



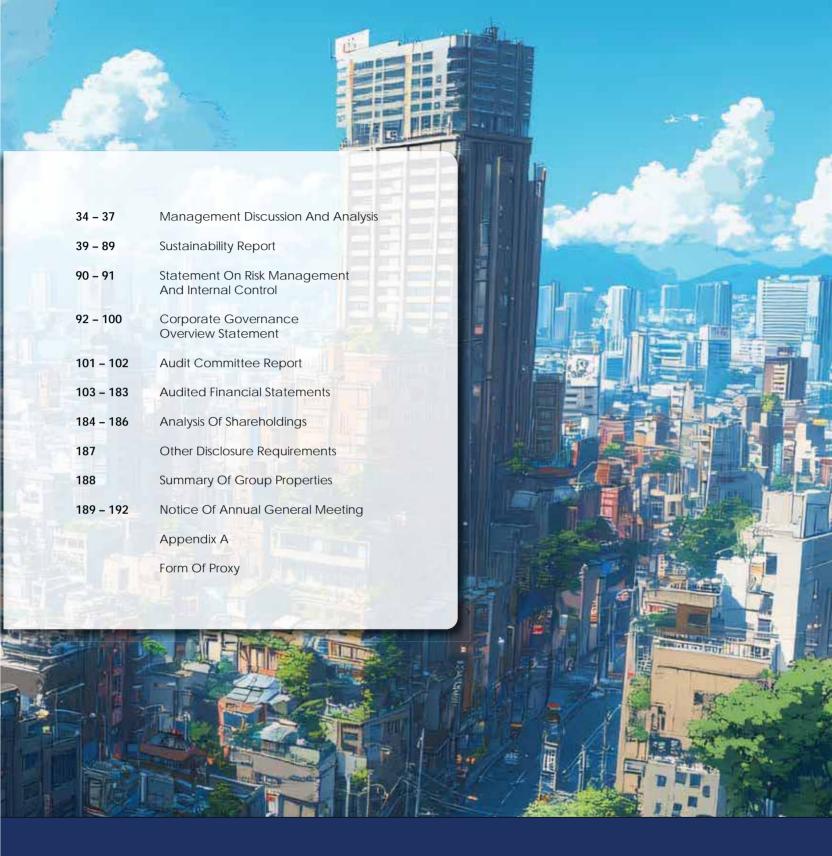




Date 26 June **Time** 10.30 a

Broadcast Venue

Tournament Room, West Lobby, Kuala Lumpur Golf & Country Club (KLGCC) 10, Jalan 1/70 D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur

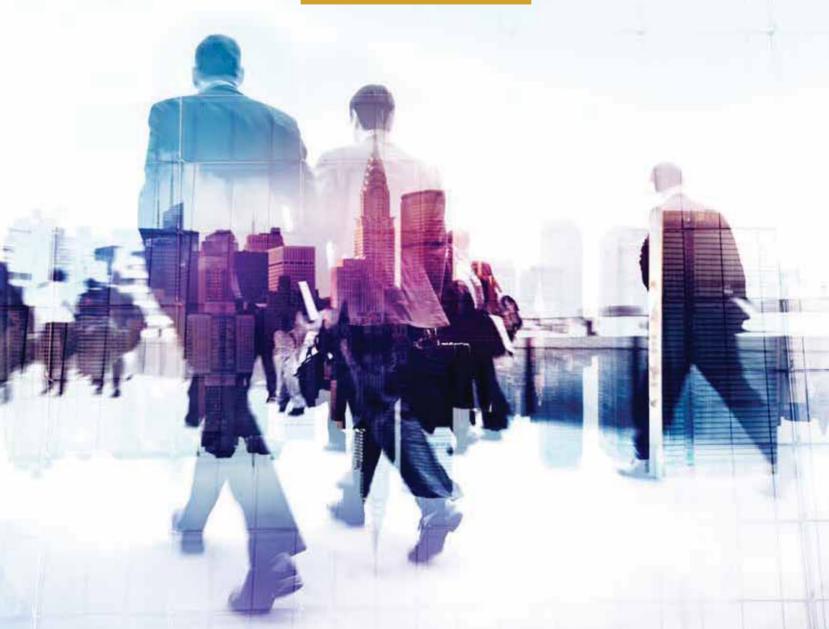




We encourage you to visit our full Annual Report at http://www.widadgroup.com/reports. You will have the privilege to download, retrieve and view any pages of the Annual Report at your conveniece.

OUR EMPLOYEES SINGLE HANDEDLY MADE US A TRUSTED

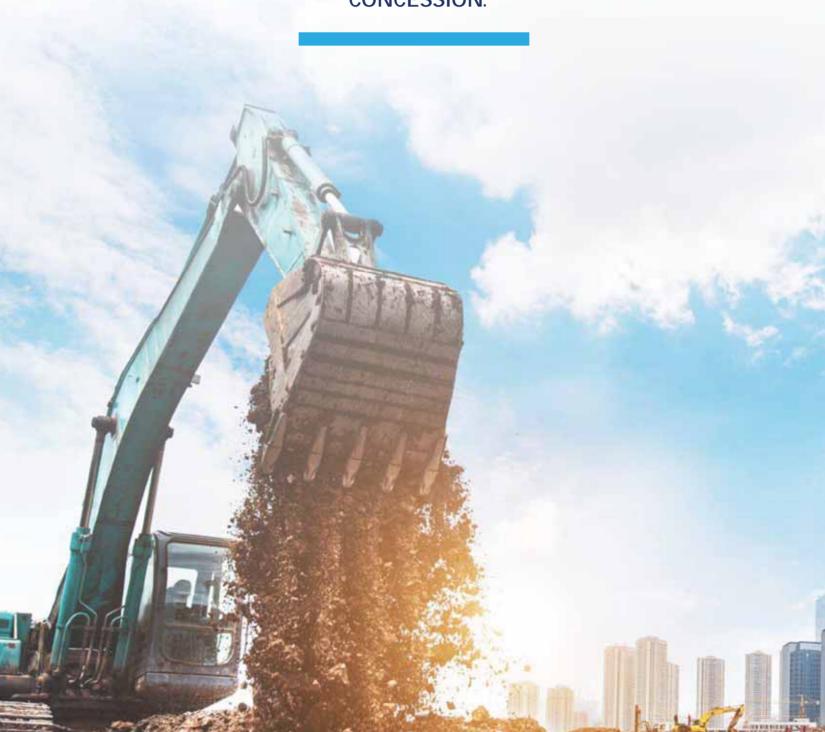
NAME IN THE INDUSTRY





WIDAD GROUP BERHAD

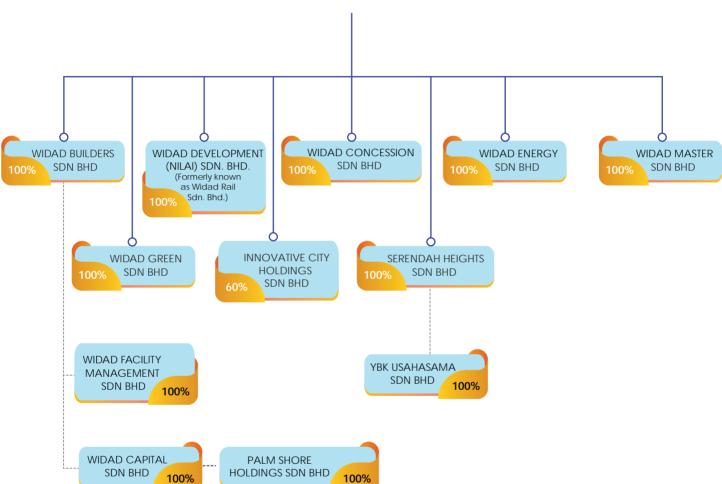
IS AN INVESTMENT HOLDING COMPANY
WHICH IS PRINCIPALLY INVOLVED IN
CONSTRUCTION ACTIVITIES, INTEGRATED
FACILITIES MANAGEMENT SERVICES AND
CONCESSION.





CORPORATE STRUCTURE





CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Muhammad Ikmal Opat Bin Abdullah

(Executive Deputy Chairman) (Appointed w.e.f. 17/07/2024)

Dato' Nasir Bin Mat Dam

(Executive Director) (Appointed w.e.f. 17/07/2024)

Puan Saloma Binti Mohd Jonid

(Executive Director)

Gen (R) Tan Sri Dato' Sri Zulkiple Bin Kassim

(Independent Non-Executive Director)

Dato' Boey Chin Gan

(Independent Non-Executive Director) (Appointed w.e.f. 17/07/2024)

Mr. Ong Kuan Wah

(Independent Non-Executive Director)

Mr. Tung Ghee Meng

(Independent Non-Executive Director)

Dato' Dr Mohd Rizal Bin Mohd Jaafar

(Managing Director) (Retired on 27/06/2024)

Dato' Nor Adha Bin Yahva

(Independent Non-Executive Director) (Resigned on 30/07/2024)

AUDIT COMMITTEE

Mr. Ong Kuan Wah (Chairman) Mr. Tung Ghee Meng (Member) Dato' Boey Chin Gan (Member) (Appointed w.e.f. 17/07/2024)

Dato' Nor Adha Bin Yahya (Member) (*Resigned on 30/07/2024*)

NOMINATION AND REMUNERATION COMMITTEE

Dato' Boey Chin Gan (Chairman) (Appointed w.e.f. 17/07/2024)

Mr. Ong Kuan Wah (Member) Mr. Tung Ghee Meng (Member) Dato' Nor Adha Bin Yahya (Chairman) (Resigned on 30/07/2024)

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Mr. Tung Ghee Meng (Chairman) Gen (R) Tan Sri Dato' Sri Zulkiple Bin Kassim (Member) Mr. Ong Kuan Wah (Member)

COMPANY SECRETARIES

Lim Seck Wah (MAICSA 0799845) (SSM PC No: 202008000054)

Tang Chi Hoe (Kevin) (MAICSA 7045754)

(SSM PC No: 202008002054)

Shuhilawati Tajuddin (LS0010190)
(SSM PC No: 202008001358)

REGISTERED OFFICE

Level 15-2,

Bangunan Faber Imperial Court Jalan Sultan Ismail, 50250 Kuala Lumpur. Tel: 03-2692 4271 Fax: 03-2732 5388

PRINCIPAL PLACE OF BUSINESS

WBG Penthouse, Widad Semantan (WISE), No. 3, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur.

Tel: 03-2094 0009 Fax: 03-2095 9090

REGISTRAR

Mega Corporate Services Sdn. Bhd.

Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur Tel: 03-2692 4271 Fax: 03-2732 5388

AUDITORS

Grant Thornton Malaysia PLT (AF0737)

(Member Firm of Grant Thornton International Ltd.)
Chartered Accountants

Level 11, Sheraton Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur Tel: 03-2692 4022 Fax: 03-2732 1010

STOCK EXCHANGE LISTING

Stock Name : WIDAD Stock Code : 0162

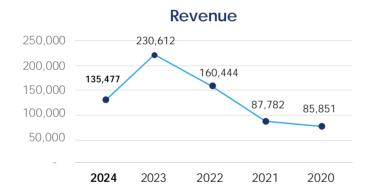
PRINCIPAL BANKERS

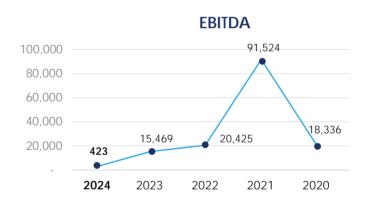
CIMB Islamic Bank Berhad OCBC Al-Amin Bank Berhad Maybank Islamic Berhad HSBC Amanah Malaysia Berhad Affin Islamic Bank Berhad

FINANCIAL HIGHLIGHTS

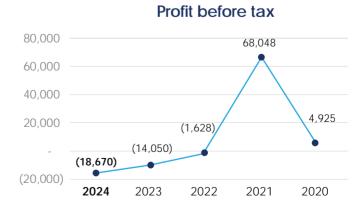
Financial Results

	2024 RM′000	2023 RM′000	2022 RM′000	2021 RM′000	2020 RM′000
Revenue	135,477	230,612	160,444	87,782	85,851
Gross Profit	16,870	16,446	27,498	2,031	33,011
EBITDA	423	15,469	20,425	91,524	18,336
Depreciation	3,652	3,759	3,708	3,682	3,062
Finance cost	24,430	25,760	18,346	20,064	10,349
(Loss)/Profit before tax	(18,670)	(14,050)	(1,628)	68,048	4,925
Tax	(5,675)	(2,583)	(4,499)	2,744	(914)
(Loss)/Profit after tax	(24,345)	(16,633)	(6,127)	70,791	4,012
Key Ratios					
Gross Profit Margin (%)	12.45	7.13	17.14	2.31	38.45
Net Profit Margin (%)	(17.97)	(7.21)	(3.82)	80.64	4.67
EPS (sen)	(0.79)	(0.56)	(0.23)	2.65	0.16









FINANCIAL HIGHLIGHTS

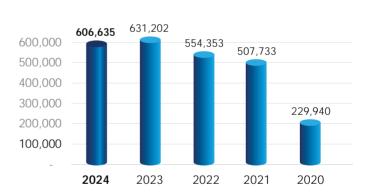
Financial Position

	2024 RM′000	2023 RM′000	2022 RM′000	2021 RM′000	2020 RM′000
Total assets	1,038,648	1,087,560	926,446	865,650	410,632
Total liabilities	606,635	631,202	554,353	507,733	229,940
Total borrowings	423,332	463,950	397,846	365,076	178,000
Equity	432,013	456,358	372,093	357,916	180,692
Key Ratios					
Current ratio	2.71	3.09	2.67	1.17	2.05
Gearing	0.98	1.02	1.07	1.02	0.99
Gearing (net)	0.64	0.65	0.52	0.56	0.30
Debt to capital	0.49	0.50	0.52	0.51	0.50
NTA/Shares (sen)	13.95	14.74	13.25	13.00	7.25

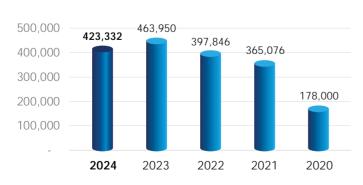
Total assets

1,000,000 800,000 400,000 200,000 2024 2023 2022 2021 2020

Total liabilities



Total borrowings









BOARD OF DIRECTORS



DATO' BOEY CHIN GAN MR. ONG KUAN WAH TAN SRI MUHAMMAD IKMAL OPAT BIN ABDULLAH MS. SALOMA BINTI MOHD JONID



DATO' NASIR BIN MAT DAM GEN (R) TAN SRI DATO' SRI ZULKIPLE BIN KASSIM MR. TUNG GHEE MENG



Tan Sri Muhammad Ikmal Opat Bin Abdullah was appointed as the Executive Deputy Chairman of Widad Group Berhad on July 17, 2024. He is the founder of Widad Business Group Sdn. Bhd., established in 2002, and has been instrumental in the company's growth and diversification. Tan Sri Muhammad Ikmal holds a Bachelor of Arts in Mass Communication from Universiti Kebangsaan Malaysia. Under his leadership, Widad Business Group has expanded into various sectors, including facilities management, construction, property development, and education.

He has no family relationship with any Director of Widad and has not been convicted of any offences other than traffic offences, if any, within the past five (5) years and has not been imposed of any public sanction or penalty by the regulatory bodies during the financial year.

He does not hold any directorship in any other public company.

The group has entered into recurrent related party transactions with parties in which Tan Sri Muhammad Ikmal Opat bin Abdullah has direct and/or indirect interest as disclosed in the Annual Report.

Tan Sri Muhammad Ikmal Opat bin Abdullah is a indirect major shareholder of Widad Group Berhad.



Dato' Nasir bin Mat Dam was appointed as an Executive Director of Widad Group Berhad on July 17, 2024. He holds a Master in Development Administration from Western Michigan University, USA, a Bachelor of Arts in Sociology from Universiti Malaya, and a Diploma in Public Administration from Institut Tadbiran Awam Negara. Dato' Nasir has held various significant positions, including Deputy Secretary-General at the Ministry of Works (2008–2013) and the Ministry of Education (Higher Education) (2013–2015). He also served as a Commission Committee member of the Public Services Commission of Malaysia (2016–2019). Since January 2020, he has been the Senior Executive Director (Education) of Widad Business Group and, as of February 2022, the Vice Chancellor of Widad University College.

He does not hold any directorship in any other public company.

He has no family relationship with any Director and/or major shareholder of Widad and has no conflict of interest with Widad.



Puan Saloma was appointed to the Board of Widad as Executive Director on 1 August 2023.

She graduated from the University of Malaya with a degree in Economics majoring in Business Administration.

Puan Saloma has 30 years' experience in capital market and investment banking specialising in equity and debt capital markets, project financing and credit analysis. She started her career with Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) in October 1983 and served the bank for ten years until October 1993. In 1994, she joined RHB Investment Bank Bhd and held a Dealer's Representative license for the regulated activity in investment portfolio management and industry advisory to retail, corporate, institutional clients.

In 2014, she joined Widad Business Group Sdn Bhd (WBGSB) and presently designated as Group Human Resources & Administration Director. She is also director in a G7 private construction company, Vertical Engineering Sdn Bhd, a related company of WBGSB.

She does not hold any directorship in any other public company.

She has no family relationship with any Director and/or major shareholder of Widad and has no conflict of interest with Widad.



Gen (R) Tan Sri Dato' Sri was appointed as an independent non-executive director of Widad Group Berhad on July 2019. He also serves as a member of the Board's Risk Management and Sustainability Committee. Prior to this, he had retired from his 42 years' service in the Malaysian Army.

He started his career with Malaysian Army in January 1977 and received his military training as officer cadet at the Royal Military Academy Sandhurst United Kingdom. On 7 April 1978, he was commissioned into the Royal Malay Regiment as 2nd Lieutenant.

He has vast knowledge and experience in management, administration, leadership, training and logistic obtained from the various important positions held throughout the 42 years. Amongst the important positions held by him were as Director of Infantry at Army HQ, Commander 4th Brigade (mechanise), Director of Veteran Affairs, General Officer Commanding 4th Infantry Division, Commander Army Field Command and Chief of Army Malaysia.

Currently, Gen (R) Tan Sri Dato' Sri is an Independent Non-Executive Chairman of Pasdec Holdings Berhad.

He has no family relationship with any Director and/or major shareholder of Widad Group Berhad and has no conflict of interest with Widad Group Berhad.

Gen (R) Tan Sri Dato' Sri Zulkiple Bin Kassim was publicly reprimanded and fined RM61,800 by Bursa Malaysia Securities Berhad for breach of paragraph 9.23(1) and 9.35A(1)(a) of the Main Market Listing Requirements of Bursa Malaysia Securites Berhad on 1 September 2022 for his directorship in Pasdec Holdings Berhad.

Apart from the aforesaid reprimand and penalty by Bursa Malaysia Securities Berhad, he has not been convicted of any offences other than traffic offences, if any, within the past five (5) years.



Dato' Boey Chin Gan was appointed as an Independent Non-Executive Director of Widad Group Berhad on July 17, 2024. He holds a Bachelor of Arts (Honours) from Universiti Kebangsaan Malaysia. Dato' Boey has extensive experience in administrative and strategic planning, having served as the Press Secretary to the Minister of Housing and Local Government of Malaysia from 1993 to 2004. He was also a Kedah State Assemblyman for Kulim from 2004 to 2008. In addition to his role at Widad Group Berhad, he serves as an Independent Non-Executive Director at Ajiya Berhad and EcoFirst Consolidated Berhad.

He has no family relationship with any Director and/or major shareholder of Widad and has no conflict of interest with Widad.



Mr. Ong was appointed to the Board of Widad as Independent Non-Executive Director on 4 September 2018. He also serves as the Chairman of the Board's Audit Committee as well as member of the Nomination and Remuneration Committee and the Risk Management and Sustainability Committee.

He graduated from Royal Melbourne Institute of Technology, Australia with a degree in Accounting and also holds a graduate diploma in Computing from Monash University, Australia. Mr. Ong is a Chartered Accountant member of the Malaysian Institute of Accountants and a member of the Chartered Tax Institute of Malaysia.

After graduating in 1991, Mr. Ong started his career at Kassim Chan & Co. and several other medium-sized accounting firms. He specialises in audit and tax works and has over thirty years of experience in financial management, accounting, secretarial, liquidation, internal and external audit and Malaysian tax related matters. He also owns a practice specialising in audit and tax.

Currently, he is an Independent Non-Executive Board member and Chairman of the Board's Audit Committee of Dataprep Holdings Berhad.

He has no family relationship with any Director and/ or major shareholder of Widad and has no conflict of interest with Widad.

He was publicly reprimanded and fined RM100,000 by Bursa Malaysia Securities Berhad for breach of paragraph 16.13(b) of the Main Market Listing Requirements of Bursa Malaysia Securites Berhad on 19 September 2023 for his directorship in Dataprep Holdings Berhad.

Apart from the aforesaid reprimand and penalty by Bursa Malaysia Securities Berhad, he has not been convicted of any offences other than traffic offences, if any, within the past five (5) years.



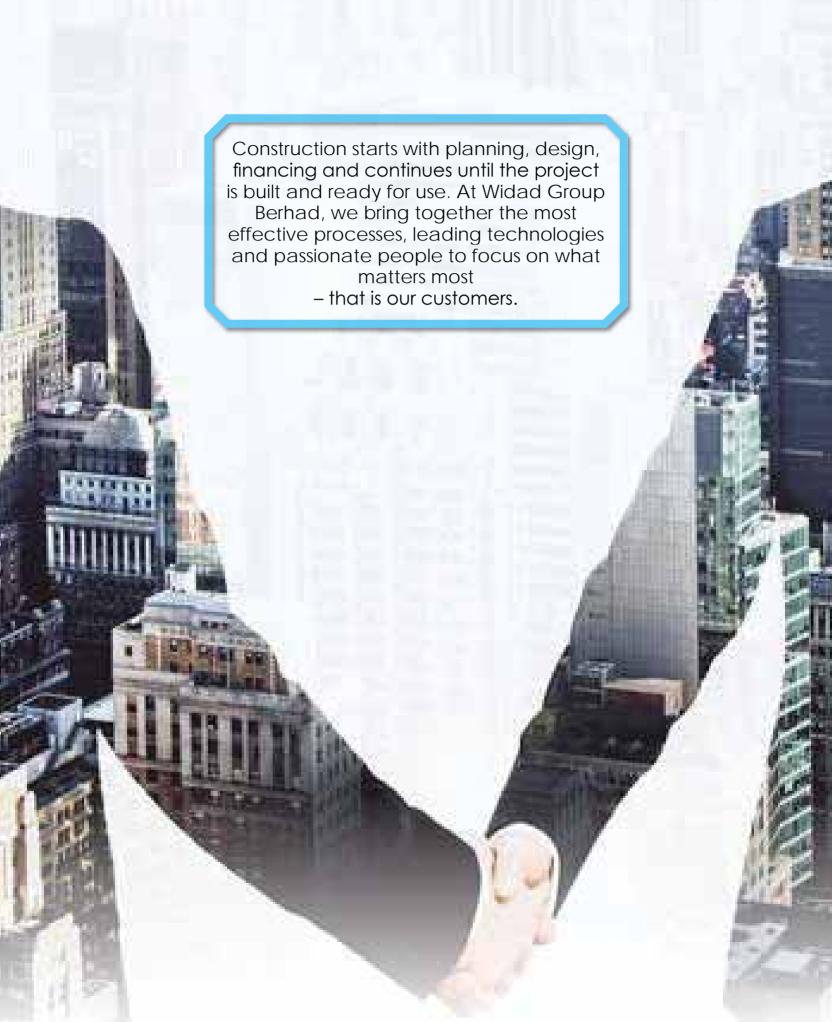
Mr. Tung was appointed to the Board of Widad as Independent Non-Executive Director on 4 September 2018. He also serves as the Chairman of the Board's Risk Management and Sustainability Committee as well as member of the Audit Committee and the Nomination and Remuneration Committee.

He graduated from the University of London with a degree in Law and was called to the Malaysian Bar in 1995. Mr. Tung has practice law for 29 years. Trained as an accountant, he specialises in corporate and commercial law and also has wide-ranging experience in various capacities such as auditor, accountant and company secretary.

Mr. Tung has been intimately involved with business development of South African companies in Malaysia. He is one of the co-founders of Malaysian South African Business Council formed in 1996. He is also the resident director of Murray & Robert Marine Malaysia Sdn Bhd, the local subsidiary of Murray & Roberts Limited, a South African conglomerate listed in the Johannesburg Stock Exchange. He co-founded the Food Aid Foundation, as a food bank in Malaysia which is a non-profit governmental organization (NGO) incorporated on 2013 that is where manufacturers, distributors, wholesaler, retailers, companies or people can donate their unused or unwanted foods which will then be collected and distributed to charitable/welfare homes, volunteer welfare organisation, refugees community, poor families, destitute and soup kitchen.

He does not hold any directorship in any other public company.

He has no family relationship with any Director and/or major shareholder of Widad and has no conflict of interest with Widad.



KEY SENIOR MANAGEMENT





PROFILE OF KEY SENIOR MANAGEMENT



Mr. Nor Azlan holds a Bachelor of Accountancy (Hons) from Universiti Teknologi MARA in 1993. He is also a Chartered Accountant under the Malaysian Institute of Accountants. Mr. Nor Azlan began his career at Ernst & Young, until he was admitted to the Malaysian Institute of Accountants.

Subsequently, he joined Guolene Paper Products Sdn Bhd (a subsidiary of Hong Leong Group) Packaging Division in 1997 as an accountant before moving on to Golden Pharos Berhad in 1998 as Chief Financial Officer. In 2004, he cofounded and assumed the role as Chief Executive Officer of Right Balance Sdn Bhd, a diversified group with interests in oil and gas, transportation, and trading of wood products.

In 2018, he joined Widad Business Group Sdn Bhd as Group Chief Financial Officer.

On 28 June 2024, Mr. Nor Azlan was appointed as Acting Group Chief Executive Officer and redesignated as Group Chief Executive Officer on 1 March 2025.

Currently, Mr. Nor Azlan is an Independent Non-Executive Board member and Chairman of the Board's Audit Committee and Risk Committee of Mikro MSC Berhad.

He has no family relationship with any Director and/or major shareholder of Widad Group Berhad and has no conflict of interest with Widad Group Berhad.

PROFILE OF KEY SENIOR MANAGEMENT



Dato' Julaini holds a Mechanical Engineering from University of Science Malaysia. He began his career as a mechanical engineer with Sharp-Roxy (M) Sdn Bhd from 1994-1997. Between 1997-2001, he later moved to BMES Maintenance Services Sdn Bhd as Area Manager, and then took on the role as General Manager at Gemilang Maintenance Services Sdn Bhd (GMS) in 2001. At GMS, Dato' Julaini was promoted to Chief Operating Officer in 2009, and was responsible for the company's daily operations and financials. After a decade at GMS, he joined Widad Builders Sdn Bhd ("WBSB") as Chief Operating Officer in 2011.

Dato' Julaini's impressive career in facilities management in Malaysia is a testament to his outstanding leadership and engineering expertise. Despite his age, he remains a tech wizard and a valuable asset to the organization by incorporating IIOT to meet current market demands. His exceptional leadership has been instrumental in managing the facilities management for some of Malaysia's most iconic landmarks, including the National Palace and the Johor Bahru Sentral Land Transportation Hub, the concessionaire of higher educational institutions, UiTM Jasin, and Johor Naval Base, the revered Jabatan Laut Malaysia for all passenger and ferry terminal to Langkawi Island, and the properties of Cyberview.

As the Chief Operating Officer (COO) of Widad Group Berhad (WGB), Dato' Julaini is committed to the company's vision of becoming a competitive, foremost, and world-class standard organization. Under his visionary leadership, WGB has been recognized with numerous prestigious awards, including the Best Facilities Management award from the Public Works Department of Malaysia. His unwavering commitments to excellence and exceptional expertise have also earned him numerous accolades, such as The Facilities Management Excellence Award by Global Responsible Business Leadership 2018 and The Brand Laureate Brand Leadership Award 2022 – CEO of the Year, solidifying his position as a leader in the field of facilities management.

Dato' Julaini does not hold any directorship in any other public company.

He has no family relationship with any Director and/or major shareholder of Widad Group Berhad and has no conflict of interest with Widad Group Berhad.

PROFILE OF KEY SENIOR MANAGEMENT



Datuk Ir. Ts. Mohd Syaswan holds a Bachelor in Civil Engineering (Hons) in Universiti Teknologi Malaysia, Johor. Apart from being the Group's Construction division Chief Operating Officer, he is also the Executive Director of Widad Builders Sdn Bhd since 2010 and the Executive Director of Group Construction Division for Widad Business Group Sdn Bhd.

Prior to joining Widad Group Berhad, Datuk Ir. Ts. Mohd Syaswan worked at Cempaka Muda Sdn Bhd, where he served as a project engineer handling the day to day construction operations from 2003- 2005. He then joined TN Perunding Consulting Engineers as Civil & Structural Design Engineer for two years (2005-2007), followed by Pembinaan BLT Sdn Bhd from 2007 - 2010, a wholly owned company under the Ministry of Finance. He was actively involved in the project management during pre-construction, construction and post-construction stages. He is currently overseeing the ongoing project for construction of sewerage treatment plant and pipeline network in Bayan Baru, Penang and road upgrading projects in Klang, Selangor. He was awarded as an excellent project manager.

Datuk Ir. Ts. Mohd Syaswan obtained registration with the Board of Engineers Malaysia (BEM) as a Professional Engineer with Practicing Certificate in 2009 and was registered as a Corporate Member of the Institution of Engineers in Malaysia (IEM) in 2009. He was also registered as an Associate ASEAN Engineer of ASEAN Federation of Engineering Organizations (AFEO) in 2012.

Furthermore, Datuk Ir. Ts. Mohd Syaswan is registered with Suruhanjaya Perkhidmatan Air Negara (SPAN) – Qualified Person (2012), Suruhanjaya Perkhidmatan Air Negara – Authorised Entrant & Stanby Person (2014), Green RE Sdn Bhd / Universiti Teknologi Malaysia (UTM) – Certified Green Re Manager (2015), The Road Engineering Association of Asia & Australia (REAAA) – Ordinary Member (2015), Association of Consulting Malaysia (ACEM) – Individual Membership (2015) and The Malaysian Asset & Project Management Association (MAPMA) – Ordinary Member (2016). In 2020, Datuk Ir. Ts. Mohd Syaswan obtained registration with Malaysia Board of Technologists as a Professional Technologist.

Datuk Ir. Ts. Mohd Syaswan does not hold any directorship in any other public company.

He has no family relationship with any Director and/or major shareholder of Widad Group Berhad and has no conflict of interest with Widad Group Berhad.

PROFILE OF KEY SENIOR MANAGEMENT



Ms. Shuhilawati is a licensed company secretary by the Companies Commission of Malaysia with London Chamber of Commerce & Industry ("LCCI") qualification.

From 2003, she has been working as a Senior Assistant to the Company Secretaries at Alor Setar Business Centre Sdn Bhd before joining Alfaiz Holdings Sdn Bhd and its group of companies as Internal Company Secretary in 2017.

At present, she is hired as internal Company Secretary for Widad Business Group Sdn Bhd and its group of companies.

Ms. Shuhilawati does not hold any directorship in any other public company.

She has no family relationship with any Director and/ or major shareholder of Widad Group Berhad and has no conflict of interest with Widad Group Berhad.

LENDING A HELPING HAND TO OUR COMMUNITIES

From volunteering to making donations, we are committed to make a positive difference to people's lives. Nowhere has that statement been truer than with the successes of our CSR initiatives, which is driven primarily by our core values.



OUR SOLUTIONS & SERVICES

CONSTRUCTION, CIVIL & ENGINEERING

Widad Group Berhad has a long-built experience in delivering quality services across a wide-range of construction and infrastructure works. Backed by our efficient processes, latest technologies and strong in-house talent, Widad Group Berhad offers end-to-end construction services for our clients from planning and designing to financing and completing a project.

Over the years, we have successfully completed various construction and infrastructure works such as roads (single and dual carriageway), earthworks and water supply (rural and urban), to name a few - all complete with necessary mechanical and electrical systems.

Our strong track record in completing projects as scheduled and well within cost estimates, have earned the trust and support from our clients, among which include government agencies and well-known corporate names. Our ability to offer a diversified range of construction and civil engineering services, positions Widad Group Berhad as a one-stop centre for our existing and prospective clients.

Below are the work scope for our construction and civil engineering segments are as follows:

CIVIL ENGINEERING WORK SCOPE

- ♦ General Civil Engineering Work
- Bridges, Jetties & Marine Structures
- ♦ Water Retaining Structures
- Sewerage Systems
- Flood Mitigation Systems
- Irrigation & Drainage Systems
- ♦ Joint Boxes and Duct Construction
- Manholes for Cable Networks

CONSTRUCTION WORK SCOPE

- Jungle Clearing & Land Preparation Works
- Mechanical Sanitation & Water Engineering Works



PILING WORKS

- In situ concrete
- Precast reinforced concrete
- Steel
- Timber



BITUMINOUS ROAD SURFACE, ROAD SIGNS AND MARKINGS

- Guard Rail Barriers
- Milestones, etc



OTHERS

- Sub soil drainage
- Water distribution network
- Steel structural works
- Precast reinforced or non-reinforced concrete beams, kerbs, culverts & drains

OUR SOLUTIONS & SERVICES



INTEGRATED FACILITIES MANAGEMENT

We are one of the leading Integrated Facilities Management ("IFM") services providers in Malaysia. With nearly 2 decades of experience in the domestic IFM scene, we have served various types of built environments that were in different stages of their asset lifecycle. The IFM services essentially emphasise on the coordination of space, infrastructure and people, often associated with the administration of among others, office blocks, schools, complexes, convention centres and hotels.

At Widad Group Berhad, we remain committed to deliver stellar, high quality IFM services to our clients from a diverse range of industries, while strictly complying to international quality management standards. The Group strives to sustain peak efficiency in our customers' facilities, by consistently exceeding customers' expectations, while maintaining the safety and comfort. Top-notch technologies and talent are central to our IFM services as we deliver a high level of competency across our services

Widad Group Berhad's IFM services comprises 3 main categories as follows:

SCHEDULED MAINTENANCE

We consistently inspect the facilities of our customers on a timely and regular basis and follow best maintenance practices to ensure optimum cost, effectiveness and efficiency.

AD HOC MAINTENANCE

We offer round-the-clock coverage making use of our expertise and latest technology to ensure total customer satisfaction

UPGRADING & RENOVATION

We advise our customer in designing, building as well as performing all upgrading works within the premises.

OUR SOLUTIONS & SERVICES

SCOPE OF SERVICES

PROPERTY MANAGEMENT

Interior & exterior building cleaning. Hard & soft landscaping. Security & monitoring. Pest & hygiene control. Garbage disposal services. Swimming pool maintenance.

MECHANICAL & ELECTRICAL

Air-conditioning system. Fire prevention system. Electrical & lighting system. Lifts, escalators & walkalators.

CIVIL & STRUCTURAL

Civil engineering works. Building works. Mechanical sanitary & water engineering works. Jungle clearing & land preparation. Specialist civil engineering works.

TYPES OF MAINTENANCE

PROACTIVE MAINTENANCE

Involves usage of specialised tools and equipment to identify, repair and solve equipment problems at an early stage.

PREVENTIVE MAINTENANCE

Involves maintenance works performed on a planned schedule which includes inspection, servicing and cleaning.

PREDICTIVE MAINTENANCE

Involves using high end monitoring tools to detect any malfunctions early before any breakdown can occur.

CORRECTIVE MAINTENANCE

Involves immediate repair works due to equipment or machinery failure.

OTHER AREAS OF EXPERTISE

- Facilities Management
- Mobilisation and Demobilisation Management
- Transition Management
- Financial Management
- Utilities Management
- Quality Management
- Risk Management
- Health, Safety and Environmental Management
- Human Resource Management
- Customer Care Management
- Incident Response and Disaster Recovery Management
- Procurement Management
- Inventory Management
- Operation and Maintenance Management
- Information System Management
- Management Review and Reporting
- Warranty Management
- Energy Management and Conservation
- Waste and Redundant Materials
- Technical Library
- Security Management
- Event Management
- Asset Condition Appraisal



MANAGEMENT DISCUSSION & ANALYSIS



Overview of the Group's Business

Widad Group Berhad ("Widad" or the "Company") and its subsidiaries (the "Group") is principally involved in providing the construction services, provision of integrated facilities management ("IFM") and concession business.

The Group has nearly two decades of experience in delivering quality services across a wide range of construction and infrastructure works and provision of IFM services. The Group offers end-to-end services from planning, designing, financing and completing of construction projects and undertake full-fledged IFM activities for various type of built environments that are in different stages of their asset lifecycle.

Over the years, the Group has been undertaking various projects such as roads, bridges, earthworks, sewerage treatment plant, water distribution system, dam and full-fledged maintenance of buildings.

Our operations are accredited with ISO41001 – Facility Management System, ISO50001 – Energy Management System, ISO14001 – Environment Management System, ISO45001 – Occupational Health and Safety Certification and ISO9001 Quality Management System.

Review of Operations

Construction

Widad leverages its expertise in construction through its wholly owned subsidiary, Widad Builders Sdn Bhd ("WBSB"). The construction business remained the largest revenue contributor, accounted for 74.58% of the Group total revenue for FYE 2024 (FYE2023: 89.23%). In FYE 2024, the construction business experienced a contraction which sales dropped by half from the previous year to RM101.05 million (FYE 2023: RM205.77 million). The lower in revenue for this segment was attributable to completion of construction projects in northern Malaysia and lower construction activities.

As at 31 December 2024, this segment has order book worth RM661.96 million be executed and completed within next two years.

IFM

Widad leverages its expertise in asset facility management services through Widad Facility Management Sdn Bhd. In FYE 2024, IFM business remained the second largest revenue contributor, which this business segment experienced sales surged approximately double to RM21.60 million in FYE 2024 from RM11.70 million in FYE 2023. This IFM growth was primarily driven by recognition of claim for projects secured in third quarter 2023.

As at 31 December 2024, this segment has order book worth RM58.77 million to be executed and completed within next three years.

MANAGEMENT DISCUSSION & ANALYSIS

Concession

The concession business remains steadfast in FYE 2024, which the revenue from concession business, contributed RM12.82 million of the Group's total revenue (FYE2023: RM12.76 million). Throughout the year, we continued to provide IFM at the UiTM Jasin campus in Melaka and asset management services for a training centre for Royal Malaysian Navy in Johor. Our focus remains on optimising operational efficiencies in the facility management. These long-term concessions ensure a stable and predictable cash flow for the Group until 2039.

As at 31 December 2024, this segment that comprises maintenance activities and consideration receivables for construction services, has a total outstanding order book worth RM633.91 million, which will last until 2039.

Financial Review

Financial results

Amid this challenging business environment, the Group recorded a revenue decline of 70.2% or RM95.14 million, from RM230.61 million in FYE 2023 to RM135.477 million in FYE 2024. The lower turnover was due to completion of construction projects in northern Malaysia and lower construction activities.

The Group recorded a gross profit of RM16.87 million in FYE 2024, compared to RM16.45 in FYE 2023. The gross profit margin in FYE 2024 and FYE 2023 were 12.45% and 7.13% respectively. The increase in gross profit margin in FYE 2024 was largely attributable to stabilization of raw material prices and improvement in IFM revenue.

In line with lower revenue for the year, the Group reported a loss before tax of RM18.67 million in FYE 2024, attributable to loss on disposal of asset held for sale amounting to RM3.97 million and impairment losses on financial assets amounting to RM5.67 million. Without these two items, the Group has successfully reduced its loss before tax to RM9.03 million during the year, from RM14.04 million in FYE 2023. Tax expenses for FYE 2024 posted at RM5.67 million, higher than the previous year mainly due to additional tax imposed on concession businesses.

Financial Position

From the balance sheet perspective, in FYE 2024, the Group total asset recorded at RM1,038.65 million, slightly lowered than previous year of RM1,087.56 million. Similarly, the cash and bank balance dropped to RM131.73 million in FYE 2024, compared to RM155.95 million in the previous year, owing to Sukuk Wakalah's principal payment amounting to RM25.0 million. The contract assets also reduced by 5.17% in line with lower construction activities.

The Group current assets primarily comprise contract assets, trade and other receivables, tax recoverable, cash and bank balances, and fixed deposits, recorded an increase of RM30.70 million or 5.52%, from RM555.56 million in FYE 2023 to RM586.26 million in FYE 2024. The increased were largely due to the increase in trade receivables and reclassification of an asset held for sale under the current assets as it is in the process of disposal. Further to reclassification of an asset held for sale, the Group non-current assets reduced to RM452.39 million from FYE 2023 of RM532.0 million.

The current liabilities, comprising contract liabilities, short-term loans and borrowings, trade and other payables, lease liabilities and tax payable. As at FYE 2024, the current liabilities increased by 20.3% to RM216.11 million from RM179.65 million as at FYE 2023 owing to reclassification of borrowing related to asset held for sale and slower collection from customers as the payment to subcontractors were based on back-to-back arrangement.

In contrast, the Group non-current liabilities, which include long term borrowings, lease liabilities and deferred tax liabilities, lowered by RM61.03 million to RM390.52 million as at FYE 2024, compared to RM451.55 million as at FYE 2023. This reduction was mainly due to Sukuk Wakalah principal payment and reclassification of borrowing related to asset held for sale of RM58.14 million and a RM3.04 million decline in deferred tax liabilities. Correspondingly, the Group total liabilities reduced by 4.0% to RM606.63 million in FYE 2024 from RM631.20 million.

This resulted in slight improvement of our net gearing ratio to 0.64 times in FYE 2024 from 0.65 times in the previous year. We remain committed to further reducing our gearing ratio through ongoing debt repayments.

Our total equity reduced to RM432.01 million in FYE2024 from RM456.36 million in FYE2023 due to loss after tax for the year.

Corporate Matters

Private Placement

On 24 January 2025, Widad implemented the first tranche of private placement exercise, raising RM1,000,350 with the issuance of 24,700,000 new Widad shares, while the remaining 284,945,300 Widad shares has yet to be implemented. The expiry date to complete the private placement exercise is 19 September 2025. The proceeds from the first tranche were mainly utilised to meet the working capital requirements of the Group.

MANAGEMENT DISCUSSION & ANALYSIS

Proposed Acquisition

On 17 April 2025, Widad Development (Nilai) Sdn Bhd, a wholly subsidiary of Widad, entered into a sale and purchase agreement with Guper Bonded Warehouse Sdn Bhd for the acquisition of vacant industrial land in Nilai, Negeri Sembilan, for a purchase consideration of RM31.30 million to be satisfied entirely via consideration of shares.

Proposed Diversification

In conjunction with the Proposed Acquisition, Widad shall also undertake the diversification of the Group's existing businesses to include property development business ("Proposed Diversification").

The Proposed Diversification is part of the Group's strategic plan to capitalise on other growth opportunities to reduce its reliance on its existing businesses. The Proposed Diversification is expected to provide an alternative source of income to the Group and contribute positively to the future earnings of the Group.

Proposed Asset Disposal

On 28 April 2025, WBSB entered into a sale and purchase agreement with Richfield Builder (M) Sdn Bhd for the disposal of an asset for a cash consideration of RM41.50 million. The disposal represents an opportunity for the Group to improve its financial performance by reducing finance cost, depreciation and improve cashflow.

Outlook and Prospect of Malaysian Economy

Malaysia's economy continued its growth momentum, supported by favourable economic performance, amid persistent challenges in the external environment. This signifies the country's strong fundamentals and diversified economic activities as well as investor confidence in the domestic market, anchored by sound Government policies. Furthermore, the Ekonomi MADANI framework, which focuses on restructuring and reforming Malaysia's economic agenda, coupled with the implementation of key policy plans such as the National Energy Transition Roadmap and New Industrial Master Plan 2030, have started to yield positive results. During the first half of 2024, the economy posted a commendable growth of 5.1% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. Growth is forecast to continue its momentum in the second half of the year, albeit at a moderate pace. Overall, real gross domestic product (GDP) was 2024 is revised upward, ranging between 4.8% and 5.3%, surpassing the initial target of 4% to 5%.

The 24% tariff rate imposed by the United States on Malaysian exports could affect growth although policies already in place will help to mitigate the impact. Malaysian exports could be impacted by the tariffs, but the economy is diversified with the service sector accounting for 60% of GDP. Malaysia economy grew 5.1% in 2024 driven by strong domestic demand, record approved investments, and robust exports. The government has forecast growth of 4.5% to 5.5% in 2025, but is reviewing that in light of the U.S. tariffs.

The service sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of ICT related activities. The construction sector is expected to rise attributed to growth in all subsectors, including special trade activities, residential buildings and non-residential buildings.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

Construction Industry

Malaysian construction industry is generally positive, with the sector experiencing robust growth and a projected increase in market size. This growth is driven by factors like increasing demand for infrastructure projects, data centers and advanced manufacturing facilities.

The construction sector has shown consistent growth, with the value of work done reaching RM158.8 billion in 2024, a 20.2% increase and the construction sector is expected to continue its positive trajectory, with a CAGR of 4.8% between 2025 and 2029.

The local construction industry is projected to expand by 9.4% to RM70.77 billion in 2025. As outlined in Budget 2025 ("3rd MADANI Budget"), the allocation for development expenditure stood at RM86.0 billion (excluding RM2.0 billion earmarked for contingency reserves) and it is expected to continue driving the growth in the local construction industry.

The Malaysian Government intends to promote an inclusive development by focusing on financing projects that are rakyat -centric and the facilities that support the industrial areas according to state priorities. These projects and facilities include the construction of the Machang Water Treatment Plant and Sultan Ismail Petra Airport, Kota Bahru runway extension project in Kelantan; the expansion of Kulim Hi-Tech Park and construction of an additional block at Hospital Kulim in Kedah; the Penang Light Rail Transit, Penang International Airport expansion project and Batu Kawan Industrial Park 3 project in Penang; and the 3rd phase of the North-South Expressway expansion (increasing from 4 to 6 lanes on the Simpang

MANAGEMENT DISCUSSION & ANALYSIS

Renggam-Machap stretch), the Johor-Singapore Rapid Transit System project, and the construction project of a riverbank barrage and water reservoir at Sungai Sedili Besar in Johor, among others.

In the 3rd MADANI Budget, the Malaysian Government has prioritised road maintenance to reduce accident cases due to unsafe road conditions. RM2.8 billion has been allocated to maintain federal roads and this includes RM1 billion for immediate repair of non-main roads such as secondary roads, Federal Land Development Authority roads and industrial roads.

IFM Industry

The growth in the number of commercial buildings and infrastructure provide opportunities for increase demand for IFM services. In addition, the increasing trend towards outsourcing of facilities management and growing number of energy efficient buildings further create demand for IFM services.

The IFM sector, which plays a key role in supporting Malaysia's essential infrastructure, will likely see new opportunities emerge from this economic climate. Widad remains focused on executing our strategic plans to ensure we are well-positioned to capitalise on evolving market trends. We also continue to provide excellent services and appropriately deliver our IFM solutions to our customers.

Moving Forward

For financial year 2025, Widad endeavours to continue the momentum it has built thus far. On the back of the order book amounting to RM1.36 billion, we continue to focus on quality, and operational excellence to ensure the delivery of products that align with market trends and continuously raising the bar for performance and reliability.

We are dedicated to fostering a culture of commitment to expand network as we are working hard to replenish our orderbook in our core businesses as well as to achieve sustained and progressive success.

Recognising the need to restore financial health and operational stability, the Group took business turnaround initiatives, including:

- (i) corporate exercises; and
- (ii) cost-cutting measures.

The Group believes that cost management strategy is aimed to reduce debt to improve liquidity and cashflow. Alleviating debt burden will enable the Group to pursue growth opportunities.

Moreover, the appointments of new board members in July 2024, have brought a wave of fresh perspectives into the Group. We are confident that this leadership team with a wealth of experience in their relevant fields, will provide the strategic direction to bring us forward.

Risk

Industry risk

Widad's performance risk is subject to risks inherent in the construction industry. Common risks include among others labour shortages, fluctuation in supply, price of raw materials, interest rate fluctuations as well changes in the legal and regulatory framework governing the industry. The Group seeks to mitigate the risks through efficient resource management, cost control, diligent monitoring of its projects, continuous review of operations and prudent management in costing and planning projects that it intends to bid for.

Competition risk

Both construction and IFM are experiencing stiff competition from established and new players in their respective industries. To maintain the competitiveness of the Group, the management ensures that all products offered by the Group are competitively priced while maintaining excellent quality and timely delivery. The Group prioritises cost optimisation and operational efficiency.

Dependent on third-party contractors

The Group depends on the support of third-party contractors to ensure the continuous supply of construction works, raw materials and other required services. Any substandard performance or work quality, inability to supply or delay by the third-party contractors may disrupt the progress and/or quality of the Group's projects and hence may adversely affect financial performance and track record. To alleviate this risk, the Group award works to reliable contractors who have favourable track records and financial capabilities. We cultivated a number of pre-vetted contractors and continue to evaluate their performance throughout their contract period, maintaining those with a good track record and commitment to excellence.

Dividend

The ability to pay dividends is subject to financial result and sufficient cashflow. The Group undertook to conserve cash flow for the ongoing business opportunities and did not declare dividends in FYE2024.

Widad remains committed to its long term goal of creating value for all its loyal shareholders.



ABOUT THIS SUSTAINABILITY REPORT

This Sustainability Report ("the Report") provides a comprehensive overview Group's of Widad sustainability performance. focusing on kev Economic, Environment, and Social (EES) aspects. It offers an updated review of our sustainability initiatives for the financial year, highlighting the risks and opportunities we face, as well as our forward-looking action plans. a complete understanding of how we integrate financial and nonfinancial performance with sustainability objectives, this Report should be read alongside our 2024 Annual Report. Our integrated approach reflects our commitment to achieving a balanced, sustainable growth for the Group.

We are grateful for the opportunity to share our sustainability commitments and the progress we have made in generating long-term value for our stakeholders through this Report.

Reporting Period, Scope and Boundary

This Sustainability Report covers the financial year from 1 January 2024 to 31 December 2024 (FY2024). The scope of this report includes two key entities within the Group:

- Widad Group (Investment Holding)
- Widad Facility Management Sdn Bhd (Integrated Facilities Management)

These two entities represent the most significant components of the Group's operations in terms of sustainability impact and stakeholder interest. Unless otherwise stated, the data and information presented in this report pertain exclusively to these entities, with particular emphasis on operations within Malaysia.

This report reaffirms our commitment to transparency and responsible governance across economic, environmental, and social dimensions. The sustainability data disclosed is consistent with the Group's Annual Report to ensure a unified and cohesive reporting approach.

Reporting Standards, Guidelines and Indices

This Sustainability report was prepared with reference to the following guide and reporting standard, covering the reporting period from 1 January 2024 to 31 December 2024 ("FY2024").:

- Bursa Malaysia Securities Berhad Sustainability Reporting Guide 2022 (3rd edition)
- The 2021 Global Reporting Initiative (GRI) Standards
- Malaysian Code on Corporate Governance (MCCG) of Securities Commission Malaysia

The disclosures and sustainability topics presented have been selected based on materiality to the operations of the two reporting entities and their relevance to key stakeholders.

Assurance Statement

This Statement has not been subjected to an assurance process. Our current focus and commitment are to ensure its data collection and processes are continually being improved and as we progressively mature in our sustainability journey, we will also work towards strengthening the credibility of our reporting.

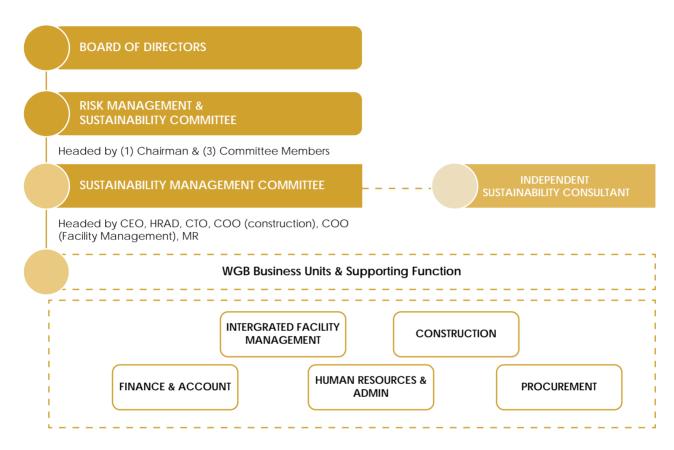
Feedback

We value and appreciate all feedback that helps us enhance the relevance of our Reports to better meet the needs of our stakeholders. For any questions related to our sustainability initiatives or reporting, or if you have any queries, suggestions, comments, or feedback, please feel free to reach out to us at info@widadgroup.com.

* All references to the "Company", "Organisation" or "Widad" refer specifically to Widad Group Berhad, the investment holding entity. All references to the "Group" or "Widad Group" refer collectively to Widad Group Berhad and its subsidiary included in the reporting scope for FY2024, namely Widad Facility Management San Bhd, which operates the Group's Integrated Facilities Management (IFM) division in Malaysia. The terms "we", "us", "our", and "ourselves" refer to Widad Group Berhad and, where applicable by context, the Group as defined above.

APPROACH TO SUSTAINABILITY

Sustainability Governance



Widad Group Berhad (WGB) adopts a structured, four-tier governance framework to ensure sustainability is effectively embedded across its strategy, operations, and decision-making processes. At the top of this structure, the Board of Directors holds ultimate accountability for overseeing sustainability matters within the Group. The Board sets the strategic direction and approves key sustainability-related policies and approaches, ensuring that material sustainability and governance matters are considered in the Group's long-term planning and business decisions.

Reporting directly to the Board, the Board Risk Management and Sustainability Committee (BRMSC) plays a central role in providing oversight and direction for the Group's sustainability strategy and implementation. In accordance with its Terms of Reference, the BRMSC is responsible for reviewing and assessing the Group's sustainability strategies, policies, and standards across ESG pillars, including matters related to environment, workplace, marketplace, safety, health, employment, human rights, and community engagement. The BRMSC also provides oversight on strategic initiatives, ensures that sustainability matters are aligned with global trends and stakeholder expectations, and reviews relevant disclosures such as the Group's Sustainability Statement prior to Board approval. Furthermore, the BRMSC monitors findings from independent audits and assurance reports to enhance transparency and credibility in sustainability performance.

Under the oversight of the BRMSC, the Sustainability Management Committee (SMC) is tasked with driving the implementation of the Group's sustainability initiatives. The SMC is composed of senior leaders, including the Chief Executive Officer (CEO), Human Resources and Admin Department (HRAD), Chief Technology Officer (CTO), Chief Operating Officers (Construction and Facility Management), and the designated Management Representative (MR). The committee is guided by an Independent Sustainability Consultant who provides advisory support to ensure alignment with best practices and regulatory requirements. The SMC translates strategic directions from the BRMSC into actionable plans and coordinates the execution of initiatives across departments, while promoting a culture of sustainability within the organization.

At the operational level, the Group's Business Units and Supporting Functions—including Integrated Facility Management, Construction, Finance & Accounts, Human Resources & Admin, and Procurement—play a crucial role in implementing sustainability initiatives and tracking progress. These departments contribute data, drive performance, and support the overall sustainability agenda, ensuring consistent alignment with the Group's sustainability goals.

Through this clearly defined top-down governance structure, WGB ensures accountability, transparency, and crossfunctional and management committee collaboration in managing its sustainability agenda. The framework not only supports effective oversight but also fosters a cohesive and resilient approach toward sustainable growth.

STEP 1 IDENTIFICATION

The first phase of the materiality assessment involved identifying key sustainability topics relevant to Widad Group's operations. We conducted a desktop review of regulatory requirements to determine potential material issues. This process ensured that our assessment was aligned with global best practices and industry-specific challenges.

Through this review, we identified nine (9) key sustainability topics spanning economic, environmental, and social dimensions. These topics were selected based on their relevance to Widad Group's business strategy, regulatory requirements, and global sustainability priorities

STEP 2 PRIORITISATION

In the prioritization phase, we engaged key stakeholders through survey-based assessments to determine the relative importance of each sustainability topic and were asked to rate these topics based on two dimensions:

- Significance of the organization's sustainability impacts: How much the topic affects Widad Group's ability to operate sustainably and responsibly.
- Influence on stakeholder assessments and decisions: The extent to which the topic influences stakeholder perceptions, decisions, and expectations regarding Widad Group's sustainability performance.

Survey responses were analyzed and plotted on a Materiality Matrix, categorizing topics into different priority levels. To provide clarity, we established materiality thresholds that categorize sustainability topics based on their significance and influence:

• Low Priority: 0% - 33%

Medium Priority: 34% - 66%

• High Priority: 67% - 100%

STEP 3 VALIDATION

The final phase involved validating the results to ensure alignment with Widad Group's business objectives and sustainability commitments. Senior management reviewed the Materiality Matrix and confirmed the prioritization of topics based on their strategic importance and potential risks and opportunities.

From the assessment, five topics emerged as High Priority, meaning they are critical to Widad Group's sustainability strategy and require continuous attention:

- Employee Health & Safety (Social)
- Climate Change (Environmental)
- Diversity, Equity & Inclusion (Social)
- Anti-Corruption (Economic)
- Water Management (Environmental)

Additionally, the following topics were categorized as Medium Priority, indicating they require close monitoring and targeted strategies for long-term sustainability:

- Data Privacy & Security (Social)
- Supply Chain Management (Economic)
- Labour Practices & Standards (Social)
- Local Community (Social)

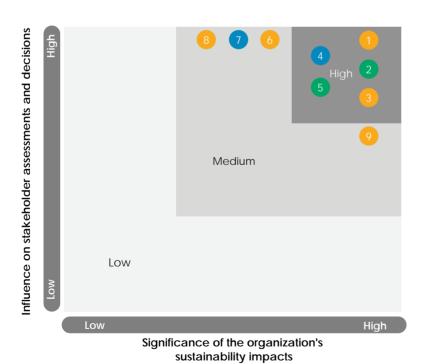
The findings of this assessment highlight five high-priority sustainability topics that require continuous monitoring and enhancement to ensure Widad Group's long-term resilience and compliance with evolving regulations.

Anti-Corruption and Data Privacy & Security are essential for regulatory compliance, ethical governance, and stakeholder trust. With Malaysia's National Anti-Corruption Plan (NACP) 2019–2023 and the corporate liability provision under Section 17A of the MACC Act 2009, businesses are under greater scrutiny to strengthen their anti-bribery and corporate integrity measures. Similarly, with the Personal Data Protection Act (PDPA) undergoing updates, Widad Group remains committed to fortifying cybersecurity protocols and ensuring responsible data management.

In the Social Responsibility domain, Employee Health & Safety, Labour Practices, Diversity, Equity & Inclusion (DEI), and Local Community Engagement are key drivers of workforce well-being, ethical employment practices, and positive social impact. Recent amendments to the Employment Act 1955 and the Occupational Safety and Health Act 1994 emphasize employee welfare, fair wages, and improved workplace safety measures, which align with Widad Group's zero-harm approach and commitment to fostering an inclusive workplace. Additionally, growing expectations around migrant worker welfare, ethical supply chain management, and human rights compliance reinforce the need for greater transparency and responsible labour practices.

Environmental sustainability remains a cornerstone of Widad Group's strategy, particularly in Climate Change and Water Management. With Malaysia's goal of achieving net-zero emissions by 2050, businesses are expected to adopt climate-resilient strategies, including energy efficiency improvements, carbon footprint reduction, and TCFD-aligned climate risk disclosures. Concurrently, water security challenges in Malaysia, including recurring pollution incidents and supply disruptions, necessitate enhanced water conservation measures and sustainable resource management across Widad Group's operations.

As sustainability challenges evolve, Widad Group will reassess its material sustainability matters in the future to ensure continued alignment with stakeholder expectations, regulatory developments, and international ESG standards. By embedding sustainability into its core business strategy, Widad Group remains dedicated to fostering long-term value creation, operational resilience, and a positive impact on society and the environment.





Stakeholder Prioritisation

As part of Widad Group's commitment to sustainable business growth and responsible corporate practices, we conducted a stakeholder prioritization analysis to ensure our engagement strategies align with the needs and expectations of those who influence and are influenced by our operations. Understanding the level of stakeholder dependence on Widad Group and their influence on our business decisions allows us to refine our communication, collaboration, and sustainability efforts effectively. This exercise plays a crucial role in strengthening our relationships with key stakeholders, driving transparency, and ensuring long-term value creation.

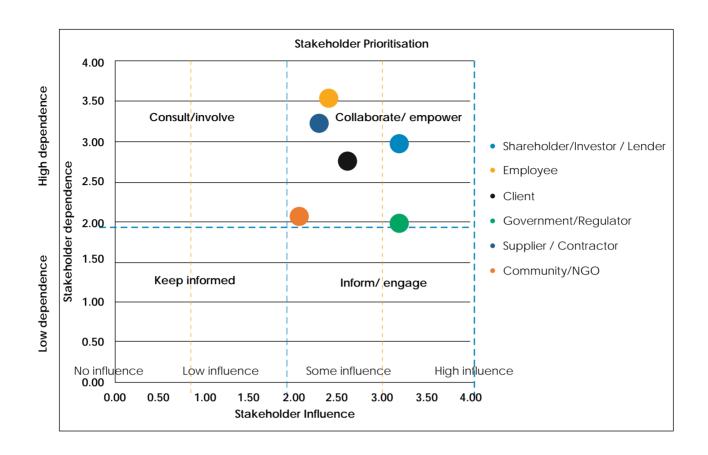
The analysis has provided valuable insights into how different stakeholder groups interact with our business. Stakeholders emerged as highly dependent on Widad Group while holding a significant degree of influence over our strategic direction. Their role in shaping our corporate decisions requires us to strengthen engagement through transparent communication, professional development programs, and governance initiatives that align with our sustainability commitments. By fostering an inclusive and collaborative environment, we can build long-term resilience and trust within our workforce and investment community.

Clients also play a crucial role in the sustainability of our business, demonstrating a high level of dependence on Widad Group's services while maintaining moderate influence over strategic decisions. Engaging with clients through consultations, continuous service enhancements, and customer feedback mechanisms ensures that we remain aligned with their evolving needs while upholding industry standards of excellence. A proactive and responsive approach in client relations will reinforce our position as a trusted partner in the integrated facilities management sectors.

Government agencies and regulators, while not operationally dependent on Widad Group, wield significant influence over our industry through policies and compliance requirements. Engaging with regulatory bodies remains a priority, as adhering to evolving legal frameworks and sustainability standards is essential for maintaining our license to operate. By proactively aligning with regulatory expectations, participating in industry discussions, and demonstrating ethical business practices, we reinforce our reputation as a responsible corporate entity.

Suppliers, contractors, and community stakeholders, including NGOs, represent groups with lower influence and dependence on Widad Group, yet their role in our sustainability framework cannot be overlooked. Ethical and sustainable supply chain practices ensure that our procurement processes align with governance principles, while responsible community engagement initiatives contribute to the broader economic and social well-being of the areas in which we operate. Through responsible sourcing, supplier collaboration, and active participation in community-driven programs, we aim to create positive ripple effects beyond our direct business operations.

This stakeholder prioritization exercise provides a structured approach to refining our engagement strategies, ensuring that key stakeholders receive the appropriate level of communication and collaboration tailored to their influence and dependence. Moving forward, Widad Group will continue to strengthen relationships with its stakeholders by deepening engagement, enhancing sustainability reporting, and monitoring emerging expectations to maintain agility in addressing economic, environmental, and social concerns. Through an inclusive and proactive stakeholder management approach, we remain committed to fostering sustainable growth and delivering long-term value for all stakeholders involved.



Sustainability Priorities with Potential Risks and Opportunities

Economic		
Sustainability Matters	Potential Risks	Potential Opportunities
Supply Chain Management As a company operating in integrated facilities management (IFM), ensuring a responsible and resilient supply chain is critical to maintaining operational efficiency, compliance, and ethical business practices. Our focus is on managing environmental and social impacts within the supply chain, ensuring transparency, and promoting ethical sourcing and sustainability across supplier relationships.	 Exposure to supply chain sustainability risks, and environmental concerns. Increasing stakeholder scrutiny over procurement practices. 	collaboration to enhance efficiency and sustainability
Anti-Corruption Maintaining high ethical standards is key to preserving Widad Group's corporate integrity and stakeholder trust. Implementing a zero-tolerance approach to corruption strengthens corporate governance and ensures compliance with anti-bribery and corruption laws.	Lack of annual anti-bribery and corruption (ABC) training may lead to employee unawareness, increasing the risk of unintentional misconduct or failure to report unethical behavior.	by ensuring transparent and ethical business operations.

Environmental		
Sustainability Matters	Potential Risks	Potential Opportunities
Climate Change The IFM industries contribute significantly to carbon emissions and energy consumption. Addressing climate change through sustainable practices and carbon reduction initiatives is essential for ensuring business continuity and regulatory compliance.	 Physical climate risks such as extreme weather events could disrupt operations and damage infrastructure. Regulatory risks from stricter climate-related laws. 	 Reducing operational costs by implementing energy-efficient practices and low-carbon technologies. Enhancing Widad's brand reputation by demonstrating leadership in climate action. Meeting stakeholder expectations by aligning with global climate targets and sustainability frameworks.
Water Management Water is a critical resource in IFM operations. Efficient water management ensures compliance with environmental regulations while minimizing resource consumption and reducing operational costs.	Increasing expectations from stakeholders on water sustainability.	 Implementing water efficiency measures to reduce consumption and waste. Aligning with sustainable water management best practices to ensure operational continuity. Enhancing relationships with communities and regulators by demonstrating responsible water stewardship.
Social		
Employee Health and Safety A strong focus on occupational health and safety (OHS) ensures regulatory compliance, workforce well-being, and productivity. Accidents and workplace hazards not only endanger employees but also lead to financial and reputational risks.	 Regulatory fines and reputation damage result from any potential accidents and injuries. 	 Strengthening health and safety training to create a zero-harm workplace culture. Enhancing employer reputation and employee retention through proactive OHS policies. Reducing workplace incidents, improving efficiency and productivity.
Labor Practices and Standards Fair and ethical labor practices are essential for attracting and retaining talent, ensuring a motivated and productive workforce. Aligning with global labor standards also strengthens corporate governance and social responsibility.	Challenge in attracting and retaining talent.	 Strengthening employee training and career development programs. Promoting a positive workplace culture to attract top talent. Enhancing employee satisfaction and performance through equitable labor policies.
Local Community A strong relationship with local communities ensures business continuity, sociallicense to operate, and long-term economic development. Community engagement aligns Widad's sustainability goals with social responsibility initiatives.	Weak engagement may lead to negative perceptions or community resistance.	 Enhancing corporate reputation through social impact initiatives. Building stronger partnerships with local stakeholders and government agencies.

Social		
Sustainability Matters	Potential Risks	Potential Opportunities
Diversity, Equity & Inclusion A diverse and inclusive workplace fosters innovation, stronger team dynamics, and enhanced business performance. Equitable hiring practices ensure compliance with labor laws and attract top talent.	Challenges in recruiting and retaining talent.	 Gaining a competitive edge by fostering diversity in leadership and workforce. Strengthening workplace inclusivity and innovation.
Data Privacy and Security Focuses on protecting personal and sensitive information, preventing data breaches, and managing cybersecurity risks. Ensures compliance with privacy regulations and safeguards data to maintain customer trust and business resilience.	Potential data breaches and cyber-attacks could result in the loss of sensitive company and customer information, leading to significant reputational damage and loss of stakeholder trust.	measures and implementing data protection best practices.

Stakeholder Engagement

Engaging with our stakeholders is fundamental to our sustainability strategy. By maintaining continuous and inclusive dialogues with key groups—including clients, employees, suppliers, regulators, and local communities—we gain valuable insights that inform our decision-making processes. This collaborative approach enables us to address industry challenges effectively and adapt to the evolving landscape.

Through proactive stakeholder engagement, we identify areas where we can make the most significant impact and uncover opportunities for improvement. This ongoing interaction ensures that our sustainability initiatives are aligned with stakeholder expectations and contribute to our overarching goal of sustainable growth and operational excellence.

	y They Matter		agement Platform		el of agement	Area Con	a of cern	Interest/	Crea	Widad Group tes Value for this cholder
Sha	reholder / Investor	/ Le	nder							
r	They provide the financial resources and strategic confidence necessary for Widad Group's growth, while also expecting transparency, sound governance, and sustainable returns on their investment	r r r r	Annual general meetings Annual Report Financial performance announcement Analyst briefing Ongoing media release Financial reports and announcements Investor Relations section on Company website	r	Collaborate / Empower	r r r r	opera perfor Comp with ru regula Corpo gover and e mana Maxin sharel value Return	orate rnance ethical agement nising holders' n on ment/	r	Managing resources effectively to maximise profits Integration of Anti-Corruption into business activities and governance structure

Why	They Matter	Engagement Platform	Level of Engagement	Area of Interest/ Concern	How Widad Group Creates Value for this Stakeholder
r	Employees are essential stakeholders as they drive the day-to-day operations, uphold the company's values, and contribute directly to the success of Widad Group's sustainability goals through their skills, commitment, and engagement.	r Internal and external training and development programmes r Electronic communication r Occupational safety and health programmes r Social and recreational events and activities r Operational and management meeting r Performance review	r Collaborate / Empower	r Upskilling knowledge, skill and ability r Workplace safety r Workplace culture and Anti-Corruption r Health and wellbeing r Performance driven workforce r Career development and progression	r Offering opportunities for career advancement and personal development r Prioritizing workplace safety and promotes a strong ethical culture r Focusing on the health and wellbeing of employee
Clie	nt	7.50.50			
Γ	Clients are crucial stakeholders as their trust, satisfaction, and continued support directly impact Widad Group's reputation, business continuity, and ability to deliver sustainable and high-quality infrastructure and services.	r Electronic communication via email, social media and telephone r Company website r Meetings and discussions r Site visit with customer r Customer survey/feedback	r Collaborate / Empower	r Quality service/ products and delivery performance r Business sustainability r Equipment and cargo safety r Sustainable and ethical business practices r Customer service and experience	r By continuously optimizing operations r Commitment to ethical business practices ensures transparency, fairness, and integrity in all dealings with customers

Why	y They Matter	Engagement Platform		vel of gagement	Area Cor	a of ocern	Interest/	Crea	Widad Group ates Value for this eholder
Sup	plier / Contractor								
r	Suppliers and contractors are important stakeholders as they play a key role in ensuring the quality, efficiency, and sustainability of Widad Group's project delivery, while also reflecting our values and compliance standards across the supply chain.	r Electronic communication via email and telephone r Meetings and discussions r Supplier performance evaluation	r	Collaborate / Empower	r	mana Opera perfori and ci satisfa Efficier transp	chain gement ditional mance ustomer ction nt and arent rement	r	Collaborates closely with suppliers and contractors to ensure that sustainability practices are integrated throughout the supply chain
Gov	vernment / Regulat	or							
r	They establish the legal and policy frameworks that govern our operations, influence sustainability-related compliance, and provide guidance and incentives that shape our long-term environmental and social performance.	r Regulatory audits and reporting r Electronic communication via email and telephone r Participation in government and regulatory events r Dialogues and site inspections	r	Collaborate / Empower	r r	Keepir updat regular require and cl Sustair and e busine practic Emission and w	ed on tory ements hanges nable thical ess ces	г	Continuously monitors and adapts to evolving regulatory requirements Integrates sustainability and ethical business practices into its operations, aligning with governmental goals of promoting environmentally and socially responsible industries

Why They Matter	Engagement Platform	Level of Engagement	Area of Interest/ Concern	How Widad Group Creates Value for this Stakeholder
Community / NGO				
r Communities and NGOs are vital stakeholders as they represent the social and environmental interests affected by Widad Group's operations, and their engagement helps us build trust, address local concerns, and contribute meaningfully to sustainable development.	r Community / NGO engagement r Electronic communication via email and telephone	r Collaborate / Empower	r Local recruitment and education r Health and well-being	r Regularly engaging with them to understand their views, expectations and perspectives

ECONOMIC HIGHLIGHTS

Productivity

Purchase from

93% 端



of Local Suppliers in FY2024 with

87%

Value Spent on Local Supplier

Anti-corruption

case on anti-corruption incident in FY2024

At Widad Group, we understand the extensive impact of our activities across the following (2) key sectors:

	Investment Holding					
	WHAT WE DO:					
•	Equity Investments	•	Strategic Investment Planning	•	Mergers and Acquisitions	

Integrated Facility Management (IFM)				
WHAT WE DO:				
Property Management Mechanical & Electrical				

With a strong foundation rooted in decades of industry expertise, Widad Group remains an industry player in the IFM sectors, poised for continued growth and innovation in the region.

As a local industry player, we recognize our responsibility in upholding corporate governance throughout our operations and supply chain. Our commitment to responsible decision-making and sustainability is integral to maintaining strong business fundamentals. We are deeply aware of the influence we wield in these sectors and are dedicated to conducting business with the utmost integrity.



In 2024, Widad Group has been actively restructuring and exploring new opportunities to improve its financial health with planning with strategic move to revitalize the company's direction.

Additionally, Widad Group has undertaken initiatives in various integrated facilities management projects development initiatives, aiming to bolster future revenue streams. The company's efforts to enhance operational efficiency and secure new contracts are part of our strategy to navigate the challenging economic landscape.

While 2024 presented financial hurdles, Widad Group's proactive measures changes indicate a commitment to achieving economic stability and growth in the coming years.

Supply Chain Management

Why Is It Important

Responsible supply chain management is essential for ensuring business sustainability, operational efficiency, and ethical procurement. In the integrated facilities management (IFM) sectors, supply chains involve multiple stakeholders, including contractors, suppliers, service providers, and manufacturers. Ensuring transparency, accountability, and sustainability across our supply chain minimizes risks related to unethical sourcing, environmental impact, and operational disruptions.

Our Approach

Our approach to supply chain management is built on principles of transparency, sustainability, and ethical procurement. We implement the following strategies to ensure a responsible, efficient, and resilient supply chain:

- Supplier Engagement & Performance Monitoring We establish long-term partnerships with suppliers who share our commitment to quality, sustainability, and innovation. Regular audits and performance reviews are conducted to ensure compliance with contract obligations, ethical sourcing, and sustainability benchmarks.
- Local Supplier Empowerment Where feasible, we prioritize local suppliers to support economic development, reduce carbon footprints, and enhance project efficiency. This initiative contributes to community growth and economic inclusion while fostering a robust domestic supply chain.
- By embedding supply chain best practices into our operations, Widad Group reinforces its commitment to sustainability, ethical business conduct, and operational excellence. As we continue to evolve, we will enhance our supply chain governance, strengthen supplier engagement, and drive responsible sourcing initiatives that support both our business objectives and broader sustainability.

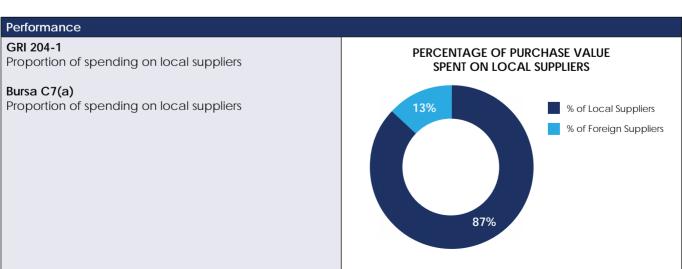
Our Performance

In FY2024, 87% of our total expenditure was allocated to products and services procured from local suppliers. This reflects 87% of the Group's overall spending, underscoring our ongoing commitment to supporting and contributing to the local economy. Additionally, 93% of our suppliers were local businesses, further reinforcing our dedication to fostering sustainable economic growth within our operating regions.

As we move forward, we remain committed to enhancing our local procurement strategy by identifying and engaging with more local suppliers. We aim to maintain both the volume and value of locally sourced goods and services, ensuring that our operations continue to generate positive socio-economic impacts while strengthening supply chain resilience and business continuity.

Our commitment to local sourcing not only supports economic empowerment but also aligns with our Environmental, Social, and Governance (ESG) objectives, particularly in supply chain sustainability, responsible sourcing, and inclusive economic development. Through these efforts, we strive to create long-term value for our stakeholders while contributing to a more sustainable and self-reliant local economy.

As part of our strategic commitment to sustainable development, Widad Group views ethical supply chain management as a foundational element of our sustainability strategy. We aim to expand supplier due diligence processes, maintain majority sourcing from local suppliers, and integrate ESG performance as a criterion in supplier evaluations. These efforts align with our broader goals of inclusive economic development, transparency, and responsible sourcing.



Anti-Corruption

Why Is It Important

Integrity, transparency, and ethical business conduct are fundamental to our long-term success and stakeholder trust. Corruption and bribery not only undermine fair competition but also pose significant legal, financial, and reputational risks. As a responsible corporate entity, we are committed to upholding the highest standards of corporate governance and ethical business practices across all levels of our operations.

Bribery and corruption can distort business decisions, erode investor confidence, and damage the reputation of organizations. By implementing a robust Anti-Bribery and Corruption (ABC) Policy, we reinforce our commitment to zero tolerance for any form of bribery, kickbacks, or corrupt practices. This policy applies to all employees, directors, business associates, contractors, consultants, and third-party representatives engaged in work or services on behalf of Widad Group.

Maintaining strong anti-corruption policies ensures regulatory compliance, protects our stakeholders, and contributes to a fair, transparent, and sustainable business environment.

Our Approach

To safeguard against unethical practices, Widad Group has implemented a comprehensive Anti-Bribery & Corruption (ABC) framework, guided by Malaysia's Anti-Corruption Act 2009 and international best practices. Our approach includes:

- Zero-Tolerance Policy: We strictly prohibit bribery, facilitation payments, and any form of corrupt behavior, whether direct or indirect, across all business dealings and transactions. Any individual found violating this policy will face strict disciplinary actions, including contract termination or legal consequences.
- Scope of Compliance: The ABC Policy applies to employees, directors, contractors, sub-contractors, joint-venture
 partners, consultants, agents, and representatives acting on behalf of Widad Group.
- Risk Monitoring & Due Diligence: We conduct assessments of corruption risks in high-risk business functions and implement due diligence procedures when engaging with third parties, suppliers, and business partners.
- Ethical Business Conduct & Training: We provide ongoing training programs to educate employees and stakeholders on recognizing and preventing corrupt practices, reinforcing a culture of integrity and accountability.
- Whistleblowing Mechanism: We encourage employees, suppliers, and stakeholders to report any suspected bribery
 or corruption through our confidential Whistleblowing Committee. Reports can be made via whistleblowing@
 widadgroup.com. This Policy, which is in line with the Whistleblower Protection Act 2010 (Act 711), protects
 whistleblowers who make disclosures of improper conduct committed or about to be committed within WIDAD,
 and in good faith, against any detrimental or adverse action, or unfair treatment.

Our anti-corruption commitment is embedded within our long-term sustainability strategy, aiming to ensure ethical governance across all levels of operation. In the coming years, we plan to strengthen internal controls, increase employee training coverage, and comply with ISO 37001. These initiatives are central to building stakeholder trust, ensuring regulatory compliance, and promoting sustainable, transparent business practices.

By embedding anti-corruption measures into our corporate culture, Widad Group strengthens governance, accountability, and business sustainability. Our commitment to ethical business practices is integral to building trust with stakeholders, ensuring compliance with legal frameworks, and fostering a corruption-free corporate environment.

Our Performance

In FY2024, Widad Group continued to uphold its zero-tolerance stance against bribery and corruption by embedding robust anti-corruption measures across its operations. This commitment is reflected in the Group's efforts to assess operational sites for corruption risks and enforce strong governance standards aligned with national legislation and international best practices.

Under GRI 205-1, 100% of Widad's operational locations were assessed for corruption-related risks. This demonstrates the Group's proactive approach in identifying and mitigating potential corruption exposures in its business functions. This is further reinforced by the ISO 37001:2016 recertification audit, which confirmed that all four divisions within Widad's audit scope — Management, Finance & Accounts, Procurement, and Human Resources & Administration — underwent a comprehensive bribery risk assessment in 2024.

There were zero confirmed incidents of corruption reported in FY2024 under GRI 205-3, affirming the Group's commitment to ethical business conduct and continuous vigilance. However, despite having in place an Anti-Bribery and Corruption (ABC) Policy, the Group acknowledges room for improvement in employee training. Under Bursa C1(a), it was recorded that 0% of Management, Executive, and Non-Executive employees received anti-corruption training during the year. In the coming years, the Group aims to introduce a structured Anti-Corruption Training Program for our employees, leveraging MACC's corporate liability framework (Section 17A) and Bursa Malaysia's expectations under C1(a).

Most notably, under Bursa C1(b), it is now confirmed that 100% of operations were assessed for corruption-related risks, following verification through Widad's internal documentation and external audit review under ISO 37001.

In compliance with Bursa C1(c), the number of confirmed corruption incidents and actions taken remained at zero, consistent with internal records and risk monitoring outcomes.

Performance						
GRI 205-1 Operations assessed for risks related to corruption	100% of our operational locations assessed for corruption in FY 2024.					
GRI 205-3 Confirmed incidents of corruption and action take	In FY2024, there was no reported incident of corruption.					
Bursa C1(a) Percentage of employees who have r	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Percentage	0%				
Executive	Percentage	0%				
Non-executive	Percentage	0%				
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage 100% sed					
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0				

ENVIRONMENT HIGHLIGHTS

Climate Change

Current Year Carbon Emission Footprint

- Scope 1 & 2

398.78 tCC















Water Management

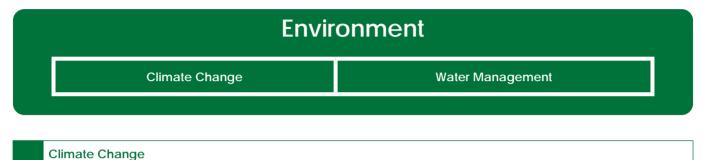
First Year of Assessment on Water Footprint

Volume:

3.019 ML

of water sourced from municipal

At Widad Group, we recognize our critical responsibility in safeguarding the environment and the ecosystems that support our industry. As one of the players in integrated facilities management (IFM), we are committed to sustainable practices that minimize our environmental footprint and promote resource conservation.



Why Is It Important

At Widad Group, addressing climate change and reducing greenhouse gas emissions is a core component of our long-term sustainability strategy and environmental responsibility. The integrated facilities management (IFM) sectors significantly contribute to global carbon emissions, with buildings accounting for approximately 39% of energy-related CO² emissions, according to the 2020 Global Status Report for Buildings and Construction by the Global Alliance for Buildings and Construction (GlobalABC) and UNEP.

Our Approach

In alignment with our sustainability objectives, Widad Group has implemented a comprehensive strategy to manage and reduce emissions within our IFM operations:

- Energy Efficiency Initiatives: We also explore renewable energy integration, such as solar photovoltaic installations, to offset energy use.
- Stakeholder Engagement: We actively engage with clients, suppliers, and communities to promote sustainability awareness and collaborate on initiatives that drive environmental stewardship.

By embedding these practices into our operations, Widad Group reinforces its dedication to reducing emissions and combating climate change, ensuring our business contributes positively to global sustainability efforts.

Our Performance

As part of our commitment to addressing climate change, Widad Group places strong emphasis on responsible energy management within our operations. We recognize that reducing greenhouse gas (GHG) emissions and improving energy efficiency are critical to mitigating our environmental footprint and supporting national and global sustainability goals.

FY2024 marks our first year of formal disclosure on GHG emissions and energy consumption, reflecting our increased transparency and dedication to data-driven sustainability practices. In this first year of reporting, we recorded the following emissions under the GRI 305 indicators:

- Scope 1 (Direct emissions from fossil fuel use): 79.65 tCO²e
- Scope 2 (Indirect emissions from purchased electricity): 319.13 tCO²e

These figures serve as our baseline to measure and improve future performance.

To reduce our carbon impact and support energy efficiency, our Integrated Facilities Management (IFM) operations have implemented key initiatives:

- Regular Facility Inspections: Routine assessments help identify inefficiencies and opportunities for energy-saving upgrades.
- Adoption of Best Maintenance Practices: These enhance operational energy efficiency, reducing both consumption and cost.
- Upgrading and Renovation Services: We integrate energy-efficient systems and green design principles into renovation works.

Our energy consumption data for FY2024, reported under GRI 302-1 and Bursa C4(a), are as follows:

- Total energy consumption within the organisation: 2,675,172.05 MJ
 - o Fossil Fuel: 1,159,495.01 MJ o Electricity: 1,515,677.04 MJ

These initial disclosures offer a clear and transparent overview of our current energy consumption and emissions profile, enabling the Group to better understand our environmental footprint. Through these measures, Widad Group reinforces its strategic focus on climate action, contributing to a low-carbon economy and ensuring that our operations align with the sustainable use of resources. Moving forward, we are committed to further enhancing our reporting framework, exploring renewable energy options, and strengthening our role in Malaysia's climate transition.

Performance				
GRI 305-1				
Direct (Scope 1) GHG Emissions (tCO2e)	Fossil Fuel 79.65			
GRI 305-2				
Indirect (Scope 2) GHG Emissions (tCO2e)	Electricity 319.13			

Energy Management

In our integrated facilities management (IFM) operations, we have implemented several initiatives to promote energy efficiency:

- **Regular Facility Inspections**: We conduct timely inspections of facilities to ensure optimal performance and identify opportunities for energy savings.
- Adoption of Best Maintenance Practices: Our maintenance protocols are designed to enhance energy efficiency, contributing to reduced consumption and operational costs.
- **Upgrading and Renovation Services**: We advise and execute upgrading works within premises to incorporate energy-efficient designs and technologies, aligning with our sustainability objectives.

Through these measures, Widad Group reinforces its dedication to responsible energy management, ensuring that our operations contribute positively to environmental conservation and the sustainable use of resources.

Performance							
GRI 302-1 Energy consumption within the organisation Bursa C4(a)	Total energy consumption within the organisation	2,675,172.05 MJ					
Total energy consumption	Fossil Fuel	1,159,495.01 MJ					
	Electricity	1,515,677.04 MJ					

Water Management

Why Is It Important

Responsible water management is integral to our commitment to environmental stewardship and sustainable resource utilization. In our roles within the group, we recognize that efficient water use not only conserves local water resources but also reduces our environmental footprint, supporting long-term sustainability and demonstrating our dedication to preserving essential natural resources for future generations.

Our Approach

We are committed to environmental conservation, with voluntary initiatives focused on reducing water consumption and minimizing our water footprint. Water management and quality are identified as high-priority sustainability matters within Widad's materiality matrix. As part of our voluntary commitment, we continually manage and strive to reduce our water footprint by improving our understanding of water consumption, promoting water reuse where feasible, and closely monitoring and reporting water usage and leaks.

Key Initiatives Include:

- Water Consumption Monitoring: Implementing systems to track water usage across all operations, enabling the identification of inefficiencies and areas for improvement.
- Leakage Detection and Repair: Conducting regular inspections to promptly identify and address leaks, thereby minimizing water loss.
- Employee Engagement: Educating and involving employees in water conservation efforts to foster a culture of sustainability within the organization.
- By integrating these practices, Widad Group reinforces its dedication to responsible water management, ensuring
 that our operations in integrated facilities management contribute positively to environmental conservation and
 the sustainable use of vital water resources.

Our Performance

In FY2024, Widad Group demonstrated its commitment to responsible water usage by closely monitoring withdrawal levels from municipal sources. According to GRI 303-3 and Bursa C9(a) reporting standards, the Group recorded a total annual water withdrawal of 3.019 megalitres, sourced entirely from local municipal supply systems.

The monthly data indicates fluctuations throughout the year, with the highest withdrawal in January (746 m³) and the lowest in December (125 m³). Notable changes include:

- A 61.7% decrease in February compared to January,
- A sharp 56.4% increase in May, and
- A 33.0% decrease in November, reflecting dynamic operational needs or improved efficiency measures.

No water was withdrawn from alternative sources such as groundwater, surface water, or rainwater, and no additional data on water discharge or consumption patterns was applicable during this reporting period. Widad Group recognises water as a vital resource and is committed to enhancing its water management practices in future reporting cycles. As this marks our inaugural disclosure on water withdrawal, the reported data serves as an important reference point to facilitate monitoring in subsequent years, prior to setting reduction targets and improving operational efficiency. Moving forward, water intensity metrics will be introduced to enable year-on-year comparisons and track improvements in water use efficiency.

As part of our sustainable development strategy, Widad Group recognizes water stewardship as a key environmental priority. In the upcoming reporting cycles, we aim to establish water intensity baselines and develop reduction targets, with an emphasis on operational efficiency and climate resilience. These measures are designed to align our operations with global environmental conservation goals.



Performance		
GRI 303-3 Water Withdrawal	In FY 2024, Widad Group withdrew 3.019 megalitres of water from local municipal supplies. There was no water withdrawn from other sources,	
Bursa C9(a) Total volume of water used	and no additional data regarding water discharge or consumption was applicable for this reporting period.	

SOCIAL HIGHLIGHTS

Employee Management

ZERO

Work-Related Illness for Both Employees and Non-Employees This Year

Community Investment

Our operation has

100%

Implemented Local Community Engagement Programme

Social

Employee Health and Safety

Labor Practices and Standards

Diversity

Data Privacy and Security

Local Community

Data Privacy and Security

Why Is It Important

We recognize that safeguarding data privacy and security is fundamental to protecting our stakeholders and maintaining trust. In our roles within integrated facilities management, we handle sensitive information daily, including client details, project specifications, and operational data. Implementing robust data protection measures is essential to prevent unauthorized access, data breaches, and potential fraud. By adhering to stringent privacy regulations and industry best practices, we ensure the confidentiality, integrity, and availability of critical information, thereby promoting long-term business resilience and stakeholder confidence.

Our Approach

We adopt a comprehensive and proactive strategy to manage cyber threats, aligning with the expectations of our stakeholders to protect their personal and proprietary information. In FY2024, we remained vigilant, continually enhancing our cybersecurity posture to safeguard data privacy.

Key Initiatives Include:

- Implementation of Robust Access Controls: Ensuring that only authorized personnel have access to sensitive data, thereby minimizing the risk of unauthorized access.
- Regular Data Backups and Encryption: Protecting data integrity and confidentiality through systematic backups and advanced encryption techniques.

By integrating these practices, Widad Group underscores its dedication to upholding the highest standards of data privacy and security, ensuring compliance with legal requirements and reinforcing the trust placed in us by our clients, employees, and partners.

Our Performance

In FY2024, we upheld our commitment to customer privacy and data security, ensuring strict compliance with data protection regulations and internal governance frameworks. As a testament to our robust data protection measures, we received zero substantiated complaints from external parties, regulatory bodies, or internal investigations concerning breaches of customer privacy or losses of customer data.

By maintaining zero incidents under GRI 418-1 and Bursa C8(a) in FY2024, we reaffirm our commitment to safeguarding customer trust, strengthening regulatory compliance, and upholding the highest standards of data privacy. Moving forward, we will continue to enhance our privacy frameworks, monitoring mechanisms, and cybersecurity strategies to ensure sustained excellence in data governance.

Performance		
GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In FY2024, we received zero complaints from external parties, substantiated by the organization, or from regulatory bodies	
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		

Employee Health and Safety

Why Is It Important

Safety is more than a policy—it is a core value embedded in our corporate culture and operational practices. Our unwavering commitment to creating a healthy, safe, and conducive workplace drives our efforts to prevent injuries, minimize workplace hazards, and cultivate a deeply embedded safety culture. A strong safety framework not only protects our workforce but also enhances operational efficiency, regulatory compliance, and stakeholder confidence, reinforcing our long-term sustainability objectives.

Our Approach

The safety and well-being of our employees, contractors, customers, and the communities in which we operate remain at the forefront of our sustainability strategy. Guided by our Group Health, Safety, and Environment (HSE) Policy, we are committed to upholding the highest safety standards while fostering a culture of accountability and responsibility.

"Zero Harm - No Loss" is achieved through:

- Zero Lost Time Injury Rate (LTIR/LTIFR) Setting and maintaining zero lost time injury as a shared sustainability KPI for all executives, reinforcing our collective responsibility for workplace safety.
- Risk Mitigation & Hazard Prevention Implementing robust safety protocols, risk assessments, and proactive hazard controls to safeguard employees in high-risk environments.
- Integration of Workplace Safety & Mental Well-Being Recognizing that mental health is just as critical as physical safety, we provide support programs and resources to promote holistic employee well-being.

In adherence to the Occupational Safety and Health Act 1994, our health and safety policies are regularly reviewed, updated, and benchmarked against industry best practices to ensure ongoing compliance and effectiveness. These policies are not just regulatory requirements but are deeply embedded into our daily operations, guiding every decision, process, and activity.

The health and safety of employees are of paramount importance to the Group. In compliance with the Occupational Safety and Health Act 1994, we have health and safety policy in place to create a safe, pleasant and conducive working environment for the employees. The policy is regularly reviewed and updated to reflect the latest best practices in the industry.

Our long-term strategy includes embedding safety performance as a shared accountability across all business units. The implementation of "Zero Harm – No Loss" as a Group-wide sustainability KPI reflects our strategic goal of creating a risk-aware culture that supports business continuity, employee well-being, and regulatory compliance.

Our Performance

In FY2024, we took a decisive step toward strengthening our safety culture by embedding zero lost time injury as a sustainability KPI for all executives. This initiative aligns with our long-term vision of fostering a safer, more resilient workforce, ensuring that every employee is actively engaged in creating and maintaining a culture of workplace safety and continuous improvement.

A strong commitment to workplace safety is at the heart of Widad Group's sustainability and operational strategy. We continuously uphold the highest standards of health and safety to protect our employees and maintain a secure work environment. By integrating compliance with occupational safety regulations, industry-leading practices, and ongoing training, we strengthen our culture of safety, well-being, and accountability.

To maintain a safe and productive workplace, we implement comprehensive health and safety policies, conduct regular risk assessments, and provide targeted safety training to equip our workforce with the knowledge and skills necessary to prevent accidents and minimize workplace hazards. Our dedication extends beyond compliance—we actively foster a proactive safety culture that prioritizes employee well-being at all levels of our operations.

In FY2024, we recorded substantial progress in strengthening our health and safety framework. A total of 53 employees received specialized training, accumulating 775.5 hours of instruction designed to enhance competencies in key safety areas. These included occupational safety, incident prevention, confined space and water entry procedures, lifting supervision, and workplace health protocols. Training also covered hazard identification and risk management (HIRARC), emergency preparedness and response, tool and equipment handling, site-specific task safety, chemical and material safety, machine safety, and the correct use of personal protective equipment (PPE) and hand protection.

In addition to capacity building, we maintained strict compliance with national safety laws and relevant industry frameworks. Employees were equipped with the knowledge and tools to actively identify, report, and mitigate workplace hazards, reinforcing a culture of proactive risk management. We also continued to review and improve our safety policies to ensure they align with evolving workplace needs and standards, underscoring our commitment to continuous improvement and excellence in occupational safety.

Our commitment to employee safety remains a top priority, and we will continue to enhance our health and safety initiatives, ensuring a safe, inclusive, and compliant work environment. Moving forward, we will expand our training programs, strengthen our safety culture, and invest in employee well-being, continuously improving our workplace health and safety practices.

Performance			
GRI 403-10 Work-related ill health		We achieved 0 work-rel non-employees this yea	ated illness for both employees and ır.
Bursa C5(a) Number of work-related fatalities		Number	0
Bursa C5(b) Lost time incident rate ("LTIR")		Rate	0
Bursa C5(c) Number of employees trained on health and safety standards		Number	53

Labour Practices and Standards

Why Is It Important

We recognize that fair labour practices are fundamental to ethical business conduct and social responsibility. By ensuring safe, fair, and equitable working conditions, we protect the rights and well-being of our employees while fostering a positive, inclusive, and high-performance work environment.

Beyond compliance, our commitment to fair labour standards mitigates legal and reputational risks, reinforcing stakeholder trust in our responsible employment practices. Upholding these principles enhances employee loyalty, engagement, and retention, ultimately contributing to the long-term sustainability and resilience of our business.

Our Approach

Our Commitment to Ethical and Fair Employment

At Widad Group, we uphold human rights, fair labour practices, and workplace inclusivity as fundamental pillars of our sustainability strategy. We believe that fostering a work environment based on equity, respect, and opportunity not only enhances employee well-being but also strengthens our long-term business success.

Our approach is rooted in:

- Adherence to International Labour Standards Ensuring compliance with global regulations and ethical
 employment practices, including the strict prohibition of forced labour, child labour, and discriminatory treatment.
- Diversity, Equity & Inclusion (DEI) Cultivating a workplace that celebrates diversity, promotes equal opportunities, and maintains a non-discrimination policy across all employment practices.
- Work-Life Balance & Employee Well-Being Providing flexible work arrangements, parental leave, and mental health support, ensuring employees have the resources to thrive both professionally and personally.
- Health & Safety Excellence Implementing rigorous occupational health and safety measures to create a secure, compliant, and productive working environment.
- By embedding fair labour principles into our operations, we empower our workforce, foster employee engagement, and drive innovation—while contributing to a more responsible, sustainable, and inclusive business ecosystem.

Going forward, Widad Group aims to formalize targets to improve employee well-being, reduce turnover, and enhance gender representation across management levels. These initiatives support our broader ambition of becoming an employer of choice that champions fair labour practices, social equity, and long-term human capital development.

Advancing Diversity, Equity & Inclusion (DEI) at Widad Group

At Widad Group, we recognize that trust and success are built upon a deep appreciation of the diverse communities we serve. We are committed to fostering an environment that values and promotes Diversity, Equity & Inclusion, ensuring that every employee feels respected, engaged, and empowered.

We uphold a zero-tolerance policy on discrimination, ensuring equal opportunities for all individuals—regardless of race, religion, nationality, gender, age, political beliefs, marital status, disability, or any other non-employment-related factors. This commitment is embedded in our employment policies, reinforcing our pledge to cultivate a diverse and inclusive workforce that reflects varied experiences, perspectives, and expertise.

To attract and retain top talent, we actively recruit individuals from diverse backgrounds, fostering an inclusive workplace culture that values collaboration, innovation, and representation. Our approach ensures that every team member has equal access to career development, leadership opportunities, and personal growth, allowing them to contribute meaningfully to our collective success.

Our Performance

We are committed to enhancing employee well-being and professional fulfillment through comprehensive benefit offerings that align with industry best practices and evolving workforce expectations. Our benefits framework is regularly reviewed and benchmarked against market standards to ensure it remains competitive, relevant, and impactful.

Our employee benefits package includes a diverse range of offerings designed to support both personal and professional growth. These benefits are detailed in the table below:

Types of benefits	Descriptions
Leaves	Annual Leave, Medical Leave, Unrecorded Leave, Emergency Leave, Replacement Leave, Marriage Leave, Maternity Leave, Paternity Leave, Compassionate Leave, Transfer Leave, and Public Holidays.
Allowance	Covers Hotel Allowance, Lodging, Outstation Allowance, Overseas Allowance, and Meal Allowance.
Medical Insurance	Comprehensive medical insurance, which includes annual medical check-ups and dental care.

By continuously improving our benefit programs, we ensure that our employees feel valued, motivated, and supported, enabling them to thrive within a high-performing and purpose-driven workplace.

Parental Leave Utilization at Widad Group

We recognize the importance of work-life balance and family support, and as part of our employee welfare initiatives, we provide maternity, paternity, and compassionate leave.

Parental Leave Policy:

- Maternity Leave: 98 consecutive days (once a year).
- Paternity Leave: 7 consecutive days (once a year).
- Compassionate Leave (Demise of the immediate family member or Hospitalisation of the immediate family member): Two (2) consecutive working days (per occasion per calender year)
- Compassionate Leave (Calamity Leave): Three (3) consecutive working days (per occasion per calendar year)

Parental Leave Utilization in FY2024:

- Total employees who took parental leave: 9
- Total parental leave days taken: 328 days
- Total employees who returned to work after parental leave: 9
- Return to work rate: 100%

Our 100% return-to-work rate highlights the effectiveness of our parental leave policies in supporting employees while ensuring smooth reintegration into the workforce.

By providing these employee-centered benefits, we reinforce our commitment to fostering a sustainable and inclusive workplace that prioritizes employee well-being and long-term engagement.

Training

At Widad Group, we place a strong emphasis on the continuous development and training of our employees, ensuring they are equipped with the necessary skills and knowledge to thrive in a competitive environment. Training is a key part of our commitment to fostering a capable and competent workforce, aligned with both our business goals and industry standards.

In FY2024, our employees accumulated a total of 2,841.9 training hours, demonstrating our investment in their professional growth and upskilling. These training programs covered a diverse range of topics critical to our industry and workforce development, ensuring that our employees remain well-prepared to meet evolving business and regulatory demands. Our training initiatives were strategically designed to cover key areas such as:

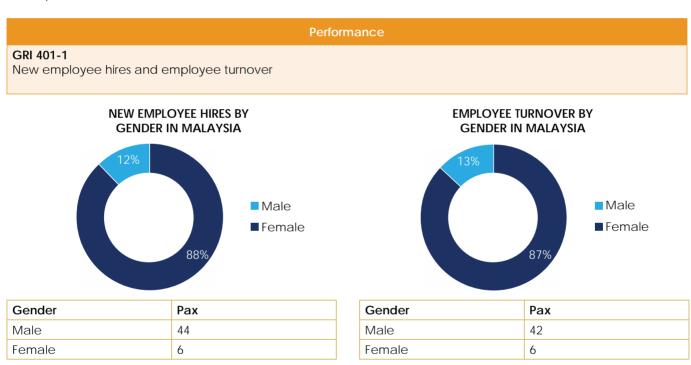
- Occupational Safety & Health (OSH) Programs included Working at Height (WAH), Fire Safety Drills, Audiometric
 Testing, Safety Induction Courses, OSHA Coordinator Training, and Emergency Response Team (ERT) preparedness,
 ensuring our team maintains a safe and compliant work environment.
- Energy & Environmental Management Courses such as Energy Management, Energy Smart Solutions (Sistem Acson IoT), and the Professional Energy Audit Course enhanced our technical capabilities and commitment to environmental sustainability.
- **Technical & Operational Training (OJT)** On-the-job trainings covered topics such as Chiller Operation & Maintenance, STP Operations, CFMS System Refreshers, Scaffolding Erection, PPM Work Order Handling, and essential repair and installation techniques to strengthen day-to-day operational efficiency.
- Mechanical, Electrical & System Maintenance Training on generator set operations, brazing torch handling, water pump systems, electrical panel safety, HVAC systems, and ride-on scrubber machine handling supported ongoing system reliability and maintenance excellence.
- Governance, Financial & Compliance Sessions on Roles & Responsibilities of Directors, MPERS and MFRS standards, National Tax Conference, and E-Invoicing Compliance sharpened our employees' understanding of financial stewardship and regulatory adherence.
- **Human Resource & Professional Development** Initiatives included sessions on *HR process improvement*, emotional intelligence (EQ), self-discipline, and team building, fostering a more engaged, emotionally intelligent, and resilient workforce.
- Safety Procedures & Risk Management Topics such as HIRARC (Hazard Identification, Risk Assessment, and Risk Control), chemical management, safe lifting techniques, tool safety, and scaffold usage reinforced best practices in managing workplace risks and upholding a safety-first culture.
- Engineering, Technical Awareness & Industry Exposure Training included familiarization with electrical circuit breakers, motor DC operations, auto gate system integration, and site system wiring, supporting both foundational knowledge and hands-on competence.
- **Licensing & Professional Certification** Employees pursued professional pathways through programs like Route to Professional Engineer, Certified in Facilities Management, EECA: REEM to REM Transition Workshop, and OSH Coordinator Certification, ensuring alignment with industry-recognized standards and continuous growth.
- Communication, Branding & Soft Skills Courses such as The BrandLaureate Certification for Brand Managers, Business English & Writing, Understanding Your Emotional Landscape through NLP, and Brainstorming Techniques developed essential soft skills and corporate communication competencies.
- Conferences, Site Visits & Industry Networking Participation in industry events and exhibitions, such as the Asia
 Water Conference & Exhibition, International Fire Conference, SSM National Conference, and technical site
 visits provided employees with broader industry perspectives and networking opportunities to benchmark best
 practices.

Through these initiatives, we continue to empower our employees, strengthen industry expertise, and uphold our commitment to professional excellence. By investing in comprehensive training programs, we enhance the capabilities of our workforce and support the Group's ongoing efforts to maintain high standards in responsible business practices and sustainability.

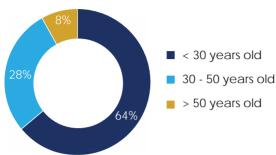
In FY2024, Widad Group continued to promote inclusive hiring and employee development. A total of 50 new employees were hired, with a majority under the age of 30, while 48 employees exited the organization, primarily from the non-executive category. The average training hours per employee stood at 14.49 hours, with female employees receiving higher average training hours than males. We do not currently have a comprehensive tracking system in place to account for the full composition of our workforce, including contractors and temporary staff. Additionally, no human rights-related complaints were reported during the reporting year.

In addition, there are 100% of our employees receiving regular performance and career development reviews through the Employee Appraisal Form distributed internally.

For a detailed breakdown by gender, age group, ethnicity, and employee category, please refer to the performance tables provided.



NEW EMPLOYEE HIRES BY AGE GROUP IN MALAYSIA



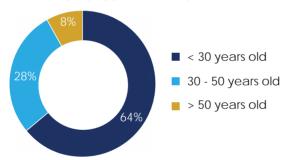
Age Range	Pax
< 30 years old	32
30 - 50 years old	14
> 50 years old	4

EMPLOYEE TURNOVER BY AGE GROUP IN MALAYSIA



Age Range	Pax
< 30 years old	27
30 - 50 years old	16
> 50 years old	5

NEW EMPLOYEE HIRES BY AGE GROUP IN MALAYSIA



Ethnic Group	Pax
Malay	46
Chinese	4
India	0

EMPLOYEE TURNOVER BY AGE GROUP IN MALAYSIA



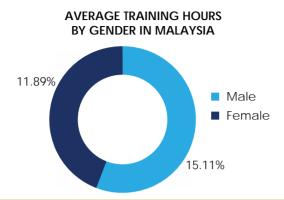
Ethnic Group	Pax
Malay	35
Chinese	13
India	0

Performance

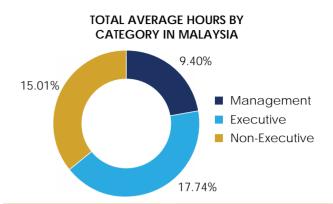
GRI 404-1

Average hours of training per year per employee

Average training hours per employee is 14.49 hours.



Gender Group	Average Training Hours
Male	15.11
Female	11.89



Employee Category	Average Training Hours
Management	9.40
Executive	17.74
Non-Executive	15.01

Bursa C6(a) Total hours of training by employee category		
Management	Hours	300.4
Executive	Hours	514
Non-executive	Hours	2,027
Bursa C6(b) Percentage of employees that are contractors or temporary staff Percentage 3.57%		3.57%
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	14
Executive	Number	11
Non-executive	Number	23
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

Diversity, Equity & Inclusion

Why Is It Important

We are aware of the importance of diversity as part of Widad Group's sustainability approach, as it encourages innovation, improves decision-making, and strengthens our organizational culture. A diverse workforce brings a variety of perspectives, skills, and experiences, enabling us to better understand and serve the needs of our stakeholders. By promoting inclusivity and equal opportunities, regardless of race, gender, religion, or background, we create a workplace where all employees feel valued and empowered. Embracing diversity supports business performance and employee satisfaction while reflecting our commitment to social responsibility and ethical business practices, contributing to sustainable long-term growth.

Our Approach

Building a company that our clients trust and choose requires a deep understanding of the diverse and culturally rich societies we serve. At Widad Group, we embrace diversity and inclusion as fundamental pillars of our corporate culture, ensuring that every team member feels valued, respected, and empowered to thrive.

We are committed to cultivating a workplace that celebrates differences and promotes equal opportunities, fostering an environment where individuals can excel free from bias or discrimination. Regardless of race, religion, age, nationality, gender, political beliefs, marital status, disability, or any other personal characteristics, we uphold a strict non-discrimination policy embedded in our employment practices.

By actively recruiting talent from diverse backgrounds and embracing a wide range of perspectives and experiences, we not only strengthen our internal culture but also enhance our ability to serve our diverse customer base more effectively. A workforce that reflects the communities we operate in allows us to drive innovation, create meaningful connections, and deliver better solutions to our stakeholders.

Our sustainable development strategy includes fostering a workplace that mirrors the diversity of our society. In the coming years, we aim to develop gender and age diversity benchmarks and create an inclusive leadership development pipeline. These actions align with our commitment to sustainable social progress and corporate excellence.

Our Performance

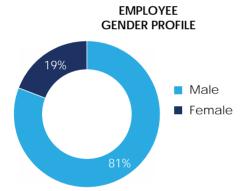
As of FY2024, our workforce comprises 196 employees, representing a balanced mix of ethnic, gender, and age groups diversity. This commitment to inclusivity is not just a corporate responsibility but a key driver of our long-term success, ensuring that we continue to grow as an organization that champions fairness, equality, and opportunity for all. For a detailed breakdown by gender, age group, ethnicity, and employee category, please refer to the performance tables provided.

Performance		
GRI 405-1 Diversity of governance bodies and employees	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	
	Bursa C3(b) Percentage of directors by gender and age group	

Employee Ethnic Group, Gender, and Age Profile



Ethnic Group	Pax
Malay	192
Chinese	4
India	0



Gender	Pax
Male	159
Female	37

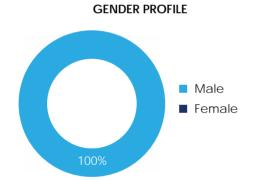
EMPLOYEE AGE PROFILE	
25%	 < 30 years old 30 - 50 years old > 50 years old

Age Range	Pax
< 30 years old	49
30 - 50 years old	127
> 50 years old	20

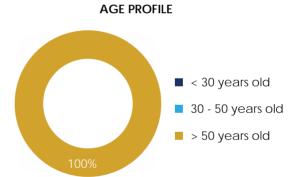
Director's Ethnic Group, Gender, and Age Profile



Ethnic Group	Pax
Malay	3
Chinese	0
India	0



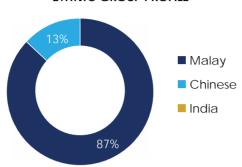
Gender	Pax
Male	3
Female	0



Age Range	Pax
< 30 years old	0
30 - 50 years old	0
> 50 years old	3

Management's Ethnic Group, Gender, and Age Profile

ETHNIC GROUP PROFILE



Ethnic Group	Pax
Malay	28
Chinese	4
India	0



Gender	Pax
Male	26
Female	6

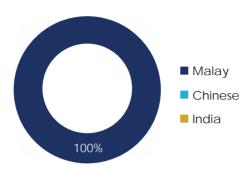
16%	
37%	< 30 years old
3770	■ 30 - 50 years old
	> 50 years old

AGE PROFILE

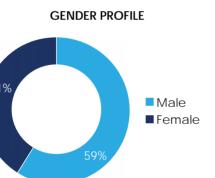
Age Range	Pax
< 30 years old	5
30 - 50 years old	15
> 50 years old	12

Executive's Ethnic Group, Gender, and Age Profile

ETHNIC GROUP PROFILE



Ethnic Group	Pax
Malay	29
Chinese	0
India	0



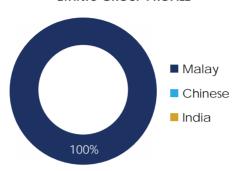
Gender	Pax
Male	17
Female	12

AGE PROFILE			
	31%	< 30 years old	
		■ 30 - 50 years old	
66%		> 50 years old	

Age Range	Pax
< 30 years old	9
30 - 50 years old	19
> 50 years old	1

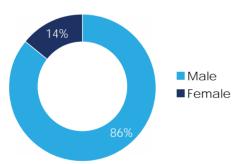
Non-Executive's Ethnic Group, Gender, and Age Profile

ETHNIC GROUP PROFILE



Ethnic Group	Pax
Malay	135
Chinese	0
India	0

GENDER PROFILE



Gender	Pax
Male	116
Female	19

AGE PROFILE



Age Range	Pax
< 30 years old	35
30 - 50 years old	93
> 50 years old	7

Local Community

Why Is It Important

At Widad Group, we recognize that local community engagement is a cornerstone of sustainable development. By fostering strong relationships with the communities in which we operate, we contribute to their social and economic well-being, ensuring that our business growth is both inclusive and responsible. Meaningful engagement allows us to address critical social needs, support local economies, and create shared value through initiatives such as employment opportunities, educational programs, charitable contributions, and sustainability-driven projects.

Beyond fulfilling our corporate responsibility, our commitment to local communities strengthens our corporate reputation, enhances stakeholder trust, and reinforces long-term business sustainability. By aligning our operations with the needs of the communities we serve, we cultivate goodwill, mutual respect, and resilience, ensuring that our impact extends far beyond business performance.

Our Approach

We are committed to driving positive social impact through purposeful community engagement. Across all regions where we operate, we actively implement programs that strengthen relationships, promote community well-being and education, and contribute to sustainable development.

Education remains a fundamental pillar of our initiatives, as we believe in empowering the younger generation, shaping future leaders, and fostering long-term societal progress. By investing in educational and capacity-building programs, we strive to create opportunities for skill development, knowledge-sharing, and empowerment, ensuring that communities can thrive in an ever-evolving global landscape.

Our approach to community engagement has evolved over the years, reflecting our unwavering commitment to sustainability while ensuring that our actions today do not compromise the needs of future generations. By integrating socioeconomic upliftment into our business strategy, we reaffirm our dedication to building a more equitable, resilient, and sustainable future for all.

Our Performance

Saving Lives Through Blood Donation: Our Commitment to Community Well-being



In FY2024, we reaffirmed our dedication to community health and well-being through the "Save Life" blood donation campaign, co-organized and promoted in collaboration with Pusat Darah Negara. This initiative reflects our ongoing commitment to Corporate Social Responsibility (CSR), healthcare accessibility, and community engagement, reinforcing our role as a responsible corporate citizen.

By extending participation to both internal and external stakeholders, we not only raised awareness about the importance of regular blood donation but also contributed to ensuring a sustainable blood supply for those in need. The campaign served as a platform to encourage voluntary contributions, strengthening our relationships within the community and amplifying the impact beyond just financial support.

While our direct contribution of RM2,435 supported the execution of these initiative, the true value lies in the lives saved and the awareness created. Our commitment to sustainability goes beyond monetary investment, focusing on long-term community empowerment, social impact, and fostering a culture of giving. Moving forward, we will continue to drive meaningful initiatives that enhance public health, promote social responsibility, and create a lasting difference in the communities we serve.

Empowering SMEs and Women Entrepreneurs Through Sustainability Initiatives



As we recognize that some SMEs and women-led suppliers may face financial difficulties or may not be aware of the opportunities available through sustainability financing, we believe in supporting them to kick-start their sustainability journey. As a listed company on Bursa Malaysia, our commitment to sustainability extends beyond our own operations—we actively encourage and support our vendors and external stakeholders in adopting sustainable business practices.

In FY2024, we launched the "Accelerating Sustainability for SMEs & Women-Led Businesses" program to provide SMEs and women entrepreneurs with the knowledge, tools, and financial resources needed to integrate sustainability into their business models. This initiative was further strengthened by the insightful contributions of our Acting CEO at the time, Mr. Nor Azlan Zainal, who is now our appointed CEO. His vision to promote sustainability and business resilience played a pivotal role in shaping this initiative, encouraging SMEs and women-led businesses to embrace sustainable strategies for long-term growth.

To enhance the impact of this program, we invited speakers from SME Bank, OCBC Bank, ESG Solutions Sdn Bhd and Widad Business Group to share insights on sustainability financing, business resilience, and energy efficiency.

Through this program, we:

- Promoted awareness among women entrepreneurs by offering networking opportunities, and strategic insights to strengthen their sustainability journey.
- Raised awareness of financing opportunities, such as the RM2 billion Low Carbon Transition Facility, to help SMEs and women-led businesses better understand the availability of financial support for sustainability initiatives.
- Enhanced internal sustainability knowledge, empowering our team to apply key learnings and further drive sustainability efforts both within the organization and across our broader business ecosystem.

This initiative was not only designed to support internal stakeholders but also extended to external stakeholders of Widad Group, including SMEs, entrepreneurs, and business partners seeking sustainable growth opportunities. By fostering sustainability-driven business practices and promoting financial inclusion, we contributed to the economic resilience of SMEs, enhanced women's participation in sustainable enterprises, and supported Malaysia's transition toward a low-carbon economy.

This program underscores our ongoing dedication to driving meaningful social impact through stakeholder engagement, education, and financial empowerment, ensuring that both internal and external stakeholders benefit from our sustainability efforts.

These initiatives demonstrate our commitment to making a positive impact on the communities we serve, aligning with our broader sustainability goals and corporate social responsibility (CSR) efforts.

Performance				
GRI 413-1 Operations with local community engagement, impact assessments, and development programmes	100% of our operations have implemented local community engagement and development programmes			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR 2,435			
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number 31			

ADDITIONAL INFORMATION

Sustainability Performance Data Table (Common Indicators)

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti- corruption by employee category		
Management	Percentage	0
Executive	Percentage	0
Non-executive	Percentage	0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)	,	
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,435
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	31
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	15.63
Management Between 30-50	Percentage	46.88
Management Above 50	Percentage	37.50
Executive Under 30	Percentage	31.03
Executive Between 30-50	Percentage	65.52
Executive Above 50	Percentage	3.45
Non-executive Under 30	Percentage	25.93
Non-executive Between 30-50	Percentage	68.89
Non-executive Above 50	Percentage	5.19
Management Male	Percentage	81.25
Management Female	Percentage	18.75
Executive Male	Percentage	58.62
Executive Female	Percentage	41.38
Non-executive Male	Percentage	85.93
Non-executive Female	Percentage	14.07
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	100
Female	Percentage	0
Under 30	Percentage	0
Between 30-50	Percentage	0
Above 50	Percentage	100

Indicator		Measurem	nent Unit	202
Bursa (Energy management)				
Bursa C4(a) Total energy consumption		Megajo	ules	2,675,172.0
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities		Num	ıber	
Bursa C5(b) Lost time incident rate ("LTIR")		R	Rate	
Bursa C5(c) Number of employees trained on health	and safety standards	Num	ıber	5
Bursa (Labor practices and standards)				
Bursa C6(a) Total hours of training by employee cate	egory			2,84
Management		H	ours	300.
Executive		He	ours	51
Non-executive		H	ours	2,02
Bursa C6(b) Percentage of employees that are contr	actors or temporary staff	Percenta	age	
Bursa C6(c) Total number of employee turnover by e	mployee category	Num	ıber	4
Management		Num	ıber	1
Executive		Num	ıber	1
Non-executive		Num	ıber	2
Bursa C6(d) Number of substantiated complaints concerning human rights violations		Num	ıber	
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	S	Percenta	age	879
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints of customer privacy and losses of customer data	concerning breaches of	Num	nber	
Bursa (Water)				
Bursa C9(a) Total volume of water used		Megal	iters	3.01
Internal assurance External assurance	No assuranc	ce	(*) Restated

Sustainability Performance Summary (GRI Related Disclosure)

Performance	Disclosure	UOM	FY2024
	Material Topic: Supply Chain Manageme	nt	
GRI 204-1 Proportion of spending on local suppliers	Percentage of purchase value spent on local supplier	%	87
Material Topic: Anti-Corruption			
GRI 205-1 Operations assessed for risks related to corruption	Percentage of operations assessed for risks related to corruption	%	100
GRI 205-3 Confirmed incidents of corruption and actions taken	Total number of confirmed incidents of corruption	Case	0

Performance	Disclosure	UOM	FY2024
	Material Topic: Climate Change		•
GRI 302-1	Total energy consumption within the organisation	MJ	2,675,172.05
Energy consumption	Fossil Fuel		1,159,495.01
within the organisation	• Electricity	MJ	1,515,677.04
	• Solar		
GRI 305-1	Total Direct GHG emissions (equivalent)	MTCO2e	79.65
Direct (Scope 1) GHG	Direct (Scope 1) GHG emissions (CO2e)		
emissions (CO2e)	Fossil Fuel Consumption	MTCO2e	79.65
GRI 305-2	Total Indirect GHG emissions (equivalent)	MTCO2e	319.13
Indirect (Scope 2) GHG	Indirect (Scope 2) GHG emissions (CO2e)		
emissions (CO2e)	• Electricity	MTCO2e	319.13
Material Topic: Water Mana	ngement		
GRI 303-3	Total volume of water withdrawal	ML	3.019
Water withdrawal by source	Municipal water supplies or other water utilities	ML	3.019
Social	Disclosure	UOM	FY2024
	Material Topic: Labor Practices and Standard	ls	
	Total new employee hires		50
	• < 30 years old		32
	• 30 – 50 years old		14
	> 50 years old		4
	• Male		44
GRI 401-1 New employee hires and	• Female	Pax	6
employee turnover	Total employee turnover	Pax	48
. ,	• < 30 years old		27
	• 30 – 50 years old		16
	> 50 years old		5
	• Male		42
	Female		6
	Average hours of training per employee per year		14.49
	Average training hours per male	Hours	15.11
GRI 404-1	Average training hours per female	11.89	
Average hours of training per year per employee	Average training hours per employee category		
por Jour por employee	Management		9.40
	Executive		17.74
	Non-Executive		15.01

Social	Disclosure	UOM	FY2024
	Material Topic: Diversity		
	Management		32
	Malay		28
	Chinese		4
	• Indian		0
	• < 30 years old		5
	• 30 – 50 years old		15
	> 50 years old		12
	Male		26
	Female		6
	Executive		29
	Malay		29
	Chinese		0
GRI 405-1	• Indian		0
Diversity of governance	• < 30 years old	Pax	9
bodies and employees	• 30 – 50 years old		19
	> 50 years old		1
	Male		17
	Female		12
	Non-Executive		135
	Malay		135
	Chinese		0
	• Indian		0
	• < 30 years old		35
	• 30 – 50 years old		93
	> 50 years old		7
	Male		116
	Female		19
	Material Topic: Employee Health and Safe	ety	
	Employee recordable work-related ill health		0
	Work-related fatalities		0
	Work-related ill health rate		0
GRI 403-10	Group Work-related III Health Rate	Case	0
Work-related ill-health	Non-employee recordable work-related ill health		0
	Work-related fatalities		0
	Work-related ill health rate		0

Social	Disclosure	UOM	FY2024
	Material Topic: Community Engagemen	t	
GRI 413-1 Operations with local community engagement, impact assessments, and development programmes	Percentage of operations with implemented local community engagement, impact assessment, or development programme	%	100
Material Topic: Data Privacy and Security			
GRI 418-1	Total number of substantiated complaints received concerning breaches of customer privacy		0
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Complaints received from outside parties and substantiated by the organization;	Case	0
	Complaints from regulatory bodies		0
	Total number of identified leaks, thefts, or losses of customer data		0

GRI Content Index

Statement of use	Widad Group has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	-
	2-2 Entities included in the organization's sustainability reporting	Annual Report 2024 Page 39
	2-3 Reporting period, frequency and contact point	Annual Report 2024 Page 39
	2-4 Restatements of information	-
	2-5 External assurance	-
	2-6 Activities, value chain and other business relationships	Annual Report 2024 Page 50 - 52
	2-7 Employees	Annual Report 2024 Page 79 - 80
	2-8 Workers who are not employees	Annual Report 2024 Page 80
	2-9 Governance structure and composition	Annual Report 2024 Page 40
		https://www.insage.com.my/ir/pdfviewer/pdfjs/web/viewer.html#https://www.insage.com.my/ir/cmn/loadpdf.aspx?CheckIsInstalled=Yes&sReportType=RR&sFileName=24355000055657&sCompanyCode=WIDAD&UrlReferrer=https://www.insage.com.my/ir/cmn/trps02/policiesVD.aspx?Symbol=0162

GRI STANDARD	DISCLOSURE	LOCATION
	2-10 Nomination and selection of the highest	Annual Report 2024 Page 40
	governance body	https://www.insage.com.my/ir/pdfviewer/pdfjs/web/viewer.html#https://www.insage.com.my/ir/cmn/loadpdf.aspx?ChecklsInstalled=Yes&sReportType=RR&sFileName=24355000055657&sCompanyCode=WIDAD&UrlReferrer=https://www.insage.com.my/ir/cmn/trps02/policiesVD.aspx?Symbol=0163
	2-11 Chair of the highest governance body	Annual Report 2024 Page 40
		https://www.insage.com.my/ir/pdfviewer/pdfjs/web/viewer.html#https://www.insage.com.my/ir/cmn/loadpdf.aspx?CheckIsInstalled=Yes&sReportType=RR&sFileName=24355000055657&sCompanyCode=WIDAD&UrlReferrer=https://www.insage.com.my/ir/cmn/trps02/policiesVD.aspx?Symbol=0164
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report 2024 Page 40
	overseeing the management of impacts	https://www.insage.com.my/ir/pdfviewer/pdfjs/web/viewer.html#https://www.insage.com.my/ir/cmn/loadpdf.aspx?CheckIsInstalled=Yes&sReportType=RR&sFileName=24355000055657&sCompanyCode=WIDAD&UrlReferrer=https://www.insage.com.my/ir/cmn/trps02/policiesVD.aspx?Symbol=0165
	2-13 Delegation of responsibility for managing impacts	Annual Report 2024 Page 40
	impacts	https://www.insage.com.my/ir/pdfviewer/pdfjs/web/viewer.html#https://www.insage.com.my/ir/cmn/loadpdf.aspx?CheckIsInstalled=Yes&sReportType=RR&sFileName=24355000055657&sCompanyCode=WIDAD&UrlReferrer=https://www.insage.com.my/ir/cmn/trps02/policiesVD.aspx?Symbol=0166
	2-14 Role of the highest governance body in	Annual Report 2024 Page 40
	sustainability reporting	https://www.insage.com.my/ir/pdfviewer/pdfjs/web/viewer.html#https://www.insage.com.my/ir/cmn/loadpdf.aspx?ChecklsInstalled=Yes&sReportType=RR&sFileName=24355000055657&sCompanyCode=WIDAD&UrlReferrer=https://www.insage.com.my/ir/cmn/trps02/policiesVD.aspx?Symbol=0167
	2-15 Conflicts of interest	https://www.insage.com.my/ir/pdfviewer/pdfjs/web/viewer.html#https://www.insage.com.my/ir/cmn/loadpdf.aspx?CheckIsInstalled=Yes&sReportType=RR&sFileName=20255000038698&sCompanyCode=WIDAD&UrlReferrer=https://www.insage.com.my/ir/cmn/trps02/policiesVD.aspx?Symbol=0162

GRI STANDARD	DISCLOSURE	LOCATION
GRISTANDARD	2-16 Communication of critical concerns	https://www.insage.com.my/ir/cmn/downloading.aspx?sFileName=2435500005565 7&sReportType=RR&sCompanyCode=WIDAD
	2-17 Collective knowledge of the highest governance body	https://www.insage.com.my/ir/cmn/downloading.aspx?sFileName=24355000055657&sReportType=RR&sCompanyCode=WIDAD
	2-18 Evaluation of the performance of the highest governance body	CG Page 2
	2-19 Remuneration policies	-
	2-20 Process to determine remuneration	-
	2-21 Annual total compensation ratio	-
	2-22 Statement on sustainable development strategy	Annual Report 2024 Page 53 - 65
	2-23 Policy commitments	https://www.insage.com.my/ir/cmn/loadpdf_vjs.aspx?sCompanyCode=WIDAD&sReportType=RR&sFileName=22175000048435
		https://www.insage.com.my/ir/cmn/loadpdf_vjs.aspx?sCompanyCode=WIDAD&sReportType=RR&sFileName=231300.400052470
		https://www.insage.com.my/ir/cmn/loadpdf_vjs.aspx?sCompanyCode=WIDAD&sReportType=RR&sFileName=20155000037120
		https://www.insage.com.my/ir/cmn/loadpdf_vjs.aspx?sCompanyCode=WIDAD&sReportType=RR&sFileName=20255000038698
		https://www.insage.com.my/ir/cmn/loadpdf_ vjs.aspx?sCompanyCode=WIDAD&sReportTyp e=RR&sFileName=20155000037120
	2-24 Embedding policy commitments	Annual Report 2024 Page 51 - 80
	2-25 Processes to remediate negative impacts	-
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report 2024 Page 54 /SS Page 19
	2-27 Compliance with laws and regulations	https://widadgroup.com/corporate- governance
	2-28 Membership associations	-
	2-29 Approach to stakeholder engagement	Annual Report 2024 Page 46 - 49
	2-30 Collective bargaining agreements	-
GRI 3: Material	3-1 Process to determine material topics	Annual Report 2024 Page 41
Topics 2021	3-2 List of material topics	Annual Report 2024 Page 42
	3-3 Management of material topics	Annual Report 2024 Page 42 - 75

GRI STANDARD	DISCLOSURE	LOCATION
GRI 101:	101-1 Policies to halt and reverse biodiversity	-
Biodiversity 2024	loss	
	101-2 Management of biodiversity impacts	-
	101-3 Access and benefit-sharing	-
	101-4 Identification of biodiversity impacts	-
	101-5 Locations with biodiversity impacts	-
	101-6 Direct drivers of biodiversity loss	-
	101-7 Changes to the state of biodiversity	-
	101-8 Ecosystem services	-
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
	304-2 Significant impacts of activities, products and services on biodiversity	-
	304-3 Habitats protected or restored	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
GRI 201: Economic	201-1 Direct economic value generated and distributed	-
Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	-
	201-3 Defined benefit plan obligations and other retirement plans	-
	201-4 Financial assistance received from government	-
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-
	202-2 Proportion of senior management hired from the local community	-
GRI 203: Indirect Economic	203-1 Infrastructure investments and services supported	-
Impacts 2016	203-2 Significant indirect economic impacts	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Annual Report 2024 Page 51 - 52
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	Annual Report 2024 Page 53 - 54
	205-2 Communication and training about anti- corruption policies and procedures	-
	205-3 Confirmed incidents of corruption and actions taken	Annual Report 2024 Page 54
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-

GRI STANDARD	DISCLOSURE	LOCATION
GRI 207: Tax 2019	207-1 Approach to tax	-
	207-2 Tax governance, control, and risk management	-
	207-3 Stakeholder engagement and management of concerns related to tax	-
	207-4 Country-by-country reporting	-
GRI 301:	301-1 Materials used by weight or volume	-
Materials 2016	301-2 Recycled input materials used	-
	301-3 Reclaimed products and their packaging materials	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Annual Report 2024 Page 56 - 59
	302-2 Energy consumption outside of the organization	-
	302-3 Energy intensity	-
	302-4 Reduction of energy consumption	-
	302-5 Reductions in energy requirements of products and services	-
	303-1 Interactions with water as a shared resource	-
GRI 303: Water and Effluents	303-2 Management of water discharge-related impacts	-
2018	303-3 Water withdrawal	Annual Report 2024 Page 58 - 59
	303-4 Water discharge	-
	303-5 Water consumption	-
GRI 305:	305-1 Direct (Scope 1) GHG emissions	Annual Report 2024 Page 57
Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Annual Report 2024 Page 57
	305-3 Other indirect (Scope 3) GHG emissions	-
	305-4 GHG emissions intensity	-
	305-5 Reduction of GHG emissions	-
	305-6 Emissions of ozone-depleting substances (ODS)	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-
GRI 306: Effluents and Waste 2016	306-3 Significant spills	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste- related impacts	-
	306-2 Management of significant waste-related impacts	-
	306-3 Waste generated	-
	306-4 Waste diverted from disposal	-
	306-5 Waste directed to disposal	-

GRI STANDARD	DISCLOSURE	LOCATION
GRI 308: Supplier Environmental	308-1 New suppliers that were screened using environmental criteria	-
Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Annual Report 2024 Page 67 - 69
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Annual Report 2024 Page 65
	401-3 Parental leave	Annual Report 2024 Page 65
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-
GRI 403: Occupational	403-1 Occupational health and safety management system	Annual Report 2024 Page 64
Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	-
	403-3 Occupational health services	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	-
	403-5 Worker training on occupational health and safety	Annual Report 2024 Page 63
	403-6 Promotion of worker health	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-
	403-8 Workers covered by an occupational health and safety management system	-
	403-9 Work-related injuries	Annual Report 2024 Page 63
	403-10 Work-related ill health	Annual Report 2024 Page 63
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Annual Report 2024 Page 69
2016	404-2 Programs for upgrading employee skills and transition assistance programs	Annual Report 2024 Page 66 - 67
	404-3 Percentage of employees receiving regular performance and career development reviews	Annual Report 2024 Page 66 - 67
GRI 405: Diversity and Equal	405-1 Diversity of governance bodies and employees	Annual Report 2024 Page 70 - 75
Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	-
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-

GRI STANDARD	DISCLOSURE	LOCATION
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	-
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	-
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Annual Report 2024 Page 76 - 78
	413-2 Operations with significant actual and potential negative impacts on local communities	-
GRI 414: Supplier Social	414-1 New suppliers that were screened using social criteria	-
Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	-
GRI 415: Public Policy 2016	415-1 Political contributions	https://www.insage.com.my/ir/pdfviewer/pdfjs/web/viewer.html#https://www.insage.com.my/ir/cmn/loadpdf.aspx?ChecklsInstalled=Yes&sReportType=RR&sFileName=20255000038698&sCompanyCode=WIDAD&UrlReferrer=https://www.insage.com.my/ir/cmn/trps02/policiesVD.aspx?Symbol=0162
GRI 416: Customer Health	416-1 Assessment of the health and safety impacts of product and service categories	-
and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-
GRI 417: Marketing and	417-1 Requirements for product and service information and labeling	-
Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	-
	417-3 Incidents of non-compliance concerning marketing communications	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Report 2024 Page 61 - 62

STATEMENT ON RISK MANAGEMENT

AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining a sound system of risk management and internal control of the Group and is pleased to present the following Risk Management and Internal Control Statement "Statement"), which outlines the nature and scope of risk management and internal control of the Group during the financial year ended 31 December 2024 and up to the date of approval of this statement by the Board. For the purpose of disclosure, this Statement takes into account the Guidelines for Directors of Listed Issuers ("Guidelines") issued by Bursa Malaysia Securities Berhad ("Bursa Securities") on the issuance of Risk Management and Internal Control Statement pursuant to Paragraph 15.26(b) of the ACE Market Listing Requirements.

Board's Responsibility

The Board acknowledges its overall responsibility for the Group's internal control and risk management system to safeguard shareholders' investment and the Group's assets as well as reviewing the adequacy and effectiveness of the said system.

Due to the limitations inherent in any system of risk management and internal control, such system put into effect by Management is designed to manage rather than eliminate all risks that may impede the achievement of the Group's business objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss.

The Group has an on-going process for identifying, evaluating and managing the significant risks it faces. The Board regularly reviews the results of this process, including measures taken by Management to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement.

Risk Management

The Board is dedicated to strengthen the Group's risk management by managing its key business risks within the Group and to implement appropriate processes and controls to manage these key business risks. During the year, Senior Management reviews the existence of new risks and assesses the relevance of the Group's existing risk profile. Significant risks that may affect the Group's business objectives have been continually monitored and any new significant risk identified are subsequently evaluated and managed.

Whilst the Board maintains ultimate control over risk and control matters, it has been delegated to the Executive Management the implementation of a system of risk management and internal control within an established framework. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards. Monthly Management Meetings are held to discuss key risks and the appropriate mitigating control. Significant risks affecting the Group's strategic and business plans are escalated to the Board at their scheduled meetings. This ongoing process is undertaken at all the major subsidiaries of the Group, as well as collectively at the Group level.

Internal Audit Function

The Group's Internal Audit Function assists the Board and Audit Committee by providing an independent assessment of the adequacy and effectiveness of the Group's internal control system. Further details of the Internal Audit Function are set out in the Audit Committee Report on page 101 and 102 of this Annual Report.

Other Key Elements of Internal Control

The key elements of the Group's internal control system are described below:

Organisation Structure & Authorisation Procedures

The Group maintains a formal organisation structure with clear lines of reporting to Board Committees and Senior Management including defined lines of accountability within which Senior Management operates, such as roles and responsibilities, authority limits, review and approval procedures, etc.

Written policies and procedures

Formal internal policies and procedures are regularly updated to manage changing business risks or to address operational deficiencies.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- · Planning, monitoring and reporting
 - The External Auditors and Audit Committee reviews the Group's quarterly financial performance together with Management. These are subsequently reported to the Board; and
 - Comprehensive information, which includes the monthly management reports covering all key financial and operational indicators, is provided to Senior Management for the monitoring of performance against strategic plan.

Assurance provided by the Group Chief Executive Officer and Group Chief Financial Officer

In line with the Guidelines, the Group Chief Executive Officer and Group Chief Financial Officer have provided assurance to the Board in writing stating that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

Review of the Statement by External Auditors

Pursuant to paragraph 15.23 of the ACE Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 31 December 2024 and reported to the Board that nothing has come to their attention that caused them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of risk management internal control.

Conclusion

The Board is of the view that the risk management and internal control systems are adequate and effective and have not resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in the Group's annual report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

The Board of Widad Group Berhad is dedicated to ensuring that good corporate governance practices are applied throughout the Group in order to safeguard stakeholders' interest as well as for enhancing shareholders' value.

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board shall strive to ensure that the Company and its subsidiaries ("Group") are managed to achieve these objectives. This responsibility of the Board would be an active and not passive responsibility. The Board shall ensure that the management has in place appropriate processes for risk management, internal control and the monitoring of performance against agreed benchmarks. The Board shall work with Senior Management as collaborators in advancing the interests of the Group. However, the Board shall not be too accepting of the management's views and shall test and question the management's assertions, monitor progress, evaluate management's performance and will, where warranted, take corrective action.

The Board delegates and confers some of its authorities and discretion to the Chairman, Executive Directors, and Management as well as on properly constituted Board Committees comprising mainly/exclusively Non-Executive Directors.

The Chairman is responsible for the Group's business and strategy plan, setting goal to achieve the mission and vision. He provides leadership and governance of the Board, ensuring its effectiveness and assumes the formal role as the leader in chairing all Board meetings and shareholders' meetings. He leads the Board in overseeing Management and principally ensures that the Board fulfils its obligations and as required under the relevant legislations.

Some of the specific responsibilities of the Chairman include:

- Leading the Board in setting its values and ethical standards of the Company;
- (ii) Ensuring Board proceedings are in compliance with good conduct and best practices;
- (iii) Ensure the whole Board plays a full and constructive part in developing and determining the Group's strategy and overall business and commercial objectives;
- (iv) Arranging for regular evaluation of performance of Board Members, its committees and individual Directors;

- (v) Supply vision of the Group;
- (vi) Giving emphasis on importance issues challenged by the Group at Board meetings;
- (vii) In conjunction with the Managing Director, to represent the Company and/or Group to external parties such as major shareholders, creditors, consumer groups and other stakeholders;
- (viii) Guide the Group on long term strategic opportunities and represent the Group with key industry, civic and philanthropic constituents; and
- (ix) Promote the highest standards of integrity, probity and corporate governance on the Group.

Currently, there is no Chairman and Managing Director in the Board.

The duties of Executive Director / Managing Director include implementation of decisions and policies approved by Board, overseeing and running the Group's day to day business, and also coordinating business and strategic decisions. Each Executive Director / Managing Director is responsible for the respective business unit that there is no overlapping of each role and duty.

The role of Management is to support the Executive Director / Managing Director and implement the running of the general operations and financial business of the Group, in accordance with the delegated authority of the Board.

The Board Committees include the Audit Committee, Nomination Committee and Remuneration Committee, Risk Management and Sustainability Committee. The Board Committees exercise transparency and full disclosure in their proceedings. Where necessary, issues deliberated by the Board Committees are presented to the Board with appropriate recommendations.

The Non-Executive Directors are independent from Management. Their roles are to provide a balance view, to constructively challenge Management, help develop on the Group's strategy and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have direct access to the Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Group's business and operations.

The Board assumes the following key responsibilities:

- Review and approve the strategies, business plans and significant policies after satisfying themselves that management has taken into account all the relevant and appropriate considerations in establishing the strategies, plans and policies;
- Ensure a competent management by establishing policies for strengthening the performance of the Group with a view to proactively build the business through innovation, initiative, technology, new products and the development of its business capital:
- Monitor implementation, progress and performance of the strategies, policies, plans, legal and fiduciary obligations that affect the business by adopting performance appraisal measures;
- Evaluate whether the business is being properly managed and to ensure that the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard the Company's assets;
- Ensure that the Group has appropriate business risk management process, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;
- Establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various board committees and acting on their reports:
- Ensure that the financial statements of the Company and Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- Ensure that the Group adheres to high standards of ethics and corporate behaviour including transparency in conduct of business;
- Ensure that there is in place an appropriate investor relation and communication policy;
- Ensure that the Company's corporate disclosure are in compliance with the disclosure requirements as set out in the Bursa Malaysia Listing Requirements; and
- Ensure wider usage of information technology in communicating with stakeholders including establishing a dedicated section for corporate governance on the Group's website.

There is a clear division of responsibility between the Chairman and the Managing Director ("MD") so as to ensure that there is a balance of power and authority. Currently there is no Chairman and Managing Director, whilst the executive management of the Group is helmed by Mr. Nor Azlan Zainal, the Group Chief Executive Officer.

The Chairman is primarily responsible for ensuring Board effectiveness whilst the MD is responsible for business plan and growth, operations and efficient management.

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social, health and safety, staff welfare and governance aspects are taken into consideration.

Responsibility Statements by Directors

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with Financial Reporting Standards so as to give a true and fair view of the financial position of the Group at the end of the financial year and the financial performance and cash flows of the Group for the financial year. The Directors are satisfied that in preparing the financial statements of the Group for the year ended 31 December 2024, the Group has adopted suitable accounting policies and applied them consistently, prudently and reasonably.

The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The financial statements have been prepared on a going concern basis. The Directors are responsible for ensuring that the Group keeps sufficient accounting records to disclose with reasonable accuracy, the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act 2016.

Qualified and Competent Company Secretaries

The Directors have the unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.

The Company Secretaries are qualified Chartered Secretaries, under the prescribed body as permitted by Companies Act 2016. The appointment and removal of the Company Secretaries are under the purview of the Board of Directors.

The Company Secretaries update the Board on the changes to the statutory and regulatory requirements from time to time at Board meetings. The Company Secretaries also notified the Directors and Principal Officers on the closed period for trading in the Company's securities, in accordance with Chapter 14 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Company Secretaries play an important role in the annual general and extraordinary general meetings in ensuring that the due processes and proceedings are in place and properly managed. During the meeting, the Company Secretaries will assist the Chairman and the Board in the conduct of the meetings and ensure the minutes are properly recorded, particularly questions and issues raised by the shareholders.

Access to Information and Advice

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs so as to enable them to discharge their responsibilities. Prior to the Board meetings, the Directors are provided with the agenda together with the Board papers on issues to be discussed in a timely manner. The Board papers are sent out via emails or physical copies to all Directors at least 5 days before the Board Meetings. Exceptions may be made for certain ad-hoc or urgent instances when Director's consent to shorter notice.

To ensure effective functioning of the Board, the Directors are given access to information through the following means:

- Management may be invited to the Board and Board Committees' meetings to report or present areas within their responsibilities to ensure the Board is able to effectively discharge its responsibilities.
- Directors may obtain independent professional advice at the Group's expense, where necessary, after consulting with the Chairman, in furtherance of their duties.
- The Directors also have access to the advice and updates by the external auditors on any new Malaysian Financial Reporting Standards that would affect the Group's financial statements during the year.

A record of the Board's deliberation of issues discussed and conclusion reached are recorded in the minutes of the meeting by the Company Secretaries. Every Director has unhindered access to the advice and services of the Company Secretaries as and when required to enable them to discharge their duties effectively.

Board Charter

The Board has formalised and uploaded its Board Charter on the Group's website at www.widadgroup.com. The Board Charter sets out the Board roles and responsibilities.

Directors' Code of Ethics, Whistleblowing and Diversity Policy

The Board of Directors has conducted themselves in an ethical manner while executing their duties and functions and complied with the Company Directors' Code of Ethics. The said Code establish a standard of ethical behaviour for the Directors to uphold sincerity, integrity, responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating the Company.

The Company has also adopted Whistleblowing policy to safeguard the Group's interest and also to protect the whistleblower interest. The policy spells out the types of misconduct, malpractice and irregularity, and how the reporting and investigations will be carried out. The Group expects all employees to observe the policy in the conduct of day to day business.

In addition, the Group adopted Diversity Policy aims to set a framework to achieve the objective of ensuring its board of directors has the diversity of perspectives, experience and skills necessary for effective management of the Group. The Group aims to maintain the composition of its Board in a way that provides the best mix of experience and skills to verse ongoing business operations.

The Directors' Code of Ethics, Whistleblowing and Diversity policy are published at the Group's website at www. widadgroup.com.

BOARD COMPOSITION

The Board currently has seven (7) members, comprising four (4) Independent Non-Executive Directors and three (3) Executive Directors, one (1) of whom is the Executive Deputy Chairman. The presence of majority Independent Directors allow Board's deliberations and decisions to be made objectively in the best interest of the Company. The composition of the Board complies with Rule 15.02 of the ACE Market Listing Requirements of Bursa Securities. In the event of any vacancy in the Board resulting in non-compliance with Rule 15.02, the Board will fill the aforesaid vacancy within 3 months.

The Group is led by an effective Board which comprises members with skills from a diverse blend of professional backgrounds ranging from business, legal, finance and accounting experience. The Board views its current composition encompasses a balance mix of skills and strength in qualities which are relevant to enable the Board to discharge its responsibilities in an effective and competent manner.

The Board Committees comprises of Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC"), Risk Management and Sustainability Committee ("RMSC"). The Board Committees exercise transparency and full disclosure in their proceedings. Where necessary, issues deliberated by the Board Committees are presented to the Board with appropriate recommendations.

The NRC is responsible for identifying and recommending new nominees to the Board as well as committees of the Board. For new appointments to the Board, the NRC shall consider diversity of skills, expertise, background and experience in evaluating the appointment of Directors. The Group believes in providing equal opportunity to all candidates based on merit. The Group has its Board Diversity policy in place for this purpose.

In addition, the NRC assesses the effectiveness of the Board as a whole and the Board Committees, and also the contribution of each Director. The evaluation process is conducted via questionnaires and is based on self-review and peer assessment. The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities. The NRC reviews the outcome of the assessment and report to the Board, in particular, areas for improvement and also used as the basis of recommending relevant Director for re-election at the Annual General Meeting. This assessment is done on yearly basis. (Practice & Guidance 5.1)

In accordance with the Group's Constitution, an election of Directors shall take place each year at an Annual General Meeting ("AGM") and one-third (1/3) of the Directors are subject to retirement by rotation, in any event, each Director shall retire from office once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their last appointment or re-election. The Directors appointed by the Board during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Group's Constitution. All retiring Directors are eligible for re-election. The re-election of each Director is voted on separate resolution during the AGM of the Company.

The NRC is empowered by its terms of reference to carry out duties and responsibilities as follows:

- (a) Recommend to the Board, candidates for directorship and Board Committee membership take into consideration the candidates' skills, knowledge, expertise, experience, professionalism, integrity and women candidates shall be sought as part of its recruitment exercise;
- (b) Consider candidates for directorships proposed by the Managing Director and within the bounds of practicality, by any other senior management or any director or shareholder;
- (c) Determine the core competencies and skills required of Directors to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies;
- (d) Assess, review and recommend to the Board, candidates to fill the seats on Board Committees. In assessing suitability of candidates, the qualities to look for are competencies, commitment, contribution and performance;
- (e) Regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustment that are deemed necessary;
- (f) Ensure that the positions of the Chairman and Managing Director are held by different individuals and the Chairman shall be a non-executive member of the Board. The NRC shall ensure that the composition of the Board shall consist of at least a majority of independent directors should the Chairman be a non-executive member of the Board.
- (g) Review the size and core competencies of Non-Executive Directors, Board balance and determine if additional Directors are required and also to ensure that at least 50% of the Board is independent;
- (h) Assist the Board to do an annual assessment of independence of its independent directors and also ensure that the tenure of the Independent Directors do not exceed a cumulative term of nine years. The Board is to recommend the director for shareholders' approval in the event it retains as an Independent Director, the director who had served in that capacity for more than nine years;
- (i) Assist the Board to implement a procedure to be carried out by the NRC for annual assessment on the effectiveness of the Board as a whole, the Board Committee and the contribution of each individual Director:

- (j) Establish a clear succession plan and periodically reporting to the Board on succession planning for the Board, Chairman and Managing Director. The NRC should work with the Board to evaluate potential successors:
- (k) Recommend Directors who are retiring by rotation under the Constitution to be put forward for re-
- Have due regard to the principles of governance and code of best practice;
- (m) Propose to the Board the responsibilities of nonexecutive Directors, including membership and Chairpersonship of Board Committees;
- (n) Review its own performance, at least once a year, and recommend any necessary changes to its Terms of Reference.

The Committee is satisfied with the current size of the Board and with the mix of qualifications, skills and experience among the Board members.

The members of the Nomination and Remuneration Committee who are Independent Non-Executive Directors are as follows:

	Position
Dato' Boey Chin Gan (Appointed w.e.f. 17/07/2024)	Chairman
Ong Kuan Wah	Member
Tung Ghee Meng	Member
Dato' Nor Adha Bin Yahya (Resigned on 30/07/2024) Chairm	

FOSTER COMMITMENT

Time Commitment

All Board members are required to notify the Chairman of any new directorships notwithstanding that the Listing Requirements of Bursa Securities allow a Director to sit on the boards of 5 listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. During the financial year ended 2024, the Board met ten (10) times to deliberate on a variety of matters of the Group. Additional meetings may be convened on an ad-hoc basis when urgent and important decisions are required to be made in between scheduled meeting. The attendance record of each Director is as follows:

	Attendance
Tan Sri Muhammad Ikmal Opat Bin Abdullah (Executive Deputy Chairman) (Appointed w.e.f. 17/07/2024)	3/3
Dato' Nasir Bin Mat Dam (Executive Director) (Appointed w.e.f. 17/07/2024)	3/3
Puan Saloma Binti Mohd Jonid Executive Director	10/10
Gen (R) Tan Sri Dato' Sri Zulkiple Bin Kassim Independent Non-Executive Director	10/10
Dato' Boey Chin Gan (Independent Non-Executive Director) (Appointed w.e.f. 17/07/2024)	3/3
Ong Kuan Wah Independent Non-Executive Director	9/10
Tung Ghee Meng Independent Non-Executive Director	10/10
Dato' Dr. Mohd Rizal Bin Mohd Jaafar Managing Director (Retired on 27/06/2024)	6/6
Dato' Nor Adha Bin Yahya Independent Non-Executive Director (Resigned on 30/07/2024)	6/6

The agenda for each Board meeting and papers relating to the agenda items are circulated to all Directors at least 5 days before the meeting to provide sufficient time for the Directors to review the Board papers and seek clarification, if any.

Directors' Training (Practice Note 5- Training for Directors of Listing Requirement)

All Directors have completed the Mandatory Accreditation Programme within the stipulated timeframe required in the Listing Requirements.

The training programmes and seminars attended by the Directors during the financial year are:

Name	Training Course	Date
Tan Sri Muhammad Ikmal Opat Bin Abdullah	Mandatory Accreditation Programme Part I	11 & 12 November 2024
Dato' Nasir Bin Mat Dam	Mandatory Accreditation Programme Part I	11 & 12 November 2024
Puan Saloma Binti Mohd Jonid	Sustainability Materiality Workshop	12 December 2024
Gen (R) Tan Sri Dato' Sri Zulkiple Bin Kassim	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	25 & 26 September 2024
Dato' Boey Chin Gan	Conflict of Interest (COI) and Governance of COI	10 July 2024
	Roles and Responsibilities of Directors in Relation to Financial Statements	30 September 2024
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4 & 5 November 2024
Mr. Ong Kuan Wah	MIA Webinar Series - MPERS : Issues in Financial Instruments	22 January 2024
	National Tax Conference 2024	22 & 23 July 2024
	SSM National Conference 2024	27 & 28 August 2024
	Case Study-Based MFRS Webinar: A Deep Dive into IAS32/MFRS132 Financial Instruments: Presentation	3 October 2024
	2025 Budget Seminar	30 October 2024
Mr. Tung Ghee Meng	• -	

The Directors are aware of their obligation and will continue to attend suitable training to equip and enhance themselves with the knowledge to facilitate themselves in discharging their duties and responsibilities diligently with integrity.

REMUNERATION

The NRC reviews and proposes, subject to the approval of our Board the remuneration policy and term and conditions of service of each Director for his services as member of the Board as well as Committees of the Board. Nevertheless, the remuneration of Non-Executive Directors is a matter for the Board decision as a whole. Relevant Directors are required to abstain from deliberation and voting decisions in respect of his/her individual remuneration. The remuneration of Directors

is generally based on market conditions, responsibilities held and the overall financial performance of our Group. Decisions and recommendations by NRC shall be reported to our Board for approval.

The Committee met four (4) times during the financial year, attended by all its members throughout the period.

Remuneration Policy and Procedures

The Executive Directors' remuneration package is linked to the experience, scope of duty and responsibility, seniority, performance and industrial practices. The remuneration of Executive Directors consists of basic salary, among others bonus whereby the Non-Executive Directors receive fixed director fees.

Name Executive Director:	Fee (RM)	Allowance (RM)	Salary (RM)	Company's Contribution (RM)	Total (RM)
Tan Sri Muhammad Ikmal Opat Bin Abdullah (Appointed w.e.f. 17/07/2024)			1,804,800		1,804,800
Dato' Nasir Bin Mat Dam (Appointed w.e.f. 17/07/2024)		192,000	120,000	6,649	318,649
Puan Saloma Binti Mohd Jonid		12,000	285,120	12,672	309,792
Dato' Dr. Mohd Rizal Bin Mohd Jaafar (retired on 27/06/2024)		2,400	528,000	94,227	624,627

Name	Fee (RM)	Allowance (RM)	Salary (RM)	Company's Contribution (RM)	Total (RM)
Independent Director:					
Gen (R) Tan Sri Dato' Sri Zulkiple Bin Kassim	60,000	35,500			95,500
Dato' Boey Chin Gan (Appointed w.e.f. 17/07/2024)	27,500	16,000			43,500
Ong Kuan Wah	60,000	54,000			114,000
Tung Ghee Meng	60,000	62,500			122,500
Dato' Nor Adha Bin Yahya (resigned on 30/07/2024)	35,000	36,500			71,500

The NRC reviews and recommends the Executive Directors' remuneration package by assessing their KPI and refers to market of similar industry and its size as a benchmark. An appropriate remuneration package is designed to retain and attract calibre Directors to discharge their duty with integrity, to grow and lead the Company.

Details of the Senior Management's remuneration in aggregate for financial year ended 2024 are tabulated as below:

Category	Total (RM)
Salaries	2,155,244
Company's Contribution	277,114
Allowances	133,800
Remuneration Band	No. of Personnel
RM100,001 - RM150,000	1
RM350,001 - RM400,000	1
RM500,001 - RM550,000	1
RM1,500,001 - RM1,550,000	1
	4

Due to the confidentially and sensitivity of the remuneration package of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on named basis in the bands of RM 50,000.

The Board is of the view that the disclosure of Senior Management's remuneration components will not be in the best interest of the Company given the competitive human resources environment, as such disclosure may give rise to recruitment and talent retention issues.

PRINCIPLE B:

EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The AC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control process, review of related party transactions as well as conflict of interest situations. The AC also undertakes to provide oversight on the risk management processes/framework of the Group.

The AC is chaired by an Independent Director and consists of all Independent Directors. The Chairman of AC is not the Chairman of the board. None of the members of the AC were former key audit partners.

The AC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the AC. The role of the AC and the number of meetings held during the financial year as well as the attendance record of each member are set out in the AC Report in the Annual Report.

The AC is responsible for assessing the capabilities and independence of the external auditors and to also recommend to the Board on their appointment, reappointment or termination of their services to the Group.

The External Auditors, Messrs. Grant Thornton Malaysia PLT ("GTM") presented to the AC's its 2024 Audit Planning Memorandum on 26 November 2024 which outlined its audit objectives, engagement and reporting responsibilities, audit approach, recent development, proposed reporting schedules and proposed fees and their focus on key audit matters with reference to the approved standards on auditing issued by the Malaysian Institute of Accountants.

Subsequently, GTM will brief the AC on its audit findings and the Audited Financial Statements. This formed part of the AC's assessment of the suitability, objectivity and independence of GTM on an annual basis.

GTM has confirmed their independence to the AC in accordance with the Malaysian Institute of Accountants' ByLaws, International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

The AC and the Board are satisfied with the performance, competence and independence of GTM and the Board had recommended their re-appointment for the shareholders' approval at the forthcoming AGM.

The Chairman and members of the AC are financially literate and have carried out their duties and responsibilities in accordance with the terms of reference of the AC.

The Board is of the opinion that the AC has performed its functions satisfactorily as the Chairman and members have the required knowledge, experience and skills to understand and effectively deliberate on matters under the purview of the AC including the financial reporting process.

The AC assists the Board in overseeing the financial reporting process and ensuring that the results of the Group's operations are fairly presented in its financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has overall responsibility for maintaining a sound system of internal control and risk management that provide a reasonable assurance of effective and efficient operations, and compliance with the relevant laws and regulations as well as with internal procedures and guidelines. The Statement on Risk Management and Internal Control as included on pages 90 and 91 of this Annual Report provides the overview of the internal control framework adopted by the Company for the current financial year.

Due to the limitations that are inherent in any system of risk management and internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. The Board also recognises that a sound system of risk management and internal control can only reduce but not eliminate the possibility of poor judgement in decision making, human error, control process being deliberately circumvented by employees, management overriding controls and the occurrence of unforeseeable circumstances. Accordingly, the system provides only reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The internal audit function has been outsourced to an independent professional service firm to provide an independent assurance to the Board on the effectiveness and adequacy of the Group's system of internal control. Details of the internal audit function is set out in the Statement on Risk Management and Internal Control and AC Report.

The Internal Auditor attends and reports at each AC meeting on reviews conducted during each quarter. The audit personnel are free from any relationships or conflicts of interest, which could impair the objectivity and independence.

The Board has obtained assurance from the Group Managing Director that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

PRINCIPLE C:

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

The Company values dialogues with the investors and is constantly striving to improve the communication with the public. The Board believes that an effective investor relation is essential in enhancing shareholders' value and therefore ensures that shareholders are kept well informed of major development of the Group. Such information is disseminated via the Group's Annual Report, various disclosures and announcements to Bursa Securities and the Group's website at www.widadgroup.com.

The AGM is the principal forum for dialogue between the Group and the shareholders. The Board provides the opportunity for shareholders to raise questions pertaining issues in the financial performance and business plan. The Board takes the opportunity to present a comprehensive review of the progress and performance of the Group and provides answers to the questions raised by the shareholders during the meeting.

CONDUCT OF GENERAL MEETINGS

The Group is of the view that General Meetings are important platforms to engage with its shareholders as well as to address their concerns. The Group encourage shareholders to attend and participate in the AGM by providing adequate advance notice. In view of the Coronavirus Disease (COVID-19) pandemic and as part of our safety measures, the AGM of the Group will be conducted on a fully virtual basis through remote participation and electronic voting from the Broadcast Venue ("Online AGM"). This is in line with the Guidance Notes on the Conduct of General Meetings for the Listed Issuers issued by the Securities Commission Malaysia revised on 7th April 2022.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders will not be allowed to physically present at the AGM in person at the Broadcast Venue on the day of the meeting.

The Group does not have large number of shareholders and has less than 100 shareholders who attend their virtual AGM. Shareholders who are unable to attend the virtual AGM are allowed to vote via proxy. All resolutions set out in the notice of the General Meetings are conducted via digital ballot form.

The Board is satisfied that throughout the financial year ended 31 December 2024, the Group has applied the principles and recommendations of the corporate governance set out in the Malaysian Code on Corporate Governance, where necessary and appropriate. The Corporate Governance Overview Statement was approved by the Board of Directors on 25 April 2025.

AUDIT COMMITTEE REPORT

The principle objective of the Audit Committee is to assist the Board in discharging its statutory duties and responsibilities in relation to financial, accounting and reporting practices and to ensure proper disclosure to the shareholders of the Group.

COMPOSITION AND DESIGNATION OF AUDIT COMMITTEE

The Audit Committee ("the Committee") comprises of the following members:

	Position
Ong Kuan Wah	Chairman; Independent Non-Executive Director
Tung Ghee Meng	Member; Independent Non-Executive Director
Dato' Boey Chin Gan (Appointed w.e.f. 17/07/2024)	Member; Independent Non-Executive Director
Dato' Nor Adha Bin Yahya (Resigned on 30/07/2024)	Member; Independent Non-Executive Director

TERMS OF REFERENCE

The Terms of Reference for the Audit Committee can be viewed at the Group's website at www.widadgroup.com.

AUTHORITY

The Committee shall have unlimited access to financial and other relevant information and documents, to the external and internal auditors and to senior management of the Group. The Committee shall also have the authority to investigate any matter within its term of reference.

MEETINGS

Meetings shall be held at least 4 times a year or a frequency to be decided by the Committee. The quorum for each meeting shall be majority of members attended are independent. The Committee may invite the senior management or professionals to the meeting whenever deems fit, to present their findings and views.

There were five (5) meetings held during the financial year ended 31 December 2024 and the attendance record is as follows:

	Attendance
Ong Kuan Wah	4/5
Tung Ghee Meng	5/5
Dato' Boey Chin Gan (Appointed w.e.f. 17/07/2024)	2/2
Dato' Nor Adha Bin Yahya (Resigned on 30/07/2024)	3/3

The key functions and responsibilities of the Committee are as follows:

- To review the quarterly and annual financial statements prior to submission to the Board, focusing on:
 - Any changes in or implementation of major accounting policies and practices;
 - Significant audit adjustments;
 - Going concern assumptions;
 - Compliance with accounting standards and other legal requirements.
- To oversee matters relating to external audit including the reviews of the audit plan, auditor's management letter and the audit report;
- To review the adequacy of the scope, functions, competency and resources of the internal audit functions:
- To review any related party transactions that may arise within the Group;
- To recommend to the Board the appointment of external auditors, review audit fee and any reasons of resignation or dismissal;
- To assess and review the capability and professionalism of the external auditors;
- To consider other issues, as authorised by the Board;
- To report to the Board of Directors all pertinent issues which are necessary to be reported;
- To review any significant transactions which are not within the normal course of business and any related party transactions that may arise within the Group;
- Consider major findings of internal investigations and management's response; and
- To perform any other work as may be directed by the Board from time to time.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES DURING THE YEAR

The activities of the Committee for the financial year under review were as follows:

Financial Reporting

- Reviewed the unaudited quarterly reports and annual financial statements prior to submission to the Board for consideration and approval and subsequent release to Bursa Malaysia Securities Berhad; and
- Reviewed and assessed the appropriateness of the Group's accounting policies, adequacy of financial reporting and disclosure requirements and reasonableness of judgments and projections made in connection with the preparation of the financial statements.

External Audit

- Considered the appointment of the external auditors and audit fees by evaluating the external auditor's competence, independence, objectivity and the scope of work to be conducted;
- Reviewed the external auditor's audit plan and areas of audit emphasis for financial year prior to the commencement of audit; and
- Reviewed and discussed the auditing issues, where applicable the impact of material adjustments and recommendations arising from the final audit with the external auditors.

Internal Audit

- Considered and approved the appointment of the outsourced internal audit function and their fees by evaluating their competency, independence and performance; and
- Reviewed the internal audit plan and internal audit reports and discussed the findings and recommendations by the internal auditors.

Other activities

- Reviewed the related party transactions and the basis of pricing entered into by the Group and the disclosure of such transactions in the annual report of the Group;
- Reviewed the circular to shareholders in connection with recurrent related party transactions of a revenue or trading nature; and

Reviewed and recommended to the Board for approval of the Audit Committee Report, and Statement on Risk Management and Internal Control for inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The Group has outsourced the internal audit function of the Group to GovernanceAdvisory.com Sdn Bhd ("GA"). GA reports directly to the Audit Committee. Its primary responsibility is to carry out periodic reviews of the systems of internal controls so as to provide reasonable assurance to the Audit Committee that such systems are adequate and effective.

During the financial year under review, a summary of the activities carried out by the internal audit function are as follows:

- (a) Prepared the risk based internal audit plan for the review and approval of the Audit Committee.
- (b) Carried out reviews in accordance with the risk based internal audit plan reviewed and approved by the Audit Committee. Details of the reviews carried out are as follows:

Entity	Business Process
Widad Group Berhad	IT Management
Widad Builders Sdn Bhd & Widad Facility Management Sdn Bhd	Tender/ Contract Management Review

Findings from the internal audit reviews conducted were discussed with Senior Management and subsequently presented, together with Management's response and proposed action plans, to the Audit Committee for their review and approval.

Notwithstanding the above, although a number of internal control deficiencies were identified during the internal audit reviews, none of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

The total cost incurred for the outsourcing of the internal audit function for the financial year ended 31 December 2024 was RM28,000.00.



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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss after tax for the financial year	24,344,788	375,918,323
Attributable to:- Owners of the Company Non-controlling interest	24,339,942 4,846	375,918,323
	24,344,788	375,918,323

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

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

HOLDING COMPANY

The Directors regard Widad Business Group Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia as the holding company.

DIRECTORS' REPORT

DIRECTORS

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:-

Company:-

Tan Sri Muhammad Ikmal Opat Bin Abdullah (Executive Deputy Chairman) (Appointed on 17 July 2024)

Saloma Binti Mohd Jonid (Executive Director)

Dato' Nasir Bin Mat Dam (Executive Director) (Appointed on 17 July 2024)

Gen (R) Tan Sri Dato' Sri Zulkiple Bin Kassim (Independent Non-Executive Director)

Ong Kuan Wah (Independent Non-Executive Director)

Tung Ghee Meng (Independent Non-Executive Director)

Dato' Boey Chin Gan (Independent Non-Executive Director) (Appointed on 17 July 2024) Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Managing Director) (Resigned on 27 June 2024) Nor Adha Bin Yahya (Independent Non-Executive Director) (Resigned on 30 July 2024)

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Subsidiaries:- Name of subsidiaries	Name of Directors
Widad Builders Sdn. Bhd.	Tan Sri Muhammad Ikmal Opat Bin Abdullah Datuk Ir. Ts. Mohd Syaswan Bin Samsudin Mohd Yusriza Bin Mohd Yusof (Appointed on 25 February 2025) Dato' Julaini Bin Jusoh (Resigned on 24 December 2024) Tan Sri Norazman Bin Hamidun (Resigned on 13 March 2025)
Widad Capital Sdn. Bhd.	Tan Sri Muhammad Ikmal Opat Bin Abdullah Saloma Binti Mohd Jonid (Appointed on 12 July 2024) Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Resigned on 12 July 2024)
Widad Facility Management Sdn. Bhd.	Dato' Julaini Bin Jusoh Nor Azlan Bin Zainal (Appointed on 24 December 2024) Nur Irdina Wardah Binti Muhammad Ikmal Opat (Appointed on 24 December 2024) Tan Sri Muhammad Ikmal Opat Bin Abdullah (Resigned on 24 December 2024)

Widad Green Sdn. Bhd. Tan Sri Muhammad Ikmal Opat Bin Abdullah

Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Resigned

on 12 July 2024)

DIRECTORS' REPORT

DIRECTORS (CONT'D)

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are (cont'd):-

Subsidiaries ((cont'd)) :-
Jubalului loa ((COLLE O	<i>,</i> · ·

Name of subsidiaries Name of Directors

Widad Development (Nilai) Sdn. Bhd. Tan Sri Muhammad Ikmal Opat Bin Abdullah (formerly known as Widad Rail Sdn. Bhd.) Nor Azlan Bin Zainal (Appointed on 25 March

2025)

Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Resigned

on 12 July 2024)

Widad Concession Sdn. Bhd. Ilham Widad Bin Tan Sri Muhammad Ikmal Opat

Nor Azlan Bin Zainal (Appointed on 12 July 2024) Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Resigned

on 12 July 2024)

Innovative City Holdings Sdn. Bhd. Ilham Widad Bin Tan Sri Muhammad Ikmal Opat

Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Resigned

on 12 July 2024)

Dato' Othman Bin Omar (Resigned on 10 October

2024)

Widad Energy Sdn. Bhd. IIham Widad Bin Tan Sri Muhammad Ikmal Opat

Nor Azlan Bin Zainal (Appointed on 12 July 2024) Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Resigned

on 12 July 2024)

Widad Master Sdn. Bhd. Ilham Widad Bin Tan Sri Muhammad Ikmal Opat

Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Resigned

on 12 July 2024)

Widad Bina Urus Sdn. Bhd. Dato' Julaini Bin Jusoh

Dato' Othman Bin Omar Nor Azlan Bin Zainal

Haji Hamdani Bin Haji Zakaria

Pengiran Serjuddin Bin Pengiran Abd. Rahman

Serendah Heights Sdn. Bhd. Tan Sri Muhammad Ikmal Opat Bin Abdullah

Nor Azlan Bin Zainal (Appointed on 12 July 2024) Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Resigned

on 12 July 2024)

YBK Usahasama Sdn. Bhd. Tan Sri Muhammad Ikmal Opat Bin Abdullah

Ilham Widad Bin Tan Sri Muhammad Ikmal Opat

Nor Azlan Bin Zainal

Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Resigned

on 12 July 2024)

DIRECTORS (CONT'D)

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are (cont'd):-

Subsidiaries (cont'd):-Name of subsidiaries Palm Shore Holdings Sdn. Bhd.

Name of Directors

Dato' Julaini Bin Jusoh

Ilham Widad Bin Tan Sri Muhammad Ikmal Opat

Nor Azlan Bin Zainal

Dato' Dr. Mohd Rizal Bin Mohd Jaafar (Resigned

on 12 July 2024)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at the financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

		Number of o	ordinary shares	
	At			At
	<u>1.1.2024</u>	<u>Bought</u>	<u>Sold</u>	<u>31.12.2024</u>
Interest in the Company Tan Sri Muhammad Ikmal Opat Bin Abdullah - Direct interests - Deemed interest*#	73,095,100 959,048,585		(73,921,900) (621,701,400)	1,773,200 424,637,085
Holding company Widad Business Group Sdn. Bhd. Tan Sri Muhammad Ikmal Opat Bin	737,040,303	07,207,700	(021,701,400)	424,037,000
Abdullah - Direct interests - Deemed interest #	6,650,000 350,000	- -	- -	6,650,000 350,000

^{*} deemed interest by virtue of the shareholdings in Widad Business Group Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

[#] deemed interest by virtue of shares held by spouse.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Company and its subsidiaries are as follows:-

	Incurred by the Company RM	Incurred by the subsidiaries RM	Group RM
Fees Salaries and other emoluments Defined contribution plan	240,000 1,342,696 132,768	2,326,511 223,788	240,000 3,669,207 356,556
	1,715,464	2,550,299	4,265,763

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company of which Director has a substantial financial interest.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issue and paid-up capital and no insurance of debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains Directors' and Officers' liabilities insurance for the purpose of Section 289 of the Companies Act 2016, throughout the financial year which provides appropriate insurance coverage for the Directors and Officers of the Company and its subsidiaries. The amount of indemnity coverage and insurance premium paid during the financial year amounted to RM10,000,000 and RM14,725 respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (a) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:-

- any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of 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

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors (cont'd):-

(c) 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 operations of the Group and of the Company for the current financial year in which this report is made.

EVENT AFTER THE REPORTING PERIOD

On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

At this juncture, the management does not expect the reciprocal tariff to have a material impact on the Group's business operations or financial performance as the Group does not commence any direct export to US. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase of operational costs and other global macroeconomic conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of businesses worldwide.

The management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The total amount of audit and other fees paid or payable to the Auditors and its member firms by the Group and the Company for the financial year ended 31 December 2024 amounted to RM436,900 and RM74,800 respectively. Further details are disclosed in Note 21 to the financial statements.

There was no indemnity given or insurance effected for the Auditors of the Company.

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

))))	
))))	DIRECTORS
)	

Kuala Lumpur 29 April 2025

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 120 to 183 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and their cash flows for the financial year then ended.

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

TAN SRI MUHAMMAD IKMAL OPAT BIN ABDULLAH	ONG KUAN WAH
Kuala Lumpur 29 April 2025	

STATUTORY DECLARATION

I, Nor Azlan Bin Zainal, being the Officer primarily responsible for the financial management of Widad Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 120 to 183 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory this day of 29 April 2025)))
	NOR AZLAN BIN ZAINAL (MIA No: CA11798)

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WIDAD GROUP BERHAD (INCORPORATED IN MALAYSIA) REGISTRATION NO: 200901014295 (857363-U)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Widad Group 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 then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 120 to 183.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters

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

Impairment losses on trade receivables and contract assets

The risk

Refers to Notes 7 and 11 to the financial statements. We focused on this area because the Group has material amounts of trade receivables that are past due but not impaired and contract assets. Management judgement is required in determining the completeness of the provision for impairment losses on trade receivables and contract assets and assessing their adequacy through considering the expected recoverability.

Our response

We have reviewed the ageing of trade receivables in comparison to previous years, testing the integrity of ageing by calculating the due date for a sample of invoices and reviewing the level of bad debts written off in the current financial year against the prior financial years. Besides, we have reviewed the ageing of the contract assets in comparison to prior financial years and reviewing the reversal of contract assets in the current financial year and prior financial years. We also assessed the reasonableness of assumptions and judgements made by the management regarding the expected credit losses through examination of subsequent collections and billings.

Revenue recognition

The risk

Refers to Note 19 to the financial statements. There is significant accounting judgements involved including determining the stage of completion, the timing of revenue recognition and the calculation under the percentage of completion method made by management in applying the Group's revenue recognition policy to construction contracts entered into by the Group. The nature of these judgements may result in them being susceptible to management override.

Contract revenue should include the amount agreed in the initial contract, revenue from alterations in the original contract work plus claims and incentive payments that are expected to be collected and that can be measured reliably.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Revenue recognition (cont'd)

Our response

We performed a range of audit procedures which included obtaining a sample of contracts or letter of awards, reviewing for change orders or variation orders, reviewing estimated profit and costs to complete and enquiry of key personnel regarding adjustments for job costing and potential contract losses.

Goodwill on consolidation

The risk

Refers to Note 6 to the financial statements. We focused on this area because the Group has goodwill on consolidation of RM8,740,916 relating to acquisition of Palm Shore Holdings Sdn. Bhd. The Group performs an annual impairment assessment for its goodwill. This requires management to estimate the recoverable amount of the cash-generating units and this involves significant assumptions which are inherently judgmental.

Our response

We evaluated the model used in determining the value in use of the cash-generating units as well as assessing the discount rate used and challenging the reasonableness of key assumptions based on our knowledge of the business and industry. Besides that, we also compared the actual performance of the cash-generating units to assumptions applied in prior financial year's model, to assess accuracy of management's estimates. We have performed sensitivity analysis on the key assumptions inputted to the model and understood the impact on the overall carrying value of goodwill with the alterations to the key assumptions. We also assessed the adequacy of disclosures in the financial statements.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Report on the Audit of the Financial Statements (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 the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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.

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and
 of the Company, whether due to fraud or error, design and perform audit procedures responsive to
 those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our
 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for
 one resulting from error, as fraud may involve collusion, forgery, intentional omissions,
 misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Report on the Audit of the Financial Statements (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):-

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the
 financial information of the entities or business units within the group as a basis for forming an
 opinion on the group financial statements. We are responsible for the direction, supervision and
 review of the audit work performed for purposes of the group audit. We remain solely responsible
 for our audit opinion.

We communicated 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 identified during our audit.

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

Report on the Audit of the Financial Statements (cont'd)

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.

GRANT THORNTON MALAYSIA PLT (201906003682 & LLP0022494-LCA) CHARTERED ACCOUNTANTS (AF 0737) (NO: 03223/12/2025 J) CHARTERED ACCOUNTANT

Kuala Lumpur 29 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

Note 2024 RM RM RM RM RM RM RM R
Non-current assets
Non-current assets Property, plant and equipment 3 9,337,071 15,403,996 - - - - Right-of-use assets 4 698,704 40,581,340 - <
Non-current assets Property, plant and equipment 3 9,337,071 15,403,996 - - - Right-of-use assets 4 698,704 40,581,340 - <
Property, plant and equipment Right-of-use assets 4 698,704 40,581,340 - </td
Right-of-use assets
Investment in subsidiaries
Goodwill on consolidation 6 8,740,916 8,740,916 - - - Contract assets 7 410,992,288 446,101,983 - - - Other receivables 8 - - 268,241,382 244,706,825 Fixed deposits with licensed banks 9 13,756,312 12,370,375 5,000,000 5,331,939 Deferred tax assets 10 8,862,000 8,800,000 - - - Total non-current assets 452,387,291 531,998,610 549,061,382 898,859,093 Current assets Contract assets 7 286,204,233 300,993,179 - - Trade receivables 11 126,109,731 94,995,812 - - - Other receivables 8 2,828,943 3,242,866 7,190,261 19,149,426 Fixed deposits with licensed banks 9 70,466 231,055 - - - - Tax recoverable 547,460,321 555,951,323 7,202,727 <t< td=""></t<>
Contract assets 7 410,992,288 446,101,983 - - 268,241,382 244,706,825 Fixed deposits with licensed banks 9 13,756,312 12,370,375 5,000,000 5,331,939 Deferred tax assets 10 8,862,000 8,800,000 - - - Total non-current assets 452,387,291 531,998,610 549,061,382 898,859,093 Current assets Contract assets 7 286,204,233 300,993,179 - - - Contract assets 7 286,204,233 300,993,179 - - - Contract assets 7 286,204,233 300,993,179 - - - Cother receivables 11 126,109,731 94,995,812 - - - - Fixed deposits with licensed banks 9 70,466 231,055 7,190,261 19,149,426 - - - - - - - - - - - -
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Prixed deposits with licensed banks 9
Deferred tax assets
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Contract assets 7 286,204,233 300,993,179
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losses) <u>128,376,871</u> <u>152,716,813</u> <u>(365,011,597)</u> <u>10,906,726</u>
432,020,723 456,360,665 436,855,378 812,773,701
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Non-controlling interest (7,637) (2,791)
T. I. II
Total equity 432,013,086 456,357,874 436,855,378 812,773,701
LIABILITIES
Non-current liabilities
Borrowings 15 328,622,460 386,758,819
Lease liabilities 16 509,662 369,696
Other payables 17 - 91,457,784 85,259,622
Deferred tax liabilities 10 61,388,339 64,424,697
Total pap gurrant liabilities 200 E20 4/1 4E1 EE2 212 01 4E7 704 05 050 /22
Total non-current liabilities 390,520,461 451,553,212 91,457,784 85,259,622

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

		Gro	oup	Comp	Company		
	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>		
		RM	RM	RM	RM		
EQUITY AND LIABILITIES							
(CONT'D)							
LIABILITIES (CONT'D)							
Current liabilities							
Contract liabilities	7	41,055,002	31,615,009	-	-		
Trade payables	18	54,942,880	47,264,879	-	-		
Other payables	17	15,808,248	12,003,143	17,875,505	15,706,550		
Borrowings	15	94,009,082	76,468,541	8,968,742	10,021,594		
Lease liabilities	16	191,318	352,953	-	-		
Tax payable	_	10,107,535	11,944,322	1,106,700	263,700		
Total current liabilities	-	216,114,065	179,648,847	27,950,947	25,991,844		
Total liabilities	<u>-</u>	606,634,526	631,202,059	119,408,731	111,251,466		
Total equity and liabilities	<u>.</u>	1,038,647,612	1,087,559,933	556,264,109	924,025,167		

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2023</u> RM
Revenue	19	135,477,382	230,612,248	-	30,000,000
Cost of sales		(118,607,752)	(214,166,040)		
Gross profit		16,869,630	16,446,208	-	30,000,000
Other income		694,341	738,408	4,801,765	4,800,000
Administrative expenses		(29,784,322)	(32,619,442)	(6,721,925)	(6,905,369)
Impairment losses on receivables and contract assets		(5,767,652)	(806,397)	(177,812)	(22,007)
Other expenses		(4,039,967)	(296,050)	(373,000,329)	(6,877)
Operating (loss)/profit		(22,027,970)	(16,537,273)	(375,098,301)	27,865,747
Finance income	20	27,788,013	28,247,528	6,680,529	5,491,275
Finance costs	20	(24,430,235)	(25,760,136)	(6,657,551)	(7,313,095)
(Loss)/Profit before tax	21	(18,670,192)	(14,049,881)	(375,075,323)	26,043,927
Tax expense	22	(5,674,596)	(2,582,635)	(843,000)	(263,700)
(Loss)/Profit for the financial year/Total comprehensiv (loss)/income for the financial year	'e	(24,344,788)	(16,632,516)	(375,918,323)	25,780,227
(Loss)/Profit after tax attributable to: Owners of the Company Non-controlling interest		(24,339,942) (4,846)	(16,625,722) (6,794)	(375,918,323)	25,780,227
		(24,344,788)	(16,632,516)	(375,918,323)	25,780,227
Total comprehensive (loss)/income attributable to: Owners of the Company Non-controlling interest		(24,339,942) (4,846)	(16,625,722) (6,794)	(375,918,323)	25,780,227
		(24,344,788)	(16,632,516)	(375,918,323)	25,780,227
Earnings per share (sen) - Basic	23	(0.79)	(0.56)		

The accompanying notes form an integral part of the financial statements of Widad Group Berhad and its subsidiaries.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

<-- Attributable to owners of the Group -->

	Share	Distributable Retained	Non-controlling	
	<u>capital</u>	<u>earnings</u>	<u>interest</u>	<u>Total</u>
	RM	RM	RM	RM
Group				
Balance at 1 January 2023	202,750,121	169,342,535	3	372,092,659
Total comprehensive loss for the				
financial year	-	(16,625,722)	(6,794)	(16,632,516)
Acquisition of non-controlling interest	-	-	4,000	4,000
Transactions with owners:				
Issuance of ordinary shares upon	07.057.221			07.057.221
exercise of warrants Issuance of ordinary shares pursuant to	97,957,331	-	-	97,957,331
private placement	3,000,000	-	-	3,000,000
Share issuance expenses	(63,600)	-	-	(63,600)
Total transactions with owners	100,893,731	-		100,893,731
Balance at 31 December 2023	303,643,852	152,716,813	(2,791)	456,357,874
Total comprehensive loss for the				
financial year		(24,339,942)	(4,846)	(24,344,788)
Balance at 31 December 2024	303,643,852	128,376,871	(7,637)	432,013,086

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Share	Distributable (Accumulated losses)/	
	<u>capital</u>	Retained earnings	<u>Total</u>
	RM	RM	RM
Company			
Balance at 1 January 2023	700,973,244	(14,873,501)	686,099,743
Total comprehensive income for the financial year	-	25,780,227	25,780,227
<u>Transactions with owners:</u>			
Issuance of ordinary shares upon exercise of warrants	97,957,331	-	97,957,331
Issuance of ordinary shares pursuant to private placement	3,000,000	-	3,000,000
Share issuance expenses	(63,600)	-	(63,600)
Total transactions with owners	100,893,731		100,893,731
Balance at 31 December 2023	801,866,975	10,906,726	812,773,701
Total comprehensive loss for the financial year		(375,918,323)	(375,918,323)
Balance at 31 December 2024	801,866,975	(365,011,597)	436,855,378

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Grou	Group		Company		
	<u>Note</u>	2024 RM	2023 RM	2024 RM	2023 RM		
OPERATING ACTIVITIES (Loss)/Profit before tax		(18,670,192)	(14,049,881)	(375,075,323)	26,043,927		
Adjustments for:- Depreciation of property, plant and equipment Depreciation of right-of-use assets Gain on disposal of property, plant and equipment		2,463,044 1,189,156 (30,000)	2,434,143 1,324,627	- - -	-		
Impairment losses on receivables Impairment losses on investment in subsidiaries Impairment losses on amount due from subsidiaries Dividend income		5,767,652 - - -	806,397 - - -	373,000,329 177,812	5,999 22,007 (30,000,000)		
Interest expenses Interest income Interest income arising from concession contracts Loss on remeasurement of assets classified as held for sale		24,430,235 (2,171,863) (25,616,150) 3,972,687	25,760,136 (1,077,608) (27,169,920)	6,657,551 (6,680,529) - -	7,313,095 (5,491,275) - -		
Operating loss before working capital changes		(8,665,431)	(11,972,106)	(1,920,160)	(2,106,247)		
Changes in working capital:- Contract balances Receivables Payables		84,954,784 (36,467,648) 11,596,606	(324,587) (53,987,180) (16,872,713)	(3,300) 2,287,116	- - (466,978)		
Cash generated from/(used in) operations		51,418,311	(83,156,586)	363,656	(2,573,225)		
Interest paid Interest received Tax paid		(298,232) 1,779,853 (10,979,377)	(292,482) 776,780 (8,010,968)	14,026 -	36,182 		
Net cash from/(used in) operating activities		41,920,555	(90,683,256)	377,682	(2,537,043)		
INVESTING ACTIVITIES Net cash outflows arising from acquisition of a subsidiary Advance to subsidiaries	5	- -	(9,632,583)	- (5,232,720)	(5,999) (85,013,107)		
Advance to a related company Interest received Withdrawal/(Placement) of Designated Accounts Placement of Maintenance Reserve Fund (Placement)/Withdrawal of fixed deposits		392,010 2,521,047 (2,022,166) (1,385,937)	(100,000) 300,828 (15,205,125) (6,098,086) (2,893,176)	149,319 - - 331,939	- - - -		
Purchase of property, plant and equipment Purchase of right-of-use assets Proceeds from disposal of property, plant and equipment Dividend received	Α	(47,455) (38,571) 30,000	(212,016) - - - -	- - - -	30,000,000		
Net cash used in investing activities		(551,072)	(33,840,158)	(4,751,462)	(55,019,106)		
FINANCING ACTIVITIES (Repayment to)/Advance from holding company Repayment to subsidiaries Interest paid		(113,500) - (23,272,756)	113,500 - (24,045,103)	(113,500) (7,547) (573,560)	113,500 (36,939,185) (535,458)		
Drawdown of borrowings Repayments of borrowings Repayments of lease liabilities Proceeds from issuance of shares pursuant to private placement and upon exercise of warrants, net of share		(34,442,708) (410,969)	159,388,829 (169,768,781) (408,919)	(935,795)	-		
issuance expenses			100,893,731	- (4 (02 (22)	100,893,731		
Net cash (used in)/from financing activities		(58,239,933)	66,173,257	(1,630,402)	63,532,588		

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

		Group		Company		
	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	
		RM	RM	RM	RM	
CASH AND CASH EQUIVALENTS						
Net changes		(16,870,450)	(58,350,157)	(6,004,182)	5,976,439	
Brought forward		14,359,930	72,710,087	6,016,648	40,209	
v						
Carried forward	В	(2,510,520)	14,359,930	12,466	6,016,648	
NOTES TO THE STATEMENTS OF CASH FLOWS						
A. PURCHASE OF RIGHT-OF-USE ASSETS						
		Grou	ıp	Compa	ny	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	
		RM	RM	RM	RM	
Total purchase of right-of-use assets		427,871	159,100	_	_	
Purchase through finance lease arrangement		(389,300)	(159,100)	_		
1 dronase through manee least diffullythem		(307,300)	(107,100)			
		38.571	_	-	-	

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise of the following amounts:-

	Gro	ир	Compa	any
	2024	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM	RM	RM	RM
Cash and bank balances	131,730,292	155,951,391	12,466	6,016,648
Fixed deposits with licensed banks	13,826,778	12,601,430	5,000,000	5,331,939
Bank overdrafts	(4,578,805)	(11,591,162)	-	
	140,978,265	156,961,659	5,012,466	11,348,587
Less:				
Designated Accounts	(99,221,211)	(101,742,258)	-	-
Fixed deposits pledged with licensed banks	(13,756,312)	(12,370,375)	(5,000,000)	(5,331,939)
Maintenance Reserve Fund	(30,511,262)	(28,489,096)	-	
	(2,510,520)	14,359,930	12,466	6,016,648

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January		Net cash		31 December
	<u>2024</u>	New lease	flows	<u>Others</u>	<u>2024</u>
	RM	RM	RM	RM	RM
Group					
Amount due to holding company	113,500	-	(113,500)	-	-
Borrowings*	451,636,198	-	(34,442,708)	859,247 ⁽¹⁾	418,052,737
Lease liabilities	722,649	389,300	(410,969)	<u>-</u>	700,980
	452,472,347	389,300	(34,967,177)	859,247	418,753,717

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

	1 January <u>2024</u> RM	<u>New lease</u> RM	Net cash <u>flows</u> RM	Others RM	31 December 2024 RM
Company Amount due to holding company Amount due to subsidiaries	113,500 100,268,045	- -	(113,500) (7,547)	6,201,048 (1)	- 106,461,546
	100,381,545		(121,047)	6,201,048	106,461,546
Graun	1 January <u>2023</u> RM	New lease RM	Net cash flows RM	Others RM	31 December 2023 RM
Group Amount due to holding company	-	-	113,500	-	113,500
Borrowings* Lease liabilities	384,494,491 972,468	- 159,100	(10,379,952) (408,919)	77,521,659 ⁽¹⁾⁽²⁾	451,636,198
Lease Habilities	972,408	159,100	(408,919)		722,649
	385,466,959	159,100	(10,675,371)	77,521,659	452,472,347
Company					
Amount due to holding company Amount due to subsidiaries	- 120 451 107	-	113,500	6,756,043_(1)	113,500
Altiount due to substatalies	130,451,187	 -	(36,939,185)	0,750,043	100,268,045
	130,451,187		(36,825,685)	6,756,043	100,381,545

^{*} The borrowings exclude bank overdrafts as it related to operating activities.

⁽¹⁾ Being interest payables to the subsidiaries and borrowings.

⁽²⁾ Being addition through acquisition of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. **GENERAL INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur and the principal place of business of the Company is located at WBG Penthouse, Widad Semantan (WISE), No. 3, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur.

The Company is principally engaged in investment holding.

The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The Directors regard Widad Business Group Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia as the holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 April 2025.

2. BASIS OF PREPARATION

2.1 **Statement of Compliance**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Going Concern

During the financial year ended 31 December 2024, the Group and the Company incurred net losses of RM24,344,788 and RM375,918,323 respectively. As at that date, the Company's current liabilities exceeded its current assets by RM20,748,220. In addition, a wholly-owned subsidiary of the Company, Widad Builders Sdn. Bhd.'s loan facilities were terminated and cancelled on 13 February 2025. The total outstanding balance of the aforesaid loan facilities as at financial year end was amounting to RM40,999,296. These gave rise to concern about whether the Group has sufficient cash flows to meet its obligations for the next twelve months from the end of the reporting period.

2. BASIS OF PREPARATION (CONT'D)

2.2 Going Concern (cont'd)

In response, the Group has implemented several mitigation measures to address its financial position. These include:

- (i) The execution of a Sale and Purchase Agreement for the disposal of a property classified as an asset held for sale, which expected to generate proceeds of RM41,500,000.
- (ii) Ongoing efforts to optimise cash flows and utilise available banking facilities of the Group and of the Company.

The financial statements of the Group and the Company have been prepared on a going concern basis, which assumes that the Group and the Company will be able to meet their obligations as and when they fall due. The Directors are of the view that, based on the steps taken and planned, the Group and the Company will have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or the classification and recognition of additional liabilities that may arise should the going concern basis prove to be inappropriate.

2.3 Basis of Measurement

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial market 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.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. BASIS OF PREPARATION (CONT'D)

2.3 Basis of Measurement (cont'd)

All assets and liabilities for which fair value are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.4 Functional and Presentation Currency

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

2.5 **MFRSs**

2.5.1 Adoption of Amendments/Improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2024.

Initial application of the amendments and improvements to MFRSs did not have material financial impact to the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (CONT'D)

2.5 MFRSs (cont'd)

2.5.2 Standards Issued but Not Yet Effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective in the respective financial period.

Effective for the financial period beginning on or after 1 January 2025:-

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

Effective for the financial period beginning on or after 1 January 2026:-

Amendments to MFRS 9 and Financial Instruments and Financial Instruments: MFRS 7 Disclosures - Amendments to the Classification and

Measurement of Financial Instruments

Amendments to MFRS 9 and Financial Instruments and Financial Instruments: MFRS 7

Disclosures - Contracts Referencing Nature-

dependent Electricity

Annual Improvements to MFRS Accounting Standards - Volume 11

Effective for financial period beginning on or after 1 January 2027:-

MFRS 18 Presentation and Disclosure in Financial Statements MFRS 19 Subsidiaries without Public Accountability: Disclosures

Deferred to a date to be determined by the Malaysian Accounting Standards Board:-

Amendments to MFRS 10 and Consolidated Financial Statements and Investments in **MFRS 128** Associates and Joint Ventures - Sale or Contribution

of Assets between an Investor and its Associate or

Joint Venture

The initial application of the above applicable amendments and improvements are not expected to have material impact to the financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made.

Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.6.1 Key Sources of Estimation Uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

<u>Useful Lives of Depreciable Assets</u>

Management estimates the useful lives of the depreciable assets to be within 5 to 50 years and reviews the useful lives of depreciable assets at end of each reporting period. At 31 December 2024, management assesses that the useful lives represent the expected utility of the assets to the Group and to the Company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in an adjustment to the Group's and the Company's assets.

Impairment of Non-financial Assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.1 Key Sources of Estimation Uncertainty (cont'd)

Revenue from Contracts with Customers

Revenue is recognised when or as the control of the asset is transferred to our customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the physical proportion of contract work-to-date certified by the Group and the customers.

Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on physical proportion of contract work-to-date certified by the Group and the customers over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgments, management relies on past experience and the work of specialists. A change in the estimate will directly affect the revenue to be recognised.

Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future profit projections. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.1 Key Sources of Estimation Uncertainty (cont'd)

Income Taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of 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 tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Provision for Expected Credit Losses ("ECLs") of Trade Receivables and Contract Assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction and facility management sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

2.6.2 Significant Management Judgement

There is no significant management judgements in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements.

Group	Freehold land and <u>buildings</u> RM	Fixtures and office equipment RM	Plant and <u>machinery</u> RM	Renovation RM	Motor <u>vehicles</u> RM	Site cabin and <u>signboard</u> RM	Total RM
Cost At 1 January 2023 Additions Transfer from right-of-use assets	5,594,276	2,862,218 184,016	5,550	20,676,623 28,000	3,315,793	141,880	32,596,340 212,016 400,000
At 31 December 2023 Additions Transfer from right-of-use assets Disposal Transfer to assets classified as held for sale	5,594,276	3,046,234 20,455	5,550	20,704,623	3,715,793 27,000 1,046,688 (197,561)	141,880	33,208,356 47,455 1,046,688 (197,561) (6,681,736)
At 31 December 2024	5,594,276	3,066,689	2,550	14,022,887	4,591,920	141,880	27,423,202
Accumulated depreciation At 1 January 2023 Charge for the financial year Transfer from right-of-use assets	1,010,734	2,160,870 235,648	5,550	8,487,360 2,051,819	3,195,975 26,838 400,000	109,728 7,953	14,970,217 2,434,143 400,000
At 31 December 2023 Charge for the financial year Transfer from right-of-use assets Disposal Transfer to assets classified as held for sale	1,122,619 111,886	2,396,518 243,233	5,550	10,539,179 1,910,663 - - (2,621,049)	3,622,813 190,345 637,337 (197,561)	117,681 6,917 -	17,804,360 2,463,044 637,337 (197,561) (2,621,049)
At 31 December 2024	1,234,505	2,639,751	5,550	9,828,793	4,252,934	124,598	18,086,131
Net carrying amount At 31 December 2024	4,359,771	426,938		4,194,094	338,986	17,282	9,337,071
At 31 December 2023	4,471,657	649,716	1	10,165,444	92,980	24,199	15,403,996

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company Cost	Fixtures and office equipment RM
At 1 January 2023/At 31 December 2023/At 31 December 2024	64,192
Accumulated depreciation At 1 January 2023/At 31 December 2023/At 31 December 2024	64,192
Net carrying amount At 31 December 2023/At 31 December 2024	-

3.1 Assets pledged as securities to financial institutions

The net carrying amounts of assets pledged as securities for borrowings are:-

<u>24</u>	<u>2023</u>
_	
Л	RM
),771	4,471,657
	<u>,771 </u>

Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

(b) Depreciation

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Property, plant and equipment are depreciated based on the estimated lives of the assets shown as follows:-

Freehold land and buildings	2%
Fixtures and office equipment	10 - 20%
Plant and machinery	10%
Renovation	10%
Motor vehicles	20%
Site cabin and signboard	10%

4. RIGHT-OF-USE ASSETS

4.1 As a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

	Motor vehicles RM	Leasehold land and building RM	<u>Total</u> RM
Group At 1 January 2023 Additions	1,082,867	40,664,000	41,746,867
Depreciation charge for the financial year	159,100 (348,627)	(976,000)	159,100 (1,324,627)
At 31 December 2023 Additions	893,340 427,871	39,688,000	40,581,340 427,871
Transfer to property, plant and equipment Transfer to assets classified as held for sale Depreciation charge for the financial year	(409,351) - (213,156)	- (38,712,000) (976,000)	(409,351) (38,712,000) (1,189,156)
At 31 December 2024	698,704	-	698,704

The above motor vehicles are held under lease liabilities.

The leasehold land and building have been pledged as securities for bank borrowings as disclosed in Note 15 to the financial statements.

The maturity analysis of lease liabilities is disclosed in Note 28 to the financial statements.

The following are the amounts recognised in profit or loss:-

	Gro	oup	Comp	any
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM	RM	RM	RM
Depreciation expense of				
right-of-use assets	1,189,156	1,324,627	-	-
Interest expense on lease	24.427	07.400		
liabilities	34,436	37,193	-	-
Expense relating to variable lease payments not included				
in the measurement of lease				
liabilities	238,682	187,406	2,145	2,340_
-	1,462,274	1,549,226	2,145	2,340

The Group and the Company had total cash outflows for leases of RM684,087 and RM2,145 (2023: RM633,518 and RM2,340) respectively.

4. RIGHT-OF-USE ASSETS (CONT'D)

4.2 As a lessor

The Group has entered into operating lease on its land and building. The lease is cancellable with 3 months prior written notice. Rental income recognised by the Group during the financial year is RM619,320 (2023: RM616,050).

Material accounting policy information

(a) Recognition and measurement

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

(b) Depreciation

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets, as follows:-

Motor vehicles 20% Leasehold land and building 2%

(c) Recognition exemption

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

5. **INVESTMENT IN SUBSIDIARIES**

			Compa	nny
		<u>2024</u> RM	-	2023 RM
Unquoted shares, at cost Less: Accumulated impairment losses	5	649,826, (374,006,		649,826,333 (1,006,004)
		275,820,	000	648,820,329
Details of subsidiaries are as follows:	-			
Name of companies <u>Direct interest</u>	Principal place of business	Effective 2024	e interest 2023	Principal <u>activities</u>
Widad Builders Sdn. Bhd. ("WBSB")	Malaysia	100%	100%	@@
Widad Green Sdn. Bhd.	Malaysia	100%	100%	۸
Widad Development (Nilai) Sdn. Bhd. (formerly known as Widad Rail Sdn. Bhd.)	Malaysia	100%	100%	٨
Widad Concession Sdn. Bhd. ("WConSB")@	Malaysia	100%	100%	#
Widad Energy Sdn. Bhd.	Malaysia	100%	100%	^
Widad Master Sdn. Bhd.	Malaysia	100%	100%	۸
Serendah Heights Sdn. Bhd.@	Malaysia	100%	100%	#
Innovative City Holdings Sdn. Bhd. ("ICHSB")	Malaysia	60%	60%	۸
Widad Bina Urus Sdn. Bhd. ("WBUSB")##	Brunei	99%	99%	۸
Indirect interest Widad Facility Management Sdn. Bhd.*	Malaysia	100%	100%	\$
Widad Capital Sdn. Bhd. ("WCSB")*@	Malaysia	100%	100%	Δ

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries are as follows (cont'd):-

Name of companies Indirect interest	Principal place of business	Effective 2024	e interest 2023	Principal <u>activities</u>
YBK Usahasama Sdn. Bhd.**	Malaysia	100%	100%	&
Palm Shore Holdings Sdn. Bhd. ("PSHSB")+@	Malaysia	100%	100%	&

- ^ Dormant.
- @@ The principal activity of this subsidiary is general trading, construction and providing full facility management and mechanical and electrical maintenance, care and improvement.
- \$ The subsidiary is principally engaged in landscaping work and general contractors.
- Δ The principal activities of the subsidiary are construction, providing facility management services and fund-raising vehicle.
- # The principal activity of the subsidiary is investment holding.
- & The subsidiary is principally engaged in concession business.
- * Direct subsidiaries of WBSB.
- ** Direct subsidiary of SHSB.
- + Direct subsidiary of WCSB.
- Investment pledged as security for banking facilities granted to subsidiaries in 2024 and 2023.
- ## No statutory audit was required as at the reporting date as the subsidiary was remained dormant during the financial year. The Directors have consolidated the results of this subsidiary based on its management financial statements. The subsidiary was struck off on 27 March 2025.

Included in the investment in subsidiaries is an amount of RM129,820,000 (2023: RM129,820,000) which is pledged as securities for the banking facilities granted to subsidiaries.

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

5.1 Impairment of subsidiaries

Management reviews the material investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the value-in-use or fair value less cost to sell of the respective subsidiaries, whichever is higher.

Estimating a value in use requires significant judgements and estimates about the future results and key assumptions applied to the cash flow projections of the subsidiaries in determining the recoverable amounts. These key assumptions include different forecast growth in future revenue and operating cash flows, as well as determining an appropriate pre-tax discount rate for used for each subsidiary.

Investment in subsidiaries is impaired at reporting date when the recoverable amount of the subsidiary is lower than cost of investment. The movement of accumulated impairment losses is as follow:-

	Comp	Company		
	<u>2024</u>	<u>2023</u>		
	RM	RM		
Brought forward	1,006,004	1,000,005		
Addition	373,000,329	5,999		
Carried forward	374,006,333	1,006,004		

The value-in-use of respective subsidiaries was determined based on a calculation using cash flow projections based on financial budgets approved by the management covering a five-year period. The discount rates applied to the cash flows projections is 9.15% (2023: 9.80%) based on the weighted average cost of capital of the Company.

Details of the Level 3 fair value method used in obtaining the fair value less cost to sell of the respective subsidiaries are as follows:-

Valuation method and key inputs	Significant unobservable assets and liabilities	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

5.2 **Acquisition of subsidiaries**

Prior financial year

In prior financial year, a wholly-owned subsidiary of the Company, WCSB acquired 7,000,000 units of ordinary shares representing 100% equity interest in PSHSB for a total cash consideration of RM16,626,171.

The fair value of the identifiable assets and liabilities of PSHSB as at the date of acquisition was as follow:-

	Group RM
2023 Contract assets Other receivables Cash and bank balances	100,700,690 989,914 6,993,588
Total assets	108,684,192
Borrowings Other payables Tax payable	(76,099,108) (23,777,690) (922,139)
Total liabilities	(100,798,937)
Total identifiable net assets	7,885,255
Net cash outflows arising from acquisition of a subsidiary	
2022	Group RM
Purchase consideration settled in cash and cash equivalents Cash and cash equivalents acquired	16,626,171

Goodwill

- Cash and bank balances

Goodwill was recognised as a result of the acquisition was as follow:-

	Group RM
Total consideration transferred Fair value of identifiable net assets	16,626,171 (7,885,255)
Goodwill	8,740,916

(6,993,588)

9,632,583

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

5.2 Acquisition of subsidiaries (cont'd)

Prior financial year (cont'd)

Impact of the acquisition on the consolidated statements of profit or loss and other comprehensive income

In prior financial year, PSHSB has contributed RM2,904,275 and RM1,117,928 to the Group's revenue and profit after tax respectively from the date of acquisition.

There was no acquisition during the financial year.

5.3 Dilution of shareholding in a subsidiary

In prior financial year, the Company, ICHSB and Arriz Abadi Sendirian Berhad ("AASB") (collectively known as "the Parties") entered into a Shareholders' Agreement. The Parties had agreed that AASB and the Company shall subscribe for such number of shares in ICHSB such that their shareholdings in ICHSB shall be with the Company owing 60% and AASB owning 40%. ICHSB had, on the same day, increased its share capital from RM1 to RM10,000 vide the allotment of additional 5,999 and 4,000 new ordinary shares to the Company and AASB respectively.

5.4 **Non-controlling interest**

There is no non-controlling interest to be disclosed as it is immaterial to the financial statements.

Material accounting policy information

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses.

6. GOODWILL ON CONSOLIDATION

	Group		
	<u>2024</u>	<u>2023</u>	
	RM	RM	
Goodwill arising from business combination	8,740,916	8,740,916	

Goodwill acquired in a business combination is allocated, at acquisition date, to the cash-generating unit ("CGU") that is expected to benefit from the business combination. For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest cash-generating unit level within the Group at which the goodwill is monitored for internal management purposes. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

6. **GOODWILL ON CONSOLIDATION (CONT'D)**

The recoverable amount of the CGUs is determined by using value-in-use, involving cash flow projections calculations derived from the most recent financial budgets approved by management covering 15 years (2023: 16 years) period based on the concession agreement with customer.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the CGUs and management's assessment of future trends based on the following key assumptions:-

	Group		
	<u>2024</u>	2023	
	%	%	
Growth rate	5.5	3.4	
Gross profit margin	5.0	5.0	
Discount rate	9.6	9.9	

The following describes each key assumption on which the Directors have used in the cash flow projections for the purpose of impairment testing of goodwill:-

(i)	Growth rate	_	Based of	n sin	nple av	erage o	f the	annual reve	nue growth	rate
			obtair	ned	from	finan	cial	budgets	approved	by
			mana	geme	nt.					
(ii)	Gross profit margin	_	Based	on	the	range	of	forecasted	margin	for
			projed	ct/bus	siness.					
(iii)	Discount rate	_						average cos		
			disco	unt ra	ate us	ed is pr	e-tax	and reflec	t specific	risks
			relatir	ng to	the rel	evant se	gmer	its.		

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on external and internal sources. The management is not aware of any reasonably possible change in above key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

7. **CONTRACT ASSETS/(LIABILITIES)**

	Group		
	<u>2024</u>	<u>2023</u>	
	RM	RM	
Contract assets			
Construction contracts Contract assets from customers on concession	244,548,632	260,287,250	
arrangements	446,101,983	479,574,901	
Contract costs	6,545,906	7,233,011	
	697,196,521	747,095,162	
Presented by:	410 000 000	44/ 101 002	
Non-current	410,992,288	446,101,983	
Current	286,204,233	300,993,179	
	697,196,521	747,095,162	
Contract liabilities			
Construction contracts	8,689,194	2,752,408	
Contract liabilities relating to concession arrangements	32,365,808	28,862,601	
	41,055,002	31,615,009	

The movement of accumulated impairment losses during the financial year is as follow:

	Group		
	<u>2024</u> RM	<u>2023</u> RM	
Individually impaired At 1 January Written off	<u>-</u>	15,973,117 (15,973,117)	
At 31 December			

Construction contracts

The construction contracts represent the timing differences in revenue recognition and the milestone billings.

Contract assets primarily relate to the rights to consideration for work completed on construction contracts but not yet billed as at the reporting date.

7. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

Construction contracts (cont'd)

Contract liabilities consist of advance billings in excess of revenue recognised, typically resulting from the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect the physical completion of the contracts.

Contract assets from customers on concession agreements

The amount, being the financial asset arising from the above concession agreement represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. It carries interest at a rate of 4.37% to 9.80% (2023: 4.37% to 9.80%) per annum and repayable in the form of availability charge upon fulfilment of the terms and conditions in the concession agreement.

Included in the contract assets is an amount of RM354,375,337 (2023: RM385,252,482) has been pledged as securities for Sukuk Wakalah as disclosed in Note 15 to the financial statements.

Included in the contract assets is an amount of RM94,478,774 (2023: RM97,344,547) which has been pledged as securities for term loans as disclosed in Note 15 to the financial statements.

Contract costs

With anticipated further contracts that will be signed subsequently over the next year, precontract cost and set-up cost are capitalised and charged out based on the completion progress.

Contract liabilities relating to concession arrangements

Contract liabilities relating to concession arrangements represent maintenance reserve funds established for the purpose of carrying out capital replacements for the Facilities and Infrastructure of the campus by the Group. The contract liabilities are initially recognised in the statements of financial position at the fair value of consideration received and subsequently recognised in profit or loss upon rendering the services.

Significant changes to the Group's contract assets and contract liabilities balances during the financial year are as follows:-

	Group	
2024		2023
RM		RM

Contract assets at the beginning of the year not transferred to the trade receivables due to change in time frame

169,524,368

119,569,307

7. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

Significant changes to the Group's contract assets and contract liabilities balances during the financial year are as follows (cont'd):-

	Group		
	<u>2024</u> RM	2023 RM	
Increase of contract liabilities due to consideration			
received from a customer, but revenue not recognised	3,503,207	3,503,206	

Material accounting policy information

(a) Recognition and measurement of service concession arrangement

The Group constructs or upgrades infrastructure (construction or upgrade services) and operates and maintains that infrastructure (operation services) for a specific period of time under a single contract or arrangement. Under this concession arrangement, the grantor controls significant residual interest in the infrastructure at the end of concession period.

The Group accounts for its service concession arrangement under the financial asset model as the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The consideration received and receivable is allocated by reference to the relative fair values of various services delivered, when the amounts are separately identified. The allocation is performed by reference to the fair values of the services provided even if the contract stipulates individual prices for certain services. This is because, the amounts specified in the contracts may not necessarily be representative of the fair values of the services provided on the price that would be charged if the services were sold on a standalone basis. The Group estimates the relative fair value of the services by reference to the costs of providing each service plus a reasonable profit margin.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method.

Any asset carries under concession arrangement is derecognised when the contractual rights to the financial asset is expired.

8. **OTHER RECEIVABLES**

	Gro	up	Comp	any	
	<u>2024</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2023</u> RM	
Non-current					
Amount due from a subsidiary			268,241,382	244,706,825	
Current					
Non-trade receivables	2,752,182	2,145,726	3,300	-	
Amount due from subsidiaries	-	-	8,055,346	19,839,999	
Amount due from a related					
company	100,000	100,000	-	-	
Deposits	2,020,895	1,485,893	-	-	
Prepayments	231,985	569,247			
Less: Accumulated impairment	5,105,062	4,300,866	8,058,646	19,839,999	
losses					
- Amount due from subsidiaries	-	-	(868,385)	(690,573)	
- Non-trade receivables	(2,276,119)	(1,058,000)			
	(2,276,119)	(1,058,000)	(868,385)	(690,573)	
	2,828,943	3,242,866	7,190,261	19,149,426	
-	2,828,943	3,242,866	275,431,643	263,856,251	

The movement of accumulated impairment losses is as follow:

	Gro	Group		any
	<u>2024</u> RM	2023 RM	2024 RM	2023 RM
Individually impaired At 1 January	1,058,000	960,000	690,573	668,566
Additions	1,218,119	98,000	177,812	22,007
At 31 December	2,276,119	1,058,000	868,385	690,573

Related company refers to a member of Widad Business Group Sdn. Bhd.'s group of companies.

Non-current

Amounts due from a subsidiary is unsecured, bears interest rates ranging from 2.42% to 2.66% (2023: 2.36% to 2.73%) per annum and receivable on demand.

Current

Amounts due from subsidiaries and a related company are unsecured, non-interest bearing and receivable on demand.

9. FIXED DEPOSITS WITH LICENSED BANKS

	Gr	Group		ny
	<u>2024</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2023</u> RM
Non-current Current	13,756,312 70,466	12,370,375 231,055	5,000,000	5,331,939
	13,826,778	12,601,430	5,000,000	5,331,939

Non-current

The fixed deposits with licensed banks have been pledged to banks for banking facilities, and hence, are not available for general use.

The average interest rates of the fixed deposits for the Group are ranging from 2.30% to 2.80% (2023: 2.65% to 3.05%) per annum, whereas for the Company, they are at 2.30% (2023: 2.80%) per annum.

Current

The average interest rates of the fixed deposits for the Group are ranging from 2.08% to 2.90% (2023: 2.08%) per annum.

10. **DEFERRED TAX ASSETS/(LIABILITIES)**

	Group		
	<u>2024</u> <u>20</u>		
	RM	RM	
At 1 January	(55,624,697)	(57,437,800)	
Recognised in profit or loss	3,098,358_	1,813,103	
At 31 December	(52,526,339)	(55,624,697)	

Presented after appropriate offsetting as follows:-

	Group		
	<u>2024</u>	2023	
	RM	RM	
Deferred tax assets	8,862,000	8,800,000	
Deferred tax liabilities	(61,388,339)	(64,424,697)	
	(52,526,339)	(55,624,697)	

10. **DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

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

	Property, plant and <u>equipment</u> RM	Contract assets/Contract <u>liabilities</u> RM	Provisions RM	Unabsorbed tax <u>losses</u> RM	Unutilised capital <u>allowances</u> RM	<u>Total</u> RM
Group At 1 January 2023 Recognition in	(82,064)	(67,164,136)	1,044,400	8,531,000	233,000	(57,437,800)
profit or loss	(55,528)	2,722,631	(920,000)	(22,000)	88,000	1,813,103
At 31 December 2023 Recognition in profit or loss	(137,592) 56,752	(64,441,505)	124,400 58,000	8,509,000 (131,000)	321,000 77,000	(55,624,697)
At 31 December 2024	(80,840)	(61,403,899)	182,400	8,378,000	398,000	(52,526,339)

Deferred tax assets have not been recognised in respect of the following items (stated at gross) due to uncertainty of future taxable income of the Company and certain subsidiaries.

	Group		Comp	any
	<u>2024</u>	<u>2023</u>	2024	2023
	RM	RM	RM	RM
Property, plant and equipment	1,000	2,000	1,000	2,000
Unabsorbed tax losses	19,080,000	9,556,000	-	-
Unutilised capital allowances	5,700	5,100	5,700	5,100
Other	15,976,000	9,531,000		
<u>-</u>	35,062,700	19,094,100	6,700	7,100

Effective Year of Assessment 2019 as announced in the Annual Budget 2022, the unabsorbed tax losses of the Group and of the Company as of 31 December 2018 and thereafter will be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years terms, the unabsorbed tax losses will be disregarded.

10. **DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

Tax losses for which no deferred tax asset is recognised will be expired as follows:-

	Gro	Group		any
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM	RM	RM	RM
Expiry date				
2032	3,081,000	3,081,000	-	-
2033	6,475,000	6,475,000	-	-
2034	9,524,000			
	_19,080,000	9,556,000		

11. TRADE RECEIVABLES

	Group		
	<u>2024</u>	2023	
	RM	RM	
Trade receivables	19,219,578	21,901,119	
Amount due from a related company	95,693,627	61,951,324	
Retention sum: - Third parties	16,283,553	11,680,863	
- Related company	170,903	170,903	
	131,367,661	95,704,209	
Less: Accumulated impairment losses	(5,257,930)	(708,397)_	
	126,109,731	94,995,812	

The movement of accumulated impairment losses is as follows:-

	Group		
	<u>2024</u> RM	<u>2023</u> RM	
Collectively impaired At 1 January Addition	708,397 4,549,533	708,397	
At 31 December	5,257,930	708,397	

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group to customers are ranging from 1 to 60 days (2023: 1 to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

12. CASH AND BANK BALANCES

	Group		Comp	any
	<u>2024</u>	<u>2023</u>	2024	2023
	RM	RM	RM	RM
Cash and bank balances	1,997,819	25,720,037	12,466	6,016,648
Designated Accounts pledged	99,221,211	101,742,258		-
Maintenance Reserve Fund	30,511,262	28,489,096		-
	131,730,292	155,951,391	12,466	6,016,648

Group

Included in cash and cash balances is an amount of RM99,221,211 (2023: RM101,742,258) which were held under Designated Accounts and pledged as securities for borrowings granted to the Group as disclosed in Note 15 to the financial statements.

Included in cash and bank balances is an amount of RM30,511,262 (2023: RM28,489,096) are held as Maintenance Reserve Fund for the purpose of utilisation for capital replacements, as disclosed in Note 7 to the financial statements and therefore restricted from use in other operation.

13. **ASSETS CLASSIFIED AS HELD FOR SALE**

	Group		
	<u>2024</u>	2023	
	RM	RM	
At 1 January	-	-	
Transfer from property, plant and equipment	4,060,687	-	
Transfer from right-of-use assets	38,712,000	-	
Loss on remeasurement	(3,972,687)		
At 31 December	38,800,000		

The Group had entered into a Sale and Purchase Agreement on 28 April 2025 with a purchaser to dispose of a leasehold land and building for total consideration of RM41,500,000. The transaction has yet to be completed up to the date of this report.

14. SHARE CAPITAL

	No. of ordinary shares		Amount	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
C	Unit	Unit	RM	RM
Group				
Issued and fully paid with no				
par value:-	0.00/ 450.0/4	0 000 075 474	000 / 40 050	000 750 404
At 1 January	3,096,453,261	2,809,075,171	303,643,852	202,750,121
Issuance of ordinary shares upon	n			
exercise of warrants	-	279,878,090	-	97,957,331
Issuance of ordinary shares				
pursuant to private placement	-	7,500,000	-	3,000,000
Share issuance expenses			<u> </u>	(63,600)
At 31 December	3,096,453,261	3,096,453,261	303,643,852	303,643,852
Company				
Issued and fully paid with no				
par value:-				
At 1 January	3,096,453,261	2,809,075,171	801,866,975	700,973,244
Issuance of ordinary shares upor		, , ,	, , , , , , ,	
exercise of warrants	-	279,878,090	_	97,957,331
Issuance of ordinary shares				
pursuant to private placement	_	7,500,000	_	3,000,000
Share issuance expenses	_	- 12301000	_	(63,600)
Chare issuantes expenses				(00,000)
At 31 December	3,096,453,261	3,096,453,261	801,866,975	801,866,975
, a o i Boooniboi	0,070,100,201	5,570,100,201	301,000,710	331,000,710

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and rank equally to the Company's residual assets.

15. **BORROWINGS**

	Gre	Group		ıy
	<u>2024</u>	<u>2023</u>	2024	<u>2023</u>
	RM	RM	RM	RM
Secured:				
Term loans	131,609,231	136,720,459	-	-
Sukuk Wakalah	258,843,593	282,867,289	-	-
Revolving credit	27,376,894	31,687,949	8,968,742	10,021,594
	417,829,718	451,275,697	8,968,742	10,021,594

15. **BORROWINGS (CONT'D)**

	Group		Company	
	<u>2024</u> RM	2023 RM	2024 RM	<u>2023</u> RM
Unsecured: Term loans	223,019	360,501	-	-
Bank overdrafts	4,578,805 4,801,824	11,591,162		<u>-</u>
	422,631,542	463,227,360	8,968,742	10,021,594
Repayable: - within 1 year	94,009,082	76,468,541	8,968,742	10,021,594
more than 1 year but less than 5 yearsabove 5 years	123,122,180 205,500,280	135,655,717 251,103,102		-
	328,622,460	386,758,819		
	422,631,542	463,227,360	8,968,742	10,021,594

The effective interest rates of the Group and of the Company for the borrowings range from 3.31% to 7.45% and 5.63% to 5.88% (2023: 3.31% to 7.45% and 5.00% to 6.57%) per annum respectively.

15.1 Sukuk Wakalah

	<u>2024</u>	<u>2023</u>
	RM	RM
Secured:		
Non-current		
Sukuk Wakalah	235,000,000	260,000,000
Less: Direct transaction issue costs	(3,416,835)	(4,388,381)
	231,583,165	255,611,619
Current		
Sukuk Wakalah	28,231,973	28,467,014
Less: Direct transaction issue costs	(971,545)	(1,211,344)
	27,260,428	27,255,670
	258,843,593	282,867,289

A wholly-owned subsidiary of the Company, WConSB established Wakalah Programme comprising of Islamic Medium-Term Note ("IMTN") up to RM310,000,000 in nominal value and issued RM310,000,000 in nominal value of IMTN to the banks with transaction cost amounting RM8,762,398. Proceeds raised from the issuance was advanced to the Group for its Shariah-compliant general working requirements and corporate purposes.

15. **BORROWINGS (CONT'D)**

15.1 Sukuk Wakalah (cont'd)

The Sukuk Wakalah Programme has a tenure ranging from 1 to 12 years, at a fixed profit rate of between 3.31% to 5.33% per annum, payable semi-annually.

The table below details the changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	<u>2024</u> RM	<u>2023</u> RM
At 1 January Less:	282,867,289	306,466,332
Payment of principal	(25,000,000)	(25,000,000)
Finance cost paid	(13,357,733)	(14,127,664)
Non-cash changes	244,509,556	267,338,668
Finance costs (Note 20)	13,122,692	13,919,089
Amortisation of direct issue transaction costs (Note 20)	1,211,345	1,609,532
At 31 December	258,843,593	282,867,289

The borrowings of the Group and of the Company are secured by way of the followings:-

- (a) a pledge of fixed deposits and sinking fund;
- (b) a first party legal charge over the freehold and leasehold land and buildings;
- (c) joint and several guarantee by the subsidiaries' Directors, subsidiaries' ex-directors and a person connected to subsidiaries' Director;
- (d) corporate guarantee by the Company and holding company;
- (e) quarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
- (f) assignment of the proceeds receivable/contractual proceeds;
- (g) assignment of the proceeds from rentals;
- (h) debenture by way of a fixed and floating charge over all of a subsidiary's present and future assets and undertaking;
- (i) assignment of all rights, interest and title in respect of availability charges, any amount payable by the Government of Malaysia as a result of early termination and charge over the Maintenance Reserve Fund;
- (j) charge over the Designated Accounts, Operating Account and over all permitted investments made from such accounts;
- (k) charge over subsidiaries' shares; and
- (I) assignment of dividends from subsidiaries.

15. **BORROWINGS (CONT'D)**

On 13 February 2025, a wholly-owned subsidiary of the Company, Widad Builders Sdn. Bhd.'s loan facilities were terminated and cancelled. The total outstanding balance of the aforesaid loan facilities as at financial year end was amounting to RM40,999,296. These borrowings are currently classified as current liabilities in the financial statements. The Group has entered into a Sale and Purchase Agreement to dispose of a leasehold land and building in order to facilitate the full settlement of the aforementioned loan facilities. Further details are disclosed in Note 13 to the financial statements.

16. **LEASE LIABILITIES**

	Group		
	<u>2024</u>	<u>2023</u>	
	RM	RM	
At 1 January	722,649	972,468	
Addition	389,300	159,100	
Accretion of interest	34,436	37,193	
Payments	(445,405)	(446,112)	
At 31 December	700,980	722,649	
Represented by:			
Current	191,318	352,953	
Non-current	509,662	369,696	
	700,980	722,649	

The effective interest rates of the Group for lease liabilities are ranging from 4.18% to 5.63% (2023: 4.18% to 14.35%) per annum.

The lease liabilities of the Group are secured by legal charge over the assets of the Group as disclosed in Note 4 to the financial statements and secured against personal guarantee by:

	Group		
	<u>2024</u> RM	2023 RM	
Directors	423,414	473,890	

17. OTHER PAYABLES

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM	RM	RM	RM
Non-current				
Amount due to a subsidiary			91,457,784	85,259,622
Current				
Non-trade payables	2,918,784	2,505,837	258,433	10,685
Amount due to subsidiaries	-	-	15,003,762	15,008,423
Accrual of expenses	12,161,152	8,974,389	2,613,310	573,942
Deposit received	49,000	49,000	-	-
Amount due to holding				
company	-	113,500	-	113,500
SST payable	679,312	360,417_	<u> </u>	<u>-</u>
	15,808,248	12,003,143	17,875,505_	_15,706,550
	15,808,248	12,003,143	109,333,289	100,966,172

Non-current

Amount due to a subsidiary is unsecured, bears interest rates at 6.00% (2023: 6.00%) per annum and repayable on demand.

Current

Amounts due to subsidiaries is unsecured, non-interest bearing and repayable on demand except for RM15,000,000 (2023: RM15,000,000) is subject to interest rate of 6.00% (2023: 6.00%) per annum.

Amount due to holding company is unsecured, non-interest bearing and repayable on demand.

18. TRADE PAYABLES

Group

Trade payables are non-interest bearing and the normal credit terms granted by the suppliers are ranging from 30 to 90 days (2023: 30 to 90 days). However, the term varies according to negotiation with the suppliers.

19. **REVENUE**

	Gro		Comp	•
	<u>2024</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2023</u> RM
Revenue from contract with customers				
Construction contracts Integrated facility	101,045,086	205,771,274	-	-
management	21,603,301	11,695,419	-	-
Concession	12,816,885	12,755,886	-	-
Renovation works	12,110	389,669		
	135,477,382	230,612,248		
Revenue from other sources of income				
Dividend income				_30,000,000
	135,477,382	230,612,248		30,000,000
Disaggregation of revenue:				
Geographical market Malaysia	135,477,382	230,612,248		30,000,000
Timing of revenue recognition of revenue from contract with customers				
At a point in time	12,110	389,669	-	-
Over time	135,465,272	230,222,579		
	135,477,382	230,612,248		

19.1 Construction contracts and integrated facility management

Revenue from construction contracts and integrated facility management are recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the physical proportion of contract work-to-date certified by the Group and the customers to the measure of progress a percentage of the estimated total contract costs of the contract, i.e. the stage of completion).

The remaining contractual billings to customers from construction activities of the Group are amounted to RM661,957,271 (2023: RM761,946,652) and will be billed progressively upon the fulfillment of contractual milestones not withstanding if control of the assets has not been transferred to the customers. The contractual billing period for construction activities of the Group is between 4 to 24 months (2023: 6 to 35 months).

19. **REVENUE (CONT'D)**

19.1 Construction contracts and integrated facility management (cont'd)

The remaining contractual billings to customers from integrated facility management of the Group are amounted to RM58,773,187 (2023: RM80,113,236) and will be billed progressively upon the fulfillment of contractual milestones not withstanding if control of the assets has not been transferred to the customers. The contractual billing period for integrated facility management of the Group is between 6 to 44 months (2023: 4 to 56 months).

19.2 Concession

Under the concession arrangement, the Group is engaged to construct the infrastructure project and provide asset management services, which are separate performance obligations. The fair value of revenue, which is based on fixed price under the agreement have been allocated based on relative stand-alone selling price of the consideration for each of separate performance obligation. The Group recognised construction revenue over time as the project being constructed has no alternative use to the Group and it has an enforceable right to the payment for the performance completed.

Maintenance service charges are recognised over time when the services are rendered.

The remaining contractual billings to customer from the maintenance activities of the concession business of the Group is amounted to RM185,048,024 (2023: RM201,645,671) and will be billed progressively upon the fulfillment of contractual milestones not withstanding if control of the assets has not been transferred to the customers. The contractual billing period for maintenance activities is between 109 to 182 months (2023: 121 to 194 months).

19.3 **Renovation works**

Revenue from renovation works is recognised at a point in time when the work is performed and accepted by the customer.

19.4 **Dividend income**

Dividend income is recognised when the right to receive payment is established.

The payment terms for billings arising from revenue are disclosed in Note 11 to the financial statements.

The revenue of the Group and of the Company contains no elements of variable considerations and obligations for returns or refunds or warranties.

20. FINANCE INCOME/FINANCE COSTS

	Gro	oup	Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM	RM	RM	RM
Finance income				
Interest income:				
- Interest income arising from	05 /1/ 150	07.1/0.000		
concession contract	25,616,150	27,169,920	-	-
- Fixed deposits profit	392,010	300,828	149,319	145,228
- Bank interest	1,779,853	776,780	14,026	36,182
- Loan interest charged to				
a subsidiary	-		6,517,184	5,309,865_
	27,788,013	28,247,528	6,680,529	5,491,275
Finance costs				
Interest expenses:				
- bank overdrafts	298,232	292,482	_	_
- lease liabilities	34,436	37,193	_	_
- loan interest charged by a	01,100	07,170		
subsidiary	_	_	6,201,048	6,756,043
- Sukuk Wakalah	13,122,692	13,919,089	-	-
- term loans	7,554,960	7,918,328	_	_
- revolving credit	1,850,032	1,644,319	456,503	557,052
- facility fees	358,538	339,193	-	-
3				
	23,218,890	24,150,604	6,657,551	7,313,095
- amortisation of transactions				
cost	1,211,345	1,609,532		
	24,430,235	25,760,136	6,657,551	7,313,095

21. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax has been determined after charging/(crediting), amongst other items, the following:-

	Group		Company	
	<u>2024</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2023</u> RM
Auditors' remuneration:				
- Statutory audit	363,000	363,000	55,000	55,000
- Other services	73,900	74,100	19,800	19,800
Depreciation of property,				
plant and equipment	2,463,044	2,434,143	-	-
Depreciation of right-of-				
use assets	1,189,156	1,324,627	-	-
Directors' fees	240,000	228,000	240,000	228,000
Impairment losses on				
investment in subsidiaries	-	-	373,000,329	5,999
Impairment losses:				
- trade receivable	4,549,533	708,397	-	-
 non-trade receivable 	1,118,119	98,000	-	-
- amount due from				
subsidiaries	-	-	117,812	22,007
- amount due from a				
related company	100,000	-	-	-
Gain on disposal of	(
property, plant and	(30,000)	-	-	-
equipment	(
Rental income	(619,320)	(616,050)	-	-
Loss on remeasurement of assets classified as held				
for sale	3,972,687	_	_	-
=	, , , , , , , ,			

22. TAX EXPENSE

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM	RM	RM	RM
Current tax				
Current year provision	8,095,840	7,076,830	843,000	263,700
Under/(Over) provision in prior financial year	677,114	(2,681,092)		
	8,772,954	4,395,738	843,000	263,700

22. TAX EXPENSE (CONT'D)

	Group		Company	
	<u>2024</u> RM	2023 RM	2024 RM	<u>2023</u> RM
Deferred tax Current year provision Under provision	(3,098,358)	(2,604,103)	-	-
in prior financial year		791,000		
	(3,098,358)	(1,813,103)		
Total tax expense	5,674,596	2,582,635	843,000	263,700

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profits for the financial year.

The numerical reconciliations between the effective tax rate and the statutory tax rate of the Group and of the Company are as follows:-

	Group		Company	
	<u>2024</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2023</u> RM
(Loss)/Profit before tax	(18,670,192)	(14,049,881)	(375,075,323)	26,043,927
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	(4,480,846)	(3,371,971)	(90,018,078)	6,250,542
Tax effects in respect of:- Income not subject to tax Expenses not deductible	-	-	-	(7,200,000)
for tax purposes Under/(Over) provision in prior financial year	5,645,864	4,927,665	90,861,174	1,575,174
tax expensedeferred tax assets	677,114 -	(2,681,092) 791,000	-	-
Movement of deferred tax assets not recognised	3,832,464	2,917,033	(96)	(362,016)
Total tax expense	5,674,596	2,582,635	843,000	263,700

23. **EARNINGS PER SHARE**

Basic earnings per ordinary share

The calculation of basic earnings per share was based on the profit attributable to ordinary equity holders of the Company to the weighted average number of ordinary shares issued calculated as follows:-

	Group		
	<u>2024</u>	<u>2023</u>	
Loss for the financial year attributable to ordinary equity holders of the Company (RM)	(24,339,942)	(16,625,722)	
Weighted average number of ordinary shares in issue: Number of issued ordinary shares at 1 January Effect of ordinary shares issued during the financial	3,096,453,261	2,809,075,171	
year		154,241,001	
Weighted average number of ordinary shares at 31 December	3,096,453,261	2,963,316,172	
Basic earnings per ordinary share (sen)	(0.79)	(0.56)	

Diluted earnings per ordinary share

Diluted earnings per ordinary share is equal to basic earnings per ordinary share as there were no dilutive potential equity instruments in issue that gave diluted effect to the earnings per ordinary share.

24. EMPLOYEES BENEFITS EXPENSES

	Group		Com	pany
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM	RM	RM	RM
Salaries and other emoluments Defined contribution plan	25,738,131	21,175,476	5,007,448	5,177,718
	2,476,070	2,072,475	493,345	527,669
	28,214,201	23,247,951	5,500,793	5,705,387

EMPLOYEES BENEFITS EXPENSES (CONT'D) 24.

Included in the employees benefits expenses are Directors' remuneration as follows:-

	<u>2024</u> RM	<u>2023</u> RM
Constant		
Group Directors of the Company		
Salaries and other emoluments	1,342,696	1,210,459
Defined contribution plan	132,768	127,296
	1,475,464	1,337,755
Directors of the Company incurred by the subsidiary		
Salaries and other emoluments	610,309	123,800
Defined contribution plan	18,132	5,265
_	628,441	129,065
Directors of the subsidiaries		
Salaries and other emoluments	1,716,202	1,716,086
Defined contribution plan	205,656	205,656
	1,921,858	1,921,742
	4,025,763	3,388,562
Company		
Salaries and other emoluments	1,342,696	1,210,459
Defined contribution plan	132,768	127,296
	1,475,464	1,337,755
-		
CAPITAL COMMITMENT		
	Gro	up
	2024 RM	2023 RM

25.

	Gro	up
	<u>2024</u> RM	2023 RM
<u>Capital expenditure</u> Authorised and contracted for:		
- Property, plant and equipment		1,708,518

26. **RELATED PARTY DISCLOSURES**

Related party transactions

The Group and the Company have the following transactions with the following related parties at negotiated terms agreed between the parties during the financial year:-

Croup	<u>2024</u> RM	<u>2023</u> RM
Group		
Sales charged to a related company	34,657,372	61,450,311
Company		
Dividend received from a subsidiary	-	30,000,000
Loan interest charged by a subsidiary	6,201,048	6,756,043
Loan interest charged to a subsidiary	6,517,184	5,309,865
Management fees charged to subsidiaries	4,800,000	4,800,000

Related party balances

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 8, 11 and 17 to the financial statements.

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and entity that provides key management personnel services to the Group and the Company.

Key management includes all the Directors of the Company and its subsidiaries and certain members of senior management of the Group and of the Company.

26. RELATED PARTY DISCLOSURES (CONT'D)

Compensation of key management personnel (cont'd)

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

	Gro	up	Com	oany
	<u>2024</u>	<u>2023</u>	<u>2024</u>	2023
	RM	RM	RM	RM
Salaries and other emoluments	123,743	580,574	-	457,159
Defined contribution plan	14,688	69,408		54,720
	138,431	649,982		511,879
Directors' remuneration				
(Note 24)	4,025,763	3,388,562	1,475,464	1,337,755
	4,164,194	4,038,544	1,475,464	1,849,634

27. **OPERATING SEGMENT**

Business segment

For management purposes, the Group is organised into business units based on their services, which comprises the following:-

(a)	Integrated facility management	Scheduled maintenance, ad-hoc maintenance and upgrading and renovation to ensure optimum effectiveness and efficiency and cater to its customers' requirements and preferences.
(b)	Constructions	Infrastructure and civil works such as construction of low and high-rise buildings for a variety of uses, sewerage treatments plants and etc.
(c)	Concession	Construction and maintenance of facilities and infrastructure.
(d)	Other	Other non-reportable segments comprise operations related to investment holding.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

27. **OPERATING SEGMENT (CONT'D)**

Business segment (cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

OPERATING SEGMENT (CONT'D)

Business segment (cont'd)

Group	Note	Integrated facility management	Constructions	Concession	Other	Elimination	Total
2024		≥ Y	∑ Y	N N	<u>≥</u> Y	≥ Y	≥ Y
External customers Inter-segment	(a)	21,603,301 34,772,292	21,603,301 101,045,086 34,772,292 -	12,828,995	1 1	- (34,772,292)	135,477,382
Total revenue		56,375,593	56,375,593 101,045,086	12,828,995		(34,772,292)	135,477,382
Results:- Interest income Finance costs Depreciation of property, plant and equipment Depreciation of right-of-use assets							27,788,013 (24,430,235) (2,463,044) (1,189,156)
Other non-cash expenses Tax expense	(q)						(9,740,339) (5,674,596)
Segment profit	(c)					"	(27,702,566)
Assets:- Unallocated segment assets Additions to non-current assets	(þ)					` '	1,020,528,040
Liabilities:- Unallocated segment liabilities	(g)					"	111,806,130

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		Integrated					
Group 2023	Note	facility management RM	Constructions RM	Concession RM	Other RM	Elimination RM	<u>Total</u> RM
Revenue:- External customers Inter-segment	(a)	11,695,419 24,156,680	205,771,274	13,145,555		. (24,156,680)	230,612,248
Total revenue		35,852,099	35,852,099 205,771,274	13,145,555	1	(24,156,680)	(24,156,680) 230,612,248
Results:- Interest income Finance costs Depreciation of property, plant and equipment Depreciation of right-of-use assets Other non-cash expenses Tax expense Segment profit	(p) (c)						28,247,528 (25,760,136) (2,434,143) (1,324,627) (806,397) (2,582,635) (19,119,908)
Assets:- Unallocated segment assets Additions to non-current assets	(d)						1,069,871,997
Liabilities:- Unallocated segment liabilities	(b)						90,883,031

27. **OPERATING SEGMENT (CONT'D)**

Business segment (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- (a) Inter-segment revenues are eliminated on consolidation.
- (b) Other non-cash expenses consist of the following items:-

	Gro	oup
	<u>2024</u> RM	2023 RM
Impairment losses on receivables Loss on remeasurement of assets classified as	(5,767,652)	(806,397)
held for sale	(3,972,687)	
	(9,740,339)	(806,397)

(c) The following items are added to/(deducted from) segment profit to arrive at "loss after tax" presented in the consolidated statements of profit or loss:-

	Gro	up
	<u>2024</u> RM	<u>2023</u> RM
Segment profit Finance income Finance costs	(27,702,566) 27,788,013 (24,430,235)	(19,119,908) 28,247,528 (25,760,136)
Loss after tax	(24,344,788)	(16,632,516)

(d) The following items are added to segment assets to arrive at total assets reported in the consolidated statements of financial position:-

	Gr	oup
	<u>2024</u>	<u>2023</u>
	RM	RM
Segment assets	1,020,528,040	1,069,871,997
Goodwill on consolidation	8,740,916	8,740,916
Deferred tax assets	8,862,000	8,800,000
Tax recoverable	516,656_	147,020_
Total assets	1,038,647,612	1,087,559,933

27. **OPERATING SEGMENT (CONT'D)**

Business segment (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

- (e) It was not practicable to separate out the segment results for its business segments as the Directors of the Company are of the opinion that excessive costs would be incurred.
- (f) Additions to non-current assets consist of:-

	Grou	ıp
	<u>2024</u>	<u>2023</u>
	RM	RM
Property, plant and equipment	47,455	212,016
Right-of-use assets	427,871	159,100
	475,326	371,116

(g) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:-

	Gro	oup
	<u>2024</u>	<u>2023</u>
	RM	RM
Segment liabilities	111,806,130	90,883,031
Deferred tax liabilities	61,388,339	64,424,697
Lease liabilities	700,980	722,649
Borrowings	422,631,542	463,227,360
Tax payable	10,107,535	11,944,322
Total liabilities	606,634,526	631,202,059

(h) Unallocated assets and liabilities were jointly used by all segments.

Geographical information

Revenue and non-current assets information by geographical segments are not presented as the Group's customers and activities are located and conducted principally in Malaysia.

27. **OPERATING SEGMENT (CONT'D)**

Information about major customers

The followings are major customers with revenue equal or more than 10% of the Group's total revenue:-

	Revenue				Operating Segments
	<u>2024</u> RM	%	<u>2023</u> RM	%	-
	04 (00 004				Integrated facility
- Customer A	21,603,301	16	-	-	management
- Customer B	43,445,643	32	83,338,050	36	Constructions
 Customer C 	16,577,755	12	-	-	Constructions
- Customer D	-	-	95,596,775	41	Constructions
- Customer E	27,411,240	_20_	34,326,585	<u>15</u>	Constructions
	109,037,939	80	213,261,410	92	

28. FINANCIAL INSTRUMENTS

28.1 Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities at amortised cost:-

	<u>2024</u> RM	<u>2023</u> RM
Group Financial assets		
Trade receivables	126,109,731	94,995,812
Other receivables	2,596,958	2,673,619
Fixed deposits with licensed banks	13,826,778	12,601,430
Cash and bank balances	131,730,292	155,951,391_
	274,263,759	266,222,252
Financial liabilities		
Trade payables	54,942,880	47,264,879
Other payables	15,128,936	11,642,726
Borrowings	422,631,542	463,227,360
	492,703,358	522,134,965

28. FINANCIAL INSTRUMENTS (CONT'D)

28.1 Categories of Financial Instruments (cont'd)

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities at amortised cost (cont'd):-

	<u>2024</u> RM	<u>2023</u> RM
Company Financial assets		
Other receivables	275,431,643	263,856,251
Fixed deposits with licensed banks	5,000,000	5,331,939
Cash and bank balances	12,466	6,016,648
	280,444,109	275,204,838
Financial liabilities		
Borrowings	8,968,742	10,021,594
Other payables	109,333,289	100,966,172
	118,302,031	110,987,766

28.2 Financial Risk Management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing their credit risk, liquidity risk and interest rate risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

28.2.1 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 their contractual obligations. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of their financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

28.2.1 Credit Risk (cont'd)

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the head of credit control.

Maximum exposure of the Group and of the Company to credit risk is represented by the carrying amounts of financial assets recognised at reporting date summarised as below:-

3
l
-
6,251
-
1,939
6,648
4,838

Credit risk concentration

In respect of trade receivables and contract assets, the Group has no significant concentration of credit risk with any single counterparty or any group of counterparties having similar characteristics, except below mentioned.

	Group					
	<u>2024</u>		<u>2023</u>			
	RM	%	RM	%		
Trade receivables Malaysia						
1 customer (2023: 2 customers)	95,864,530	73	72,222,403	75		
Contract assets Malaysia 2 customers (2023: 2 customers)	449,124,111	64	482,597,029	65		

The Group continuously monitors credit standing of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

28.2.1 Credit Risk (cont'd)

Trade receivables and contract assets

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and take appropriate actions to recover long overdue balances. For trade receivables' credit term that are past due but not impaired, the Group's debt recovery process are the Group will initiate a structured debt recovery process which are monitored via management reporting procedures.

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which use a lifetime expected credit loss allowance for all trade receivables and contract assets. The Group evaluates the expected credit losses on a case-by-case basis.

The Group assesses the expected loss rate based on historical payment profiles of the trade receivables and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the financial capability of the debtor and default or significant delay in payments. No significant changes to estimation techniques or assumptions were made during the reporting period.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired. The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group 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. Trade receivables that are written off are still subjected to enforcement activities.

As at the reporting date, there was no indication of default on payment for the trade receivables but all necessary impairment that is required has been provided for the contract assets. The management is of the opinion that trade receivables have not been impaired are credit worthy debtors whereby impairment is not required.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

28.2.1 Credit Risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

None of the Group's financial assets are secured by collateral or other credit enhancements.

Set out below is the information about the credit risk exposure and ECLs on the Group's trade receivables and contract assets which are grouped together as they are expected to have similar risk nature:

	31 December 2024			31 December 2023			
	Gross			Gross			
	carrying amount RM	Loss allowance RM	Net balances RM	carrying amount RM	Loss allowance RM	Net balances RM	
Group							
Current (Not past due)	24,618,523	(18)	24,618,505	22,909,092	(17)	22,909,075	
1-30 days past due	5,303,206	(25,130)	5,278,076	7,896,847	(17,789)	7,879,058	
31-60 days past due	642,183	(7,553)	634,630	1,207,955	(6,493)	1,201,462	
61-90 days past due	1,241,625	(21,992)	1,219,633	22,595	(166)	22,429	
More than 90 days past due	99,562,124	(5,203,237)	94,358,887	63,667,720	(683,932)	62,983,788	
_						_	
Trade receivables	131,367,661	(5,257,930)	126,109,731	95,704,209	(708,397)	94,995,812	
Contract assets	690,650,615		690,650,615	739,862,151		739,862,151	
=	822,018,276	(5,257,930)	816,760,346	835,566,360	(708,397)	834,857,963	

Other receivables

As at the end of the reporting period, the management is of the opinion that all necessary impairment that is required has been provided for.

For advances to subsidiaries and a related company whose credit term is repayable on demand, this is considered credit impaired when the subsidiaries and a related company are unlikely to repay their advances to the Company in full given insufficient highly liquid resources when the advances are demanded.

Cash and bank balances and fixed deposits with licensed banks

The credit risk for cash and bank balances and fixed deposits with licensed banks is considered low, since the counterparties are reputable financial institutions with high quality external credit ratings and have no history of default. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

28.2.1 Credit Risk (cont'd)

Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries. The maximum exposure to credit risk is as disclosed in Note 28.2.2 to the financial statements as at the reporting date. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

28.2.2 Liquidity Risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due as a result of shortage of funds.

In managing their exposures to liquidity risk arises principally from their various payables and borrowings, the Group and the Company maintain a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities as and when they fall due.

The Group and the Company aim to maintain a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

28.2.2 Liquidity Risk (cont'd)

Analysis of financial liabilities by remaining contractual maturity period

The following table shows the areas where the Group and the Company are exposed to liquidity risk:-

		Total	Current	← Non-	-current
	Carrying	contractual	Within	2 to 5	More than 5
	<u>amount</u>	cash flows	<u>1 year</u>	<u>years</u>	<u>years</u>
_	RM	RM	RM	RM	RM
Group					
2024					
Non-derivative financial liabilities					
Secured					
Borrowings**	417,829,718	554,753,139	124,217,494	180,501,757	250,033,888
Dorrowings	417,027,710	334,733,137	127,217,77	100,501,757	230,033,000
Unsecured					
Trade payables	54,942,880	54,942,880	54,942,880	-	-
Other payables	15,808,248	15,808,248	15,808,248	-	-
Borrowings**	223,019	227,498	164,105	63,393	-
Lease liabilities	700,980	769,329	218,907	500,541_	49,881
Total undiscounted	100 501 015	(0/ 501 001	105.051.01	101 0/5 /01	050 000 7/0
financial liabilities	489,504,845	626,501,094	<u>195,351,634</u>	<u>181,065,691</u>	250,083,769
<u>2023</u>					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
<u>Secured</u>	454 075 407	F7/ 04F 000	00 (50 00 (000 017 001	000 407 400
Borrowings**	451,275,697	576,015,030	83,650,236	202,867,296	289,497,498
Unsecured					
Trade payables	47,264,879	47,264,879	47,264,879	_	_
Other payables	11,642,726	11,642,726	11,642,726	_	_
Borrowings**	360,501	393,277	164,105	229.172	-
Lease liabilities	722,649	764,763	371,097	393,666	-
Total undiscounted	E44 0// 4E0	(0/ 000 /75	440,000,040	000 400 46 1	000 407 400
financial liabilities	511,266,452	636,080,675	143,093,043	203,490,134	289,497,498

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

28.2.2 Liquidity Risk (cont'd)

Analysis of financial liabilities by remaining contractual maturity period (cont'd)

The following table shows the areas where the Group and the Company are exposed to liquidity risk (cont'd):-

		Total	Current	■ Non-c	urrent——▶
	Carrying <u>amount</u> RM	contractual <u>cash flows</u> RM	Within <u>1 year</u> RM	2 to 5 <u>years</u> RM	More than 5 <u>years</u> RM
Company 2024 Non-derivative financial liabilities Secured					
Borrowing	8,968,742	8,968,742	8,968,742	-	-
<u>Unsecured</u> Other payables	109,333,289	109,333,289	17,875,505	54,343,000	37,114,784
	118,302,031	118,302,031	26,844,247	54,343,000	37,114,784
Financial guarantee*	414,819,207	414,819,207	411,819,207		
2023 Non-derivative financial liabilities Secured Borrowing	10,021,594	10,021,594	10,021,594	_	_
Borrowing	10/021/071	10/021/071	10/021/071		
<u>Unsecured</u> Other payables	100,966,172	100,966,172	15,706,550	52,252,000	33,007,622
	110,987,766	110,987,766	25,728,144	52,252,000	33,007,622
Financial guarantee*	452,879,213	452,879,213	452,879,213		

^{*} This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holder as at the end of the reporting period.

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

^{**} Exclude bank overdrafts.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

28.2.3 Interest Rate Risk

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

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

The Group's and the Company's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company maintain fixed rate borrowings and floating rate debts based on assessment of their existing exposure and desired interest rate profile.

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

	Gro	oup	Company		
	2024 RM	2023 RM	<u>2024</u> RM	2023 RM	
Fixed rate instruments Financial assets - Fixed deposits with					
licensed banks - Other receivables	13,826,778	12,601,430	5,000,000 268,241,382	5,331,939 244,706,825	
	13,826,778	12,601,430	273,241,382	250,038,764	
<u>Financial liabilities</u> - Borrowings - Lease liabilities	286,220,487 700,980	314,555,238 722,649	8,968,742	10,021,594	
- Other payables	-		106,461,546	100,259,622	
	286,921,467	315,277,887	115,430,288	110,281,216	
Net financial (liabilities)/assets	(273,094,689)	(302,676,457)	157,811,094	139,757,548	
Floating rate instrument Financial liability - Borrowings	136,411,055	148,672,122	_	-	

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial Risk Management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

28.2.3 Interest Rate Risk (cont'd)

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, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instrument

A change in 25 basis point ("bp") (2023: 25bp) in interest rates at the end of the reporting period would have increase/(decreased) loss for the financial year and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Loss fo		Equ	iity
	+25bp RM	-25bp RM	+25bp RM	-25bp RM
Group 2024				
Floating rate instrument	341,028	(341,028)	341,028 341,028	(341,028)
2023 Floating rate instrument	371,680	(371,680)	371,680	(371,680)

28.3 Fair Values of Financial Instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature, or insignificant impact of discounting or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

Fair Value Hierarchy

No fair value hierarchy has been disclosed as the Group and the Company do not have financial instruments measured at fair value subsequent to initial recognition.

29. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and sustain future development of the business.

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated by using net debt divided by total equity. Net debt comprises lease liabilities and borrowings offset with cash and cash equivalents. Total equity comprises issued capital and retained earnings.

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

	Gro	oup	Comp	mpany	
	2024 RM	2023 RM	2024 RM	2023 RM	
Total debts	423,332,522	463,950,009	8,968,742	10,021,594	
Less: Cash and cash equivalents	2,510,520	(14,359,930)	(12,466)	(6,016,648)	
Net debts	425,843,042	449,590,079	8,956,276	4,004,946	
Total equity	432,020,723	456,360,665	436,855,378	812,773,701	
Debt-to-equity ratio	0.985	0.985	0.021	0.005	

There were no changes in the Group's and the Company's approach to capital management during the financial year.

30. EVENT AFTER THE REPORTING PERIOD

On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

30. EVENT AFTER THE REPORTING PERIOD (CONT'D)

At this juncture, the management does not expect the reciprocal tariff to have a material impact on the Group's business operations or financial performance as the Group does not commence any direct export to US. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase of operational costs and other global macroeconomic conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of businesses worldwide.

The management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2025

Total number of Issued Shares : 3,121,153,261 Class of Shares : Ordinary Shares

Voting Rights : One vote per ordinary share

SIZE OF SHAREHOLDINGS as at 3 April 2025

Size of Holdings	No. of Shareholders	Total Holdings	%
Less than 100 shares	176	1,295	0.00
100 – 1,000 shares	1,171	601,780	0.02
1,001 – 10,000 shares	3,134	19,176,163	0.61
10,001 – 100,000 shares	4,025	170,761,723	5.47
100,001 – below 5% of issued shares	1,765	2,223,974,300	71.26
5% and above of issued shares	2	706,638,000	22.64
	10,273	3,121,153,261	100.00

DIRECTORS' SHAREHOLDINGS as at 3 April 2025

		No. of Shares Held			
No.	Name	Direct	%	Indirect	%
1.	Tan Sri Muhammad Ikmal Opat Bin Abdullah	1,773,200	0.06	424,637,085 (1)	13.61
2.	Saloma Binti Mohd Jonid	-	-	-	-
3.	Dato' Nasir Bin Mat Dam	-	-	-	-
4.	Ong Kuan Wah	-	-	-	_
5.	Tung Ghee Meng	-	-	-	_
6.	Gen (R) Tan Sri Dato' Sri Zulkiple Bin Kassim	-	-	-	-
7.	Dato' Boey Chin Gan	-	-	- -	-

Notes

SUBSTANTIAL SHAREHOLDERS as at 3 April 2025

			No. of Sha	ares Held	
No.	Name	Direct	%	Indirect	%
1.	Widad Business Group Sdn Bhd	424,637,085	13.61	-	-
2.	Tan Sri Muhammad Ikmal Opat bin Abdullah	1,773,200	0.06	424,637,085(1)	13.61
3.	Kenanga Investors Bhd	282,001,000	9.04	-	-

Notes

Deemed interest via shareholding in Widad Business Group Sdn. Bhd. pursuant to Section 8 of the Companies Act

Deemed interest via shareholding in Widad Business Group Sdn. Bhd. pursuant to Section 8 of the Companies Act.

ANALYSIS OF SHAREHOLDINGS AS AT 3 APRIL 2025

THIRTY (30) LARGEST SHAREHOLDERS as at 3 April 2025

No.	Name	No. of Shares Held	Percentage (%)
1	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD LIMRA CAPITAL BERHAD FOR WIDAD BUSINESS GROUP SDN BHD	424,637,000	13.61
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	282,001,000	9.04
3	CHAN WAH KIANG	117,240,000	3.76
4	PERTUBUHAN KESELAMATAN SOSIAL	117,000,000	3.75
5	APEX NOMINEES (TEMPATAN) SDN. BHD. OPCOM TRADING SDN BHD FOR PHUM ANG KIA	111,550,000	3.57
6	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PEMBANGUNAN SUMBER MANUSIA BERHAD	96,463,000	3.09
7	APEX NOMINEES (TEMPATAN) SDN. BHD. OPCOM TRADING SDN BHD FOR WONG YIH MING	94,700,000	3.03
8	APEX NOMINEES (TEMPATAN) SDN. BHD. OPCOM TRADING SDN BHD FOR ONG KAH HOE	45,400,000	1.45
9	MENUJU ASAS CAPITAL SDN BHD	40,000,000	1.28
10	WEE KA KENG	37,600,000	1.20
11	OON SZE SHUN	35,000,000	1.12
12	HUI ONE CAPITAL SDN. BHD.	31,000,000	0.99
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU YEE HONG	29,742,100	0.95
14	M & A NOMINEE (ASING) SDN BHD FOR WINFIELDS DEVELOPMENT PTE. LTD.	28,200,000	0.90
15	APEX NOMINEES (TEMPATAN) SDN. BHD. OPCOM TRADING SDN BHD FOR TAN VIN VIN	20,350,000	0.65
16	NEOH SOO KEAT	20,222,400	0.65
17	VINAYAKA CAPITAL SDN BHD	20,000,000	0.64
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG VIC CA	20,000,000	0.64
19	DANION A/L LEWIS	19,772,000	0.63
20	LEONG SENG HONG	19,265,000	0.62

ANALYSIS OF SHAREHOLDINGS AS AT 3 APRIL 2025

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D) as at 3 April 2025

No.	Name	No. of Shares Held	Percentage (%)
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW HIAN TAT	18,900,000	0.61
22	M&A NOMINEE (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MENG BIN	15,946,000	0.51
23	KOPERASI SAHABAT AMANAH IKHTIAR MALAYSIA (KOOP SAHABAT) BHD	15,500,000	0.50
24	NEOH SOO KEAT	15,300,000	0.49
25	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR POLO INVESTMENTS LIMITED	15,000,000	0.48
26	NEOH SOO KEAT	14,800,000	0.47
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NEOH SOO KEAT	12,800,000	0.41
28	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN SHENG YIH	12,750,000	0.41
29	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO CHEE KANG	12,500,000	0.40
30	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KIN KEONG	11,720,000	0.38

OTHER DISCLOSURE REQUIREMENTS

REQUIREMENTS

Audit Fees and Non-Audit Fees

During the financial year ended 31 December 2024, the amount of audit fees and non-audit fees paid or payable to the Company and the Group are as follows:

	Group (RM)	Company (RM)
Audit Fees	363,000	55,000
Non-Audit Fees	73,900	19,800

2) Material Contracts and Contracts relating to Loans

There were no material contracts entered into by the Group which involved directors' interest during the financial year.

3) Revaluation of Landed Properties

Not applicable.

4) Profit Guarantee

The Company did not provide any profit guarantee during the financial year.

5) Recurrent Related Party Transactions

During the financial year ended 31 December 2024, there was no related party transaction.

Notes:

Widad Builders Sdn Bhd is a subsidiary of Widad Group Berhad. The principal activities of this subsidiary are general trading, construction and providing full facility management and mechanical and electrical maintenance, care and improvement.

SUMMARY OF GROUP PROPERTY

AS AT 31 DECEMBER 2024

Description	Existing Use	Location	Built-up / Land Area	Tenure	Age of Building (Years)	Date of Acquisition	Net Book Value As at 31 December 2024 (RM'000)
5-storey shop-office	Vacant	Alam Avenue 2, Section 16, Shah Alam	9,220 sqft / 1,856 sqft	Leasehold for 99 years	8	30 January 2014	4,360

NOTICE IS HEREBY GIVEN that the Sixteenth ("16th") Annual General Meeting ("AGM") of the Company will be held at Tournament Room, West Lobby, Kuala Lumpur Golf & Country Club (KLGCC), 10, Jalan 1/70 D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 26 June 2025 at 10.30 a.m. for the following purposes:-

AGENDA

- To receive the Audited Financial Statements of the Company for the financial year ended
 December 2024 together with the Directors' and Auditors' Reports thereon.
- 2. To approve the payment of Directors' fees and benefits up to RM600,000.00 from this AGM **Ordinary Resolution 1** until the next AGM of the Company.
- To re-elect the following Directors retiring in accordance with the Company's Constitution and being eligible, have offered themselves for re-election: -

(i) Mr. Tung Ghee Meng (Article 86) Ordinary Resolution 2

(ii) Tan Sri Muhammad Ikmal Opat Bin Abdullah (Article 92) Ordinary Resolution 3

(iii) Dato' Boey Chin Gan (Article 92) Ordinary Resolution 4

(iv) Dato' Nasir Bin Mat Dam (Article 92) Ordinary Resolution 5

To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company to hold Ordinary Resolution 6
office until the conclusion of the next AGM and to authorise the Board of Directors to fix
their remuneration.

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions: -

5. AUTHORITY TO ISSUE SHARES AND WAIVER OF PRE-EMPTIVE RIGHTS

Ordinary Resolution 7

"THAT pursuant to Section 75 and Section 76 of the Companies Act, 2016 ("the Act") and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to 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 issued pursuant to this resolution, does not exceed ten (10) per cent of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company."

AND THAT pursuant to Section 85 of the Act to be read together with Article 3 of the Company's Constitution, approval be and is hereby given to waive the statutory preemptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Section 75 and 76 of the Act."

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY Ordinary Resolution 8
TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF
SHAREHOLDERS' MANDATE")

"THAT subject always to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("Widad Group") to renew and enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4(i) of the Circular to Shareholders dated 30 April 2025, which are necessary for the day-to-day operations of Widad Group provided that the transaction are in the ordinary course of business, and are carried out at arms' length basis on normal commercial terms which are not more favourable to the related party than those generally available to the public as well as are not detrimental to the minority shareholders' of the Company and such approval, shall continue to be in force until; -

- i) the conclusion of the next AGM of the Company following the 16th AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the Proposed Renewal of Shareholders' Mandate authority is renewed;
- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2)(b) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, things and to execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary of expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution".

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

(Special Resolution)

"THAT the proposed amendments to the existing Constitution of the Company as set out in Appendix A be and is hereby approved and adopted with immediate effect AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts things and take all such steps as may be considered necessary to give full effect to the foregoing."

8. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By Order of the Board

LIM SECK WAH (MAICSA 0799845) (SSM PC NO: 202008000054)
TANG CHI HOE (KEVIN) (MAICSA 7045754) (SSM PC NO: 202008002054)
SHUHILAWATI BINTI TAJUDDIN (LS0010190) (SSM PC NO: 202008001358)
Company Secretaries

Datadi 20 April 2025

Dated: 30 April 2025 Kuala Lumpur

Notes:-

- 1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 16th AGM, the Company shall be requesting the Record of Depositors as at 20 June 2025. Only a depositor whose name appears on the Record of Depositors as at 20 June 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
- 2. A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- 3. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but 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.
- 4. Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- 5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
- 6. The Form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd., situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to mega-sharereg@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- 7. By submitting the duly executed proxy form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

Explanatory Notes on Special Business

i. Ordinary Resolution 7 - Authority to issue shares and waiver of pe-emptive rights

The proposed Resolution 7, if passed, will empower the Directors to issue shares up to 10% of the total number of issued shares of the Company at any one time during the validity of the authority granted for such purposes as they may consider being in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The general mandate sought to grant authority to Directors to issue shares is a renewal of the mandate that was approved by the shareholders at the Fifteenth AGM held on 27 June 2024. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally with the existing issued shares of the Company, to any person without having to offer new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

Up to the date of this Notice, 24,700,000 ordinary shares were issued by way of private placement ("Private Placement") during the year. Total proceeds of RM1,000,350.00 were raised from the Private Placement and has been fully utilized in accordance with the mandate of this exercise. The details of Private Placement is as follows:

Number of ordinary shares	Issue price per share (RM)	Amount (RM)
24,700,000	0.0405	1,000,350.00

ii. Ordinary Resolution 8 - Proposed Renewal of Shareholders' Mandate

The explanatory note on Ordinary Resolution 8 is set out in the Circular to Shareholders dated 30 April 2025.

iii. Special Resolution - Proposed Amendments to the Constitution of the Company

The proposed amendments to the existing Constitution of the Company are made mainly to provide clarity and consistency with the Companies Act 2016.

APPENDIX A PROPOSED AMENDMENTS TO THE CONSTITUTION OF WIDAD GROUP BERHAD

Article No.	Existing Articles	Amended Articles*	Rationale
5 Repayment of Preference capital.	Notwithstanding Article 7 hereof the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholder rights shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing obtained from the holders of three-fourths (3/4) of the preference shares concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.	Notwithstanding Article 7 hereof the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholder rights shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing obtained from the holders of three fourths (3/4) seventy-five per centum (75%) of the preference shares concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.	The replacement of the term "three-fourths (3/4)" with "seventy-five per centum (75%)" is to be consistent with the Companies Act, 2016 ("CA 2016")
7 Modification of class rights.	Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may subject to the provisions of the Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of three-quarters (3/4) of the issued shares of the class or group, or with the sanction of any special resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth (1/10) in nominal amount of the issued shares of the class or group (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively.	Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may subject to the provisions of the Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of the class or group, or with the sanction of any special resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth (1/10) in nominal amount of the issued shares of the class or group (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively.	The replacement of the term "three-fourths (3/4)" with "seventy-five per centum (75%)" is to be consistent with Section 91 of the CA 2016

^{*} Additions as bold and deletions as struck through

APPENDIX A PROPOSED AMENDMENTS TO THE CONSTITUTION OF WIDAD GROUP BERHAD

Article No.	Existing Articles	Amended Articles*	Rationale
19 Directors may make calls.	The Directors may, subject to the provision of the Constitution, from time to time make such calls upon the Members in respect of any money unpaid on their shares as they think fit (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.	The Directors may, subject to the provision of the Constitution, from time to time make such calls upon the Members in respect of any money unpaid on their shares as they think fit (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days notice specifying the date, time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.	The amendment is made in line with the abolishment of the concepts of par value and premium for shares under Section 74 of the CA 2016. This amendment is consistent with Section 82(3) of the CA 2016, which states that the notice shall specify the date, time and place of payment.
21 Interest on unpaid calls	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent (10%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of the interest wholly or in part.	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest or compensation on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding eight per cent (108%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of the interest or compensation wholly or in part.	The inclusion of the word "compensation" is to reflect the wording used in Section 82(6) of the CA 2016. The reduction in the interest rate that the Company may impose from 10% to 8% per annum is in line with the maximum interest rate chargeable under Section 82(7) of the CA 2016.
22 Sum payable on allotment	Any sum which by the terms of issue of a share is payable on allotment on a fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue of the same become payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses forfeiture and the like, and all the relevant provisions of this Constitution shall apply as if the sum had become payable by virtue of a call duly made and notified.	Any sum which by the terms of issue of a share is payable on allotment on a fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue of the same become payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses forfeiture and the like, and all the relevant provisions of this Constitution shall apply as if the sum had become payable by virtue of a call duly made and notified.	The amendment is made in line with the abolishment of the concepts of par value and premium for shares under Section 74 of the CA 2016.

^{*} Additions as bold and deletions as struck through

APPENDIX A PROPOSED AMENDMENTS TO THE CONSTITUTION OF WIDAD GROUP BERHAD

Article No.	Existing Articles	Amended Articles*	Rationale
56Power to reduce capital	The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner subject to any conditions and any consent required by law. The Company shall give notice to the Registrar in accordance with the Act of such alteration in capital.	The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner subject to any conditions and any consent required by law. permitted or authorised under and in compliance with the Applicable Laws. The Company shall give notice to the Registrar in accordance with the Act of such alteration in capital.	The deletion of the terms "capital redemption reserve fund" and "share premium account" in line with the abolishment of the concepts of par value and premium for shares under Section 74 of the CA 2016.
			Under the CA 2016, the Company may reduce its share capital either by special resolution and confirmation by the Court in accordance with Section 116 or by special resolution supported by a solvency statement in accordance with Section 117. The extension of capital reduction to such manner as may be permitted under any Applicable Law is to enable the Company to carry out such reduction of share capital so long as it is permitted under the Applicable Laws.
58 Annual general meeting	The ordinary business of an annual general meeting shall mean and consist of the receiving of the Company's audited financial statements and the reports of the Directors and the Auditors thereon, the approval of Directors' fees and benefits payable to Directors, the re-election of the Directors who retire by rotation or otherwise, the declaration of dividend (if any) and the appointment of the Auditors and the determination of their remuneration. Any other business to be transacted at an annual general meeting shall be deemed to be special.	The ordinary business of an annual general meeting shall mean and consist of the receiving of the Company's audited financial statements and the reports of the Directors and the Auditors thereon, the approval of Directors' fees and benefits payable to Directors, the re-election of the Directors who retire by rotation or otherwise, the appointment of the Auditors and the appointment of the Auditors and the determination of their remuneration. Any other business to be transacted at an annual general meeting shall be deemed to be special.	The phrase "the declaration of dividend (if any)" is deleted as the declaration of dividend no longer requires the approval of shareholders in the annual general meeting under Section 132 of the CA 2016.

^{*} Additions as bold and deletions as struck through

APPENDIX A PROPOSED AMENDMENTS TO THE CONSTITUTION OF WIDAD GROUP BERHAD

Article No.	Existing Articles	Amended Articles*	Rationale
141 To whom copies of profit and loss account etc may be sent	The ordinary business of an annual general meeting shall mean and consist of the receiving of the Company's audited financial statements and the reports of the Directors and the Auditors thereon, the approval of Directors' fees and benefits payable to Directors, the re-election of the Directors who retire by rotation or otherwise, the declaration of dividend (if any) and the appointment of the Auditors and the determination of their remuneration. Any other business to be transacted at an annual general meeting shall be deemed to be special. The Directors shall from time to time in accordance with the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the Act. The interval between the close of a financial year of the Company and the issue of audited financial statements relating to it together with the reports of the Directors and the Auditors thereon shall not exceed four (4) months. The interval between the close of a financial year of the Company and the issue of annual report relating to it shall not exceed six (6) months. A copy of each such documents shall be served not be less than twenty one (21) days before the date of the meeting (or such shorter period as may be agreed in any year for the receipt of notice of the meeting pursuant to Article 62 be sent to every Member of, and to every holder of debenture of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or the Constitution).	The ordinary business of an annual general meeting shall mean and consist of the receiving of the Company's audited financial statements and the reports of the Directors and the Auditors thereon, the approval of Directors' fees and benefits payable to Directors, the re-election of the Directors who retire by rotation or otherwise, the declaration of dividend (if any) and the appointment of the Auditors and the determination of their remuneration. Any other business to be transacted at an annual general meeting shall be deemed to be special. The Directors shall from time to time in accordance with the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the Act. The interval between the close of a financial year of the Company and the issue of audited financial statements relating to it together with the reports of the Directors and the Auditors thereon shall not exceed four (4) months. The interval between the close of a financial year of the Company and the issue of annual report relating to it shall not exceed six (6) four (4) months. A copy of each such documents shall be served not be less than twenty one (21) days before the date of the meeting (or such shorter period as may be agreed in any year for the receipt of notice of the meeting pursuant to Article 62 be sent to every Member of, and to every holder of debenture of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or the Constitution).	The phrase "the declaration of dividend (if any)" is deleted as the declaration of dividend no longer requires the approval of shareholders in the annual general meeting under Section 132 of the CA 2016.

^{*}Additions as bold and deletions as struck through



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Notes:-

- 1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 16th AGM, the Company shall be requesting the Record of Depositors as at 20 June 2025. Only a depositor whose name appears on the Record of Depositors as at 20 June 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
- A member may appoint up to 2 proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints 2 proxies, the appointment of 2 proxies shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
 Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least 1 proxy but
- Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least 1 proxy but not more than 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.
- 4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- 5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
- The Form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd, situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to mega-sharereg@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
 By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/ service)
- 7. By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

Fold here to seal

STAMP

SHARE REGISTRAR

Mega Corporate Services Sdn. Bhd. Level 15-2 Bangunan Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur

Fold here to seal



WIDAD GROUP BERHAD

Registration No: 200901014295 (857363-U)

WBG Penthouse, Widad Semantan (WISE), No. 3, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur

> Tel: +603 2094 0009 Fax: +603 2095 9090

www.widadgroup.com