WONG ENGINEERING CORPORATION BERHAD
Registration No. 199601037606 (409959-W)
(Incorporated in Malaysia)

Minutes of the Twenty-Eighth ("**28th**") Annual General Meeting ("**AGM**") of **Wong Engineering Corporation Berhad** ("**WEC**" or "**the Company**") held at Auditorium Room, Level 1, Lot 204, Jalan Bukit Belimbing 26/38, Off Persiaran Tengku Ampuan, Lion Industrial Park Seksyen 26, 40400 Shah Alam, Selangor on Tuesday, 25 March 2025 at 10.00 am.

Present	1. Dato' Sri Dr. Hou Kok Chung, Independent Non-Executive Director ("**INED**") & Chairman of the Board 2. Mr. Yong Loy Huat, Executive Director ("**ED**") & Chief Executive Officer 3. Mr. Low Seong Chuan, ED 4. Ms. Anstey Yong Lee Teen, ED 5. Mr. Eng Teik Hiang, Non-Independent Non-Executive Director ("**NINED**") 6. Mr. Lau Chia En, INED
In Attendance	1. Ms. Ong Tze-En, Joint Company Secretary 2. Ms. Amanda Loh, BoardRoom Corporate Services Sdn. Bhd. 3. Ms. Agnes Chong, BoardRoom Corporate Services Sdn. Bhd.
External Auditors	KPMG PLT 1. Mr. Chan Chee Keong, Audit Engagement Partner 2. Ms. Lim Su Ling, Audit Engagement Partner
Polling Agent	Tricor Investor & Issuing House Services Sdn. Bhd. 1. Ms. Samantha Goh Yew Fung 2. Cik Nur Qaisara Naaila Binti Abdullah Nyoyew 3. Encik Zulhafri Bin Abdul Rahman
Scrutineer	Quantegic Services Sdn. Bhd. 1. Ms. Yap Chon Yoke 2. Mr. Branden Wong
Shareholders / Corporate Representatives / Proxies / Invitees	As per the Attendance List

The shareholders, corporate representatives, proxies and invitees (collectively "**the Attendees**") who attended the 28th AGM are set out in the Attendance List which formed an integral part of these Minutes.

Chairman
Chairman of the Board of Directors ("**Board**") of WEC, Dato' Sri Dr. Hou Kok Chung, INED ("**Dato' Sri Dr. Chairman**") chaired the meeting.

Welcome Address

A The Company Secretary, Ms. Ong Tze-En ("**Ms. Ong**"), extended a very warm welcome to all Attendees for their presence and support at the 28th AGM.

B On behalf of the Board, she welcomed Dato' Sri Dr. Chairman to his first AGM of WEC following his appointment.

C Ms. Ong reminded everyone present to ensure that all mobile devices are switched off or set to silent mode to maintain smooth and uninterrupted proceedings. She also emphasized that voice or video recording of the 28th AGM proceedings is strictly prohibited.

D She then introduced the members of the Board as well as the Engagement Partner from the external auditors, KPMG PLT. She informed that the Audit Engagement Partner, Mr. Chan Chee Keong is seated in the front row.

Administrative Arrangements

E Ms. Ong then proceeded to apprise all present of the flow of 28th AGM. She explained that the 28th AGM would kick-off with the nine (9) Ordinary Resolutions being tabled for approval by the shareholders by poll.

F She then continued to brief the shareholders present of their right to participate, speak and vote on the resolutions set out in the Notice of 28th AGM. Ms. Ong requested for each member to introduce themselves by stating their name and whether he/she is a shareholder or a proxy or a corporate representative before raising questions.

G She then introduced Tricor Investor & Issuing House Services Sdn. Bhd. ("**TIIH**") and Quantegic Services Sdn. Bhd. as the appointed Polling Agent and Scrutineer to conduct the polling and to verify the polling process respectively. She added that the polling process would be conducted upon conclusion of the deliberation of all items on the meeting agenda. She encouraged them to have a word with representative of TIIH should the need arose.

H Ms. Ong also briefed all on the polling procedures. Upon conclusion of the briefing, Dato' Sri Dr. Chairman proceeded to deal with meeting agenda.

Quorum

I Dato' Sri Dr. Chairman called the meeting to order and proceeded with the meeting proper upon receipt of confirmation from the Company Secretary that a quorum was present.

Notice of AGM

J Dato' Sri Dr. Chairman informed that the Notice of the 28th AGM was announced and circulated to the shareholders, Directors and the external auditors, KPMG PLT on 24 February 2025. The Notice of the 28th AGM together with Annual Report and the Circular to Shareholders (as defined) are published on the corporate website as well. As the notice has been properly given, it was taken as read.

K Dato' Sri Dr. Chairman informed that voting for the nine (9) Ordinary Resolutions being tabled for approval by the shareholders would be on poll in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**"). He then exercised his right, as chairman of the meeting, to demand for poll in accordance with Clause 86 of the Company's Constitution for all nine (9) resolutions as stated in the Notice of the 28th AGM.

L Dato' Sri Dr. Chairman also highlighted that some of the shareholders had appointed him, being chairman of the meeting, as their proxy to vote on their behalf. Therefore, he would vote for each resolution in accordance with the instructions given by the shareholders.

1. To receive the Audited financial statements for the financial year ended 31 October 2024 together with the Reports of the Directors and Auditors thereon

1.1 The Audited Financial Statements ("**AFS**") of the Company and its subsidiaries ("**Group**") for the financial year ended 31 October 2024 together with the Directors' and Auditors' Reports thereon ("**FYE2024**") which had been previously circulated were laid at the meeting for discussion. Dato' Sri Dr. Chairman proceeded to invite questions from the floor pertaining to any relevant accounting related matters on AFS for FYE2024.

1.2 He also informed the meeting that the Board had received written queries from Minority Shareholders Watch Group ("**MSWG**"). The queries from MSWG and response from the Board are attached to these minutes as "**Appendix A**".

1.3 There being no question raised, it was recorded that the AFS for FYE2024 of the Company and the Group had been duly tabled and received by the shareholders.

2. To approve the payment of Directors' fees of up to RM300,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM in 2026 (Ordinary Resolution 1)

2.1 Dato' Sri Dr. Chairman informed that Ordinary Resolution 1 is to approve the payment of Directors' fees to the Directors of the Company of up to RM300,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM in 2026. Details are enumerated in the Explanatory Note 1 accompanying the Notice of the 28th AGM.

2.2 Dato' Sri Dr. Chairman added that all Directors (including him) and persons connected to them are deemed interested and had therefore, abstained from voting in respect of their direct and/or indirect interest on Ordinary Resolution 1.

2.3 On the proposal of Dato' Sri Dr. Chairman, the motion for Ordinary Resolution 1 was put to a vote by way of poll.

3. To approve the payment of benefits payable to the Directors of the Company of up to RM50,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM in 2026 (Ordinary Resolution 2)

3.1 Dato' Sri Dr. Chairman informed that the next agenda of the meeting was to approve the payment of benefits payable to the Directors of the Company of up to RM50,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM in 2026.

3.2 Dato' Sri Dr. Chairman added that all Directors (including him) and persons connected to them are deemed interested and had therefore, abstained from voting in respect of their direct and/or indirect interest on Ordinary Resolution 2.

3.3 On the proposal of Dato' Sri Dr. Chairman, the motion for Ordinary Resolution 2 was put to a vote by way of poll.

4. To re-elect the following Directors who are retiring in accordance with Clause 103 of the Company's Constitution and who, being eligible, offer themselves for re-election:

(a) Mr. Low Seong Chuan (Ordinary Resolution 3)
(b) Ms. Anstey Yong Lee Teen (Ordinary Resolution 4)

4.1 Dato' Sri Dr. Chairman informed that Ordinary Resolutions 3 and 4 addressed the re-election of two (2) Directors, namely, Mr. Low Seong Chuan and Ms. Anstey Yong Lee Teen. Both of them retired pursuant to Clause 103 of the Company's Constitution and being eligible, have offered themselves for re-election.

4.2 He added that details on the Board's justifications and basis in support of their re-election are included in the Explanatory Note 2 accompanying the Notice of the 28th AGM.

4.3 On the proposal of Dato' Sri Dr. Chairman, the Ordinary Resolutions 3 and 4 were put to vote separately by way of poll.

5. To re-elect Dato' Sri Dr. Hou Kok Chung, the Director retiring in accordance with Clause 110 of the Company's Constitution and who, being eligible, offers himself for re-election (Ordinary Resolution 5)

5.1 Dato' Sri Dr. Chairman pointed out Ordinary Resolution 5 under agenda item 5 dealt with his re-election as Director of the Company. He informed of his retirement pursuant to Clause 110 of the Company's Constitution and offered himself for re-election. He also requested shareholders to refer to the Explanatory Note 2 accompanying the Notice of the 28th AGM for details on the Board's justifications and basis in support of his re-election.

5.2 He then put the Ordinary Resolution 5 to vote by way of poll.

6. To re-appoint KPMG PLT as Auditors of the Company for the financial year ending 31 October 2025 and to authorise the Directors to fix their remuneration (Ordinary Resolution 6)

6.1 Dato' Sri Dr. Chairman informed that Ordinary Resolution 6 concerned the re-appointment of KPMG PLT as Auditors of the Company for ensuing year to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. He added that KPMG PLT had indicated their willingness to accept re-appointment.

6.2 On the proposal of Dato' Sri Dr. Chairman, the Ordinary Resolution 6 was put to a vote by way of poll.

6.3 Having concluded the ordinary business of the Meeting, Dato' Sri Dr. Chairman proceeded on with the Special Business.

7. Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Ordinary Resolution 7)

7.1 Dato' Sri Dr. Chairman informed that Ordinary Resolution 7, if passed, would empower the Directors to issue and allot shares up to an aggregate number of shares not exceeding 10% of the total number of issued shares of the Company. As at the date of Notice of the 28th AGM, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 26 March 2024.

7.2 Dato' Sri Dr. Chairman added that approval from the shareholders today would also waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued of the Company arising from issuance of new shares pursuant to this mandate.

7.3 Dato' Sri Dr. Chairman further informed that the renewal of this general mandate would also provide the Board a certain amount of flexibility, when the need arises, to issue additional shares subject to approval of all relevant regulatory bodies being obtained, where necessary.

7.4 Details of this resolution are set out in the Explanatory Notes accompanying the Notice of the 28th AGM.

7.5 On the proposal of Dato' Sri Dr. Chairman, the Ordinary Resolution 7 was put to a vote by way of poll.

8. Proposed renewal of authority for the Company to buy-back its own ordinary shares ("Proposed Share-Buy Back") (Ordinary Resolution 8)

8.1 Dato' Sri Dr. Chairman informed that Ordinary Resolution 8 was to approve the renewal of authority for the Company to buy-back its own ordinary shares. Details of the proposal, including the rationale, have been set out in the Share Buy-Back Statement as contained in the Circular to Shareholders dated 24 February 2025.

8.2 He explained that the resolution, if passed, would allow the Directors to exercise the power of the Company to purchase its own ordinary shares of up to 10% of the issued share capital of the Company with effect from the date of passing of the resolution until the conclusion of the next AGM of the Company following 28th AGM or, if earlier revoked by the shareholders in a general meeting.

8.3 On the proposal of Dato' Sri Dr. Chairman, the Ordinary Resolution 8 was put to a vote by way of poll.

9. Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate") (Ordinary Resolution 9)

9.1 Dato' Sri Dr. Chairman informed that Ordinary Resolution 9 dealt with the proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("**RRPT**") ("**Proposed Shareholders' Mandate**"), details which were set out in the Circular to Shareholders dated 24 February 2025.

9.2 He added that approval from shareholders today shall continue to be in force until the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or the expiration of the period within which the next AGM after the date it 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 revoked/varied by resolutions passed by the shareholders of the Company in general meeting; whichever is the earlier.

9.3 Dato' Sri Dr. Chairman added that interested Directors and/or interested major shareholders, namely Mr. Yong Loy Huat, Ms. Anstey Yong Lee Teen, Mr. Low Seong Chuan, Mr. Eng Teik Hiang, Mr. Ong Yoong Nyock, Ms. Yong Kwee Lian, and TNTT Realty Sdn. Bhd. and/or persons connected to them, as listed under Section 6 of the Circular had abstained from voting on the resolution in respect of their direct and/or indirect shareholdings.

9.4 On the proposal of Dato' Sri Dr. Chairman, the above motion for Ordinary Resolution 9 was put to a vote by way of poll.

10. Any other business

10.1 In response to Dato' Sri Dr. Chairman, the Company Secretary informed that no notice of any other business for transaction at the Meeting had been received.

10.2 The meeting then stood adjourned at 10.42 am after all shareholders, corporate representatives and proxy holders had duly casted their votes.

10.3 Two (2) shareholders raised queries and response from the Board are attached to these minutes as "**Appendix B**".

11. Polling Results

11.1 The Meeting was reconvened at 11.54 am. Dato' Sri Dr. Chairman called the meeting to order and thanked the Attendees for waiting for the results.

11.2 Dato' Sri Dr. Chairman then announced the poll results for all nine (9) Ordinary Resolutions as tabulated below upon receipt of report from the Scrutineers, Quantegic Services Sdn. Bhd.. The results of the poll were also projected for ease of view by all Attendees:

	For		Against		Total voted		Abstained	Spoilt
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	No. of shares
OR 1	71,354,510	99.9997	217	0.0003	71,354,727	100.00	52,124,875	-
OR 2	71,354,510	99.9997	217	0.0003	71,354,727	100.00	52,124,875	-
OR 3	123,479,387	99.9998	215	0.0002	123,479,602	100.00	-	-
OR 4	123,479,387	99.9998	215	0.0002	123,479,602	100.00	-	-
OR 5	123,479,387	99.9998	215	0.0002	123,479,602	100.00	-	-
OR 6	123,479,387	99.9998	215	0.0002	123,479,602	100.00	-	-
OR 7	123,479,387	99.9998	215	0.0002	123,479,602	100.00	-	-
OR 8	123,479,387	99.9998	215	0.0002	123,479,602	100.00	-	-
OR 9	16,262	98.6952	215	1.3048	16,477	100.00	123,463,125	-

11.3 It was noted that 52,124,875 ordinary shares abstained from voting on Ordinary Resolutions 1 and 2, and 123,463,125 ordinary shares abstained from voting on Ordinary Resolution 9.

11.4 Dato' Sri Dr. Chairman then declared that all nine (9) Ordinary Resolutions were passed, by majority votes by shareholders, proxies and corporate representatives.

Resolved:

Ordinary Resolution 1
"THAT the payment of Directors' fees of up to RM300,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM in 2026 be and is hereby approved."

Ordinary Resolution 2
"THAT the payment of benefits payable to the Directors of the Company of up to RM50,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM in 2026 be and is hereby approved."

Ordinary Resolution 3
"THAT Mr. Low Seong Chuan be and is hereby re-elected as Director of the Company pursuant to Clause 103 of the Company's Constitution."

Ordinary Resolution 4
"THAT Ms. Anstey Yong Lee Teen be and is hereby re-elected as Director of the Company pursuant to Clause 103 of the Company's Constitution."

Ordinary Resolution 5
"THAT Dato' Sri Dr. Hou Kok Chung be and is hereby re-elected as Director of the Company pursuant to Clause 110 of the Company's Constitution."

Ordinary Resolution 6
"THAT KPMG PLT be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next AGM and the Directors be and are hereby authorised to fix their remuneration."

Ordinary Resolution 7

"THAT subject to the Companies Act 2016 ("**the Act**"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and the approvals of the relevant government or regulatory authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued share capital (excluding treasury shares) of the Company for the time being.

THAT the Directors are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on the Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

THAT pursuant to Section 85(1) of the Act to be read together with Clause 65 of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("**Pre-emptive Rights**").

THAT should this resolution be passed by the shareholders, this resolution shall have the effect of the shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Act and Clause 65 of the Constitution of the Company in respect of the new shares to be issued and allotted by the Company and the issuance of such new shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.

AND THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

Ordinary Resolution 8

"THAT subject to the Companies Act 2016 ("**the Act**"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and the approvals of the relevant government or regulatory authorities, the Directors of the Company be and are hereby authorised to make purchases of the Company's shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

(a) the aggregate number of ordinary shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any point in time of the said purchase(s);

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and

(c) the authority conferred by this resolution will be effective immediately upon the passing of this Resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant government or regulatory authorities (if any).

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

(a) to cancel all the ordinary shares so purchased; or

(b) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resale on the market of Bursa Securities and/or for cancellation subsequently; or

(c) to retain part thereof as treasury shares and cancel the remainder; or

(d) in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company."

Ordinary Resolution 9

"THAT subject to the Companies Act 2016 ("**the Act**"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and the approvals of the relevant government or regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries ("**the Group**") to enter into recurrent related party transactions with the Mandated Related Parties, particulars of which are set out in Section 2.4 of the Circular date 24 February 2025, provided that such transactions are:

a) recurrent transaction of a revenue or trading nature;
b) necessary for the day-to-day operations of the Company and/or its subsidiaries;
c) carried out in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms of the Group and on terms not more favourable to those related parties than those generally available to the public; and
d) not detrimental to the interests of the minority shareholders of the Company;

AND THAT such authority shall continue to be in force until:-

a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following this AGM where the authority is approved, at which time the authority will lapse unless renewed by a resolution passed in the general meeting; or
b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate."

12. Conclusion

12.1 There being no other business, the Meeting concluded at 10.55 am with a vote of thanks to the Chair.

Confirmed as correct record

-SIGNED-

Dato' Sri Dr. Chairman

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Appendix A

Response to Queries from Minority Shareholders Watch Group

Operational & Financial Matters

1. The Group remains optimistic of demand recovery for precision metal fabricated components from customers in the E&E and semiconductor sectors (Page 19 of Annual Report 2024)

(a) With the semiconductor industry expected to recover in 2025, what measures is the Company taking to ensure it captures the anticipated demand increase?

Answer:
The Group has intensified its effort to participate in bidding for new projects with new and existing customers. Operationally, we are also investing into new machines in laser cutting and multi-axis CNC to improve our Precision Engineering capability and capacity.

(b) Please clarify if the new machines in laser cutting and multi axis CNC machining were part of the strategies to capitalise on the anticipated demand from the semiconductor industry. Otherwise, what specific strategies are in place to enhance the Company's competitive position, particularly in securing high-value contracts and differentiating itself from lower-cost competitors?

Answer:
Yes, the new capital investments are part of the Group's strategy to prepare for the next upcycle in the semiconductor industry. Aside from that, the new machines enhance our existing capability and capacity to better capture new market opportunities from other sectors such as healthcare and life sciences.

2. As part of our long-term plan to mitigate the risk of sole dependency on the highly competitive and cyclical manufacturing business, we have also ventured into construction and property development ("PD"). This strategy has diversified and expanded our revenue stream in the pursuit towards growth and maximising our shareholders' value. (Page 16 of Annual Report 2024)

In view that WEC is a newcomer to the property development sector, how does the Company plan to differentiate itself in an already competitive market dominated by established players? What unique value proposition, niche focus, or strategic partnerships does the Company intend to leverage to gain a competitive edge and ensure sustainable profitability in this sector?

Answer:
The Group's diversification into property development was to introduce additional income stream to contribute positively to the Group's future earnings and to complement and minimize its sole dependency on revenue from Precision Engineering. Our Group CEO, Mr Yong Loy Huat brings more than 41 years of professional experience in general construction and property development while Mr Yong Hon Choong, our director in construction and development segment has approximately 30 years of experience. Over the years, they have undertaken many successful construction and development projects in residential, commercial and industrial sector. Additionally, our executive director, Mr Low Seong Chuan also brings more than 27 years of experience in civil engineering and more than 23 years of consulting experience in development projects in various sectors, inclusive of planning, design and submission to the relevant authorities. The Board recognizes the expertise, experience and network of our directors and key management personnel of the Group which augurs well for this diversification. The Group is also open to joint venture and strategic partnership such as our investment in Broadway Lifestyle Sdn Bhd (BLSB) which intends to undertake the development of industrial factories and warehouses on the land situated in Sepang which was acquired back in 2020.

3. The Company recorded an inventory write-down of RM2.11 million in FYE 2024, which is a significant amount relative to its financial performance.

(a) Please elaborate on the specific factors that led to this write-down?

Answer:
The write-down was driven by slow-moving inventory in raw materials due to subdued demand in our Precision Engineering segment post COVID-19 recovery. The raw materials were purchased in anticipation to support the strong demand post COVID-19 lockdown as well as buffers to mitigate risk of supply chain shortages.

(b) How much of the written-down inventory is still held by the Company, and does the Company expect to recover any value from it through sales, repurposing, or disposal?

Answer:
All of the written-down inventory are still held by the Company. We adopted a prudent approach to provide reserves for the slow-moving inventory in accordance to our internally adopted policy. Yes, we do anticipate to recover and write back the reserves as we consume the inventory to support the gradually recovering demand for our Precision Engineering segment.

4. The Company holds a 35% stake in its loss-making associate, Broadway Lifestyle Sdn Bhd (BLSB), which is involved in property development and construction. Over the past three (3) financial years, BLSB has incurred consecutive losses of RM4.27 million, RM5.32 million and RM4.56 million, respectively.

(a) Given the volatile nature of the property and construction sector, what risk mitigation measures has the Company implemented to safeguard its investment?

Answer:
The Company is fully cognizant of the risks and challenges that are associated with the property development and construction sector. This was a major consideration leading up to our investments into BLSB as the Company decides not to embark into property development solely on its own and independently. The investment into BLSB was primarily backed by its underlying acquisition of a parcel of land in Sepang which had been independently appraised to ensure that its value is fair and reasonable.

(b) How does the Company influence the decision-making in this associate company, and how actively is it involved in financial and operational decisions to ensure better performance?

Answer:
The associate company remains fairly dormant aside from holding ownership of the land it acquired and the losses incurred over the past 3 financial years were primarily interest charges on term loan as well as depreciation of right of use of the land. The Company holds 35% stake and voting rights in the associate company. Presently, operational matters have been discussed on needs basis between BLSB and the Group as they are in the midst of planning for the development on the Sepang land. The Company will also be appointing a director representative to sit on the board of directors of BLSB.

Sustainability Matters

5. To date, the risk of fluctuation of raw material prices as well as scarcity of talent has worsened and will continue to pose challenges to the operation (Page 18 of Annual Report 2024).

(a) One of the Company's talent retention strategies is the implementation of fair compensation policies, offering competitive pay and benefits. (Page 55 of Annual Report)

How does the Company benchmark its compensation and benefits against industry peers to ensure competitiveness?

Answer:
We are a member of Federation of Malaysian Manufacturer (FMM) as well as Kulim Industrial Tenants Association (KITA). As such, we do rely upon insights and publications from these groups aside from other third-party sources from recruitment firms and service providers.

(b) What percentage of WEC's manufacturing processes have been automated, and how does this compare with global best practices?

Answer:
Our Precision Engineering segment is extensively defined by high product mix and low volume besides a comprehensive offering of manufacturing services such as metal stamping, laser cutting, bending, milling, turning, welding, plating and assembly just to name a few. Given such complexities, we are unable to advise the exact percentage of automation adopted. We are committed to explore solutions to modernise and improve our internal operation as we have implemented auto reloading features in some secondary processes and the adoption of multi-axis CNC machines has allowed us to complete complex CNC metal fabrication in single process instead of multiple segregated processing.

(c) How many vacant critical roles does the Company currently have, and what impact has the talent gap had on production efficiency, order fulfilment and overall profitability?

Answer:
The Group has several vacant positions in business development and technical roles in CNC programming. We do not anticipate significant impact on efficiency, fulfilment and profitability as we continue to operate with sufficient contingencies in place.

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Appendix B

Response to Queries and comments from Shareholders

Shareholder 1

1. How many shares were purchased by the Company during the past financial year ended 31 October 2024 under the Proposed Share Buy-Back and what was the price?

Answer:
The Company did not purchase any shares during the financial year ended 31 October 2024 under the Proposed Share Buy-Back.

2. It was stated that the Group had purchased machineries during the year.
(a) The machineries were purchased for existing or new business of the Group?
(b) What is the projected return/revenue to be generated from the purchase?

Answer:
(a) The machineries were purchased for new business of the Group. Management is unable to disclose the quantum of sales as they have signed a non-disclosure agreement.
(b) The results will be reflected in the quarterly financial report when realised.

3. Proposed to hold future AGM in a more accessible location and improve on administrative arrangement to facilitate shareholder attendance.

Answer:
The Board and Management took note on the suggestion. The Company had always hold its physical AGM in the same location in the past.

Shareholder 2

4. What is the Company's direction on adoption Artificial Intelligence ("AI") into the business of the Group.

Answer:
Due to the Group's business nature and maturity of the AI technology, the Board has no plans to use AI at this juncture. Nevertheless, some of the machining processes have been automated..