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares Held	%
1.	Chua Nyok Chong	75,468,895	26.024
2.	Vafe System Sdn Bhd	70,034,999	24.150
3.	Chua Boon Hong	25,031,144	8.631
4.	Lee Yong Zhi	24,551,380	8.466
5.	Khoo Nee Cheng	20,963,582	7.229
6.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Won Wei Zhang (MY3382)	5,720,000	1.972
7.	AllianceGroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Datuk Low Chin Koon (7003384)	1,472,000	0.508
8.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chong Jun Kang (M04)	1,441,000	0.497
9.	Lee Ming Lee	1,430,000	0.493
10.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Thai Jin Ren (M04)	1,162,300	0.401
11.	AllianceGroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tee Sheng Kuang (7004827)	1,000,000	0.345
12.	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for Barclays Capital Securities Ltd (SBL/PB)	996,100	0.343
13.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Cheng Yee	967,000	0.333
14.	Gan Sheng Yih	900,000	0.310
15.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teh Yoke Keow	873,700	0.301
16.	Phuah Hue Shun	830,000	0.286

ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

(Cont'd)

LIST OF TOP 30 LARGEST SHAREHOLDERS (CONT'D)

(Without aggregating securities from different securities accounts belonging to the same registered holder) (Cont'd)

No.	Name	No. of Shares Held	%
17.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Cheng Keng (M04)	800,000	0.276
18.	Chin Kar Kin	790,000	0.272
19.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Teoh Wang Jiew (B Tinggi-CL)	715,000	0.247
20.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yong Kim Liat (E-SS2/S14)	715,000	0.247
21.	Lim Thean Yeong	683,400	0.236
22.	HSBC Nominees (Asing) Sdn Bhd - J.P. Morgan Securities PLC	648,700	0.224
23.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Sook Kwan (M04)	580,000	0.200
24.	TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Cham Yi Ling	570,000	0.197
25.	Wong Chan Fatt	560,000	0.193
26.	TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Khai Ming	549,000	0.189
27.	Cartaban Nominees (Tempatan) Sdn Bhd - RHB Trustees Berhad for EAC Fund	500,000	0.172
28.	Chiok Boon Qwan	500,000	0.172
29.	Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Ong Kar Bee	500,000	0.172
30.	Ng Sook Leng	500,000	0.172
TOTAL		241,453,200	83.260



NOTICE OF FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting ("1st AGM") of Winstar Capital Berhad ("Company") will be held at Ballroom I & II, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Thursday, 29 May 2025 at 10:00 a.m. to transact the following business:

AGENDA

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial period ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. To approve the payment of Directors' fees and benefits of up to RM120,000 payable to the Non-Executive Directors of the Company for the financial period ended 31 December 2024. | Ordinary Resolution 1
(Please refer to Explanatory Note 2) |
| 3. To approve the payment of Directors' fees of up to RM276,000 payable to the Non-Executive Directors of the Company for the period from 1 January 2025 until the next Annual General Meeting of the Company to be held in 2026. | Ordinary Resolution 2
(Please refer to Explanatory Note 2) |
| 4. To approve the payment of Directors' benefits payable to the Non-Executive Directors of the Company up to an amount of RM25,000 for the period from 1 January 2025 until the next Annual General Meeting of the Company to be held in 2026. | Ordinary Resolution 3
(Please refer to Explanatory Note 2) |
| 5. To re-elect the following Directors who retire in accordance with Clause 102 of the Company's Constitution and being eligible, have offered themselves for re-election: | (Please refer to Explanatory Note 3) |
| (a) Y.M. Tengku Loreta Binti Tengku Dato' Setia Ramli Alhaj | Ordinary Resolution 4 |
| (b) Mr. Chua Nyok Chong | Ordinary Resolution 5 |
| (c) Mr. Chua Boon Hong | Ordinary Resolution 6 |
| (d) Mr. Lee Yong Zhi | Ordinary Resolution 7 |
| (e) Mr. Chow Kian Hung | Ordinary Resolution 8 |
| (f) Datuk Mastura Binti Tan Sri Dato' Mohd Yazid | Ordinary Resolution 9 |
| (g) Ms. Low Suet Ann | Ordinary Resolution 10 |
| (h) Ms. Beh Oi Siew | Ordinary Resolution 11 |
| 6. To re-appoint Messrs. UHY Malaysia PLT as External Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 12
(Please refer to Explanatory Note 4) |

AS SPECIAL BUSINESS

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

- | | |
|---|---|
| 7. Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights | Ordinary Resolution 13
(Please refer to Explanatory Note 5) |
| <p>"THAT subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities being obtained (if required), the Directors of the Company be and are hereby empowered pursuant to the Companies Act 2016, to issue and allot shares in the capital of the Company to such persons, at any time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;</p> <p>THAT pursuant to Section 85 of the Companies Act 2016, to be read together with Clause 9 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016;</p> | |

NOTICE OF FIRST ANNUAL GENERAL MEETING (Cont'd)

THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

8. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature (“Proposed Shareholders' Mandate”)**

Ordinary Resolution 14
(Please refer to
Explanatory Note 6)

“**THAT** subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries (collectively, “Winstar Group”) to enter into the recurrent related party transactions of revenue or trading nature with the related parties, particulars of which are set out in Section 2.4 of the Circular to Shareholders dated 30 April 2025 (“Circular”) which are necessary for the day-to-day operations of the Winstar Group provided that such transactions are carried out in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public, and are not detrimental to the minority shareholders of the Company.

THAT the Proposed Shareholders' Mandate is subject to annual review and the approval shall commence upon the passing of this resolution and continue to be in force until:

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

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may deem fit, necessary, expedient and/or appropriate in order to implement the Proposed Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Shareholders' Mandate in the best interest of the Company.”

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

NG SHU FERN (MAICSA 7062881) (SSM PC No. 201908001840)
WONG SIN YEE (MAICSA 7071946) (SSM PC No. 202208000421)
Company Secretaries

Kuala Lumpur
30 April 2025



NOTICE OF FIRST ANNUAL GENERAL MEETING (Cont'd)

Notes:

- (1) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 May 2025 (General Meeting Record of Depositors) shall be entitled to attend the 1st AGM or appoint proxy(ies) to attend and vote in his stead.*
- (2) *A member who is entitled to attend and vote at the 1st AGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 1st AGM. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
- (3) *Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an authorised nominee appoints more than one (1) proxy, such appointment shall be invalid unless the authorised nominee specifies the proportion of its shareholdings to be represented by each proxy.*
- (4) *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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) *A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
- (6) *The instrument appointing proxy(ies) may be made either in hard copy Proxy Form or by electronics means, and shall be deposited with the Company's Share Registrar not less than forty-eight (48) hours before the time appointed for holding the 1st AGM of the Company or any adjournment thereof (i.e. on or before Tuesday, 27 May 2025 at 10:00 a.m.) in the following manner:*
 - (i) **In hard copy Proxy Form**
The hard copy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of its officer or attorney duly authorised. Any alteration to the Proxy Form must be initialled.

The hard copy Proxy Form shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.
 - (ii) **By electronic means**
The Proxy Form may be submitted electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or via e-mail to bsr.helpdesk@boardroomlimited.com. Please refer to the Administrative Guides for the 1st AGM for further information on electronic submission.
- (7) *If a member has submitted the Proxy Form but subsequently decides to appoint another person or wishes to participate in the 1st AGM personally, please write to bsr.helpdesk@boardroomlimited.com or log in to Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (for eProxy Form) to revoke the earlier appointed proxy(ies) not less than forty-eight (48) hours before the commencement of the 1st AGM or any adjournment thereof. In such an event, the member should inform his/her/lits proxy(ies) accordingly.*

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 1st AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 1st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 1st AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF FIRST ANNUAL GENERAL MEETING (Cont'd)

Explanatory Notes

1. Audited Financial Statements for the financial period ended 31 December 2024

The agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require the audited financial statements to be formally approved by the shareholders of the Company. Hence, this agenda item is not put forward for voting.

2. Payment of Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this regard, the Company is seeking shareholders' approval at the 1st AGM for the Directors' fees and benefits payable to the Non-Executive Directors of the Company for the financial period ended 31 December 2024, and for the period commencing from 1 January 2025 until the next Annual General Meeting of the Company to be held in 2026, details of which are as follows:

- (a) Ordinary Resolution 1 – Directors' fees and benefits for the financial period ended 31 December 2024

Description	Amount (RM)
Monthly fee for Board Chairperson	RM5,000 per month
Monthly fee for Independent Non-Executive Director	RM3,000 per month
Directors' benefits (comprise the meeting allowances for the Non-Executive Director)	RM500 per meeting day

- (b) Ordinary Resolution 2 – Directors' fees from 1 January 2025 until the next Annual General Meeting of the Company to be held in 2026

Description	2025	2026
Monthly fee for Board Chairperson	RM5,000 per month	RM7,500 per month
Monthly fee for Independent Non-Executive Director	RM3,000 per month	RM3,000 – RM4,500 per month

- (c) Ordinary Resolution 3 – Directors' benefits from 1 January 2025 until the next Annual General Meeting of the Company to be held in 2026

Description	Amount (RM)
Directors' benefits (comprise the meeting allowances for the Non-Executive Director)	RM500 per meeting day

In determining the proposed Directors' fees, the Nomination and Remuneration Committee ("NRC") has undertaken a review, taking into consideration the industry benchmarking, the expected time commitment and the scope of responsibilities of each Director. The Directors' benefits comprise meeting allowances, which are based on the current Board size and the estimated number of meetings scheduled for the Board and Board Committees from 30 May 2025 until the next Annual General Meeting of the Company. The Board is of the view that the proposed fees and benefits are fair and reasonable, taking into account the Directors' roles and responsibilities within the Group and the services rendered to the Company.

In the event that the proposed Directors' fees and benefits are insufficient due to an increase in Board size or additional meetings convened, the Company will seek shareholders' approval at the next Annual General Meeting of the Company for additional Directors' fees and benefits to meet the shortfall.

Any Director who is also a shareholder of the Company will abstain from voting on the resolutions in respect of the fees and benefits payable to him/her at the 1st AGM.



NOTICE OF FIRST ANNUAL GENERAL MEETING (Cont'd)

3. Re-election of Directors

Pursuant to the Clause 102 of the Company's Constitution, all Directors shall retire from office at the 1st AGM of the Company. The retiring Directors, namely Y.M. Tengku Loreta Binti Tengku Dato' Setia Ramli Alhaj, Mr. Chua Nyok Chong, Mr. Chua Boon Hong, Mr. Lee Yong Zhi, Mr. Chow Kian Hung, Datuk Mastura Binti Tan Sri Dato' Mohd Yazid, Ms. Low Suet Ann and Ms. Beh Oi Siew (collectively referred to as the "Retiring Directors"), who are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 1st AGM of the Company. The profiles of the Retiring Directors are set out in the Profile of Board of Directors section of the Company's Annual Report 2024.

The Board, through the NRC, conducted assessments to evaluate the performance, effectiveness and independence (where applicable) of the Retiring Directors and concluded that they have:

- (i) met the criteria prescribed under Rule 2.20A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, in terms of character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors;
- (ii) satisfied the fit and proper assessment criteria pursuant to the Company's Directors' Fit and Proper Policy;
- (iii) met the performance criteria required of an effective and high performing Board and have contributed to the overall effectiveness of the Board; and
- (iv) in the case of Independent Directors, they remain independent.

The Retiring Directors have abstained from all deliberations and decisions concerning their own eligibility for re-election at the relevant NRC and Board meetings.

4. Re-appointment of External Auditors

The Audit and Risk Management Committee ("ARMC") has reviewed and assessed the suitability, objectivity and independence of the External Auditors, Messrs. UHY Malaysia PLT ("UHY"), and is satisfied with their performance based on the quality of audit, adequacy of resources, independence and professionalism. The ARMC also concluded that the provision of non-audit services by UHY to the Company and the Group for the financial period ended 31 December 2024 did not in any way impair their objectivity and independence as the External Auditors of the Company. Upon due assessment, the ARMC recommended, and the Board endorsed, the ARMC's recommendation to seek shareholders' approval for the re-appointment of UHY as External Auditors of the Company for the financial year ending 31 December 2025.

5. Authority to issue shares pursuant to the Act and waiver of pre-emptive rights

The proposed Ordinary Resolution 13 is to empower the Directors to issue and allot new shares in the Company to such persons at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being ("Proposed General Mandate"). This mandate will provide flexibility to the Company to undertake any possible fund-raising activities, including but not limited to the placement of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s), without the need to convene a separate general meeting, thereby reducing administrative time and associated costs.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting or upon the expiration of the period within which the next Annual General Meeting is required to be held by law, whichever is earlier.

In addition, the waiver of the statutory pre-emptive rights of shareholders will enable the Directors to issue new shares in the Company which rank equally with existing issued shares, to any person without first offering them to all existing shareholders prior to its issuance under the Proposed General Mandate.

6. Proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("RRPT")

The proposed Ordinary Resolution 14 is to enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interests of related party(ies), which are necessary for the Group's day-to-day operations and are undertaken at arm's length and on normal commercial terms not more favourable to the related parties than those generally available to the public, and not detrimental to the minority shareholders of the Company. This mandate would also eliminate the need for the Company to make frequent announcements to Bursa Malaysia Securities Berhad or to convene separate general meetings from time to time to seek for shareholders' approval as and when such RRPT arise, thereby reducing substantial administrative time and costs associated with convening such meetings.

Please refer to the Company's Circular to Shareholders dated 30 April 2025 for further information on the proposal.



STATEMENT ACCOMPANYING NOTICE OF THE FIRST ANNUAL GENERAL MEETING

Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR")

1. Details of Individuals who are standing for election as Directors

There is no individual standing for election as Director (*other than those Directors who are standing for re-election as Directors*) at the 1st AGM of the Company.

2. General Mandate for issue of securities in accordance with Rule 6.04 of the AMLR

The details of the general mandate for issue of securities are set out in the Explanatory Note 5 of the Notice of 1st AGM.

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WINSTAR CAPITAL BERHAD
[Registration No. 202301049890 (1543804-K)]
(Incorporated in Malaysia)

PROXY FORM

Number of Shares Held		CDS Account No.	
------------------------------	--	------------------------	--

I/We* _____ NRIC/ Passport/ Registration No.* _____
(full name and in capital letters)

of _____
(full address)

with email address _____ and mobile phone no. _____,

being a member/members* of **WINSTAR CAPITAL BERHAD** ("the Company"), do hereby appoint(s):

Full Name:	NRIC/Passport No.:	Proportion of shareholding to be represented by the proxy/proxies:	
		No. of Shares	%
Address:			
Email Address:			
Mobile No.:			

and/or*

Full Name:	NRIC/Passport No.:	Proportion of shareholding to be represented by the proxy/proxies:	
		No. of Shares	%
Address:			
Email Address:			
Mobile No.:			

or failing him/her, the Chairman of the Meeting* as my/our* proxy to vote for me/us* on my/our* behalf at the **First Annual General Meeting** ("1st AGM") of the Company to be held at Ballroom I & II, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on **Thursday, 29 May 2025 at 10:00 a.m.** or any adjournment thereof.

My/Our proxy(ies) is/are to vote as indicated below:

No.	Resolution	For	Against
1.	To approve the payment of Directors' fees and benefits of up to RM120,000 payable to the Non-Executive Directors of the Company for the financial period ended 31 December 2024.		
2.	To approve the payment of Directors' fees of up to RM276,000 payable to the Non-Executive Directors of the Company for the period from 1 January 2025 until the next Annual General Meeting of the Company to be held in 2026.		
3.	To approve the payment of Directors' benefits payable to the Non-Executive Directors of the Company up to an amount of RM25,000 for the period from 1 January 2025 until the next Annual General Meeting of the Company to be held in 2026.		
4.	To re-elect Y.M. Tengku Loreta Binti Tengku Dato' Setia Ramli Alhaj as a Director of the Company.		
5.	To re-elect Mr. Chua Nyok Chong as a Director of the Company.		
6.	To re-elect Mr. Chua Boon Hong as a Director of the Company.		
7.	To re-elect Mr. Lee Yong Zhi as a Director of the Company.		
8.	To re-elect Mr. Chow Kian Hung as a Director of the Company.		
9.	To re-elect Datuk Mastura Binti Tan Sri Dato' Mohd Yazid as a Director of the Company.		
10.	To re-elect Ms. Low Suet Ann as a Director of the Company.		
11.	To re-elect Ms. Beh Oi Siew as a Director of the Company.		
12.	To re-appoint Messrs. UHY Malaysia PLT as External Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.		
13.	Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights		
14.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature		

(Please indicate with an 'X' in the spaces provided to specify how you wish your vote to be cast. If no specific direction is given, the proxy may vote or abstain from voting at his/her discretion.)

*delete whichever is not applicable

Dated this _____ day of _____ 2025.

Signature of Member(s) / Common Seal

Notes:

- (1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 May 2025 (General Meeting Record of Depositors) shall be entitled to attend the 1st AGM or appoint proxy(ies) to attend and vote in his stead.
- (2) A member who is entitled to attend and vote at the 1st AGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 1st AGM. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
- (3) Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an authorised nominee appoints more than one (1) proxy, such appointment shall be invalid unless the authorised nominee specifies the proportion of its shareholdings to be represented by each proxy.
- (4) Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (6) The instrument appointing proxy(ies) may be made either in hard copy Proxy Form or by electronics means, and shall be deposited with the Company's Share Registrar not less than forty-eight (48) hours before the time appointed for holding the 1st AGM of the Company or any adjournment thereof (i.e. **on or before Tuesday, 27 May 2025 at 10:00 a.m.**) in the following manner:

(i) In hard copy Proxy Form

The hard copy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of its officer or attorney duly authorised. Any alteration to the Proxy Form must be initialled.

The hard copy Proxy Form shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.

(ii) By electronic means

The Proxy Form may be submitted electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or via e-mail to bsr.helpdesk@boardroomlimited.com. Please refer to the Administrative Guides for the 1st AGM for further information on electronic submission.

- (7) If a member has submitted the Proxy Form but subsequently decides to appoint another person or wishes to participate in the 1st AGM personally, please write to bsr.helpdesk@boardroomlimited.com or log in to Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (for eProxy Form) to revoke the earlier appointed proxy(ies) not less than forty-eight (48) hours before the commencement of the 1st AGM or any adjournment thereof. In such an event, the member should inform his/her/its proxy(ies) accordingly.

Fold along this line (1)

**AFFIX
STAMP
HERE**

The Share Registrar of
WINSTAR CAPITAL BERHAD
[Registration No. 202301049890 (1543804-K)]

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

Fold along this line (2)

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 1st AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 1st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 1st AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

WINSTAR CAPITAL BERHAD

(Registration No. 202301049890 (1543804-K))

Lot 901 & 902, Batu 29
Jalan Kepong, Ijok
45600 Batang Berjuntai, Selangor, Malaysia

Telephone No.: +603-3279 3129 / 3139 / 3149

Email: support@winstargroup.com.my

Website: www.winstargroup.com.my