



WILLOWGLEN

WILLOWGLEN MSC BERHAD
199801006521 (462648-V)

ANNUAL
REPORT
2025



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Notice of 28th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Eighth (“28th”) Annual General Meeting (“AGM”) of the Company will be held at The Royal Selangor Golf Club, Banquet Hall, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Friday, 12 June 2026 at 10:00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and the Auditors thereon.
2. To re-elect the following retiring Directors of the Company, who are due to retire by rotation in accordance with Clause 124 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (a) Simon Wong Chu Keong
 - (b) Syed Feisal Alhady
3. To approve the payment of Directors’ fees amounting to RM199,000.00 for the financial year ended 31 December 2025.
4. To approve the payment of Directors’ benefits to the Non-Executive Directors up to RM45,000.00 from a day after the Twenty-Eighth AGM until the date of the next AGM of the Company in the year 2027.
5. To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next AGM and authorise the Directors to fix their remuneration.

(Please refer
to Explanatory
Note i)

(Resolution 1)
(Resolution 2)

(Resolution 3)

(Resolution 4)

(Resolution 5)

As Special Business

To consider and, if thought fit, with or without modifications, to pass the following resolutions as Ordinary Resolutions:-

6. **Ordinary Resolution**
Authority to Issue Shares pursuant to the Companies Act 2016 (“the Act”)

(Resolution 6)

“**THAT** subject always to the Act, the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit always provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being; **THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.





Notice of 28th Annual General Meeting (Cont'd)

AND FURTHER THAT pursuant to Section 85 of the Act to read together with Clause 75 of the Constitution of the Company, approval be and is hereby given to waive the statutory preemptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act and empowered the Directors of the Company to issue and allot new shares to any person(s) as the Directors may determine pursuant to this resolution.”

7. Ordinary Resolution

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

(Resolution 7)

“THAT subject to the provisions of the Main Market Listing Requirements (**“Main LR”**) of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries (**“Group”**) to enter into the categories of Recurrent Related Party Transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.1.3 of the Circular/Statement to Shareholders dated 21 April 2026, which are necessary for its day-to-day operations, to be entered into by the Group on the basis that these transactions are entered into on terms which are not more favourable than those generally available to the public and not detrimental to the minority shareholders of the Company (**“the Mandate”**).

THAT such authority shall commence upon passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which the Mandate was passed, at which time it will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

AND THAT the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things, including executing all such documents as may be required to give effect to the transactions contemplated and/or authorised by this resolution.”





Notice of 28th Annual General Meeting

(Cont'd)

8. Ordinary Resolution

Proposed Renewal of Share Buy-Back Authority for the Company to purchase its own ordinary shares up to 10% of the total number of Issued Shares of the Company (“Proposed Renewal of Share Buy-Back Authority”)

(Resolution 8)

“**THAT** subject to the compliance with Section 127 of the Act, the Constitution of the Company, the Main LR of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.





Notice of 28th Annual General Meeting (Cont'd)

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be authorised to give effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to take such steps and do all such acts and things as they may deem fit and expedient in the best interest of the Company.”

- 9. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

Chua Siew Chuan (SSM PC No. 201908002648/ MAICSA 0777689)

Tan Ley Theng (SSM PC No. 201908001685/ MAICSA 7030358)

Chew Kit Yee (SSM PC No. 202208000376/ MAICSA 7067474)

Company Secretaries

Kuala Lumpur

21 April 2026





Notice of 28th Annual General Meeting

(Cont'd)

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 5 June 2026 (“**General Meeting Record of Depositors**”) shall be eligible to participate in the 28th AGM or appoint proxy(ies) to participate and/or vote in his/her stead.
2. A member entitled to participate and vote at the 28th AGM of the Company shall be entitled to appoint more than one (1) proxy to participate, speak and vote in his/her stead. Where a member appoints more than one (1) proxy in relation to a meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
3. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate, speak and vote at the 28th AGM shall have the same rights as the member to participate, speak and vote at the 28th AGM.
4. The instrument appointing a proxy shall be in writing under the hand of the member or of his/her attorney duly authorised in writing or, if the member is a corporation, either under common seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd. (“**BoardRoom**”) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or alternatively, lodged electronically via BoardRoom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to BoardRoom at bsr.proxy@boardroomlimited.com, not later than forty-eight (48) hours before the time set for holding the 28th AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude a member from attending and voting at the 28th AGM should he/she subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the office of the Company’s Share Registrar, BoardRoom at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than twenty-four (24) hours before the time stipulated for holding the 28th AGM or any adjournment thereof.
7. Any notice of termination of authority to act as proxy must be received by the Company not less than twenty-four (24) hours before the time stipulated for holding the 28th AGM or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Act:-
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he did as chairman of such meeting;
 - (c) the validity of a poll demanded by him at such meeting; or
 - (d) the validity of the vote exercised by him at such meeting.





Notice of 28th Annual General Meeting (Cont'd)

8. Explanatory Notes to Ordinary and Special Business

- i. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and the Auditors thereon.

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

- ii. Ordinary Resolutions 1 and 2

In determining the eligibility of the Directors to stand for re-election at the 28th AGM of the Company, the Nomination and Remuneration Committee (“**NRC**”) had reviewed and assessed Simon Wong Chu Keong and Syed Feisal Alhady from the annual assessment and evaluation of the Board of Directors (“**Board**”) for the financial year ended 31 December 2025. The Board via the NRC’s annual assessment is satisfied with the performance of Simon Wong Chu Keong and Syed Feisal Alhady, who are standing for re-election and has recommended to the shareholders the proposed re-elections at the 28th AGM.

The profile of the Directors who are standing for re-election are set out in the Annual Report in respect of the financial year ended 31 December 2025.

- iii. Ordinary Resolution 4

Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting.

At the Twenty-Seventh AGM of the Company held on 21 May 2025, the Company had obtained the shareholders’ approval for the payment of Directors’ benefits to the Non-Executive Directors up to RM45,000.00 from a day after the Twenty-Seventh AGM until the next AGM of the Company in the year 2026.

The proposed Ordinary Resolution 4, if passed, will authorise the payment of the Directors’ benefits to the Non-Executive Directors up to an amount of RM45,000.00 with effect from a day after the 28th AGM of the Company until the next AGM of the Company in the year 2027 (“**Period**”). The Directors’ benefits payable for the Period comprises the meeting allowance payable to the Non-Executive Directors for attendance of the Board and/or Board Committee meetings, whenever meetings are called during the Period.





Notice of 28th Annual General Meeting

(Cont'd)

iv. Ordinary Resolution 6

The proposed Ordinary Resolution, if passed, will give a renewal mandate to the Directors of the Company the authority to allot and issue new ordinary shares in the Company up to an amount not exceeding ten percent (10%) of the total number of issued shares of the Company for such purposes as the Directors may in their discretion deem expedient in the best interest of the Company, subject to compliance with the relevant regulatory requirements. This renewed mandate, unless earlier revoked or varied by the shareholders of the Company at a general meeting, will expire at the next AGM of the Company.

The authority to issue shares pursuant to the Act will provide flexibility and expediency to the Company for any possible fundraising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or for working capital requirements which the Directors of the Company consider to be in the best interest of the Company. The approval is sought to avoid any delay and cost in convening a general meeting to approve such issuance of shares.

The waiver of pre-emptive rights pursuant to Section 85 of the Act read together with Clause 75 of the Company's Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to the existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

The Company had been granted a mandate by its shareholders at the Twenty-Seventh AGM of the Company held on 21 May 2025 ("**Previous Mandate**"). However, as at the date of this Notice, no new shares were issued pursuant to the Previous Mandate and hence, no proceeds were raised therefrom.

v. Ordinary Resolution 7

The proposed Ordinary Resolution, if passed, will provide a renewed mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties in the ordinary course of business based on commercial terms which are not more favourable to the related parties than those generally available to the public and which are necessary for the Group's day-to-day operations. This mandate shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

Detailed information of the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is set out in Part A of the Circular/Statement to Shareholders dated 21 April 2026.

vi. Ordinary Resolution 8

The proposed Ordinary Resolution, if passed, will provide a renewed mandate for the Company to purchase its own ordinary shares up to ten percent (10%) of the total number of issued shares of the Company and shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in Part B of the Circular/Statement to Shareholders dated 21 April 2026.





Statement Accompanying Notice of Annual General Meeting

Details of Individuals Standing for Election as Directors

[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad]

There were no Directors standing for election at the Twenty-Eighth Annual General Meeting of the Company.



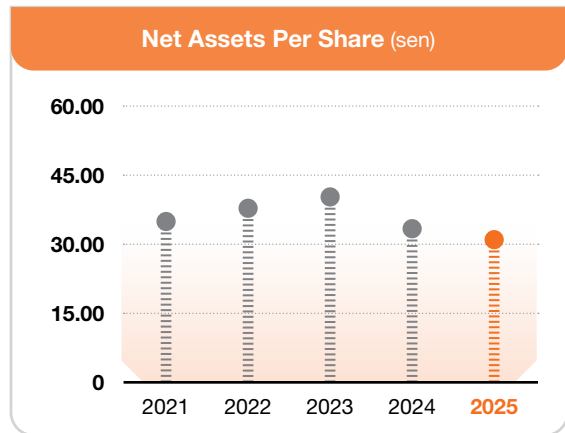
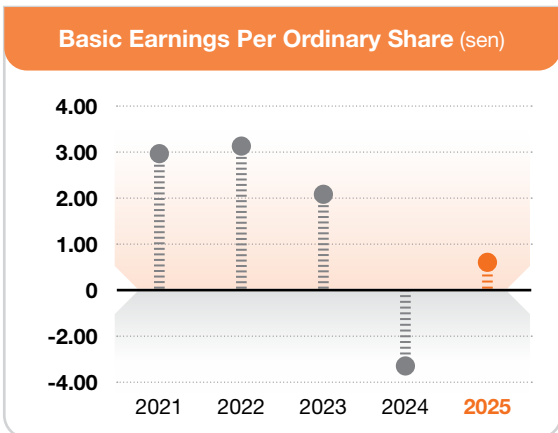
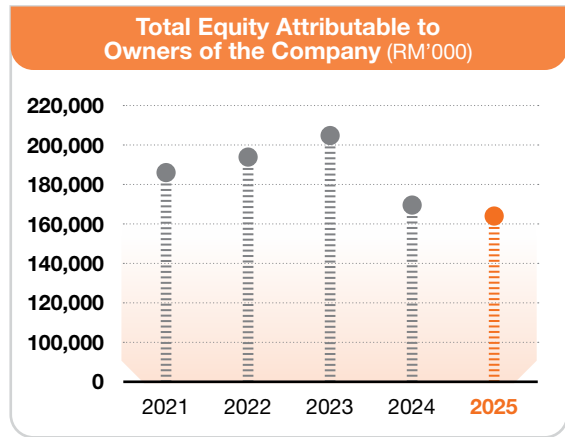
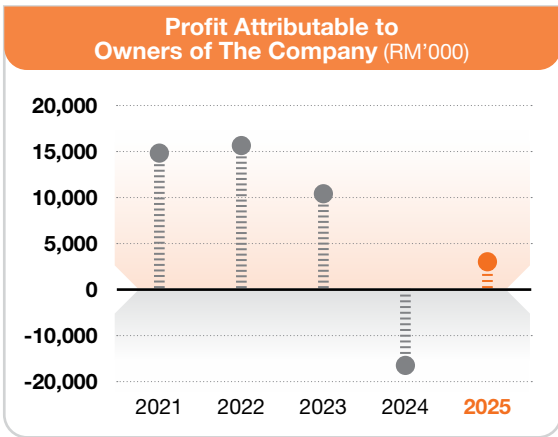
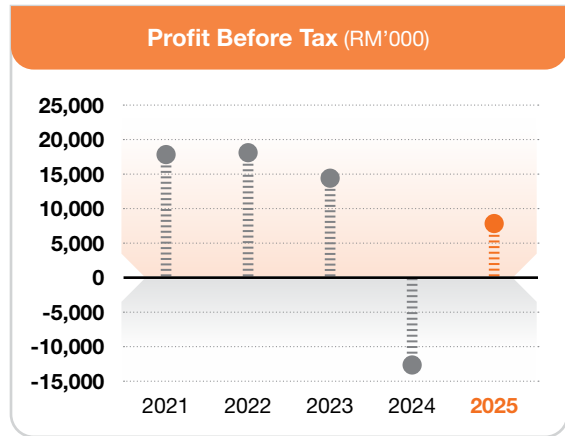
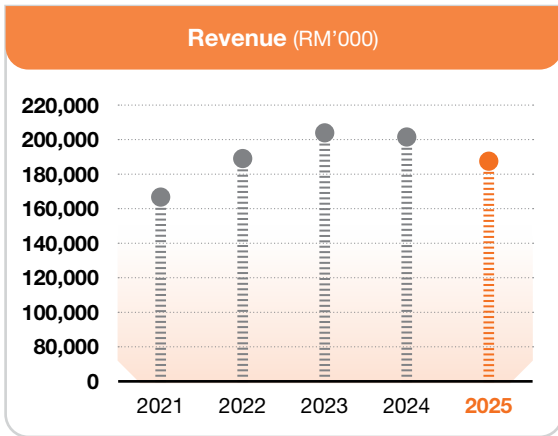


Financial Highlights

Group Financial Summary	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Revenue	171,304	192,525	209,270	205,851	190,414
Profit/(Loss) Before Tax	19,320	19,442	15,130	(14,446)	8,879
Profit/(Loss) Attributable to Owners of the Company	15,260	15,386	10,371	(18,727)	4,545
Total Assets	213,608	234,463	263,555	224,671	213,569
Total Liabilities	29,344	36,804	55,574	49,507	47,256
Total Equity Attributable to Owners of the Company	184,236	197,684	207,981	175,164	166,313
Basic Earnings/(Loss) Per Ordinary Share (sen)	3.14	3.17	2.14	(3.86)	0.94
Dividends Per Share (sen)	1.50	1.50	1.50	1.50	1.50
Net Assets Per Share (sen)	37.96	40.78	42.90	36.14	34.30



Financial Highlights (Cont'd)





Corporate Information

BOARD OF DIRECTORS

Wong Ah Chiew
Executive Chairman

Simon Wong Chu Keong
Managing Director

Tan Jun
Executive Director

Au Chun Choong
Non-Independent Non-Executive Director

Teh Chee Hoe
Independent Non-Executive Director

Syed Feisal Alhady
Independent Non-Executive Director

● AUDIT COMMITTEE

Teh Chee Hoe
Chairman
(Redesignated on 01.08.2025)

Au Chun Choong
(Redesignated as member on 01.08.2025)

Syed Feisal Alhady

● NOMINATION AND REMUNERATION COMMITTEE

Teh Chee Hoe
Chairman

Au Chun Choong
Syed Feisal Alhady

● SECRETARIES

Chua Siew Chuan
(MAICSA 0777689/
SSM PC No. 201908002648)

Tan Ley Theng
(MAICSA 7030358/
SSM PC No. 201908001685)

Chew Kit Yee
(MAICSA 7067474/
SSM PC No. 202208000376)

● AUDITORS

Baker Tilly Monteiro Heng PLT
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan

● STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

● REGISTERED OFFICE

No. 17 Jalan 2/149B
Taman Sri Endah
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Wilayah Persekutuan
Email: corpinfo@willowglen.com.my
Tel: 03-9057 1228
Fax: 03-9057 1218

● HEAD OFFICE

No. 17 Jalan 2/149B
Taman Sri Endah
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Wilayah Persekutuan
Email: corpinfo@willowglen.com.my
Website: www.willowglen.com.my
Tel: 03-9057 1228
Fax: 03-9057 1218

● SHARE REGISTRARS

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Email: bsr.helpdesk@boardroomlimited.com
Tel: 03-7890 4700
Fax: 03-7890 4670

● PRINCIPAL BANKERS

CIMB Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad





Profile of Directors

Wong Ah Chiew

Malaysian

Executive Chairman



Age
78

Mr. Wong Ah Chiew (“Mr. Wong”) joined the Board of Directors on 20 May 1998 as First Director of the Company and resigned on 30 July 1998. On 19 June 2000, he was re-appointed to the Board of Directors and subsequently appointed as Group Managing Director on 1 August 2013. Mr. Wong was re-designated as the Executive Chairman / Group Managing Director on 17 May 2023. On 28 February 2024, Mr. Wong has been re-designated to his current position as Executive Chairman.

He is a member of the Corporate Announcement & Compliance Committee and Risk and Sustainability Management Committee of the Company.

Mr. Wong holds a Bachelor of Science Degree in Electrical and Electronic Engineering from the University of Strathclyde, Scotland. He started his career in 1973 as Assistant District Engineer with Perak River Hydro Electric Power Co. Ltd, where he worked until 1982.

In 1982, Mr. Wong left the public service to join Dindings Consolidated Sdn. Bhd. as a Director where he managed the development of the housing and commercial property projects undertaken by the group.

Some of these projects included Taman Dindings, Ayer Tawar; Taman Desa Aman, Teluk Intan; Taman Sri Setapak, Kuala Lumpur; Taman Damai Jaya, Johor and Taman Sri Endah, Kuala Lumpur. Mr. Wong has more than 30 years of experience in property development.

He was the Managing Director of MCB Holdings Berhad, formerly a company listed on Bursa Malaysia Securities Berhad, from 1 August 1992 to 28 November 1997. On 12 December 1997, he was appointed as Director of PJ Development Holdings Berhad and subsequently appointed as Managing Director on 1 January 2006 before his retirement on 31 July 2013.

Mr. Wong does not have any directorship in other public companies and listed issuers in Malaysia.

Mr. Wong is the father of Mr. Simon Wong Chu Keong, the Managing Director of the Company.

Save for the related party disclosures as disclosed in the Audited Financial Statements of this Annual Report and the Circular/Statement to Shareholders dated 21 April 2026, Mr. Wong does not have any conflict of interest or potential conflict of interest with the Company and its subsidiaries.

Mr. Wong has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 December 2025.

He attended all four (4) Board Meetings held in the financial year ended 31 December 2025.





Profile of Directors

(Cont'd)

Simon Wong Chu Keong

Malaysian

Managing Director



Age
50

Mr. Simon Wong Chu Keong (“**Mr. Simon Wong**”) was appointed to the Board of Directors on 1 August 2013 and subsequently re-designated as Managing Director on 28 February 2024.

He is a member of the Corporate Announcement & Compliance Committee and Risk and Sustainability Management Committee of the Company.

Mr. Simon Wong holds a Bachelor of Commerce Degree from Murdoch University, Western Australia and a Post Graduate Diploma from the School of Information Systems at Curtin University, Western Australia.

He was a software engineer of the Company from 1998 to 1999.

Following his interest in the field of Information Technology (IT), Mr. Simon Wong then founded and held a director position in a privately owned company providing IT systems and related services.

From 2005 to 2013, he served in the property development and construction divisions within a public listed group and was also a director of several subsidiary companies within the group.

Mr. Simon Wong does not have any directorship in other public companies and listed issuers in Malaysia.

Mr. Simon Wong is the son of Mr. Wong Ah Chiew, the Executive Chairman of the Company.

Save for the related party disclosures as disclosed in the Audited Financial Statements of this Annual Report and the Circular/Statement to Shareholders dated 21 April 2026, Mr. Simon Wong does not have any conflict of interest or potential conflict of interest with the Company and its subsidiaries.

Mr. Simon Wong has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 December 2025.

He attended all four (4) Board Meetings held in the financial year ended 31 December 2025.



Profile of Directors

(Cont'd)

Tan Jun

People's Republic of China

Executive Director



Age
57

Ms. Tan Jun ("Ms. Tan") was appointed to the Board of Directors on 1 October 2016.

Ms. Tan graduated with a Bachelor Degree in Electrical and Electronic Engineering from Shanghai JiaoTong University, China in 1989. She obtained her Master Degree in Engineering at the same university in 1992.

She started her career as a Lecturer in the Automatic Control Department in Shanghai JiaoTong University in 1992. She has taught various subjects and groomed many undergraduate students. She also served as a distinguished researcher in a Research and Development (R&D) group for national automation research projects in the university.

She came to Singapore in 1997 and joined Willowglen Services Pte. Ltd. ("**WSPL**") as a Software Engineer in the same year. She was involved in Supervisory Control and Data Acquisition (SCADA) software development and project technical support. In 2002, she was promoted to Software Manager, leading the software design and project development team. With her strong technical knowledge, she also actively engaged in sales and marketing to promote company products and solutions. In 2008, she was promoted to General Manager where she was overall in charge of WSPL's project operations and performance. In year 2011, she was promoted to Chief Executive Officer, a position she holds until today, where she is responsible for all day-to-day management decisions and business performance of WSPL.

Ms. Tan does not have any directorship in other public companies and listed issuers in Malaysia.

Ms. Tan does not have any family relationship with any Director and/or major shareholder of the Company.

Save for the related party disclosures as disclosed in the Audited Financial Statements of this Annual Report and the Circular/Statement to Shareholders dated 21 April 2026, Ms. Tan does not have any conflict of interest or potential conflict of interest with the Company and its subsidiaries.

Ms. Tan has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 December 2025.

She attended all four (4) Board Meetings held in the financial year ended 31 December 2025.





Profile of Directors

(Cont'd)

Au Chun Choong

Malaysian

**Non-Independent
Non-Executive Director**



Age
73

Mr. Au Chun Choong (“**Mr. Au**”) was appointed to the Board of Directors on 1 August 2013. On 1 August 2025, Mr. Au was re-designated to his current position as a Non-Independent Non-Executive Director.

He is a member of the Nomination & Remuneration Committee and the Risk and Sustainability Management Committee of the Company. He was also re-designated from Chairman of the Audit Committee to a member of the Audit Committee on 1 August 2025.

Mr. Au is a Fellow of the Association of Chartered Certified Accountants, an Associate Member of the Institute of Chartered Secretaries and Administrators, London, United Kingdom and a member of the Malaysian Institute of Accountants.

He has vast experience in tax and finance in public accounting firms.

He was attached to the Inland Revenue Department in Perak for several years. He left public service in 1980 and joined several public accounting firms as tax manager and financial consultant.

Mr. Au was the Non-Executive Director of Luxchem Corporation Berhad from 15 May 2008 to 13 March 2020. He was also the Independent Non-Executive Director of PJ Development Holdings Berhad from 30 December 1989 to 31 July 2013.

Mr. Au does not have any directorship in other public companies and listed issuers in Malaysia.

Mr. Au does not have any family relationship with any Director and/or major shareholder of the Company. He also does not have any conflict of interest or potential conflict of interest with the Company and its subsidiaries.

Mr. Au has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 December 2025.

He attended all four (4) Board Meetings held in the financial year ended 31 December 2025.



Profile of Directors

(Cont'd)

Teh Chee Hoe

Malaysian

**Independent
Non-Executive Director**



Age
50

Mr. Teh Chee Hoe (“Mr. Teh”) was appointed to the Board of Directors on 5 February 2018.

He is the Chairman of the Nomination & Remuneration Committee and a member of the Risk and Sustainability Management Committee and Corporate Announcement & Compliance Committee of the Company. On 1 August 2025, he was re-designated from a member of the Audit Committee to the Chairman of the Audit Committee.

Mr. Teh graduated from the Nanyang Technological University (NTU), Singapore with a Bachelor Degree in Materials Engineering.

He started his career as a Programmer in Silverlake System Pte. Ltd. in 1998. He was the Business Development Director of ExtendedSys Pte. Ltd. from 1999 to 2001. In 2001 to 2004, he was the Director of Konsortium Multimedia Swasta Sdn. Bhd. In 2004, he founded Vibrant Bridge Sdn. Bhd., and he worked as the Managing Director until 2009. In 2008, he co-founded dJava Factory Sdn. Bhd., and he is the Chief Operating Officer of dJava Factory Sdn. Bhd. He is also an Executive Director of Arctiquator Sdn. Bhd. since 2008. From 2016 to 2017, he served as the Chief Executive Officer of Scan Associates Berhad.

Presently, he is the Executive Director of Revenue Group Berhad. Save as disclosed above, Mr. Teh does not have any other directorship in other public companies and listed issuers in Malaysia.

Mr. Teh does not have any family relationship with any Director and/or major shareholder of the Company. Saved as disclosed in the Audit Committee Report, he also does not have any conflict of interest or potential conflict of interest with the Company and its subsidiaries.

Mr. Teh has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 December 2025.

He attended all four (4) Board Meetings held in the financial year ended 31 December 2025.





Profile of Directors

(Cont'd)

Syed Feisal Alhady

Malaysian

**Independent
Non-Executive Director**



Age
67

Mr. Syed Feisal Alhady (“**Mr. Alhady**”) was appointed to the Board of Directors on 1 September 2018.

He is a member of the Audit Committee and Nomination & Remuneration Committee of the Company.

Mr. Alhady graduated from the South Bank Polytechnic, London with a Bsc (Honors) in Mechanical Engineering in 1982.

Mr. Alhady started his career with Esso Production Malaysia Inc in 1982 as an Offshore Construction Supervisor / Engineer. In 1991, he set up Divtech (Malaysia) Sdn. Bhd., Malaysia’s first Diving & ROV company and served as the Managing Director. From 1996 to 2008, he served as the Managing Director of Global Offshore Malaysia Sdn. Bhd. In 2008, he set up 2H Offshore Engineering Sdn. Bhd. and served as an Executive Director. In the same year, he established Tidal Resources Sdn. Bhd. and served as the Managing Director of the Company. From 2010, he served as the Managing Director of Subsea 7 Malaysia Sdn. Bhd., a position he holds until today.

Mr. Alhady does not have any directorship in other public companies and listed issuers in Malaysia.

Mr. Alhady does not have any family relationship with any Director and/or major shareholder of the Company. He also does not have any conflict of interest or potential conflict of interest with the Company and its subsidiaries.

Mr. Alhady has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 December 2025.

He attended all four (4) Board Meetings held in the financial year ended 31 December 2025.



Profile of Key Senior Management

Phan Vee Yee

Chief Operating Officer

Nationality	Age	Gender
Malaysian	54	Male

Date of Appointment:

1 August 2012

Academic/Professional Qualification(s):

- Master of Science Degree in Mechatronics, De Montfort University, United Kingdom
- Diploma in Electronics Engineering, Tunku Abdul Rahman College, Malaysia
- British Engineering Council Part 1 & Part II in Electronics Engineering

Working Experience:

- He began his career in 1995.
- In December 1999, he joined Willowglen (Malaysia) Sdn. Bhd. (“WMSB”) in the project department. During his position as General Manager – Supervisory Control and Data Acquisition (“SCADA”), his main responsibilities in WMSB are project management, planning, leading and training up the project department key personnel and providing support to the marketing team of SCADA business unit. He was promoted to his current position on 1 July 2025.

Nik Azlan Bin Nik Yusoff

Chief Technical Officer

Nationality	Age	Gender
Malaysian	54	Male

Date of Appointment:

1 June 2010

Academic/Professional Qualification(s):

- Dual degrees in Electrical Engineering and Computer Science from Washington University, St. Louis, United State

Working Experience:

- He began his career in 1994 with Sapura Advance Systems.
- He joined CAE Inc Canada as flight control engineer then later as technical leader for autopilot group. Upon returning he had a brief stint at Motorola and Vedel IT services. At both companies, he was a lead software architect for product such as digital two way radio and wind turbine control systems. He joined Willowglen MSC Berhad in 2010 as Chief Technical Officer and responsible for the Company’s Research and Development Department.

Chew Nyuk Seong

General Manager –
Finance & Corporate Secretarial

Nationality	Age	Gender
Malaysian	55	Male

Date of Appointment:

1 January 2014

Academic/Professional Qualification(s):

- Member of the Malaysian Institute of Accountants
- Association of Chartered Certified Accountants
- Institute of Chartered Secretaries and Administrators

Working Experience:

- He began his career in 1994.
- In 2002, he joined WMSB as an Accountant. In 2004, he left WMSB to join Dindings Consolidated Sdn. Bhd. as the Manager in charge of Accounts and Finance. He joined Willowglen MSC Berhad in 2007 and since then he has been actively involved in the financial and accounting matters of the Group.





Key Senior Management (Cont'd)

Kon Chin Heong

General Manager –
Integrated Monitoring System (“IMS”)

Nationality	Age	Gender
Malaysian	49	Male

Date of Appointment:

1 July 2012

Academic/Professional Qualification(s):

- Diploma in Electrical Engineering, Universiti Teknologi Malaysia
- Degree of Information Technology, University Malaya

Working Experience:

- He began his career in 1999.
- In 2002, he joined WMSB as Purchasing Engineer. In 2012, he was appointed to current position and responsible in achieving of sales target and profitability of IMS business unit.

Lee Mooi Sum

Head of Software Engineering,
Research and Development (R&D)
Software

Nationality	Age	Gender
Malaysian	53	Female

Date of Appointment:

1 January 2012

Academic/Professional Qualification(s):

- Bachelor of Science in Electrical Engineering, University of Kentucky, Lexington, USA

Working Experience:

- She began her career in 1995.
- In 2000, she joined Willowglen MSC Berhad as Software Engineer. In 2012, she was appointed as Senior Software Manager and responsible to manage and lead the software development unit and in charge of Company’s SCADA package. She was promoted to her current position in 2020.

Wong Guang Shing

Head of
Business Development Division

Nationality	Age	Gender
Singaporean	56	Male

Date of Appointment:

1 May 2019

Academic/Professional Qualification(s):

- Degree of Computer Science, University of Essex, United Kingdom
- Degree of Master of Technology (Software Engineering), National University of Singapore

Working Experience:

- He began his career in 1993.
- He joined Willowglen Services Pte Ltd (“WSPL”) in 1995 as a Software/Project Engineer involved in software development and in various SCADA projects implementation.
- In year 2000, he was promoted to Project Section Manager. His duties were to oversee & manage implementation and maintenance of SCADA systems for Education Sector, Healthcare Sector and from the Water Authority (PUB).
- In 2005, he moved to the Business Development Division as Business Development Manager and was responsible in pursuing business opportunities in Edu, Healthcare, Water, Transport, and IT sector.
- In 2019, he was promoted to Deputy Head position, where he is responsible for managing WSPL’s sales team, and to prospect and develop WSPL’s clientele base and businesses. He was promoted to his current position in 2020.





Key Senior Management

(Cont'd)

Cheong Fong Hoon

Head of
Business Development Division

Nationality	Age	Gender
Singaporean	72	Male

Date of Appointment:

2 August 2012

Academic/Professional Qualification(s):

- Diploma in Electronic Engineering, Ngee Ann Technical College Singapore
- Diploma in Marketing Management, Ngee Ann Polytechnic
- Diploma in Marketing, The Institute of Marketing, UK

Working Experience:

- He began his career in 1976.
- He joined WSPL in 1988 and was shortly designated as the Manager of the Special Projects Division. His duties were to oversee the implementation and maintenance of SCADA systems for PowerGrid Ltd., PowerGas Ltd. and the Ministry of Environment. In 2000, he moved to the Business Development Division as a Business Development Manager. He was promoted to his present position, where he is responsible for developing and managing WSPL's clientele base.

Lee Beng Hong

Head of Project Division

Nationality	Age	Gender
Singaporean	66	Male

Date of Appointment:

2 August 2012

Academic/Professional Qualification(s):

- Diploma in Electronics & Telecommunication Engineering, Singapore Polytechnic
- Graduate Diploma in Business Administration, Singapore Institute of Management (SIM)
- Specialist Diploma in Construction Productivity

Working Experience:

- He began his career in 1981.
- He joined WSPL as an Engineer in 1989. He was involved in projects and maintenance jobs during his tenure as an engineer. In his current position, he is also responsible for the business development particularly in sourcing projects and maintenance jobs related to Housing and Development Board (HDB) and Town Councils' Tele-monitoring Systems.

Sim Hock Soon

Head of Project Division

Nationality	Age	Gender
Singaporean	52	Male

Date of Appointment:

1 February 2017

Academic/Professional Qualification(s):

- Diploma in Electronic Engineering, Nanyang Polytechnic
- Specialist Diploma in Construction Productivity
- Bachelor Degree in Computer Science, Open University UK, Singapore Institute of Management (SIM)

Working Experience:

- He began his career in 1996.
- He joined WSPL in 2001 as Assistant Software Engineer.
- He was transferred to Projects Division as Project Engineer in 2003 and was promoted as Project Manager in 2010. He had involved in multiple projects and maintenance jobs related to Extra Low Voltage System ("ELV"), SCADA and Programmable Logic Controller ("PLC"). He was promoted to his current position in 2017.





Key Senior Management

(Cont'd)

Tang Jiming

Head of Project Division

Nationality	Age	Gender
Singaporean	43	Male

Date of Appointment:

1 April 2025

Academic/Professional Qualification(s):

- Diploma in Mechatronic Engineering, Ngee Ann Polytechnic
- Bachelor of Mechanical Engineering, University of South Australia
- Specialist Diploma in Construction Productivity

Working Experience:

- He began his career in 2004.
- He joined WSPL in 2018 as a Project Manager and was promoted to Deputy Head of Project in 2021. He has been involved in multiple project and maintenance jobs related to Integrated Security, ELV, and Closed-Circuit Television (CCTV) systems.
- He was promoted to his current position in April 2025. He is responsible for overseeing project sections' performance, delivery of SCADA system, security systems, PLC and the communication network across various contracts.

Koh Beng Boon

Head of
Purchasing/Hardware Division

Nationality	Age	Gender
Singaporean	67	Male

Date of Appointment:

2 August 2012

Academic/Professional Qualification(s):

- Diploma in Electrical and Electronics Engineering, Ngee Ann Technical College of Singapore

Working Experience:

- He began his career in 1981.
- He joined WSPL in 1988. In his current position, he is responsible for all hardware support related functions on projects undertaken by WSPL. This includes planning, directing and controlling the entire procurement function of the company. He is also responsible for WSPL's in-house workshop and store operations for the production, quality inspection, hardware integration, testing and warranty repair of the hardware cards of remote terminal units (RTU).





Key Senior Management

(Cont'd)

Alicia Pang Shiow Yun

Senior Finance Manager

Nationality	Age	Gender
Singaporean	52	Female

Date of Appointment:

1 June 2020

Academic/Professional Qualification(s):

- Bachelor of Arts (Economics), University of Malaya, Malaysia

Working Experience:

- She began her career in 1998.
- She joined WSPL in 2009 as an Accountant involved in full spectrum of accounting and treasury functions.
- In year 2016, she was promoted to Finance Manager and was responsible for managing finance, accounting, treasury and tax functions for local and overseas entities. She was promoted to her current position in 2020.

Save as disclosed, none of the Key Senior Management has:-

1. any directorship in public companies and listed issuers in Malaysia;
2. any family relationship with any Directors and/or major shareholders of the Company;
3. any conflict of interest or potential conflict of interest with the Company and its subsidiaries; and
4. any conviction for offences within the past five (5) years other than traffic offences, if any, or any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 December 2025.





Audit Committee Report

COMPOSITION OF THE AUDIT COMMITTEE

Chairman	:	TEH CHEE HOE (<i>Redesignated on 01.08.2025</i>) Independent Non-Executive Director
Members	:	AU CHUN CHOONG (<i>Redesignated on 01.08.2025</i>) Non-Independent Non-Executive Director
		SYED FEISAL ALHADY Independent Non-Executive Director

The composition of the Audit Committee (“**AC**”) is in compliance with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Main LR**”), whereby the AC comprises solely Non-Executive Directors with a majority of them being Independent Directors. In addition, none of the Directors of the Company has appointed Alternate Directors.

The members of the AC meet the requisite qualifications under Paragraph 15.09(1)(c) of the Main LR.

Neither of the AC members was previously a partner in the incumbent External Auditors, Messrs. Baker Tilly Monteiro Heng PLT (“**BTMH PLT**”), in the previous three (3) years, nor did any of the AC members hold any financial interest in BTMH PLT.

Mr. Teh Chee Hoe (Independent Non-Executive Director), who was redesignated from a member of the AC to the Chairman of the AC on 1 August 2025, is not the Chairman of the Board of Directors (“**Board**”). In this respect, the Company is in compliance with Paragraph 15.10 of the Main LR and Practice 9.1 of the Malaysian Code on Corporate Governance.

TERMS OF REFERENCE

The Terms of Reference of the AC are available for reference on the Company’s website at www.willowglen.com.my.

MEETINGS ATTENDANCE

The AC held a total of five (5) meetings during the financial year ended 31 December 2025 (“**FYE 2025**”).

The details of attendance of the respective members at the AC meetings held during the year under review are as follows:-

AC	Attendance of AC meetings	%
Teh Chee Hoe	5/5	100%
Au Chun Choong	5/5	100%
Syed Feisal Alhady	5/5	100%

The AC meetings were held on 27 February 2025, 26 March 2025, 21 May 2025, 27 August 2025 and 19 November 2025.

The General Manager – Finance & Corporate Secretarial was invited to all AC meetings to facilitate direct communications and provide clarifications on financial reports. Minutes of AC meetings are circulated to all AC members for confirmation and approval at the succeeding AC meetings and subsequently presented to the Board for notation.





Audit Committee Report (Cont'd)

MEETINGS ATTENDANCE (Cont'd)

The Chairman of the AC briefed the Board on matters of significant concern discussed during the AC meetings held prior to the Board Meetings. The applicable recommendations of the AC were presented by the AC's Chairman at the Board meeting for the Board's approval.

SUMMARY OF THE WORK OF THE AC

During the FYE 2025, the AC had carried out the following work activities, which are in line with its duties, functions and responsibilities as set out in its Terms of Reference:-

A. Financial Performance and Reporting

The AC had reviewed the Company's unaudited quarterly financial statements for the financial quarters ended 31 December 2024, 31 March 2025, 30 June 2025 and 30 September 2025 and recommended the same to the Board for approval.

The AC reviewed the unaudited quarterly financial statements to ensure that they were prepared according to the provisions of the Companies Act 2016 and Main LR, as well as the applicable Malaysian Financial Reporting Standards and International Accounting Standards.

Besides, the AC also discussed the financial performance and updates on the corporate and business development of the Company and its subsidiaries ("**the Group**") on a quarterly basis.

During the FYE 2025, the AC had reviewed the Company's Audited Financial Statements for the financial year ended 31 December 2024 ("**FYE 2024**") to ensure that the financial statements and disclosures presented a true and fair view of the Company's financial position and performance for the said year, and recommended the same to the Board for approval.

Subsequent to the FYE 2025, the AC had reviewed the Audited Financial Statements of the Company and the Group for the FYE 2025, and recommended the same to the Board for approval.

B. External Audit

On 27 February 2025, the AC reviewed the AC Memorandum, which summarised the significant audit findings arising from the statutory audit of the Company and the Group for the FYE 2024. BTMH PLT had also confirmed that they were not aware of any fraud related incidents that rendered reporting to the AC.

On 19 November 2025, the AC reviewed and discussed the Audit Plan for the FYE 2025 prepared by BTMH PLT, which outlined the audit scope, statutory timeline and audit timeframe, areas of focus, fraud consideration and the audit risk assessment, key audit matters, other developments and audit fees.

During the FYE 2025, the AC had two (2) private sessions with BTMH PLT without the Executive Directors' and management personnel's presence to enquire if BTMH PLT had encountered issues during their audit that needed to be brought to the attention of the AC.





Audit Committee Report

(Cont'd)

SUMMARY OF THE WORK OF THE AC (Cont'd)

B. External Audit (Cont'd)

BTMH PLT confirmed that they will continuously comply with the relevant ethical requirements regarding independence with respect to the audit of the financial statements of the Company and the Group for the FYE 2025 in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Subsequent to the FYE 2025, the AC reviewed the AC Memorandum which summarised the significant audit findings arising from the statutory audit of the Group and of the Company for the FYE 2025, including the key audit matter raised and Management's response to the internal control highlighted by BTMH PLT in the course of their statutory audit.

The AC reviewed the performance of BTMH PLT and was satisfied with their performance, quality of communication, sufficiency and allocation of resources, competency as well as timelines in completing the audit and recommended the re-appointment of BTMH PLT for the financial year ending 31 December 2026 to the Board for approval by its shareholders at the forthcoming Twenty-Eighth Annual General Meeting.

C. Internal Audit

- (a) Reviewed the approved Internal Audit Plan for the years 2025 and 2026.
- (b) Evaluated the performance of the Internal Auditors, including the competency, experience, resources, independence and objectivity and audit fees.
- (c) Reviewed the Internal Audit Reports on the effectiveness and adequacy of internal controls, risk management, operational, compliance and governance processes of the Group, including the Management's responses thereto and the implementation of management's action plans on outstanding issues and recommendations were being properly addressed and corrected on a timely basis.

During the financial year under review, the Internal Auditors conducted the audit reviews according to the approved audit plan and areas of concern that require further improvement were highlighted in the internal audit reports.

Areas covered by the internal audit included the assessment of internal controls implemented by Management in managing the risks associated with the operating processes covering Purchasing/ Procurement/ Supply Chain and Assessment of the Practical Implementation of Environmental, Social and Governance ("ESG").

D. Risk and Sustainability Management

The AC reviewed and discussed the reports containing issues pertaining to sustainability matters and the risk updates deliberated at the Management-level Risk and Sustainability Management Committee meetings as follows:-

- Financial Risks
- Operational Risks
- Sustainability efforts





Audit Committee Report (Cont'd)

SUMMARY OF THE WORK OF THE AC (Cont'd)

E. Related Party Transactions

- (i) Reviewed the quarterly reports on recurrent related party transactions of a revenue or trading nature and related party transactions for compliance with both in-house procedures and the Main LR.
- (ii) Reviewed the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and recommended the same to the Board for approval.

F. Conflict of Interest ("COI")

- (i) Reviewed the COI declaration received from the Director, Mr. Teh Chee Hoe due to his directorship in NIB Technology Sdn. Bhd. ("**NIB Technologies**"), a company engaged in transactions with the Company. To address and mitigate such conflicts, the concerned Director will abstain from any deliberations and voting involving dealings between the Company and NIB Technologies.

G. Other Matters

- (i) Reviewed the Statement to Shareholders in relation to the proposed renewal of share buy-back authority for the Company to purchase its own shares of up to ten percent (10%) of the total number of issued shares of the Company and recommended the same to the Board for approval.
- (ii) Reviewed the disclosures in AC Report and Statement on Risk Management and Internal Control and recommended the same to the Board for approval for inclusion in the Annual Report in respect of the FYE 2024.
- (iii) Reviewed and confirmed the minutes of the AC meetings.
- (iv) Reported to the Board on the proceedings of each AC meeting.
- (v) Assessed the performance of each AC member by his peers vide a formalised evaluation form for the purpose of assisting the Nomination & Remuneration Committee in reviewing the term of office and performance of the AC and each of its members annually to determine whether they have carried out their duties properly in accordance to the Terms of Reference.





Audit Committee Report

(Cont'd)

INTERNAL AUDIT FUNCTION

The Group has outsourced the internal audit function to an independent professional firm (“**OIA**”), which reports directly to the AC, to assist the AC in ensuring the adequacy and effectiveness of the Group’s risk management and internal control systems.

The internal audit was carried out by the OIA in accordance with the recognised framework, which includes the Standards in the International Professional Practices Framework (“**IPPF**”) issued by the Institute of Internal Auditors.

With the OIA being put in place, remedial action can be taken in relation to weaknesses identified and noted in the systems and controls of the respective operating units.

The OIA had carried out an internal audit review on the Assessment of the Practical Implementation of ESG function of the Group’s Malaysia operation. They have also conducted a review on the Purchasing / Procurement / Supply Chain function of the Singapore operation.

The AC had reviewed the findings identified, deliberated on the Management’s responses thereto and communicated with the Management to implement the proposed improvement action plans accordingly. Summary reports which provided status updates to the implementation of management action plans on the findings reported in the Internal Audit Reports for all the previous audit cycles reviewed were presented to the AC.

The Board had, via the AC, evaluated the effectiveness of the internal audit function by reviewing the results of its work in the AC meetings.

The total cost incurred for the outsourced internal audit function of the Group during the year under review amounted to RM30,850, inclusive of disbursements (FY2024: RM23,818).





Management Discussion and Analysis

BUSINESS AND OPERATIONS REVIEW

In the financial year under review, the Group operated in a challenging business environment, marked by rising material and manpower costs, and delays in project implementation. These factors had a notable impact on the overall financial performance of the Group.

The Group's operations in Malaysia demonstrated strong resilience in a challenging environment, where the rollout of government projects was limited and contract awards faced significant delays. Despite these headwinds, the company proactively sought opportunities to diversify and expand its business portfolio. Key focus areas included railway expansion projects, where the Group leveraged its expertise in Integrated Supervisory and Control System ("ISCS") and security systems to support modernized signaling, monitoring, and control infrastructure. In the data center sector, the company targeted opportunities in intelligent monitoring, Industrial Internet of Things ("IIoT") integration, and cybersecurity solutions to enhance operational efficiency and resilience.

In power distribution monitoring, the Group applied its experience in SCADA and operational technology ("OT") systems to support reliable, secure, and real-time management of electrical networks. Meanwhile, growing concerns around cyber threats to critical infrastructure drove increased demand for OT cybersecurity, where the company provided solutions to safeguard industrial control systems against evolving threats.

The Group achieved stable business growth in Singapore, supported by broad-based revenue expansion across several strategic industries. Major revenue drivers included security solutions for education campus and power infrastructure, supervisory control and data acquisition ("SCADA") systems for water and wastewater utilities, integrated security and ISCS deployments in transportation, IIoT solutions in building facilities management.

The Group has successfully developed the Universal Interrogator and deployed IIoT solutions across hundreds of buildings, strengthening our electronic hardware development and manufacturing capabilities. Alongside our traditional lift monitoring devices, this has helped maintain stable and consistent business performance in the building industry.

We are also making rapid progress on a major project delivering CCTV and access management systems for numerous schools under a single contract. This project requires exceptional project management skills to coordinate a large engineering team, collaborate with vendors, and resolve issues within a highly challenging timeframe. The experience enhances our capabilities in managing large-scale contracts and positions us to pursue more complex opportunities in the future.

The SCADA and telemetry system for the water supply network has demonstrated the redundancy and resilience of our ISCS solution architecture, while fully meeting cybersecurity requirements. The SCADA system implemented in the new expressway infrastructure incorporates SIL-certified safety components, enhancing operational reliability and supporting future business development.

Our technical team has also successfully developed and validated a secured remote terminal unit ("RTU") for power substations, with data collection and transmission secured using AES-256 encryption/decryption, ensuring resilience, data integrity, and real-time processing. This achievement elevates our R&D capabilities in cybersecurity to a higher level and strengthens our position in delivering secure, mission-critical infrastructure solutions.

The Group's operations are subject to various risks; increases in material/manpower costs and project site delays. To mitigate these challenges, we have implemented robust internal control systems and comprehensive risk management strategies to address ongoing operational challenges and protect project margins.





Management Discussion and Analysis

(Cont'd)

RESEARCH AND DEVELOPMENT (“R&D”)

In 2025, the Group continued to build on the strong foundation established by the successful SIL 2 certification of the Xentral ISCS. The year’s focus shifted from certification milestone to delivery, system maturity, and project execution, particularly in support of safety-critical rail applications and utility infrastructure.

Main R&D activities in 2025 were the continued development, enhancement, and validation of the Xentral ISCS platform for an active rail project. This phase emphasized translating SIL 2-compliant architecture into a deployable, project-ready solution.

Key areas of focus included:

- Project-specific system configuration and integration
- Enhancement of safety-related software components
- Rigorous verification, validation, and regression testing aligned with EN 50128 lifecycle requirements
- Long-term maintainability and support readiness for safety-critical operations

These activities ensured that Xentral not only meets certification requirements but is operationally robust and fit for real-world rail deployment, strengthening Willowglen’s credibility as a safety-critical system provider.

In parallel, the Group successfully achieved certification from a utility company for Willowglen’s RTU products. This certification:

- Confirms compliance with the utility company’s enhance and more stringent technical and reliability standards
- Enables wider deployment of Willowglen RTUs within national utility infrastructure
- Strengthens Willowglen’s position in the power and utilities sector, complementing its rail and industrial automation offerings

The certification reflects the Group’s ability to support both software-centric safety systems and hardware-based field devices, demonstrating breadth and depth in engineering capability.

The 2025 R&D achievements are :

- Execution of Safety Integrity Level 2 (“**SIL-2**”) Capability – Transitioning from certification to live rail project delivery validates the commercial value of Xentral’s SIL 2 compliance.
- Multi-Sector Strengthening – Progress in rail systems alongside RTU certification for utilities diversifies revenue opportunities.
- Sustained Engineering Excellence – Continued application of disciplined development, testing, and lifecycle management reinforces long-term product quality.
- Market and Partner Confidence – Demonstrates the Group’s ability to meet both international safety standards and local utility requirements.

The Group remains committed to sustained investment in R&D to support ongoing rail projects, expand certified product offerings, and strengthen Willowglen’s position as a trusted provider of mission-critical industrial automation and control systems.





Management Discussion and Analysis

(Cont'd)

FINANCIAL REVIEW

The financial year 2025 was a challenging year for the Group. Revenue of the Group decreased by 7.50% to RM190.41 million, compared with RM205.85 million recorded in the previous financial year. The decrease was mainly attributable to the Malaysia operations, where revenue decreased by 44.97% as compared to the previous financial year due to a depleted order book.

The Group recorded a profit before tax of RM8.88 million, compared to a loss before tax of RM14.45 million in the preceding year. The loss in 2024 was primarily due to one-off impairment charges on the Group's investment in an associate in Canada.

The Group's basic earnings per ordinary share increased to 0.94 sen, compared to a loss per ordinary share of 3.86 sen in 2024. Net assets per share decreased to 34.30 sen as at 31 December 2025, from 36.14 sen in the last financial year.

In 2025, the Group invested RM6.35 million in R&D activities. Of this amount, RM5.88 million was expensed in the Statement of Comprehensive Income, while RM0.47 million was capitalised as development cost. Following the completion of the SIL 2 development, amortisation of the capitalised development cost commenced in August 2025. The Group has also incurred capital expenditure of RM1.33 million during the financial year.

The Board of Directors has approved a final single-tier dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2025. The entitlement and payment dates for the dividend will be on 30 April 2026 and 20 May 2026 respectively.

MOVING FORWARD

The convergence of SCADA, ISCS, IIoT, Artificial Intelligence (“AI”), and advanced analytics is becoming increasingly mainstream. AI solution use cases are being demonstrated and progressively adopted across various industries and government agencies. These technologies are widely applied in fault prediction, anomaly detection, and performance optimization, particularly within utilities, transportation, and large-scale facilities. At the same time, stakeholders are placing greater emphasis on building trust and ensuring the safe and responsible use of AI-driven analysis and process outcomes.

In the security domain, AI-enabled analytics are rapidly reshaping system requirements. Video analytics, behaviour detection, intrusion detection, and identity management are increasingly integrated into unified security and access management platforms. Customers are seeking solutions that combine physical security, cybersecurity, and operational monitoring within a single architecture, enabling faster response times and enhanced situational awareness.

OT cybersecurity has evolved from a compliance-driven requirement into a strategic priority. Regulatory pressures, coupled with rising cyber incidents targeting critical infrastructure, are accelerating the adoption of Zero-Trust principles, network segmentation, continuous monitoring, and security-by-design approaches in SCADA and ISCS environments. Customers now expect cybersecurity to be embedded throughout the entire system lifecycle, from design and implementation to operations and maintenance.

The integration of ELV, BMS, and operational systems continues to gain momentum, particularly in smart buildings, transportation hubs, industrial facilities, and campuses. Facility owners are prioritizing energy efficiency, automation, and sustainability, driving increased demand for intelligent BMS, energy monitoring, and carbon reduction solutions aligned with green building standards.





Management Discussion and Analysis

(Cont'd)

MOVING FORWARD (CONT'D)

In parallel, customers are placing greater emphasis on system maintainability, scalability, and long-term support. There is growing demand for managed services, lifecycle maintenance, system upgrades, and technology refresh initiatives, creating recurring revenue opportunities beyond initial project delivery.

The business environment is expected to remain stable, with opportunities increasingly favouring solution providers that possess strong domain expertise, robust system integration capabilities, and proven execution track records. Supported by several major contracts secured in 2025, the Group enters 2026 with positive momentum and confidence in delivering sustainable revenue growth and improved profitability.

Ongoing projects are expected to contribute significantly to performance. These include security systems for educational institutions, cybersecurity-resilient SCADA systems for water supply networks, AI-driven security solutions for power substations, and intelligent analysis and control ISCS deployments for transportation infrastructure. Many of these projects have progressed into material procurement and engineering implementation phases, strengthening revenue visibility for the year ahead.

Technology refresh and system modernization initiatives for aging SCADA, RTU, and security platforms are accelerating within our traditional business sectors. These upgrades present opportunities for higher-value projects that emphasize engineering excellence, regulatory compliance, cybersecurity resilience, and long-term lifecycle support.

On 1 April 2026, the Group entered into two conditional share purchase agreements with Elixir II Pte. Ltd. for the proposed disposal of a 25% equity interest in Willowglen (Malaysia) Sdn Bhd and 100% equity interest in Willowglen Services Pte Ltd, together with a conditional call and put option agreement, as well as the proposed change of name of the Company to Willownex Berhad. These initiatives are expected to unlock value, strengthen the Group's strategic positioning, and support its next phase of growth.

Simon Wong Chu Keong
Managing Director





Sustainability Statement

ABOUT THIS STATEMENT

Willowglen MSC Berhad (“Willowglen” or “the Group”) is committed to embedding sustainability practices across all aspect of its operations. The Group strives to promote sustainable development within the environment, marketplace, workplace, and community. Our commitment to innovation extends to enhancing our transparent and sustainable business practices.

Recognizing the importance of delivering long-term value for both the Group and our stakeholders, we remain dedicated to advancing our sustainability initiatives for the collective benefit of all. Our sustainability efforts is anchored in three core pillars –Economic, Environmental, and Social—each involving key stakeholder groups that support the Group’s long-term growth.

The Group recognizes all stakeholders as integral to its sustainability journey and accords equal importance to their interests. Key stakeholder groups have been identified, along with appropriate engagement channels to facilitate effective and ongoing communication.

- Investors – Annual Report and Sustainability Report, corporate website, Annual General Meetings (“AGM”) as well as participation in conferences, tradeshows and where necessary, investor relations engagements.
- Customers – Ongoing engagement through client relationship managers/marketing representatives, supported by customer satisfaction surveys.
- Regulators – Regular reporting, risk management processes, and business practice audit.
- Employees - Empowerment of the workforce, training and upskilling programmes, and internal communications.
- Communities – Strategic partnerships through employee volunteer programmes and initiatives focused on environmental sustainability and climate related impact.

This Statement presents the material Environmental, Social and Governance (“ESG”) matters that are most relevant to the Group and have significant impact on our stakeholders. The Group has identified key material topics, including climate change, natural resource management, talent and labour practices, among others.

This Statement demonstrates how sustainability comes under the oversight of the Board of Directors and Senior Management, which is achieved through a robust sustainability governance structure. The management approach for material ESG topics, statistical data that discloses Group performance against as well as future plans are contained within this Statement.

For a more comprehensive understanding of Willowglen’s business and operational performance, this Statement should be read in conjunction with the other sections of the Annual Report.

Scope of Report

This Sustainability Statement outlines the Group’s efforts, achievements, risks, and opportunities across its operations in Malaysia and Singapore for the financial year ended 31 December 2025 (“FY2025”). Where available, comparative data from prior years have been included to provide more context on the Group’s year-on-year progress.

This scope of this Statement covers the sustainability practices of the holding Company and its subsidiaries. It excludes outsourced activities, as well as the operations of associates / joint ventures over which the Group does not exercise management control.

During FY2025, there were no significant changes to the Group’s supply chain operations. Business and operational risks were managed in accordance with the Group’s risk management framework, which is integrated into our stakeholder engagement processes.



Sustainability Statement

(Cont'd)

Sustainability Governance Structure

At Willowglen, strong governance is fundamental in achieving the Group's strategic objectives. Beyond the Group's activities, the governance structure supports the integration of ESG principles across the entire value chain.

The Group recognises the importance of conducting our business in a sustainable manner, in accordance with the applicable laws, and in alignment with principles of good governance and the highest standards of integrity. The Group is committed to adhering to the principles of the Malaysian Code of Corporate Governance and strive to uphold sound, transparent and responsible management practices consistent with industry standards.

The Group's sustainability governance structure is outlines as follows:

Board of Directors	Provide strategic oversight of ESG matters and assumes overall responsibility for the Group's sustainability matters including its direction, priorities and performance.
Senior Management	Responsible for managing, monitoring and reviewing sustainability matters in accordance with the Group's policies and practices, and for reporting progress to the Board.
Working Level	Supports the implementation and execution of ESG initiatives, ensuring alignment with the Group's sustainability strategies across the Group.

Sustainability risks and opportunities

The Group adopts a structured and systematic approach to risk management, with ongoing assessments of financial and operational risks across the organisation. This enables the Group to proactively identify, manage and respond to sustainability-related risks and opportunities, supporting long-term value creation.

Transparency and business ethics

The Group is committed to maintain a high level of transparency in its disclosures and business practices. Robust measures are in place to prevent corruption, money laundering, and bribery. The Group adopts a zero-tolerance approach to corruption and bribery and is committed to conducting its business in accordance with the highest standard of integrity, honesty and accountability.

Our Directors and employees are bound by a Code of Ethics formulated to enhance the standard of corporate governance and corporate behaviour.

We are fully compliant with Bursa Malaysia Listing Requirements and relevant industry practices, while maintaining regular engagement with stakeholders.





Sustainability Statement

(Cont'd)

Stakeholder Engagement

The Group acknowledge the importance of stakeholder engagement as we work to meet and address their expectations. During the year, we continued to strengthen our engagement with all our stakeholders, addressing and adopting material matters in line with our business strategies.

Our engagement is conducted through the following processes:

- (i) Determining the key stakeholders based on each of their influence and dependence of the Group
- (ii) Gaining into stakeholders' concerns, interests and expectations on matters related to sustainability
- (iii) Addressing feedback from other stakeholders gathered during the course of conducting our business operations.

The table below highlights our engagement with our key stakeholders:

Key Stakeholders	Engagement Methods	Engagement Focus	How we manage the issues
Customers	<ul style="list-style-type: none"> • Meetings • Corporate Website • Customer survey • Roadshows • Marketing materials 	<ul style="list-style-type: none"> • Reputation, confidence and trust in the Group • Quality of projects delivered in compliance with standards and timely delivery • Pricing and value of products and services 	<ul style="list-style-type: none"> • Quality management systems • Competitive price, high quality and timely delivery • Innovative solutions • Data integrity and privacy protection • Strong ESG and procurement practices
Employees	<ul style="list-style-type: none"> • Monthly management meetings • Weekly project meetings • CSR meetings • On the job trainings • Internal and external trainings 	<ul style="list-style-type: none"> • Discuss operational performance and procedures • Knowledge and skill development • Workplace safety • Employee welfare and benefits 	<ul style="list-style-type: none"> • Competitive remuneration package • Career development opportunities • Work-life balance initiatives
Suppliers/ Contractors	<ul style="list-style-type: none"> • Regular engagement sessions • Supplier/contractor performance assessment 	<ul style="list-style-type: none"> • Prices and payment terms • Cost efficiency and innovative solutions 	<ul style="list-style-type: none"> • Strategic partnerships • Fair procurement practices • Working alliance • Continuous sourcing practices • Timely payments
Community	<ul style="list-style-type: none"> • Community engagement activities • Engagement with education institutions 	<ul style="list-style-type: none"> • Community development • Environment and social Impact of business activities 	<ul style="list-style-type: none"> • Sponsorship and donations • Internship for university students





Sustainability Statement

(Cont'd)

Stakeholder Group	Engagement Methods	Engagement Focus	How we manage the issues
Government and Regulators	<ul style="list-style-type: none"> Regular engagement and meetings Submission of required reports and information 	<ul style="list-style-type: none"> Compliance with laws, regulations and policy requirements Compliance with requirements of local authorities and government bodies 	<ul style="list-style-type: none"> Fully regulatory compliance Responsible reporting practices Adoption of best industry practices
Investors/ Shareholders	<ul style="list-style-type: none"> Bursa announcement Quarterly reports Annual Report Annual General Meetings 	<ul style="list-style-type: none"> Sustainable growth and business continuity Long-term shareholder value creation 	<ul style="list-style-type: none"> Engagement with investors Transparent and responsible reporting Sustainable financial performance, business growth and expansion, risk management and internal control

Materiality Assessment

The Group has undertaken a materiality assessment to identify material ESG topics that are most significant to the Group's business model and stakeholders.

The assessment enables the Board and Senior Management to gain a comprehensive understanding of key risks and opportunities, including emerging ESG-related issues, and to develop appropriate strategies to support long-term value creation.

The following were the key steps of the Material Assessment Exercise ("MAE") :

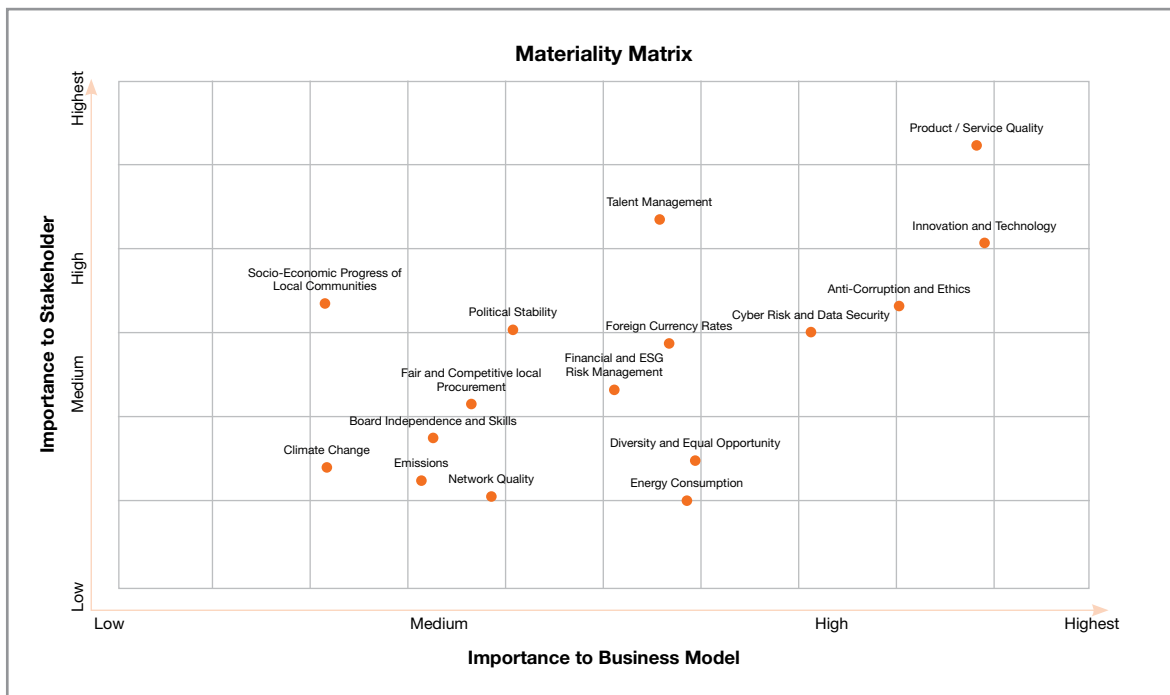
- Identification and refinement of the potential list of material topics;
- Development and distribution of a comprehensive MAE questionnaire to relevant stakeholders via an online survey;
- Collection and analysis of responses;
- Development of findings and insights, including the determination of material ESG topics; and
- Review and validation by Senior Management, followed by formal approval.





Sustainability Statement
 (Cont'd)

The materiality matrix is presented below:



Statement of Assurance

This Statement has not been subjected to internal audit review or external assurance by independent third parties. However, sustainability related data has been reviewed by the respective data owners. The Group acknowledges that data collection challenges remain for certain indicators. In response, the Group is in the process of implementing robust data tracking systems and collection mechanisms to address these reporting gaps.



Sustainability Statement

(Cont'd)

GOVERNANCE

The Group is fully committed to ensuring the highest business conducts, upholding integrity and practicing good corporate governance.

Anti-Corruption

We have in place an anti-bribery and anti-corruption policy and zero-tolerance towards corruption and bribery. An important aspect of accountability and transparency is a mechanism to enable staff and other members of the Group to voice concerns in a responsible and effective manner.

Our Anti-Bribery and Anti-Corruption Policy outlines the principles that governs our conduct in upholding the Group's commitment to integrity and ethical business practices. It reinforces our obligation to act honestly and ethically in all our business dealings and provide information and guidance to recognise and address issues related to corruption and bribery.

The Group has conducted assessments of corruption-related risks on all its business operations throughout the year.

	FY2025	FY2024	FY2023
Percentage of operations assessed for corruption related risks	100%	100%	100%

For FY2025, we are pleased to report that there have been no reported incidents of corruption and bribery.

	FY2025	FY2024	FY2023
Total no. of confirmed incidents of corruption	0	0	0
Confirmed incidents in which governance body members were removed or disciplined for corruption	0	0	0
Confirmed incidents in which employees were dismissed or disciplined for corruption	0	0	0
Confirmed incidents when contracts with business partners were terminated	0	0	0

Percentage of staff who have received training on anti-corruption by employee category

Employee Category	FY2025	FY2024
Non-Executive	93.83%	76.47%
Executive	96.14%	100.00%
Management	100.00%	100.00%
Senior Management	89.47%	78.26%





Sustainability Statement

(Cont'd)

Data Integrity, Privacy and Security

In today's digital age, data integrity, privacy and security are of paramount importance. With the increasing reliance on digital platforms for communication, commerce, and storage of sensitive information, safeguarding data has become more critical than ever before.

The Group has implemented robust data management practices, adhering to data protection regulations, and enhancing cybersecurity measures to protect sensitive information from potential threats. Prioritizing data integrity, privacy and security not only helps build trust with customers and stakeholders but also ensures the long-term viability and success of the Group in an increasingly digital world.

	FY2025	FY2024	FY2023
Total number of substantiated complaints received concerning breaches of customer privacy	0	0	0
Complaints received from outside parties and substantiated by the organization	0	0	0
Complaints from regulatory bodies	0	0	0

Regulatory Compliance

Both our operations in Malaysia and Singapore have not been fined and are compliant with the respective countries' laws and regulations.

ECONOMIC

The Group has a long-standing commitment to maintain and improve its quality management practices and seek to enhance its operations and customer satisfaction. As part of the Group's continuous effort and commitment to quality, the Group is accredited with ISO 9001:2015 in Quality Management System and ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 in Quality, Environment and Occupational Health & Safety Management Systems. Achieving these accreditations demonstrates that the Group has established robust processes to consistently deliver products or services that meet customer and regulatory requirements.

Community/Society

The Group recognizes the importance of giving back to society by supporting local charities through donations. We have also organized collection of pre-loved clothes or useable items from the employees for charitable causes, as well as blood donation campaign which has successfully raised awareness among employees and the public that donating blood is a safe and simple act that can help save lives.

The Group also recognizes its responsibilities to contribute to the development of tomorrow's workforce. Since 2002, we have provided industrial training opportunities to Engineering students from universities and colleges.





Sustainability Statement

(Cont'd)

Amount invested in the community where the target beneficiaries are external to the Group:

Type		FY2025	FY2024	FY2023
Donations	RM'000	10	9	16
	No. of beneficiaries	2	3	5
Industrial Training	RM'000	281	324	398
	No. of beneficiaries	67	78	94
Total	RM'000	291	333	414
	No. of beneficiaries	69	81	99

Supply Chain Management

Procurement Practices

Subcontractors and vendors are selected through a competitive process that requires obtaining at least three quotations from different vendors. These are evaluated based on price, quality, and delivery performance.

The Group is certified to ISO 9001:2015. All design and build activities undergo review and approval by qualified personnel to ensure safety and quality of design are being met. The control of supplied products is also prioritized, where internal testing is performed prior to release to customers.

Testing and commissioning will be performed in the presence of the customer and may improve customer satisfaction. After sales service (warranty period) is maintained via periodic maintenance, and 24 hour on-call service for complaints/info.

Safety of products is considered during the design stage. Construction and production also adhere strictly to the SOP or method statement, which has undergone a strict approval process by relevant parties and references to the OSH safety standards.

To date, there have been no recorded customer complaints in regards to health and safety of products. In the event of any such complaints, the Group's Quality Assurance department will promptly address and resolve the issues.

Customer satisfaction surveys are conducted upon the completion of each project to continuously improve service quality.





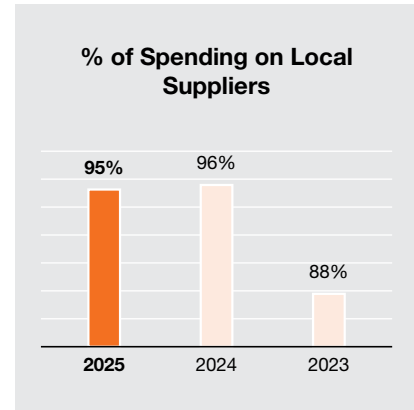
Sustainability Statement (Cont'd)

Local Procurement

Through each local procurement, we aim to create economic value across the supply chain and for external stakeholders.

We recognize that sourcing locally benefits communities and the wider economy by supporting the development of local industries. In turn, this helps generate employment opportunities, reduce poverty, and increase the education level, and ultimately contribute to Malaysia's progress toward developed nation status.

The Group works exclusively with locally based suppliers who are familiar with local regulatory requirements. Supplier selection is based on project needs. In the evaluation process, we prioritise suppliers that comply with technical requirements and demonstrate strong competency, capability and relevant certifications in their area of expertise. We aim to achieve shorter lead time, providing faster technical support and prompt warranty response to ensure operational efficiency and reliability.



ENVIRONMENT

Willowglen fully supports the transition to a low carbon economy through our efforts to minimise the carbon footprint throughout our operations. Our operating procedures ensure efficient use of resources, such as in the areas of greenhouse gas (“GHG”) emissions, water, waste, travel and commuting, either through direct implementation in our organisation's operations or in the undertaking of our clients' projects according to the relevant themes.

Energy Management

Although the Group does not operate in an environmentally sensitive business, we recognize our duty to minimize the impact on the environment as we carry out the day-to-day processes and activities.

Currently, the Group does not have any energy consumption and management initiatives or plans. However, we may consider adopting initiatives in the future in the area of infrastructure improvement projects, such as installing solar panels and implementing smart IoT devices to improve energy usage efficiency.

We educate the staff on the importance of energy conservation such as instilling good habit of switching off lights and airconditioning during lunch time or when they are out from the office. The staff is also encouraged to fully maximise the benefits of ICT (eg. email, online meetings etc) to reduce our carbon footprint.

Energy consumption	FY2025 MJ	FY2024 MJ	FY2023 MJ
Electricity	2.59m	2.59m	2.50m
Gas/Fuel	2.16m	2.22m	2.52m
Total	4.75m	4.81m	5.02m



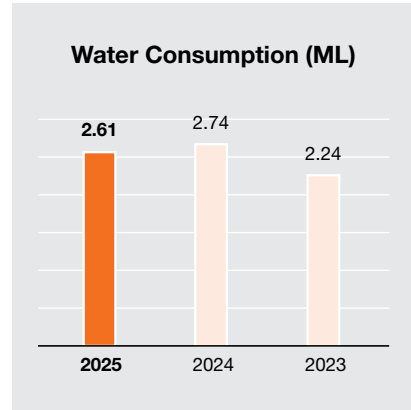


Sustainability Statement

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Water Management

The Group is working towards reducing water usage in its premises and offices, as water consumption and management is an integral part of good environmental practices.

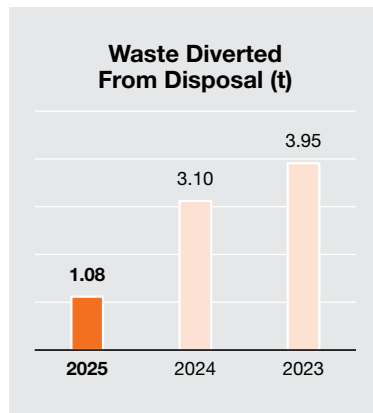
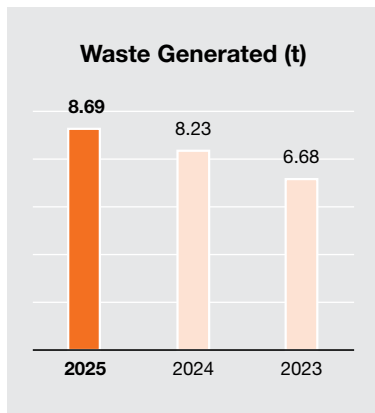


Waste Management

We manage our scheduled waste management according to the Environmental Quality (Scheduled waste) Regulation 2005, which highlights environmental policies on pollution and sustainable use of resources. We have assigned a certified personnel to take charge of scheduled waste, and planned periodic scheduled waste disposal. Meanwhile, recycling is handled by a third party.

Industrial SCADA products have a very long usage life, typically 15 to 20 years. The quantity of products deployed is much lower compare to commercial products. For example, Willowglen delivers approximately 1,000 units of RTU per year compare to millions of hand phones or even laptops. Our R&D in product design does take into consideration environmental impact such as the usage of lead-free solder, low power design, quantity of components, weight and size.

Willowglen SCADA products are categorised as industrial products and used in many critical applications such in water and waste water treatment plants, power distribution, rail transport etc. Industrial SCADA products were designed based on strict industry standards to ensure reliability, availability, maintainability, safety and security. However, Willowglen outsources our product manufacturing to external parties.



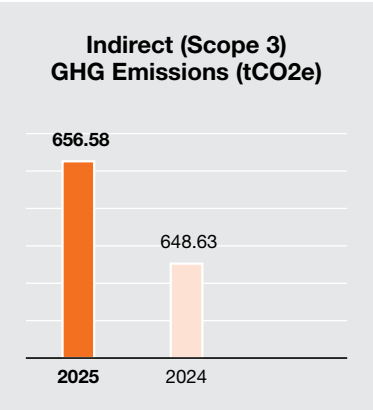
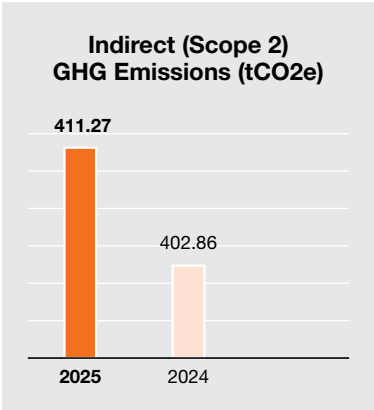
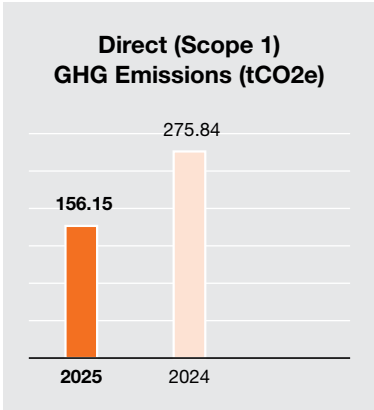


Sustainability Statement

(Cont'd)

Emission Management

The Group’s Scope 1 emissions are direct Greenhouse Gases (“GHG”) emissions from vehicles owned by the Group whereas Scope 2 emissions of the Group covers the purchase of electricity for the Group’s offices or site offices use. Scope 3 emissions encompass all indirect GHG emissions throughout the Group’s value chain that are not included in Scope 1 and Scope 2. These emissions arise from sources outside the Group’s direct control, such as upstream and downstream activities.





Sustainability Statement

(Cont'd)

SOCIAL

At Willowglen, we recognise that human capital contributes immensely to the growth of our business. With that in mind, we are committed to ensure that our we have the best team possible, retain talents, train and develop future talents in line with our business continuity plans.

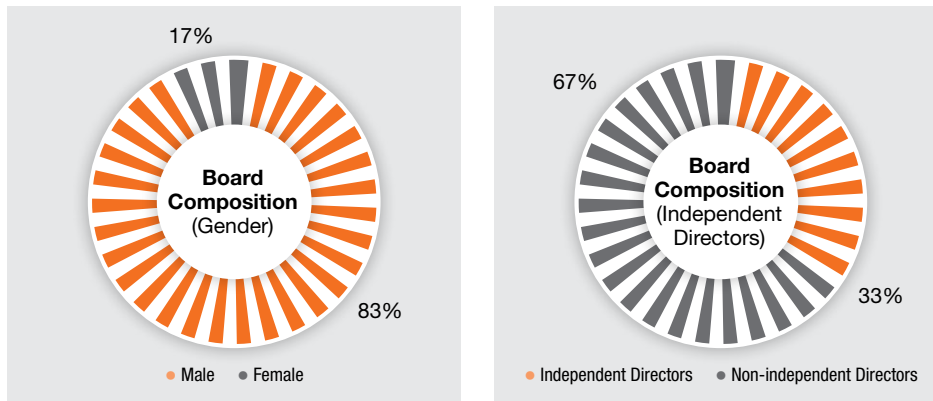
Our management style sets the tone of our organisational culture, and we work hard to ensure that it promotes positive values and encourages good behaviour among our staff.

Board Diversity

The Group's Board consists of highly professional individuals with vast knowledge and experiences in their respective fields who provide valuable guidance and advice. The Board ensures independence, diversity, and competence among its Directors.

Two (2) Directors are Independent Non-executive Directors. Female representation currently makes up 17% or one (1) Director of the total of six (6) Directors. This area of representation will be increased when a suitable candidate is identified.

The following illustrates our board composition:



Percentage of directors by gender and age group :-

	FY2025	FY2024	FY2023
By Gender			
Male	83.33%	83.33%	83.33%
Female	16.67%	16.67%	16.67%
By Age Group			
<30 years old	0.00%	0.00%	0.00%
30-50 years old	33.33%	33.33%	33.33%
>50 years old	66.67%	66.67%	66.67%





Sustainability Statement

(Cont'd)

Employee Diversity

Employee diversity by Employee Category and Gender

Employee Category	FY2025	FY2024	FY2023
Non-Executive			
Male	56.25%	92.94%	90.48%
Female	43.75%	7.06%	9.52%
Executive			
Male	73.28%	76.98%	78.06%
Female	26.72%	23.02%	21.94%
Management			
Male	69.44%	79.55%	79.17%
Female	30.56%	20.45%	20.83%
Senior Management			
Male	90.91%	78.26%	80.95%
Female	9.09%	21.74%	19.05%

Employee Diversity by Employee Category and Age Group

Employee Category	FY2025	FY2024	FY2023
Non-Executive			
< 30 years old	12.50%	17.65%	17.86%
30 - 50 years old	75.00%	75.29%	75.00%
> 50 years old	12.50%	7.06%	7.14%
Executive			
< 30 years old	51.91%	40.48%	41.35%
30 - 50 years old	47.33%	53.57%	52.74%
> 50 years old	0.76%	5.95%	5.91%
Management			
< 30 years old	0.00%	0.00%	2.08%
30 - 50 years old	88.89%	93.18%	87.50%
> 50 years old	11.11%	6.82%	10.42%
Senior Management			
< 30 years old	0.00%	0.00%	0.00%
30 - 50 years old	45.45%	30.43%	23.81%
> 50 years old	54.55%	69.57%	76.19%





Sustainability Statement

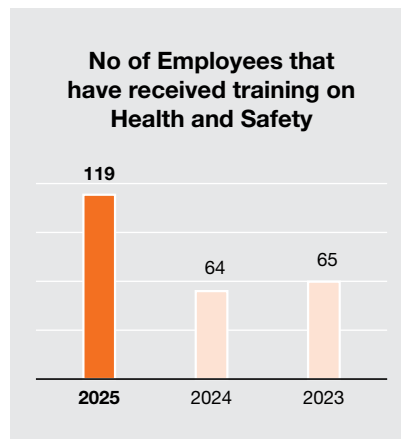
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Health and Safety

At the Malaysia office, the Health and Safety policy is aligned with ISO 45001:2018. The policy encourages employees to strive for continual improvement of the Occupational Health and Safety Management System (OHSMS) and its performance by meeting or exceeding the expectations of interested parties and customers.

Key Performance Indicators (KPIs) of employees are linked to occupational safety and health performance, including targets such as zero incident of work-related injury and ill health, zero non-compliance to the applicable environmental, safety and health laws and regulations.

The Environmental, Management, Safety and Health (“EMSH”) Committee has been established, chaired by the Chief Operating Officer (“COO”) with members comprising representatives from various departments. The Board of Directors participates in the Risk Management meeting, while the COO chairs the annual EMSH Management Review meeting.



At the Singapore office, Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) has been implemented across departments and projects. This framework includes quarterly meetings, as well as internal and external audits, and the evaluation of EMSH KPI performance. All relevant policies and standards are made accessible to all employees via the internal server and corporate portal. In addition, these policies are prominently displayed within the office premises to reinforce awareness and compliance. For any identified non-compliance, Corrective Action Request (“CAR”) or Opportunity for Improvement (“OFI”) will be raised and must be addressed within two weeks, in accordance with the agreed timeframe.

All project personnel in charge working at site locations are required to obtain a CIDB Green Card. Toolbox meetings are conducted regularly at project sites to ensure smooth project execution and to facilitate trouble-shooting when necessary. Safety posters are shared to all employees through email and the internal portal. In addition, HIRARC, excess noise identification and project site inspections are conducted at least annually as minimum requirement. Office inspections are conducted on a quarterly basis.

In addition, EMSHP-13 procedures are in place to manage accidents or emergencies at the workplace and project sites. HIRARC activities, office inspections, project site inspections, and risk assessments are conducted in accordance with the established schedule.

Work-related Injuries for Employees

	Unit	FY2025	FY2024	FY2023
Work-related injury fatalities	No.	0	0	0
	Rate	0.00	0.00	0.00
High-consequence work-related injuries	No.	0	0	0
	Rate	0.00	0.00	0.00
Recordable work-related injuries	No.	1	0	6
	Rate	0.24	0.00	1.78
Hours worked	Hours	820,184	813,696	675,632





Sustainability Statement

(Cont'd)

Labour Practices and Standards

As a responsible corporate organisation, we have in place a fair and inclusive hiring policy and offer a competitive remuneration package, good staff benefits, talent development opportunities, good working environment as well as a performance-based work culture across all our operations.

The Group's Human Resource Department manages the hiring process, appraisal system, employee engagement, staff training and career path to support the organisation's growth. We have an orientation programme and new hire training plan for new employees. For those leaving the company, there is an exit clearance checklist, exit interview and final clearance with HR.

In Malaysia, staff hiring and remuneration are based on the job requirement and the work is updated based on market needs.

In Singapore, the hiring of new staff is based on job competency and suitability, while remuneration is based on performance, with a yearly appraisal. We prioritise open communications, scheduling regular reviews, meetings and discussions for all levels of employees. In addition, we also have a grievance mechanism that includes a confidential reporting channel or whistleblowing system.

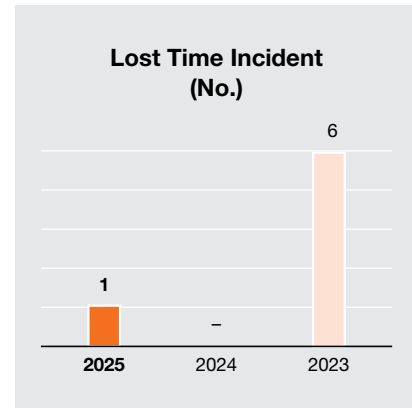
We strive to ensure that our staffs' salaries exceed the respective countries' minimum wage or meet living wages.

In support of our business continuity plan, we constantly identify performers to be groomed into future leaders. Since 2002, we have been offering industrial training opportunities to Engineering students from universities and colleges to prepare them for tomorrow's workforce.

To encourage productivity and performance, we offer platforms, channels and a conducive work environment so that employees can work comfortably. To curb the further spread of the ongoing Covid-19 virus, we continue to encourage employees to work from home, although it is not mandatory. The Group continues to implement all standard operating procedures (SOPs) in accordance with the latest guidelines issued by the authorities.

No of complaints concerning Human Rights violations :-

	FY2025	FY2024	FY2023
Number of substantiated complaints received concerning human rights violations	0	0	0
Complaints addressed	0	0	0





Sustainability Statement

(Cont'd)

Training and development

At Willowglen, we acknowledge employees as the Group's most important assets hence, we invest heavily in their training and development to help them realise their full potential. Appropriate training needs to be given to enable these employees to perform their roles efficiently and effectively.

On the local front, our talent training and development programmes adhere to the company's ISO QP19 plan. In line with the Group's Human Resource objective we continue to ensure that at least 50% of our employees from each department receive the relevant training each year.

All staffs across all our operations are required to undergo yearly appraisal, which is not only used to assess their performance but also to identify training needs and training bond policy. Upon completing training the employee will need to share feedback on the post-training evaluation form while superiors will use the form to evaluate the employee's progress.

Total Training Hours by employee category

Employee Category	FY2025 (hours)	FY2024 (hours)	FY2023 (hours)
Non-Executive	716	745	610
Executive	3,192	4,124	3,560
Management	510	552	538
Senior Management	474	254	139
Total	4,892	5,675	4,847





Sustainability Statement
 (Cont'd)

WILLOWGLEN MSC BERHAD
 BMLR Transition Period
 Date & Time: 2026-04-18_09:52:20
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category (Senior Management)	Percentage	89.47	—	No assurance
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category (Management)	Percentage	100.00	—	No assurance
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category (Executive)	Percentage	96.14	—	No assurance
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category (Non-Executive)	Percentage	93.83	—	No assurance
Anti-Corruption	Percentage of operations assessed for corruption related risks	Percentage	100	—	No assurance
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Senior Management, under 30)	Percentage	0.00	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Senior Management, between 30 - 50)	Percentage	45.45	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Senior Management, above 50)	Percentage	54.55	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Management, under 30)	Percentage	0.00	—	No assurance





Sustainability Statement

(Cont'd)

WILLOWGLEN MSC BERHAD BMLR Transition Period		Date & Time: 2026-04-18_09:52:20 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of employees by age group for each employee category (Management - between 30 - 50)	Percentage	88.89	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Management - above 50)	Percentage	111	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Executive under 30)	Percentage	51.91	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Executive between 30 - 50)	Percentage	47.33	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Executive above 50)	Percentage	0.76	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Non-Executive under 30)	Percentage	12.50	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Non-Executive between 30 - 50)	Percentage	75.00	—	No assurance
Diversity	Percentage of employees by age group for each employee category (Non-Executive above 50)	Percentage	12.50	—	No assurance
Diversity	Percentage of employees by gender for each employee category (Senior Management - Male)	Percentage	90.91	—	No assurance
Diversity	Percentage of employees by gender for each employee category (Senior Management - Female)	Percentage	9.09	—	No assurance
Diversity	Percentage of employees by gender for each employee category (Management - Male)	Percentage	69.44	—	No assurance





Sustainability Statement

(Cont'd)

Date & Time: 2026-04-18_09:52:20
 FYE 31/12/2025

WILLOWGLEN MSC BERHAD
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of employees by gender for each employee category (Management - Female)	Percentage	30.56	—	No assurance
Diversity	Percentage of employees by gender for each employee category (Executive - Male)	Percentage	73.28	—	No assurance
Diversity	Percentage of employees by gender for each employee category (Executive - Female)	Percentage	26.72	—	No assurance
Diversity	Percentage of employees by gender for each employee category (Non-Executive - Male)	Percentage	56.25	—	No assurance
Diversity	Percentage of employees by gender for each employee category (Non-Executive - Female)	Percentage	43.75	—	No assurance
Diversity	Percentage of directors by gender (Male)	Percentage	83.33	—	No assurance
Diversity	Percentage of directors by gender (female)	Percentage	16.67	—	No assurance
Diversity	Percentage of directors by age group (Under 30)	Percentage	0.00	—	No assurance
Diversity	Percentage of directors by age group (between 30 - 50)	Percentage	33.33	—	No assurance
Diversity	Percentage of directors by age group (Above 50)	Percentage	66.67	—	No assurance
Energy Management	Total energy consumption	Megawatt	1,319.44	—	No assurance
Health and safety	Number of work related fatalities	Number	0	—	No assurance
Health and safety	Lost time incident rate ("LTIR")	Rate	0.24	—	No assurance

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This report was generated on the Bursa Malaysia CSI Platform on 2026-04-18_09:52:20



Sustainability Statement

(Cont'd)

WILLOWGLEN MSC BERHAD
 BMLR Transition Period

Date & Time: 2026-04-18_09:52:20
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Health and safety	Number of employees trained on health and safety standards	Number	119	—	No assurance
Labour practices and standards	Total hours of training by employee category (Senior Management)	Hours	474	—	No assurance
Labour practices and standards	Total hours of training by employee category (Management)	Hours	510	—	No assurance
Labour practices and standards	Total hours of training by employee category (Executive)	Hours	3,992	—	No assurance
Labour practices and standards	Total hours of training by employee category (Non-Executive)	Hours	716	—	No assurance
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	19.70	—	No assurance
Labour practices and standards	Total number of employee turnover by employee category (Senior Management)	Number	2	—	No assurance
Labour practices and standards	Total number of employee turnover by employee category (Management)	Number	9	—	No assurance
Labour practices and standards	Total number of employee turnover by employee category (Executive)	Number	65	—	No assurance
Labour practices and standards	Total number of employee turnover by employee category (Non-Executive)	Number	12	—	No assurance
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	—	No assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	94.67	—	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	No assurance



Sustainability Statement
 (Cont'd)

WILLOWGLEN MSC BERHAD
 BMLR Transition Period

Date & Time: 2026-04-18_09:52:20
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Water	Total volume of water used	Megalitres	2.61	—	No assurance
Waste management	Total waste generated	Metric tonnes	8.69	—	No assurance
Waste management	Total waste diverted from disposal	Metric tonnes	1.08	—	No assurance
Waste management	Total waste directed to disposal	Metric tonnes	761	—	No assurance
Emissions management	Scope 1 emissions in tonnes of CO2e	Metric tonnes	156.15	—	No assurance
Emissions management	Scope 2 emissions in tonnes of CO2e	Metric tonnes	411.27	—	No assurance
Emissions management	Scope 3 emissions in tonnes of CO2e	Metric tonnes	656.58	—	No assurance
Community / Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	291,000	—	No assurance
Community / Society	Total number of beneficiaries of the investment in communities	Number	69	—	No assurance





Our Capabilities

TURNKEY ENGINEERING SOLUTIONS



Sales & Marketing



Research, Design and Development (R&D)



Testing & Commissioning

Project Implementation & Value Added Engineering



System Design & Technical Support



System Engineering & Customization



Transportation

- Railway station ISCS and security monitoring
- Railway traction power SCADA
- Railway communication
- Seaport power monitoring
- Airport automation and management



Gas

- Process control and plant automation
- Pressure and flow monitoring for gas pipeline
- Gas chromatograph and flow computer monitoring
- Gas transmission and distribution station monitoring
- Liquid and gas pipelines and flow computer monitoring



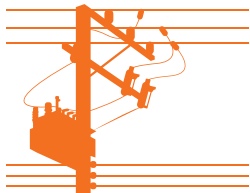
Water and Waste Water

- Water treatment process control and plant automation
- Sewerage treatment process control and plant automation
- Water distribution monitoring
- Non-revenue water monitoring
- Reservoir and pumping station monitoring
- Raw water and potable water
- Waste water reclamation





Our Capabilities
 (Cont'd)



Electrical and Power

- Power distribution monitoring
- Cable oil pressure monitoring
- Energy metering and power monitoring
- Substation monitoring and control
- Switchers, transformers and loads monitoring

Highway

- Intelligent Transport System
- Streetlight monitoring
- Traffic monitoring and control
- Automatic vehicle detection system
- Dynamic road sign
- Variable message system



Integrated Smart Security

- Integrated security and video surveillance system
- Perimeter security system
- Alarm monitoring system



Smart Building, Data Center and facilities

- Facilities management (lifts, lightings, air conditioners, etc.)
- Energy Management
- Smart Hospital
- Power, water and gas utilities monitoring

Experienced



50 years experience as an end-to-end solutions provider

Innovative



Industrial automation innovation experts
 Raising the bar on safety, flexibility & efficiency
 Reinventing what is possible

Talented



We have the brightest industry minds working for us

Reliable



Proven project delivery

Customer-Driven



Solutions tailored to client requirements
 Highly satisfied longtime repeat customers





CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Willowglen MSC Berhad (the “**Company**”) (the “**Board**”) recognises the importance of good corporate governance and continues to be committed to ensure that high standards of corporate governance are practiced throughout the Company and its subsidiaries (the “**Group**”) to deliver long term sustainable value to the shareholders and other stakeholders.

The Board is pleased to present this Corporate Governance (“**CG**”) Overview Statement (the “**Statement**”), which outlines the key aspects of how the Company has applied the following principles of the Malaysian Code on Corporate Governance (“**MCCG**”) during the financial year ended 31 December 2025 (“**FYE 2025**”):-

Principle A	Principle B	Principle C
Board leadership and effectiveness	Effective audit and risk management	Integrity in corporate reporting and meaningful relationship with stakeholders
<ul style="list-style-type: none"> ▪ Board responsibilities ▪ Board composition ▪ Remuneration 	<ul style="list-style-type: none"> ▪ Audit Committee (“AC”) ▪ Risk management and internal control framework 	<ul style="list-style-type: none"> ▪ Engagement with stakeholders ▪ Conduct of General Meetings

This Statement is prepared in compliance with Bursa Malaysia Securities Berhad (“**Bursa Securities**”)’s Main Market Listing Requirements (“**Main LR**”) and it is to be read together with the CG Report which is published on the Company’s website at www.willowglen.com.my. The CG Report provides a detailed explanation of the application of the corporate governance practices of the Company as set out in the MCCG during the FYE 2025.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1.0 Every company is headed by a Board, which assumes responsibility for the Company’s leadership and is collectively responsible for meeting the objectives and goals of the Company.

1.1 In carrying out its duties, the Board has, amongst others, a formal schedule of matters specifically reserved for its decision, including overall strategic direction, dividend, related party transactions, new ventures and investment, major capital commitments and capital expenditure, material acquisitions and disposals of assets and properties not in the ordinary course of business, major capital projects and the monitoring of the Group’s operating and financial performance.

The Board is constituted of individuals who are committed to business integrity and professionalism in all its activities. The Board supports the highest standards of corporate governance and the application of the Principles and Practices set out in the MCCG.

In discharging its functions and responsibilities, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board, matters reserved for the Board as well as those which the Board may delegate to the Board Committees, Managing Director and Management. The Board has a well-defined framework for the various categories of matters that require the Board’s approval, endorsement or notations, as the case may be.





Corporate Governance Overview Statement

(Cont'd)

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

I. Board Responsibilities (Cont'd)

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (Cont'd)

- 1.1 The Board is assisted by various Board Committees, namely the AC, Nomination and Remuneration Committee (“**NRC**”) and the Management-level Risk and Sustainability Management Committee which are entrusted with specific responsibilities to oversee the Group's affairs in accordance with their respective clear written terms of reference as approved by the Board.

Any material and important proposals that will significantly affect the policies, strategies, directions, and assets of the Group will be subjected to the Board's approval.

The Board acknowledges that continuous education is essential for the Directors to further enhance their skills and knowledge. The Board shall ensure compliance with the Mandatory Accreditation Programme (“**MAP**”) as per Bursa Securities' requirement.

All Directors have completed the MAP Part I in relation to a Director's roles, duties and liabilities and MAP Part II in relation to sustainability and the related roles of a Director, as required by Bursa Securities.

The Directors are also encouraged to continuously evaluate their own training needs and determine the relevant programmes, seminars, briefings or dialogues that would best enable them to enhance their knowledge and contributions to the Board as well as stay abreast with and understand the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.

The training programme, seminar, conferences and/or webinar attended by the Directors during the FYE 2025 are as follows:-

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
- Introduction to AI
- LTA SHE Forum
- ITS Summit 2025
- LTA Cyber & Data Security Awareness Briefing
- PUB Health and Safety Day 2025
- Personal Data Protection Act (PDPA)
- Malaysia Budget 2025 and Latest Tax Developments
- Annual Cybersecurity Awareness Training
- Cyber Security Training 2025
- Anti-Bribery and Corruption in the Workplace
- 23 Key Safety Elements
- 23 Predictable Performance Elements
- Oil & Gas Conference 2025
- SPE Symposium: Asia Pacific Deepwater Conference
- Compliance and Ethics 2025

In addition, Directors' education also includes briefings by the Internal Auditors, External Auditors and the Company Secretaries on the relevant updates on statutory and regulatory requirements from time to time during the AC and Board meetings.





Corporate Governance Overview Statement

(Cont'd)

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

I. Board Responsibilities (Cont'd)

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (Cont'd)

1.2 The Board is chaired by Mr. Wong Ah Chiew ("**Mr. Wong**"), the Executive Chairman of the Company. Mr. Wong is a respected professional with many years of experience in his field of expertise, providing effective leadership by leading and guiding the Board in achieving the Company's objectives and goals and to his best effort, monitor and promote good corporate governance within the Group.

1.3 During the FYE 2025, the positions of the Board Chairman and the Managing Director were held by two (2) different individuals. Mr. Wong, the Board Chairman is primarily responsible for leading the Board in the oversight of the Management whilst Mr. Simon Wong Chu Keong, the Managing Director is responsible in achieving corporate and business objectives, the vision and strategic directions of the Group as well as initiating innovative ideas to create a competitive edge and drive the development of business and corporate strategies.

The separation of roles is to ensure that there is an appropriate balance of power and authority, such that no one individual has unfettered powers of decision-making.

1.4 Mr. Wong, the Board Chairman, is not a member of the AC and NRC during the FYE 2025.

1.5 The Board is supported by three (3) suitably qualified and competent Company Secretaries, namely Ms. Chua Siew Chuan ("**Ms. Chua**"), Ms. Tan Ley Theng ("**Ms. Tan**") and Ms. Chew Kit Yee ("**Ms. Chew**"). Ms. Chew was appointed by the Board on 19 November 2025. All the Company Secretaries are qualified Chartered Secretaries under Section 235(2)(a) of the Companies Act 2016. Ms. Chua is a Fellow, while Ms. Tan and Ms. Chew are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators.

The Board is regularly updated and advised on statutory and regulatory requirements by the Company Secretaries and/or the representatives of the Company Secretaries. Apart from playing an active role in advising the Board on governance and regulatory matters, the Company Secretaries and/or the representatives of the Company Secretaries also attend all the Board meetings and ensure that all the Board meetings are properly convened, the proceedings and resolutions passed are properly recorded in the minutes of meetings.

The Company Secretaries also serve closed period notifications to the Directors for trading in the Company's shares.

The Directors also have access to the advice and services of the Company Secretaries, Senior Management as well as independent professional advisers including the Internal and External Auditors. When necessary, Directors may, whether as a full Board or in their individual capacity, seek independent professional advice at the Company's expense to enable the Directors to discharge their duties with adequate knowledge of the matters being deliberated.

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its function, duties and responsibilities.





Corporate Governance Overview Statement

(Cont'd)

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

I. Board Responsibilities (Cont'd)

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (Cont'd)

- 1.6 The Board meets on a quarterly basis and additionally as and when required. The notices of the Board and Board Committee meetings served to the Directors and members of the Board Committees at least seven (7) days in advance prior to the Board and Board Committee meetings unless there is an exceptional case.

Meeting materials which include quarterly and annual financial statements and corporate information, etc., are circulated in a timely manner and therefore, all Directors have full access to information concerning the Company and the Group in order to be properly briefed before the meetings.

The Minutes of Board/Board Committee meetings are circulated to the respective Chairman of the meetings in a timely manner for review before they are confirmed and adopted by members of the Board/Board Committees at their respective meetings.

All announcements made to Bursa Securities will be circulated to all Directors on the day the announcements are released. Senior Management from different business units are also invited to attend the Board meetings to enable all Board members to have equal access to the latest updates and developments of business operations of the Group presented by the Senior Management.

2.0 There is demarcation of responsibilities between the Board, Board Committees and Management.

There is clarity in the authority of the Board, its committees and individual directors.

- 2.1 The Board is guided by a Board Charter which outlines the functions, roles, authority and responsibilities of the Board, Board Committees and Management as well as the matters reserved for the Board. The Board Charter shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is available on the Company's website at www.willowglen.com.my.

The Board keeps itself abreast of the responsibilities delegated to each Board Committee and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports from the respective Board Committee Chairman, which are presented to the Board during Board meetings at the appropriate regular intervals.



Corporate Governance Overview Statement

(Cont'd)

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

I. Board Responsibilities (Cont'd)

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.

3.1 The Group has adopted the Code of Conduct and Ethics, which was formulated to enhance the standard of corporate governance and corporate behaviour of the Group.

In line with good corporate governance practices, the Board, Management and employees of the Group are committed to a corporate culture that supports the operation of its businesses ethically and upholds high standards of professionalism and exemplary corporate conduct at the workplace.

In line with the Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission (MACC) (Amendment) Act 2018, the Group has developed an Anti-Corruption and Bribery Policy and adopted it in prohibiting bribery in all forms and matters of corruption that may be faced by the Group in its day-to-day operations as well as to ensure the compliance with the applicable anti-bribery and anti-corruption laws and the highest standard of openness, integrity, honesty and accountability is followed across the Group.

The Code of Conduct and Ethics and Anti-Corruption and Bribery Policy are available on the Company's website at www.willowglen.com.my.

3.2 The Company has put in place a formalised Whistleblowing Policy to enable employees of the Company to raise concerns internally and at a high level and to disclose information which the individual believes shows malpractice or impropriety. The Whistleblowing Policy is intended to cover concerns in the public interest and may at least initially be investigated separately but might then lead to the invocation of other procedures such as disciplinary.

The Whistleblowing Policy is available on the Company's website at www.willowglen.com.my.

4.0 The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

4.1 The Board acknowledged the importance of incorporating sustainability considerations into the Company's business and corporate activities and how sustainability is essential to successful business strategies that could deliver sustainable value to all stakeholders and ultimately boost the Company's business performance.

As part of the efforts to build a strong sustainability environment within the Group, the Management has taken various actions to strengthen the environmental, social and governance integration into the Group's operations.



Corporate Governance Overview Statement

(Cont'd)

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

I. Board Responsibilities (Cont'd)

4.0 The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success. (Cont'd)

- 4.2 The Company communicates the Company's sustainability strategies, priorities and targets as well as performance against these targets to its internal and external stakeholders regularly.
- 4.3 The Board has engaged a consultant to advise and manage the Group's sustainability matters to ensure the Group stays abreast with and understands the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.
- 4.4 During the FYE 2025, the NRC had completed the Board and Board Committee Evaluation Form with inclusion of the criteria on how the Board addressed the material sustainability risks and opportunities. However, the performance evaluation of Senior Management has yet to adopt such sustainability criteria.
- 4.5 The Company has assigned a dedicated person in the Company to provide a dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Company.

II. Board Composition

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.

- 5.1 The NRC will review the tenure of each Director periodically and the annual re-election is performed after a satisfactory evaluation of the retiring Director's performance and contribution to the Board.

To ensure a candidate for nomination, the Group has adopted the Directors' Fit and Proper Policy to serve as a guide to the NRC and the Board in their review and assessment of candidate for proposed new appointment and re-election of the retiring Directors of the Company.

The Directors' Fit and Proper Policy is available on the Company's website at www.willowglen.com.my.

- 5.2 The Board is made up of six (6) members, comprising the Managing Director, two (2) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The current Board composition complies with the Main LR which requires a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.

The Directors combined in them have expertise and experience in various fields such as economics and investment, public services, accounting, taxation and legal. Their expertise, experience and background result in thorough examination and deliberations of the various issues and matters affecting the Group.



Corporate Governance Overview Statement

(Cont'd)

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

II. Board Composition (Cont'd)

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)

- 5.3 The Board takes cognisance that the MCCG recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director. In the event such a Director is to be retained as an Independent Director, the Board must first justify and seek annual shareholders' approval through a two-tier voting.

Mr. Au Chun Choong (“**Mr. Au**”) was an Independent Non-Executive Director of the Company and has served on the Board for more than nine (9) years.

The NRC and the Board upon having assessed the independence of Mr. Au, were satisfied with the skills, contribution and independent judgement that he brought to the Board. The Board thereafter recommended and supported the retention of Mr. Au as an Independent Non-Executive Director, subject to the approval of the shareholders through the two-tier voting process at the Company's Twenty-Seventh (27th) Annual General Meeting (“**AGM**”) held on 21 May 2025 .

In accordance with the MCCG, the Board through the NRC had undertaken relevant assessments and recommended for Mr. Au to continue to serve as Independent Non-Executive Director based on the following justifications:

- Mr. Au had fulfilled the criteria under the definition of Independent Director as stated in the Main LR;
- Mr. Au was able to exercise independent judgement and act in the best interests of the Company;
- There was no potential conflict of interest that Mr. Au could have with the Company as he has not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under the Main LR; and
- Mr. Au has not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level, consistent and expected of him to carry out his duties as an Independent Non-Executive Director.

Mr. Au has abstained from all deliberations at the meetings of the NRC and Board in relation to the recommendation of his retention as an Independent Non-Executive Director, to the shareholders for approval. He was subsequently retained as an Independent Non-Executive Director at the Company's 27th AGM via a two-tier voting process.

On 1 August 2025, upon reaching a cumulative tenure of twelve (12) years as Independent Non-Executive Director, Mr. Au was accordingly re-designated as a Non-Independent Non-Executive Director of the Company to comply with the definition of “independent director” under the Main LR.

The NRC noted that the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee meetings for the FYE 2025. There were four (4) Board Meetings held in the FYE 2025. All Directors have attended all four (4) Board Meetings held in the FYE 2025.

Corporate Governance Overview Statement

(Cont'd)

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

II. Board Composition (Cont'd)

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)

5.4 The Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step-up practice.

5.5 The Group is an equal opportunity employer and all appointments to the Board and employment of Senior Management are based on objective criteria, merit, skills and experience and are not driven by age, cultural background or gender considerations.

At present, there is one (1) female Director on the Board. More women's representation on the Board and Senior Management will be considered if and when vacancies arise and when suitable candidates are identified.

5.6 The Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors.

The NRC is empowered by its terms of reference. The primary function of the NRC is to recommend new candidates for directorship to the Board, recommend Directors to fill the seats on the Board Committees, assess the effectiveness of the Board, Board Committees and its members, assist the Board in reviewing the required mix of skills and experience and other qualities of the Board and ascertain a fair and comparable remuneration package for Executive Directors.

The appointment of the members of the Board is a formal and transparent selection process. The NRC will assess the suitability of a potential candidate by taking into account the candidate's skills, knowledge, expertise and experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board as well as the criteria set out in the Directors' Fit and Proper Policy, before recommending the same to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly made and all legal requirements are met.

There was no Director appointed to the Board during the FYE 2025.

5.7 The performance of retiring Directors recommended for re-election at the Twenty-Eight (28th) AGM would be assessed through the Board and Board Committee evaluation which includes the independence of the Independent Non-Executive Director.

The NRC reviews and annually assesses the proposed re-appointment and re-election of existing Directors seeking re-appointment and re-election at the Company's AGM. The NRC will, upon review and assessment, submit its recommendation to the Board for approval before tabling such proposals to the shareholders for approval at the AGM.

The details of the retiring Directors who eligible for re-election at the 28th AGM, which included the nature and extent of any conflict of interest or potential conflict of interest, position and experience are set out in the Directors' Profile in this Annual Report.

5.8 The NRC is chaired by an Independent Non-Executive Director of the Company.



Corporate Governance Overview Statement

(Cont'd)

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

II. Board Composition (Cont'd)

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)

5.9 Currently, there is one (1) female Director out of six (6) Directors on the Board equivalent to 16% female representation on the Board.

The Board affirms that the appointment of more woman representatives to the Board will be prioritised when vacancies arise and when suitable candidates are identified.

5.10 The Board is cognisant of the gender diversity recommendation promoted by the MCCG pertaining to the need to establish a policy formalising the approach to boardroom diversity and set targets and measures to adopt the said recommendation.

The Company practises non-gender discrimination wherein Directors and Senior Management are recruited based on their experience, skills, independence and diversity to meet the Company's needs.

The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have a specific policy on setting a target for female candidates in the workforce. The Company does not practice any form of gender, ethnicity or age group biasness as all candidates shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy. The Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board, the NRC will consider candidates based on the candidates' competency, skills, character, time commitment, knowledge, experience, and other qualities in meeting the needs of the Company and with due regard for the benefits of diversity on the Board.

6.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.

6.1 The Board, through the NRC, and facilitated by the Company Secretaries, undertake the following assessments annually:-

- (a) Board and Board Committees Performance Evaluation;
- (b) Director's Self/Peer Performance Evaluation;
- (c) AC Performance Assessments; and
- (d) Independence of the Independent Directors.

The NRC obtained an annual declaration of independence from the Independent Directors confirming that they will continue to maintain their status of independence pursuant to the Main LR. The Board is also satisfied that these Directors remain independent of management and objective in expressing their views and participating in deliberations and decision making of the Board and Board Committees.

The Board is satisfied that each Board member, including the Managing Director, has the character, experience, integrity, competence and time to discharge their respective roles effectively.



Corporate Governance Overview Statement

(Cont'd)

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

II. Board Composition (Cont'd)

6.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors. (Cont'd)

6.1 (Cont'd)

During the FYE 2025, the NRC assisted the Board in the following functions:-

- reviewed and confirmed the Minutes of the NRC meeting held during the FYE 2025;
- reviewed and assessed the effectiveness of the Board as a whole and the Board Committees;
- reviewed and assessed the contribution and performance of each of the individual Directors;
- reviewed the terms of office and performance of the AC and each of its members;
- reviewed the independence of the Independent Directors;
- review of the required mix of skills, experience, and other qualities required for the Board to function completely and effectively;
- recommended to the Board the re-election of Directors who will retire at the AGM of the Company;
- recommended to the Board on the retention of Independent Director;
- reviewed the remuneration package and bonus payout for the Managing Director and Executive Directors;
- reviewed the remuneration package and bonus payout of the Senior Management;
- reviewed and recommended to the Board the payment of Directors' Fees for the financial year ended 31 December 2024;
- reviewed and recommended to the Board the payment of Directors' Benefits to the Independent Non-Executive Directors;
- reviewed and recommended to the Board the appointment of Chief Operating Officer;
- reviewed and recommended to the Board the redesignation of AC Chairman; and
- reviewed and recommended to the Board the redesignation from Independent Non-Executive Director to Non-Independent Non-Executive Director.

Following the annual review, the NRC agreed that the Board, Board Committees, and each individual Director had performed effectively, and the composition of the Board is appropriate and well balanced in terms of size, mix of skills, and experience.



Corporate Governance Overview Statement (Cont'd)

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

III. Remuneration

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

Remuneration policies and decisions are made through a transparent and independent process.

- 7.1 The Company has in place a formal Remuneration Policy for Directors and Senior Management ("**Remuneration Policy**"). The Remuneration Policy establishes a formal and transparent procedure for developing a structure for the remuneration of Directors and Senior Management of the Company.

The aim of the Remuneration Policy is to:-

- align individual performance with the Group's business strategy and long-term objectives;
- determine the level of remuneration package of Directors and Senior Management that is commensurate with their position, responsibilities and expertise;
- attract, retain and motivate high performing Directors and Senior Management with a market competitive remuneration package; and
- encourage value creation for the Group and its stakeholders.

The Directors' fees and meeting allowance have been reviewed by the NRC and the Board, thereafter, recommends to the shareholders for approval.

The remuneration of the Executive Directors is structured so as to link rewards to corporate and individual performance in order to attract, retain and motivate the Executive Directors to run the Group successfully. For the Non-Executive Directors, the level of remuneration according to the extent of contributions, duty and responsibilities and the number of Board meetings held. The remuneration of the Executive Directors is considered and recommended by the NRC.

The Remuneration Policy is available on the Company's website at www.willowglen.com.my.

- 7.2 The principal objectives of the NRC are to nominate and screen Board member candidates and to ensure an appropriate structure for management succession and development, including an effective process for Director selection and tenure and to review and recommend to the Board the remuneration, compensation and benefits packages of the Executive Directors and Key Senior Management, and fee and allowance of the Non-Executive Directors.

The terms of reference of the NRC is available on the Company's website at www.willowglen.com.my.

- 8.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management is commensurate with their individual performance, taking into consideration the Company's performance.**

- 8.1 The details of Directors' remuneration for the FYE 2025, including a breakdown of each individual Director's remuneration such as fees, salaries and bonus, benefits-in-kind and other emoluments are disclosed under Practice 8.1 in the Company's CG Report for the FYE 2025.



Corporate Governance Overview Statement

(Cont'd)

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

III. Remuneration (Cont'd)

8.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management is commensurate with their individual performance, taking into consideration the Company's performance. (Cont'd)

8.2 The remuneration of the top five (5) Senior Management in each remuneration band on the Group basis for the FYE 2025 is as follows:-

Remuneration Bands	No. of Senior Management
RM350,001 – RM400,000	1
RM400,001 – RM450,000	1
RM1,600,001 – RM1,650,000	1
RM2,050,001 – RM2,100,000	1
RM2,750,001 – RM2,800,000	1

8.3 The Company is of the view that the disclosure of the detailed remuneration of each member of Senior Management on a named basis would not derive any tangible benefits to the stakeholders and such disclosure will give rise to recruitment and talent retention issues.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

9.0 There is an effective and independent AC.

The Board is able to objectively review the AC's findings and recommendations. The Company's financial statement is a reliable source of information.

9.1 The Chairman of the AC is not the Chairman of the Board. The AC is to assist the Board in discharging its statutory duties and responsibilities relating to risk management and accounting and reporting practices of the Company and its subsidiaries and oversee compliance with the relevant rules and regulations governing the Company.

The composition and summary of works of the AC are included in the AC Report of this Annual Report while the terms of reference of the AC are available on the Company website at www.willowglen.com.my.

9.2 In line with the Practice 9.2 of the MCCG, the terms of reference of the AC includes the policy that no former key audit partner of the Company could be appointed as a member of the AC before observing a cooling-off period of at least 3 years. Nonetheless, none of the current members of the AC is a former key audit partner involved in auditing the Group.



Corporate Governance Overview Statement

(Cont'd)

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

I. Audit Committee (Cont'd)

9.0 There is an effective and independent AC. (Cont'd)

The Board is able to objectively review the AC's findings and recommendations. The Company's financial statement is a reliable source of information. (Cont'd)

9.3 The AC undertakes an annual assessment of the suitability, objectivity and independence of the External Auditors, Messrs. Baker Tilly Monteiro Heng PLT ("**BTMH**"). The AC met with the External Auditors twice during the FYE 2025 without the presence of the Executive Directors and Management for private discussion to allow the AC and the External Auditors to exchange independent views on matters which require the AC's attention.

Following the External Auditors Evaluation for the FYE 2025, the AC was satisfied with BTMH's technical competency in terms of their skills, execution of audit plan, reporting and overall performance. The AC was also satisfied that BTMH's objectivity and independence are not in any way impaired. The AC then recommended to the Board the re-appointment of BTMH as the External Auditors of the Company for the ensuing year.

9.4 The Company did not adopt the step-up practice 9.4. The AC comprises a majority of Independent Directors rather than being made up solely of Independent Directors, and this remains in compliance with the Main LR.

9.5 The AC collectively possess the accounting and related financial management expertise and experience required for the AC to discharge its responsibilities and to assist the Board in its oversight over Management in the design, implementation and monitoring of risk management and internal control systems.

II. Risk Management and Internal Control Framework

10.0 The Company make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

10.1 The Board acknowledges its overall responsibility for continuous maintenance of a sound risk management framework and effective system of internal control. The Board has the overall responsibility to review and monitor the Group's risk management and internal control system, which provides reasonable assurance of an effective and efficient operation, compliance with laws and regulations, and safeguards shareholders' investment and the Group's assets.

A Management-level Risk and Sustainability Management Committee was established to oversee the risk management efforts within the Group. The risk management process includes identifying principal business risks in critical areas and determining its corresponding risk mitigation and treatment measures.



Corporate Governance Overview Statement

(Cont'd)

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

II. Risk Management and Internal Control Framework (Cont'd)

10.0 The Company make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. (Cont'd)

The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed. (Cont'd)

10.2 Details of the Company's risk management and internal control system and framework are set out in the Statement on Risk Management and Internal Control ("SORMIC") of this Annual Report.

During the FYE 2025, the Board had reviewed the risk management and internal control system of the Group and is of the view that the system is adequate and effective as there were no material weaknesses and/or reported shortfalls in the risk management practices and internal control system which resulted and/or gave rise to any material loss, contingency and/or uncertainty to the Group.

10.3 The Company did not adopt the step-up practice to have a Risk Management Committee which comprises a majority of the Independent Directors.

11.0 The Company have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

11.1 The Group's internal audit function is supported by an outsourced independent professional service provider, namely alphaOne Governance Sdn. Bhd., who assists the AC and the Board in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's governance, risk management and internal control processes.

The Internal Auditors report independently and directly to the AC on the Group's internal audit function, which is independent of the Board and Management. The internal audit function is carried out in accordance with the annual Internal Audit Plan as approved by the AC and all audit findings arising therefrom are reported to the AC.

Details of the Company's risk management and internal control system and framework are set out in the SORMIC of this Annual Report.

11.2 The AC evaluated and reviewed the internal audit function and was satisfied that the internal audit activities/audit plan were carried out according to the recognised framework, which includes the Standards in the International Professional Practices Framework issued by the Institute of Internal Auditors.



Corporate Governance Overview Statement

(Cont'd)

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

I. Engagement with Stakeholders

12.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

12.1 The Company communicates regularly with shareholders and investors through annual reports, quarterly reports and various announcements made via Bursa LINK. Shareholders and investors can obtain the Company's latest announcements on the website of Bursa Securities at www.bursamalaysia.com or via the Company's website.

The Board is mindful of the disclosure obligations stipulated in the Main LR and strives to ensure compliance at all times. The Board, in its best efforts, always ensures that shareholders and stakeholders are provided with accurate and quality information in relation to the Group on a timely basis.

The Board recognises the importance of keeping the shareholders and investors informed of the Group's business and corporate developments and the Group is guided by the Corporate Disclosure Guide issued by Bursa Securities. Information is disseminated through various disclosures and announcements made to the Bursa Securities.

The Company's website serves as a channel of communication for shareholders, investors and the public. All relevant information on the Group, including all announcements made by the Company, can be obtained from the Company's website. This is important in ensuring equal and fair access to information by the investing public.

12.2 The Company is not categorised as a "Large Company" and has not adopted integrated reporting based on a globally recognised framework.

II. Conduct of General Meetings

13.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings.

13.1 The AGM is the principal forum for dialogue with individual shareholders and investors, gathering views and answering questions on all issues relevant to the Group's business activities and prospects.

In line with Practice 13.1 of the MCCG, the notice convening the 27th AGM is given to the shareholders at least twenty-eight (28) days before the 27th AGM, which gives shareholders sufficient time to prepare themselves to attend the 27th AGM or to appoint a proxy to attend and vote on their behalf. Each item of special business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution. In addition to sending the notice, the Company also published the 27th AGM Notice on its website.

Pursuant to the Main LR, any resolution set out in the notice of any General Meeting or any notice of a resolution that may be properly moved and intended to be moved at any General Meeting is voted by poll. The voting at AGM is conducted through electronic poll voting to expedite the counting and verification of votes.



Corporate Governance Overview Statement

(Cont'd)

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

II. Conduct of General Meetings (Cont'd)

13.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings. (Cont'd)

- 13.2 All the Directors of the Company, chairman of the AC and NRC, the Company's Senior Management and the Group's External Auditors are in attendance to respond to shareholders questions at the 27th AGM.
- 13.3 The Board recognises the importance of leveraging on technology to facilitate remote shareholders' participation and voting on all resolutions via remote participation and voting facilities. After due consideration, the Board is of the view that physical general meetings support more meaningful engagement and interaction between Directors, Senior Management and shareholders. The shareholders are allowed to vote in absentia by appointing proxy to vote on their behalf by submitting their proxy form with pre-determined voting instructions for the proxy to vote for and on their behalf.

The 27th AGM was convened physically and the voting at the Meeting was conducted by way of electronic poll voting to expedite the counting and verification of votes.

The polling process was conducted by Boardroom Share Registrars Sdn. Bhd., the Poll Administrator of the Company. The Administrative Guide which sets out the detailed registration and proxy submission procedures was shared with the shareholders and the same were also published on the Company's website.

- 13.4 Shareholders and proxies were provided with sufficient opportunity to pose questions during the 27th AGM and all the questions have received detailed explanations.
- 13.5 The 27th AGM was convened physically, where shareholders were able to participate and pose questions to the Board/Senior Management. The questions posed by the shareholders were responded by the Directors to all the participants of the 27th AGM.
- 13.6 The Minutes of the 27th AGM, which include the questions raised by shareholders together with the responses by the Company and the outcome of the voting results, were uploaded and made available on the Company's website within thirty (30) business days after the 27th AGM.



Corporate Governance Overview Statement

(Cont'd)

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required under the provisions of the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and Company as at the end of each financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the FYE 2025, appropriate accounting policies have been adopted, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors also consider that all the relevant approved accounting standards have been followed in the preparation of these statements.

The Directors are also responsible for safeguarding the assets of the Group and of the Company and have taken reasonable steps in the prevention and detection of fraud and other irregularities.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is committed to ensure that good corporate governance and practices are implemented by the Group.

Moving forward, the Board will continue to strengthen and improve the corporate governance framework, policies and practices and develop a good governance culture within the Group.

The Statement and the CG Report are made in accordance with a resolution of the Board passed on 26 March 2026.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**Board**”) of Willowglen MSC Berhad is pleased to present the Statement on Risk Management and Internal Control (“**Statement**”) which outlines the nature and scope of the risk management and internal control processes of the Company and its subsidiaries (“**the Group**”) for the financial year ended 31 December 2025. This Statement does not cover the Group’s associates, as risk management and internal control for these entities are managed by their respective management teams.

The Board is committed to maintaining a robust risk management and internal control framework to ensure good corporate governance and to achieve the Group’s strategic objectives and sustainable growth.

The Statement is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies.

RESPONSIBILITY OF THE BOARD

The Board affirms its overall responsibility for the Group’s risk management and internal control framework as well as reviewing the adequacy and effectiveness of those systems on a regular basis. However, the systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. As such, they can only provide reasonable assurance rather than absolute assurance against material misstatements or losses.

The Board has established a management-level Risk and Sustainability Management Committee (“**RSMC**”) to oversee the overall risk management process. Senior management contributes to the formulation of operating policies and procedures, including authority limits. The internal audit function checks that such operating policies and procedures have been complied with and also checks on the effectiveness of the internal controls.

The Board, through the Audit Committee (“**AC**”), observed that measures were taken on areas identified for improvement, as part of management’s continuous efforts to strengthen the Group’s internal control.

RISK MANAGEMENT FRAMEWORK

The Group has adopted the COSO Risk Management Framework to develop a strong enterprise wide risk management system. The framework spells out the Group’s risk principles and strategies established to drive the risk culture and to consistently practice risk management system at all levels of the Group.

This forms the basis of communication and guide from the Board level down through senior management and finally to all other levels of employees on the risk management methodology to identify, describe, measure, mitigate and report the risks in areas of the Group’s business activities that require further development or enhancement.



Statement on Risk Management and Internal Control

(Cont'd)

RISK MANAGEMENT FRAMEWORK (CONT'D)

The process is carried out via the following risk management governance structure:

- **Board**

The Board is ultimately responsible for the adequacy and effectiveness of risk management and system of internal control. The Board's oversight committee is the RSMC who maintains the overall responsibility of overseeing risk in the Group.

- **RSMC**

The RSMC is responsible for the overall risk oversight which includes inter-alia reviewing and approving risk management policies and limits, reviewing risk exposures and business concentration and ensuring that the infrastructure, resources and systems are put in place for effective risk management oversight.

- **Business Units and Departments**

The business units and departments are the first line of control against risks and are therefore, responsible for identifying, mitigating and managing risk with their business and department activities and ensure that their day-to-day business activities are carried out within the established risk policies, procedures and limits.

The risk management framework, policies, systems and processes will be reviewed regularly, refined to manage risks and to ensure that the Group's risk profile remains within reasonable levels aligned to its risks appetite and risks tolerance.

The RSMC comprises five (5) representatives of the Board and three (3) members of the management team, whilst each business unit's risk management is led by the respective head of unit. The RSMC oversees the potential risks concerning the business and operations to ensure that they are effectively managed and reports its concerns to the Board and the AC.

RSMC meets at least three (3) times per annum and the invitees from the respective business units attend the RSMC meetings to brief the committee on the significant risks identified so that these risks are constantly monitored and appropriate actions are promptly taken. Risk management is a continuous process of identifying, evaluating, managing and reviewing significant risks faced by the businesses in the Group.

CONTROL STRUCTURE AND ENVIRONMENT

The Board is committed to maintain a strong control structure and environment for the proper conduct of the Group's business operations.

The following set out the key elements of the system of internal control of the Group:

- An organisational structure with formally defined lines of responsibility and delegation of authority, along with structured authority limits, provides a framework of authority and accountability within the Group. This facilitates timely response to changes in the evolving business environment and supports corporate decision making at the appropriate levels in the Group.
- The Group performs annual budgeting and target setting processes including development of business strategies and the performance is monitored on an ongoing basis.



Statement on Risk Management and Internal Control

(Cont'd)

CONTROL STRUCTURE AND ENVIRONMENT (CONT'D)

- Policies and procedures of operating units within the Group are documented in Standard Operating Procedures manuals. The Standard Operating Procedures are periodically updated to reflect changing risks or to resolve operational deficiencies.
- The Board and AC have engaged the outsourced Internal Auditors (“OIA”) to perform the internal audit function, with the function reporting directly to the AC. The OIA conducts reviews, monitors compliance with established policies and procedures, and assesses the effectiveness of internal controls. Existing controls for managing the identified risks are evaluated for their adequacy and effectiveness.

The OIA adopts a risk-based approach in identifying areas of priority and carries out its duties according to the annual internal audit plan approved by the AC. Findings in respect of any material non-compliance, areas for improvement, recommendations and agreed action plans are reported to the AC. The OIA also carries out follow-up audits to ensure proper implementation of recommended improvements.

- The AC reviews the audit reports on internal control and risk issues identified by the OIA and external auditors and ensures the management takes prompt and adequate corrective actions on the reported weaknesses and non-compliances identified in the audits.
- The Group has implemented a comprehensive Quality, Environmental and Occupational Health & Safety Management Systems which fully comply with the requirements of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. As part of the requirements of the ISO certifications accredited to the Group, scheduled internal quality audits are conducted each year by personnel independent of the processes being audited. Results of the audit are reported to the Executive Directors and management team where prompt actions are taken on areas requiring further improvement.

The Group’s system of internal control does not apply to associated companies over which the Group does not have full management control.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement for the inclusion in the Annual Report of the Company for the financial year ended 31 December 2025 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the risk management processes and internal controls.

CONCLUSION

The systems of internal control and risk management are embedded into the operations of the Group, and actions taken to address any identified weaknesses are closely monitored.

The Board has reviewed the risk management and internal control system of the Group and is of the view that the systems are effective and adequate. The Board will continue to implement appropriate measures to enhance and strengthen the control environment in response to changing operating conditions.

The Board has received assurances from the Managing Director, Executive Directors, Chief Operating Officer and General Manager - Finance that the Group’s risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the framework established by the Group. There were no material control failures or weaknesses that would have a material adverse effect on the results of the Group for the current financial year.



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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 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the research, development and supply of computer-based control systems. The principal activities of its subsidiaries include sales, implementation and maintenance of computer-based control systems, computer system integration activities and installation of building automation systems for remote monitoring, investment holding and design, supply consultancy, installation, engineering services and maintenance of computer hardware and software.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	4,545	29,816
Attributable to: Owners of the Company	4,545	29,816

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM'000
First and final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2024, approved by the Board of Directors on 27 February 2025 and paid on 20 May 2025	7,271

A first and final single-tier dividend of 1.5 sen per ordinary share, amounting to RM7,271,046 in respect of the current financial year, has been approved by the Board of Directors on 26 February 2026. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2026 after the distribution has been made.

RESERVES OR PROVISIONS

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





Directors' Report

(Cont'd)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps 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, had 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 which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (i) 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 liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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



Directors' Report (Cont'd)

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM313,184 and RM111,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 December 2025, the Company held 11,263,600 treasury shares out of its 496,000,000 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM2,441,919.

OPTIONS GRANTED OVER UNISSUED SHARES

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



Directors' Report (Cont'd)

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Au Chun Choong
Simon Wong Chu Keong *
Syed Feisal Alhady
Tan Jun *
Teh Chee Hoe
Wong Ah Chiew *

* Directors of the Company and certain subsidiaries

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year were as follows:

Interests in the Company

	At 1 January 2025	Number of ordinary shares		At 31 December 2025
		Bought	Sold	
The Company				
Willowglen MSC Berhad				
<u>Direct interest:</u>				
Wong Ah Chiew	3,868,300	-	-	3,868,300
Simon Wong Chu Keong	1,416,000	-	-	1,416,000
Tan Jun	400,182	-	-	400,182
<u>Deemed interest:</u>				
Wong Ah Chiew ⁽¹⁾	272,266,514	500,000	-	272,766,514
Simon Wong Chu Keong ⁽²⁾	267,605,214	-	-	267,605,214
The Holding Company				
New Advent Sdn. Bhd.				
<u>Direct interest:</u>				
Wong Ah Chiew	4,718	-	-	4,718
Simon Wong Chu Keong	1,318	-	-	1,318
<u>Deemed interest:</u>				
Wong Ah Chiew ⁽³⁾	3,782	-	-	3,782

DIRECTORS' INTERESTS (CONT'D)

Interests in the Company (Cont'd)

- ⁽¹⁾ Deemed interest held through New Advent Sdn. Bhd., Elegant Preference Sdn. Bhd., Jian Qi Holdings Sdn. Bhd., his spouse, his sons and his daughter.
- ⁽²⁾ Deemed interest held through New Advent Sdn. Bhd.
- ⁽³⁾ Deemed interest held through his spouse and sons.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Wong Ah Chiew and Simon Wong Chu Keong are deemed to have interests in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interests in the ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no directors of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company were as follows:

	Group RM'000	Company RM'000
Directors of the Company		
Executive directors		
- Fees	100	100
- Other emoluments	6,725	3,934
	6,825	4,034
Non-executive directors		
- Fees	99	99
	6,924	4,133

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company were RM5,000,000 and RM8,687 respectively.



Directors' Report

(Cont'd)

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of Company	Principal place of business/ Country of incorporation	Ownership interest		Principal activities
		2025 %	2024 %	
Willowglen (Malaysia) Sdn. Bhd.	Malaysia	100	100	Sales, implementation and maintenance of computer-based control systems
Willowglen Technology Sdn. Bhd.	Malaysia	100	100	Sales, implementation and maintenance of integrated monitoring systems
Willowglen Services Pte. Ltd.	Singapore	100	100	Computer system integration activities and installation of building automation systems for remote monitoring
Sentinel Systems Sdn. Bhd.	Malaysia	100	100	Sales, implementation and maintenance of control room and CCTV solutions
WG Tech Sdn. Bhd.	Malaysia	100	100	Dormant
Willowglen Limited	British Virgin Islands	100	100	Dormant
Subsidiaries of Willowglen Services Pte. Ltd.				
Willowglen Asia Pte Limited	Hong Kong	100	100	Investment holding
WLG Solutions Pte. Ltd.	Singapore	100	100	Investment holding
Subsidiary of WLG Solutions Pte. Ltd.				
Willowglen Vietnam Co., Ltd.	Vietnam	100	100	Design, supply, consultancy, installation, engineering services and maintenance of computer hardware and software

HOLDING COMPANY

The directors regard New Advent Sdn. Bhd., a company incorporated in Malaysia, as the holding company of the Company.



Directors' Report

(Cont'd)

EVENT SUBSEQUENT TO THE FINANCIAL YEAR ENDED

Subscription of 1 ordinary share in Willowglen Asia Pte Limited

On 19 March 2026, Willowglen Asia Pte Limited ("WAPL") issued a total of 1 ordinary share and was subscribed by the Company for a total cash consideration of HKD1 (equivalent to RM0.50). Following the acquisition, the Company holds 50% direct equity interest and 50% indirect interest in WAPL through Willowglen Services Pte. Ltd. There is no change in the ownership interest in WAPL.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....
WONG AH CHIEW

Director

.....
SIMON WONG CHU KEONG

Director

Date: 26 March 2026



Statements of Financial Position

As At 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	6,612	6,711	2,377	2,166
Right-of-use assets	6	10,811	7,438	–	–
Intangible assets	7	3,395	3,232	3,395	3,232
Investment in subsidiaries	8	–	–	43,660	43,660
Investment in associates	9	178	180	200	200
Other investments	10	2,757	2,430	2,757	2,430
Total non-current assets		23,753	19,991	52,389	51,688
Current assets					
Inventories	11	6,987	8,083	–	–
Trade and other receivables	12	37,291	59,208	16,140	20,434
Contract assets	13	102,472	85,890	–	–
Prepayment		1,501	1,002	112	7
Tax recoverable		89	120	24	12
Deposits, cash and bank balances	14	41,476	50,377	5,982	2,113
Total current assets		189,816	204,680	22,258	22,566
TOTAL ASSETS		213,569	224,671	74,647	74,254
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	29,240	29,240	29,240	29,240
Treasury shares	16	(2,442)	(2,442)	(2,442)	(2,442)
Reserves	17	139,515	148,366	44,545	22,000
Total equity attributable to owners of the Company		166,313	175,164	71,343	48,798

Statements of Financial Position

(Cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current liabilities					
Loans and borrowings	18	6,351	2,971	-	-
Provisions	19	789	822	-	-
Deferred tax liabilities	20	-	125	-	-
Total non-current liabilities		7,140	3,918	-	-
Current liabilities					
Loans and borrowings	18	1,680	7,010	-	-
Contract liabilities	13	6,449	2,902	-	1
Provisions	19	2,683	460	-	-
Trade and other payables	21	25,063	31,085	3,304	25,455
Tax payable		4,241	4,132	-	-
Total current liabilities		40,116	45,589	3,304	25,456
TOTAL LIABILITIES		47,256	49,507	3,304	25,456
TOTAL EQUITY AND LIABILITIES		213,569	224,671	74,647	74,254

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



Statements of Comprehensive Income

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	22	190,414	205,851	2,171	1,740
Cost of sales		(146,866)	(157,902)	(276)	(101)
Gross profit		43,548	47,949	1,895	1,639
Other income		2,070	984	48,155	26,164
Administrative expenses		(36,191)	(32,938)	(11,434)	(9,097)
Net impairment losses					
on financial instruments		–	(5,840)	–	(23,678)
Other expenses		–	(8,543)	(8,800)	(3,500)
Operating profit/(loss)		9,427	1,612	29,816	(8,472)
Finance cost	23	(546)	(636)	–	–
Share of results of associates, net of tax		(2)	(15,422)	–	–
Profit/(Loss) before tax	24	8,879	(14,446)	29,816	(8,472)
Income tax expense	26	(4,334)	(4,281)	–	–
Profit/(Loss) for the financial year		4,545	(18,727)	29,816	(8,472)
Other comprehensive loss, net of tax <i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		(6,125)	(6,803)	–	–
Other comprehensive loss for the financial year		(6,125)	(6,803)	–	–
Total comprehensive (loss)/ income for the financial year		(1,580)	(25,530)	29,816	(8,472)
Profit/(Loss) attributable to: Owners of the Company		4,545	(18,727)	29,816	(8,472)
Total comprehensive (loss)/income attributable to: Owners of the Company		(1,580)	(25,530)	29,816	(8,472)
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen)					
- basic	27	0.94	(3.86)		
- diluted	27	0.94	(3.86)		

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



Statements of Changes In Equity

For The Financial Year Ended 31 December 2025

Group	Note	Share capital RM'000	Treasury shares RM'000	Merger deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2025		29,240	(2,442)	(7,585)	22,244	133,707	175,164
Exchange differences on translation of foreign operations		-	-	-	(6,125)	-	(6,125)
Total other comprehensive loss for the financial year		-	-	-	(6,125)	-	(6,125)
Profit for the financial year		-	-	-	-	4,545	4,545
Total comprehensive loss for the financial year		-	-	-	(6,125)	4,545	(1,580)
Transaction with owners:							
Dividends paid	28	-	-	-	-	(7,271)	(7,271)
Total transaction with owners		-	-	-	-	(7,271)	(7,271)
At 31 December 2025		29,240	(2,442)	(7,585)	16,119	130,981	166,313



Statements of Changes In Equity

(Cont'd)

Group	Note	Share capital RM'000	Treasury shares RM'000	Merger deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2024		29,240	(2,427)	(7,585)	29,047	159,706	207,981
Exchange differences on translation of foreign operations		-	-	-	(6,803)	-	(6,803)
Total other comprehensive loss for the financial year		-	-	-	(6,803)	-	(6,803)
Loss for the financial year		-	-	-	-	(18,727)	(18,727)
Total comprehensive loss for the financial year		-	-	-	(6,803)	(18,727)	(25,530)
Transactions with owners:							
Repurchase of treasury shares	16	-	(15)	-	-	-	(15)
Dividends paid	28	-	-	-	-	(7,272)	(7,272)
Total transactions with owners		-	(15)	-	-	(7,272)	(7,287)
At 31 December 2024		29,240	(2,442)	(7,585)	22,244	133,707	175,164



Statements of Changes In Equity

(Cont'd)

Company	Note	← Attributable to owners of the Company →			Total RM'000
		Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	
At 1 January 2024		29,240	(2,427)	37,744	64,557
Total comprehensive loss for the financial year		–	–	(8,472)	(8,472)
Transactions with owners:					
Repurchase of treasury shares	16	–	(15)	–	(15)
Dividends paid	28	–	–	(7,272)	(7,272)
Total transactions with owners		–	(15)	(7,272)	(7,287)
At 31 December 2024		29,240	(2,442)	22,000	48,798
Total comprehensive income for the financial year		–	–	29,816	29,816
Transaction with owners:					
Dividends paid	28	–	–	(7,271)	(7,271)
Total transaction with owners		–	–	(7,271)	(7,271)
At 31 December 2025		29,240	(2,442)	44,545	71,343

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



Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		8,879	(14,446)	29,816	(8,472)
Adjustments for:					
Amortisation for development cost		309	-	309	-
Bad debts written off					
- other receivables		-	101	-	-
Depreciation for					
- property, plant and equipment	5	1,365	1,538	178	151
- right-of-use assets	6	1,705	1,693	-	-
Dividend income		-	-	(46,600)	(25,887)
Fair value gain on other investments	10	(327)	-	(327)	-
Gain on disposal of property, plant and equipment		(45)	(3)	-	-
Gain on lease termination		(1)	-	-	-
Impairment losses:					
- amount due from associate	12	-	5,840	-	4,815
- amount due from subsidiary	12	-	-	-	18,863
- investment in an associate	9	-	8,543	-	-
Interest income		(311)	(396)	(186)	(176)
Interest expenses		546	636	-	-
Inventories written off	11	1	2	-	-
Net unrealised foreign exchange gain		(182)	(142)	-	-
Property, plant and equipment written off	5	2	7	-	-
Provision for maintenance warranties	19	-	55	-	-
Provision for unutilised leave	19	471	374	-	-
Provision for foreseeable losses	19	2,646	80	-	-
Reversal of provision for stock obsolescence	11	(23)	-	-	-
Reversal of provision for maintenance warranties	19	-	(52)	-	-
Reversal of provision for unutilised leave	19	(359)	(404)	-	-
Reversal of provision for foreseeable losses	19	(513)	-	-	-
Share of results of associates	9	2	15,422	-	-
Waiver on amount due from subsidiary		-	-	8,800	3,500
Written off of contract assets		217	-	-	-
Operating profit/(loss) before changes in working capital, carried forward		14,382	18,848	(8,010)	(7,206)

Statements of Cash Flows

(Cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities (Cont'd)					
Operating profit/(loss) before changes in working capital, brought forward		14,382	18,848	(8,010)	(7,206)
Changes in working capital:					
Inventories		1,014	(2,085)	–	–
Trade and other receivables		20,831	(9,669)	(4,506)	206
Prepayment		(536)	1,348	(105)	(4)
Contract assets		(19,575)	7,032	–	–
Trade and other payables		(4,619)	592	(22,151)	4
Inter-company balances		–	–	–	(9,420)
Provisions		(4)	(189)	–	–
Contract liabilities		3,691	880	(1)	(19)
Net cash generated from/ (used in) operations		15,184	16,757	(34,773)	(16,439)
Income tax paid		(4,229)	(4,425)	(12)	(12)
Income tax refunded		84	52	–	52
Interest received		311	396	186	176
Interest paid		(546)	(636)	–	–
Net cash from/(used in) operating activities		10,804	12,144	(34,599)	(16,223)
Cash flows from investing activities					
Investment in associate		–	(3,317)	–	–
Purchase of property, plant and equipments	5	(1,327)	(646)	(389)	(6)
Proceed from disposal of property, plant and equipments	5	45	18	–	–
Development cost of intangible assets	7	(472)	(1,865)	(472)	(1,865)
Dividends received		–	–	46,600	25,887
Changes in pledged deposits		(51)	(59)	(17)	(15)
Net cash (used in)/from investing activities		(1,805)	(5,869)	45,722	24,001



Statements of Cash Flows

(Cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from financing activities					
Drawdown of revolving credits	(a)	–	2,996	–	–
Repayment of lease liabilities	(a)	(1,458)	(1,631)	–	–
Repayment of bankers' acceptance	(a)	(1,560)	(3,659)	–	–
Repayment of revolving credits	(a)	(4,000)	–	–	–
Repurchase of treasury shares	16	–	(15)	–	(15)
Dividends paid		(7,271)	(7,272)	(7,271)	(7,272)
Net cash used in financing activities		(14,289)	(9,581)	(7,271)	(7,287)
Net (decrease)/increase in cash and cash equivalents		(5,290)	(3,306)	3,852	491
Effect of exchange rate changes		(3,662)	(2,420)	–	–
Cash and cash equivalents at the beginning of the financial year		47,822	53,548	1,390	899
Cash and cash equivalents at the end of the financial year	14	38,870	47,822	5,242	1,390
Analysis of deposits, cash and bank balances:					
Fixed deposits placed with licensed banks		8,932	9,138	740	723
Short term investments		36	36	36	36
Cash and bank balances		32,508	41,203	5,206	1,354
Less: Pledged deposits		41,476	50,377	5,982	2,113
		(2,606)	(2,555)	(740)	(723)
	14	38,870	47,822	5,242	1,390



Statements of Cash Flows

(Cont'd)

Notes to Statements of Cash Flows

(a) Reconciliation of liabilities arising from financing activities

	Note	At 1 January RM'000	Cash flows RM'000	← Non-cash items →			At 31 December RM'000
				Addition RM'000	Others RM'000	Exchange differences RM'000	
Group							
2025							
Lease liabilities	18	4,421	(1,458)	5,401	(36)	(297)	8,031
Bankers' acceptance	18	1,560	(1,560)	-	-	-	-
Revolving credit	18	4,000	(4,000)	-	-	-	-
		9,981	(7,018)	5,401	(36)	(297)	8,031
2024							
Bank overdrafts	18	2,863	(2,863)	-	-	-	-
Lease liabilities	18	6,005	(1,631)	329	(3)	(279)	4,421
Bankers' acceptance	18	5,219	(3,659)	-	-	-	1,560
Revolving credit	18	1,004	2,996	-	-	-	4,000
		15,091	(5,157)	329	(3)	(279)	9,981

- (b) During the financial year, the Group and the Company has total cash outflow for leases of RM2,002,309 and RM61,000 respectively (2024: RM1,779,619 and RM60,000).

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



Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

1. CORPORATE INFORMATION

Willowglen MSC Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at No.17, Jalan 2/149B, Taman Sri Endah, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.

The holding company is New Advent Sdn. Bhd., a company incorporated and domiciled in Malaysia.

The Company is principally engaged in the research, development and supply of computer-based control systems. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 March 2026.

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”), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments to MFRS

The Group and the Company have adopted the following applicable amendments to MFRS for the current financial year:

Amendments to MFRS

MFRS 121	The Effects of Changes in Foreign Exchange Rates
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The adoption of the above amendments to MFRS did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.



Notes to the Financial Statements

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective

- (a) The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued, but yet to be effective:

<u>New MFRS</u>	Effective for financial periods beginning on or after
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financials Reporting Standards	1 January 2026
MFRS 7 Financial Instruments: Disclosures	1 January 2026
MFRS 9 Financial Instruments	1 January 2026
MFRS 10 Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107 Statement of Cash Flows	1 January 2026
MFRS 121 The Effects of Changes in Foreign Exchange Rates	1 January 2027
MFRS 128 Investments in Associates and Joint Ventures	Deferred

- (b) The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.





Notes to the Financial Statements

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (Cont'd)

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below. (Cont'd)

MFRS 18 Presentation and Disclosure in Financial Statements (Cont'd)

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

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

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to:

- investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.





Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

The Group applies the acquisition method of accounting except for those business combinations which were accounted using the merger method of accounting.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit.

(b) Associates

Investment in associates is accounted for in the consolidated financial statements of the Group using the equity method.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.



Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Financial instruments

Financial assets - subsequent measurements and gains and loss

Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Debt Instrument at amortised cost

The Group and the Company subsequent measured these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurements and gains and loss

The Group and the Company measure all financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gain and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

All other property, plant and equipment (other than right-of-use assets as disclosed in Note 3.6) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Buildings/Shoplots	2%
Furniture and fittings	10% - 20%
Office equipment	10% - 25%
Motor vehicles	12.5% - 20%
Computers	20% - 33.33%
Renovation	10%

3.5 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdraft.



Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**3.6 Leases****(a) Lessee accounting**

The Group and the Company present right-of-use assets that do not meet the definition of investment property in Note 6 to the financial statement and lease liabilities as loan and borrowings in Note 18 to the financial statement.

Short-term leases

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less). Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group and the Company recognise lease payments received from property, plant and equipment under operating leases as income on a straight-line basis over the lease term as part of income.

3.7 Intangible assets**(a) Development cost**

Development cost are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(b) Amortisation

The development costs are amortised on a straight-line basis over an estimated useful life of 5 years.



Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs is determined using the weighted average cost method. The cost of inventories comprises cost of purchase and incidental costs in bringing the inventories to their present location and condition.

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

3.9 Revenue and other income

(a) Construction services contracts

Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

The Group recognised a contract asset for any excess of revenue recognised to-date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to-date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

Long term contracts income

The Group's business involved design of system, supply of hardware and equipment and installation service at client's premises. Judgement is used to identify the separate distinct performance obligation within the contract with customers. The Group has only one distinct performance obligations under the contract for customised monitoring system as the monitoring system customised for individual customer has no alternative use for the Group. Additionally, the contracts will require payment to be received for time and effort spent by the Group on progressing the contracts in the event of the customer cancelling the contract prior to the completion for any reason other than the Group's failure to perform its obligation under the contract.

Any change in the quantities and system layout is accounted for as a continuation of the original contract as no new separate distinct performance obligation identified. This modification is recognised as cumulative revenue adjustment at date of modification.

The duration of completion varies for each contract, depending on the scale of the project. Revenue for customised monitoring system is recognised over time by referring to the Company's progress, which is measured by comparing the actual cost incurred on the project to the total budgeted cost expected to complete the project (i.e. an input based method).

The method is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated cost to complete the service.

The customer is invoiced on an agreed billing schedule with a credit term of 30 to 60 days.



Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**3.9 Revenue and other income (Cont'd)****(a) Construction services contracts (Cont'd)**Long term contracts income (Cont'd)

For contracts on customised monitoring system, revenue is recognised over time by reference to installation progress, the Group will recognise these costs to fulfilling as contract asset only if:

- (a) these costs relate directly to a contract or to an anticipated contract that the Group can specifically identified;
- (b) these costs generate or enhance resources that will be used in satisfying performance obligation in the future; and
- (c) these costs are expected to be recovered.

Defect liability period is usually between 12 to 36 months from the date of Certificate of Practical Completion as provided in the contracts of customer.

Maintenance contract

Revenue on maintenance income is recognised over time when the services are rendered. Performance obligations are satisfied when the services transferred to the customers. There is no element of significant financing components in the Company's revenue transactions as customer are required to pay within a credit term of 30 to 60 days.

(b) Sales of goods and engineering consultation fee

Revenue from the sale of goods is recognised at a point in time when control of the goods has been transferred to the customer, generally upon delivery and acceptance by the customer. Revenue from engineering consultation services is recognised at a point in time when the services are rendered, as the customer simultaneously receives and consumes the benefits provided by the Group and the Company.

(c) Dividend income

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

(d) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(e) Interest income

Interest income is recognised using the effective interest method.



Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.10 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, it is recognised as deferred capital grant in the statements of financial position and is amortised to profit or loss over the expected useful life of the related asset.

Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of “other income”, on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The benefit derived from a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.11 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Managing Director, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Accounting for contracts (Note 22)

The Group recognised revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that the costs incurred for work performed to date bear to the estimated total costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contracts. Therefore, the amount of contract revenue, contract costs and its corresponding contract assets and contract liabilities recognised in a year is affected by a variety of uncertainties that depend on the outcome of future events.

The Group's contract assets and liabilities are disclosed in Note 13 to the financial statements.



Notes to the Financial Statements

(Cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)**(b) Significant influence over an investee (Note 9)**

In order for the Group to have a control over an investee, the Group has to meet all of the criteria:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns

Although the Group hold more than half of the effective equity interest in Willowglen Systems Inc. ("WSI") and less than half of the voting rights in the entity, the directors have determined that the Group does not control the entity as the Group does not have substantive rights over the investee and on the basis that the remaining voting rights were not widely dispersed. The Company has no representation on the Board of Directors of WSI and has entered into an agreement with another shareholder that the Group will not participate in the strategic policy decisions in WSI's Executive Committee meetings. On that basis of these facts, the Group concludes that it has significant influence and does not have control over WSI. Thus, WSI is accounted for as an investment in associate.

(c) Capitalisation of internally generated intangible assets (Note 7)

The Group and the Company recognised internally generated intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

Management exercises judgment in each of these areas, based on available information and assessments of future economic benefits.



Notes to the Financial Statements

(Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

	Buildings/ Shoplots RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Computers RM'000	Renovation RM'000	Total RM'000
Group Cost							
At 1 January 2025	4,880	1,382	2,260	5,211	8,454	5,926	28,113
Additions	-	14	229	298	786	-	1,327
Disposal	-	-	-	(616)	(5)	-	(621)
Written off	-	(1)	(9)	-	-	-	(10)
Exchange differences	-	(41)	(45)	(111)	(128)	(148)	(473)
At 31 December 2025	4,880	1,354	2,435	4,782	9,107	5,778	28,336
Accumulated depreciation							
At 1 January 2025	1,382	1,125	1,872	4,003	7,660	5,360	21,402
Depreciation charge for the financial year	112	77	88	416	513	159	1,365
Disposal	-	-	-	(616)	(5)	-	(621)
Written off	-	(1)	(7)	-	-	-	(8)
Exchange differences	-	(35)	(39)	(83)	(115)	(142)	(414)
At 31 December 2025	1,494	1,166	1,914	3,720	8,053	5,377	21,724
Carrying amount							
At 1 January 2025	3,498	257	388	1,208	794	566	6,711
At 31 December 2025	3,386	188	521	1,062	1,054	401	6,612



Notes to the Financial Statements

(Cont'd)

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

	Buildings/ Shoplots RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Computers RM'000	Renovation RM'000	Total RM'000
Group							
Cost							
At 1 January 2024	4,880	1,439	2,267	5,254	8,462	6,023	28,325
Additions	-	22	96	121	260	147	646
Disposal	-	-	(18)	-	-	-	(18)
Written off	-	(20)	(25)	-	(93)	(23)	(161)
Exchange differences	-	(59)	(60)	(164)	(175)	(221)	(679)
At 31 December 2024	4,880	1,382	2,260	5,211	8,454	5,926	28,113
Accumulated depreciation							
At 1 January 2024	1,270	1,101	1,873	3,663	7,267	5,419	20,593
Depreciation charge for the financial year	112	84	85	446	639	172	1,538
Disposal	-	-	(3)	-	-	-	(3)
Written off	-	(14)	(25)	-	(92)	(23)	(154)
Exchange differences	-	(46)	(58)	(106)	(154)	(208)	(572)
At 31 December 2024	1,382	1,125	1,872	4,003	7,660	5,360	21,402
Carrying amount							
At 1 January 2024	3,610	338	394	1,591	1,195	604	7,732
At 31 December 2024	3,498	257	388	1,208	794	566	6,711



Notes to the Financial Statements

(Cont'd)

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

	Buildings/ Shoplots RM'000	Furniture and fittings RM'000	Office equipment RM'000	Computers RM'000	Renovation RM'000	Total RM'000
Company						
Cost						
At 1 January 2025	2,397	70	163	2,329	162	5,121
Additions	–	2	–	387	–	389
At 31 December 2025	2,397	72	163	2,716	162	5,510
Accumulated depreciation						
At 1 January 2025	488	62	126	2,145	134	2,955
Depreciation charge for the financial year	48	2	7	118	3	178
At 31 December 2025	536	64	133	2,263	137	3,133
Carrying amount						
At 1 January 2025	1,909	8	37	184	28	2,166
At 31 December 2025	1,861	8	30	453	25	2,377
Cost						
At 1 January 2024	2,397	69	163	2,324	162	5,115
Additions	–	1	–	5	–	6
At 31 December 2024	2,397	70	163	2,329	162	5,121
Accumulated depreciation						
At 1 January 2024	440	61	116	2,057	130	2,804
Depreciation charge for the financial year	48	1	10	88	4	151
At 31 December 2024	488	62	126	2,145	134	2,955
Carrying amount						
At 1 January 2024	1,957	8	47	267	32	2,311
At 31 December 2024	1,909	8	37	184	28	2,166

Notes to the Financial Statements

(Cont'd)

6. RIGHT-OF-USE ASSETS

The Group leases several assets including leasehold land, buildings and office space. Information about leases for which the Group are lessees is presented below:

	Leasehold land RM'000	Building RM'000	Office space RM'000	Total RM'000
Group				
2025				
Carrying amount				
At 1 January 2025	2,609	488	4,341	7,438
Addition	-	-	143	143
Lease modification	-	-	5,258	5,258
Depreciation charge for the financial year	(45)	(5)	(1,655)	(1,705)
Termination	-	-	(35)	(35)
Exchange differences	-	-	(288)	(288)
At 31 December 2025	2,564	483	7,764	10,811
2024				
Carrying amount				
At 1 January 2024	2,654	493	5,933	9,080
Addition	-	-	329	329
Depreciation charge for the financial year	(45)	(5)	(1,643)	(1,693)
Termination	-	-	(3)	(3)
Exchange differences	-	-	(275)	(275)
At 31 December 2024	2,609	488	4,341	7,438

The leasehold land and building generally have lease term of 59 years and 80 years respectively (2024: 59 years and 80 years). The Group also leases office space with lease term ranging from 3 to 5 years (2024: 3 to 5 years).



Notes to the Financial Statements

(Cont'd)

7. INTANGIBLE ASSETS

	Development costs RM'000
Group and Company	
2025	
At cost	
At 1 January 2025	3,232
Addition	472
<hr/>	
At 31 December 2025	3,704
<hr/>	
Accumulated amortisation	
At 1 January 2025	–
Amortisation charge for the financial year	309
<hr/>	
At 31 December 2025	309
<hr/>	
Carrying amount	
At 1 January 2025	3,232
<hr/>	
At 31 December 2025	3,395
<hr/>	
2024	
At cost	
At 1 January 2024	1,367
Addition	1,865
<hr/>	
At 31 December 2024	3,232
<hr/>	

Development costs principally comprise of internally generated expenditure to develop a software where it is reasonably anticipated that the cost will be recovered through future commercial activities.

The amortisation of development costs of the Group and the Company amounting to RM309,124 (2024: Nil) is included in administrative expenses.



Notes to the Financial Statements

(Cont'd)

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
At cost		
Unquoted shares	54,567	54,567
Less: Impairment loss	(23,137)	(23,137)
	31,430	31,430
Add: Loans that are part of net investments	12,230	12,230
	43,660	43,660

Loans that are part of net investments represent amount owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing except for amount due from a subsidiary with amount of RM3,536,179 (2024: RM3,239,171) which is subject to interest at the rate ranging from 4.60% to 5.11% (2024: 5.13% to 5.45%) per annum on a monthly basis. The settlement of these amounts is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiary. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

Details of the subsidiaries are as follows:

Name of Company	Principal place of business/ Country of incorporation	Ownership interest		Principal activities
		2025 %	2024 %	
Willowglen (Malaysia) Sdn. Bhd.	Malaysia	100	100	Sales, implementation and maintenance of computer-based control systems
Willowglen Technology Sdn. Bhd.	Malaysia	100	100	Sales, implementation and maintenance of integrated monitoring systems
Willowglen Services Pte. Ltd. *	Singapore	100	100	Computer system integration activities and installation of building automation systems for remote monitoring
Sentinel Systems Sdn. Bhd.	Malaysia	100	100	Sales, implementation and maintenance of control room and CCTV solutions
WG Tech Sdn. Bhd.	Malaysia	100	100	Dormant
Willowglen Limited *	British Virgin Islands	100	100	Dormant



Notes to the Financial Statements

(Cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of Company	Principal place of business/ Country of incorporation	Ownership interest		Principal activities
		2025 %	2024 %	
Subsidiaries of Willowglen Services Pte. Ltd.				
Willowglen Asia Pte Limited +	Hong Kong	100	100	Investment holding
WLG Solutions Pte. Ltd. +	Singapore	100	100	Investment holding
Subsidiary of WLG Solutions Pte. Ltd.				
Willowglen Vietnam Co., Ltd. +	Vietnam	100	100	Design, supply, consultancy, installation, engineering services and maintenance of computer hardware and software

+ Audited by auditors other than Baker Tilly Monteiro Heng PLT.

* The subsidiary is consolidated using unaudited management financial statements as it is not required to be audited under the local laws and regulations.

9. INVESTMENT IN ASSOCIATES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares at cost	17,618	17,618	200	200
Share of post-acquisition reserves	(8,897)	(8,895)	-	-
Less: Impairment loss	(8,543)	(8,543)	-	-
	178	180	200	200

In the previous year, an impairment loss of RM8,543,000 was recognised in profit or loss under other expenses, representing the impairment of investment in the Canada associate, Willowglen Systems Inc. due to adverse business conditions affecting the associate.

The Group has not recognised its share of losses of all associates amounting to RM1,683,133 because the Group's cumulative share of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM1,683,133.

Notes to the Financial Statements

(Cont'd)

9. INVESTMENT IN ASSOCIATES (CONT'D)

Details of the associates are as follows:

Name of Company	Principal place of business/ Country of incorporation	Group's effective equity interest		Group's effective voting interest		Principal activities
		2025 %	2024 %	2025 %	2024 %	
Austral Willowglen Sdn. Bhd.	Malaysia	20	20	20	20	Dormant

Interest held through Willowglen Asia Pte Limited

Willowglen Systems Inc. +	Canada	60	60	49	49	Development and sale of industrial automation and related products
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+ Audited by auditors other than Baker Tilly Monteiro Heng PLT.

Although the Group hold more than half of the effective equity interest in Willowglen Systems Inc. ("WSI") and less than half of the voting rights in the entity, the directors have determined that the Group does not control the entity as the Group does not have substantive rights over the investee and on the basis that the remaining voting rights were not widely dispersed. The Company has no representation on the Board of Directors of WSI and has entered into an agreement with another shareholder that the Group will not participate in the strategic policy decisions in WSI's Executive Committee meetings. On that basis of these facts, the Group concludes that it has significant influence and does not have control over WSI. Thus, WSI is accounted for as an investment in associate.

9.1 Summarised financial information of material associates

	Willowglen System Inc. RM'000	Austral Willowglen Sdn. Bhd. RM'000
Group		
2025		
Assets and liabilities:		
Non-current assets	52,789	–
Current assets	24,453	906
Non-current liabilities	(6,266)	–
Current liabilities	(60,456)	(3)
Net assets	10,520	903
Results:		
Loss for the financial year	(2,805)	(11)



Notes to the Financial Statements
(Cont'd)

9. INVESTMENT IN ASSOCIATES (CONT'D)

9.1 Summarised financial information of material associates (Cont'd)

	Willowglen Systems Inc. RM'000	Austral Willowglen Sdn. Bhd. RM'000	Total RM'000
Group			
2025			
Reconciliation of net assets to carrying amount:			
Cost of investment	16,059	200	16,259
Bargain purchase gain on acquisition of an associate	1,359	–	1,359
Carrying amount at fair value	17,418	200	17,618
Share of post-acquisition loss	(8,875)	(22)	(8,897)
Less: Impairment loss	(8,543)	–	(8,543)
Carrying amount in the statement of financial position	–	178	178
Group's share of results:			
Group's share of loss	–	(2)	(2)
Group			
2024			
Assets and liabilities:			
Non-current assets		56,792	–
Current assets		21,943	917
Non-current liabilities		(3,453)	–
Current liabilities		(61,358)	(3)
Net assets		13,924	914
Results:			
Loss for the financial year		(25,697)	(13)



Notes to the Financial Statements

(Cont'd)

9. INVESTMENT IN ASSOCIATES (CONT'D)**9.1 Summarised financial information of material associates (Cont'd)**

	Willowglen Systems Inc. RM'000	Austral Willowglen Sdn. Bhd. RM'000	Total RM'000
Group			
2024			
Reconciliation of net assets to carrying amount:			
Cost of investment	16,059	200	16,259
Bargain purchase gain on acquisition of an associate	1,359	–	1,359
Carrying amount at fair value	17,418	200	17,618
Share of post-acquisition loss	(8,875)	(20)	(8,895)
Less: Impairment loss	(8,543)	–	(8,543)
Carrying amount in the statement of financial position	–	180	180
Group's share of results:			
Group's share of loss	(15,419)	(3)	(15,422)

10. OTHER INVESTMENTS

	Group and Company	
	2025 RM'000	2024 RM'000
Financial assets at fair value through profit or loss ("FVPL")		
- Redeemable convertible preference shares		
At 1 January	2,430	2,430
Fair value changes	327	–
At 31 December	2,757	2,430

The investment in RCPS represents 2,000,000 units of unquoted preference shares in Control Technical Services Sdn Bhd. The salient features of the RCPS are as follows:

- (a) The RCPS carries a fixed cumulative preferential dividend of 10% per annum.
- (b) Each RCPS is convertible into new ordinary shares of the investee at any time after 27 May 2026 but before the maturity date at the option of the Group.
- (c) Unless previously converted, the RCPS shall be redeemed by the issuer at RM1 per share on 27 May 2026.



Notes to the Financial Statements

(Cont'd)

11. INVENTORIES

	2025 RM'000	Group 2024 RM'000
At cost or net realisable value		
Consumables	6,987	8,083

- (a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM43,215,744 (2024: RM32,860,444).
- (b) During the financial year, the write back for stock obsolescence for the Group amounted to RM23,343.
- (c) During the financial year, the written off of inventories for the Group amounted to RM590 (2024: RM1,515)

12. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade receivables	(a)	27,474	51,805	43	25
Retention sum	(b)	9,082	6,383	-	-
		36,556	58,188	43	25
Less: Impairment losses		-	(112)	-	-
		36,556	58,076	43	25
Non-trade					
Amount due from an associate	(c)	5,840	5,840	4,815	4,815
Amount due from subsidiaries	(d)	-	-	35,570	39,882
Deposits		678	744	5	6
Other receivables		57	388	44	43
		6,575	6,972	40,434	44,746
Less: Impairment losses on					
- amount due from an associate	(c)	(5,840)	(5,840)	(4,815)	(4,815)
- amount due from subsidiaries		-	-	(19,522)	(19,522)
		735	1,132	16,097	20,409
Total trade and other receivables		37,291	59,208	16,140	20,434

Notes to the Financial Statements

(Cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Trade receivables are non-interest bearing and the normal credit terms offered by the Group ranging from 30 days to 90 days (2024: 30 days to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (b) The retention sums which are receivable upon the expiry of defect liability period as provided in the contracts with customers expected to be collected are as follows:

	Group	
	2025 RM'000	2024 RM'000
Within one year	3,495	796
Later than one year	5,587	5,587
	9,082	6,383

- (c) Amount due from associate amounted to RM5,840,000 (2024: RM5,840,000) are unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash. In prior financial year, an impairment loss of RM5,840,000 was recognised in profit or loss under other expenses, representing the impairment on amount due from the Canada associate, Willowglen Systems Inc. due to adverse business conditions affecting the associate.
- (d) Amount due from subsidiaries, amounted to RM3,536,179 (2024: RM3,239,171) represent loans to subsidiaries which are unsecured, subject to interest at 4.60% to 5.11% (2024: 5.13% to 5.45%) per annum, repayable on demand and is expected to be settled in cash.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	112	112
Written off	(112)	-
At 31 December	-	112



Notes to the Financial Statements

(Cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

The Group's and the Company's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	5,840	–	24,337	659
Charge for the financial year	–	5,840	–	23,678
At 31 December	5,840	5,840	24,337	24,337

13. CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contract assets relating to contracts with customers	102,472	85,890	–	–
Contract liabilities relating to contracts with customers	(6,449)	(2,902)	–	(1)

The contract assets primarily relate to the Company's right to consideration for work completed on contract but not yet billed at the reporting date. Typically, the amount will be billed on a milestone basis and payment is within 60 days.

The contract liabilities primarily relate to the advance consideration received from a customer or advance billing for contract, which revenue is recognised over time during the contract. The contract liabilities are expected to be recognised over the contract period.

Notes to the Financial Statements

(Cont'd)

13. CONTRACT ASSETS/(LIABILITIES) (CONT'D)**(a) Significant changes in contract balances**

	2025		2024	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	6,613	-	1,536
Increase due to consideration received from customers, but revenue not recognised	-	(10,304)	-	(2,379)
Increases as a result of changes in the measure of progress	88,445	-	88,675	-
Transfers from contract assets recognised at the beginning of the period to receivables	(69,088)	-	(95,504)	-
Company				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	1	-	19

Revenue recognised that was included in the contract liability balance at the beginning of the year represented primarily recognition of revenue from project when percentage of completion increases.



Notes to the Financial Statements

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14. DEPOSITS, CASH AND BANK BALANCES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances		32,508	41,203	5,206	1,354
Fixed deposits placed with licensed banks	(a)	8,932	9,138	740	723
Short term investments		36	36	36	36
Less: Pledged deposits		41,476 (2,606)	50,377 (2,555)	5,982 (740)	2,113 (723)
		38,870	47,822	5,242	1,390

- (a) Included in the fixed deposits placed with licensed banks of the Group and the Company are an amount of RM2,605,885 and RM739,585 (2024: RM2,554,845 and RM723,354) respectively, which have been pledged to licensed bank as securities for banking facilities granted to the Group and the Company.

Fixed deposits and short-term investments are made for varying periods of between 1 day to 90 days depending on the immediate cash requirements of the Group and of the Company. The weighted average effective interest rates as at 31 December 2025 for the Group and the Company were 2%. (2024: 4% and 3%) respectively.

15. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of ordinary shares '000	Amount RM'000	Number of ordinary shares '000	Amount RM'000
Issued and fully paid up (no par value):				
At 1 January/31 December	496,000	29,240	496,000	29,240

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

Notes to the Financial Statements

(Cont'd)

16. TREASURY SHARES

	Group and Company			
	2025		2024	
	Number of ordinary shares '000	Amount RM'000	Number of ordinary shares '000	Amount RM'000
At 1 January	11,263	2,442	11,213	2,427
Shares repurchased during the financial year	-	-	50	15
At 31 December	11,263	2,442	11,263	2,442

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The directors of the Company believe that the repurchase plan are applied in the best interests of the Company and its shareholders. The share repurchases made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during financial year.

17. RESERVES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Merger deficit	(7,585)	(7,585)	-	-
Foreign currency translation reserve	16,119	22,244	-	-
Retained earnings	130,981	133,707	44,545	22,000
	139,515	148,366	44,545	22,000

Merger deficit

The merger deficit represents the difference between the nominal value of shares issued by the Company and the nominal value of shares of subsidiaries accounted for arising from the merger method.

Foreign currency translation reserve

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

Retained earnings

The Company may distribute dividends of its entire retained earnings under single-tier system.



Notes to the Financial Statements

(Cont'd)

18. LOANS AND BORROWINGS

	Note	2025 RM'000	Group 2024 RM'000
Non-current:			
<u>Unsecured:</u>			
Lease liabilities	(a)	6,351	2,971
Current:			
<u>Unsecured:</u>			
Lease liabilities	(a)	1,680	1,450
<u>Secured:</u>			
Bankers' acceptance	(b)	–	1,560
Revolving credit	(c)	–	4,000
		1,680	7,010
Total loans and borrowings			
<u>Unsecured:</u>			
Lease liabilities	(a)	8,031	4,421
<u>Secured:</u>			
Bankers' acceptance	(b)	–	1,560
Revolving credit	(c)	–	4,000
		8,031	9,981



Notes to the Financial Statements

(Cont'd)

18. LOANS AND BORROWINGS (CONT'D)**(a) Lease liabilities**

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Future minimum lease payments		
- not later than one year	1,934	1,599
- later than one year and not later than five years	6,763	3,076
Total minimum lease payments	8,697	4,675
Less: Future finance charges	(666)	(254)
Present value of minimum lease liabilities	8,031	4,421
Analysis of present value lease liabilities:		
<u>Current</u>		
Not later than one year	1,680	1,450
<u>Non-current</u>		
Later than one year and not later than 5 years	6,351	2,971
	8,031	4,421

(b) Bankers' acceptance

In prior financial year, the bankers' acceptances bear interests ranging from 4.76% to 5.03% per annum. The bankers' acceptances are secured by way of:

- (i) Corporate guarantee by the Company; and
- (ii) Deed of assignment of contract proceeds.

(c) Revolving credit

In prior financial year, the revolving credit bear interests ranging from 4.60% to 4.70% per annum. The bankers' acceptances are secured by way of:

- (i) Corporate guarantee by the Company; and
- (ii) Deed of assignment of contract proceeds.



Notes to the Financial Statements

(Cont'd)

19. PROVISIONS

	Maintenance warranties RM'000	Reinstatement costs RM'000	Provision for unutilised leave RM'000	Provision for foreseeable losses RM'000	Total RM'000
Group					
At 1 January 2024	190	870	413	15	1,488
Recognised in profit or loss	55	–	374	80	509
Utilised during the financial year	(189)	–	–	–	(189)
Reversed during the financial year	(52)	–	(404)	–	(456)
Exchange differences	–	(48)	(22)	–	(70)
At 31 December 2024	4	822	361	95	1,282
Recognised in profit or loss	–	–	471	2,646	3,117
Utilised during the financial year	(4)	–	–	–	(4)
Reversed during the financial year	–	–	(359)	(513)	(872)
Exchange differences	–	(33)	(18)	–	(51)
At 31 December 2025	–	789	455	2,228	3,472
Group 2025					
Non-current	–	789	–	–	789
Current	–	–	455	2,228	2,683
	–	789	455	2,228	3,472
2024					
Non-current	–	822	–	–	822
Current	4	–	361	95	460
	4	822	361	95	1,282



Notes to the Financial Statements

(Cont'd)

19. PROVISIONS (CONT'D)Maintenance warranties

The provision for maintenance warranties represents the present value of the directors' best estimates of future economic obligation that will be required under the Group's obligation for warranties on its products and services. The provision is recognised based on estimation made from historical warranty data with similar products.

Reinstatement costs

Provision for reinstatement costs is the estimated costs of dismantlement, removal and restoration of plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of plant and equipment.

Provision for unutilised leave

The provision for unutilised leave represents the leave entitlement by employees not utilised at the end of the financial year.

Provision for foreseeable losses

The provision for foreseeable losses represents the estimated loss based on the current estimates of total revenue and total contract cost remaining to fulfill the job indicate a loss upon completion.

20. DEFERRED TAX LIABILITIES

	Group	
	2025	2024
	RM'000	RM'000
Deferred tax liabilities	–	125

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same tax authority.

Recognised deferred tax liabilities are attributable to the following:

	Group	
	2025	2024
	RM'000	RM'000
Accelerated capital allowance	–	191
Provisions	–	(66)
	–	125



Notes to the Financial Statements

(Cont'd)

20. DEFERRED TAX LIABILITIES (CONT'D)

The movement of the deferred tax liabilities was as follows:

	Group	
	2025 RM'000	2024 RM'000
As at 1 January	125	132
Over provision in prior year	(125)	-
Exchange differences	-	(7)
As at 31 December	-	125

Unrecognised deferred tax assets

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unused tax losses	68,125	55,344	34,713	26,881
Unabsorbed capital allowance	4,973	4,898	802	672
	73,098	60,242	35,515	27,553
Potential deferred tax assets not recognised at 24%	17,544	14,458	8,524	6,613

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Notes to the Financial Statements

(Cont'd)

20. DEFERRED TAX LIABILITIES (CONT'D)

The unused tax losses are available for offset against future taxable profits of the Group and the Company up to the following financial years:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Year of assessment				
2028	19,181	19,181	9,221	9,221
2029	6,431	6,431	–	–
2030	3,062	3,062	1,310	1,310
2031	5,291	5,291	2,179	2,179
2032	5,655	5,655	1,562	1,562
2033	6,880	6,880	5,858	5,858
2034	8,844	8,844	6,751	6,751
2035	12,781	–	7,832	–
	68,125	55,344	34,713	26,881

21. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current:					
Trade					
Trade payables	(a)	13,148	14,674	–	–
Rentention sum	(b)	4,125	9,052	–	–
		17,273	23,726	–	–
Non-trade					
Accruals		2,609	2,872	702	583
Amount owing to subsidiary	(c)	–	–	–	23,679
Amount owing to associate	(c)	900	900	900	900
Deposit		15	15	–	–
Other payables		3,454	3,530	1,702	293
SST payables		812	42	–	–
		7,790	7,359	3,304	25,455
Total trade and other payables		25,063	31,085	3,304	25,455



Notes to the Financial Statements

(Cont'd)

21. TRADE AND OTHER PAYABLES (CONT'D)

- (a) Trade payables are non-interest bearing and normal credit terms granted to the Group range from 30 days to 60 days (2024: 30 days to 60 days).
- (b) The retention sums which are payable upon expiry of defect liability period as provided in the contracts with contractors are expected to be settled as follows:

	Group	
	2025 RM'000	2024 RM'000
Within one year	1,396	1,392
Later than one year	2,729	7,660
	4,125	9,052

- (c) Amount owing to subsidiary and associate are unsecured, non-interest bearing, repayable upon demand and are expected to be settled in cash.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 31(b)(ii) to the financial statements.

22. REVENUE

Revenue comprises mainly income from supply of computer-based control systems and provision of the related installation and maintenance services.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contract customers:				
Contract revenue	139,723	147,044	-	-
Maintenance contracts	49,989	57,917	-	-
Sales of goods	480	792	-	-
Engineering consultation fee	222	98	2,171	1,740
	190,414	205,851	2,171	1,740
Timing of revenue recognition:				
At a point in time	4,459	22,135	2,171	1,740
Over time	185,955	183,716	-	-
	190,414	205,851	2,171	1,740

Notes to the Financial Statements

(Cont'd)

22. REVENUE (CONT'D)

The transaction price allocated to the remaining performance obligations as at 31 December 2025 is RM435,847,831 (2024: RM399,361,209). The remaining performance obligations are expected to be recognised as follows:

	Within 1 year RM'000	Between 1 - 7 years RM'000	Total RM'000
Group			
At 31 December 2025			
Revenue expected to be recognised on:			
- construction contracts	174,637	185,290	359,927
- maintenance contracts	35,853	40,067	75,920
	210,490	225,357	435,847
At 31 December 2024			
Revenue expected to be recognised on:			
- construction contracts	153,495	154,629	308,124
- maintenance contracts	41,553	49,684	91,237
	195,048	204,313	399,361

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about performance obligations that have original expected durations of one year or less.

23. FINANCE COSTS

	2025 RM'000	Group 2024 RM'000
Interest expenses on:		
- bank overdraft	47	185
- bankers' acceptance	14	121
- lease liabilities	187	210
- revolving credit	298	117
- others	-	3
	546	636



Notes to the Financial Statements

(Cont'd)

24. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving profit/(loss) before tax:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration - statutory audit:					
- Baker Tilly Monteiro Heng PLT		182	177	103	103
- Other auditors		123	123	-	-
Other services - non statutory audit:					
- Baker Tilly Monteiro Heng PLT		8	8	8	8
- Member firms of Baker Tilly International		18	15	6	5
Amortisation on intangible assets		309	-	309	-
Bad debt written off					
- other receivables		-	101	-	-
Depreciation on:					
- property, plant and equipment	5	1,365	1,538	178	151
- right-of-use assets	6	1,705	1,693	-	-
Dividend income from a subsidiary					
		-	-	(46,600)	(25,887)
Expenses relating to short-term leases					
		466	148	61	60
Fair value gain on other investments					
	11	(327)	-	(327)	-
Gain on disposal of property, plant and equipment					
		(45)	(3)	-	-
Gain on lease termination					
		(1)	-	-	-
Government grants:					
- wages subsidy programme		(119)	-	-	-
Impairment loss on:					
- amount due from associate	12	-	5,840	-	4,815
- amount due from subsidiaries	12	-	-	-	18,863
- investment in associate	9	-	8,543	-	-
Interest income from:					
- loan to subsidiaries		-	-	(167)	(157)
- loan to an associate company		-	(42)	-	-
- unit trust		(2)	(3)	(2)	(3)
- fixed deposit		(309)	(335)	(17)	(16)
- bank balances		-	(16)	-	-

Notes to the Financial Statements

(Cont'd)

24. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving profit/(loss) before tax: (cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Inventories written off	13	1	2	-	-
Net (gain)/loss on foreign exchange:					
- realised		(743)	165	(930)	(30)
- unrealised		(182)	(142)	-	-
Property, plant and equipment written off	6	2	7	-	-
Provision for maintenance warranties	20	-	55	-	-
Provision for unutilised leave	20	471	374	-	-
Provision for foreseeable loss	20	2,646	80	-	-
Rental income		(66)	(66)	(72)	(72)
Reversal of provision for stock obsolescence	13	(23)	-	-	-
Reversal of provision for maintenance warranties	20	-	(55)	-	-
Reversal of provision for unutilised leave	20	(359)	(404)	-	-
Reversal of provision for foreseeable losses	20	(513)	-	-	-
Waiver on amount due from subsidiary		-	-	8,800	3,500
Written off of contract assets		217	-	-	-
Employee benefit expenses	26	75,886	74,583	9,118	7,705

25. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, allowances and bonuses	68,785	67,484	8,199	6,896
Defined contribution plans	6,884	6,899	860	761
SOCSSO	195	180	53	43
Employment insurance system	22	20	6	5
	75,886	74,583	9,118	7,705



Notes to the Financial Statements

(Cont'd)

25. EMPLOYEE BENEFITS EXPENSE (CONT'D)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in employee benefits expense are:				
<u>Executive directors</u>				
Fees	100	100	100	100
Salaries, bonus and other emoluments	6,373	6,322	3,634	3,632
Defined contribution plan	352	316	300	264
	6,825	6,738	4,034	3,996
<u>Non-executive directors</u>				
Fees	99	99	99	99
	6,924	6,837	4,133	4,095

26. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2025 and 2024:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Statements of comprehensive income				
Current income tax				
- current year	(4,390)	(4,281)	-	-
- prior year	(69)	-	-	-
	(4,459)	(4,281)	-	-
Deferred tax (Note 20)				
- prior year	125	-	-	-
Income tax expense recognised in profit or loss	(4,334)	(4,281)	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year. The corporate tax rate applicable to the Singapore subsidiary of the Group was 17% for the year of assessment 2024 (2024: 17%).

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements

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26. INCOME TAX EXPENSE (CONT'D)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) before tax	8,879	(14,446)	29,816	(8,472)
Tax at Malaysia statutory income tax rate of 24% (2024: 24%)	(2,131)	3,467	(7,156)	2,033
Effect of tax rate in foreign jurisdiction	1,828	1,775	-	-
Share of results of associates	(1)	(3,701)	-	-
Adjustments:				
- non-deductible expenses	(3,407)	(3,821)	(2,196)	(6,557)
- non-taxable income	2,194	1	11,263	6,214
- deferred tax assets not recognised on tax losses and temporary differences	(3,086)	(2,280)	(1,911)	(1,690)
- tax exemption	57	59	-	-
- other items	156	219	-	-
- adjustment in respect of income tax of prior years	(69)	-	-	-
- adjustment in respect of deferred tax of prior years	125	-	-	-
Income tax expense	(4,334)	(4,281)	-	-



Notes to the Financial Statements

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27. EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share are based on the profit/(loss) for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding (excluding treasury shares) during the financial year, calculated as follows:

	Group	
	2025 RM'000	2024 RM'000
Profit/(Loss) attributable to owners of the Company	4,545	(18,727)
Weighted average number of ordinary shares for basic earnings/(loss) per share	484,737	484,737
Basic earnings/(loss) per ordinary share (sen)	0.94	(3.86)

The basic and diluted earnings/(loss) per ordinary share are equal as the Group does not have dilutive potential ordinary shares as at the reporting date.

28. DIVIDENDS

	Group and Company	
	2025 RM'000	2024 RM'000
Recognised during the financial year:		
Dividends on ordinary shares:		
First and final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2024, paid on 20 May 2025	7,271	–
Dividends on ordinary shares:		
First and final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2023, paid on 20 May 2024	–	7,272

A first and final single-tier dividend of 1.5 sen per ordinary share, amounting to RM7,271,046 in respect of the current financial year, has been approved by the Board of Directors on 26 February 2026. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2026 after the distribution has been made.



Notes to the Financial Statements

(Cont'd)

29. RELATED PARTIES

(a) Identify of related parties

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

Related parties of the Group included:

- (i) Company's holding company;
- (ii) Entities having significant influence over the Group;
- (iii) Subsidiaries
- (iv) Associates; and
- (v) Key management personnel of the Group and the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than as disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subsidiaries				
Sale of goods	–	–	602	293
Provision of engineering services	–	–	63	9
Technical advisory fees charged	–	–	1,283	1,328
Rental income	–	–	72	72
Rental expense	–	–	(60)	(60)
Interest income	–	–	167	157
Dividend income	–	–	46,600	25,887
Purchase of goods	–	–	–	(12)
Associates				
Interest income	–	42	–	–



Notes to the Financial Statements

(Cont'd)

29. RELATED PARTIES (CONT'D)

(c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remuneration (Note 25)	6,924	6,837	4,133	4,095
Other key management personnel:				
Salaries, bonuses and allowances	5,939	6,033	645	622
Defined contribution plans	535	536	76	73
	6,474	6,569	721	695
	13,398	13,406	4,854	4,790

30. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on internal reports of the Group's strategic business units which are regularly reviewed by the Group's chief operating decision maker for the purpose of making decisions about resource allocation and performance assessment.

The Group's reportable operating segments which is based on geographical areas are as follows:

- Malaysia : research, development, sales, implementation and maintenance of computer-based control systems, integrated monitoring systems.
- Singapore : design, supply, engineering, implementation and maintenance of computer-based control systems.
- Others : investment holdings.



Notes to the Financial Statements

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30. SEGMENT INFORMATION (CONT'D)

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as Group's chief operating decision maker believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these geographical areas. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment asset is measured based on all assets (excluding investment in associates, current and deferred tax assets) of a segment, as included in the internal reports that are reviewed by the Group's operating decision maker.

The amounts of addition to non-current assets is excluding financial instruments and deferred tax assets.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Group's operating decision maker. Hence, no disclosures are made on liabilities.

Geographical information

Revenue and non-current assets information on the basis of geographical segments information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include financial instruments and deferred tax assets.

Major customers

Major customers' information is revenues from transactions with a single external customer amount to ten percent or more of the Group's revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer.



Notes to the Financial Statements

(Cont'd)

30. SEGMENT INFORMATION (CONT'D)

	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
2025						
Revenue:						
External customers	38,475	151,939	–	–		190,414
Inter-segment	2,286	408	–	(2,694)	A	–
Total revenue	40,761	152,347	–	(2,694)		190,414
Results:						
Interest income	224	254	–	(167)		311
Interest expense	(537)	(176)	–	167		(546)
Impairment loss on:						
Investment in subsidiaries	–	(33)	–	33		–
Depreciation						
- property, plant and equipment	(717)	(648)	–	–		(1,365)
- right-of-use asset	(194)	(1,511)	–	–		(1,705)
Amortisation on intangible assets	(309)	–	–	–		(309)
Reversal of impairment loss						
on investment in associate	1,683	–	–	–		1,683
Share of results of associates	–	–	–	(1,685)		(1,685)
Segment profit	29,220	26,110	133	(46,584)	B	8,879
Income tax expense	(16)	(4,318)	–	–		(4,334)
Profit for the financial year	29,204	21,792	133	(46,584)	B	4,545
Assets:						
Additions to non-current assets	1,508	5,692	–	–		7,200
Segment assets	142,260	134,084	271	(63,046)	C	213,569
Geographical information:						
Revenue by geographical location of customers						
	38,475	151,939	–	–		190,414
Non-current assets	58,479	9,092	–	(43,818)	C	23,753
Major customers	–	77,831	–	–		77,831



Notes to the Financial Statements

(Cont'd)

30. SEGMENT INFORMATION (CONT'D)

	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
2024						
Revenue:						
External customers	70,526	135,325	–	–		205,851
Inter-segment	1,897	1,509	–	(3,406)	A	–
Total revenue	72,423	136,834	–	(3,406)		205,851
Results:						
Interest income	232	304	17	(157)		396
Interest expense	(588)	(199)	(3)	157		(633)
Depreciation						
- property, plant and equipment	(863)	(675)	–	–		(1,538)
- right-of-use asset	(162)	(1,531)	–	–		(1,693)
Impairment loss on:						
- amount due from associate	(4,815)	–	(1,025)	–		(5,840)
- amount due from subsidiaries	(18,863)	–	–	18,863		–
- investment in associate	–	–	(8,543)	–		(8,543)
Share of results of associates	–	–	–	(15,422)		(15,422)
Segment loss	(7,917)	25,356	(19,436)	(12,449)	B	(14,446)
Income tax expense	(27)	(4,254)	–	–		(4,281)
Loss for the financial year	(7,944)	21,102	(19,436)	(12,449)	B	(18,727)
Assets:						
Additions to non-current assets	2,483	357	–	–		2,840
Segment assets	157,188	157,472	306	(90,295)	C	224,671
Geographical information:						
Revenue by geographical location of customers	70,526	135,325	–	–		205,851
Non-current assets	57,901	5,944	–	(43,854)	C	19,991
Major customers	44,004	57,198	–	–		101,202



Notes to the Financial Statements

(Cont'd)

30. SEGMENT INFORMATION (CONT'D)

Major customers

Nature of elimination to arrive at amounts reported in the consolidated financial statements:

- (A) Inter-segment revenue are eliminated on consolidation;
- (B) Inter-segment revenue and expenses are eliminated on consolidation; and
- (C) Inter-segment balances are eliminated on consolidation.

Information about major customer

	2025 RM'000	2024 RM'000
Singapore		
Customer I	28,808	–
Customer II	28,390	31,869
Customer III	20,633	43,792
Malaysia		
Customer IV	–	24,411
Customer V	–	19,593
	77,831	119,665

31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Fair value through profit or loss ("FVPL")
- (ii) Amortised cost



Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)**(a) Categories of financial instruments (Cont'd)**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
At 31 December 2025			
Financial assets			
Group			
Other investment	2,757	–	2,757
Trade and other receivables	37,291	37,291	–
Deposits, cash and bank balances	41,476	41,476	–
	81,524	78,767	2,757
Company			
Other investment	2,757	–	2,757
Trade and other receivables	16,140	16,140	–
Deposits, cash and bank balances	5,982	5,982	–
	24,879	22,122	2,757
Financial liabilities			
Group			
Trade and other payables [^]	(24,251)	(24,251)	–
Company			
Other payables	(3,304)	(3,304)	–

[^] Exclude SST payable



Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)

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

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (Cont'd)

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
At 31 December 2024			
Financial assets			
Group			
Other investment	2,430	–	2,430
Trade and other receivables	59,208	59,208	–
Deposits, cash and bank balances	50,377	50,377	–
	112,015	109,585	2,430
Company			
Other investment	2,430	–	2,430
Trade and other receivables	20,434	20,434	–
Deposits, cash and bank balances	2,113	2,113	–
	24,977	22,547	2,430
Financial liabilities			
Group			
Trade and other payables [^]	(31,043)	(31,043)	–
Loans and borrowings	(5,560)	(5,560)	–
	(36,603)	(36,603)	–
Company			
Other payables	(25,455)	(25,455)	–

[^] Exclude SST payable



Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial risk management**

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company use derivative financial instruments, such as, foreign exchange contracts to hedge certain exposures. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.



Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

The gross carrying amount of a financial asset is 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 and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company use ageing analysis to monitor the credit quality of trade receivables. In managing credit risks of trade receivables, the Group and the Company also take appropriate actions (including but not limited to legal actions) to recover long past due balances.

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows:

Trade receivables:

	2025		Group		2024	
	RM'000	%	RM'000	%		
By country:						
Malaysia	16,415	45%	26,719	46%		
Singapore	20,141	55%	31,235	54%		
Europe	–	0%	234	0%		
	36,556	100%	58,188	100%		

Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial risk management (Cont'd)****(i) Credit risk (Cont'd)****Contract assets:**

	2025		Group		2024	
	RM'000	%	RM'000	%	RM'000	%
By country:						
Malaysia	31,578	31%	36,964	40%		
Singapore	70,894	69%	48,926	60%		
	102,472	100%	85,890	100%		

The Group and the Company apply the simplified approach to provide for impairment losses prescribed by MFRS 9 Financial Instruments, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment loss also incorporate forward-looking information.

The information about credit risk expense on the Group's and the Company's trade receivables and contract assets are as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contract assets		102,472	85,890	–	–
Trade receivables					
Neither past due nor impaired		25,915	36,789	–	–
1 to 30 days past due not impaired		1,831	8,294	6	8
31 to 60 days past due not impaired		1,404	3,007	6	17
61 to 90 days past due not impaired		525	3,014	6	–
More than 90 day past due not impaired		6,881	6,972	25	–
Individually impaired	(a)	10,641	21,287	43	25
		–	112	–	–
		36,556	58,188	43	25

(a) Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and have defaulted on payments.



Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Other receivables and other financial assets

For other receivables and other financial assets (including other investment and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM Nil (2024: RM5,560,000) representing the outstanding banking facilities of the Company and its subsidiaries as at the end of the reporting period. As at the reporting date, there was no loss allowance for impairment losses as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial risk management (Cont'd)****(ii) Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

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

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Contractual cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	Total RM'000
Group				
At 31 December 2025				
Financial liabilities				
Trade and other payables [^]	24,251	24,251	–	24,251
Lease liabilities	8,031	1,934	6,763	8,697
	32,282	26,185	6,763	32,948
At 31 December 2024				
Financial liabilities				
Trade and other payables [^]	31,043	31,043	–	31,043
Lease liabilities	4,421	1,599	3,076	4,675
Bankers' acceptance	1,560	1,560	–	1,560
Revolving credit	4,000	4,000	–	4,000
	41,024	38,202	3,076	41,278

[^] Exclude SST payable



Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) **Financial risk management (Cont'd)**

(ii) **Liquidity risk (Cont'd)**

Maturity analysis (Cont'd)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows: (Cont'd)

	Contractual cash flows			Total RM'000
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	
Company				
At 31 December 2025				
Financial liabilities				
Other payables	3,304	3,304	–	3,304
At 31 December 2024				
Financial liabilities				
Other payables	25,455	25,455	–	25,455
Financial guarantee contracts	–	5,560	–	5,560
	25,455	31,015	–	31,015

(iii) **Foreign currency risk**

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposures to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales and purchases that are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries and associate.

The Group manages the net exposure to foreign currency risks by monitoring the exposure to such risks on an ongoing basis. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweighs the potential risk of exchange rate fluctuations.



Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial risk management (Cont'd)****(iii) Foreign currency risk (Cont'd)**

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	Group					
	2025			2024		
	Functional currency			Functional currency		
RM	SGD	VND	RM	SGD	VND	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial assets and liabilities not held in functional currencies:						
<u>Cash and cash equivalents</u>						
United States Dollar	–	553	237	–	1,464	276
Chinese Renminbi	–	6	–	–	6	–
Euro	–	310	–	–	419	–
British Pound	–	6	–	–	8	–
	–	875	237	–	1,897	276
<u>Trade and other receivables</u>						
United States Dollar	–	581	–	–	679	–
Canada Dollar	–	–	–	–	9,855	–
Vietnamese Dong	–	13	–	–	16	–
Euro	59	–	–	234	–	–
	59	594	–	234	10,550	–
<u>Trade and other payables</u>						
United States Dollar	–	(675)	–	–	(45)	–
Euro	–	–	–	(81)	–	–
Australian Dollar	–	–	–	–	(134)	–
British Pound	–	(8)	–	–	(4)	–
	–	(683)	–	(81)	(183)	–



Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to United States Dollar ("USD"), British Pound ("GBP"), Canadian Dollar ("CAD"), Euro ("EURO"), Chinese Renminbi ("RMB"), Vietnamese Dong ("VND") and Australian Dollar ("AUD").

The following table demonstrated the sensitivity to a reasonably change possible change in the USD, GBP, CAD, EURO, VND, RMB and AUD, with all other variables held constant of the Group's total profit for the financial year.

	Change in rate	Group	
		2025 RM'000	2024 RM'000
		Effect on profit or loss	
USD	+ 10%	53	180
	- 10%	(53)	(180)
GBP	+ 10%	*	*
	- 10%	*	*
CAD	+ 10%	-	749
	- 10%	-	(749)
EURO	+ 10%	28	43
	- 10%	(28)	(43)
VND	+ 10%	1	1
	- 10%	(1)	(1)
RMB	+ 10%	*	*
	- 10%	*	*
AUD	+ 10%	-	(10)
	- 10%	-	10

* Below RM1,000

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There were no transfer between Level 1 and Level 3 during the current and previous financial years (2024: no transfer in either directions).

Notes to the Financial Statements

(Cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)**(c) Fair value measurement (Cont'd)**

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

	Carrying amount RM'000	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value	
		← Fair value →		← Fair value →	
		Level 3 RM'000	Total RM'000	Level 3 RM'000	Total RM'000
2025					
Financial asset					
Group					
Other investments	2,757	2,757	2,757	–	–
Company					
Other investments	2,757	2,757	2,757	–	–
2024					
Financial assets					
Group					
Other investments	2,430	2,430	2,430	–	–
Company					
Other investments	2,430	2,430	2,430	–	–

Level 3 fair valueFair value of financial instruments carried at fair value

The fair value of the other investments has been estimated using a discounted cash flows model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of fair value for the investments.

Fair value of financial instruments not carried at fair value

The fair value of the non-current portion of the amount due from an associate based on the present value of the projected repayment of the loans. The discount rate used reflects the issuers borrowing rate as at the end of the reporting period.

The Group and the Company do not have any financial liabilities carried at fair value nor any financial liabilities classified as Level 3 as at 31 December 2025 and 31 December 2024.



Notes to the Financial Statements

(Cont'd)

32. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2025 and 31 December 2024.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity of the Group and the Company. The gearing ratio as at 31 December 2025 is as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group					
Trade and other payables	21	25,063	31,085	3,304	25,455
Loans and borrowings	18	8,031	9,981	-	-
Total debts		33,094	41,066	3,304	25,455
Total equity		166,313	175,164	71,343	48,798
Gearing ratio (times)		0.20	0.23	0.05	0.52

33. EVENT SUBSEQUENT TO THE FINANCIAL YEAR ENDED

Subscription of 1 ordinary share in Willowglen Asia Pte Limited

On 19 March 2026, Willowglen Asia Pte Limited ("WAPL") issued a total of 1 ordinary share and was subscribed by the Company for a total cash consideration of HKD1 (equivalent to RM0.50). Following the acquisition, the Company holds 50% direct equity interest and 50% indirect interest in WAPL through Willowglen Services Pte. Ltd. There is no change in the ownership interest in WAPL.



Statement By Directors

(Pursuant to Section 251(2) of the Companies Act 2016)

We, **WONG AH CHIEW** and **SIMON WONG CHU KEONG**, being two of the directors of Willowglen MSC Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

.....
WONG AH CHIEW
Director

.....
SIMON WONG CHU KEONG
Director

Date: 26 March 2026

Statutory Declaration

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

I, **CHEW NYUK SEONG**, being the officer primarily responsible for the financial management of Willowglen MSC Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
CHEW NYUK SEONG
MIA Membership No.: 19192

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 26 March 2026.

Before me,

Hadinur Mohd Syarif (W761)
Commissioner for Oaths
Chambers Twenty Five
No. 25 Jalan Tunku, Bukit Tunku
50480 Kuala Lumpur



Independent Auditors' Report

To The Members Of Willowglen Msc Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Willowglen MSC Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of 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 84 to 150.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Group

Revenue and Cost from Contracts (Note 4(a), 13 and 22 to the financial statements)

The Group recognised revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that the costs incurred for work performed to date bear to the estimated total costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contracts. Therefore, the amount of contract revenue, contract costs and its corresponding contract assets and contract liabilities recognised in a year is affected by a variety of uncertainties that depend on the outcome of future events.



Independent Auditors' Report (Cont'd)

Key Audit Matters (Cont'd)

Our audit response:

Our audit procedures on the sample of selected contracts including;

- reading the terms and conditions of agreements with selected contracts;
- understanding the Group's process in preparing of contract budget and the calculation of the progress towards anticipated satisfaction of a performance obligation;
- comparing the Group's computed progress towards complete satisfaction of performance obligation for identified contracts against progress certificate approved by customers;
- checking the mathematical computation of recognised revenue for the contracts during the financial year; and
- communicating and discussing with the component auditors including reviewing the work of component auditors in relation to their work performed.

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.



Independent Auditors' Report

(Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



Independent Auditors' Report (Cont'd)

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

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 subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

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 contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600(LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Jou Yin
No. 03460/11/2027 J
Chartered Accountant

Kuala Lumpur

Date: 26 March 2026



Disclosure of Financial Data for Shariah Screening

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

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		190,414,000	205,851,000
Other income		2,070,000	984,000
Share of result of associates		(2,000)	(15,422,000)
Total		192,482,000	191,413,000
Total Assets		213,569,000	224,671,000

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest income		311,000	396,000
Gain from investment in conventional instruments		327,000	–
Total		638,000	396,000



Disclosure of Financial Data for Shariah Screening

(Cont'd)

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank (exclude cash in hand)		2,206,000	1,669,000
Total		2,206,000	1,669,000

Conventional Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank (exclude cash in hand)		30,302,000	39,534,000
Deposits with licensed bank		8,932,000	9,138,000
Short-term deposits		36,000	36,000
Total		39,270,000	48,708,000

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Banker's acceptances		-	1,560,000
Revolving credit and financing		-	4,000,000
Non-Current		-	-
Total		-	5,560,000

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current		N/A	N/A
Non-Current		N/A	N/A
Total		N/A	N/A



Additional Compliance Information

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposals during the financial year ended 31 December 2025.

2. MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries, involving the Directors and major shareholders' interests during the financial year ended 31 December 2025.

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the external auditors and their affiliates by the Company and the Group for the financial year ended 31 December 2025 are as follows:-

	Group (RM'000)	Company (RM'000)
Audit Fees	305	103
Non-Audit Fees	72	14

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Twenty-Seventh Annual General Meeting of the Company held on 21 May 2025, the Company obtained a mandate from its shareholders for recurrent related party transactions ("RRPTs") of a revenue or trading nature with related parties.

In compliance with Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the details of RRPTs conducted during the financial year ended 31 December 2025 pursuant to the shareholders' mandate are set out below:-

Willowglen and/or its subsidiaries	Transacting Parties	Nature of Transactions	Aggregate value of RRPTs from 1 January 2025 to 31 December 2025 (RM)
Willowglen and its subsidiaries ("WMSC Group")	OSK Holdings Berhad and its subsidiaries and associated companies ("OSK Group")	i) Purchase of cables for project use by WMSC Group from OSK Group	0
	Ryobi Geotechnique International Pte. Ltd. and its subsidiaries and associated companies ("RYOBI Group")	i) Supply of WMSC Group's product – Supervisory Control and Data Acquisition (SCADA) Systems and Information Technology services ii) Purchase of services for project use by WMSC Group from RYOBI Group	 503,907



Properties

As at 31 December 2025

Description of Property	Existing Use	Age of Building (Years)	Land Area	Tenure	Date of Acquisition	Net Book Value / Fair Value As at 31 December 2025 (RM)
Willowglen (Malaysia) Sdn. Bhd.						
Two units of 3-storey terrace shop offices bearing the addresses of No. 1 & 3, Jalan 2/149B, Taman Sri Endah, Bandar Baru Sri Petaling, 57000 Kuala Lumpur	Operational office	33	246 sq. m.	93-years leasehold expiring on 19.02.2083	01.06.1999	2,034,842
Four units of 3-storey terrace shop offices bearing the addresses of No. 15 & 17, Jalan 2/149B, Taman Sri Endah, Bandar Baru Sri Petaling, 57000 Kuala Lumpur	Operational office	33	490 sq. m.	93-years leasehold expiring on 19.02.2083	30.04.2007	2,056,883
One unit of Condominium bearing the address of Unit No. A-15-10, Menara Perniagaan Manjalara, No. 99, Jalan Manjalara Idaman 6, Bandar Sri Manjalara, 52200 Kuala Lumpur	Vacant	10	75 sq. m.	99-years leasehold expiring on 25.08.2114	02.10.2017	480,524
Willowglen MSC Berhad						
One unit of 4-storey shop offices bearing the address of Unit No. B5-G-5, B5-1-5, B5-2-5 and B5-3-5, Danga Walk Street Mall, Danga Bay, Jalan Skudai, 80200 Johor Bahru	Operational office	19	103 sq. m.	Freehold	23.12.2014	1,861,828



Shareholdings Statistics

As at 27 March 2026

Total Number of Issued Shares	:	496,000,000 (including 11,263,600 treasury shares)
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares Held	%
1-99	12	0.30	138	0.00
100-1,000	298	7.54	134,448	0.03
1,001-10,000	1,686	42.66	9,845,033	2.03
10,001-100,000	1,642	41.55	59,999,658	12.38
100,001 – 24,236,819 *	313	7.92	147,151,909	30.36
24,236,820 and above **	1	0.03	267,605,214	55.21
Total	3,952	100.00	484,736,400***	100.00

Remark	-	*	Less than 5% of issued shares
	-	**	5% and above of issued shares
	-	***	Excluding 11,263,600 shares bought back by the Company and retained as treasury shares

SUBSTANTIAL SHAREHOLDERS

According to the register required to be kept under Section 144 of the Companies Act 2016, the following are substantial shareholders of the Company:-

Substantial Shareholders	Direct Interest	No. of Shares Held		%
		%	Indirect Interest	
New Advent Sdn. Bhd.	267,605,214	55.21	-	-
Wong Ah Chiew	3,868,300	0.80	272,766,514 ^o	56.27
Simon Wong Chu Keong	1,416,000	0.29	267,605,214 ^o	55.21

Notes:

- ^o Deemed interested through his interest in New Advent Sdn. Bhd., Elegant Preference Sdn. Bhd., Jian Qi Holdings Sdn. Bhd., his spouse and children
- Deemed interested through his interest in New Advent Sdn. Bhd.



Shareholdings Statistics

(Cont'd)

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest	No. of Shares Held		
		%	Indirect Interest	%
Wong Ah Chiew	3,868,300	0.80	272,766,514*	56.27
Simon Wong Chu Keong	1,416,000	0.29	267,605,214#	55.21
Tan Jun	400,182	0.08	-	-

Notes:

* Deemed interested through his interest in New Advent Sdn. Bhd., Elegant Preference Sdn. Bhd., Jian Qi Holdings Sdn. Bhd., his spouse and children

Deemed interested through his interest in New Advent Sdn. Bhd.

Other than the above, none of the other Directors in office has any interest in shares in the Company as at 27 March 2026.

THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 27 MARCH 2026

No.	Name of Shareholders	No. of Shares Held	%
1	New Advent Sdn. Bhd.	267,605,214	55.21
2	Lim Sin Khong	7,315,300	1.51
3	Teh Boon Wee	6,085,200	1.26
4	Andrew Lim Cheong Seng	5,000,000	1.03
5	Teh Boon Wee	4,000,000	0.83
6	Lock Kai Sang	3,513,100	0.73
7	Ng Sim Tin	3,255,200	0.67
8	Wong Ah Chiew	3,000,000	0.62
9	Chee Sai Mun	2,455,800	0.51
10	Khor Chai Moi	2,286,600	0.47
11	Malta Corp. Sdn. Bhd.	2,281,400	0.47
12	Kenanga Nominees (Tempatan) Sdn. Bhd. Derrick Kong Ying Kit (PCS)	2,191,000	0.45
13	Lee Kok Hoong	2,070,100	0.43
14	Tan Eng Kwee	1,967,900	0.41
15	Ng Soo Oon	1,860,000	0.38



Shareholdings Statistics

(Cont'd)

THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 27 MARCH 2026 (CONT'D)

No.	Name of Shareholders	No. of Shares Held	%
16	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Chong Ngin	1,820,000	0.38
17	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Gan Boon Siew (8065121)	1,761,200	0.36
18	Meridian Fortune Sdn. Bhd.	1,750,000	0.36
19	Lee Heuk Ping	1,682,500	0.35
20	Wong Chu Khee	1,548,600	0.32
21	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Honji Corporation Sdn. Bhd. (E-SS2)	1,500,000	0.31
22	Wong Kim Mooi	1,490,000	0.31
23	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Simon Wong Chu Keong	1,416,000	0.29
24	Loh Kok Wai	1,413,000	0.29
25	Lee Yeow Teng	1,382,000	0.29
26	Lim Gaik Bway @ Lim Chiew Ah	1,260,000	0.26
27	Lim Guat Eyan	1,230,000	0.25
28	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Bob Standard Sdn. Bhd.	1,189,000	0.25
29	Ong Leong Huat	1,100,000	0.23
30	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Au Kwan Seng	1,037,000	0.21

FORM OF PROXY

CDS Account No.	No. of Shares Held	Mobile/Contact Number

*I/We, _____

bearing *NRIC No./Passport No./Registration No. _____

of _____

being a member of **WILLOWGLEN MSC BERHAD** hereby appoint:-

First Proxy "A"

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and

Second Proxy "B"

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or the Chairman of the Meeting as *my/our proxy, to vote for *me/us on *my/our behalf at the Twenty-Eighth ("28th") Annual General Meeting ("AGM") of the Company to be held at **The Royal Selangor Golf Club, Banquet Hall, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Friday, 12 June 2026 at 10:00 a.m.** and any adjournment thereof, in the manner indicated below:-

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To re-elect Simon Wong Chu Keong, who is due to retire by rotation in accordance with Clause 124 of the Company's Constitution and being eligible, has offered himself for re-election		
2.	To re-elect Syed Feisal Alhady, who is due to retire by rotation in accordance with Clause 124 of the Company's Constitution and being eligible, has offered himself for re-election		
3.	To approve the payment of Directors' fees amounting to RM199,000.00 for the financial year ended 31 December 2025		
4.	To approve the payment of Directors' benefits to the Non-Executive Directors up to RM45,000.00 from a day after the Twenty-Eighth AGM until the date of the next AGM of the Company in the year 2027		
5.	To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next AGM and authorise the Directors to fix their remuneration		
6.	Authority to Issue Shares pursuant to the Companies Act 2016		
7.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
8.	Proposed Renewal of Share Buy-Back Authority for the Company to Purchase its Own Ordinary Shares up to 10% of the Total Number of Issued Shares of the Company		

(Please indicate with 'X' how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain at his discretion.)

Signed this _____ day of _____, 2026.

* Delete if not applicable

* Signature / Common Seal of Shareholder**Notes:**

- In respect of deposited securities, only members whose names appear in the Record of Depositors as at 5 June 2026 ("General Meeting Record of Depositors") shall be eligible to participate in the 28th AGM or appoint proxy(ies) to participate and/or vote in his/her stead.
- A member entitled to participate and vote at the 28th AGM of the Company shall be entitled to appoint more than one (1) proxy to participate, speak and vote in his/her stead. Where a member appoints more than one (1) proxy in relation to a meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
- A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate, speak and vote at the 28th AGM shall have the same rights as the member to participate, speak and vote at the 28th AGM.
- The instrument appointing a proxy shall be in writing under the hand of the member or of his/her attorney duly authorised in writing or, if the member is a corporation, either under common seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.



Notes:

6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. ("**BoardRoom**") at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or alternatively, lodged electronically via BoardRoom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to BoardRoom at bsr_proxy@boardroomlimited.com, not later than forty-eight (48) hours before the time set for holding the 28th AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude a member from attending and voting at the 28th AGM should he/she subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the office of the Company's Share Registrar, BoardRoom. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than twenty-four (24) hours before the time stipulated for holding the 28th AGM or any adjournment thereof.
7. Any notice of termination of authority to act as proxy must be received by the Company not less than twenty-four (24) hours before the time stipulated for holding the 28th AGM or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he did as chairman of such meeting;
 - (c) the validity of a poll demanded by him at such meeting; or
 - (d) the validity of the vote exercised by him at such meeting.

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AFFIX
STAMP

WILLOWGLEN MSC BERHAD

[Registration No. 199801006521 (462648-V)]
c/o Boardroom Share Registrars Sdn. Bhd.
[Registration No. 199601006647 (378993-D)]
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan
Malaysia

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QUESTIONS FROM SHAREHOLDERS

The Twenty-Eighth Annual General Meeting ("**28th AGM**") of Willowglen MSC Berhad will be held at The Royal Selangor Golf Club, Banquet Hall, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Friday, 12 June 2026 at 10:00 a.m.

Shareholders are invited to register their questions (if any) **on or before Friday, 22 May 2026** by sending an email to corpinfo@willowglen.com.my with the following details :

1. Shareholder's Name
2. CDS Account No.
3. Question(s)

In the course of the 28th AGM, we will respond to as many questions posed by the shareholders as practicable.

www.willowglen.com.my

WILLOWGLEN

No. 17 Jalan 2/149B, Taman Sri Endah, Bandar Baru Sri Petaling,
57000 Kuala Lumpur.
Tel (603) 9057 1228 **Fax** (603) 9057 1218