

WENTEL ENGINEERING HOLDINGS BERHAD

Registration No. 202301007290 (1501211-T)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
31 MARCH 2024**

WENTEL ENGINEERING HOLDINGS BERHAD

Registration No. 202301007290 (1501211-T)

(Incorporated in Malaysia under the Companies Act 2016)

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the First Quarter Ended 31 March 2024⁽¹⁾

	Note	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
		Unaudited Current Quarter 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽³⁾ 31.03.2023 RM'000	Unaudited Current Year-to-date 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Year-to-date ⁽³⁾ 31.03.2023 RM'000
Revenue		25,774	N/A	25,774	N/A
Cost of Sales		(18,742)	N/A	(18,742)	N/A
Gross Profit ("GP")		7,032	N/A	7,032	N/A
Other income		894	N/A	894	N/A
Selling and distribution expenses		(110)	N/A	(110)	N/A
Administrative expenses		(1,739)	N/A	(1,739)	N/A
Finance costs		(48)	N/A	(48)	N/A
Listing expenses		(4,092)	N/A	(4,092)	N/A
Profit before tax ("PBT") ⁽⁴⁾	B12	1,937	N/A	1,937	N/A
Tax expense	B5	(1,413)	N/A	(1,413)	N/A
Profit after tax ("PAT")		524	N/A	524	N/A
<u>Other comprehensive income</u>					
<u>Items that Will be Reclassified</u>					
<u>Subsequently to Profit or Loss</u>					
Foreign currency translation differences		27	N/A	27	N/A
Total comprehensive income		551	N/A	551	N/A
PAT attributable to:-					
Owners of the Company		524	N/A	524	N/A
Non-controlling interests		-	N/A	-	N/A
		524	N/A	524	N/A
Total comprehensive income attributable to:-					
Owners of the Company		551	N/A	551	N/A
Non-controlling interests		-	N/A	-	N/A
		551	N/A	551	N/A
Earnings per share					
- Basic/diluted (sen) ⁽²⁾	B11	0.05	N/A	0.05	N/A

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(Incorporated in Malaysia under the Companies Act 2016)

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the First Quarter Ended 31 March 2024⁽¹⁾(Cont'd)

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this report.
- (2) The basic earnings per share is calculated based on the Company's enlarged share capital of 1,150,000,000 ordinary shares after its initial public offering ("IPO") which involved the issuance of 273,200,000 new ordinary shares in conjunction with its listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 6 February 2024 ("Listing"). The diluted earnings per share is equivalent to the basic earnings per share as there were no potential dilutive securities in issue during the financial quarter under review.
- (3) This is the first interim financial report for the first quarter ended 31 March 2024 being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Securities ("Listing Requirements"), hence there are no comparative figures for the preceding year's corresponding quarter and year-to-date.
- (4) For illustrative purposes only, the Group's financial performance after adjusting for the non-recurring listing expenses is as follows:

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	Unaudited Current Quarter 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2023 RM'000	Unaudited Current Year-to-date 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2023 RM'000
PBT	1,937	N/A	1,937	N/A
Add: Listing expenses	4,092	N/A	4,092	N/A
Adjusted PBT	<u>6,029</u>	<u>N/A</u>	<u>6,029</u>	<u>N/A</u>

- (5) N/A denotes not applicable.

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WENTEL ENGINEERING HOLDINGS BERHAD

Registration No. 202301007290 (1501211-T)

(Incorporated in Malaysia under the Companies Act 2016)

Unaudited Condensed Consolidated Statement of Financial Position As at 31 March 2024⁽¹⁾

	Note	Unaudited As at 31.03.2024 RM'000	Audited As at 31.12.2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		43,148	42,783
Right-of-use assets		1,110	1,535
Intangible assets		(2) ₋	(2) ₋
		<u>44,258</u>	<u>44,318</u>
Current assets			
Inventories		15,280	15,532
Trade receivables		21,488	20,815
Other receivables, deposits and prepayments		1,403	3,843
Current tax assets		1,321	1,295
Fixed deposits with a licensed bank		82,512	13,165
Cash and bank balances		19,588	18,649
		<u>141,592</u>	<u>73,299</u>
TOTAL ASSETS		<u>185,850</u>	<u>117,617</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		157,467	87,680
Merger deficit		(86,443)	(86,443)
Foreign exchange translation reserve		600	573
Retained profits		100,643	100,119
Total equity / Net assets		<u>172,267</u>	<u>101,929</u>
Non-current liabilities			
Lease liabilities		75	172
Term loan	B8	1,384	1,422
Deferred tax liabilities		-	-
		<u>1,459</u>	<u>1,594</u>
Current liabilities			
Trade payables		6,339	6,612
Other payables and accruals		3,527	4,548
Lease liabilities		1,085	1,425
Term loan	B8	1,173	1,509
Current tax liabilities		-	-
		<u>12,124</u>	<u>14,094</u>
Total liabilities		<u>13,583</u>	<u>15,688</u>
Total equity and liabilities		<u>185,850</u>	<u>117,617</u>
Net assets per ordinary share attributable to owners of the Company (RM)⁽³⁾			
		0.15	0.12

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(Incorporated in Malaysia under the Companies Act 2016)

Unaudited Condensed Consolidated Statement of Financial Position As at 31 March 2024⁽¹⁾ (Cont'd)

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this report.
- (2) Represents less than RM1,000.
- (3) Net assets per ordinary share as at 31 December 2023 is calculated based on the Company's share capital of 876,800,000 ordinary shares as at 31 December 2023, which is prior to the Company's IPO involving the issuance of 273,200,000 new ordinary shares in conjunction with its Listing. Net assets per ordinary share as at 31 March 2024 is calculated based on the Company's share capital of 1,150,000,000 ordinary shares as at 31 March 2024 after the Company's IPO.

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Unaudited Condensed Consolidated Statement of Changes in Equity For The First Quarter Ended 31 March 2024⁽¹⁾

	Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve RM'000	Retained Earnings RM'000	Attributable to the Owners of the Company RM'000	Total Equity RM'000
Balance at 1.1.2024 (audited)	87,680	(86,443)	573	100,119	101,929	101,929
Profit after taxation for the financial period	-	-	-	524	524	524
IPO proceeds	71,032	-	-	-	71,032	71,032
Listing expenses capitalization	(1,245)	-	-	-	(1,245)	(1,245)
Other comprehensive income for the financial period:						
- Foreign currency translation differences	-	-	27	-	27	27
Total comprehensive income for the financial period	69,787	-	27	524	70,338	70,338
Balance at 31.03.2024 (unaudited)	157,467	(86,443)	600	100,643	172,267	172,267

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this report.
- (2) This is the first interim financial report for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding year's corresponding year-to-date.

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WENTEL ENGINEERING HOLDINGS BERHAD

Registration No. 202301007290 (1501211-T)

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Unaudited Condensed Consolidated Statement of Cash Flows For The First Quarter Ended 31 March 2024⁽¹⁾

	Unaudited Current Year-to-date 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Year-to-date ⁽²⁾ 31.03.2023 RM'000
Cash flows from operating activities		
Profit before tax	1,937	N/A
<u>Adjustments for: -</u>		
Depreciation of property, plant and equipment	596	N/A
Depreciation of right-of-use assets	425	N/A
Interest expenses on lease liabilities	18	N/A
Interest expenses on term loan	30	N/A
Interest income	(593)	N/A
Listing expense	4,092	N/A
Unrealised gain on foreign exchange	(59)	N/A
Operating profit before changes in working capital	6,446	N/A
Decrease in inventories	252	N/A
Decrease in trade and other receivables	1,847	N/A
Decrease in trade and other payables	(1,314)	N/A
Cash from operations	7,231	N/A
Income tax paid	(1,439)	N/A
Net cash from operating activities	5,792	N/A
Cash flows for investing activities		
Additions of fixed deposits with tenure of more than 3 months	(68,139)	N/A
Interest income received	593	N/A
Purchase of property, plant and equipment	(953)	N/A
Net cash for investing activities	(68,499)	N/A
Cash flows from financing activities		
Interest paid	(48)	N/A
IPO proceeds	71,032	N/A
Listing expenses	(5,337)	N/A
Repayment of lease liabilities	(440)	N/A
Repayment of term loans	(374)	N/A
Net cash from financing activities	64,833	N/A
Net decrease in cash and cash equivalents	2,126	N/A
Effect of exchange rate translation	21	N/A
Cash and cash equivalents at beginning of financial period	26,661	N/A
Cash and cash equivalents at end of financial period⁽³⁾	28,808	N/A

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Unaudited Condensed Consolidated Statement of Cash Flows For The First Quarter Ended 31 March 2024⁽¹⁾ (Cont'd)

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this report.
- (2) This is the first interim financial report for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding year's corresponding year-to-date.
- (3) Cash and cash equivalents at the end of the financial period consist of:

	Unaudited Current Year-to-date 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2023 RM'000
Cash and bank balances	19,588	N/A
Fixed deposits with financial institutions	82,512	N/A
	<hr/> 102,100	<hr/> N/A
Less: Fixed deposit with tenure of more than 3 months	(73,292)	N/A
	<hr/> 28,808	<hr/> N/A

- (4) N/A denotes not applicable.

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PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial report of Wentel Engineering Holdings Berhad (“the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board, Rule 9.22 and Appendix 9B of the Listing Requirements.

This is the first interim financial report for the first quarter ended 31 March 2024 announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year’s corresponding quarter.

The interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted for this interim financial report are consistent with those adopted in the Group’s audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following amendments to MFRSs:

MFRS (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024

The adoption of the above did not result in any material impact on the financial statements of the Group.

As at the date of this report, the Group has not applied in advance the following amendments to MFRSs that have been issued by the MASB but are not yet effective:

MFRS (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group intends to adopt these amendments to MFRSs, if applicable, when they become effective in the following financial year.

The initial application of the abovementioned amendments to MFRSs, where applicable, is not expected to have any material impact on the financial statements of the Group.

A3. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in accounting estimates during the current financial quarter and financial year-to-date under review.

A4. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the preceding financial year ended 31 December 2023 were issued without any qualifications.

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PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A5. SEASONAL OR CYCLICAL FACTORS

The Group's performance has not been materially affected by any seasonal and cyclical factors during the current financial quarter and financial year-to-date under review.

A6. ITEMS OR INCIDENCES OF AN UNUSUAL NATURE

There were no material and unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date under review.

A7. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A8. DEBT AND EQUITY SECURITIES

In conjunction with the Company's Listing, the Company issued 273,200,000 new shares at an issue price of RM0.26 per share via public issue ("IPO Shares") that were allocated in the following manner:

- (i) 57,500,000 IPO Shares were issued to the Malaysian public;
- (ii) 33,000,000 IPO Shares were issued to our eligible directors and employees, and other persons who have contributed to success of the Group;
- (iii) 38,950,000 IPO Shares were issued by way of private placement to selected investors; and
- (iv) 143,750,000 IPO Shares were issued by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry ("MITI").

Pursuant thereto, the Company was admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of 1,150,000,000 shares were listed and quoted on the ACE Market of Bursa Securities on 6 February 2024.

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

A9. DIVIDEND PAID

There was no dividend paid during the current financial quarter under review.

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PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A10. SEGMENTAL INFORMATION

The Group is principally involved in the following businesses:

<u>Operating segments</u>	<u>Nature</u>
(a) Fabrication of semi-finished metal products	Products such as machine bodies and modules that are not finished products
(b) Fabrication of metal parts	Other products such as components and parts
(c) Assembly of finished products	Products that are complete, finished and ready to use

(a) Revenue by business activities

The table below sets out the breakdown of the Group's revenue by business activities for the financial quarter under review:

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	Unaudited Current Quarter 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽¹⁾31.03.2023 RM'000	Unaudited Current Year-to-date 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Year-to-date ⁽¹⁾31.03.2023 RM'000
Fabrication of semi-finished metal products	20,520	N/A	20,520	N/A
Fabrication of metal parts	4,294	N/A	4,294	N/A
Assembly of finished products	960	N/A	960	N/A
	<u>25,774</u>	<u>N/A</u>	<u>25,774</u>	<u>N/A</u>

Fabrication of semi-finished metal products was the major revenue contributor during the financial quarter under review. The key factor affecting our major revenue contributor is the customers' demand for the specific type of products within the respective product segments.

NOTES:

(1) This is the first interim financial report for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding year's corresponding quarter and year-to-date.

(2) N/A denotes not applicable.

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PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A10. SEGMENTAL INFORMATION (CONT'D)

(b) Revenue by geographical region of customers

The table below sets out the breakdown of the Group's revenue by geographical region of customers for the financial quarter under review:

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	Unaudited Current Quarter 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽¹⁾31.03.2023 RM'000	Unaudited Current Year-to-date 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Year-to-date ⁽¹⁾31.03.2023 RM'000
Malaysia	18,932	N/A	18,932	N/A
Singapore	6,692	N/A	6,692	N/A
United States	150	N/A	150	N/A
	<u>25,774</u>	<u>N/A</u>	<u>25,774</u>	<u>N/A</u>

NOTES:

(1) This is the first interim financial report for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding year's corresponding quarter and year-to-date.

(2) N/A denotes not applicable.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment in the current financial quarter under review.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

Save as disclosed in Note A8 above, there were no material changes in the composition of the Group during the current financial quarter under review.

A13. CAPITAL COMMITMENTS

Approved and contracted for:
Construction of property, plant
and equipment

**Unaudited
As at 31.03.2024
RM'000**

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A14. CONTINGENT ASSETS OR CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this report.

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PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	Unaudited Current Quarter 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽¹⁾31.03.2023 RM'000	Unaudited Current Year- to-date 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Year-to-date ⁽¹⁾31.03.2023 RM'000
Corporate shareholder				
- Factory rental paid	356	N/A	356	N/A
Related parties				
- Purchase	45	N/A	45	N/A

NOTES:

- (1) This is the first interim financial report for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding year's corresponding quarter and year-to-date.
- (2) N/A denotes not applicable.

A16. FAIR VALUE OF FINANCIAL LIABILITIES

There were no gains or losses arising from fair value changes in the Group's financial liabilities for the current financial quarter under review.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Group recorded a revenue of RM25.77 million for the current financial quarter ended 31 March 2024. The Group's revenue was mainly attributable to the fabrication of semi-finished metal products, contributing approximately 79.62% of the total revenue for the current financial quarter under review.

The Group registered a PBT of RM1.94 million for the current financial quarter ended 31 March 2024 after deducting the administrative expenses of RM1.74 million. The administrative expenses mainly consist of staff costs, directors' remuneration and depreciation cost.

There are no comparative figures for the preceding year's corresponding quarter as this is the first interim financial report for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	<i>Individual Quarter</i>		<i>Variance</i>	
	Unaudited Current Quarter 31.03.2024 RM'000	Unaudited Immediate Preceding Quarter 31.12.2023 RM'000	RM'000	%
Revenue	25,774	26,623	(849)	3.19
PBT	1,937	4,351	(2,414)	55.48

The Group's revenue for the current quarter ended 31 March 2024 decreased by RM0.85 million or 3.19% as compared to the immediate preceding quarter ended 31 December 2023. The decrease in revenue was mainly due to the decrease in orders for the assembly of finished products segment.

The Group has recorded a decrease of PBT by RM 2.41 million or 55.48% for the current quarter ended 31 March 2024 as compared to the immediate preceding quarter ended 31 December 2023 mainly due to the one-off listing expenses.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3. PROSPECTS AND OUTLOOK

Global trade growth is expected to rebound in 2024 (2.9%–3.4%; 2023: 0.4%), driven by the global technology upcycle, further recovery in tourism activity and low base from 2023. The global technology upcycle is projected to be driven by the replacement cycle of consumer electronics and global inventory correction, as firms replenish depleting stocks. Structural factors will lend further support, including rising demand for electric vehicles, industrial automation, and the incorporation of artificial intelligence in consumer and industrial goods.

The World Semiconductor Trade Statistics (WSTS) is projecting global semiconductor sales to grow by 13.1% in 2024 (2023: -8.2%). Sustained global demand is also expected to underpin the expansion of non-electrical and electronic (non-E&E) exports, particularly machinery and equipment, petrochemicals as well as vehicles.

Additionally, global tourist arrivals are already close to pre-pandemic levels toward end-2023, but the recovery remains gradual for the Asia Pacific region, which reopened later and more cautiously.

The manufacturing sector is expected to expand by 3.5% (2023: 0.7%), supported by the recovery in the export-oriented industries and sustained growth in the domestic-oriented cluster. E&E production is projected to stage a modest rebound in the first half of the year, with a stronger recovery anticipated in the second half of the year. This will be driven by the upswing in the global technology cycle, amid improving external demand for integrated circuits and semiconductors related to technological megatrends such as digitalisation, Internet of Things (IoT), 5G network, and electric vehicles (EV).

(Source: Outlook and Policy in 2024, Bank Negara Malaysia)

The group's management team maintains an optimistic outlook on the forthcoming market conditions. Based on the aforementioned reports, the management is well-prepared to anticipate and respond to future market trends by continue improvements in utilization and strength in our operational efficiencies. The group has enhanced its operational facilities to diversify its product offerings. Additionally, the group is actively expanding its customer base, with the sales and customer service teams diligently and proactively engaging with both potential and existing customers. This effort aims to ensure that the group can promptly address customer needs amid future market growth.

Equipped with these strategic plans and encouraged by the expected growth and rebound of global trade economies, the Group remains confident in its ability to achieve satisfactory financial performance for the fiscal year ending 31 December 2024.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

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B5. INCOME TAX EXPENSES

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	Unaudited Current Quarter 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Quarter (²)31.03.2023 RM'000	Unaudited Current Year-to-date 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Year-to-date (²)31.03.2023 RM'000
Tax expenses ⁽¹⁾	1,413	N/A	1,413	N/A
Effective tax rate (%)	72.95	N/A	72.95	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A
Adjusted effective tax rate (%)	23.44	N/A	23.44	N/A

NOTES:

- (1) Income tax is recognized based on management's best estimate.
- (2) This is the first interim financial report for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding year's corresponding quarter and year-to-date.
- (3) N/A denotes not applicable.

The effective tax rate was higher than the statutory tax rate mainly due to the one-off non-deductible listing expenses in the current financial period.

B6. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not implemented as of the date of this report.

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WENTEL ENGINEERING HOLDINGS BERHAD

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B7. UTILISATION OF PROCEEDS FROM IPO

The gross proceeds of approximately RM71.03 million raised from the IPO which was completed on 6 February 2024 are to be utilized in the following manner:

<u>Details of utilisation of proceeds</u>	<u>Proposed Utilisation</u> <u>RM'000</u>	<u>Actual Utilisation</u> <u>RM'000</u>	<u>Reallocation</u> <u>RM'000</u>	<u>Balance to be utilised</u> <u>RM'000</u>	<u>Estimated timeframe for the utilisation upon listing</u>
Part finance the construction of new manufacturing plant	40,000	-	663	40,663	Within 18 months
Part finance the purchase of new machinery and equipment	25,032	-	-	25,032	Within 18 months
Estimated listing expenses	6,000	(5,337)	(663) ⁽¹⁾	-	Within 3 months
	71,032	(5,337)	-	65,695	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 15 January 2024.

Note:

(1) In view that the actual listing expenses were less than estimated, the surplus has been re-allocated to fund the construction of new manufacturing plant.

B8. BORROWINGS

	<u>Unaudited</u> <u>As at</u> <u>31.03.2024</u> <u>RM'000</u>	<u>Audited</u> <u>As at</u> <u>31.12.2023</u> <u>RM'000</u>
<u>Current</u>		
Term Loan	1,173	1,509
	<u>1,173</u>	<u>1,509</u>
<u>Non-current</u>		
Term Loan	1,384	1,422
	<u>1,384</u>	<u>1,422</u>

These borrowings are secured and denominated in Ringgit Malaysia.

B9. MATERIAL LITIGATION

There was no material litigation involving the Group as at the date of this report.

B10. DIVIDEND PROPOSED

No dividend has been declared or recommended by the Board of Directors for the current financial quarter under review.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B11. EARNINGS PER SHARE

The basic and diluted earnings per share are computed as follows:

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	Unaudited Current Quarter 31.03.2024	Unaudited Preceding Year Corresponding Quarter (²)31.03.2023	Unaudited Current Year-to-date 31.03.2024	Unaudited Preceding Year Corresponding Year-to-date (²)31.03.2023
Profit attributable to the Owners of the Company (RM'000)	524	N/A	524	N/A
Number of ordinary shares ('000) ⁽¹⁾	1,150,000	N/A	1,150,000	N/A
Basic/diluted earnings per share (sen) ⁽¹⁾	0.05	N/A	0.05	N/A

NOTES:

- (1) The basic earnings per share is calculated based on the Company's enlarged share capital of 1,150,000,000 ordinary shares after its IPO and Listing. The diluted earnings per share is equivalent to the basic earnings per share as there were no potential dilutive securities in issue during the financial quarter under review.
- (2) This is the first interim financial report for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding year's corresponding quarter and year-to-date.
- (3) N/A denotes not applicable.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

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

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	Unaudited Current Quarter 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽¹⁾31.03.2023 RM'000	Unaudited Current Year-to-date 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Year-to-date ⁽¹⁾31.03.2023 RM'000
Depreciation of property, plant and equipment	596	N/A	596	N/A
Depreciation of right-of-use assets	425	N/A	425	N/A
Interest expenses	48	N/A	48	N/A
Interest income	(593)	N/A	(593)	N/A
Realised gain on foreign exchange	(193)	N/A	(193)	N/A
Unrealised gain on foreign exchange	(59)	N/A	(59)	N/A

NOTES:

(1) This is the first interim financial report for the first quarter ended 31 March 2024 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding year's corresponding quarter and year-to-date.

(2) N/A denotes not applicable.

Other disclosure items pursuant to Note 16, Appendix 9B of the Listing Requirements are not applicable.

**BY ORDER OF THE BOARD
WENTEL ENGINEERING HOLDINGS BERHAD**