



POWERTECHNIC GROUP BERHAD
(Registration No: 202101015445 (1415745-D))
(Incorporated in Malaysia under the Companies Act 2016)

ADDRESS

No. 28, Jalan I-Park 1/3, Kawasan Perindustrian I-Park
Bandar Indahpura, 81000 Kulai, Johor

TEL

+607-660 7007

EMAIL:

sales@powertechnic.com.my

www.powertechnic.com.my

POWERTECHNIC GROUP BERHAD

PROSPECTUS



POWERTECHNIC GROUP BERHAD

(Registration No: 202101015445 (1415745-D))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING (“IPO”) IN CONJUNCTION WITH THE LISTING OF POWERTECHNIC GROUP BERHAD (“POWERTECHNIC” OR “COMPANY”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) COMPRISING:

- (I) PUBLIC ISSUE OF 63,000,000 NEW ORDINARY SHARES IN POWERTECHNIC (“PUBLIC ISSUE SHARES”) IN THE FOLLOWING MANNER:
- 15,600,000 PUBLIC ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 10,000,000 PUBLIC ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND OTHER PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
 - 19,600,000 PUBLIC ISSUE SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
 - 17,800,000 PUBLIC ISSUE SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY (“MITI”); AND
- (II) OFFER FOR SALE OF 21,000,000 EXISTING ORDINARY SHARES IN POWERTECHNIC (“OFFER SHARES”) BY WAY OF PRIVATE PLACEMENT TO SELECTED BUMIPUTERA INVESTORS APPROVED BY MITI;

AT AN ISSUE/ OFFER PRICE OF RM0.35 PER PUBLIC ISSUE SHARE/ OFFER SHARE PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter and Placement Agent



AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

THIS PROSPECTUS IS DATED
6 OCTOBER 2025

PROSPECTUS

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX (6) MONTHS FROM THE DATE OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 195.

BURSA SECURITIES HAS APPROVED THE ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARE CAPITAL OF OUR COMPANY ON THE ACE MARKET OF BURSA SECURITIES AND THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL OF OUR IPO, AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“CMSA”).

All defined terms used in this Prospectus are defined under the "Definitions" commencing from page v to xi of this Prospectus.

RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Offerors have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

TA Securities Holdings Berhad, being our Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval from Bursa Securities for the listing of and quotation for our Shares on 7 May 2025. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Form, has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249, and 357 of the CMA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMA, is responsible.

Our Shares are classified as Shariah compliant by the SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

This Prospectus is prepared and published solely in connection with our IPO under the laws of Malaysia. Our Shares are offered in Malaysia on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Offerors, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoters, Offerors, Principal Adviser, Sponsor, Underwriter and Placement Agent, any of their respective directors, or any other persons involved in our IPO. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith. It shall be your sole responsibility, if you are or may be subject to the laws of any countries or jurisdictions other than Malaysia, to consult your legal and/ or other professional advisers as to whether your application for our IPO would result in the contravention of any laws of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you have accepted our IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with Bursa Securities are the same.

You are advised that the internet is not a fully secured medium and that your Internet Share Application may be subject to risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions and Participating Securities Firms. These risks cannot be borne by the Internet Participating Financial Institutions and Participating Securities Firms.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Principal Adviser or the Issuing House, a paper printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the Electronic Prospectus and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus, which are identical to the copy of the Prospectus registered with Bursa Securities, shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third-Party Internet Sites**") whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third-Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third-Party Internet Sites. You shall bear all risks associated with the access to or use of the Third-Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We and our Principal Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and

- (iii) any data, information, files or other materials downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer systems or loss of data resulting from the downloading of any such data, information, files or other materials.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions and Participating Securities Firms, you are advised that:

- (i) the Internet Participating Financial Institutions and Participating Securities Firms are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and Participating Securities Firms which may be viewed via web browser or other relevant software. The Internet Participating Financial Institutions and Participating Securities Firms are not responsible for the integrity of the contents of the Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and Participating Securities Firms, and subsequently communicated or disseminated in any manner to you or other parties;
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium; and
- (iii) the Internet Participating Financial Institutions and Participating Securities Firms are not liable (whether in tort or contract or otherwise) for any loss, damage or cost you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions and Participating Securities Firms, and/ or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

- THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK -

INDICATIVE TIMETABLE

All the terms used are defined under “Definitions” commencing from page v to xi of this Prospectus.

The indicative timing of events leading to our Listing is set out below:

Events	Tentative Dates
Issuance of this Prospectus/ Opening date of Application	10.00 a.m., 6 October 2025
Closing date of Application	5.00 p.m., 14 October 2025
Balloting of Application	16 October 2025
Allotment/ Transfer of our IPO Shares to successful applicants	24 October 2025
Date of Listing	28 October 2025

In the event there is any change to the indicative timetable above, we will advertise a notice of changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia, and make an announcement on Bursa Securities’ website.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

DEFINITIONS

Unless the context otherwise requires, the following abbreviations shall apply throughout this Prospectus:

COMPANIES WITHIN OUR GROUP:

PHEM	: Powertechnic Handling Equipment (M) Sdn Bhd (Registration No. 200201007360 (575023-H))
Powertechnic or Company	: Powertechnic Group Berhad (Registration No. 202101015445 (1415745-D))
Powertechnic Group or Group	: Powertechnic and the Subsidiaries, collectively
PMSB	: Powertechnic Marketing Sdn Bhd (Registration No. 201701017910 (1232075-H))
PRSB	: Powertechnic Resources Sdn Bhd (Registration No. 201501045428 (1170751-U))
Subsidiaries	: Collectively, PHEM, PMSB and PRSB

GENERAL:

ACE Market	: ACE Market of Bursa Securities
Acquisitions	: Collectively, Acquisition of PHEM, Acquisition of PMSB and Acquisition of PRSB
Acquisition of PHEM	: Acquisition by Powertechnic of the entire equity interest of PHEM for a total purchase consideration of RM9,575,800 which was fully satisfied via the issuance of 191,516,000 new Shares at an issue price of RM0.05 per Share, which was completed on 21 November 2024
Acquisition of PMSB	: Acquisition by Powertechnic of the entire equity interest of PMSB for a total purchase consideration of RM1,637,000 which was fully satisfied via the issuance of 32,740,000 new Shares at an issue price of RM0.05 per Share, which was completed on 21 November 2024
Acquisition of PRSB	: Acquisition by Powertechnic of the entire equity interest of PRSB for a total purchase consideration of RM1,154,000 which was fully satisfied via the issuance of 23,080,000 new Shares at an issue price of RM0.05 per Share, which was completed on 21 November 2024
Act	: Companies Act 2016
ADA	: Authorised Depository Agent
ADA Code	: ADA (Broker) Code
AGM	: Annual General Meeting

DEFINITIONS (*Cont'd*)

Application(s)	: Application for the Public Issue Shares by way of Application Form, the Electronic Share Application or the Internet Share Application
Application Form(s)	: Printed application form for the application of the Public Issue Shares
ATM	: Automated teller machine
Authorised Financial Institution	: Authorised financial institution participating in the Internet Share Application, with respect to payments for our Public Issue Shares
Balloting Share(s)	: 15,600,000 Public Issue Shares made available for application by the Malaysian Public via balloting
Board	: Board of Directors of Powertechnic
Bursa Depository or Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	: Compound annual growth rate
CCC	: Certificate of completion and compliance
CDS	: Central Depository System
CDS Account	: Account(s) established by Bursa Depository for the recording of deposits or withdrawals of securities and dealings in such securities by the Depositor
Central Depositories Act or SICDA	: Securities Industry (Central Depositories) Act 1991
CIDB or LPIP	: Construction Industry Development Board Malaysia (Lembaga Pembangunan Industri Pembinaan Malaysia)
CMSA	: Capital Markets and Services Act 2007
Constitution	: Constitution of our Company
COVID-19	: Coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
Depositor	: A holder of a CDS Account
Director(s)	: Director(s) of our Company within the meaning of Section 2 of the CMSA
DOSH or JKKP	: Department of Occupational Safety and Health Malaysia (Jabatan Keselamatan dan Kesihatan Pekerjaan Malaysia)
EBITDA	: Earnings before finance costs and interest income, taxation, depreciation and amortisation
EIS	: Employment Insurance Scheme

DEFINITIONS (*Cont'd*)

Electronic Prospectus	: A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/ or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
Electronic Share Application	: Application for our IPO Shares through a Participating Financial Institution's ATM
Eligible Parties	: Eligible Directors, employees of our Group and other persons who have contributed to the success of our Group, collectively
EPF	: Employees Provident Fund
EPS	: Earnings per Share
EUR	: Euro, the official currency of 20 of the 27 member states of the European Union
FPE	: 6-month financial period ended 30 June
FYE	: Financial year ended/ ending 31 December, as the case may be
GBP	: British pound sterling, the official currency of the United Kingdom
Government	: Government of Malaysia
GP	: Gross profit
I-Park Lot 28	: A parcel of freehold land together with a 1 ½ storey detached factory erected thereon and bearing postal address at No. 28, Jalan I-Park 1/3, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor, currently owned by PHEM
I-Park Lot 42	: A parcel of freehold land together with a 1 ½ storey detached factory erected thereon and bearing postal address at No. 42, Jalan I-Park 1/4, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor, currently rented from a third-party
ICA 1975	: Industrial Co-Ordination Act 1975
IMR or Vital Factor	: Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), the Independent Business and Market Research Consultants appointed for our IPO
IMR Report	: Independent Market Research Report dated 17 September 2025 prepared by the IMR
Internet Participating Financial Institution(s)	: Participating financial institutions for the Internet Share Application, as listed in Section 16.6 of this Prospectus
Internet Share Application	: Application for the Public Issue Shares through an online share application service provided by the Internet Participating Financial Institutions or Participating Securities Firms
IPO	: Our initial public offering comprising the Public Issue and the Offer for Sale, collectively
IPO Price	: RM0.35 per IPO Share, being the price payable by investors under the Public Issue and/ or the Offer for Sale

DEFINITIONS (*Cont'd*)

IPO Share(s)	: The Public Issue Shares and the Offer Shares, collectively
Issuing House	: Malaysian Issuing House Sdn. Bhd. (Registration No. 199301003608 (258345-X))
Kota Kemuning Lot 18	: 1 ½ storey semi-detached factory bearing postal address at No. 18, Jalan Anggerik Mokara 31/51, Kota Kemuning, 40460 Shah Alam, Selangor, currently rented from a third-party
Listing	: The admission of Powertechnic to the Official List and the listing of and quotation for our entire enlarged share capital comprising 310,337,000 Shares on the ACE Market
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities
Listing Scheme	: Comprising the Acquisitions, Public Issue, Offer for Sale and Listing, collectively
LPD	: 15 September 2025, being the latest practicable date prior to the issuance of this Prospectus
LPIP Act 1994	: Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994
MAICSA	: Malaysian Institute of Chartered Secretaries and Administrators
Malaysian Public	: Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	: Any day on which Bursa Securities is open for trading in securities
MCCG	: Malaysian Code on Corporate Governance, issued by the SC
MFRS	: Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board
MIDA	: Malaysian Investment Development Authority
MITI	: Ministry of Investment, Trade and Industry of Malaysia
MOF	: Ministry of Finance, Malaysia
MyIPO	: Intellectual Property Corporation of Malaysia
NA	: Net assets
N/A	: Not applicable
NBV	: Net book value
Offer for Sale	: Offer for sale of 21,000,000 Offer Shares by the Offerors at our IPO Price
Offer Share(s)	: Existing 21,000,000 Shares to be offered by the Offerors pursuant to the Offer for Sale
Offeror(s)	: Ivan Na Keh Chai and Choo Chee Yong, being the offerors of the Offer for Sale

DEFINITIONS (*Cont'd*)

Official List	: A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
OSHA 1994	: Occupational Safety and Health Act 1994
OSHA Regulations 2004	: Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004
Participating Financial Institutions	: Participating financial institutions for the Electronic Share Application, as listed in Section 16.5 of this Prospectus
Participating Securities Firms	: Participating securities firms for the Internet Share Application, as listed in Section 16.6 of this Prospectus
PAT	: Profit after tax or net profit
PBT	: Profit before tax
PE Multiple	: Price-to-earnings multiple
Periods Under Review	: Collectively, FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025
Pink Form Allocations	: Allocation of 10,000,000 Pink Form Shares to our Eligible Parties
Pink Form Share(s)	: 10,000,000 Public Issue Shares made available for application by the Eligible Parties
Placement Share(s)	: Collectively, 21,000,000 Offer Shares and 37,400,000 Public Issue Shares made available for application by way of private placement to selected investors
Powermatics	: Powermatics Hydraulics & Engineering (M) Sdn Bhd (Registration No. 197701002334 (33300-K))
Powertechnic KL	: Powertechnic (KL) Sdn Bhd (Registration No. 200801026831 (828155-V)), now known as Kam Success Sdn Bhd
Powertechnic Share(s) or Share(s)	: Ordinary shares in the share capital of Powertechnic
PPE	: Property, plant and equipment
Promoter(s)	: Ivan Na Keh Chai and Choo Chee Yong, collectively
Prospectus	: This Prospectus dated 6 October 2025 in relation to our IPO
Public Issue	: Public issue of 63,000,000 Public Issue Shares at our IPO Price
Public Issue Share(s)	: 63,000,000 new Shares to be issued pursuant to the Public Issue
Record of Depositors	: A record of depositors provided by Bursa Depository to our Company under the Rules
Register	: The Register of Members to be kept pursuant to the Act, and unless otherwise expressed to the contrary, includes the Record of Depositors

DEFINITIONS (Cont'd)

RM and sen	: Ringgit Malaysia and sen, the lawful currency of Malaysia
RMB	: Chinese Yuan Renminbi, the official currency of China
Rules	: Rules of Bursa Depository
SAC	: Shariah Advisory Council of the SC
SC	: Securities Commission Malaysia
Services	: On-site assembly and installation, as well as maintenance and repair services for our Group's products
SOCISO	: Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial)
Specified Shareholder(s)	: The specified shareholders of Powertechnic, namely Ivan Na Keh Chai, Choo Chee Yong and Choo Chee Siang, collectively. Choo Chee Yong and Choo Chee Siang are siblings
sq. ft.	: Square feet
sq. m.	: Square metre(s)
SST	: Sales and Services Tax
TA Securities or Principal Adviser or Sponsor or Underwriter or Placement Agent	: TA Securities Holdings Berhad (Registration No. 197301001467 (14948-M))
THES	: Thes Engineering Sdn Bhd (Registration No. 20210105468 (1415768-X))
TOSB	: The One Manufacturing Sdn Bhd (Registration No. 202301027470 (1521393-T))
Underwriting Agreement	: The underwriting agreement entered into between Powertechnic and TA Securities on 19 September 2025 for the underwriting of up to 15,600,000 Public Issue Shares under the Public Issue
USD	: United States dollar, the official currency of the United States
%	: Per centum

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

DEFINITIONS (Cont'd)

MAJOR CUSTOMERS OF OUR GROUP

The following are details of our major customers whose names have been redacted for confidentiality throughout this Prospectus:

Customer A : Customer A is a private limited company incorporated in Malaysia which is principally involved in designing and manufacturing of single automated equipment, production line system, provision of related components and engineering services. Customer A is a wholly-owned subsidiary of a company listed on the Main Market of Bursa Securities which is principally involved in investment holding and provision of management service.

The name of Customer A is not disclosed as consent was not provided.

Customer B : Customer B is a private limited company incorporated in Malaysia which is principally involved in building and civil engineering works with capabilities in turnkey, design and build construction. Customer B is a wholly-owned subsidiary of a company listed on the Main Market of Bursa Securities which is principally involved in investment holding.

The name of Customer B is not disclosed as consent was not provided.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanation of certain terms used throughout this Prospectus in connection with our Group and business. The terminologies and their meanings may not correspond to the standard industry meanings or usage of these terms.

Beam	: Refers to a horizontal steel structure, commonly an I-beam, that provides mechanical support to the lifting system, enabling it to carry and distribute the load across its span.
Bridge	: Refers to the beam or girder that supports the lifting mechanism of a crane and hoist system, enabling it to move across the width of the crane's operational area. The bridge is typically supported by legs or additional beams perpendicular to it.
Bridge span	: Refers to the maximum horizontal distance between the vertical support structures of a crane. In overhead cranes, this is the distance between the two parallel runways, while in gantry cranes, it refers to the distance between the support for two ends of the bridge. This measurement is essential for determining the crane's operating area and safe working load.
Bridge speed	: Refers to the speed at which the bridge moves horizontally.
Busbar	: Refers to conductive flat metal bars used for distributing electrical power.
Car dimension	: The internal dimensions of the elevator car, including width, depth, and height.
Collapse height	: Refers to the minimum height at which a dock leveller can be safely retracted and stored when not in operation.
Column	: Refers to a vertical structure, often an I-beam or concrete pillar, that transfers overhead loads to the ground, foundation or another structure. In the context of an overhead crane, columns support the overhead beams that hold up the crane's bridge.
Crane and hoist systems	: Refers to lifting systems designed for industrial applications, characterised by their ability to lift, lower, hold, and move goods in three dimensions: vertically (up and down), horizontally (forward and backward), and laterally (left and right).
Crane span	: Refers to the horizontal distance between two supports or columns. This measurement is critical as it influences the crane's operational reach, stability, and load capacity. A larger span may require stronger structural support to safely handle the intended loads.
Dead weight	: Refers to the weight of the entire lifting system including the structural components, the lifting mechanism and other supporting components, but excluding any additional forces such as acceleration or deceleration, or factors such as dynamic loads.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Drive mechanism	: Refers to the system of components that transmit power and motion to operate machinery or equipment. In the context of cranes and hoists, the drive mechanism is responsible for moving the lifting mechanism, such as the hoist or bridge, and can include elements like motors, gears, belts, and chains. It enables the equipment to perform tasks such as lifting, lowering, and transporting loads.
Elevated platform system	: Refers to lifting systems designed for industrial applications and are characterised by their ability to raise, tilt, hold, and lower a platform. In the context of this Prospectus, it includes dock levellers, table lifters and tilting platforms.
Elevators	: Refers to lifting systems designed for industrial, commercial, institutional and residential applications. They are designed for the vertical transportation of goods and passengers between different floors in buildings and structures.
Hoist	: Refers to a mechanical device used to lift and lower a load vertically. It moves along the girder and is responsible for performing the load lifting operations. The hoist consists of several components, including a motor, coupling, brakes, gearing, drum, wire ropes, and optional hook block.
Hoist trolley	: Refers to a component that enables the horizontal movement of the hoist along the girder. It carries the hoist and moves it along the length of the crane, allowing the load to be transported across the crane's operational area.
Hoisting speed	: Refers to the speed at which the hoist can lift and lower loads.
Jib arm	: Refers to the projecting arm or beam that supports the hoist system of a jib crane.
Leg	: In the context of this Prospectus, it refers to the vertical structural component that provide mechanical support to the structures of a gantry crane. These legs provide mechanical stability and transfer the weight of the loads and the crane itself to the ground or foundation.
Lifting height	: Refers to the maximum vertical distance the hoist/ platform can lift.
Lifting platform size	: Refers to the dimension of the lifting platform.
Lifting speed	: Refers to the speed at which the lifting system lifts and lowers the loads.
Lifting systems	: Refers to equipment with mechanisms designed to raise, hold, lower, and move loads from one point to another.
Lift shaft	: Refers to the vertical enclosure that houses the components of an elevator system including the elevator car, hoisting system, motor, guide rails, counterweights, and other components. It provides the necessary space for the elevator to travel between floors within a building.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Lip	: In the context of this Prospectus, it refers to an extending platform of a dock leveller that extends outward to form a bridge between platform and the delivery vehicle.
Loads	: Refers to the weights of objects or persons lifted by a lifting system.
Mast	: Refers to the vertical structural component that provides mechanical support to the structures of a jib crane. It provides mechanical stability and transfers the weight of the loads and the crane itself to the ground or foundation.
Motor	: Refers to an electromechanical device that converts electrical energy into mechanical energy to power the movement of a system.
Moving weight	: In crane and hoist systems, a moving weight refers to a load that is actively lifted, lowered, or transported, accounting for additional forces such as acceleration and inertia. These dynamic forces can affect the effective weight of the load, influencing the system's stability and safety during operation.
Runway	: Refers to the horizontal beams installed in parallel that serve as the tracking system for the bridge in a crane and hoist system.
Runway span	: Refers to the maximum horizontal distance between the two supporting columns of the runway. The total length of the runway may consist of several continuous spans. This span, along with the height and thickness of the metal plates used for the runway, is essential for determining the crane's safe working load. Additionally, the total runway length affects the manoeuvrability of the hoist within the available space.
Safe working load	: Refers to the maximum load the lifting systems including crane and hoist systems, elevated platform systems, and elevators are designed to lift.
Tensile	: Refers to the ability of a material such as steel wire to withstand tension or pull forces without breaking or deforming.
Travel distance	: Refers to the total height the elevator can travel.
Travelling speed	: Refers to the rate at which the elevator moves between floors.
Trolley speed	: Refers to the speed at which the trolley moves the hoist horizontally along the bridge.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All the terms used are defined under “Definitions” commencing from page v to xi of this Prospectus.

Any reference to words such as “we”, “us”, “our” and “ourselves” in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires, unless otherwise stated. All references to “Powertechnic” and “our Company” in this Prospectus are to Powertechnic Group Berhad, references to “our Group” are to our Company and our Subsidiaries taken as a whole. Unless the context otherwise requires, references to “Management” are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or 2 decimal places (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of Technical Terms” appearing before this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

Any reference in this Prospectus to any legislation, statute or statutory provision shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the IMR. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. However, third party projections, including the projections from the IMR, cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not place undue reliance on the third party projections cited in this Prospectus.

Any references to dates and times in this Prospectus are references to dates and times in Malaysia, unless otherwise stated.

The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on such information for the purposes of your decision whether or not to invest in our Shares.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

FORWARD-LOOKING STATEMENTS

All the terms used are defined under “Definitions” commencing from page v to xi of this Prospectus.

This Prospectus contains forward-looking statements. All statements other than those of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Group for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors beyond our control that could cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate in the future. Such forward-looking statements reflect our management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions and include all statements that are not historical facts.

Such forward looking statements include, without limitations, statements relating to:

- (i) demand for our products and/ or services;
- (ii) our business strategies and competitive position;
- (iii) our future plans and potential growth opportunities;
- (iv) our future financial position, earnings, cash flows and liquidity; and
- (v) our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) general economic, political and investment environment in Malaysia;
- (ii) government policies, legislations or regulations;
- (iii) competitive environment of the industry in which we operate; and
- (iv) any other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 7.17 – Material interruptions to our business, Section 9 – Risk factors and Section 12.3 – Management's discussion and analysis of financial condition and results of operations of this Prospectus. We cannot give any assurance that the forward-looking statements in this Prospectus will be realised. Such forward-looking statements are based on information available to us as at the LPD.

The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nevertheless, should we become aware of any subsequent material change or development affecting matters disclosed in the Prospectus arising from the date of registration of this Prospectus with Bursa Securities but before the date of allotment of our Public Issue Shares and/or transfer of our Offer Shares, we will issue a supplementary or replacement prospectus, as the case may be, in accordance with the provisions of Rule 3.12D of the Listing Requirements, provisions of Section 238(1) of the CMA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

TABLE OF CONTENTS

	PAGE
INDICATIVE TIMETABLE	iv
DEFINITIONS	v
GLOSSARY OF TECHNICAL TERMS	xii
PRESENTATION OF FINANCIAL AND OTHER INFORMATION	xv
FORWARD-LOOKING STATEMENTS	xvi
1. CORPORATE DIRECTORY	1
2. APPROVALS AND CONDITIONS	6
2.1 Approvals and conditions	6
2.2 Moratorium on our Shares	8
3. PROSPECTUS SUMMARY	10
3.1 Principal details of our IPO	10
3.2 Our Group structure and business model	11
3.3 Our competitive advantages and key strengths	13
3.4 Business strategies and plans	13
3.5 Risk factors	14
3.6 Directors and key senior management	17
3.7 Promoters and substantial shareholders	17
3.8 Use of proceeds	18
3.9 Financial highlights	18
3.10 Dividend policy	19
4. DETAILS OF OUR IPO	20
4.1 Opening and closing of Application	20
4.2 Indicative timetable	20
4.3 Particulars of our IPO	20
4.4 Share capital	27
4.5 Purpose of our IPO	28
4.6 Basis of arriving at our IPO Price	28
4.7 Dilution	29
4.8 Use of proceeds	31
4.9 Brokerage fee, underwriting commission and placement fee	37
4.10 Underwriting arrangement	38
5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT	42
5.1 Promoters and substantial shareholders	42
5.2 Board of Directors	49
5.3 Board practices	67

TABLE OF CONTENTS (Cont'd)

	PAGE
5.4 Key senior management	75
5.5 Declaration by our Promoters, Directors and key senior management	80
5.6 Family relationships and associations	80
6. INFORMATION ON OUR GROUP	81
6.1 Our Company	81
6.2 Listing scheme	81
6.3 Our Group structure	84
6.4 Our share capital	87
6.5 Our Subsidiaries	87
7. BUSINESS OVERVIEW	90
7.1 Our history and background	90
7.2 Overview of our business	94
7.3 Our competitive advantages and key strengths	101
7.4 Principal business activities, products and services	106
7.5 Operational facilities	129
7.6 Major machinery and equipment	130
7.7 Production capacity, output and utilisation	131
7.8 Process flow	133
7.9 Technologies used	137
7.10 Research and development	137
7.11 Marketing activities	138
7.12 Major customers	139
7.13 Types and sources of input materials, products and services	142
7.14 Major suppliers	145
7.15 Business strategies and plans	150
7.16 Seasonality	154
7.17 Material interruptions to our business	154
7.18 Information on material land and buildings	155
7.19 Major approvals, licences and permits	158
7.20 Intellectual property	163
7.21 Employees	167
7.22 Governing laws and regulations	168
7.23 Material investments and divestitures	178
7.24 Material dependency on commercial or financial contracts, intellectual property rights, licences, permits and other arrangements	179
7.25 Environment, social and governance practices of our Group	180
8. IMR REPORT	184
9. RISK FACTORS	195
9.1 Risks relating to our business operations	195
9.2 Risks relating to our industry	206
9.3 Risks relating to our Shares and our Listing	207
9.4 Other risks	209

TABLE OF CONTENTS (Cont'd)

	PAGE
10. RELATED PARTY TRANSACTIONS	211
10.1 Related party transactions	211
10.2 Other transactions	216
10.3 Monitoring and oversight of related party transactions	221
11. CONFLICT OF INTEREST	223
11.1 Interest in business which carry on a similar trade as our Group or which are our customers and suppliers	223
11.2 Declaration by advisers on conflict of interest	223
12. FINANCIAL INFORMATION	224
12.1 Historical financial information	224
12.2 Capitalisation and indebtedness	230
12.3 Management's discussion and analysis of financial condition and results of operations	232
12.4 Significant factors affecting our Group's operations and financial performance	266
12.5 Liquidity and capital resources	268
12.6 Key financial ratios	277
12.7 Accounting policies and audit qualification	284
12.8 Trend analysis	284
12.9 Order book	285
12.10 Dividend policy	285
12.11 Significant changes	287
13. ACCOUNTANTS' REPORT	288
14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025	398
15. STATUTORY AND OTHER GENERAL INFORMATION	409
15.1 Share capital	409
15.2 Extract of our Constitution	410
15.3 No limitation on the right to own securities	419
15.4 Material contracts	419
15.5 Material litigation	420
15.6 Public take-overs	420
15.7 Repatriation of capital and remittance of profits and taxation	420
15.8 Letters of consent	420
15.9 Documents available for inspection	421
15.10 Responsibility statements	421
16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE	422
16.1 Opening and closing Application	422
16.2 Methods of Applications	422
16.3 Eligibility	423
16.4 Procedures for application by way of Application Forms	424
16.5 Applications by way of Electronic Share Applications	425
16.6 Applications by way of Internet Share Applications	425

TABLE OF CONTENTS (*Cont'd*)

	PAGE
16.7 Authority of our Board and the Issuing House	425
16.8 Over / Under-subscription	426
16.9 Unsuccessful / Partially successful applicants	426
16.10 Successful applicants	428
16.11 Enquiries	429

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name (Designation)	Gender	Address	Nationality
Teh Kee Sin <i>(Independent Non-Executive Chairman)</i>	Male	No 2, Jalan Mutiara Emas 2/13 Taman Mount Austin 81100 Johor Bahru Johor	Malaysian
Ivan Na Keh Chai <i>(Managing Director)</i>	Male	No. 17, Jalan Austin Heights 1/20 Taman Mount Austin 81100 Johor Bahru Johor	Malaysian
Choo Chee Yong <i>(Executive Director)</i>	Male	No. 22, Jalan Austin Heights 2/8 Taman Mount Austin 81100 Johor Bahru Johor	Malaysian
Law Lee Yen <i>(Independent Non-Executive Director)</i>	Female	No. 11, Jalan 3/11 Taman Sri Kluang 86000 Kluang Johor	Malaysian
Razi Bin Abdullah <i>(Independent Non-Executive Director)</i>	Male	No. 10, Jalan Bunga Melati Majidee Baru 81100 Johor Bahru Johor	Malaysian
Eileen Su Lee Ming <i>(Independent Non-Executive Director)</i>	Female	No. 30, Jalan Flora 1/4 Taman Pulai Flora 81300 Skudai Johor	Malaysian

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

1. CORPORATE DIRECTORY (Cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Law Lee Yen	Chairperson	Independent Non-Executive Director
Razi Bin Abdullah	Member	Independent Non-Executive Director
Eileen Su Lee Ming	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Razi Bin Abdullah	Chairperson	Independent Non-Executive Director
Law Lee Yen	Member	Independent Non-Executive Director
Eileen Su Lee Ming	Member	Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Eileen Su Lee Ming	Chairperson	Independent Non-Executive Director
Law Lee Yen	Member	Independent Non-Executive Director
Razi Bin Abdullah	Member	Independent Non-Executive Director

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES : **CIS Secretarial Services Sdn. Bhd.**
Registration No. 199901023093 (497993-W)
Suite 5.11 & 5.12, 5th Floor, Menara TJB
No. 9, Jalan Syed Mohd. Mufti
80888 Ibrahim International Business District
Johor

Tel No. : +607-224 2823

Irene Juay Yee Luan
(MAICSA No. 7057249)
(SSM Practising Certificate No. 202008001193)

Professional : Chartered Secretary and Chartered
Qualification Governance Professional of The
Chartered Governance Institute,
Associate of MAICSA.

Joy Lim Xie Ru Yi
(MAICSA No. 7065780)
(SSM Practising Certificate No. 201908004060)

Professional : Chartered Secretary and Chartered
Qualification Governance Professional of The
Chartered Governance Institute,
Associate of MAICSA.

REGISTERED OFFICE : Suite 5.11 & 5.12, 5th Floor, Menara TJB
No. 9, Jalan Syed Mohd. Mufti
80888 Ibrahim International Business District
Johor

Tel No. : +607-224 2823

HEAD OFFICE : No. 28, Jalan I-Park 1/3
Kawasan Perindustrian I-Park
Bandar Indahpura
81000 Kulai
Johor

Tel No. : +607-660 7007
Email : sales@powertechnic.com.my
Website : www.powertechnic.com.my

**PRINCIPAL ADVISER,
SPONSOR, UNDERWRITER
AND PLACEMENT AGENT** : **TA Securities Holdings Berhad**
29th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Wilayah Persekutuan

Tel No. : +603-2072 1277

1. CORPORATE DIRECTORY (Cont'd)

AUDITORS AND REPORTING ACCOUNTANTS	:	Ecovis Malaysia PLT D-10-03, Level 10, Exsim Tower Millerz Square@Old Klang Road, Megan Legasi No. 357, Jalan Kelang lama 58000 Kuala Lumpur Wilayah Persekutuan Partner-in-charge : Chua Kah Chun Approval No. : 02696/09/2025 (J) Professional : Chartered Accountant, Fellow Qualification : Member of Association of Chartered Certified Accountants and Member of Malaysian Institute of Accountants (Membership No. 17013, CA) Tel No. : +603-7986 0066
SOLICITORS TO OUR COMPANY	:	David Lai & Tan Level 9, Wisma Miramas No. 1, Jalan 2/109E Taman Desa, Jalan Klang Lama 58100 Kuala Lumpur Wilayah Persekutuan Tel No. : +603-7972 7968
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd 11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan Tel No. : +603-7890 4700
SHARE REGISTRAR	:	Boardroom Share Registrars Sdn Bhd 11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan Tel No. : +603-7890 4700

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

1. CORPORATE DIRECTORY (Cont'd)

**INDEPENDENT BUSINESS
AND MARKET RESEARCH
CONSULTANTS**

: **Vital Factor Consulting Sdn Bhd**
V Square @ PJ City Centre (VSQ)
Block 6 Level 6
Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan

Person-in-charge : Wooi Tan
Qualification : Master of Business Administration
from The New South Wales Institute
of Technology (now known as
University of Technology, Sydney),
Australia, Bachelor of Science from
The University of New South Wales,
Australia and a Fellow of the
Australia Marketing Institute, and
Institute of Managers and Leaders,
Australia (*formerly known as the
Australian Institute of Management*)

Tel No. : +603-7931 3188

LISTING SOUGHT : ACE Market

SHARIAH STATUS : Approved by the SAC

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

2. APPROVALS AND CONDITIONS**2.1 APPROVALS AND CONDITIONS****2.1.1 Bursa Securities**

Bursa Securities had, vide its letter dated 7 May 2025, approved our Listing ("**Listing Approval**").

The Listing Approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(1)	Submission of the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository: (i) Name of shareholders; (ii) Number of Shares; and (iii) Date of expiry of the moratorium for each block of Shares;	To be complied
(2)	Approvals from other relevant authorities have been obtained for implementation of our Listing;	Complied
(3)	The Bumiputera equity requirements for public listed companies as approved/ exempted by the SC including any conditions imposed thereon;	Complied
(4)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
(5)	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire enlarged issued share capital of our Company on the first day of listing;	To be complied
(6)	In relation to the public offering to be undertaken by our Company, to announce at least 2 market days prior to the listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/ allocation; (iii) A table showing the distribution for placement tranche as per the prescribed format; and (iv) Disclosure of placees who become substantial shareholders of the Company arising from the public offering, if any; TA Securities must ensure that the overall distribution of our Company's securities is properly carried out to mitigate any disorderly trading in the secondary market; and	To be complied
(7)	Powertech/ TA Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of our Company to the Official List of the ACE Market.	To be complied

2. APPROVALS AND CONDITIONS (Cont'd)

2.1.2 SC

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 8 May 2025, approved our application under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(1)	Powertechnic allocating shares equivalent to 12.5% of its enlarged number of issued shares upon listing to Bumiputera investors to be approved by the Ministry of Investment, Trade and Industry; and	To be complied
(2)	Powertechnic is to make available at least 50% of the shares offered to the Malaysian public investors via balloting to Bumiputera public investors.	To be complied

The SAC had, on 15 May 2025, classified our securities as Shariah-compliant, based on our audited combined financial statements for the FYE 2023.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

2. APPROVALS AND CONDITIONS (Cont'd)

2.1.3 MITI

MITI had, vide its letter dated 5 March 2025, notified that it has agreed to our Listing and our Company has complied with Bumiputera equity requirement with the allocation of up to 38,800,000 Shares, representing approximately 12.51% of our enlarged total number of Shares, to selected Bumiputera investors approved by MITI.

2.2 MORATORIUM ON OUR SHARES

2.2.1 Moratorium on Shares held by our Specified Shareholders

Pursuant to Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Specified Shareholders as follows:

- (i) the moratorium applies to the entire shareholdings held by our Specified Shareholders for a period of 6 months from the date of our admission to the Official List ("**First 6-month Moratorium**");
- (ii) upon the expiry of the First 6-month Moratorium, we must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45.00% of the total number of issued Shares remain under moratorium for another 6 months ("**Second 6-month Moratorium**"); and
- (iii) upon the expiry of the Second 6-month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of one-third (1/3) per annum (on a straight-line basis) of the Shares held under moratorium.

The details of the Shares held by our Specified Shareholders which will be subject to the abovementioned moratorium are as follows:

Specified Shareholders	Year 1 after Listing			
	No. of Shares to be held under the First 6-month Moratorium		No. of Shares to be held under the Second 6-month Moratorium	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Ivan Na Keh Chai	108,257,500	34.88	69,825,825	22.50
Choo Chee Yong	108,257,500	34.88	69,825,825	22.50
Choo Chee Siang ⁽²⁾	6,788,000	2.19	-	-
Total	223,303,000	71.96⁽³⁾	139,651,650	45.00

Specified Shareholders	Year 2 after Listing		Year 3 after Listing	
	Moratorium shares		Moratorium shares	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Ivan Na Keh Chai	46,550,550	15.00	23,275,275	7.50
Choo Chee Yong	46,550,550	15.00	23,275,275	7.50
Choo Chee Siang ⁽²⁾	-	-	-	-
Total	93,101,100	30.00	46,550,550	15.00

Notes:

- (1) Based on our enlarged issued share capital of 310,337,000 Shares after our IPO.
- (2) Choo Chee Siang is the brother of our Promoter and controlling shareholder, Choo Chee Yong, hence a person connected with him and a specified shareholder.
- (3) Amount does not add up due to decimal differences.

2. APPROVALS AND CONDITIONS (Cont'd)

The moratorium has been fully accepted by our Specified Shareholders, who have provided written undertakings to Bursa Securities that they will not sell, transfer or assign their shareholdings in our Company that are under moratorium during the moratorium period.

In addition, our other shareholder who holds shares prior to our IPO, namely Clessense Kho Mei Chee* (our Group's Head of Sales and Marketing), has provided a written undertaking not to sell, transfer or assign her 3,274,000 Shares in our Company (i.e., excluding 550,000 Pink Form Shares to be allocated and subscribed under the Pink Form Allocation), representing 1.05% of our enlarged issued Shares, for a period of 6 months from the date of our Listing in compliance with Rule 3.19A of the Listing Requirements.

Note:

* *In accordance with Rule 3.19A of the Listing Requirements, the First 6-month Moratorium also applies to any investor who has acquired our Shares within 12 months from the date of our submission of the listing application to Bursa Securities ("**Bursa Application Date**") and at a price lower than our IPO Price.*

*Clessense Kho Mei Chee acquired a total of 2,500 ordinary shares in PMSB (from Ivan Na Keh Chai (1,250 ordinary shares) and Choo Chee Yong (1,250 ordinary shares)) on 12 January 2024, i.e. within 12 months from the Bursa Application Date ("**Pre-IPO PMSB Shares**"). Pursuant to the Acquisition of PMSB, 3,274,000 Shares were issued to her as consideration, of which 1,637,000 Shares were in relation to the Pre-IPO PMSB Shares. The 3,274,000 Shares were issued at an issue price of RM0.05 per Share, which is lower than our IPO Price. As a result, 1,637,000 Shares held by Clessense Kho Mei Chee is subject to Rule 3.19A of the Listing Requirements. Notwithstanding this, Clessense Kho Mei Chee has voluntarily placed all the 3,274,000 Shares issued as consideration pursuant to our Listing under moratorium.*

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by our Specified Shareholders and the other shareholder as aforementioned to ensure that our Share Registrar does not register any sale, transfer or assignment that contravene such restrictions.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

3.1 PRINCIPAL DETAILS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. The allocation of our IPO Shares and principal details of our IPO are as follows:

	Public Issue		Offer for Sale		Total	
	No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(1) %
Malaysian public (via balloting)						
- Bumiputera	7,800,000	2.51	-	-	7,800,000	2.51
- Non-Bumiputera	7,800,000	2.51	-	-	7,800,000	2.51
Sub-total	15,600,000	5.02	-	-	15,600,000	5.02
Eligible Parties	10,000,000	3.22	-	-	10,000,000	3.22
Private placement						
- Selected Bumiputera investors approved by MITI	17,800,000	5.74	21,000,000	6.77	38,800,000	12.51
- Selected investors	19,600,000	6.32	-	-	19,600,000	6.32
Sub-total	37,400,000	12.06	21,000,000	6.77	58,400,000	18.83
Total	63,000,000	20.30	21,000,000	6.77	84,000,000	27.07

Enlarged total number of Shares upon Listing **310,337,000**

IPO Price for each IPO Share **RM0.35**

Market capitalisation (calculated based on our IPO Price and enlarged total number of Shares upon Listing) **RM108,617,950**

Note:

(1) Based on our enlarged total number of 310,337,000 Shares after our IPO.

Further details of our IPO are set out in Section 4.3 of this Prospectus.

Pursuant to Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Specified Shareholders (in compliance with Rule 3.19(1) of the Listing Requirements) and Clessense Kho Mei Chee (in compliance with Rule 3.19A of the Listing Requirements by virtue of her acquisition of the Pre-IPO PMSB Shares and on a voluntary basis, as detailed in Section 2.2 of this Prospectus). Further details on these moratorium are set out in Section 2.2 of this Prospectus.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

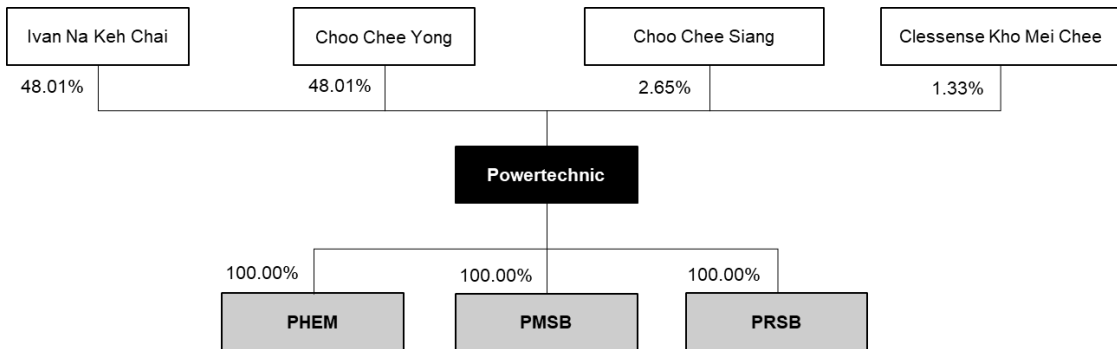
3. PROSPECTUS SUMMARY (Cont'd)

3.2 OUR GROUP STRUCTURE AND BUSINESS MODEL

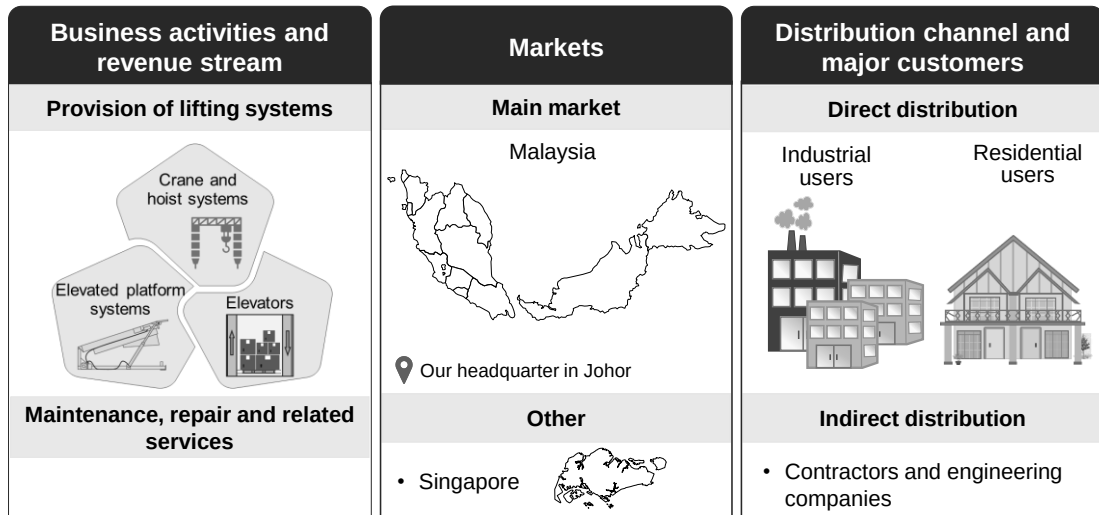
Our Company was incorporated under the name of Powertech Group Sdn Bhd in Malaysia on 23 April 2021 under the Act as a private limited company. Subsequently, on 27 November 2024, our Company was converted to a public limited company and assumed our present name of Powertech Group Berhad to facilitate the Listing.

Our Company is an investment holding company. Through our Subsidiaries, we are predominantly involved in provision of lifting systems and maintenance, repair and related services.

Our Group structure as at the LPD is as follows:



A summary of our business model is illustrated as follows:



Our Group is a specialist in lifting systems, providing comprehensive services that include engineering design, fabrication, assembly, installation and commissioning. Our Group customises our systems to meet specific operational requirements and safety standards. Our Group's lifting systems are marketed and sold under our Group's brand "Powertech".

Our Group also provides maintenance, repair and related services, including routine inspections and preventive maintenance to optimise performance and extend system operational life, as well as repair services to restore system functionality. In addition, our Group provides other related services including lifting systems licence renewal services and freight elevators upgrade services based on customers' requests.

3. PROSPECTUS SUMMARY (Cont'd)

Our Group's range of lifting systems, and services are broadly categorised as follows:

(i) Provision of lifting systems

Our Group's lifting systems is broadly categorised as follows:

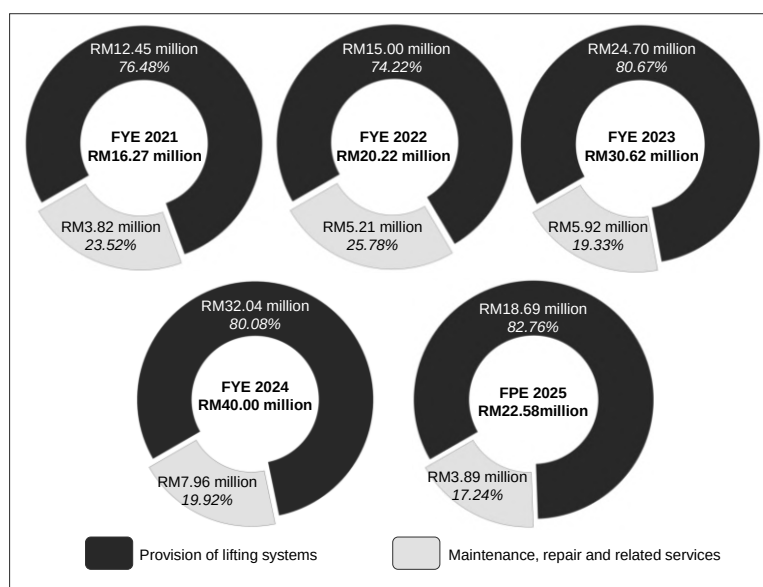
- (a) **Crane and hoist systems** are designed for industrial applications and are characterised by their ability to lift, lower, and move goods in three-dimensions: vertically (up and down), horizontally (forward and backward) and laterally (left and right). Cranes are typically used for horizontal and lateral movements, while hoists are used for vertical movements.
- (b) **Elevated platform systems** are designed for industrial applications and are characterised by their ability to raise, tilt, hold, and lower a platform. These platforms are used to elevate goods vertically or to create a sloped surface that connects two different height levels.
- (c) **Elevators** are lifting systems designed to transport passengers or goods vertically between floors in industrial, commercial, and residential buildings. It raises loads from the ground level to the required floor height and can be installed within a shaft or open framework.

(ii) Maintenance, repair and related services

Our Group provides maintenance, repair and related services. Our Group's maintenance and repair services include routine inspections as preventive measures to identify potential issues before they result in system failure. In addition, our Group provides ad-hoc repair services to address any unexpected issues reported by our customers. Depending on the condition of the system, our Group may also supply the mechanical and electrical parts of lifting system such as wire ropes and limit switches to support the continued functionality, reliability and safety of the lifting system.

Our Group also provides licence renewal service on behalf of customers based on their request. In addition, our Group provides freight elevators upgrade services based on customers' request as and when required.

For the Periods Under Review, our revenue by business activities is depicted below:



Further information on our Group and our business model are set out in Sections 7.1, 7.2 and 7.4 of this Prospectus respectively.

3. PROSPECTUS SUMMARY (*Cont'd*)

3.3 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our Group's competitive advantages and key strengths are set out below:

- (i) we have an established track record of approximately 23 years in the industry, which serves as a platform for securing new projects and driving business growth;
- (ii) we offer an integrated and comprehensive solution that spans from engineering design to commissioning including product quality assurance for our lifting systems;
- (iii) our diverse range of lifting systems supports and drives our business growth;
- (iv) we serve the industrial, commercial, and residential markets, providing us with business diversity and growth opportunities;
- (v) we use a combination of direct and indirect distribution channels to optimise our market coverage to address business opportunities;
- (vi) with our in-house engineering design capabilities, we can customise our crane and hoist systems to meet a wide range of customer needs and specifications, enabling sustained growth; and
- (vii) our experienced Directors and key senior management team are dedicated to sustaining and further developing our business.

Further information on our Group's competitive advantages and key strengths are set out in Section 7.3 of this Prospectus.

3.4 BUSINESS STRATEGIES AND PLANS

Our Group has, amongst others, the following business strategies and plans to grow our business:

- (i) **We plan to invest in automation to enhance some of our fabrication processes by incorporating various automated machines, aiming to improve precision and speed while increasing production scalability**

As part of our lifting systems provision, we perform fabrication work at our workshop, including mechanical cutting, milling, and manual welding.

We plan to purchase and integrate a range of automated machines for our fabrication processes, including:

- robotic welding machines to automate the welding of metal-based materials;
- automated cutting machines include laser cutting machines to perform precision cutting of metal sheets and components;
- automated bending machine to perform precision bending of metal-based materials; and
- automated painting and coating systems to automate the application of powder coating to metal parts.

Such investment in automation will enhance some of our fabrication processes by incorporating various automated machines, aiming to improve precision and speed while increasing production scalability.

In addition, we plan to purchase a truck equipped with crane for the transport of materials between our operational facilities and the customers' sites.

3. PROSPECTUS SUMMARY (*Cont'd*)

(ii) We intend to expand our marketing activities to increase our brand awareness in both offline and online marketing channels

Setting up new product showrooms and sales offices with storage space in industrial buildings

We principally operate from our headquarters in Johor. For the Periods Under Review, the southern region of Peninsular Malaysia comprising Johor, Malacca and Negeri Sembilan has been our main revenue contributor.

As at the LPD, we have 2 showrooms and sales offices located in Selangor and Johor that feature our home elevators. We plan to set up 2 new product showrooms and sales offices with storage space (1 located in Penang and 1 located in Sarawak) with the objective of expanding our market coverage in the northern region of Peninsular Malaysia and East Malaysia. This is to attract potential customers by providing ease of access and convenience and also enable us to be close to potential customers.

Digital marketing and offline marketing events

We will continue to market and promote our *Powertechnic* brand of products. For the Periods Under Review, all our lifting systems are sold under our *Powertechnic* brand. We plan to allocate resources in (i) digital marketing campaigns, (ii) content creation and (iii) trade shows and industry events.

Further information of our Group's business strategies and plans are set out in Section 7.15 of this Prospectus.

3.5 RISK FACTORS

Our business is subject to a number of risk factors, many of which are outside our control. Before investing in our Shares, you should carefully consider, along with the other matters set out in this Prospectus, the risk factors set out in Section 9 of this Prospectus and investment considerations (which may occur either individually or in combination, at the same time or around the same time) that may have a significant impact on our future financial performance. The following is a summary of the key risks relating to the business operations, financial position and results of our Group that we are currently facing or that may develop in the future:

(i) We are required to comply with the relevant regulatory authorities' requirements

As a lifting systems specialist, our products are categorised under the umbrella of crane and hoist systems, elevated platform systems as well as freight elevators, which are subject to various regulations, registrations and product certifications including:

- registrations:
 - with CIDB under the relevant grade and specialisation;
 - as a competent company for lifting machinery with the DOSH; and
 - under "registration for certificate of competency" in Section 31B(1)(a) of the OSHA 1994.
- approval for the design verification from DOSH before construction, installation, or use of the lifting systems; and
- a valid lifting machine qualification certificate (CF) from DOSH must be obtained for any lifting machine that uses power drive such as electric, diesel, pneumatic and equivalent before it is permitted to be used.

There is no assurance that we will be able to obtain new registrations, approvals, or certifications, or renew existing ones in a timely manner. If we are unable to secure the necessary registrations, approvals, or certifications, it could negatively impact our operational results and financial performance.

3. PROSPECTUS SUMMARY (Cont'd)

(ii) Our business and financial performance is dependent on our ability to continually secure new orders from customers

Our revenue from designing and providing lifting systems is derived from fixed lump-sum purchase orders and equivalents such as work orders, acceptance of quotations and letters of award, which include variable components for specific services and products such as labour and materials. These purchase orders and equivalents are typically non-recurring after installation and handover to customers. As such, our business sustainability and financial performance rely on our ability to consistently secure new orders to replenish our order book.

After installation and handover, customers may request ongoing maintenance services, which are recurring in nature. However, these would be governed by separate purchase orders. Nevertheless, there can be no assurance that we will obtain such purchase orders from all our customers.

(iii) We may be subject to the risk of penalties for any shortcomings in the quality of our subcontractors' work

As at the LPD, we engage a dedicated subcontractor to carry out the Services and a dedicated third-party fabricator for our brand of home elevators. The Services are carried out under our management and supervision, and the fabrication of our brand of home elevators are carried out in accordance with our specifications and methods (product know-how). If our subcontractor fails to complete the required work, provide the necessary services or labour on time, or deliver substandard work, we may face penalties from our customers. These penalties could include liquidated ascertained damages (LAD) or requests to rectify defects during the defect liability period (DLP) or be related to warranty claims, depending on our arrangements with customers. While we have back-to-back arrangements with a subcontractor to address technical defects arising during the DLP at no additional cost to us, we may still incur extra costs to handle customer claims or rectify defects due to the quality of our subcontractors' work.

(iv) We are dependent on certain major suppliers

We are dependent on certain major suppliers, including Powermatics which was our major supplier of hydraulic systems such as dock levellers and table lifters as well as hydraulic parts and components; THES, which is our dedicated subcontractor to carry out the Services; and TOSB, which is our dedicated third-party fabricator of our brand of home elevator as well as our supplier for dock levellers in a finished product form. Although we can source for other suppliers and subcontractors in the market, we cannot provide any assurance that we would not face any disruptions in our operations if the relationships with any of our abovementioned suppliers were terminated unexpectedly.

(v) We are subject to operational risk including shortage of labour and skilled personnel

Our business in providing lifting systems relies on the technical knowledge and experience of our technical personnel for the execution of engineering design, on-site assembly and installation, as well as maintenance and repair services for our lifting systems. Our in-house technical personnel usually hold educational qualifications in mechanical and electrical engineering.

We may experience a shortage of workers from time to time due to various factors including, among others, changes in government policies and regulations on the supply of foreign labour such as a freeze on hiring foreign labour and increase in minimum wages. The loss of services of our labour including skilled personnel and general workers, without timely and suitable replacement may adversely affect our business operations and financial performance. Any challenges in hiring skilled technical personnel, or the inability of our Group to train and retain current employees as well as the inability to replace the loss in headcounts, could adversely affect the quality standards of our lifting systems, which in turn may adversely affect our reputation, business operations, and financial performance in the future.

3. PROSPECTUS SUMMARY (Cont'd)

(vi) We are exposed to fluctuations in the prices of our input materials which comprises steel-based materials

Our business is exposed to fluctuations in the prices of steel-based materials. For the Periods Under Review, purchases of metal-based materials accounted for 29.39%, 17.56%, 15.78%, 17.09% and 15.70% of our total purchases of input materials, products and services for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Steel is a commodity and is therefore subject to global price fluctuations. The price of steel is affected by various factors including, among others, global economic conditions, geopolitical events, demand and supply conditions and production capacity. Fluctuations in the prices of steel would affect the results of our operations and financial performance.

As such, any increases in the market prices of steel may lead to an increase in the cost of our products. If we are unable to pass on the increases in costs to our customers, our financial performance may be adversely affected.

(vii) Our financial performance and growth prospects are subject to internal and external factors as well as our business strategies and plans

Our financial performance would be impacted by various internal and external factors such as unfavourable trade practices, a decline in demand for our products and services, adverse economic and social conditions, changes in regulatory policies, increased competition, disruptions to our business operations, and potential delays or failures in executing our business strategies and plans.

Our business strategies and plans focus on leveraging our strengths and capitalising on our expertise in the design, installation, and commissioning of lifting systems. These strategies include investing in automation to enhance precision and speed in our fabrication processes, increasing production scalability, and establishing new showrooms and sales offices with storage space as part of our marketing efforts to support business growth.

We may not successfully execute these strategies on time, nor can we assure their commercial success or our ability to foresee all associated business and operational risks. Any delays or failures in effectively implementing our strategies may adversely affect our sustainability, future business development, and financial performance.

(viii) We are dependent on our Executive Directors and key senior management

We are dependent on the experience, expertise and technical knowledge, and business development expertise of our Executive Directors and key senior management for our business operations. The loss of services of any one or more of our Executive Directors or key senior management without any suitable and timely replacement may adversely affect our business operations and financial performance.

(ix) We may be subject to defect liability and warranty claims from our customers

If any of our Group's products break down or become faulty during the warranty period, we will handle the workmanship involved in repairing or replacing the faulty parts, while the cost of spare parts and devices will be borne by the customer. There is no assurance that we will not receive any defect liability claims or warranty claims from our customers in the future that would result in incurring costs that would adversely affect our financial performance.

Please refer to Section 9 of this Prospectus for the full list of the risk factors which should be carefully considered before investing in our Shares.

3. PROSPECTUS SUMMARY (Cont'd)**3.6 DIRECTORS AND KEY SENIOR MANAGEMENT**

Our Directors and key senior management, whose profiles are set out in Section 5 of this Prospectus, are as follows:

Name	Designation
Directors	
Teh Kee Sin	Independent Non-Executive Chairman
Ivan Na Keh Chai	Managing Director
Choo Chee Yong	Executive Director
Law Lee Yen	Independent Non-Executive Director
Razi Bin Abdullah	Independent Non-Executive Director
Eileen Su Lee Ming	Independent Non-Executive Director
Key senior management	
Ivan Na Keh Chai	Managing Director
Choo Chee Yong	Executive Director
Chin Yanjiang	Group Accountant
Clessense Kho Mei Chee	Head of Sales and Marketing
Soo Sheau Wen	Head of Human Resources and Administration

3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters' and substantial shareholders' shareholdings in our Company before and after our IPO are as follows:

Name	Nationality	As at the LPD/ Before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
<u>Promoters and substantial shareholders</u>									
Ivan Na Keh Chai	Malaysian	118,758	48.01	-	-	108,258	34.88	-	-
Choo Chee Yong	Malaysian	118,758	48.01	-	-	108,258	34.88	-	-

Notes:

(1) Based on our total number of issued Shares of 247,337,000 Shares after the Acquisitions.

(2) Based on our enlarged total number of Shares of 310,337,000 Shares after the Public Issue and Offer for Sale.

Further information of our Promoters and substantial shareholders is set out in Section 5 of this Prospectus.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

3. PROSPECTUS SUMMARY (Cont'd)**3.8 USE OF PROCEEDS**

We expect to raise gross proceeds from the Public Issue of RM22.05 million and intend to use the proceeds in the following manner:

No.	Purpose	Estimated time frame for utilisation from the date of Listing	RM'000	%
(1)	Set up new product showrooms and sales offices with storage space and marketing expenses	Within 18 months	4,500	20.41
(2)	Capital expenditure mainly for automated machines	Within 18 months	3,800	17.23
(3)	Repayment of bank borrowings	Within 12 months	2,800	12.70
(4)	General working capital	Within 24 months	6,650	30.16
(5)	Estimated listing expenses	Within 3 months	4,300	19.50
Gross proceeds			22,050	100.00

There is no minimum subscription to be raised from our IPO. Further details of the use of proceeds arising from the Public Issue are set out in Section 4.8.1 of this Prospectus.

The Offer for Sale will raise gross proceeds of RM7.35 million which will accrue entirely to the Offerors.

3.9 FINANCIAL HIGHLIGHTS

The table below sets out a summary of our Group's key financial highlights based on our Group's historical financial information for the Periods Under Review:

	Audited					
	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2024 RM'000	FPE 2025 RM'000
Revenue	16,273	20,215	30,619	40,006	18,774	22,578
GP	6,013	7,490	13,120	19,030	9,225	11,791
Other income	454	473	1,496	3,232	245	155
PBT	1,073	1,169	5,886	8,925	4,535	4,813
PAT/ Total comprehensive income for the financial year/ period	799	806	4,238	6,284	3,543	3,245
GP margin (%) ⁽¹⁾	36.95	37.05	42.85	47.57	49.14	52.22
PBT margin (%) ⁽²⁾	6.59	5.78	19.22	22.31	24.16	21.32
PAT margin (%) ⁽³⁾	4.91	3.99	13.84	15.71	18.87	14.37
Basic/ Diluted EPS (sen) ⁽⁴⁾	0.26	0.26	1.37	2.02	1.14	1.05

Notes:

- (1) Computed based on GP over revenue.
- (2) Computed based on PBT over revenue.
- (3) Computed based on PAT over revenue.
- (4) Computed based on PAT divided by 310,337,000 enlarged total number of Shares after our IPO. The diluted EPS is equal to the basic EPS as our Company does not have any outstanding convertible securities at the end of the financial years/ periods.

3. PROSPECTUS SUMMARY (Cont'd)

Please refer to Section 12.1 of this Prospectus for further information relating to our Group's historical financial performance.

3.10 DIVIDEND POLICY

It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our subsidiaries, present and future. The payment of dividends by our subsidiaries is dependent upon various factors, including but not limited to, their distributable profits, financial performance, and cash flow requirements for operations and capital expenditures, as well as other factors that their respective boards of directors deem relevant.

The payment and amount of any dividends or distributions to our shareholders will be at the discretion of our Board and will depend on the factors stated above (which may not be exhaustive). There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

Subject to the above, the Act and factors set out in Section 12.10 of this Prospectus, our Board intends to recommend and distribute dividends of at least 30% of our annual audited profit after tax attributable to the shareholders. However, it is not a legally binding obligation/ guaranteed commitment to shareholders.

Kindly refer to Section 9.3 of this Prospectus for risks relating to our Shares and our Listing and Section 12.10 of this Prospectus for detailed information on our dividend policy.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

4. DETAILS OF OUR IPO**4.1 OPENING AND CLOSING OF APPLICATION**

The application for our IPO Shares will open at 10.00 a.m. on 6 October 2025 and will remain open until 5.00 p.m. on 14 October 2025.

LATE APPLICATIONS WILL NOT BE ACCEPTED.

4.2 INDICATIVE TIMETABLE

Event	Tentative date
Issuance of this Prospectus/ Opening date of Application	10.00 a.m., 6 October 2025
Closing date of Application	5.00 p.m., 14 October 2025
Balloting of Application	16 October 2025
Allotment/ Transfer of our IPO Shares to successful applicants	24 October 2025
Date of Listing	28 October 2025

In the event there is any change to the indicative timetable above, we will advertise a notice of the changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and make an announcement on Bursa Securities' website.

4.3 PARTICULARS OF OUR IPO**4.3.1 Public Issue**

A total of 63,000,000 Public Issue Shares, representing approximately 20.30% of our enlarged total number of Shares are offered at our IPO Price. The Public Issue Shares will be offered in the following manner:

(i) Malaysian Public via balloting

15,600,000 Public Issue Shares, representing approximately 5.02% of our enlarged total number of Shares, will be made available for application by the Malaysian Public through balloting process as follows:

- (a) 7,800,000 Public Issue Shares, representing 2.51% of our enlarged total number of Shares, made available to public investors; and
- (b) 7,800,000 Public Issue Shares, representing 2.51% of our enlarged total number of Shares, made available to Bumiputera public investors.

(ii) Eligible Parties

10,000,000 Pink Form Shares, representing approximately 3.22% of our enlarged total number of Shares, will be made available for application by the Eligible Parties in the following manner:

4. DETAILS OF OUR IPO (Cont'd)

	Number of persons	Aggregate number of Pink Form Shares allocated
Eligible Directors of our Group ^(a)	4	1,450,000
Eligible employees of our Group ^(b)	28	4,636,800
Persons who have contributed to the success of our Group ^(c)	2	3,913,200
Total	34	10,000,000

The above allocation is subject to the Eligible Parties subscribing to their respective allocations.

Entitlements which are not accepted by certain Eligible Parties will be re-allocated to the other Eligible Parties at the discretion of our Board.

Notes:**(a) Allocation to eligible Directors of our Group**

The criteria for allocation to our eligible Directors (as approved by our Board) are based on, amongst others, their respective roles and responsibilities and anticipated contribution to our Group.

Ivan Na Keh Chai (our Managing Director) and Choo Chee Yong (our Executive Director) have opted not to participate in the Pink Form Allocations as they are our Promoters, substantial shareholders and Offerors.

The number of Pink Form Shares to be allocated to our Independent Non-Executive Directors are as follows:

Name	Designation	Number of Pink Form Shares allocated
Teh Kee Sin	Independent Non-Executive Chairman	400,000
Law Lee Yen	Independent Non-Executive Director	350,000
Razi Bin Abdullah	Independent Non-Executive Director	350,000
Eileen Su Lee Ming	Independent Non-Executive Director	350,000
Total		1,450,000

4. DETAILS OF OUR IPO (Cont'd)**(b) Allocation to eligible employees of our Group**

The criteria of allocation to our eligible employees (as approved by our Board) are based on, amongst others, the following:

- the employees must be a full-time employee of at least 18 years of age and on the payroll of our Group; and
- the number of Pink Form Shares allocated to our eligible employees is based on their seniority, position, length of service, their past performance and contribution made to our Group, as well as other factors deemed relevant to our Board.

The number of Pink Form Shares to be allocated to our key senior management are as follows:

Name	Designation	Number of Pink Form Shares allocated
Chin Yanjiang	Group Accountant	400,000
Clessense Kho Mei Chee	Head of Sales and Marketing	550,000
Soo Sheau Wen	Head of Human Resources and Administration	500,000
Total		1,450,000

(c) Allocation to persons who have contributed to the success of our Group

The criteria for allocation to persons who have contributed to the success of our Group (as approved by our Board) are based on, amongst others, the nature and terms of their business relationship with us, their contribution to the success of our Group, length of relationship with us and level of their contribution and support to the growth of our Group.

The persons who have contributed to the success of our Group include our customers and business associates.

(iii) Selected investors by way of private placement

37,400,000 Public Issue Shares, representing approximately 12.06% of our enlarged total number of Shares, are reserved for private placement in the following manner:

- 17,800,000 Public Issue Shares, representing approximately 5.74% of our enlarged total number of Shares, to selected Bumiputera investors approved by MITI; and
- 19,600,000 Public Issue Shares, representing approximately 6.32% of our enlarged total number of Shares, to selected investors.

4. DETAILS OF OUR IPO (Cont'd)**4.3.2 Offer for Sale**

A total of 21,000,000 Offer Shares, representing approximately 6.77% of our enlarged total number of Shares, are offered by our Offerors at our IPO Price, and is subject to the terms and conditions stated in this Prospectus. All the Offer Shares are reserved for private placement to selected Bumiputera investors approved by MITI.

Details of the Offerors and their relationship with our Group are set out below:

Name / Address	Relationship with our Group	As at the LPD/ Before our IPO		Offer Shares			After our IPO	
		No. of Shares	⁽¹⁾ %	No. of Shares	% ⁽¹⁾	% ⁽²⁾	No. of Shares	⁽²⁾ %
Ivan Na Keh Chai No. 17, Jalan Austin Heights 1/20 Taman Mount Austin 81100 Johor Bahru Johor	Managing Director, Promoter and substantial shareholder	118,757,500	48.01	10,500,000	4.25	3.38	108,257,500	34.88
Choo Chee Yong No. 22, Jalan Austin Heights 2/8 Taman Mount Austin 81100 Johor Bahru Johor	Executive Director, Promoter and substantial shareholder	118,757,500	48.01	10,500,000	4.25	3.38	108,257,500	34.88

Notes:

(1) Based on our total number of issued Shares of 247,337,000 Shares after the Acquisitions.

(2) Based on our enlarged total number of Shares of 310,337,000 Shares after the Acquisitions, Public Issue and Offer for Sale.

Further details on the Offerors, who are also our Promoters and substantial shareholders, are disclosed in Section 5 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)**4.3.3 Placement, underwriting arrangement and allocation of our IPO Shares**

In summary, our IPO Shares will be allocated and allotted in the following manner:

	No. of Shares	%*
Public Issue		
- Malaysian Public	15,600,000	5.02
- Eligible Parties	10,000,000	3.22
- Selected investors (via private placement)	19,600,000	6.32
- Selected Bumiputera investors approved by MITI (via private placement)	17,800,000	5.74
Total Public Issue Shares	63,000,000	20.30
Offer for Sale		
- Selected Bumiputera investors approved by MITI (via private placement)	21,000,000	6.77
Total Offer for Sale	21,000,000	6.77

Note:

* Based on our enlarged total number of Shares of 310,337,000 Shares after our IPO.

The Listing Scheme is in line with the funding requirements of our Company in the near term (i.e., the funding requirements have been met). The Offer for Sale facilitates our Company in meeting the following for our Listing:

- 25.00% public shareholding spread requirement (pursuant to Rule 8.02 of the Listing Requirements); and
- 12.50% Bumiputera equity requirements for public listed companies.

(i) Malaysian Public

All the 15,600,000 Public Issue Shares made available for application by the Malaysian Public have been fully underwritten.

Any of the Public Issue Shares which are not fully subscribed by the Malaysian Public will be made available for subscription as follows:

- firstly, by our selected investors as described in Section 4.3.1(iii)(b) of this Prospectus;
- secondly, by our Eligible Parties (excluding eligible Directors) who apply for excess Pink Form Shares on top of their pre-determined allocation; and
- thirdly, our Underwriter, subject to the terms and conditions of the Underwriting Agreement.

(ii) Eligible Parties

The Pink Form Shares are not underwritten as the size of the Pink Form Allocation (i.e., 10,000,000 Pink Form Shares only) is relatively smaller compared to the Public Issue to the Malaysian Public and selected investors under private placement, and the Offer for Sale. Our Group is optimistic that we would be able to achieve full subscription from the Eligible Parties.

4. DETAILS OF OUR IPO (Cont'd)

Furthermore, any unsubscribed Pink Form Shares ("**Excess Issue Shares**") reserved under the Pink Form Allocations which are not taken up will be made available for subscription as follows:

- (a) firstly, by other Eligible Parties (excluding eligible Directors)

Any Excess Issue Shares will be re-offered to other Eligible Parties (excluding our Directors) who have applied for excess on top of their pre-determined allocation and allocated on a fair and equitable basis in the following priority:

- (aa) firstly, allocation on a pro-rata basis to the eligible employees of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for;
- (bb) secondly, allocation of any surplus Excess Issue Shares after (aa) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and
- (cc) thirdly, to minimise odd lots.

Our Board reserves the right to allot Excess Issue Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (aa) to (cc) above is achieved. Our Board also reserves the right to accept or reject any Excess Issue Shares application in full or in part, without assigning any reason.

Once completed, the steps involving items (aa) to (cc) above will not be repeated, as any balance of unsubscribed Pink Form Shares will be made available for subscription by our selected investors as per item (b) below; and

- (b) secondly, by our selected investors as described in Section 4.3.1(iii) of this Prospectus.

As at the LPD, save for the allocation made for Application as disclosed in Section 4.3.1(ii) of this Prospectus, to the extent known to our Company:

- (a) there are no substantial shareholders, Directors or members of the key senior management who have indicated to our Company that they intend to subscribe for our IPO Shares; and
- (b) there are no persons who have indicated to our Company that they intend to subscribe for more than 5.00% of our IPO Shares.

(iii) **Private placement to selected investors (including selected Bumiputera investors approved by MITI)**

The total of 58,400,000 IPO Shares (comprising 37,400,000 Public Issue Shares and 21,000,000 Offer Shares) reserved under private placement to selected investors, respectively (under Sections 4.3.1(iii) and 4.3.2 of this Prospectus) are also not underwritten, as written irrevocable undertakings to subscribe for these Placement Shares will be obtained from the respective selected investors.

4. DETAILS OF OUR IPO (Cont'd)

If any of our allocated IPO Shares to Bumiputera investors approved by MITI under the private placement are not fully subscribed, our IPO Shares will be allocated in the following order of priority:

- (a) firstly, to Bumiputera public investors as part of the balloting process under Section 4.3.1(i) of this Prospectus;
- (b) secondly, to Malaysian institutional investors under the private placement to selected investors as described in Section 4.3.1(iii) of this Prospectus;
- (c) thirdly, to Eligible Parties under Section 4.3.1(ii) of this Prospectus; and
- (d) lastly, by way of private placement to selected investors under Section 4.3.1(iii) of this Prospectus.

The basis of allocating our IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants to:

- broaden our shareholding base;
- meet the public spread requirements of Bursa Securities; and
- establish a liquid and adequate market for our Shares.

Applicants will be selected in a fair and equitable manner to be determined by our Directors.

4.3.4 Minimum subscription

There is no minimum subscription to be raised from the Public Issue. However, in order to comply with the public spread requirements under the Listing Requirements, the minimum subscription level will be the number of Shares required to be held by public shareholders. Pursuant to the Listing Requirements, at least 25.00% of our enlarged total number of Shares for which listing is sought must be in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If we do not meet the public shareholding requirement, we may not be allowed to proceed with the Listing. In such an event, all monies paid in respect of all Applications will be returned in full without interest. If any such monies are not repaid within 14 days after we become liable to repay it, the provision of sub-section 243(2) of the CMA shall apply accordingly.

The number of IPO Shares offered under the Public Issue and Offer for Sale will not be increased via any over-allotment or "greenshoe" option.

4.3.5 Price stabilisation mechanism

We will not be employing any price stabilisation mechanism that may be employed in accordance with the Capital Markets and Services (Price Stabilisation Mechanism) Regulations 2008 for our IPO.

4. DETAILS OF OUR IPO (Cont'd)**4.4 SHARE CAPITAL**

	No. of Shares	Share Capital (RM)
Issued share capital as at the date of this Prospectus	247,337,000	12,367,800
New Shares to be issued pursuant to the Public Issue	63,000,000	22,050,000
Enlarged issued share capital upon Listing	310,337,000	34,417,800
Existing Shares to be offered pursuant to the Offer for Sale⁽¹⁾	21,000,000	7,350,000
IPO Price (RM)		0.35
- Expected market capitalisation upon Listing (based on our IPO Price and the enlarged number of issued shares after our IPO)		108,617,950

Note:

- (1) *The Offer for Sale would not have any effect on our issued share capital as the Offer Shares are already in existence prior to our IPO.*

As at the date of this Prospectus, we have only 1 class of shares in our Company, being the ordinary shares, all of which shall rank equally amongst one another. The Public Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing issued Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of our Public Issue Shares.

The Offer Shares rank equally in all respects with our existing issued Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by our Company in the future, our shareholders shall, in proportion to the amount paid on the Shares held by them, be entitled to share in the whole of the profits paid out by our Company as dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after satisfaction of any preferential payments in accordance with the Act and our liabilities.

At any general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney, or by other duly authorised representative. Every person present who is a shareholder or representative or proxy or attorney or duly authorised representative of a shareholder shall have 1 vote for each ordinary share held. A proxy may, but need not be, a member of our Company.

4. DETAILS OF OUR IPO (Cont'd)

4.5 PURPOSE OF OUR IPO

The purposes of our IPO are as follows:

- (i) to gain recognition and enhance our stature as a specialist in lifting systems, providing comprehensive services that include engineering design, fabrication, assembly, installation and commissioning. A listing status will enhance our Group's reputation, and facilitate the marketing of our products and services, expansion of our customer base, retention of our employees and attract new and skilled employees in the industry our Group is operating in;
- (ii) to enable our Group to raise funds for the purposes specified under Section 4.8 of this Prospectus;
- (iii) to provide an opportunity for investors and institutions, including our Eligible Parties to participate in our equity and continuing growth; and
- (iv) to enable us to tap into the equity capital market for future fund raising to pursue future growth opportunities as and when the need arises.

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and TA Securities, as our Principal Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration among others, the following factors:

- (i) our historical financial performance as set out in Section 12.1 of this Prospectus;
- (ii) our pro forma NA per Share of approximately RM0.12, computed based on our pro forma consolidated NA attributable to owners of the Company after our IPO and utilisation of proceeds as at 30 June 2025 of RM38.05 million and our enlarged total number of issued Shares of 310,337,000 upon Listing;
- (iii) PE Multiple of approximately 17.33 times based on our Group's audited EPS of approximately 2.02 sen for FYE 2024, computed based on our Group's audited PAT of approximately RM6.28 million for the FYE 2024 and our enlarged total number of issued Shares of 310,337,000 Shares upon Listing.

Had the net gain on disposal of a property and an investment property of RM2.60 million been excluded, our Group's adjusted PAT for FYE 2024 would have been RM3.69 million. This would translate to an adjusted EPS of 1.19 sen and a PE Multiple of approximately 29.41 times.

The annualised PAT for FPE 2025 would be RM6.49 million based on our Group's audited PAT of RM3.24 million for FPE 2025. This would translate to an EPS of 2.09 sen and a PE Multiple of approximately 16.75 times.

The annualised adjusted PAT for FPE 2025 after excluding the listing expenses incurred (being one-off and non-recurring in nature) in FPE 2025 of RM0.32 million would be RM7.13 million. This would translate to an EPS of 2.30 sen and a PE Multiple of approximately 15.22 times;

- (iv) our competitive advantages and key strengths as set out in Section 7.3 of this Prospectus; and
- (v) our Group's business strategies and plans as set out in Section 7.15 of this Prospectus.

However, you should also note that the market price of our Shares upon Listing is subject to the uncertainties of market forces and other factors, which may affect the price of our Shares being traded. You should form your own views on the valuation of our IPO Shares before deciding to invest in our Shares. You are reminded to carefully consider the risk factors as set out in Section 9 of this Prospectus before deciding to invest in our Shares.

4. DETAILS OF OUR IPO (Cont'd)**4.7 DILUTION**

Dilution is the amount by which our IPO Price exceeds our pro forma consolidated NA per Share immediately after our IPO. The table below sets out the dilution effect on a per Share basis:

		RM
IPO Price	[A]	0.35
Pro forma consolidated NA per Share as at 30 June 2025 (before our IPO)	[B]	0.07
Pro forma consolidated NA per Share (after IPO and utilisation of proceeds)	[C]	0.12
Increase in the pro forma consolidated NA per Share (after IPO and utilisation of proceeds) attributable to our existing shareholders	[C] – [B]	0.05
Dilution in the pro forma consolidated NA per Share to our new public investors	[A] – [C] = [D]	0.23
Dilution in the pro forma consolidated NA per Share to our new public investors as a percentage of our IPO Price	[D] / [A]	65.71%

The table below summarises the total number of Shares acquired and the average effective cost per Share paid by our Directors, Promoters, substantial shareholders and/ or persons connected to them, since our incorporation up to the date of this Prospectus or which they have a right to acquire:

	No. of shares after Acquisitions but before our IPO ⁽¹⁾	No. of Shares from our IPO ⁽²⁾	Total consideration RM	Average effective cost per Share RM
Directors, Promoters and substantial shareholders				
Ivan Na Keh Chai	⁽⁴⁾ 118,757,500	-	⁽⁷⁾ 5,938,350	0.05
Choo Chee Yong	⁽⁴⁾ 118,757,500	-	⁽⁷⁾ 5,938,350	0.05
Directors				
Teh Kee Sin	-	⁽⁵⁾ 400,000	140,000	0.35
Law Lee Yen	-	⁽⁵⁾ 350,000	122,500	0.35
Razi Bin Abdullah	-	⁽⁵⁾ 350,000	122,500	0.35
Eileen Su Lee Ming	-	⁽⁵⁾ 350,000	122,500	0.35
Key senior management				
Chin Yanjiang	-	⁽⁵⁾ 400,000	140,000	0.35
Clessense Kho Mei Chee	⁽⁶⁾ 3,274,000	⁽⁵⁾ 550,000	⁽⁸⁾ 356,200	0.09
Soo Sheau Wen	-	⁽⁵⁾ 500,000	175,000	0.35
Person connected with the Directors, Promoters and substantial shareholders				
Choo Chee Siang ⁽³⁾	⁽⁶⁾ 6,548,000	⁽⁵⁾ 240,000	⁽⁹⁾ 411,400	0.06

4. DETAILS OF OUR IPO (Cont'd)

Notes:

- (1) Being Shares issued pursuant to the Acquisitions.
- (2) Being Shares allocated pursuant to the Pink Form Allocation.
- (3) He is the brother of Choo Chee Yong.
- (4) Being Shares issued pursuant to the 1,000 subscriber shares issued upon the incorporation of our Company and the Acquisitions.

The changes in shareholdings of our Directors, Promoters, substantial shareholders and persons connected with them in our Company since our incorporation up to the date of this Prospectus are as follows:

	As at the date of incorporation ⁽ⁱ⁾	Issuance of new Shares pursuant to Acquisitions ⁽ⁱⁱ⁾	Total shareholdings in our Company after Acquisitions
Ivan Na Keh Chai	500	118,757,000	118,757,500
Choo Chee Yong	500	118,757,000	118,757,500
Choo Chee Siang	-	6,548,000	6,548,000
Clessense Kho Mei Chee	-	3,274,000	3,274,000
Total	1,000	247,336,000	247,337,000

Notes:

- (i) 1,000 ordinary shares of Powertechinc were issued at RM1.00 each to Ivan Na Keh Chai and Choo Chee Yong.
- (ii) On 21 November 2024, our Company completed the Acquisitions via issuance of 247,336,000 new Shares at an issue price of RM0.05 per Share.
- (5) Assuming he or she fully subscribes for the Pink Form Shares allocated to him or her.
- (6) Being Shares issued to him or her pursuant to the Acquisitions.
- (7) Calculated based on RM1,000 paid for the 1,000 subscriber shares and Shares issued to them pursuant to the Acquisitions.
- Further details on the Acquisitions are set out in Section 6.2.1 of this Prospectus.
- (8) Calculated based on the purchase consideration for the Acquisition of PMSB attributable to her and total subscription amount assuming she fully subscribes for the Pink Form Shares allocated to her.
- (9) Calculated based on the purchase consideration for the Acquisition of PMSB attributable to him and total subscription amount assuming he fully subscribes for the Pink Form Shares allocated to him.

Save as disclosed above and the Shares issued pursuant to the Pink Form Allocations, there has been no other equity transaction and/ or right to acquire our Shares by our Directors, key senior management, substantial shareholders and/ or persons connected to them since our incorporation up to the date of this Prospectus.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

4. DETAILS OF OUR IPO (Cont'd)**4.8 USE OF PROCEEDS****4.8.1 Proceeds from our IPO**

The Public Issue is expected to raise gross proceeds of RM22.05 million for our Group, which shall be used in the following manner:

Purpose	Notes	RM'000	%	Estimated time frame for utilisation from the date of listing
Set up new product showrooms and sales offices with storage space and marketing expenses	(1)	4,500	20.41	Within 18 months
Capital expenditure mainly for automated machines	(2)	3,800	17.23	Within 18 months
Repayment of bank borrowings	(3)	2,800	12.70	Within 12 months
General working capital	(4)	6,650	30.16	Within 24 months
Estimated listing expenses	(5)	4,300	19.50	Within 3 months
Total		22,050	100.00	

Notes:**(1) Set up new product showrooms and sales offices with storage space and marketing expenses**

Our Group has allocated RM3.30 million as the initial set up costs for 2 new product showrooms and sales offices with storage space, 1 located in Penang and 1 located in Sarawak. The total initial set up costs include expenses in relation to:

Description	Estimated cost (RM'000) ⁽¹⁾		
	Facility in Penang ⁽²⁾	Facility in Sarawak ⁽²⁾	Total
Rental and related expenses ⁽³⁾	750	450	1,200
Renovation including interior-fit-out	850	650	1,500
Display unit	300	300	600
Total	1,900	1,400	3,300

Notes:

- (1) The estimated cost takes into consideration the actual setup costs incurred for our existing showrooms and sales offices in Selangor and Johor, quotations from suppliers and contractors, as well as prevailing market rates for industrial building rentals.
- (2) Comprises product showroom and sales office with storage space.

4. DETAILS OF OUR IPO (Cont'd)

- (3) *Include estimated rental expenses for a period of 18 months and related costs such as deposits, agent fees and cleaning fees. We are in the midst of identifying suitable locations for the establishment of the new product showrooms and sales offices with storage space. As at the LPD, we have yet to enter into any tenancy agreement.*

The set up of the 2 new product showrooms and sales offices with storage space is expected to commence in fourth quarter 2025 which will include the drawing of layout plans and interior designs. The renovations are expected to commence in fourth quarter 2025 and be completed for operations in first quarter 2026. As at the LPD, we have yet to incur any costs for setting up the 2 new operational facilities comprising product showrooms and sales offices with storage space.

Further, our Company plans to set aside RM1.20 million to facilitate the expansion of marketing activities between 2025 and 2026 in Malaysia and foreign markets including Singapore and Indonesia. Such marketing activities would include digital marketing campaigns, content creation as well as trade shows and industry events. Our plan to expand digital marketing campaigns to Singapore is mainly to grow our existing market presence in Singapore. Our revenue from Singapore increased from RM0.04 million in FYE 2021 to RM1.67 million in FYE 2024. Our plan to expand digital marketing campaigns to Indonesia is aimed at testing market acceptance, as well as evaluating the potential demand in Indonesia.

The marketing activities will be carried out by our in-house marketing team, complemented by third-party marketing companies for activities such as digital marketing campaigns and content creation.

Details of the marketing activities and the proposed allocation of proceeds are follows:

Description	Total estimated cost (RM'000)
Digital marketing campaigns	765
Content creation	265
Trade shows and industry events	170
Total	1,200

- **Digital marketing campaigns:** This includes social media marketing to promote our Group's products and services on platforms like Facebook, Instagram, LinkedIn and TikTok, in collaboration with influencers who can share updates, customer testimonials, and case studies to engage our Group's audience.

In addition, we will run targeted advertisements on platforms such as Google Ads to reach potential customers in new target areas including northern region of Peninsular Malaysia, East Malaysia, Singapore and Indonesia who are actively searching for lifting systems and related products. Our Company will also optimise our website and content for search engines so that our Company ranks among the top providers of lifting systems in the search results.

4. DETAILS OF OUR IPO (Cont'd)

- **Content creation:** Our Company will develop informative and engaging content, such as videos and blog posts, covering topics that showcase our products in action. This includes product demonstrations, customer experiences, instructional content, and educational materials on the benefits of different products, maintenance tips, trends, and special offers. Our plan includes enhancing content quality to improve audience engagement. This content will be hosted on platforms like YouTube and embedded on our website.
- **Trade shows and industry events:** Our Company plans to participate in trade shows and industry events to showcase our products and generate leads.

(2) Capital expenditure mainly for automated machines

Our Group has allocated RM3.80 million for the purchase of new automated machines and a truck. The types of new machines as well as the total estimated cost are set out as follows:

Types of machine	Description	Intended no. of units to be purchased and installed at		Total estimated cost (RM'000)
		I-Park Lot 28	I-Park Lot 42	
Robotic welding machines	To automate the welding of metal-based materials	1	1	1,800
Automated cutting system	To perform precision cutting of metal sheets and components	1	1	1,000
Automated bending machine	To perform precision bending of metal-based materials	-	1	500
Truck with crane	To transport materials between our Group's facilities and customers' sites	-	1	300
Automated painting and coating systems	To automate the application of powder coating to metal parts	-	2	200
Total		2	6	3,800

The machines will enhance some of our Group's fabrication processes and improve precision and speed while increasing production scalability.

As at the LPD, our Group has not incurred any costs for the aforesaid purchase of new automated machines. The new automated machines will be installed mainly at I-Park Lot 42 which is our fabrication workshop dedicated to our elevated platform systems specifically dock levellers. The existing workshop at I-Park Lot 42 has sufficient space to accommodate the new automated machines. As at the LPD, our Group is not operating any of the new automated machines proposed to be acquired. Our fabrication processes comprising welding, cutting, bending, painting and coating activities are carried out manually.

4. DETAILS OF OUR IPO (Cont'd)

The expected timing to commence the purchase of robotic welding machines, truck with crane and automated painting and coating systems is fourth quarter 2025. The said automated machines are expected to be installed and commence operations at I-Park Lot 28 and I-Park Lot 42 in third quarter 2026.

The expected timing to commence the purchase of automated cutting system and automated bending machine is second quarter 2026. The said automated machines are expected to be installed and commence operations at I-Park Lot 28 and I-Park Lot 42 in first quarter 2027.

For the avoidance of doubt, the automated machines do not require any licence/ approvals or technical expertise for operation.

The estimated cost for the aforementioned new automated machines was derived based on suppliers' quotations. Nonetheless, we have not procured or entered into any binding arrangements for the purchase of these new automated machines. Therefore, the estimated cost for these automated machines may change if the quotations obtained are being revised. Any shortfall will be funded via internally generated funds and/ or bank borrowings and any surplus will be utilised for general working capital purposes.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

4. DETAILS OF OUR IPO (Cont'd)**(3) Repayment of bank borrowings**

As at 30 June 2025, our Group's total outstanding bank borrowings stood at RM12.01 million. Our Group has allocated RM2.80 million to pare down part of our Group's outstanding bank borrowings as follows:

Financier	Type of facility	Purpose	Interest rate per annum (%)	Maturity date	Outstanding amount as at the 30 June 2025 (RM'000)	Amount to be repaid from the proceeds raised from the Public Issue (RM'000)
Hong Leong Islamic Bank Berhad	Term financing	To part finance the purchase of a piece of vacant industrial land known as PTD 108444, Jalan Seroja 28, Bandar Indahpura, 81000 Kulai, Johor held under HSD 68684 PTD 108444, Mukim of Kulai, District of Kulaijaya, State of Johor in 2015	Islamic financing rate ⁽ⁱ⁾ minus 0.50%	May 2036	3,244	2,800

Note:

(i) The latest Islamic financing rate charged to our Group as at the LPD is 6.64%.

As at the LPD, the total amount outstanding for the abovementioned facility has decreased to RM3.20 million. If the outstanding amount of our abovementioned facility is lower than the gross proceeds which have been earmarked for the repayment of our abovementioned bank facility, the surplus will be utilised for our general working capital.

We intend to pare down the abovementioned facility instead of other facilities after taking into consideration the higher interest rate would yield higher interest savings.

The repayment of the borrowings as set out above is expected to have a positive financial impact on our Group with interest savings of approximately RM0.17 million per annum based on existing prevailing nominal interest rates (as set out in the table above). However, the actual interest savings may vary depending on the applicable interest rates at the time of repayment. For avoidance of doubt, the repayment of the above-mentioned borrowings will not result in any penalty or early settlement fee.

The proposed repayment of bank borrowings will reduce our gearing of 0.67 times as at 30 June 2025 to a pro forma gearing of 0.24 times upon completion of our Listing and utilisation of our IPO proceeds. Please refer to Section 12.6(v) of this Prospectus and the pro forma statements of financial position as at 30 June 2025 as set out in Section 14 of this Prospectus for further details.

4. DETAILS OF OUR IPO (Cont'd)**(4) General working capital**

Our Group has allocated RM6.65 million to finance our Group's additional working capital requirements in tandem with the expected growth in our Group's business and operations. The proposed allocations of the proceeds are set out below:

Details	RM'000
Payment to suppliers for purchase of input materials such as mechanical and electrical materials ⁽ⁱ⁾	6,150
New hires for new product showrooms and sales offices with storage space ⁽ⁱⁱ⁾	500
Total	6,650

Notes:

- (i) The main components of our cost of sales are mechanical and electrical materials and metal-based materials. We have allocated most of the proceeds earmarked for general working capital to pay our suppliers for the purchase of mechanical and electrical materials. Our Group's purchase of mechanical and electrical materials amounted for more than 45% of our cost of sales during the Periods Under Review as set out in Section 12.3.4 of this Prospectus.

We have been funding our working capital via bank facilities from financial institutions (e.g., bank guarantees and bank overdraft) and internally-generated funds (i.e., cash flow generated from our Group's operations). The allocation of proceeds for our general working capital is expected to enhance our Group's liquidity and cash flow position to support the expected growth in our business.

- (ii) New hires for new product showrooms and sales offices with storage space in Penang and Sarawak:

Description	No. of pax	^(a) Total estimated cost (RM'000)
<u>New product showroom and sales office with storage space in Penang:</u>		
Sales manager	1	114
Sales executive	2	100
Administrative staff	1	36
Sub-total		250
<u>New product showroom and sales office with storage space in Sarawak:</u>		
Sales manager	1	114
Sales executive	2	100
Administrative staff	1	36
Sub-total		250
Total		500

Note:

- (a) To be utilised over a period of 18 months from the commencement of operations of our new product showrooms and sales offices with storage space.

4. DETAILS OF OUR IPO (Cont'd)**(5) Estimated listing expenses**

Our estimated listing expenses are set out below:

Details	RM'000
Professional fees - includes advisory fees for, amongst others, our Principal Adviser, Reporting Accountants, Solicitors, IMR, Issuing House and other professional advisers	2,713
Authorities' fees	70
Brokerage fees, underwriting commission and placement fees	723
Printing, advertising fees and other incidental charges relating to our Listing	794
Total estimated listing expenses	4,300

We will bear all expenses and fees incidental to our Listing as indicated above. In the event of any excess or deficit in the allocated amount for the estimated listing expenses for our IPO and our Listing, such variance will be adjusted to/from the proceeds allocated for our general working capital.

Pending the use of proceeds arising from the Public Issue for the abovementioned purposes, the funds will be placed in interest-bearing accounts, money market instruments and/ or deposits with licensed financial institution(s) as our Board deems appropriate.

4.8.2 Proceeds from the Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale.

The Offer for Sale is expected to raise gross proceeds of approximately RM7.35 million which will accrue entirely to the Offerors.

The Offerors shall bear all of the expenses such as stamp duty, placement fee, registration and share transfer fee relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.19 million.

4.9 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE**4.9.1 Brokerage fee**

We will pay the brokerage fee at the rate of 1.00% on our IPO Price in respect of successful applications for 25,600,000 IPO Shares under Sections 4.3.1(i) and 4.3.1(ii) of this Prospectus, bearing the stamp of TA Securities, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or our Issuing House. The brokerage fee is subject to SST.

4.9.2 Underwriting commission

The Underwriter has entered into the Underwriting Agreement on 19 September 2025 with our Company for the underwriting of the Balloting Shares ("**Underwritten Shares**"). We will pay our Underwriter an underwriting commission at the rate of 2.50% of the total value of the Underwritten Shares based on our IPO Price in accordance with the terms of the Underwriting Agreement. The underwriting commission is subject to SST.

4. DETAILS OF OUR IPO (Cont'd)

4.9.3 Placement fee

We will pay the Placement Agent, a placement fee at the rate of 2.50% of the value of the 37,400,000 Public Issue Shares reserved for private placement (being the number of Public Issue Shares reserved for private placement multiplied by our IPO Price). The placement fee is subject to SST.

The placement fee at the rate of 2.50% will be incurred on the sale of up to 21,000,000 Offer Shares and will be fully borne by the Offerors.

Our sole Placement Agent is entitled to charge brokerage commission of 1.00% to the selected private placement investors as set out in Sections 4.3.1(iii)(b) and 4.3.2 of this Prospectus. For the avoidance of doubt, such brokerage commission will be paid by such selected private placement investors and will not be borne by us nor the Offerors.

4.10 UNDERWRITING ARRANGEMENT

We have entered into the Underwriting Agreement with the Underwriter where the Underwriter has agreed to underwrite the Underwritten Shares. Details of the underwriting commission are further set out in Section 4.9.2 of this Prospectus.

The summary of the salient terms of the Underwriting Agreement which may allow the Underwriter to withdraw from their obligations under the Underwriting Agreement after the commencement of the IPO are as follows. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement.

4.10.1 Conditions precedent for Underwriting

- (i) Unless waived by the Underwriter (in which case any condition precedent or any part thereof so waived shall be deemed to have been satisfied), the obligations of the Underwriter under the Underwriting Agreement shall be conditional upon the fulfilment and/ or satisfaction of the following:
 - (a) the approval for Listing from Bursa Securities remaining valid and have not been revoked or amended and all the conditions imposed therein which have to be complied by the Company prior to Listing, have been complied by the Company;
 - (b) the receipt by the Underwriter of all relevant documentation and placement monies in respect of the private placement of Public Issue Shares to selected investors and selected Bumiputera investors approved by MITI as well as private placement of Offer Shares to selected investors approved by MITI;
 - (c) all other necessary approvals and consents required in relation to the Public Issue and the Public Issue Shares including but not limited to governmental approvals having been obtained and are in full force and effect;
 - (d) the issue of the Public Issue Shares having been approved by the shareholders of the Company;
 - (e) the issue and subscription of the Public Issue Shares in accordance with the provisions of the Underwriting Agreement is not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);

4. DETAILS OF OUR IPO (Cont'd)

- (f) the Prospectus having been registered with Bursa Securities and lodged with the Registrar of Companies of the CCM together with all the required documents in accordance with the Listing Requirements, CMSA, the Act and the relevant laws and regulations;
- (g) there having been, on or prior to the last date and time for the receipt of applications and payment for the Public Issue Shares in accordance with the Prospectus or any such date as may be extended from time to time which the Company and the Underwriter may mutually agree upon ("**Closing Date**") no material breach of any representation, warranty, covenant, undertaking or obligation of the Company in the Underwriting Agreement or which is contained in any certificate, statement, or notice provided under or in connection with the Underwriting Agreement or which proves to be incorrect in any material respect;
- (h) there having been, on or prior to the Closing Date no material adverse change, or any development involving a prospective material adverse change, in the financial condition or business or operations of the Group or in the prospects or future financial condition or business or operations of the Group (which will be material in the context of the Public Issue and the sale of any Underwritten Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering materially inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company contained in the Underwriting Agreement;
- (i) the Underwriter receiving a copy certified by a director or secretary of the Company to be a true resolution of the Board approving the Listing, the Prospectus (including a confirmation that the Board, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus) and the Underwriting Agreement, the issue and offer of the Public Issue Shares and authorizing a person or persons to sign the Underwriting Agreement on behalf of the Company; and
- (j) the Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the cost and expenses referred to in Clause 16 (Cost and Expenses) of the Underwriting Agreement.

4.10.2 Termination

- (i) Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may by notice in writing to the Company given at any time before the Closing Date, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares if:
 - (a) the approval of Bursa Securities for the Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to the Underwriter;

4. DETAILS OF OUR IPO (Cont'd)

- (b) there is any material breach by the Company of any of the representations, warranties, covenants or undertakings contained in Clause 4 (Representations and Warranties by the Company) and Clause 5 (Covenants and Undertakings by the Company) of the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company;
- (c) there is a material failure on the part of the Company to perform any of its obligations contained in the Underwriting Agreement;
- (d) there is withholding of information of a material nature from the Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue or Listing, or the distribution or sale of the Public Issue Shares;
- (e) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Group;
- (f) the Listing does not take place within 3 months from the date of the Underwriting Agreement or such other extended date as may be agreed by the Underwriter;
- (g) the imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Public Issue Shares;
- (h) a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the stock market condition shall be deemed to have occurred if the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - i. on or after the date of the Underwriting Agreement; and
 - ii. prior to the close of the offering of the Public Issue,
- (i) lower than 90% of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 consecutive Market Days or any other adverse change in the market conditions which the Parties mutually agree to be sufficiently material and adverse to render it to be a terminating event; or
- (j) there shall have occurred, or happened any of the following circumstances:

4. DETAILS OF OUR IPO (Cont'd)

- i. any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
- ii. any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

which, would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of the Group as a whole or the success of the Public Issue or Listing which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms;

- (k) In the event that the Underwriting Agreement is terminated by the Underwriter pursuant to Section 4.10.2(i) above, the Underwriter and the Company may confer with a view to deferring the Public Issue by amending the terms of the Underwriting Agreement and entering into a new underwriting agreement accordingly, but neither the Underwriter nor the Company shall be under any obligation to enter into a fresh agreement;
- (l) Upon any such notice(s) being given pursuant to Section 4.10.2(i) above, the Underwriter shall be released and discharged from their obligations under the Underwriting Agreement whereupon the following shall take place within 3 Market Days of the receipt of such notice:
 - (a) the Company shall make payment of Underwriting Commission to the Underwriter in accordance with Clause 11.2 (Underwriter's Commission Payable on Termination) of the Underwriting Agreement;
 - (b) the Company shall pay or reimburse to the Underwriter the costs and expenses referred to in Clause 16 (Costs and Expenses) of the Underwriting Agreement; and
 - (c) each Party shall return all other monies (in the case of the Underwriter, after deducting the underwriting commission due and owing to the Underwriter under the Underwriting Agreement) including but not limited to the subscription monies paid to the other Party under the Underwriting Agreement (except for monies paid by the Company for the payment of the expenses as provided under the Underwriting Agreement),

and thereafter, the Underwriting Agreement shall be terminated and of no further force and effect and none of the Parties shall have a claim against the other save and except in respect of any antecedent breaches.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT**5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS****5.1.1 Promoters and substantial shareholders' shareholdings**

The promoters and substantial shareholders' shareholdings in our Company before and after our IPO are as follows:

Name	Nationality	⁽¹⁾ As at the LPD/ Before our IPO				⁽²⁾ After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and substantial shareholders</u>									
Ivan Na Keh Chai	Malaysian	118,757,500	48.01	-	-	108,257,500	34.88	-	-
Choo Chee Yong	Malaysian	118,757,500	48.01	-	-	108,257,500	34.88	-	-

Notes:

(1) Based on our total number of issued Shares of 247,337,000 Shares after the Acquisitions.

(2) Based on our enlarged total number of Shares of 310,337,000 Shares after the Public Issue and Offer for Sale.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Company.

Save as disclosed above and including Choo Chee Siang (the brother of Choo Chee Yong and by virtue of his shareholding in our Company), there are no other persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company. Choo Chee Siang's shareholding in our Company is set out in Section 2.2.1 of this Prospectus.

As at the LPD, there is no arrangement between our Company, our Promoters and our substantial shareholders, with any other third party of which may, at a date subsequent to our IPO and our Listing, result in a change in control of our Company.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.1.2 Profiles of Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(i) Ivan Na Keh Chai
Malaysian, aged 51
Managing Director

Ivan Na Keh Chai, a Malaysian aged 51, is our Promoter, substantial shareholder and Managing Director. He was appointed to our Board on 23 April 2021 and was subsequently redesignated as our Managing Director on 15 November 2024.

In 1998, he graduated with a Diploma in Technology (Mechanical and Manufacturing Engineering) from Tunku Abdul Rahman College, Malaysia.

After graduation, he commenced his career in April 1998 as a Mechanical Engineer at Interlift Sales Pte. Ltd, a company principally involved in material handling equipment based in Singapore, where he was mainly involved in mechanical drawing and project management.

Effective from March 1999, he was transferred to STG Industrial Supplies Sdn Bhd (struck out on 30 August 2024), being an associate company of Interlift Sales Pte. Ltd based in Johor, as a Marketing Engineer. He was responsible for marketing, sales and project management, particularly to carry out sales and marketing activities in order to achieve sales targets, supervising and managing the implementation and execution of projects for such orders received. He left STG Industrial Supplies Sdn Bhd in April 2002.

From May 2002 to September 2002, he joined PHEM as a General Manager where he was mainly involved in overseeing the daily operations of PHEM and the management of business development and financial aspects of PHEM.

In September 2002, he acquired 40% equity interest in PHEM from Lee Siong Wee⁽¹⁾ (not a person connected to him) and was also appointed as a director. In February 2011, he increased his equity interest in PHEM to 47.50% by way of subscription of new shares in PHEM. In May 2011, he increased his equity interest in PHEM to 50% by way of acquisition of shares (2.50% equity interest) from Yap Teck Kian⁽²⁾ (not a person connected to him). He was instrumental in the setting up and development of our other Subsidiaries, namely PRSB and PMSB, together with Choo Chee Yong, our Executive Director.

Notes:

- (1) *Lee Siong Wee was one of the directors and shareholders (he previously held 40% equity interest in PHEM) upon the incorporation of PHEM on 25 March 2002. Upon Lee Siong Wee's resignation as a director of PHEM in September 2002, he ceased to be a person connected to our Group. Lee Siong Wee was not an employee of our Group.*
- (2) *Yap Teck Kian was a shareholder of PHEM from May 2003 to May 2011. He acquired 20% equity interest in PHEM from Hong Song Chuan in May 2003. His equity interest was diluted to 5% pursuant to the issuance of new shares by PHEM to Ivan Na Keh Chai and Choo Chee Yong in February 2011. Upon the disposal of his remaining 5% equity interest in PHEM to Ivan Na Keh Chai and Choo Chee Yong in May 2011, Yap Teck Kian ceased to be a person connected to our Group. Yap Teck Kian was not an employee of our Group.*

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

He has more than 26 years of experience in the lifting and handling equipment industry, particularly on cranes and hoists. Since joining PHEM and upon setting up of our other Subsidiaries until to date, he is the Managing Director where he is mainly responsible for handling the commercial related matters of our Group i.e. business development and financial management, planning our Group's overall direction, formulating strategies to grow our Group's business, building business network with clients as well as overseeing the daily operations of our Group.

His directorships in other companies outside of our Group are disclosed in Section 5.2.3(ii) of this Prospectus.

(ii) Choo Chee Yong
Malaysian, aged 49
Executive Director

Choo Chee Yong, a Malaysian aged 49, is our Promoter, substantial shareholder and Executive Director. He was appointed to our Board on 23 April 2021 and was subsequently redesignated as our Executive Director on 15 November 2024.

He completed Malaysian Certificate of Education (*Sijil Pelajaran Malaysia*) at Sekolah Menengah St Andrew, Malaysia in 1994.

In March 1995, he commenced his career as a Technical Assistant in Powermatics, a company involved in the manufacturing and supply of hydraulic products based in Selangor. He was mainly involved in the manufacturing process of the company's hydraulic products such as dock levellers and table lifters. Subsequently, in June 1998, he was promoted to Sales Representative in Powermatics whereby he was mainly involved in promoting and marketing of the company's products. He left Powermatics in July 2000.

He joined STG Industrial Supplies Sdn Bhd (struck out on 30 August 2024) based in Johor as a Sales Executive in September 2000. He was mainly involved in sales and handled projects of STG Industrial Supplies Sdn Bhd. He left STG Industrial Supplies Sdn Bhd in August 2002.

In September 2002, he acquired 30% equity interest in PHEM from Lei Fei Fei⁽¹⁾ (not a person connected to him) and was also appointed as a director. In June 2005, he increased his equity interest in PHEM to 40% by way of acquisition of shares (10.00% equity interest) from Khoo Say Ben⁽²⁾ (not a person connected to him). In February 2011, he increased his equity interest in PHEM to 47.50% by way of subscription of new shares in PHEM. In May 2011, he increased his equity interest to 50% by way of acquisition of shares (2.50% equity interest) from Yap Teck Kian⁽³⁾ (not a person connected to him). He was instrumental in the setting up and development of our other Subsidiaries, namely PRSB and PMSB, together with Ivan Na Keh Chai, our Managing Director.

Notes:

- (1) *Lei Fei Fei was one of the directors and shareholders (she previously held 30% equity interest in PHEM) upon the incorporation of PHEM on 25 March 2002. She resigned as a director of PHEM in September 2002. Subsequently, she was appointed as a director of PHEM (alternate to Choo Chee Yong) in February 2007. Upon Lei Fei Fei's resignation as a director of PHEM (alternate to Choo Chee Yong) in March 2010, she ceased to be a person connected to our Group. Lei Fei Fei was not an employee of our Group.*

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (2) *Khoo Say Ben was one of the shareholders (he previously held 10% equity interest in PHEM) upon the incorporation of PHEM on 25 March 2002. Upon the disposal of his 10% equity interest in PHEM to Choo Chee Yong in June 2005, Khoo Say Ben ceased to be a person connected to our Group. Khoo Say Ben was not an employee of our Group.*
- (3) *Yap Teck Kian was a shareholder of PHEM from May 2003 to May 2011. He acquired 20% equity interest in PHEM from Hong Song Chuan in May 2003. His equity interest was diluted to 5% pursuant to the issuance of new shares by PHEM to Ivan Na Keh Chai and Choo Chee Yong in February 2011. Upon the disposal of his remaining 5% equity interest in PHEM to Ivan Na Keh Chai and Choo Chee Yong in May 2011, Yap Teck Kian ceased to be a person connected to our Group. Yap Teck Kian was not an employee of our Group.*

He has more than 26 years of experience in the lifting and handling equipment industry. He is responsible for overseeing the daily technical operations of our Group including engineering design, fabrication, assembly, installation and commissioning of lifting and handling equipment (e.g., overhead crane, dock levellers, freight elevators), research and development, quality management and products delivery.

His directorships in other companies outside of our Group are disclosed in Section 5.2.3(iii) of this Prospectus.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.1.3 Changes in shareholdings of our Promoters and substantial shareholders since incorporation**

The changes in the shareholdings of our Promoters and substantial shareholders since our incorporation on 23 April 2021 up to and after our IPO are as follows:

Name	⁽¹⁾ As at the date of incorporation				⁽²⁾ As at the LPD/ Before our IPO				⁽³⁾ After our IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and substantial shareholders</u>												
Ivan Na Keh Chai	500	50.00	-	-	118,757,500	48.01	-	-	108,257,500	34.88	-	-
Choo Chee Yong	500	50.00	-	-	118,757,500	48.01	-	-	108,257,500	34.88	-	-

Notes:

- (1) Based on our total number of issued Shares of 1,000 Shares as at 23 April 2021, being the date of incorporation of our Company.
- (2) Based on our total number of issued Shares of 247,337,000 Shares after the Acquisitions.
- (3) Based on our enlarged total number of Shares of 310,337,000 Shares after Public Issue and Offer for Sale.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.4 Amounts/ benefits paid or intended to be paid or given to any Promoters or substantial shareholders

Save for the issuance of our Company's Shares as consideration pursuant to the Acquisitions as set out in Section 6.2.1 of this Prospectus, dividends paid to our Promoters or substantial shareholders as set out in Section 12.10 of this Prospectus and as disclosed below, there are no other amounts or benefits paid or intended to be paid or given to any of our Promoters or substantial shareholders, within the 2 years preceding the date of this Prospectus:

(i) Remuneration and benefits paid

(a) FYE 2023 (Actual)

	Directors' fees	Salaries	Bonuses	⁽¹⁾ Statutory contribution	Benefits-in-kind and allowances	Total
Name	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Ivan Na Keh Chai	-	264	14	61	219	558
Choo Chee Yong	-	264	14	67	267	612

Note:

(1) Comprises employer's contribution to EPF, SOCSO and EIS.

(b) FYE 2024 (Actual)

	Directors' fees	Salaries	Bonuses	⁽¹⁾ Statutory contribution	Benefits-in-kind and allowances	Total
Name	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Ivan Na Keh Chai	-	303	-	55	149	507
Choo Chee Yong	-	303	-	67	248	618

Note:

(1) Comprises employer's contribution to EPF, SOCSO and EIS.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
(c) FYE 2025 (Proposed)

	Directors' fees	Salaries	⁽¹⁾Bonuses	⁽²⁾Statutory contribution	⁽³⁾Benefits-in-kind and allowances	Total
Name	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Ivan Na Keh Chai	-	462	-	73	132	667
Choo Chee Yong	-	462	-	73	132	667

Notes:

- (1) Bonuses for FYE 2025 are not included. Such bonuses, if any, will be determined later depending on the performance of the individuals and our Group, subject to the recommendation of our Remuneration Committee and approval by our Board.
- (2) Comprises employer's contribution to EPF, SOCSO and EIS.
- (3) Approved and to be paid in FYE 2025.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.2 BOARD OF DIRECTORS****5.2.1 Directors' shareholdings**

The Directors' shareholdings in our Company before and after our IPO are as follows:

Name	Designation	⁽¹⁾ As at the LPD/ Before our IPO				⁽²⁾⁽³⁾ After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Teh Kee Sin	Independent Non-Executive Chairman	-	-	-	-	400,000	0.13	-	-
Ivan Na Keh Chai	Managing Director	118,757,500	48.01	-	-	108,257,500	34.88	-	-
Choo Chee Yong	Executive Director	118,757,500	48.01	-	-	108,257,500	34.88	-	-
Law Lee Yen	Independent Non-Executive Director	-	-	-	-	350,000	0.11	-	-
Razi Bin Abdullah	Independent Non-Executive Director	-	-	-	-	350,000	0.11	-	-
Eileen Su Lee Ming	Independent Non-Executive Director	-	-	-	-	350,000	0.11	-	-

Notes:

(1) Based on our total number of issued Shares of 247,337,000 Shares after the Acquisitions.

(2) Based on our enlarged total number of Shares of 310,337,000 Shares after Public Issue and Offer for Sale.

(3) Assuming all the Directors (except for Ivan Na Keh Chai and Choo Chee Yong) subscribe for the Pink Form Shares allocated to him/her.

As at the LPD, none of our Directors are representatives of any corporate shareholder and as such, we do not have corporate shareholders.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.2.2 Profiles of our Directors

Save for the profiles of Ivan Na Keh Chai and Choo Chee Yong, which have been set out in Section 5.1.2 of this Prospectus, the profiles of our other Directors are as follows:

- (i) **Teh Kee Sin**
Malaysian, aged 63
Independent Non-Executive Chairman

Teh Kee Sin, a Malaysian aged 63, is our Independent Non-Executive Chairman. He was appointed to our Board on 21 November 2024.

In 1983, he successfully obtained a Certificate in National Trade Grade Two from Vocational and Industrial Training Board (now replaced by the Institute of Technical Education), Singapore. In 1998, he completed a Diploma in Purchasing and Materials Management from the Malaysian Institute of Purchasing and Materials Management, Malaysia, on a part time basis. Concurrently, he also obtained a Foundation Stage of Graduate Diploma from Chartered Institute of Purchasing and Supply, United Kingdom. In 2003, he completed a Master in Business Administration in General Management from De Montfort University, United Kingdom, on a part time basis. In 2007, he completed a Bachelor in Business Administration in Supply Chain Management from the University of California, United States of America, on a part time basis.

After graduation in 1983, he commenced his career by joining Minebea Ltd., a company principally involved in manufacturing of bearings based in Singapore as a Technician Trainee in the production department of the company whereby he was mainly involved in the production of bearings. Subsequently, he was promoted to Technician upon completion of his training in the company and his role remained unchanged. He left the company in March 1987.

He joined Santronics (M) Sdn Bhd from June 1987 to August 1988, a company principally involved in manufacturing of electrical appliances based in Johor as a Training Officer. He was mainly involved in providing guidance and training on the operations of the production line to employees of the production department of the company.

He co-founded TPEG Resources Sdn Bhd in December 1988, a company principally involved in the manufacturing of parts and components for electrical and electronics appliances based in Johor. He was responsible for overseeing the operations, accounts and administrative functions of the company. He resigned from TPEG Resources Sdn Bhd on 2 December 2024.

While running TPEG Resources Sdn Bhd, he co-founded or founded other business ventures such as:

- In July 1993, he co-founded TPE Industries Sdn Bhd where the company was involved in the manufacturing of power press stampers to multinational companies prior to its cessation of business operations in 2012.
- In November 2013, he co-founded EMS Worldwide Resources Sdn Bhd, a company principally involved in investment holding, with his business partners. He is a director of the company and his role is mainly in an advisory capacity, where he assumes such role until to-date.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- In November 2021, he founded Bnet Resources, a sole proprietorship principally involved in general trading of household goods and services. He was mainly involved in the management of the sole proprietorship. Bnet Resources ceased operations in November 2022 following the expiration of the business.
- In July 2024, he founded Neywa Dynamic Solution, a sole proprietorship principally involved in providing business consultancy service to small and medium sized enterprises ("**SMEs**"). Neywa Dynamic Solution ceased operations in July 2025 following the expiration of the business.

He is also involved in non-governmental organisations (NGOs) such as the Johor South SME Association of Malaysia, and has knowledge on government policies. His past involvement in regulatory bodies from years 2007 until 2018 include as the alternate director in the Ministry of Human Resources; a city councillor of the Pasir Gudang City Council (MBPG); a member of the advisory board of the Secretariat Advancement of Malaysian Entrepreneurs (SAME), Prime Minister's Office; and chairman of Puspakom Monitoring Committee of Johor Bahru, Ministry of Transport.

His directorships in other companies outside of our Group are disclosed in Section 5.2.3(i) of this Prospectus.

(ii)

Law Lee Yen

Malaysian, aged 40

Independent Non-Executive Director

Chairperson of Audit and Risk Management Committee

Member of Remuneration Committee

Member of Nominating Committee

Law Lee Yen, a Malaysian aged 40, is our Independent Non-Executive Director. She was appointed to our Board on 21 November 2024.

She graduated with a Bachelor of Commerce from the University of Melbourne, Australia in December 2006. She is a Certified Practising Accountant ("**CPA**") of CPA Australia and a Chartered Accountant of the Malaysian Institute of Accountants since April 2010 and August 2010 respectively, until to-date. She is also an Associate of the Chartered Tax Institute of Malaysia since October 2012 until to-date. She obtained her tax license from the Ministry of Finance in January 2014 and obtained her approval to be an auditor from Jabatan Akauntan Negara Malaysia in October 2016.

In September 2007, she joined KPMG LLP in Singapore as an Audit Associate where she was responsible for the appraisal of the clients' internal control system and the verification of balances in the clients' financial statements. She left the firm in March 2010. In April 2010, she joined Terry Law & Co in Johor as a Manager and subsequently, promoted to become a Partner in April 2011 whereby she was mainly responsible for outsourced bookkeeping and accounting works. She resigned from Terry Law & Co in May 2017.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

While she was with Terry Law & Co, she founded LY Law & Associates in November 2016, an audit firm which was officially registered with the Malaysian Institute of Accountants effective from January 2017 where she provides audit and assurance services for SMEs. In June 2018, she founded and was also appointed as a director of Integro Tax Consultancy Sdn Bhd where she was mainly responsible for providing tax advisory services for SMEs. Subsequently, she founded Lee Yen Agency in March 2023 where she acts as an agent for general and life insurance. She assumes her role in LY Law & Associates, Integro Tax Consultancy Sdn Bhd and Lee Yen Agency up until to-date.

From 2019 to 2022, she served as an Independent Non-Executive Director of GPP Resources Berhad (listed on the LEAP Market of Bursa Securities).

Presently, other than our Company, she sits on the Board of Directors of Aimflex Berhad (listed on the ACE Market of Bursa Securities) and BCB Berhad (listed on the Main Market of Bursa Securities) as an Independent Non-Executive Director since 2018 and 2021, respectively. She is also an Independent Non-Executive Director of MSB Global Group Berhad (listed on the ACE Market of Bursa Securities).

Her directorships in other companies outside of our Group are disclosed in Section 5.2.3(iv) of this Prospectus.

- (iii) Razi Bin Abdullah**
Malaysian, aged 63
Independent Non-Executive Director
Chairperson of Remuneration Committee
Member of Audit and Risk Management Committee
Member of Nominating Committee

Razi Bin Abdullah, a Malaysian aged 63, is our Independent Non-Executive Director. He was appointed to our Board on 21 November 2024.

In 1983, he graduated with a Polytechnic Certificate in Mechanical Engineering (Automotive and Diesel) from Ungku Omar Polytechnic, Malaysia.

He commenced his career as a Technician at Shell Refinery Federation of Malaysia Sdn Bhd in March 1984. During his tenure with Shell Refinery Federation of Malaysia Sdn Bhd, he was mainly involved in the processing and utilisation of crude distiller in the operations department of the company until his resignation in August 1984.

He joined the Department of Factory and Machinery ("FMD") from November 1984 to March 1994. During his tenure in FMD, he was a Factory Inspector whereby he was mainly involved in the safety and health inspection of factories in Malaysia. For information purposes, effective from April 1994, FMD has been renamed as the Department of Occupational Safety and Health of Malaysia (DOSH), subsequent to which, he was then redesignated as an Occupational Safety and Health Officer whereby he was mainly involved in the inspection and audit of competent companies in respect of the laws and regulations governing occupational safety and health in Malaysia until January 2013, when he opted for early retirement from DOSH.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

During his tenure with DOSH, he also pursued and completed his studies in Shikoku National Industrial Research Institute, AIST MITI in Kagawa, Japan with a Certificate in Industrial Research on Utilisation of Marine Resources from October 1998 to November 1998, on a part time basis. Upon the said completion of studies, he then pursued and completed the Work Place Assessor – Crane/ Rigging Course with Australian Skills Training Pty Ltd in Bangi, Selangor in November 1999, on a part time basis.

Upon his early retirement from DOSH, he founded RBA Consult & Enterprise, an occupational safety & health consulting firm in March 2013 where he provides consultation services in respect of occupational safety and health matters which he assumes such role until to-date.

In March 2013, while running RBA Consult & Enterprise, he also became a part-time assessor in the National Institute of Occupational Safety & Health (NIOSH) Malaysia where he assumed the role of an exam assessor, whereby he would conduct written, practical and oral examinations for crane operator candidates under the certification programs of NIOSH, a role he assumes until to-date.

As RBA Consult & Enterprise has become more inactive in recent years, he co-founded TG Training & Services in June 2016, with his business partner whereby he occasionally provides training on facilities and equipment for operating tower cranes, consultancy services in relation to lifting machines and classroom training for the operating of cranes, until to-date.

His directorships in other companies outside of our Group are disclosed in Section 5.2.3(v) of this Prospectus.

- (iv) Eileen Su Lee Ming**
Malaysian, aged 46
Independent Non-Executive Director
Chairperson of Nominating Committee
Member of Audit and Risk Management Committee
Member of Remuneration Committee

Eileen Su Lee Ming, a Malaysian aged 46, is our Independent Non-Executive Director. She was appointed to our Board on 21 November 2024.

In July 2001, she graduated with a Bachelor of Engineering in Electrical-Mechatronics from Universiti Teknologi Malaysia, Malaysia (“UTM”). In December 2005, she graduated with a Master of Engineering in Electrical Engineering from UTM. In November 2010, she completed her Doctor of Philosophy in Biomedical Engineering from Imperial College London, United Kingdom.

She is a registered Professional Technologist of the Malaysian Board of Technologists since December 2020 until to-date. She is also a Chartered Engineer registered with the Engineering Council, United Kingdom and a registered Professional Engineer of the Board of Engineers Malaysia since March 2021 and May 2022 respectively, until to-date.

Concurrently while pursuing her Master of Engineering at UTM, she joined Multimedia University, Malaysia as an Assistant Lecturer from November 2003 until September 2004 where she was mainly involved in providing lectures for foundation studies. From October 2004 to November 2005, she worked as a Research Officer at UTM where she was mainly involved in research, publications, grant applications, exhibitions and administrative duties.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In March 2006, she joined UTM as a Lecturer where she was mainly involved in lectures, research and publications. In June 2011, she was promoted from a Lecturer to a Senior Lecturer where she was mainly responsible in providing lectures for undergraduate engineering courses, coordinating specialised 3rd year lab and to head research grants and be involved in research projects until May 2019.

During her tenure in UTM, she was appointed as director of Techcare Innovation Sdn Bhd in June 2014 where she mainly provided consultancy services for the research and development activities of the company. She resigned from the company in February 2020.

While she was serving her tenure in UTM and Techcare Innovation Sdn Bhd, she commenced her industrial attachment in October 2017 in Flextronics Shah Alam Sdn Bhd as a New Product Introduction (NPI) Engineer where she was mainly responsible for introduction of new products of the company. She subsequently assumed the role as a SMART Factory Consultant where she was mainly involved in identifying key elements of a SMART factory and proposed improvements to the plant in line with the concept of 4th Industrial Revolution or Industry 4.0. She completed her industrial attachment in the company in February 2019.

Upon completion of her industrial attachment, she was promoted as an Associate Professor in UTM where she was mainly involved in lectures, research and publications, up till to-date. Additionally, her roles included mentoring new lecturers, supervising postgraduate students, serving as examination panel, evaluation of research grant proposals, securing and leading industrial consultation projects, coordinator for medical instrumentation course and 3rd year specialised laboratory and as the group leader for future ready education.

She does not have any directorships in any other corporations outside our Group for the past 5 years prior to the LPD.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.2.3 Principal directorships and principal business activities performed outside our Group**

Save as disclosed below, none of our Directors have any principal business activities performed outside of our Group as at the LPD and principal directorships in any other corporations outside our Group for the past 5 years prior to the LPD:

(i) Teh Kee Sin

Company/ Partnership	Position held	Date appointed as Director/ Joining as a partner	Date resigned/ ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<u>Present involvements</u>						
TPEG Resources Sdn Bhd	Director and shareholder	20 December 1988	2 December 2024	25.00	-	Manufacturing of parts and components for electrical and electronics appliances.
EMS Worldwide Resources Sdn Bhd	Director and shareholder	30 November 2013	-	20.28	-	Investment holding company (property).
Yayasan Sayang Mutiara	Director	30 January 2017	-	-	-	Welfare body, education and research.
KK Converge Capital Sdn Bhd	Shareholder	-	-	0.52	-	Dormant since January 2014 ⁽¹⁾ .
<u>Past directorships</u>⁽²⁾						
IPM Sdn Bhd	Director	27 September 1999	13 November 2020	-	-	Technical consultation, lecturing and training (Dissolved on 13 November 2020).
Your Space Digital Hub Sdn Bhd	Director	3 July 2017	29 January 2021	-	-	Business advisory (Dissolved on 29 January 2021).
KYC Engineering & Construction Sdn Bhd	Director and shareholder	29 October 2012	29 November 2024	-	-	Engaged in the business of construction, mechanical and electrical engineering and general trading.
TPE Industries Sdn Bhd	Director and shareholder	12 July 1993	2 December 2024	-	-	Dormant since October 2012. Previously involved in the manufacturing of power press stampers to multinational companies.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:

- (1) *KK Converge Capital Sdn Bhd ("KCCSB") has been dormant since its incorporation, i.e. 13 January 2014 until to date. Teh Kee Sin is only holding such shares for investment purpose and is not involved in the day-to-day operations of KCCSB.*
- (2) *In view that Bnet Resources and Neywa Dynamic Solution (as disclosed in the profile of Teh Kee Sin under Section 5.2.2(i) of this Prospectus) are sole proprietorships and that they have ceased operations since November 2022 and July 2025 respectively, no disclosure is made in this table since they are not past directorships of Teh Kee Sin. Please refer to Section 5.2.2(i) of this Prospectus for further details of Bnet Resources and Neywa Dynamic Solution.*

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**(ii) Ivan Na Keh Chai**

Company/ Partnership	Position held	Date appointed as Director/ Joining as a partner	Date resigned/ ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<i>Present involvements</i>						
Bik Holdings Sdn Bhd	Director and shareholder	23 July 2020	-	25.00	-	Real estate activities with own or leased property not elsewhere classified (N.E.C.); hotels and resort hotels.
Eco Biomix Holdings Sdn Bhd	Shareholder	-	-	10.80	-	Investment holding company; property investment; business in general trading whereby its subsidiary is principally involved in business of travel agency and investment holding.
Black Pegasus Berhad ⁽¹⁾	Shareholder	-	-	0.02	-	Investment holding company where its subsidiaries are involved in food and beverages, rental of office room and table, provision of educational related services and management research, facilities, management services as well as interior and exterior design and provision of consultancy services in respect of renovation works and trading and rental of photography and videography equipment and its related accessories.
<i>Past directorships</i>						
Aonl Industries Sdn Bhd	Director and shareholder	2 June 2004	16 September 2022	-	-	Dealer of packaging materials and supplier of storage system (Dissolved on 16 September 2022).
Yes Warehouse Solution Sdn Bhd	Director and shareholder	20 January 2016	9 October 2020	-	-	Dormant since November 2017. Previously involved in wholesale of a variety of goods without any specialisation not elsewhere classified (N.E.C.) (Dissolved on 9 October 2020).
Thes Global Berhad ⁽²⁾	Director and shareholder	18 July 2016	26 April 2022	-	-	Industrial equipment, machinery and tool manufacturing, repair and alteration (Dissolved on 26 April 2022).

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company/ Partnership	Position held	Date appointed as Director/ Joining as a partner	Date resigned/ ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
MD Bakery Sdn Bhd	Director and shareholder	19 August 2021	12 January 2024	-	-	Manufacture of other food products not elsewhere classified (N.E.C.); manufacture of bread, cakes and other bakery products; restaurants (Dissolved on 12 January 2024).
Kam Success Sdn Bhd (formerly known as Powertechnic (KL) Sdn Bhd)	Director	4 May 2017	29 December 2023	-	-	To carry on business relating to investment holding and investment property.
JC Kitchen Sdn Bhd	Director	20 November 2015	29 May 2024	-	-	Central kitchen and restaurant, management office (Dissolved on 10 February 2025).
Lemon Tree Group Sdn Bhd	Director	4 January 2016	29 May 2024	-	-	Import and export, wholesaler, distributor and procurement centre. Restaurant, café, bakery, pastry and food catering services provider, including online business. To carry business as food and beverage management consultant and franchisor.
Eureka Foods Sdn Bhd	Director	9 August 2021	29 May 2024	-	-	Restaurant and café, food catering services provider.

Notes:

- (1) *Black Pegasus Berhad is not a public listed company.*
- (2) *Thes Global Berhad ("TGB") is not a public listed company. For the avoidance of doubt, TGB is not related to THES, being one of our Group's major suppliers, as disclosed under Section 7.14 of this Prospectus.*

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
(iii) Choo Chee Yong

Company/ Partnership	Position held	Date appointed as Director/ Joining as a partner	Date resigned/ ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<i>Present involvements</i>						
Black Pegasus Berhad ⁽¹⁾	Shareholder	-	-	0.02	-	Investment holding company where its subsidiaries are involved in food and beverages, rental of office room and table, provision of educational related services and management research, facilities, management services as well as interior and exterior design and provision of consultancy services in respect of renovation works and trading and rental of photography and videography equipment and its related accessories.
<i>Past directorships</i>						
Aonl Industries Sdn Bhd	Director and shareholder	2 April 2007	16 September 2022	-	-	Dealer of packaging materials and supplier of storage system (Dissolved on 16 September 2022).
Yes Warehouse Solution Sdn Bhd	Director and shareholder	20 January 2016	9 October 2020	-	-	Dormant since November 2017. Previously involved in wholesale of a variety of goods without any specialisation not elsewhere classified (N.E.C.) (Dissolved on 9 October 2020).
Thes Global Berhad ⁽²⁾	Director and shareholder	18 July 2016	26 April 2022	-	-	Industrial equipment, machinery and tool manufacturing, repair and alteration (Dissolved on 26 April 2022).
Kam Success Sdn Bhd (formerly known as Powertechnic (KL) Sdn Bhd)	Director	4 May 2017	29 December 2023	-	-	To carry on business relating to investment holding and investment property.

Notes:

(1) Black Pegasus Berhad is not a public listed company.

(2) TGB is not a public listed company. For the avoidable of doubt, TGB is not related to THES, being one of our Group's major suppliers, as disclosed under Section 7.14 of this Prospectus.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
(iv) Law Lee Yen

Company/ Partnership	Position held	Date appointed as Director/ Joining as a partner	Date resigned/ ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<u>Present involvements</u>						
BCB Berhad ⁽¹⁾	Independent Non-Executive Director	6 September 2021	-	-	-	Investment holding, property development and hotel operations where its subsidiaries are principally involved in property development and letting of properties, manufacturing of concrete products, provision of project consultation services and property investment, hotel management and trading of building materials.
MSB Global Group Berhad ⁽²⁾	Independent Non-Executive Director	1 December 2023	-	-	-	Investment holding company where its subsidiaries are principally involved in the marketing, trading and distribution of aftermarket automotive parts and components as well as automotive lubricants and fluids.
Integro Tax Consultancy Sdn Bhd	Director and shareholder	20 June 2018	-	50.00	-	Tax consultancy services.
Integro My Second Home (MM2H) Sdn Bhd	Director and shareholder	22 August 2024	-	50.00	-	Other management consultancy activities not elsewhere classified (N.E.C.).
Trio Residences Sdn Bhd	Director and shareholder	13 April 2023	-	100.00	-	Investment holding company (properties).
Aimflex Berhad ⁽²⁾	Independent Non-Executive Director	1 October 2018	-	-	-	Investment holding company where its subsidiaries are primarily involved in the manufacturing automation business, specialising in the design, manufacturing and modification of automation machines.
SLGC Berhad ⁽³⁾	Director	1 July 2025	-	-	-	Dormant since April 2024 ⁽⁴⁾ .
Tong Seng Plantations Sdn Bhd	Shareholder	-	-	2.50	-	Estate management and sales of fresh fruit bunches.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company/ Partnership	Position held	Date appointed as Director/ Joining as a partner	Date resigned/ ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
TS Plantations Sdn Bhd	Shareholder	-	-	2.25	-	Business as cultivation of oil palm plantation and trading of fresh fruit bunches.
Integro Plantations Sdn Bhd	Shareholder	-	-	20.00	-	Oil palm cultivation and trading of fresh fruit bunches.
Tong Seng Plantations (BTU) Sdn Bhd	Shareholder	-	-	2.03	-	Cultivation of oil palm.
Lee Yen Agency	Sole Proprietor	21 March 2023	-	100.00	-	General insurance and life insurance agent.
LY Law & Associates	Partner	4 January 2017	-	100.00	-	Audit and taxation advisory services.
<u>Past directorships</u>						
GPP Resources Berhad ⁽⁵⁾	Independent Non-Executive Director	24 May 2019	11 August 2022	-	-	Investment holding whereby its subsidiaries are principally involved in business that are related to the use of biomass to produce renewable energy and oil palm trunk products.
Beribu 2020 Sdn Bhd	Director	5 March 2021	7 April 2021	-	-	Café and bakery, selling various types of drinks, foods and selling fried chicken.
Olive Hill Development Sdn Bhd	Director and shareholder	23 April 2018	11 November 2024	-	-	Property development (Wound up on 11 November 2024).

Notes:

- (1) Listed on the Main Market of Bursa Securities.
- (2) Listed on the ACE Market of Bursa Securities.
- (3) SLGC Berhad is not a public listed company.
- (4) SLGC Berhad has been dormant since its incorporation, i.e. 19 April 2024 until to date, with its intended principal activity being to act as a holding company.
- (5) Listed on the LEAP Market of Bursa Securities.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**(v) Razi Bin Abdullah**

Company/ Partnership	Position held	Date appointed as Director/ Joining as a partner	Date resigned/ ceased as Director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<u>Present involvements</u>						
RBA Consult & Enterprise	Sole Proprietor	6 March 2013	-	100.00	-	Engineering advisory service, supply of general goods, safety equipment.
TG Training & Services	Partner	1 June 2016	-	50.00	-	Training for operation of tower crane, technical consultants related to lifting machines, supplying equipment/ spare parts for lifting machines, safety equipment/ personal protection.
<u>Past directorships</u>						
-	-	-	-	-	-	-

(vi) Eileen Su Lee Ming

Eileen Su Lee Ming does not have any principal business activities performed outside of our Group as at the LPD and principal directorships in any other corporations outside our Group for the past 5 years prior to the LPD.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

As at the LPD, the directorships of our Directors are in compliance with Rule 15.06 of the Listing Requirements as none of our Directors hold more than 5 directorships in public listed companies on Bursa Securities.

The involvement of our Directors as disclosed above excludes shares in public listed companies held by our Directors as minority shareholders (less than 5.00% of the total number of issued shares of a public listed company) in which they do not hold any directorship, and is only for trading and personal investment purposes.

Save as disclosed in Section 5.2.3 of this Prospectus, our Executive Directors are not involved in other businesses/ corporations/ entities. The involvement of our Executive Directors in other businesses/ corporations/ entities will not affect their contributions to our Group as such companies' or entities' operations do not require their involvement on a day-to-day basis as these companies/ entities have their own independent management teams. As such, our Executive Directors spend the majority of their time in the operations and affairs of our Group. In addition, the above-mentioned companies/ entities do not carry out the same business activities as or compete with our Group.

The involvement of our Independent Non-Executive Directors in other companies, will not affect their contributions to our Group as the Independent Non-Executive Directors' involvement in our Company are to the extent of attending meetings and discharging their responsibilities as independent directors.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.2.4 Directors' remuneration and material benefits in-kind**

The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our Directors for services rendered to our Group for FYE 2023, FYE 2024 and FYE 2025 are as follows:

(i) FYE 2023 (Actual)

Name	Directors' fees RM'000	Salaries RM'000	Bonuses RM'000	⁽¹⁾Statutory contribution RM'000	Benefits-in-kind and allowances RM'000	Total RM'000
Executive Directors						
Ivan Na Keh Chai	-	264	14	61	219	558
Choo Chee Yong	-	264	14	67	267	612
Non-Executive Directors						
Teh Kee Sin ⁽²⁾	-	-	-	-	-	-
Law Lee Yen ⁽²⁾	-	-	-	-	-	-
Razi Bin Abdullah ⁽²⁾	-	-	-	-	-	-
Eileen Su Lee Ming ⁽²⁾	-	-	-	-	-	-

Notes:

(1) Comprises employer's contribution to EPF, SOCSO and EIS.

(2) Appointed to our Board on 21 November 2024.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
(ii) FYE 2024 (Actual)

Name	Directors' fees RM'000	Salaries RM'000	Bonuses RM'000	⁽¹⁾ Statutory contribution RM'000	Benefits-in-kind and allowances RM'000	Total RM'000
Executive Directors						
Ivan Na Keh Chai	-	303	-	55	149	507
Choo Chee Yong	-	303	-	67	248	618
Non-Executive Directors						
Teh Kee Sin ⁽²⁾	5	-	-	-	1	6
Law Lee Yen ⁽²⁾	4	-	-	-	1	5
Razi Bin Abdullah ⁽²⁾	4	-	-	-	1	5
Eileen Su Lee Ming ⁽²⁾	4	-	-	-	1	5

Notes:

(1) Comprises employer's contribution to EPF, SOCSO and EIS.

(2) Appointed to our Board on 21 November 2024.

Teh Kee Sin was entitled for director fees of RM54,000 per annum. Law Lee Yen, Razi Bin Abdullah and Eileen Su Lee Ming were entitled for director fees of RM42,000 per annum respectively.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**(iii) FYE 2025 (Proposed)**

Name	Directors' fees RM'000	Salaries RM'000	⁽¹⁾ Bonuses RM'000	⁽²⁾ Statutory contribution RM'000	Benefits-in-kind and allowances RM'000	Total RM'000
Executive Directors						
Ivan Na Keh Chai	-	462	-	73	132	667
Choo Chee Yong	-	462	-	73	132	667
Non-Executive Directors						
Teh Kee Sin	54	-	-	-	5	59
Law Lee Yen	42	-	-	-	5	47
Razi Bin Abdullah	42	-	-	-	5	47
Eileen Su Lee Ming	42	-	-	-	5	47

Notes:

(1) Bonuses for FYE 2025 are not included. Such bonuses, if any, will be determined later depending on the performance of the individuals and our Group, subject to the recommendation of our Remuneration Committee and approval by our Board.

(2) Comprises employer's contribution to EPF, SOCSO and EIS.

The remuneration of our Directors, which comprises of directors' fees, salaries, bonuses and allowances as well as other benefits-in-kind, must be recommended by our Remuneration Committee and subsequently be approved by our Board, subject to the provisions of our Constitution. Our Directors' fees must be further approved or endorsed by our shareholders in a general meeting.

5.2.5 Service contracts

As at the LPD, there are no existing or proposed service contracts between our Group and our Directors which provide for benefits upon termination of employment.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3 BOARD PRACTICES

According to our Constitution and the Act, an election of Directors shall take place each year. All Directors shall retire from office at the conclusion of the first AGM of the Company, and at the conclusion of the AGM in every subsequent year, 1/3 of the Directors for the time being or if the number is not 3 or a multiple of 3 then the number nearest to one-third shall retire from office provided always that all Directors including a Managing Director or Deputy Managing Director shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Any person appointed as Director, either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

(i) Directors' term of office

The date of appointment and the date of expiration of the current term of office of our Directors, as well as the period for which our Directors have served in that office are set out below:

Director	Designation	Date of appointment	No. of year(s) in office (Approximate)	Date of expiration of the current term in office ⁽¹⁾
Teh Kee Sin	Independent Non-Executive Chairman	21 November 2024	Less than 1 year	At our fourth AGM to be held in year 2028
Ivan Na Keh Chai	Managing Director	23 April 2021 ⁽²⁾	Less than 5 years	At our second AGM to be held in year 2026
Choo Chee Yong	Executive Director	23 April 2021 ⁽³⁾	Less than 5 years	At our third AGM to be held in year 2027
Law Lee Yen	Independent Non-Executive Director	21 November 2024	Less than 1 year	At our third AGM to be held in year 2027
Razi Bin Abdullah	Independent Non-Executive Director	21 November 2024	Less than 1 year	At our second AGM to be held in year 2026
Eileen Su Lee Ming	Independent Non-Executive Director	21 November 2024	Less than 1 year	At our fourth AGM to be held in year 2028

Notes:

- (1) All our Directors had retired and were re-elected in our first AGM held on 30 June 2025. Our Directors are subject to retirement by rotation pursuant to Clause 133 of our Constitution at the AGM of our Company in the years subsequent to 2025. The date of expiration of the current term in office is based on the assumption that there will be no changes to structure of the Board. Should there be any resignations, appointments, removals, or other changes, the Directors subject to retirement by rotation may be affected.
- (2) Being the first director of our Company since incorporation. Ivan Na Keh Chai was appointed as the Managing Director of our Company on 15 November 2024.
- (3) Being the first director of our Company since incorporation. Choo Chee Yong was appointed as the Executive Director of our Company on 15 November 2024.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

The Board consists of 6 members, of which 4 Board members are Independent Non-Executive Directors (including the Chairman of the Board). Furthermore, 2 out of 6 Board members are female, which represents 33.33% of our Board's composition. The composition of our Board is in accordance with the recommendations outlined in Practices 5.2 and 5.9 of the MCCG, where at least half of the Board members to comprise of independent directors and the Board to comprise at least 30% women Directors, respectively.

(ii) Audit and Risk Management Committee

The members of our Audit and Risk Management Committee are as follows:

Name	Designation	Directorship
Law Lee Yen	Chairperson	Independent Non-Executive Director
Razi Bin Abdullah	Member	Independent Non-Executive Director
Eileen Su Lee Ming	Member	Independent Non-Executive Director

Our Audit and Risk Management Committee's terms of reference among others, include the following:

External Audit

- (a) To consider any matters concerning the appointment of the external auditors, the audit fees and any issues of re-appointment, resignation or dismissal.
- (b) To assess the suitability, objectivity and independence of the external auditors on an annual basis.
- (c) To consider the information presented in the annual transparency report of the audit firm and whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment.
- (d) To review the non-audit services to be rendered by the external auditor and its affiliates.
- (e) To obtain written assurance from the external auditors confirming that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.
- (f) To review with the external auditors:
 - i. their audit plan prior to the commencement of an audit;
 - ii. their evaluation of the system of the internal controls;
 - iii. their audit report;
 - iv. their management letter and the management's response with regard to problems and reservations arising from their audits;
 - v. the assistance given by our Group's employees to the external auditors; and
 - vi. on issues and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of the management where necessary).

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (g) To ensure and confirm that the management has placed no restriction on the scope of the audit and inquire into the staffing and competence of the external auditors in performing their work and assistance given by our Group's officers to the external auditors.
- (h) To ensure our Company notifies Bursa Securities and Registrar of Companies where the external auditors are removed from office or give notice to our Company of their desire to resign as external auditors.
- (i) To review:
 - i. the Annual Report, quarterly interim financial reports and year-end financial statements of our Company and Group and make its recommendation to our Board for approval and announcement to Bursa Securities;
 - ii. any related party transaction and conflict of interest situation that arise, persist or may arise within our Group;
 - iii. any letter of resignation from the external auditors of our Company or our Group; and
 - iv. the Annual Audit Committee Report for inclusion into the Annual Report issued for each financial year.

Internal Audit

- (j) Establishment of an internal audit function (whether in-house or outsourced) which is effective and independent of the activities that it audits and in relation thereto:
 - i. review the adequacy of the internal audit scope, functions, competency and resources of the internal audit function;
 - ii. review the internal audit plan, processes, the results of the internal audit assessment or investigation undertaken;
 - iii. review any appraisal or assessment of the performance of members of the internal audit function;
 - iv. conduct regular reviews and appraisals on the effectiveness of the governance, risk management and internal controls processes within our Group;
 - v. consider and recommend the appointment or termination of the outsourced internal audit function, the fees and ensure adequate resources are available including staffing and competence of the internal audit function in performing their work;
 - vi. consider the major findings of any internal investigations and the management's response with the management, external auditors and internal auditors, including the status of previous audit recommendations;
 - vii. meet with the internal audit function at least once a year without the presence of the management;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

- viii. review the reporting information of the Anti-Bribery Management System and review of the Anti-Bribery and Anti-Corruption Policy; and
 - ix. ensure the management has adequate and appropriate resources needed for effective implementation of the Anti-Bribery Management System.
- (k) To ensure there is co-ordination between internal and external auditors.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Risk Management

- (l) In relation to risk management, the functions shall include:
- i. review, assess, formulate and recommend risk management strategies, framework, policies, processes, tolerance and risk appetite limits;
 - ii. monitoring of our Group's risk exposures to ensure implementation of and compliance with approved risk policies and processes of our Group, and to ensure that significant risks identified are being responded to appropriately;
 - iii. review status of management action(s) in mitigating significant risks identified;
 - iv. review and assess the adequacy and effectiveness of the risk management structure, approved risk policies, processes, and support system;
 - v. review and assess the risks associated with all proposed strategic transactions of our Group;
 - vi. coordinate the activities of the internal audit function of our Group and to ensure significant business risks are adequately managed by our Group;
 - vii. review the adequacy and integrity, including effectiveness, of risk management and internal control systems/ framework, management information system, and the internal auditors' and/ or external auditors' evaluation of the said systems;
 - viii. ensure adequate infrastructure, resources and systems are in place for risk management;
 - ix. review the impact of risk on capital adequacy and profitability under normal and stress scenarios;
 - x. assess the adequacy of the business recovery/ disaster recovery procedures;
 - xi. identify corporate liability risks including specific bribery risks, corruption risks and compliance risks.
 - xii. monitor the risk control measures for corporate liabilities risks identified; and
 - xiii. review the operational effectiveness and efficiency in protecting our Group from bribery risks and ensure legal and regulatory compliance.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Sustainability Management

- (m) In relation to sustainability management, the functions shall include:
- i. oversee the establishment and activities of the Sustainability Risk Management Committee (“**SRMC**”) and the implementation of the sustainability strategy(ies);
 - ii. review the process and results of sustainability matters including identification, assessment and management conducted by SRMC;
 - iii. conduct periodic review of the material sustainability matters of our Group and determine the adequacy of the response and the current status of the material sustainability matters;
 - iv. review the need to conduct full sustainability review by SRMC;
 - v. conduct periodical review of the adequacy and effectiveness of our Group's sustainability governance structure and process to identify, assess and manage sustainability matters;
 - vi. oversee the identification of the material sustainability matters indicator and establishment of the target and the review of sustainability disclosures as required by laws and/ or rules; and
 - vii. direct the internal and external assurance function of our Group in relation to sustainability management and ensuring the adequacy of the resources and competency of the assurance functions.

Others

- (n) To review and provide advice on whether the financial statements taken as a whole provide a true and fair view of our Group's financial position and performance.
- (o) To oversee financial reporting and ensure disclosure in the financial statements and annual reports of our Group are in line with the principles of applicable accounting standards, listing requirement, MCGG, other applicable laws, rules, directives and guidelines.
- (p) To carry out any other matters, as may be defined and directed by our Board from time to time, including amongst others, the following:
- i. review procedures in place to ensure that our Group is in compliance with the relevant acts and Listing Requirements and other legislative and reporting requirements;
 - ii. obtain updates from our Group's management and our legal counsel regarding regulatory compliance matters;
 - iii. consider any material breaches or exposure to breaches of regulatory requirements, including our Group's Anti-Bribery and Anti-Corruption Policy;
 - iv. review all prospective financial information provided to the regulators and/ or to the public; and

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

- v. report promptly to Bursa Securities and/ or to the SC on any matter reported to our Board, which has not been satisfactorily resolved resulting in the breach of the Listing Requirements, rules and guidelines issued by Bursa Securities and/ or the SC.

(iii) Remuneration Committee

The members of our Remuneration Committee are as follows:

Name	Designation	Directorship
Razi Bin Abdullah	Chairperson	Independent Non-Executive Director
Law Lee Yen	Member	Independent Non-Executive Director
Eileen Su Lee Ming	Member	Independent Non-Executive Director

Our Remuneration Committee's terms of reference among others, include the following:

- (a) To review the remuneration package of our Executive Directors, key management personnel and where applicable, senior management.
- (b) The remuneration of Non-Executive Directors will be a matter to be decided by our Board as a whole with the Director concerned abstaining from the discussion and voting on decisions on his/her own remuneration.
- (c) To review annually the performance of our Directors and recommend to our Board the specific adjustments in remuneration/ reward payments and for Directors' fees and benefits.
- (d) To formulate policies, guidelines and set criteria for remuneration packages for our Directors, key management personnel and where applicable, senior management.
- (e) To review the compensation payable to our Directors, key management personnel and where applicable, senior management in connection with any loss or termination of their office or appointment or arrangements relating to dismissal or removal for misconduct.
- (f) To ensure that all remuneration packages and benefits given to our Directors, key management personnel and where applicable, senior management are in compliance with the laws, rules, requirements, regulations and guidelines set by the relevant authorities and our Board from time to time.
- (g) To implement policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of our Board, key senior management personnel and where applicable, senior management.
- (h) To ensure that the remuneration package is sufficient to attract and retain our Directors needed to manage our Company successfully, but without paying more than is necessary to achieve these goals.
- (i) To recommend to our Board the appointment of the services of such advisers or consultants, as it deems necessary to fulfill the responsibilities.
- (j) To oversee any major changes in employee remuneration and benefit structures throughout our Group.
- (k) To consider/ examine/ assess any other matters as the Remuneration Committee considers appropriate.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(iv) Nominating Committee

The members of our Nominating Committee are as follows:

Name	Designation	Directorship
Eileen Su Lee Ming	Chairperson	Independent Non-Executive Director
Law Lee Yen	Member	Independent Non-Executive Director
Razi Bin Abdullah	Member	Independent Non-Executive Director

Our Nominating Committee's terms of reference among others include the following:

- (a) To oversee the selection criteria, recruitment process of nomination of new candidates to our Board.
- (b) To review our Board's size, structure, composition and balance on an annual basis.
- (c) To review and evaluate the contributions made by each member of our Board.
- (d) To review on the re-election of any Director having due regard to our Company's Fit and Proper Person Policy and their performance and ability to continue to contribute to our Board.
- (e) To oversee the development, maintenance and review of the criteria to be used in the recruitment process and the annual review and assessment of the effectiveness of our Board as a whole, the committees of our Board, and the contributions of each individual Director, including an assessment of the independence of the Independent Non-Executive Directors and their length of tenure in office.
- (f) To make an assessment on the element of independence of an independent Director should our Board wish to retain as an Independent Director, a person who has served in that capacity for more than nine (9) years.
- (g) To review our Board's succession plans and facilitate induction and training programmes.
- (h) To assess the training needs for each of the Directors and senior management of our Company and thereafter, facilitate the appropriate training programmes in accordance to the individual Director's and senior management's needs.
- (i) To oversee the appointment, management succession planning of the Directors and senior management, including extending diversity.
- (j) To review the term of office and performance of the Audit and Risk Management Committee and each of its members annually.
- (k) To review and make available a statement on the activities of the Nominating Committee in the discharge of its duties for the financial year in compliance with Rule 15.08A (3) of the Listing Requirements.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.4 KEY SENIOR MANAGEMENT****5.4.1 Key senior management's shareholdings in our Company**

Ivan Na Keh Chai (our Managing Director) and Choo Chee Yong (our Executive Director) are part of our key senior management team. Their shareholdings have been set out in Sections 5.1.1 and 5.2.1 of this Prospectus.

Our other key senior management's shareholdings in our Company before and after our IPO are as follows:

Name	Designation	As at the LPD/ Before our IPO ⁽¹⁾				After our IPO ⁽²⁾⁽³⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chin Yanjiang ⁽⁴⁾	Group Accountant	-	-	-	-	400,000	0.13	-	-
Clessense Kho Mei Chee	Head of Sales and Marketing	3,274,000	1.32	-	-	3,824,000	1.23	-	-
Soo Sheau Wen	Head of Human Resources and Administration	-	-	-	-	500,000	0.16	-	-

Notes:

- (1) Based on our total number of issued Shares of 247,337,000 Shares after the Acquisitions.
- (2) Based on our enlarged total number of Shares of 310,337,000 Shares after the Public Issue and Offer for Sale.
- (3) Assuming the key senior management fully subscribe for the Pink Form Shares allocated to them.
- (4) Chin Yanjiang was appointed by PHEM as Group Accountant in October 2023 to oversee our Group's financial management. Prior to his appointment, the accounts of PHEM and PRSB were managed by an account manager (namely Khor Zhi Yun*) while the accounts of PMSB was managed by an account executive (namely Tee Lee Fong^).

Notes:

* Khor Zhi Yun joined our Group in April 2015. As at the LPD, she is an employee of our Group.

^ Tee Lee Fong joined our Group in April 2011. As at the LPD, she is no longer an employee of our Group as she had left our Group in April 2024.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

5.4.2 Profiles of key senior management

Save for the profiles of Ivan Na Keh Chai (our Managing Director) and Choo Chee Yong (our Executive Director), which have been set out in Section 5.1.2 of this Prospectus, the profiles of our other key senior management are set out below:

(i) Chin Yanjiang
Malaysian, aged 32
Group Accountant

Chin Yanjiang, a Malaysian aged 32, is our Group Accountant. He is a Certified Practising Accountant (CPA) of CPA Australia since January 2020 until to-date. He is a Chartered Accountant of the Malaysian Institute of Accountants since December 2021 until to-date.

In July 2016, he graduated with a Bachelor of Accounting (Honours) from Multimedia University, Malaysia. Subsequently, he focused on CPA qualification exams prior to commencing his career in March 2017 as an Audit Associate at M. S. Wong & Co (currently known as Grant Thornton MSW) where he was responsible for handling statutory audit engagements for SMEs. He left the firm in February 2018 to complete his CPA qualification exams.

In August 2018, he joined RSM Outsourcing (Malaysia) Sdn Bhd as an Accounts Executive and was promoted to Senior Accounts Executive in February 2020, where he was responsible for overall reviews and job planning of the accounting department, as well as preparing full set of accounts for the company's clients. He left the company in April 2020.

From May 2020 to October 2020, he undertook freelance accounting related work. In November 2020, he joined H.C. & Co as an Accountant where he was in charge of accounting and tax related matters.

Concurrently he founded Gary C & Co (sole proprietorship) in March 2023 to provide outsourced accounting services. He left H.C. & Co in September 2023 and Gary C & Co ceased operations in December 2023.

In October 2023, he joined PHEM as Group Accountant where he is primarily responsible for overseeing our Group's financial management including, projection monitoring/ budget preparation, review of financial information which includes preparation of annual financial statements, cash flow and tax planning to facilitate the discharge of our Group's statutory reporting obligations, as well as treasury management, corporate finance and related matters such as preparation of board presentations and updates on the financial performance of our Group.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

(ii) Clessense Kho Mei Chee
Malaysian, aged 33
Head of Sales and Marketing

Clessense Kho Mei Chee, a Malaysian aged 33, is our Head of Sales and Marketing.

In July 2014, she graduated with a Bachelor of Science in Finance and Economics from University of Lancaster, United Kingdom. In November 2016, she graduated with a Master of Science in Real Estate Economics and Finance from London School of Economics and Political Science, United Kingdom.

After graduation, she took a break from December 2016 to June 2018 before commencing her career.

In July 2018, she joined PHEM as a Personal Assistant to our Executive Director (Choo Chee Yong), who oversees the daily technical operations of our Group. She was assisting him on business related tasks (mainly on procurement, sales and marketing related matters) until December 2020.

In January 2021, she was transferred to PMSB as a Sales Manager, where she was responsible for overseeing the sales team of the company, maintaining customer relationships and developing marketing strategies to achieve sales targets. In November 2021, she was appointed as a director of PMSB where she was responsible for overseeing the entire sales and marketing framework, which included operations, strategic planning, business performance and management of the supply and trading function of PMSB. Subsequently in November 2024, she was promoted to Head of Sales and Marketing of our Group where her role expanded to overseeing the sales and marketing function of our Group.

(iii) Soo Sheau Wen
Malaysian, aged 30
Head of Human Resources and Administration

Soo Sheau Wen, a Malaysian aged 30, is our Head of Human Resources and Administration.

In May 2020, she graduated with a Bachelor of Accounting (Honours) from Multimedia University, Malaysia.

In January 2021, she commenced her career at PHEM as a Personal Assistant to our Executive Director (Choo Chee Yong) where she was mainly assisting him on human resource, administrative and production matters (including procurement of materials, parts and equipment) as well as monitoring project timelines.

In February 2024, she was promoted to Operations Manager of PHEM where she is responsible for overseeing production process flow (including procurement, logistic, inventory management and project timelines).

She was promoted to Head of Human Resources and Administration in November 2024, where her role expanded to include overseeing the general administrative and human resource functions of our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.4.3 Key senior management's remuneration and material benefits-in-kind

Other than remuneration and material benefits in-kind of our Directors, namely Ivan Na Keh Chai and Choo Chee Yong which have been set out in Section 5.2.4 of this Prospectus, the aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our other key senior management for services rendered/ to be rendered to our Group in all capacities for the FYE 2023, FYE 2024 and FYE 2025 are as follows:

Name	⁽¹⁾ Remuneration band (in bands of RM50,000)		
	FYE 2023 (Paid)	FYE 2024 (Paid)	⁽²⁾ FYE 2025 (Proposed)
	RM'000	RM'000	RM'000
Chin Yanjiang	0-50	150-200	200-250
Clessense Kho Mei Chee	200-250	250-300	350-400
Soo Sheau Wen	50-100	100-150	150-200

Notes:

(1) Comprises salaries, bonuses, fees, benefits in-kinds and allowances.

(2) The bonuses for FYE 2025 are not included. Such bonuses, if any, will be determined at a later date based on individual's and our Group's performance.

5.4.4 Involvement of key senior management in other businesses/ corporations

Save as disclosed in Section 5.2.3 of this Prospectus and as disclosed below, none of our other key senior management has any principal business activities performed outside our Group as at the LPD nor do they have directorships in any other corporations outside of our Group for the past 5 years prior to the LPD.

As Gary C & Co (as disclosed in the profile of Chin Yanjiang under Section 5.4.2(i) of this Prospectus) is a sole proprietorship and has ceased operations since 18 December 2023, no disclosure is made in this section since it is not a past directorship of Chin Yanjiang. Please refer to Section 5.4.2(i) of this Prospectus for further details of Gary C & Co.

5.4.5 Service contracts

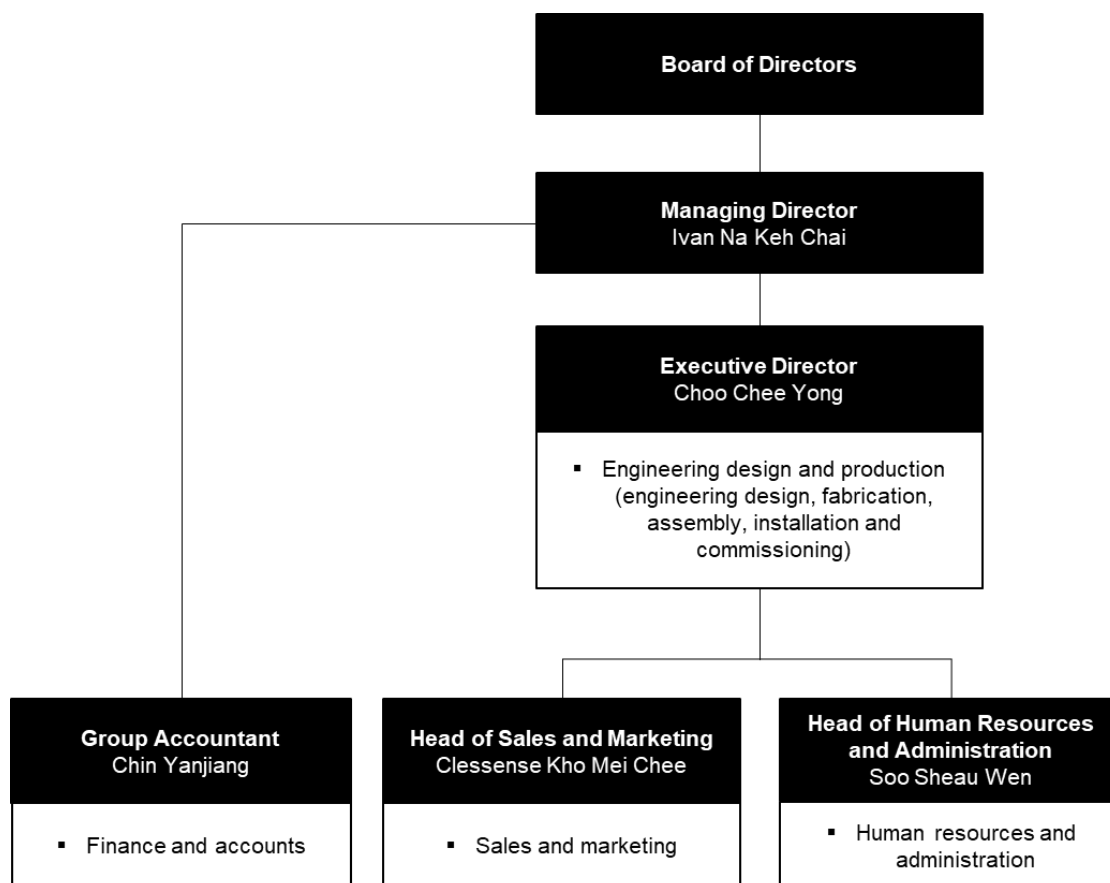
As at the LPD, there are no existing or proposed service contracts between our Group and our key senior management which provide for benefits upon termination of employment.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.4.6 Management reporting structure

We believe that our management reporting structure as set out below would ensure that our Board and key senior management are collectively aware and informed of the operations and financial matters of our Group.



Our Board believes that the success of our Group depends on the abilities and retention of our key management. Therefore, we have made efforts to train and remunerate our employees accordingly. Our future success will also depend on our ability to attract and retain skilled personnel.

Our Group has also established a succession planning policy and documented a succession planning matrix. Our Group has a management succession plan consisting of:

- (i) identification of capabilities and talent needs;
- (ii) selection and recruitment;
- (iii) career planning and development;
- (iv) performance appraisal; and
- (v) continuous training and education,

of its personnel.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

As part of our management succession plan, our Group has put in place a process to groom new management staff to gradually assume the responsibilities of senior management. Our Group's strategy for management continuity is driven by our key senior management and personnel whom are responsible for identifying key competencies and requirements of candidates. If the need arises, our Group will recruit qualified personnel with knowledge and expertise of our business to enhance our operations. Our Group believes that our employees are valuable assets to our Group and our Group provides the necessary training for their future development.

5.5 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

None of our Promoters, Directors and key senior management is or have been involved in any of the following events (whether in or outside Malaysia) as at the LPD:

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or member of key senior management;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgement was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) has any unsatisfied judgment against such person.

5.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

As at the LPD, there is no family relationship and/ or association between any of our Promoters, substantial shareholders, Directors and key senior management.

For information purposes, Choo Chee Siang, a shareholder of our Company and a technical manager of PHEM, is the brother of Choo Chee Yong, our Promoter, substantial shareholder and Executive Director. For the avoidance of doubt, Choo Chee Siang is not our Promoter, substantial shareholder, Director and key senior management.

6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

Our Company was incorporated under the name of Powertech Group Sdn Bhd in Malaysia on 23 April 2021 under the Act as a private limited company. Subsequently, on 27 November 2024, our Company was converted to a public limited company under its present name to facilitate the Listing.

Our Company is an investment holding company. Through our Subsidiaries, we are predominantly involved in provision of lifting systems and maintenance, repair and related services.

There has been no material change in the manner in which our Company conducts its business or activities since our incorporation up to the LPD.

Please refer to Section 7.1 of this Prospectus for detailed information of our Group's history.

6.2 LISTING SCHEME

In conjunction with, and as an integral part of our Listing, the details of our Listing Scheme are as follows:

6.2.1 Acquisitions

(i) Acquisition of PHEM

Our Company had on 15 November 2024 entered into a conditional share sale agreement with Ivan Na Keh Chai and Choo Chee Yong to acquire the entire issued share capital of PHEM for a total purchase consideration of RM9,575,800 which was fully satisfied by the issuance of 191,516,000 new Shares to the following vendors at an issue price of RM0.05 per Share, as illustrated below:

Vendors	Shareholdings in PHEM		^(a) Purchase consideration (RM)	No. of Shares issued
	No. of ordinary shares held	(%)		
Ivan Na Keh Chai	200,000	50.00	4,787,900	95,758,000
Choo Chee Yong	200,000	50.00	4,787,900	95,758,000
Total	400,000	100.00	9,575,800	191,516,000

Note:

(a) The purchase consideration of RM9.58 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the unaudited NA of PHEM as at 30 June 2024 of RM10,575,818 and after adjusting for the dividends of RM1,000,000 in respect of FYE 2024 which was declared and paid subsequent to 30 June 2024.

The Acquisition of PHEM was completed on 21 November 2024. Thereafter, PHEM became our wholly-owned Subsidiary.

(ii) Acquisition of PMSB

Our Company had on 15 November 2024 entered into a conditional share sale agreement with Ivan Na Keh Chai, Choo Chee Yong, Choo Chee Siang and Clessense Kho Mei Chee to acquire the entire issued share capital of PMSB for a total purchase consideration of RM1,637,000 which was fully satisfied by the issuance of 32,740,000 new Shares to the following vendors at an issue price of RM0.05 per Share, as illustrated below:

6. INFORMATION ON OUR GROUP (Cont'd)

Vendors	Shareholdings in PMSB		^(a) Purchase consideration (RM)	No. of Shares issued
	No. of ordinary shares held	(%)		
Ivan Na Keh Chai	17,500	35.00	572,950	11,459,000
Choo Chee Yong	17,500	35.00	572,950	11,459,000
Choo Chee Siang	10,000	20.00	327,400	6,548,000
Clessense Kho Mei Chee	5,000	10.00	163,700	3,274,000
Total	50,000	100.00	1,637,000	32,740,000

Note:

- (a) The purchase consideration of RM1.64 million was arrived based on a “willing-buyer willing-seller” basis after taking into consideration the unaudited NA of PMSB as at 30 June 2024 of RM1,637,054.

The Acquisition of PMSB was completed on 21 November 2024. Thereafter, PMSB became our wholly-owned Subsidiary.

(iii) Acquisition of PRSB

Our Company had on 15 November 2024 entered into a conditional share sale agreement with Ivan Na Keh Chai and Choo Chee Yong to acquire the entire issued share capital of PRSB for a total purchase consideration of RM1,154,000 which was fully satisfied by the issuance of 23,080,000 new Shares to the following vendors at an issue price of RM0.05 per Share, as illustrated below:

Vendors	Shareholdings in PRSB		^(a) Purchase consideration (RM)	No. of Shares issued
	No. of ordinary shares held	(%)		
Ivan Na Keh Chai	500	50.00	577,000	11,540,000
Choo Chee Yong	500	50.00	577,000	11,540,000
Total	1,000	100.00	1,154,000	23,080,000

Note:

- (a) The purchase consideration of RM1.15 million was arrived based on a “willing-buyer willing-seller” basis after taking into consideration the unaudited NA of PRSB as at 30 June 2024 of RM1,524,079 and after adjusting for the dividends of RM370,000 in respect of FYE 2024 which was declared and paid subsequent to 30 June 2024.

The Acquisition of PRSB was completed on 21 November 2024. Thereafter, PRSB became our wholly-owned Subsidiary.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

6. INFORMATION ON OUR GROUP (Cont'd)

6.2.2 Public Issue

Pursuant to the Public Issue, we shall issue 63,000,000 Public Issue Shares at our IPO Price to be allocated in the following manner:

- (i) 15,600,000 Public Issue Shares will be offered to the Malaysian Public by way of balloting, of which at least 50% will be set aside for Bumiputera public investors;
- (ii) 10,000,000 Pink Form Shares will be made available for application by the Eligible Parties; and
- (iii) 37,400,000 Public Issue Shares will be made available for private placement to selected investors, of which:
 - (a) 17,800,000 Public Issue Shares will be reserved for selected Bumiputera investors approved by MITI; and
 - (b) 19,600,000 Public Issue Shares will be reserved for selected investors.

Please refer to Section 4.3.1 of this Prospectus for further details on the Public Issue.

Upon completion of our Public Issue, our share capital will increase from RM12,367,800 comprising 247,337,000 Shares to RM34,417,800 comprising 310,337,000 Shares.

6.2.3 Offer for Sale

Concurrently with our Listing, our Offerors will undertake an Offer for Sale of 21,000,000 Offer Shares at our IPO Price by way of private placement to selected Bumiputera investors approved by MITI.

6.2.4 Listing

Upon completion of our IPO, our Company's entire enlarged issued share capital of RM34,417,800 comprising 310,337,000 Shares shall be listed on the ACE Market.

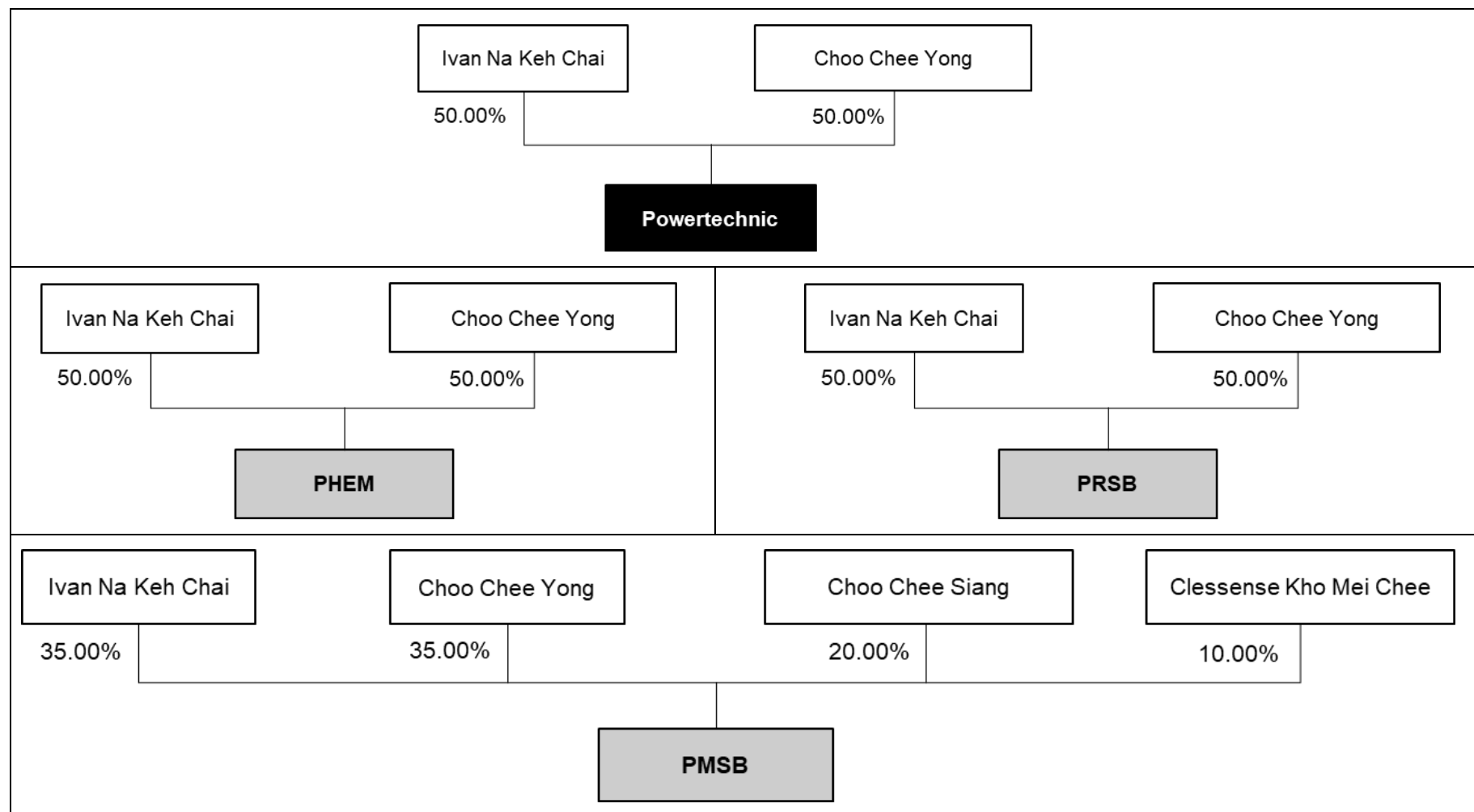
-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

6. INFORMATION ON OUR GROUP (Cont'd)

6.3 OUR GROUP STRUCTURE

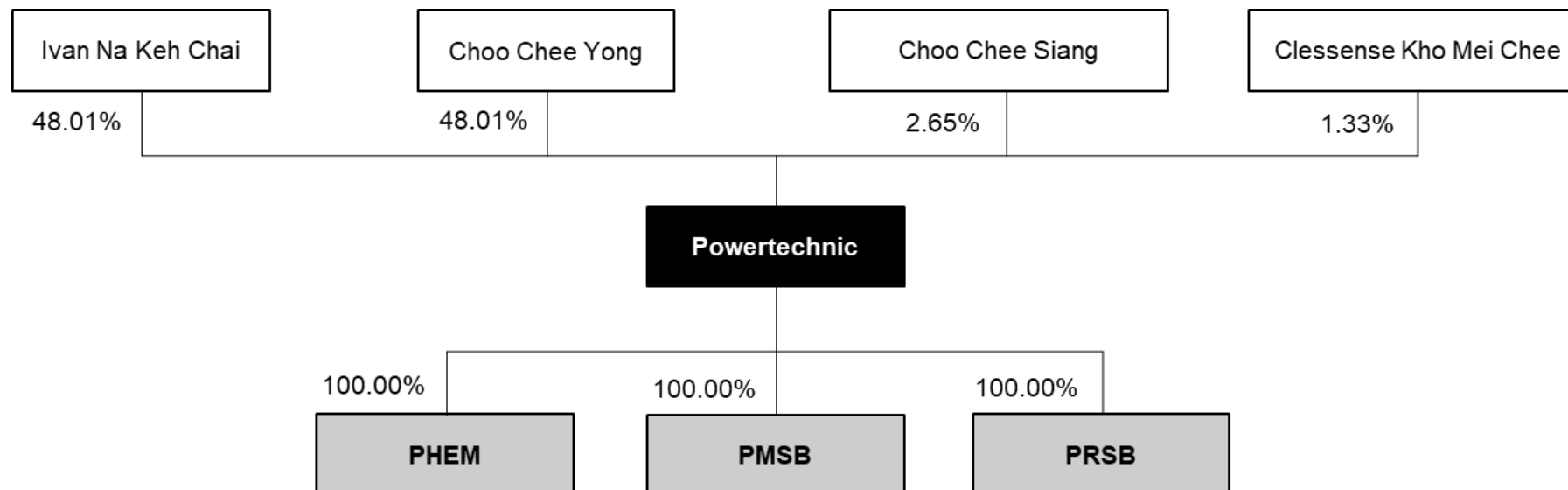
Our Group's corporate structure before and after our IPO is as follows:

Before the Acquisitions



6. INFORMATION ON OUR GROUP (Cont'd)

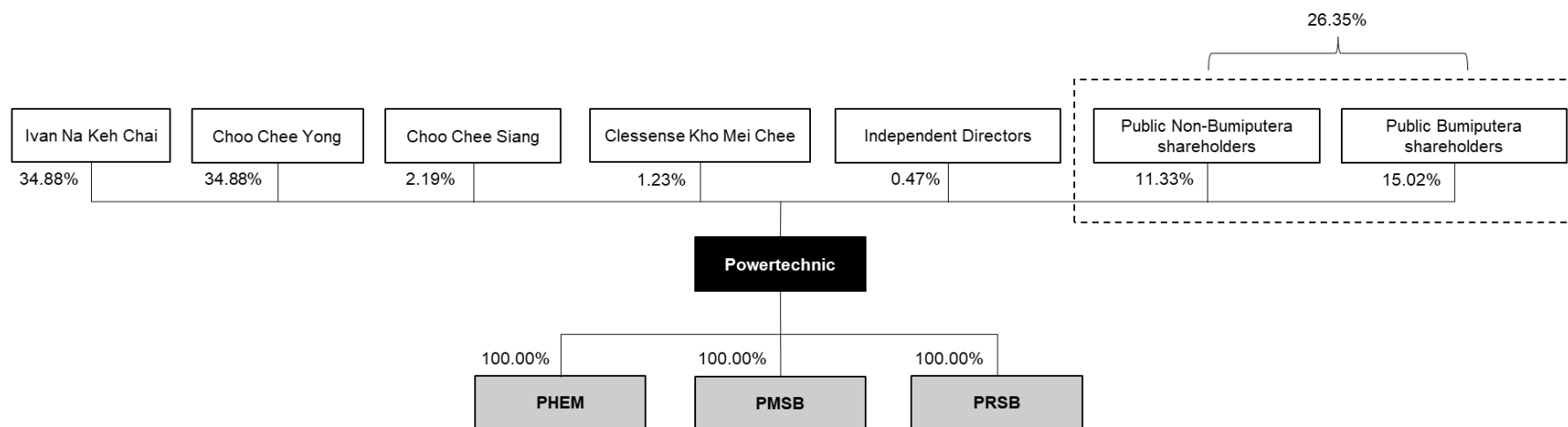
After the Acquisitions and before our IPO



-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

6. INFORMATION ON OUR GROUP (Cont'd)

After the Acquisitions and after our IPO



As at the date of this Prospectus, our Company does not have any associated companies or joint ventures. Further details on the Acquisitions and our Subsidiaries are set out in Section 6.2 and Section 6.5 respectively.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

6. INFORMATION ON OUR GROUP (Cont'd)**6.4 OUR SHARE CAPITAL**

As at the date of this Prospectus, our issued share capital is RM12,367,800 comprising 247,337,000 Shares. The changes in our issued share capital since our incorporation are as follows:

Date of allotment	No. of Shares allotted	Type of issue/ Consideration	Cumulative issued share capital (RM)
23 April 2021	1,000	Subscribers' shares/ RM1,000	1,000
21 November 2024	247,336,000	Pursuant to the Acquisitions/ RM12,366,800	12,367,800

There were no discounts, special terms or instalment payment terms applicable to the consideration given for the shares allotted.

Upon completion of our IPO, our issued share capital will increase to RM34,417,800 comprising 310,337,000 Shares.

There were no outstanding warrants, options, convertible securities or uncalled capital in respect of the shares in our Company as at the LPD.

6.5 OUR SUBSIDIARIES**6.5.1 Information on PHEM****(i) Background and principal activities**

PHEM was incorporated in Malaysia as a private limited company under the Companies Act 1965 on 25 March 2002 under its present name. PHEM is principally involved in the provision of lifting systems, and maintenance and repair services.

PHEM's principal place of business is at I-Park Lot 28, I-Park Lot 42 and Kota Kemuning Lot 18.

(ii) Share capital

As at the LPD, the issued share capital of PHEM is RM400,000 comprising 400,000 ordinary shares. The movements in its share capital since incorporation and up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital (RM)
25 March 2002	100	Subscribers' shares/ RM100	RM100
26 July 2004	99,900	Cash allotment/ RM99,900	RM100,000
25 February 2011	300,000	Cash allotment/ RM300,000	RM400,000

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in PHEM.

(iii) Substantial shareholder

As at the LPD, PHEM is wholly-owned by Powertechnic.

(iv) Directors

As at the LPD, the Directors of PHEM are Ivan Na Keh Chai and Choo Chee Yong.

(v) Subsidiary, associate and joint venture

As at the LPD, PHEM does not have any subsidiary, associate or joint venture.

6.5.2 Information on PMSB**(i) Background and principal activities**

PMSB was incorporated in Malaysia as a private limited company under the Act on 23 May 2017 under its present name. PMSB is principally involved in the provision of elevators, and maintenance and repair services.

PMSB's principal place of business is located at I-Park Lot 42 and Kota Kemuning Lot 18.

(ii) Share capital

As at the LPD, the issued share capital of PMSB is RM50,000 comprising 50,000 ordinary shares. The movements in its share capital since incorporation and up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital (RM)
23 May 2017	1,000	Subscribers' shares/ RM1,000	RM1,000
1 February 2021	49,000	Non-cash allotment/ RM49,000*	RM50,000

Note:

* *Being capitalisation of part of the amount owing to directors namely Ivan Na Keh Chai and Choo Chee Yong.*

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in PMSB.

(iii) Substantial shareholder

As at the LPD, PMSB is wholly-owned by Powertechnic.

(iv) Directors

As at the LPD, the Directors of PMSB are Ivan Na Keh Chai and Clessense Kho Mei Chee.

6. INFORMATION ON OUR GROUP (Cont'd)**(v) Subsidiary, associate and joint venture**

As at the LPD, PMSB does not have any subsidiary, associate or joint venture.

6.5.3 Information on PRSB**(i) Background and principal activities**

PRSB was incorporated in Malaysia as a private limited company under the Companies Act 1965 on 30 December 2015 under its present name. PRSB is principally involved in the supply of parts and consumables, and procurement.

PRSB's principal place of business is located at I-Park Lot 28.

(ii) Share capital

As at the LPD, the issued share capital of PRSB is RM1,000 comprising 1,000 ordinary shares. The movements in its share capital since incorporation and up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital (RM)
30 December 2015	1,000	Subscribers' shares/ RM1,000	RM1,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in PRSB.

(iii) Substantial shareholder

As at the LPD, PRSB is wholly-owned by Powertechnic.

(iv) Directors

As at the LPD, the Directors of PRSB are Ivan Na Keh Chai and Choo Chee Yong.

(v) Subsidiary, associate and joint venture

As at the LPD, PRSB does not have any subsidiary, associate or joint venture.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW

7.1 OUR HISTORY AND BACKGROUND

7.1.1 Incorporation and history

Our Company was incorporated under the name of Powertech Group Sdn Bhd in Malaysia on 23 April 2021 under the Act as a private limited company. Subsequently, on 27 November 2024, our Company was converted to a public limited company under the present name to facilitate the Listing. Our Company is an investment holding company. Through our Subsidiaries, we are predominantly involved in the provision of lifting systems and maintenance, repair and related services.

The history of our business can be traced back to 2002 with the incorporation of PHEM by 4 individuals (not persons connected to our Promoters) namely Lee Siong Wee, Lei Fei Fei, Hong Song Chuan and Khoo Say Ben*. In 2002, our current Managing Director, Ivan Na Keh Chai joined PHEM as a general manager while our current Director, Choo Chee Yong joined PHEM as an operation manager. During the same year in 2002, Ivan Na Keh Chai and Choo Chee Yong became shareholders and acquired equity interest in the company from Lee Siong Wee and Lei Fei Fei, respectively. Upon the completion of the said acquisition, the shareholders of PHEM are Ivan Na Keh Chai and Choo Chee Yong who held 40% and 30% equity interest respectively, while the remaining 30% equity interest was held by Hong Song Chuan and Khoo Say Ben. In 2003 and 2005, Hong Song Chuan and Khoo Say Ben sold their shares to a new investor (not a person connected to our Promoters) namely Yap Teck Kian and Choo Chee Yong, respectively. In 2005, Choo Chee Yong's equity interest in PHEM increased to 40%, while Ivan Na Keh Chai held 40% equity interest and Yap Teck Kian held 20% equity interest, in PHEM. In 2011, Ivan Na Keh Chai and Choo Chee Yong increased their respective equity interest in PHEM to 47.50% by way of subscription of new shares in PHEM while Yap Teck Kian's equity interest in PHEM was diluted to 5%. It was also in 2011, Yap Teck Kian sold his remaining 5% equity interest to Ivan Na Keh Chai and Choo Chee Yong where their respective equity interest in PHEM increased to 50%. Since 2011 until the Acquisition of PHEM, the shareholders of PHEM were Ivan Na Keh Chai and Choo Chee Yong where each of them held 50% equity interest in PHEM. As at the LPD, PHEM is wholly-owned by Powertech.

Note:

* Lee Siong Wee, Lei Fei Fei, Hong Song Chuan and Khoo Say Ben were the shareholders of PHEM upon the incorporation of PHEM on 25 March 2002. They previously held 40%, 30%, 20% and 10% equity interests, respectively in PHEM. Lee Siong Wee, Lei Fei Fei and Hong Song Chuan were also directors upon the incorporation of PHEM on 25 March 2002.

The table below sets out the key events and milestones in the history and development of our business:

Year	Key Events and Milestones
2002	In 2002, we commenced our business operations at a rented shop lot in Johor Bahru through our subsidiary PHEM. The company was initially involved in the maintenance of lifting systems including crane and hoist systems.
	During the same year, we were engaged by a contractor to carry out our first project for the supply, installation and commissioning of an overhead crane for an industrial premises.
	In the same year, we started securing orders directly from various industrial and commercial customers for the provision of other types of lifting systems including: - supply, installation, and commissioning of a freight elevator in an electronic products manufacturing plant in Johor Bahru, Johor; and - supply, installation, and commissioning of an elevated platform system namely table lifter in a foam manufacturing plant in Batu Pahat, Johor.

7. BUSINESS OVERVIEW (Cont'd)

Year	Key Events and Milestones
2003-2006	Between 2003 and 2006, we continued to secure various lifting system projects directly from our industrial customers in Johor including: - supply, installation and commissioning of dock levellers for a paper product manufacturing plant in Johor in 2003. - supply, installation and commissioning of a monorail hoist for a tiles manufacturing plant in Johor in 2005. - supply, installation, and commissioning of 2 units of jib cranes for a metal forming and metal stamping press machines manufacturing plant in Johor in 2006. In 2004, we moved into a wholly-owned terrace industrial building with land area of 3,120 sq. ft.⁽¹⁾ in Taman Mount Austin, Johor Bahru.
2003-2006	In 2006, we expanded our market coverage to the central region of Peninsular Malaysia by supplying a spark-proof manual chain hoist to a customer in Seri Kembangan, Selangor.
2007-2009	In 2007, we were engaged by a contractor to carry out the supply, installation, and commissioning of our overhead crane with the longest-span bridge. It comprises 2 units of single girder overhead cranes, each with safe working load of 5 tonnes and bridge span of 38 metres for an industrial premises in Johor. In 2008, we relocated our operational facility to a wholly-owned terrace industrial building with land area of 9,376 sq. ft.⁽²⁾ in Taman Mount Austin, Johor Bahru. In 2008, we secured our first order for the supply, installation, and commissioning of underhung crane for a printing cylinders manufacturing plant in Johor Bahru, Johor. In 2009, we secured an order for the supply, installation and commissioning of a customised elevated platform with rotational function for a motor vehicles dealer in Johor Bahru, Johor. The elevated platform is designed for car display and has a safe working load of 2.5 tonnes and a diameter of 6 meters. In 2009, we expanded our market coverage to East Malaysia when we secured an order for the supply, installation, and commissioning of an overhead crane for a company involved in providing surface treatment services in Kuching, Sarawak. In the same year of 2009, we secured a specialised lifting systems project for the supply, installation, and commissioning of an explosion-proof monorail hoist, with a safe working load of up to 2 tonnes, in a petrochemical-product manufacturing plant in Pasir Gudang, Johor. An explosion-proof crane system is engineered to operate safely in hazardous environments or environments at risk of explosion due to flammable gases, vapours, or dust. Our explosion-proof monorail crane system minimises the risk of fire or explosion and, in the event of a fire, contains its spread to other areas. We also secured our first sales for the supply, installation, and commissioning of retractable monorail hoist under this project. In 2009, we secured an order for the supply, installation, and commissioning of a customised elevated platform system, namely tilting platform for a bus manufacturer in Senai, Johor. The tilting platform is designed for the safety tilt test of buses and has a safe working load of 25 tonnes, tilting angle of up to 55 degrees.
2010-2015	In 2010, we made our first export sales for the supply of hoist and trolley to a construction company in Batam, Indonesia. In 2010 and 2011, we secured orders for the supply, installation, and commissioning of 22 units of crane and hoist systems including 21 units of overhead cranes, and 1 unit of semi-gantry crane with safe working load ranging between 1 tonne and 50 tonnes for an industrial premises in Pasir Gudang, Johor.

7. BUSINESS OVERVIEW (Cont'd)

Year	Key Events and Milestones
	In 2010, we secured an order for the supply, installation, and commissioning of a 25-tonne semi-gantry crane for an outdoor operating environment. The double-girder gantry crane is used for lifting and moving heavy equipment and materials at an industrial yard in Johor. In 2012, we expanded our market coverage to the northern region of Peninsular Malaysia and secured our first order for the engineering design, fabrication, assembly, installation, and commissioning of freight elevators with a safe working load of 2 tonnes in Penang. In 2014, we made our first export sales for the supply, installation, and commissioning of dock leveller and table lifter in Singapore.
2016-2020	In 2016, we obtained approval from SME Corporation Malaysia for a grant of RM0.05 million under the Business Accelerator Programme 2.0 for the purchase of machinery and equipment. In 2016, we relocated our operational facilities from Taman Mount Austin to our existing wholly-owned premise in I-Park Lot 28 in Kulai, Johor. The main functions of our operational facility at I-Park Lot 28 include headquarters and fabrication operations. In 2018, we set up a procurement team through our subsidiary, PRSB⁽³⁾ to focus on the procurement of materials, parts, and equipment to support our design, installation, and maintenance operations. In 2018, we secured an order for the design, installed and commissioned a double-girder overhead crane with a safe working load of up to 40 tonnes for an aluminium smelting plant in Pasir Gudang, Johor. In 2019, we commenced a new business unit focusing on the elevator segment through our subsidiary, PMSB⁽⁴⁾ to be involved in the supply, installation, and maintenance of elevators including freight and home elevators. In the same year of 2019, we secured our first project in the supply, installation, and commissioning of home elevators. Since then, we have continued to secure orders for the supply, installation, and commissioning of home elevators for individual residential properties in Peninsular Malaysia.
2021- up to the LPD	In 2021, we secured a project for the engineering design, fabrication, assembly, installation, and commissioning of 14 units of monorail hoist with safe working loads ranging between 0.6 tonne and 5 tonnes for a dairy-product manufacturing plant in Johor. As at the LPD, this project was our Group's monorail hoist project with the highest lifting height of up to 50 metres. In 2021, we obtained approval from SME Corporation Malaysia for a grant of RM0.22 million under the Business Scale-Up Programme to support the development of our mobile application (app) and the purchase of machinery and equipment. Our app, namely "Powertechnic Exclusive Smart App", is designed to enhance convenience for our customers. It features real-time communication, service scheduling, maintenance tracking, and automated reminders for certification renewals. The app serves as a communication channel between our headquarters in Johor, our customers, and subcontractors. In 2024, we expanded our operational facilities to I-Park Lot 42 and commenced the fabrication of dock levellers. The I-Park Lot 42 is at a rented premise located in the vicinity of our headquarter and it includes an office and fabrication facilities for dock levellers. In 2024, we secured an order for the supply, installation, and commissioning of a tilting platform for a fire engine manufacturer in Singapore. The tilting platform is designed for safety tilt test for fire engine and has a safe working load of 50 tonnes, tilting angle of up to 35 degrees.

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) The terrace industrial building with land area of 3,120 sq. ft. in Taman Mount Austin was disposed of in August 2023. Please refer to Sections 7.23(ii) and 15.4(i) of this Prospectus for further details on the said disposal.
 - (2) The terrace industrial building with land area of 9,376 sq. ft in Taman Mount Austin was disposed of in September 2024. Please refer to Sections 7.23(ii) and 15.4(iii) of this Prospectus for further details on the disposal.
 - (3) PRSB, incorporated in 2015, was held by Ivan Na Keh Chai (50%) and Choo Chee Yong (50%) until the Acquisition of PRSB. As at the LPD, PRSB is wholly-owned by Powertechnic.
 - (4) PMSB, incorporated in 2017, was initially held by Ivan Na Keh Chai (50%) and Choo Chee Yong (50%). From 2019 to 2024, there were subsequent allotments and transfers made to 3 employees, 1 of whom has since resigned (namely Chen Shieh Xin*) as well as to Choo Chee Siang and Clessense Kho Mei Chee. From January 2024 until the Acquisition of PMSB, PMSB was held by Ivan Na Keh Chai (35%), Choo Chee Yong (35%), Choo Chee Siang (20%) and Clessense Kho Mei Chee (10%). As at the LPD, PMSB is wholly-owned by Powertechnic.
- * Chen Shieh Xin was an engineer manager in PHEM. He was also involved in assisting PMSB in technical design of freight and home elevators. He then sold his shares in PMSB to Choo Chee Siang in January 2024.

7.1.2 Accreditations, awards and recognition

Since the commencement of our business and up to LPD, we obtained the following key awards and recognitions:

Year	Key awards and recognitions	Awarding party
2024	4-star rating under the SME Competitiveness Rating for Enhancement assessment (SCORE) ⁽¹⁾	SME Corporation Malaysia
2017	SME Product Excellence Award	SME Association of Malaysia
2017	Long-term Partner Recognition	Southern Lion
2015	Product and Service Excellence Award	Sin Chew
2014	SME Service Excellence Award	SME Association of Malaysia

Note:

- (1) SCORE is a diagnostic tool that assigns star rating to indicate the performance level of micro, small, and medium enterprises based on financial strength, business performance, human resources, technology acquisition and adoption, certification, and market presence. The star rating ranges from 1 to 5, with a higher number of stars indicating better performance and competitiveness.

As at the LPD, we have been accredited with the following certifications and management systems:

Accreditation	Scope	Issuing party	Validity period
Hoisting Machine Manufacturer	Manufacture of overhead travelling crane, goods hoist, gantry crane and scissor lift/ table lifter	DOSH, Ministry of Human Resources	28 April 2023 to 27 April 2026
CIDB registered contractor	Building, civil engineering, mechanical and electrical engineering G5 category	CIDB	7 September 2020 to 16 October 2025 ⁽¹⁾

Note:

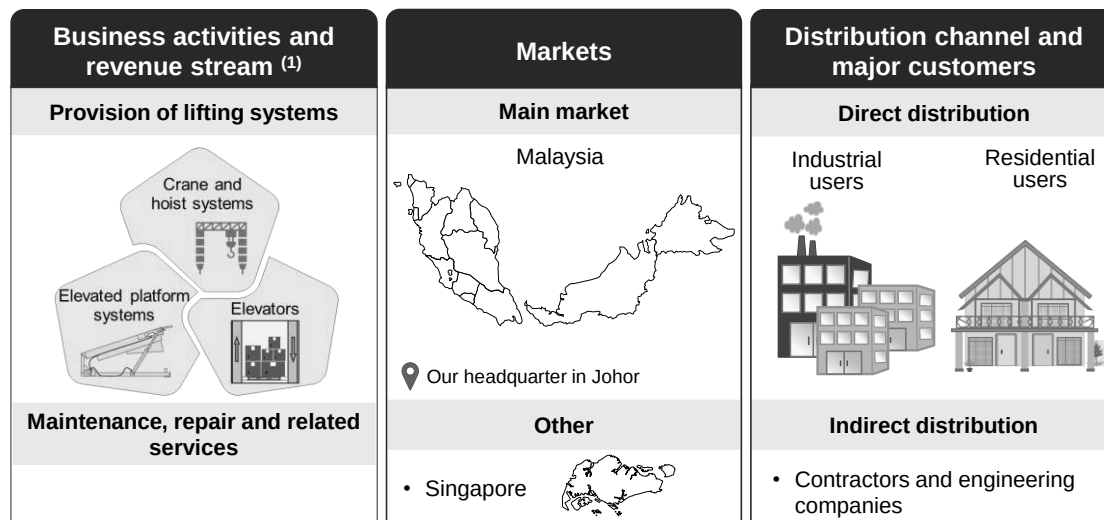
- (1) Subsequent to the LPD, the CIDB licence has been renewed, and the renewed licence is valid from 18 September 2025 to 15 October 2028.

7. BUSINESS OVERVIEW (Cont'd)

7.2 OVERVIEW OF OUR BUSINESS

7.2.1 Our business model

Our business model is as follows:



Note:

- (1) Revenue contribution from the provision of the lifting systems segment accounted for 76.48%, 74.22%, 80.67%, 80.08% and 82.76% of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. The maintenance, repair and related services segment accounted for 23.52%, 25.78%, 19.33%, 19.92% and 17.24% of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

7.2.2 Business activities and revenue streams

We are specialists in lifting systems, providing comprehensive services that include engineering design, fabrication, assembly, installation, and commissioning. We customise our systems to meet specific operational requirements and safety standards.

Our range of lifting systems is broadly categorised as follows:

- **crane and hoist systems** including overhead, gantry, underhung and jib cranes as well as monorail hoist system;
- **elevated platform systems** including dock leveller, table lifters, tilting platform, docking accessories; and
- **elevators** comprising freight and home elevators.

All our lifting systems are marketed and sold under our brand "Powertechnic". The fabrication and assembly of our crane and hoist systems (including overhead, gantry, underhung and jib cranes as well as monorail hoist system), elevated platform systems (dock levellers and table lifters) and elevators (including freight elevators) are conducted at our workshop before being delivered to the designated site for final on-site assembly. As for tilting platforms and home elevators, we source the systems in finished product form from third-party suppliers for installation at the customer's site.

7. BUSINESS OVERVIEW (Cont'd)

The activities under our provision of lifting systems, including engineering design, fabrication, assembly, installation, and commissioning, are carried out by our in-house personnel and third-party subcontractor under our supervision as below:

Main activities under the provision of lifting systems	Parties involved	
	In-house personnel	Third-party subcontractor
Engineering design	√	-
Fabrication and assembly	√	√
Installation	√	√
Commissioning	√	√

We also provide maintenance, repair and related services, including routine inspections and preventive maintenance to optimise performance and extend system operational life as well as repair services to restore system functionality. The maintenance and repair services are carried out by both our in-house personnel and third-party subcontractor under our supervision. In addition, we provide other related services including lifting systems licence renewal services and freight elevators upgrade services based on customers' requests. Lifting systems including the crane and hoist systems, table lifters, and freight elevators are required to maintain valid certificates of fitness (CF) from DOSH. As such, we also provide licence renewal service on behalf of our customers based on their request. We provide maintenance and repair services for lifting systems, covering both our own products and third-party brands. However, for home elevators, our maintenance and repair services are available only for our products.

For the Periods Under Review and up to the LPD, our lifting systems are primarily designed for indoor operations, including:

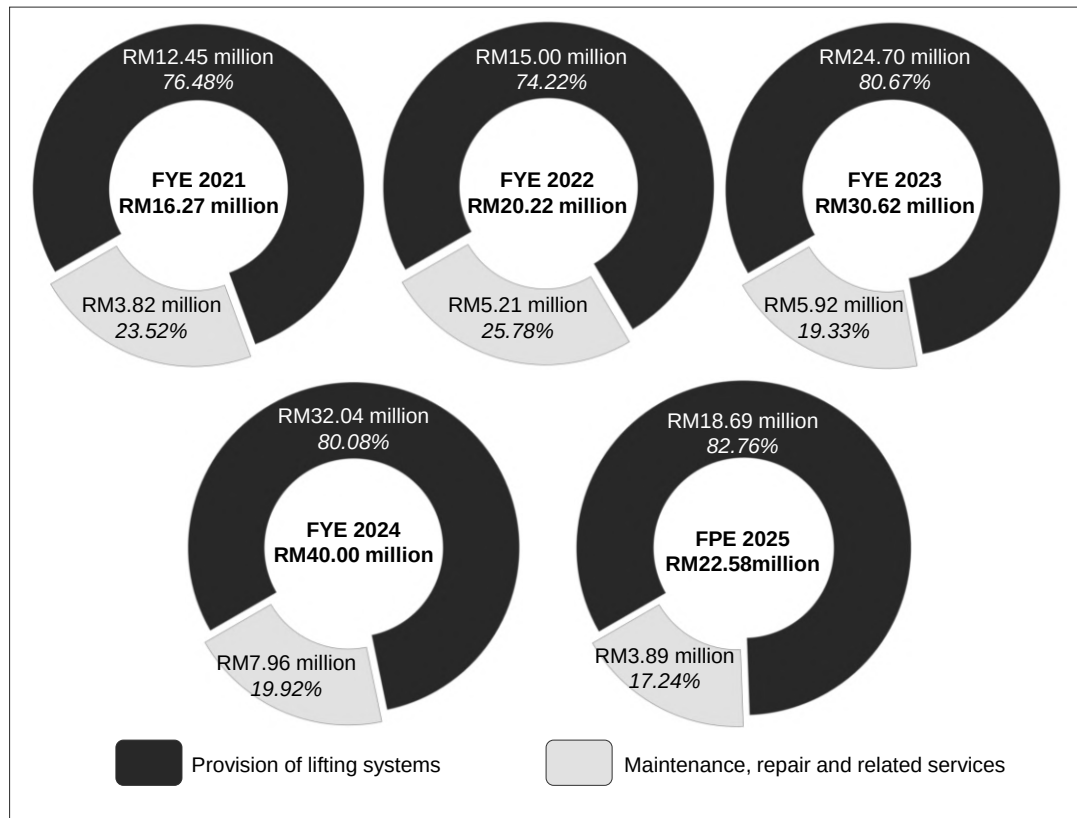
- industrial facilities such as factories and warehouses;
- commercial buildings including shop units; and
- residential buildings such as detached and semi-detached houses.

With our in-house engineering capabilities, we can deliver customised designs for both indoor and outdoor operations, tailored to specific requirements, such as operating in confined spaces, handling unusual load shapes, or functioning in extreme conditions like high temperatures in smelting plants. Our engineering design capabilities are supported by a team of technical personnel comprising 6 mechanical engineers, 4 electrical technical staff and 1 safety design engineer as at LPD, led by our Executive Director, Choo Chee Yong.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)

For the Periods Under Review, our revenue by business activities is depicted below:



	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
Revenue	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of lifting systems	12,446	76.48	15,004	74.22	24,701	80.67	32,037	80.08	18,685	82.76
Crane and hoist systems	7,921	48.67	8,331	41.21	11,115	36.30	11,118	27.79	8,427	37.32
Elevated platform systems	1,687	10.37	3,225	15.95	8,699	28.41	11,200	28.00	5,151	22.82
Elevators	2,838	17.44	3,448	17.06	4,887	15.96	9,719	24.29	5,107	22.62
Maintenance, repair and related services	3,827	23.52	5,211	25.78	5,918	19.33	7,969	19.92	3,893	17.24
Maintenance and repair	3,525	21.66	4,854	24.01	5,571	18.19	7,471	18.68	3,438	15.23
Related services	302	1.86	357	1.77	347	1.14	498	1.24	455	2.01
Total revenue	16,273	100.00	20,215	100.00	30,619	100.00	40,006	100.00	22,578	100.00

7.2.3 Geographical markets

We principally operate in Malaysia where our headquarter is located in Johor. For the Periods Under Review, revenue contribution from the domestic market accounted for 99.74%, 98.76%, 92.84%, 95.83% and 98.75% of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. The remaining was export sales to Singapore which accounted for 0.26%, 1.24%, 7.16%, 4.17% and 1.25% of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

7. BUSINESS OVERVIEW (Cont'd)

Revenue contribution by market served (based on invoice address) for the Periods Under Review are as follows:

Revenue	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	16,231	99.74	19,964	98.76	28,426	92.84	38,339	95.83	22,296	98.75
Southern region	15,061	92.56	17,747	87.79	19,682	64.28	27,969	69.91	17,583	77.88
Central region	912	5.60	2,145	10.62	8,303	27.12	8,486	21.21	4,332	19.19
Northern region	90	0.55	5	0.02	441	1.44	1,755	4.39	345	1.53
East Coast	-	-	-	-	-	-	87	0.22	5	0.02
East Malaysia	168	1.03	67	0.33	-	-	42	0.10	31	0.13
Singapore	42	0.26	251	1.24	2,193	7.16	1,667	4.17	282	1.25
Total revenue	16,273	100.00	20,215	100.00	30,619	100.00	40,006	100.00	22,578	100.00

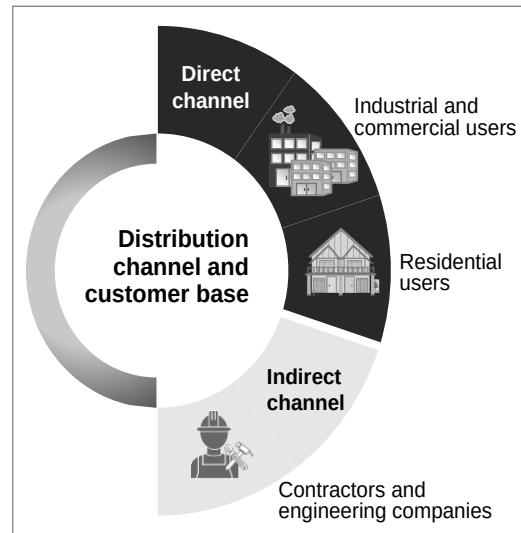
-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)

7.2.4 Distribution channels and customer base

We primarily adopt a direct distribution channel strategy where we market and sell our products and services directly to customers who are the users of our products including the following:

- industrial and commercial users comprising manufacturing, trading and retail companies who purchase our products for their use. Our lifting systems are installed in their premises including factories, warehouses as well as shop units.
- residential users for our home elevators used in residential buildings such as detached and semi-detached houses.



Our direct distribution channel strategy offers us several advantages including:

- better control over our marketing, sales and pricing processes;
- improved communication and understanding of customers' operational environments and technical requirements;
- reduced risks of conflicts or misunderstanding with intermediaries;
- faster response time to changes in requirements, along with greater ease of customising our products;
- increased awareness of our market presence; and
- ability to build brand loyalty and trust with our customers to serve as the platform for repeat business and positive word-of-mouth in the marketplace.

We also adopt an indirect distribution channel to secure orders through intermediaries including contractors and engineering companies. For the Periods Under Review, we have 15, 28, 42, 64 and 49 customers who are intermediaries in FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. This indirect distribution channel strategy offers us several advantages including:

- wider market reach leveraging intermediaries' network of customers domestically and in foreign countries; and
- reduced sales and marketing costs where intermediaries have direct contact with end-user customers.

For the Periods Under Review, our orders secured through intermediaries are for crane and hoist systems (including overhead, underhung and jib cranes as well as monorail hoist systems) and elevated platforms (including dock leveller and table lifter). Orders secured through intermediaries are based on ad-hoc basis where they will place orders through purchase orders, work orders, acceptance of quotations, and letters of award as and when required. We do not have any master supply agreements with customers who are intermediaries and do not incur any commission expenses for them.

7. BUSINESS OVERVIEW (Cont'd)

The distribution of our lifting systems is conducted by our in-house sales and marketing team. We do not engage third-party distributors or agents for the distribution of our lifting systems.

Revenue contribution by distribution channels and types of customers for the Periods Under Review are as follows:

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct distribution	14,666	90.12	18,240	90.23	21,024	68.66	30,854	77.12	14,136	62.61
End users										
- Industrial and commercial users ⁽¹⁾	13,915	85.51	17,111	84.65	19,532	63.79	26,950	67.36	12,398	54.91
- Residential users	751	4.61	1,129	5.58	1,492	4.87	3,904	9.76	1,738	7.70
Indirect distribution	1,607	9.88	1,975	9.77	9,595	31.34	9,152	22.88	8,442	37.39
Contractors and engineering companies ⁽²⁾	1,607	9.88	1,975	9.77	9,595	31.34	9,152	22.88	8,442	37.39
Total revenue	16,273	100.00	20,215	100.00	30,619	100.00	40,006	100.00	22,578	100.00

Notes:

- (1) Comprising industrial users such as manufacturing and trading companies where our systems are installed in their premises such as factories and warehouses well as commercial users such as shop units.
- (2) Comprising building, mechanical and engineering contractors. For FPE 2025, it also includes a small proportion from reseller.

For the Periods Under Review, our revenue was mainly from direct distribution channel, where it accounted for 90.12% (RM14.67 million), 90.23% (RM18.24 million), 68.66% (RM21.02 million), 77.12% (RM30.85 million) and 62.61% (RM14.14 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025, respectively. Meanwhile, our revenue from the indirect distribution channel has been on an increasing trend, where it grew from 9.88% (RM1.61 million) in FYE 2021 to 22.88% (RM9.15 million) in FYE 2024. The increase in revenue from the indirect distribution channel is attributed to repeat orders from our customers who are contractors and engineering companies such as AME Construction Sdn Bhd, Pembinaan Eastern Aluminium Sdn Bhd and PEA Construction Sdn Bhd. For the FPE 2025, indirect distribution channel contributed 37.39% (RM8.44 million) to our Group's revenue.

7.2.5 Mode of operations

7.2.5.1 Provision of lifting systems

Our mode of operation for our provision of lifting systems is based on purchase orders, work orders, acceptance of quotations and letters of award issued by customers. We normally invoice our customers upon the customer issuing us a purchase order prior to commencing work. The second invoice will be issued upon handover of the lifting system. We normally provide credit terms ranging from 30 days up to 90 days.

Depending on the terms agreed with the customers, our commitments typically included in fixed lump sum agreements encompass one or more of the following:

- defect liability period, typically ranging between 12 and 24 months.

7. BUSINESS OVERVIEW (Cont'd)

- retention sum, typically based on the requests of customer, mainly from building construction contractors, commonly 5% of the project value. Depending on the terms agreed in the purchase orders, the retention sum will be released upon the expiration of the defect liability period.
- liquidated ascertained damages, typically based on the request of the customer, mainly from building construction contractors, usually based on an agreed daily rate for each day of the delay, and up to a maximum value ranging between 10% and 30% of the contract value depending on the contract.
- warranty, which varies depending on the types of lifting system as follows:

Product categories	Typical warranty period	Comments
Crane and hoist systems	1 year	Free workmanship and inspection
Elevated platform systems	1 year for the hydraulic system and 10 years for the platform structure	Free workmanship and inspection
Elevators	3 to 6 years	Free workmanship and inspection

Depending on the order secured, our provision of lifting systems may include maintenance services for periods ranging from 1 to 6 years, with the associated costs incorporated into the overall costs for the provision of the lifting system. For the provision of lifting systems without the inclusion of maintenance services, our customers have the option to engage us for contractual maintenance services both during and after the warranty period. Under the contractual maintenance services period, we will conduct routine inspections such as safety checks, component testing and calibration, as well as lubrication and cleaning to optimise performance and extend system operational life as well as repair services to restore system functionality. If any system or component is found faulty during the warranty period, we will rectify or replace it at our cost. However, if the fault occurs after the warranty period, the customer will be responsible for the rectification or replacement costs.

We do not have any back-to-back agreements with our suppliers for the warranty claims. However, our suppliers will rectify defects found in the equipment and components on a goodwill basis.

During the Periods Under Review and up to the LPD, we have not encountered any significant incidents or claims relating to defect liability, retention sums, liquidated ascertained damages, or warranties.

7. BUSINESS OVERVIEW (Cont'd)

7.2.5.2 Maintenance, repair and related services segment

Our mode of operations for our maintenance, repair and related services segment mainly covers the following:

- (i) **Contractual maintenance services** where we conduct routine inspection services on the lifting system for a period as outlined in the purchase order or contract. Generally, these inspections are conducted between 1 to 4 times per year, depending on the type and condition of the lifting system. The contract duration for the maintenance services is typically 1 year.

The maintenance fees are collected upfront upon the commencement of the maintenance services contract.

- (ii) **Ad-hoc maintenance and repair** services are based on customers' requests as and when required. The service fees are collected upon completion of the requested services, with credit terms ranging from 30 days up to 90 days.

The maintenance and repair services are carried out by our in-house personnel and a third-party subcontractor under our supervision.

Other related services including supply parts and lifting systems licence renewal services are based on customers' request as and when required. We supply the mechanical and electrical parts of lifting system such as wire ropes and limit switches to support the continued functionality, reliability and safety of the lifting system. The sales from other related services are based on purchase orders, with credit terms ranging from 30 days up to 90 days.

7.3 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our competitive advantages and key strengths will provide us with the platform to sustain and grow our business. These are as follows:

7.3.1 We have an established track record of approximately 23 years in the industry, which serves as a platform for securing new projects and driving business growth

We have 23 years of experience operating in the lifting system sector since the commencement of business in 2002. For the Periods Under Review, our revenue was contributed from the sales of 1,879 lifting systems as set out below:

	FYE 2021 <i>Units</i>	FYE 2022 <i>Units</i>	FYE 2023 <i>Units</i>	FYE 2024 <i>Units</i>	FPE 2025 <i>Units</i>
Crane and hoist systems	43	37	61	87	58
Elevated platform systems	129	148	362	450	224
Elevators	34	43	61	92	50

Our experience and established track record, supported by the number of lifting systems we have provided, give potential customers confidence that we can meet their lifting system needs and operate effectively within their environments. This will support our drive to grow our business.

7. BUSINESS OVERVIEW (Cont'd)

7.3.2 We offer an integrated and comprehensive solution that spans from engineering design to commissioning including product quality assurance for our lifting systems

We provide end-to-end solutions for lifting systems, covering everything from conceptualisation and engineering design to fabrication, assembly, installation, and commissioning. Our integrated approach allows us to ensure product quality, as we maintain full control over the entire design and production chain, including the procurement of materials, parts, and equipment.

Our lifting systems are also in compliance with industry standards, namely the British Standards which outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation of the lifting systems. Our product compliance with these industry standards assures our product quality to ensure the safe operation of our lifting systems.

Based on the OSHA 1994, our lifting systems (being crane and hoist systems, table lifters and freight elevators) are required to comply with one of the recognised standards as set out in the Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024 such as British Standards, the International Organisation for Standardisation (ISO) and Malaysian Standards*. Our crane and hoist systems, table lifters and freight elevators comply with the British Standards, which are further duly endorsed by DOSH.

Note:

* *the Malaysian Standards are verified by Standard and Industrial Research Institute of Malaysia (SIRIM), being a certification body.*

There are several codes under such British Standards which set out different requirements and characteristics depending on the specifications of the lifting systems as summarised below:

Types of lifting system	Types of products	Standards adopted by our Group
Crane and hoist systems	Overhead cranes, gantry cranes, underhung cranes and monorail hoist systems	British Standards (BS 2573-1 and BS 466) These standards outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation of overhead cranes, gantry cranes, underhung cranes and monorail hoist systems. Please refer to Sections 7.4.1.3(i), 7.4.1.3(ii), 7.4.1.3(iii) and 7.4.1.3(v) of this Prospectus for further details on overhead cranes, gantry cranes, underhung cranes and monorail hoist systems.
	Jib cranes	British Standards (BS 7333 and BS 4360) These standards outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation of jib cranes. Please refer to Section 7.4.1.3(iv) of this Prospectus for further details on this product.
Elevated platform systems	Table lifters	British Standard EN 1570 This standard specifies the safety requirements for the design, construction, installation, maintenance, and testing of table lifters, as well as for their safety components. Please refer to Section 7.4.1.4(ii) of this Prospectus for further details on table lifters.

7. BUSINESS OVERVIEW (Cont'd)

Types of lifting system	Types of products	Standards adopted by our Group
Elevator	Freight elevators	British Standards (BS 2573-1 and BS 449) These standards outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation of the freight elevator. Please refer to Section 7.4.1.5(i) of this Prospectus for further details on freight elevators.

Our integrated and comprehensive lifting system solutions enable us to market and sell our products and services directly to end users including industrial and commercial users as well as residential users, without requiring intermediaries. This approach helps reduce administrative burdens by eliminating the need to coordinate with multiple parties and minimising paperwork. It also helps reduce installation costs for our customers as we manage the installation works directly, allowing better control over lead time and the associated costs.

In addition, we are also able to market and sell our products through indirect distribution channels where we secure orders through intermediaries, including contractors and engineering companies. This approach enables us to leverage on the existing network of intermediaries to reach a wider market without expanding our in-house sales and marketing personnel.

As such, our strengths in providing integrated and comprehensive solutions for lifting systems will serve as a strong foundation for winning new contracts and driving our business growth.

7.3.3 Our diverse range of lifting systems supports and drives our business growth

For the Periods Under Review, we provide a diverse range of lifting systems with various maximum safe working loads as follows:

(i) Crane and hoist systems including the following:

- Overhead cranes : 20 tonnes;
- Gantry cranes : 5 tonnes;
- Underhung cranes : 3 tonnes;
- Jib cranes : 2 tonnes; and
- Monorail hoist system : 5 tonnes;

(ii) Elevated platform systems including the following:

- Dock leveller : 22.6 tonnes;
- Table lifter : 10 tonnes; and
- Tilting platform : 50 tonnes

(iii) Elevators including the following:

- Freight elevators : 2 tonnes; and
- Home elevators : 450 kg.

Our diverse range of lifting systems will provide us with a large addressable market which will help sustain and drive our business.

7. BUSINESS OVERVIEW (Cont'd)**7.3.4 We serve the industrial, commercial, and residential markets, providing us with business diversity and growth opportunities**

For the Periods Under Review and up to the LPD, our lifting systems are primarily for indoor operating environments covering the following end-user sectors:

- industrial facilities such as factories, warehouses and workshops;
- commercial buildings such as shop units; and
- residential buildings such as detached, semi-detached, and terrace houses.

For the Periods Under Review, revenue contributions by user industries are as follows:

Revenue	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Industrial and commercial	15,522	95.38	19,086	94.42	29,127	95.13	36,102	90.24	20,840	92.30
Residential	751	4.62	1,129	5.58	1,492	4.87	3,904	9.76	1,738	7.70
Total	16,273	100.00	20,215	100.00	30,619	100.00	40,006	100.00	22,578	100.00

Our capabilities and experience in meeting lifting system needs across three key end-user sectors provide ample opportunities for business growth and diversity, helping us mitigate disruptions or slowdowns in any single sector.

7.3.5 We use a combination of direct and indirect distribution channels to optimise our market coverage to address business opportunities

For the Periods Under Review, our revenue contribution is segmented by direct and indirect distribution channels as follows:

Distribution channel	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct	14,666	90.12	18,240	90.23	21,024	68.66	30,854	77.12	14,136	62.61
Indirect	1,607	9.88	1,975	9.77	9,595	31.34	9,152	22.88	8,442	37.39
Total	16,273	100.00	20,215	100.00	30,619	100.00	40,006	100.00	22,578	100.00

We primarily adopt a direct distribution channel strategy where we market and sell our products and services directly to customers who are the users of our products including industrial, commercial and residential end-users. Our direct distribution channel strategy offers us several advantages including better control over our marketing, sales and pricing processes; improved communication and understanding of customers' operational environments and technical requirements; reduced risks of conflicts or misunderstanding with intermediaries; faster response time to changes in requirements; increased awareness of our market presence; and ability to build brand loyalty and trust with our customers to serve as the platform for repeat business and positive word-of-mouth in the marketplace.

Our use of both direct and indirect distribution channels aims to maximise revenue by optimising our market reach. This approach allows us to balance our sales and marketing efforts in areas where we have a physical presence, such as Johor while providing market coverage in regions with limited or no representation in other states of Malaysia and foreign countries.

7. BUSINESS OVERVIEW (Cont'd)

7.3.6 With our in-house engineering design capabilities, we can customise our crane and hoist systems to meet a wide range of customer needs and specifications, enabling sustained growth

We have in-house engineering design capabilities that allow us to offer customers a range of customised options to best meet their needs. Our engineering process includes conceptualising various system options, followed by providing detailed engineering design and specifications for the chosen lifting system concept.

With in-house engineering capabilities, we can also deliver customised crane and hoist systems tailored to specific requirements, such as operating in confined spaces, handling unusual load shapes, or working in extreme conditions like high temperatures in smelting plants. We also have experience in designing, installing and commissioning explosion-proof lifting system, namely a monorail crane system in 2009. This experience provides us with an added strength if we choose to develop our business in explosion-proof lifting systems, particularly for the oil and gas, petrochemical as well as chemical industries that operates in hazardous environments.

As such, our in-house engineering design capabilities are one of our strengths to sustain and grow our business.

Our engineering design capabilities are supported by a team of technical personnel comprising 6 mechanical engineers, 4 electrical technical staff and 1 safety design engineer as at LPD, led by our Executive Director, Choo Chee Yong.

7.3.7 Our experienced Directors and key senior management team are dedicated to sustaining and further developing our business

We have experienced Directors and key senior management team to grow and operate our business. Our Group is headed by our Managing Director, Ivan Na Keh Chai and our Executive Director, Choo Chee Yong where each of them has more than 26 years of experience in the industry. Ivan Na Keh Chai and Choo Chee Yong are instrumental in leading our Group's growth and future business development.

Our Directors are supported by our key senior management team comprising the following:

- Chin Yanjiang, our Group Accountant who brings with him approximately 8 years of experience in accounting and finance-related matters;
- Clessense Kho Mei Chee, our Head of Sales and Marketing who brings with her approximately 7 years of experience in the lifting and handling equipment industry;
- Soo Sheau Wen, our Head of Human Resources and Administration who brings with her approximately 4 years of experience in administrative and human resource related matters.

We believe our experienced management team will help to sustain our business. Please refer to Sections 5.1.2 and 5.4.2 of this Prospectus for the profiles of our Directors and Key Senior Management.

7. BUSINESS OVERVIEW (Cont'd)

7.4 PRINCIPAL BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

7.4.1 Provision of Lifting systems

7.4.1.1 Overview

We are specialists in lifting systems involved in their engineering design, fabrication, assembly, installation, and commissioning. The provision of lifting systems segment is our major revenue contributor which accounted for 76.48% (RM12.45 million), 74.22% (RM15.00 million), 80.67% (RM24.70 million), 80.08% (RM32.04 million) and 82.76% (RM18.69 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Lifting systems are equipment with mechanisms designed to raise, hold, lower, and move loads from one point to another. We have a range of lifting systems suitable for the handling of various loads for goods and passengers. All our lifting systems are marketed and sold under our brand "Powertechnic".

Our lifting systems comprise the following:

- (i) **Crane and hoist systems** are designed for industrial applications and are characterised by their ability to lift, lower, and move goods in three-dimensions: vertically (up and down), horizontally (forward and backward) and laterally (left and right). Cranes are typically used for horizontal and lateral movements, while hoists are used for vertical movements. Our range of crane and hoist systems includes the following:
 - Overhead cranes;
 - Gantry cranes;
 - Underhung cranes;
 - Jib cranes; and
 - Monorail hoist.
- (ii) **Elevated platform systems** are designed for industrial applications and are characterised by their ability to raise, tilt, hold, and lower a platform. These platforms are used to elevate goods vertically or to create a sloped surface that connects two different height levels. We use hydraulic pressure for our elevated platform systems. Our range of elevated platform systems includes the following:
 - Dock leveller;
 - Table lifter; and
 - Tilting platform
- (iii) **Elevators** are lifting systems designed to transport passengers or goods vertically between floors in industrial, commercial, and residential buildings. It raises loads from the ground level to the required floor height and can be installed within a shaft or open framework. Our range of elevators includes the below:
 - Freight elevators; and
 - Home elevators. Our home elevators are designed specifically for residential use in detached and semi-detached houses. Unlike passenger lifts in commercial buildings, they do not require a CF from DOSH.

7. BUSINESS OVERVIEW (Cont'd)

7.4.1.2 Engineering design

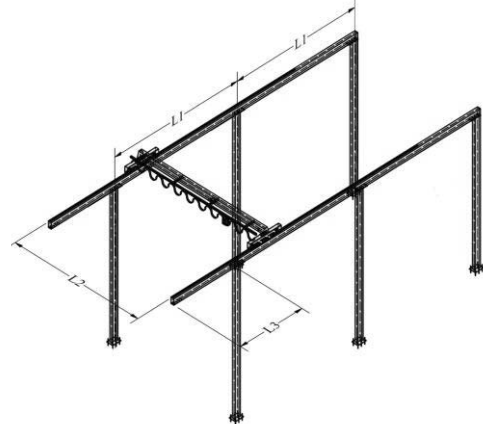
Our capabilities include the front-end engineering design which includes system conceptualisation, and detailed engineering design and specifications.

(i) System conceptualisation

System conceptualisation involves creating initial design drawings for the entire lifting system while considering customer requirements such as the space to be serviced, types and weight of load, and speed of vertical, horizontal and lateral movements.

Based on these requirements, our technical team will propose suitable types of lifting systems, and design and specifications tailored to the intended application. During this phase, we develop multiple preliminary designs, providing options for our customers to choose the most appropriate design for further detailed engineering development.

Conceptual design of our overhead crane

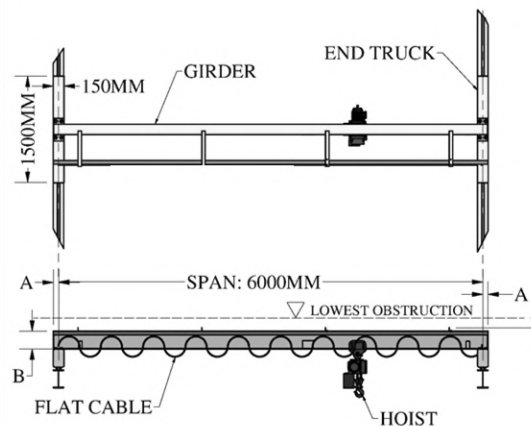


(ii) Detailed engineering design and specification

Detailed engineering design involves various calculations to ensure the efficient, effective and safe operation of the lifting system. Among others, the key consideration includes the **maximum weight** of the load to be lifted and transported, as well as in combination with the weight of all the relevant equipment and supporting structures. Depending on the span,

these calculations will determine the system design, and material selection and specification of the supporting structure for dead and moving weight of the relevant subsystem. The maximum weight of the load would determine the safe working load of the hoist affecting equipment specification, and design and specification of the hoist trolley subsystem. Other considerations also include space constraints, operating environment, and costs.

Detailed engineering design of our overhead crane



7. BUSINESS OVERVIEW (Cont'd)

Throughout the engineering design and specification stage, we will seek feedback from our customers and obtain their approval for the finalised design. Once finalised and accepted by our customers, we will submit it to DOSH to obtain the necessary approvals, ensuring compliance with relevant regulations and standards. Our lifting systems that require DOSH's approval include crane and hoist systems, table lifters and freight elevators. Lifting systems that do not require DOSH approvals include tilting platforms, dock levellers and home elevators.

As at the LPD, we have 7 in-house engineering and technical personnel involved in the system conceptualisation (including creating initial design drawings) as well as detailed engineering design and specification of our lifting systems. We primarily utilise computer-aided design (CAD) software to create 3D design drawings for our lifting systems.

7.4.1.3 Crane and hoist systems

Our crane and hoist systems are industrial equipment designed to raise, hold, lower, and move loads. They comprise two main components, namely a crane structure and a hoist system. The hoist system is a lifting mechanism that raises, holds, and lowers loads. The crane structure includes the runway, bridge, and columns to support the hoist system and to facilitate horizontal and lateral movements of the hoist system along a designated runway.

During the Periods Under Review, our crane and hoist systems have been employed in various industrial applications, including manufacturing and fabrication plants, warehouses, and workshops, to handle a wide range of goods.

All our crane and hoist systems are based on customised designs to cater to the specific requirements of the customer. Some of the key parameters taken into consideration during the engineering design of our crane and hoist systems include the following:

- **Runway interval** refers to the maximum horizontal distance between the two supporting columns of the runway. The total length of the runway may consist of several continuous spans. This span, along with the height and thickness of the metal plates used for the runway, is essential for determining the crane's safe working load. Additionally, the total runway length affects the manoeuvrability of the hoist within the available space.
- **Bridge span** refers to the maximum horizontal distance between the vertical support structures of a crane. In overhead cranes, this is the distance between the two parallel runways, while in gantry cranes, it refers to the distance between the support for two ends of the bridge. This measurement is essential for determining the crane's operating area and safe working load.
- **Safe working load** refers to the maximum load the crane and hoist system is designed to lift.
- **Lifting height** refers to the maximum vertical distance the hoist can lift.
- **Hoisting speed** refers to the speed at which the hoist can lift and lower loads.

7. BUSINESS OVERVIEW (Cont'd)

- **Trolley speed** refers to the speed at which the trolley moves the hoist horizontally along the bridge.
- **Bridge speed** refers to the speed at which the bridge moves horizontally.

In addition, the final configuration and specification of the crane and hoist system takes into consideration the operating conditions such as enclosed (with roof and full height walls), covered (roof with or without partial walls) or outdoor environment, and space availability of the operating site. Some of the considerations include the clear height of the ceiling, maximum floor load bearing weight, and type of goods to be handled.

A crane and hoist system consists of multiple components, parts and equipment. We purchase materials such as steel plates and components such as I-beams from third parties which are used in our fabrication involving cutting, bending, welding and finishing. Equipment and subsystems such as the hoist, control system, electrical, hydraulic, bridge drive and trolley drive are sourced from third parties. Additionally, accessories such as safety features, hooks, slings, attachments and pulleys are also sourced from third-party suppliers.

The fabricated metal parts, equipment, accessories, and other components of the crane and hoist system will be prepared at our workshop for assembly. Once ready, they will be delivered to the designated site for final on-site assembly.

Our range of crane and hoist systems is as below:

(i) Overhead cranes

Overhead cranes, also known as bridge cranes, are crane systems that operate on a runway system. It typically requires installation of extra columns to support the runway. Our overhead cranes are designed with either a single-girder or double-girder bridge configuration, depending on the load requirements. A single-girder overhead crane is typically used for lighter loads and smaller bridge spans. In contrast, a double-girder overhead crane is typically used for heavier loads and longer bridge spans.

Single girder overhead crane



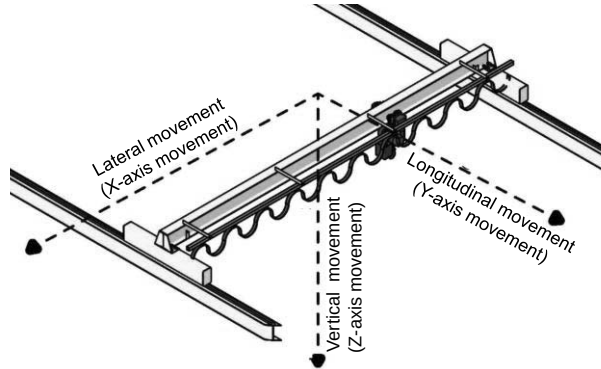
Double girder overhead crane



7. BUSINESS OVERVIEW (Cont'd)

Overhead cranes are designed to perform 3 directional movements as below:

3 directional movements of a single-girder overhead crane

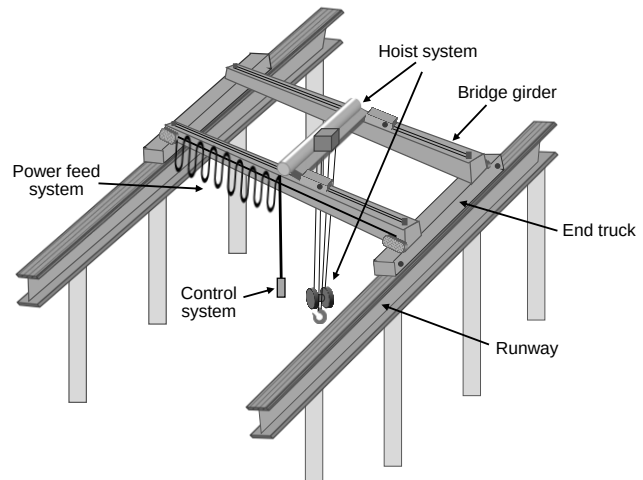


- (a) **Longitudinal movement (Y-axis movement)** refers to the movement of the entire crane along the length of the runway. The bridge moves back and forth on the runway, which is typically installed along the length of the facility or operating area. This movement enables extensive coverage for material handling across the workspace.
- (b) **Lateral movement (X-axis movement)** refers to the movement of the trolley, which carries the hoist, along the girder. This movement is perpendicular to the runway, allowing the trolley to traverse across the width of the crane's operating area.
- (c) **Vertical movement (Z-axis movement)** refers to the up-and-down movement of the load. This movement is facilitated by the hoist system, enabling the crane to lift and lower loads effectively.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)

The key functional components of our overhead cranes are as below:



- **Bridge**, is mainly made of steel structure with a box-shaped cross-section, known as a box girder. Depending on the safe working load and design requirements, a single or double girder bridge system can be employed. The bridge girder supports the lifting mechanism (hoist system) and is supported at both ends by end trucks. These end trucks house the drive mechanism and wheels, allowing the bridge to move along the runway.

The main structure of the bridge girder is made up of welded steel plates. We fabricate the box girder and the end trucks, and we also coat and integrate these components into a fully functional bridge.

- **Runway**, which consists of two parallel I-beams, with rails mounted on top of the I-beams, serving as the track system for the bridge. The runway is usually installed along the length of the facility, allowing the bridge to move back and forth across the operational area.

We fabricate the crane runway using welded I-beams and rail tracks sourced from third-party suppliers. The fabrication processes involve cutting, welding of the runway sections, coating, and integration to create a fully functional runway.

- **Support columns**, which is commonly required to support both runways. We use I-beams for our support columns. Commonly the existing floor load bearing weight is insufficient to support the crane system. As such, we will need to either reinforce the footing area or provide foundation for each of the column.

We fabricate the support columns using I-beams sourced from third-party suppliers.

7. BUSINESS OVERVIEW (Cont'd)

- **Hoist system** is the lifting mechanism of the crane. It moves along the bridge girder and is responsible for performing the load lifting operations. The hoist consists of several components, including a motor, coupling, brakes, gearing, and hook block. These components work together to raise, hold, and lower loads. The hoist system is mounted on a trolley, which allows it to travel laterally (perpendicular to the runway) along the bridge girder.

We source the hoist systems with metal trolley from third-party suppliers, while we fabricate the end trucks and integrate them onto our overhead cranes.

- **Power feed system** comprises components including a flat cable festoon, busbars, and a cable reeling drum. Together, these components distribute electricity to various parts of the crane, including the hoist, trolley, and bridge motors. A flat cable festoon is a system designed to support and guide flat and flexible electrical cables along cranes or moving equipment. It consists of a series of rollers that allow the cables to move freely as the crane operates, preventing tangling or damage. Busbars are conductive flat metal bars used for distributing electrical power along the travelling length of the crane. It provides a stable and efficient means of connecting various electrical components, ensuring reliable power supply to the hoist, trolley, and bridge motors. The cable reeling drum enables the organised extension and retraction of cables as the crane moves.

We source power feed systems from third-party suppliers while we would integrate them onto our overhead cranes.

- **Control system** to control the operation of the crane. Our overhead crane commonly operates using suspended, mobile, or wireless control systems.
 - The **suspended control system** features a handheld controller attached to the hoist system and moving in tandem with the movement of the hoist, allowing the operator on the ground to operate the system.
 - The **mobile control system** features a handheld controller attached to the mobile control line along the bridge and moving in tandem with the movement of the crane, allowing the operator on the ground to operate the system.
 - The **wireless control system** does not require a physical wired connection with the crane, allowing the operator to control it from any location within a certain range. It uses radio frequency technology to communicate with the crane's operations.

The wireless control system is especially beneficial in situations where the load is located in hazardous areas, blind spots, or when the crane is positioned at significant heights.

7. BUSINESS OVERVIEW (Cont'd)

We source our control systems from third-party suppliers for integration onto our overhead crane.

Our overhead cranes comply with the British Standards (BS 2573-1 and BS 466). These standards outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation of crane and hoists systems including overhead cranes.

For the Periods Under Review, our overhead cranes are designed with the specifications below:

Parameters	Specifications	Parameters	Specifications
Safe working load	1 tonne – 32 tonnes ⁽¹⁾	Hoisting speed	4/1 metre/minute
Lifting height	4m – 16m	Trolley speed	20/6 metre/minute
Runway interval	6m – 12m	Bridge speed	3...30 metre/minute
Bridge span	5m – 37m		

Note:

(1) For an overhead crane consists of 2 units of hoists with safe working load of 16 tonnes.

(ii) Gantry cranes

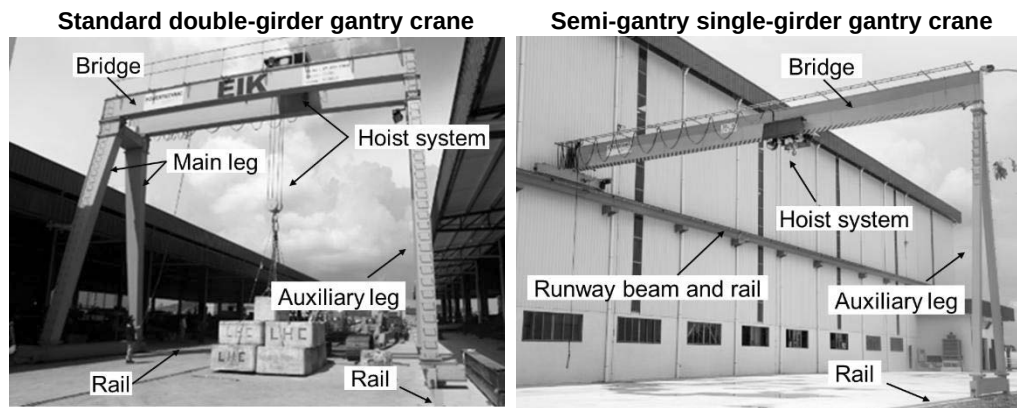
Gantry cranes are a type of crane system with a bridge supported at both ends. In a standard gantry crane, the bridge is held up by 2 legs at both ends, namely a main leg and an auxiliary leg. The legs are equipped with wheels, end trucks and motor to travel on rails which are typically installed on the ground level. These cranes are designed to lift and move heavy loads across designated areas, typically in outdoor environments or large indoor spaces.

Our standard gantry cranes can be designed and fabricated with either single-girder or double-girder bridge configuration depending on the bridge span and safe working load required by the customer. This flexibility allows us to meet a wide range of load requirements and adapt to available space.

We also design and fabricate semi-gantry cranes. In a semi-gantry crane, one end of the bridge is held up by an auxiliary leg, while the other end is supported by the overhead runway beam. Both ends of the semi-gantry crane are equipped with wheels, end trucks and motor to travel along the rails. This design enables semi-gantry cranes to operate in environments with limited ground-level access or where partial overhead support is available. Additionally, our semi-gantry cranes are available in both single-girder and double-girder bridge configurations to accommodate varying bridge spans and safe working load requirements.

Gantry cranes are designed for three directional movements. The crane's bridge, which supports the hoist system, moves along the ground, allowing for longitudinal movement across the work area. Lateral movement occurs as the trolley moves side to side along the bridge, while vertical movement is achieved through the hoist system, which raises and lowers the load.

7. BUSINESS OVERVIEW (Cont'd)



The key functional components of our gantry cranes are as below:

- **Bridge:** This refers to the single or double girders where their ends are supported by the gantry legs with end-trucks and crane runway. The bridge houses the hoist system to provide the lifting of goods. The main structure of the bridge is constructed from steel plates. We fabricate the bridge and end-trucks, and we also coat and integrate these components into a fully functional bridge.
- **Rail:** This refers to the path on which the gantry crane moves, mounted on the ground or on a runway beam above the ground. Typically, the customer is responsible for preparing the above-ground runway, where applicable, while we install the rail either on the ground and/or on the above-ground runway.
- **Gantry legs:** These vertical support structures move on wheels or along designated rails, providing stability and enabling the crane bridge to traverse the work area. The main structure of the gantry legs is constructed from steel plates or hollow sections. Depending on the crane size, we either fabricate the gantry legs using steel plates or use readily available steel hollow sections sourced from third-party suppliers.
- **Electrical and mechanical components:** These include the hoist, power feed, and control system, all of which are sourced from third-party suppliers. We then integrate these components into our gantry cranes to ensure seamless operation. Similarly to our overhead crane, we offer a choice of suspended, mobile, or wireless control systems.

Our gantry cranes comply with the British Standards (BS 2573-1 and BS 466). These standards outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation of crane and hoists systems including gantry cranes.

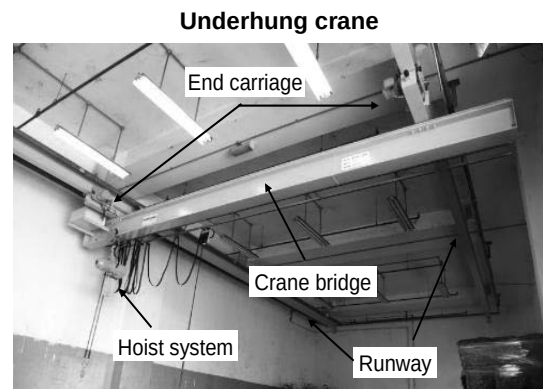
7. BUSINESS OVERVIEW (Cont'd)

For the Periods Under Review, our gantry cranes are designed with the following specifications:

Parameters	Specifications	Parameters	Specifications
Safe working load	1 tonne – 5 tonnes	Hoisting speed	4/1 metre/minute
Lifting height	3m –10m	Trolley speed	0 or 20/5 metre/minute
Runway span (for semi-gantry only)	6m –12m	Bridge speed	0 – 3...30 metre/minute
Bridge span	3m –20m		

(iii) Underhung cranes

An underhung crane is a type of crane where the hoist and trolley are mounted on a bridge, which is suspended from two end carriages at either end. The crane moves along the runway and is typically installed on existing reinforced concrete beams or I-beams in the building.



Unlike overhead cranes, underhung cranes do not require additional columns or extensive structural modifications, making them ideal for facilities with low ceiling heights and limited space. Our underhung cranes are designed in a single-girder configuration.

Our underhung cranes are designed to perform three directional movements, with their operating mechanisms and key functional components being similar to those of our overhead cranes.

We fabricate all key metal parts such as the runway and bridge for our underhung cranes using materials sourced from third-party suppliers. The electrical and mechanical equipment such as the hoist, power feed, and control system are sourced from third-party suppliers, while we handle the assembly and integration of these components into a fully functional underhung crane.

Our underhung cranes comply with the British Standards (BS 2573-1 and BS 466). These standards outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation of crane and hoists systems including underhung cranes.

7. BUSINESS OVERVIEW (Cont'd)

For the Periods Under Review, our underhung cranes are designed with the following specifications:

Parameters	Specifications	Parameters	Specifications
Safe working load	0.5 tonne – 3 tonnes	Hoisting speed	4/1 metre/minute
Lifting height	2m – 5m	Trolley speed	0 - 20/5 metre/minute
Runway interval	3m – 6m	Bridge speed	20/5 metre/minute
Bridge span	3.3m – 12m		

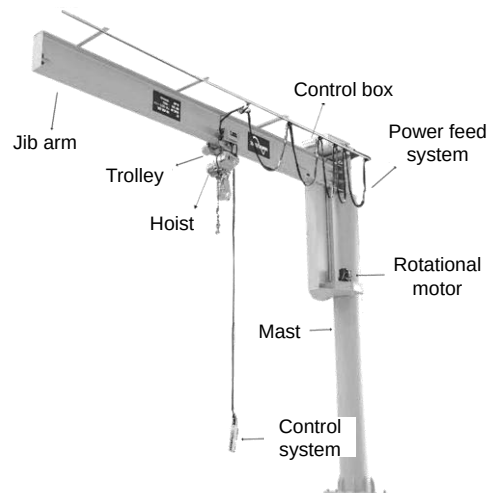
(iv) Jib cranes

A jib crane is characterised by its horizontal arm (also known as the jib arm), which extends from a vertical mast and is equipped with a lifting mechanism. This design enables the crane to lift, hold, and move loads within a defined radius around its mast.

Our jib cranes can be designed with a slewing radius of up to 360 degrees, depending on the requirements of our customers. Additionally, our jib cranes can be floor-mounted, with the mast anchored to the ground, or installed on any structure that has sufficient load-bearing capacity and adequate rotational space. The slewing of our jib arm can be operated either manually or motorised rotation.

The key functional components of our jib cranes are as below:

- **Jib arm**, is the horizontal arm of the crane which extends from the mast or support structure. It supports the hoist system and allows for the movement of loads within the crane's operational radius.



The main structure of the jib arm is constructed from I-beam. We fabricate the jib arm using I-beam sourced from third-party suppliers. The fabrication process involves cutting, welding, coating, and integration to create a fully functional jib arm.

- **Mast** refers to the vertical structure that supports the system. For a floor-mounted jib crane, the mast is anchored to the ground or a concrete base. As for a wall-mounted jib crane, the mast is attached to the column or support column of the building.

The main structure of the mast is generally constructed from steel pipes. We fabricate the mast using steel pipes sourced from third-party suppliers.

7. BUSINESS OVERVIEW (Cont'd)

- **Rotational motor** refers to the mechanism that drives the rotational movement or slewing of the jib arm. We purchase the rotational motors from third-party suppliers while we would integrate it onto our jib cranes.

Other key functional components of our jib cranes include the hoist, power feed, and control systems, all of which are purchased from third parties.

Our jib cranes comply with British Standards (BS 7333 and BS 4360). These standards outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation of jib cranes.

For the Periods Under Review, our jib cranes are designed with the following specifications:

Parameters	Specifications	Parameters	Specifications
Safe working load	0.1 tonne – 2 tonne	Hoisting speed	4/1 metre/minute
Lifting height	2m – 5m	Rotational angle	Up to 360
		Rotating speed	0.5 rpm – 1 rpm

(v) Monorail hoist

A monorail hoist is a crane system that primarily consists of a single beam, allowing a hoist system to run along its full length. This beam acts as the monorail and can be designed to enable the hoist to travel longer distances, including the capability to navigate bends. The monorail hoist is designed for lifting and moving materials along a specific route.

Monorail hoist



Our monorail hoist can be customised to fit the unique layout and workflow of a facility, incorporating both curved and straight sections based on customer requirements. Additionally, we can design the monorail hoist with a retractable feature, allowing the monorail beam to extend and retract as needed. This provides added flexibility in environments with limited space or where the monorail hoist is used intermittently.

Our monorail beam is made of I-beam. We source the I-beam from third-party suppliers, while we carry out the cutting, welding, coating, and integration to create a fully functional monorail beam. We source electrical and mechanical equipment such as hoist, power feed, and control system from third-party suppliers, while we handle the assembly and integration of these components into a fully functional monorail hoist.

7. BUSINESS OVERVIEW (Cont'd)

Our monorail hoist systems comply with British Standards (BS 2573-1 and BS 466). These standards outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation of crane and hoists systems including monorail hoist systems.

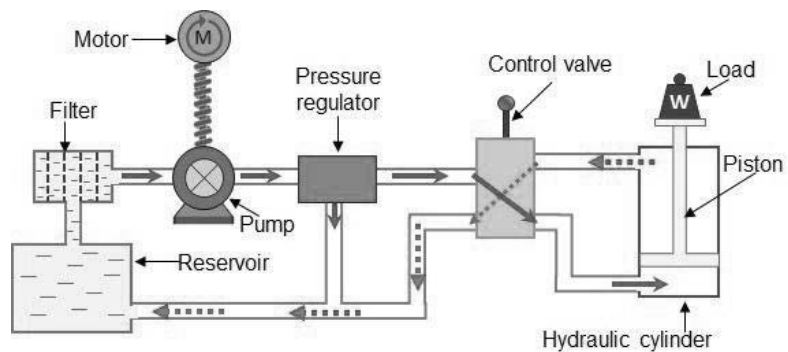
For the Periods Under Review, our monorail hoist are designed with the following specifications:

Parameters	Specifications	Parameters	Specifications
Safe working load	0.5 tonne – 5 tonnes	Hoisting speed	4/1 metre/minute
Lifting height	1m – 50m	Trolley speed	0 or 20/5 metre/minute

7.4.1.4 Elevated platform systems

Our elevated platform systems are designed for industrial use and can raise, tilt, hold, and lower a platform. We use hydraulic pressure for these systems, which are built to lift heavy loads. They consist of a hydraulic cylinder that converts hydraulic energy into mechanical force. When pressurised hydraulic fluid is introduced into the cylinder, it pushes on the piston, causing it to move upward and lift the load. To lower the load, a valve opens, allowing the hydraulic fluid to flow back into the reservoir, while the weight of the platform and load pushes the fluid back through the system.

The lifting mechanism of a hydraulic cylinder system is mainly supported by the components below:



- **Hydraulic pump:** It generates the pressure needed to push hydraulic fluid into the cylinder. It ensures steady flow of pressurised fluid to the hydraulic cylinder.
- **Hydraulic cylinder:** This cylinder contains a piston that moves when hydraulic fluid is introduced. The movement of the piston creates the lifting force required to raise heavy loads.
- **Control valve:** It regulates the flow and direction of hydraulic fluid within the system. They allow operators to control the lifting and lowering of the lifting system.
- **Fluid reservoir:** It serves as a reservoir from which the pump draws the hydraulic fluid, and it stores the hydraulic fluid when the system is not in operation.
- **Motor:** It is connected to the hydraulic pump to provide mechanical energy to operate the pump.

7. BUSINESS OVERVIEW (Cont'd)

All our elevated platform systems are based on customised designs to cater to the specific requirements of the customer. Some of the key parameters taken into consideration during the engineering design of our elevated platform systems include the following:

- **Safe working load** refers to the maximum load the elevated platform system is designed to lift or operate.
- **Lifting height** is applicable only for table lifter, it refers to the maximum vertical distance the platform of the table lifter can lift.
- **Collapse height** refers to the minimum height at which the system can be safely retracted and stored when not in operation.
- **Lifting platform size** refers to the dimension of the lifting platform.
- **Lifting speed** refers to the speed at which the elevated platform system lifts and lowers the loads.

In addition, the final configuration and specification of our elevated platform systems takes into consideration the operating conditions such as indoor and outdoor environment, space availability of the site, and the materials to be handled.

An elevated platform system comprises multiple components. As at the LPD, we either fabricate the metal components in-house or outsource to third-party fabricators under our supervision and based on required specifications. The other components, such as the hydraulic cylinder system, mechanical and electrical control systems are sourced from third-party suppliers. The fabricated metal components and the other components will be prepared at our workshop for assembly before being delivered to the designated site for final on-site assembly. In addition, we source finished products, namely the tilting platform for installation at the customers' site.

Our range of elevated platform systems is as below:

(i) Dock leveller

A dock leveller is a material handling equipment designed to facilitate the loading and unloading of goods between a loading dock and delivery vehicles such as trucks. It operates as a bridge that links the gaps between the loading dock and the vehicles. When hydraulic fluid is introduced into the hydraulic system, the platform rises, and its lip extends to rest on the truck bed. The leveller then adjusts to the truck's height, ensuring a smooth transition for loading and unloading operations. Once the loading or unloading process is complete, the dock leveller retracts by releasing hydraulic fluid, allowing the platform to return to its resting position, flush with the loading bay floor, making it ready for the next use.

7. BUSINESS OVERVIEW (Cont'd)

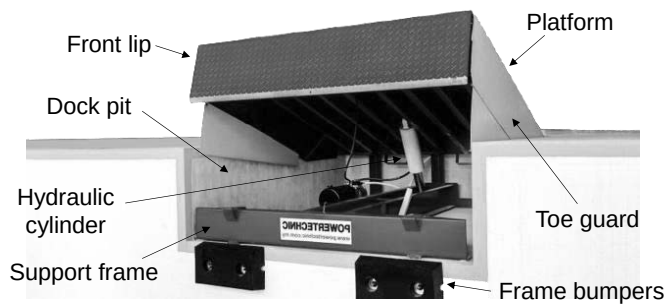
Dock leveller in operation



Dock leveller in resting position



The key functional components of our dock leveller are as below:



- **Hydraulic cylinder system**, which is the lifting mechanism of our dock leveller, converting hydraulic energy into mechanical energy to raise and lower the platform.
- **Platform** which is the main surface that supports the load during loading and unloading operations. Our platforms are designed with an anti-slip steel plates to ensure safety and prevent goods from sliding during handling.
- **Front lip** refers to the extended platform that extends outward to form a bridge between the platform and the delivery vehicle.
- **Support frame** refers to the supporting structure of the dock leveller.
- **Rubber bumper** which is a safety feature made of rubber to provide protection to both the dock leveller and the building structure by preventing the delivery vehicle from bumping into it.
- **Toe guard** refers to the shield installed at the side of a deck assembly to provide toe protection to the personnel when the dock leveller is in operation.
- **Control system** which are commonly switches which allow operators to control the movement of the dock leveller.

7. BUSINESS OVERVIEW (Cont'd)

Prior to May 2024, we source the dock levellers in a finished product form from third-party suppliers. In May 2024, we commenced the fabrication operations for dock levellers at our I-Park Lot 42. As at the LPD, we fabricate the platform, front lip, support frame and toe guard using steel plates which are sourced from third-party suppliers. We source hydraulic cylinder systems and rubber bumper from third-party suppliers, which we will integrate all the components to become a functional dock leveller.

For the Periods Under Review, our dock levellers are designed with the following specifications:

Parameters	Specifications	Parameters	Specifications
Safe working load	14 tonnes - 23 tonnes	Platform size	4m ² - 7m ²
Collapse height	450mm –590mm		

(ii) Table lifter

A table lifter, also referred to as a scissor lift table, is a lifting equipment designed to elevate and lower goods to various heights. It serves as a platform that raises loads from ground level to the desired height and can be positioned flat on the floor, recessed into a pit. Our table lifters utilise a hydraulic cylinder system for lifting.

Table lifters provide a work surface that can be adjusted for a variety of industrial tasks, such as sorting parts, performing repairs, holding tools. By pumping hydraulic fluid into the hydraulic cylinder, the scissor arm extend and raise the platform. These scissor arm are attached at both ends of the platform, facilitating its upward movement. Once the lifting operation is finished, the operator can lower the platform by releasing the hydraulic fluid, allowing it to descend smoothly back to its original position.

Table lifter in operation



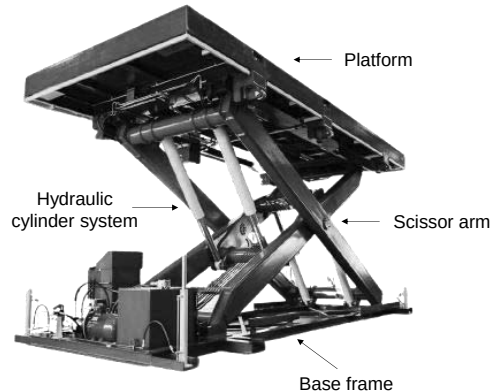
Table lifter in resting position



7. BUSINESS OVERVIEW (Cont'd)

The key functional components of our table lifters are as below:

- **Platform** which is the flat surface where loads are placed. The platform of our table lifters can be customised to various dimensions based on the requirement of the customers.
- **Scissor arm** are interlocking mechanism that expand and contract to raise or lower the platform.
- **Base frame** provides mechanical support to the entire table lifter system.



In addition, the other key functional components of our table lifter include the hydraulic cylinder system, and control system.

The main structure of the platform, scissor arm and base frame are made from steel plates which we outsource to third-party fabricators under our supervision based on our specification. In addition, we source hydraulic cylinder systems from third-party suppliers and integrate all the components to be a functional table lifter.

Our table lifters comply with the British Standard EN 1570. This standard specifies the safety requirements for the design, construction, installation, maintenance, and testing of table lifters, as well as for their safety components.

For the Periods Under Review, our table lifters are designed with the following specifications:

Parameters	Specifications	Parameters	Specifications
Safe working load	0.5 tonne – 8 tonne	Platform size	2m ² - 26m ²
Lifting height	1m – 7m		

(iii) Tilting platform

Our tilting platform is a specialised elevated platform system designed to conduct safety tilt test for motor vehicles such as buses. Tilt test is a safety assessment used to evaluate the stability and weight distribution of a vehicles under simulated hazardous road conditions. The test involves securing the vehicles onto the tilting platform, which then gradually inclines in the direction of one of the vehicles' side. It evaluates the ability of the vehicles to withstand tilting forces without tipping, particularly in scenario involving sharp turns or uneven road surfaces.

7. BUSINESS OVERVIEW (Cont'd)

The key functional components of our tilting platform are as below:

- **Platform**, which is the flat surface where the vehicle is placed. The platform of our tilting platform can be customised to various dimensions based on the requirement of the customers.
- **Angle sensors** which measure and display the tilt angle of the platform.
- **Safety locking mechanism** which prevents unintended tilting beyond the designed safe angle during the test.
- **Vehicle securing system** which consists of straps and clamps to secure the bus on the platform during the test.

In addition, the other key functional components of our tilting platform include the hydraulic cylinder system, control system, and base frame. We source the tilting platform in finished product form from third-party suppliers for installation at the customer's site.

For the Periods Under Review, the tilting platforms that we installed are designed with the following specifications:

Parameters	Specifications	Parameters	Specifications
Safe working load	25 tonnes – 50 tonnes	Platform size	36 m ²
Tilting angle	25 degree – 35 degree		

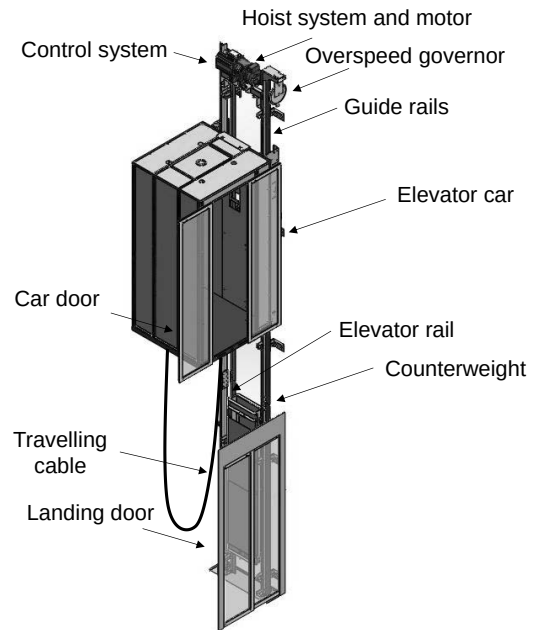
-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)

7.4.1.5 Elevators

Our elevators are lifting systems designed to transport passengers or goods vertically between floors in industrial, commercial, and residential buildings. It raises loads from the ground level to the required floor height and can be installed within a shaft or open framework.

Our elevators are available in standard designs and customised designs to cater to the various requirements of our customers. Some of the key parameters taken into consideration during the engineering design of our elevators include the following:



- **Safe working load** which is the maximum load the elevator is designed to lift.
- **Travelling speed** refers to the rate at which the elevator moves between floors.
- **Travel distance** which refers to the total height the elevator can travel.
- **Number of stops** which refers to the total number of floors or levels the elevator can service.
- **Car dimension** which is the internal dimensions of the elevator car, including width, depth, and height.

The key functional components of our elevators are as below:

- **Lifting mechanism** to raise and lower the elevator car. Our freight elevator uses wire rope hoist mechanism as the lifting mechanism for the elevators. It uses high tensile steel wire rope, and a drum to raise and lower the elevator car. As for our home elevator, the movement of the elevator car is driven by lifting motor.
- **Motor** which is use to power the hoist system to control the speed and direction of the elevator.
- **Overspeed governor** which is used to regulate and control the travel speed of the elevator. It ensures that the elevator does not exceed its maximum designed traveling speed.
- **Guide rails** refer to the vertical track installed within the elevator shaft that keep the elevator car aligned and stable during movement.
- **Elevator car** refers to the enclosed cabin where passengers or goods are transported.

7. BUSINESS OVERVIEW (Cont'd)

- **Counterweight** refers to a mass that balances the elevator car's load, reducing the strain on the hoisting motor to enhance energy efficiency during ascending and descending of the elevator car.
- **Control system** which generally includes various buttons to control the operation of the elevator including elevating and descending between floors as well as opening and closing the door.
- **Doors** including car doors which is attached to the elevator car which open and close when it reaches the designated floor.
- **Elevator rail** refers to the vertical track installed inside the elevator shaft that guide the elevator car and counterweight. These rails maintain the alignment of the elevator, providing lateral stability and preventing swaying during travel.
- **Travelling cable** refers to a flexible cable that moves with the elevator car to provide electrical power, communication, and control signals between the car and the elevator control system.

In addition, our elevators are equipped with various safety features as follows:

- **Overload sensors** that monitor the weight of loads within the elevator car to ensure that the load does not exceed the maximum safe working load. In the event of overloading, the system will prevent the elevator from operating.
- **Emergency brakes** which will automatically halt the elevator to prevent it from falling in the event of power failure or mechanical malfunction.
- **Safety catch mechanism** that provides an additional layer of security by locking the elevator car in place in the event of system failure, preventing it from free-falling.
- **Over-travelling safety switches** which prevent the elevator from moving beyond the designated height, ensuring that the elevator car stops precisely at the correct floor.
- **Motion sensors** to detect movements within the elevator car. This is applicable for freight elevators as they are designed solely for the transportation of goods, not personnel. Any movement detected within the elevator car will prevent the elevator from operating.

We source the various key components and safety feature components from third-party suppliers for integration into our elevators.

Our range of elevators includes freight and home elevators to cater to the requirements of industrial, commercial and residential environments.

(i) Freight elevators

Our freight elevators, also referred to as goods hoists, are designed for the transportation of goods between floors in industrial and commercial buildings. Freight elevators are not designed for the transportation of personnel. Generally, freight elevators are designed for heavy duty operations.

7. BUSINESS OVERVIEW (Cont'd)

The design of our freight elevators complies with British Standards (BS 2573-1 and BS 449). These standards outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation of the freight elevator.

Some of our freight elevators are as below:



We fabricate the metal components of the freight elevators in-house where we carry out the cutting, welding, coating, and integration to create a fully functional freight elevator. We source electrical and mechanical equipment such as hoist, safety equipment, and control system from third-party suppliers, while we handle the assembly and integration of these components into a fully functional freight elevator. For the Periods Under Review, our freight elevators are designed with the following specifications:

Parameters	Specifications	Parameters	Specifications
Safe working load	Up to 2 tonne	Travel distance	Up to 11 metres
Travelling speed	1.6 m/m –10 m/m	Number of stops	2 to 3

7. BUSINESS OVERVIEW (Cont'd)

(ii) Home elevators

Our home elevators are designed to transport passengers between floors for home use. These elevators are typically built with a focus on aesthetics and comfort, offering various finishing options to enhance the overall design and user experience. The mechanical design of our home elevators is based on standard designs. However, the type of door and the finishing of the elevator can be customised based on customers' preferences as below:

Door options:

Manual doors

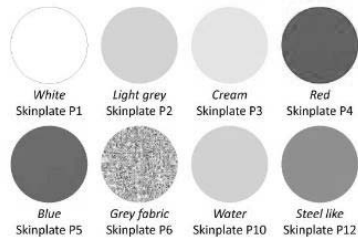


Automatic doors

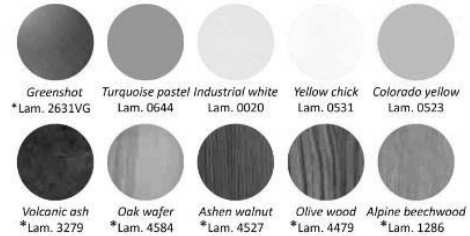


Wall finishing options:

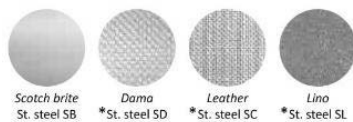
Skinplate finishing



Laminates finishing



Stainless steel finishing



Painted stainless steel finishing

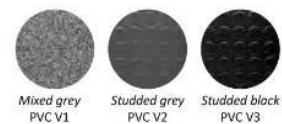


Wall finishing options:

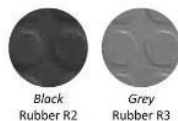
Linoleum finishing



PVC finishing



Rubber finishing



7. BUSINESS OVERVIEW (Cont'd)

Some of the designs of our home elevators are as below:



We source the home elevators in finished product form from third-party suppliers for installation at the customer's site. For the Periods Under Review, home elevators that we supplied and installed are designed with the following specifications:

Parameters	Specifications	Parameters	Specifications
Safe working load	450 kg	Travel distance	Up to 15 m
Travelling speed	0.3 m/s	Number of stops	2 to 3

7.4.2 Maintenance, repair and other related services

We provide maintenance and repair, sales of parts and lifting systems licence renewal services which collectively accounted for 23.52%, 25.78%, 19.33%, 19.92% and 17.24% of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

We provide maintenance and repair services to ensure the continued safe and efficient operation of our lifting systems. Our maintenance and repair services include routine inspections such as preventive measures to identify potential issues before they result in system failure. In addition, we provide ad-hoc repair services to address any unexpected issues reported by our customers.

Skilled technical personnel will be deployed to the customer's site to perform inspections of the mechanical components, electrical and electronic systems, and safety features of the lifting system. These inspections help ensure the system's integrity and safe operation.

Based on the inspection results, any identified issues or potential failures will be addressed promptly. The technical personnel will repair and/or replace any worn or damaged parts to restore full functionality and minimise the risk of future disruptions of the lifting system. The maintenance and repair services are carried out by both our in-house personnel and third-party subcontractor under our supervision.

At our customer's requests, we also supply the mechanical and electrical parts of lifting system such as wire ropes and limit switches to support the continued functionality, reliability and safety of the lifting system. Lifting systems including the crane and hoist systems, table lifters, and freight elevators are required to maintain valid certificates of fitness (CF) from DOSH. As such, we also provide licence renewal service on behalf of our customers based on their request.

7. BUSINESS OVERVIEW (Cont'd)

In addition, we provide freight elevators upgrade services based on customers' request. It includes upgrading of manual doors to automated doors as well as to increase the number of stops of the freight elevator.

Furthermore, we have launched our mobile application, "Powertechnic Exclusive Smart App", as a communication channel between our headquarters, customers, and subcontractors to streamline maintenance services and certification renewals. The mobile application includes features such as real-time communication, service scheduling, maintenance tracking, and automated reminders for certification renewals, ensuring smooth coordination and enhancing customer service.

7.5 OPERATIONAL FACILITIES

As at the LPD, our operational facilities are as below:

Operational facility	Company	Main Function	Approximate Built-up Area (sq. ft.)	Location of Facilities
I-Park Lot 28	PHEM and PRSB	Headquarter and fabrication operations	25,661.16	28, Jalan I-Park 1/3, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor, Malaysia
I-Park Lot 42	PHEM and PMSB	Office and fabrication operations	12,053.32	42, Jalan I-Park 1/4, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor, Malaysia
Kota Kemuning Lot 18	PHEM and PMSB	Service centre and central region sales office	10,019	18, Jalan Anggerik Mokara 31/51, Kota Kemuning, 40460 Shah Alam, Selangor

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)**7.6 MAJOR MACHINERY AND EQUIPMENT**

Our main machinery and equipment for our manufacturing operation are as follows:

Main Equipment and tools	Number of units	Net book value as at 30 June 2025 RM' 000
Trucks	18	780
Computers and software systems	108	589
Electrical equipment	49	150
- <i>welding machine</i>	27	52
- <i>bandsaw</i>	1	50
- <i>power generator</i>	1	20
- <i>maintenance lift</i>	2	16
- <i>metal working machine</i>	1	4
- <i>weld cleaning machine</i>	1	5
- <i>others ⁽¹⁾</i>	16	3
Overhead cranes	4	96
Forklifts	1	2
Total		1,617

Note:

(1) Others include equipment such as cutting machine, drilling machine and air compressor.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)**7.7 PRODUCTION CAPACITY, OUTPUT AND UTILISATION**

The lifting systems that we fabricate in-house include crane and hoist systems, freight elevators and dock levellers. The parameters that are used to calculate capacity, output and utilisation rates are based on the following:

- Capacity is calculated based on 24 working hours per day for 5 days a week, less public holidays (18 days) and 10% downtime for moving and handling large, large components of such as crane bridges and elevator cars within our workshop, as well as repair and maintenance of equipment.
- Output is the actual number of units produced;
- Utilisation rate is calculated by dividing the actual output by the capacity.

Our production capacity, output and utilisation rate of our production facilities for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 are as follows:

Fabrication	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Crane and hoist system					
Capacity (units) ⁽¹⁾	394	394	394	394	197 ⁽⁴⁾
Production output (units)	43	37	61	87	58
Utilisation rate (%)⁽⁵⁾	11	9	15	22	29
Freight elevators					
Capacity (units) ⁽²⁾	1,312	1,312	1,312	1,312	656 ⁽⁴⁾
Production output (units)	28	34	49	67	36
Utilisation rate (%)⁽⁵⁾	2	3	4	5	5
Dock levellers					
Capacity (units) ⁽³⁾	-	-	-	1,312	656 ⁽⁴⁾
Production output (units)	-	-	-	437	219
Utilisation rate (%)⁽⁵⁾	-	-	-	33	33

Notes:

- (1) Based on the fabrication of girder with an average size of approximately 8.5 meters, which is the average girder size used for our crane and hoist systems.
- (2) Based on the fabrication of elevator car with an average size of approximately 1.80 meters x 1.80 meters x 2.40 meters, which is the average car size used for our freight elevators.
- (3) Based on the fabrication of dock leveller with an average size of approximately 1.83 meters x 2.25 meters x 0.59 meters, which is the average size of our dock levellers.
- (4) Based on 6 months pro-rated production capacity.

7. BUSINESS OVERVIEW (Cont'd)

- (5) *Our lifting systems are customised products which are designed and fabricated based on orders received to meet specific customer requirements, and not intended for mass production. The low utilisation rate is due to the production capacity being calculated based on the assumption of operating 24 hours per day and 5 days a week (being 120 hours per week). However, our current operational hours are typically 40 hours per week (based on 1 shift for 5 days a week), with the flexibility to extend operational hours if required.*

The fabrication operations for crane and hoist systems, and freight elevators are conducted at our I-Park Lot 28.

Prior to May 2024, we source the dock levellers as finished products from our third-party suppliers. In May 2024, we commenced the fabrication of dock levellers at our I-Park Lot 42 and our annual production capacity of dock levellers is approximately 1,312 units per year.

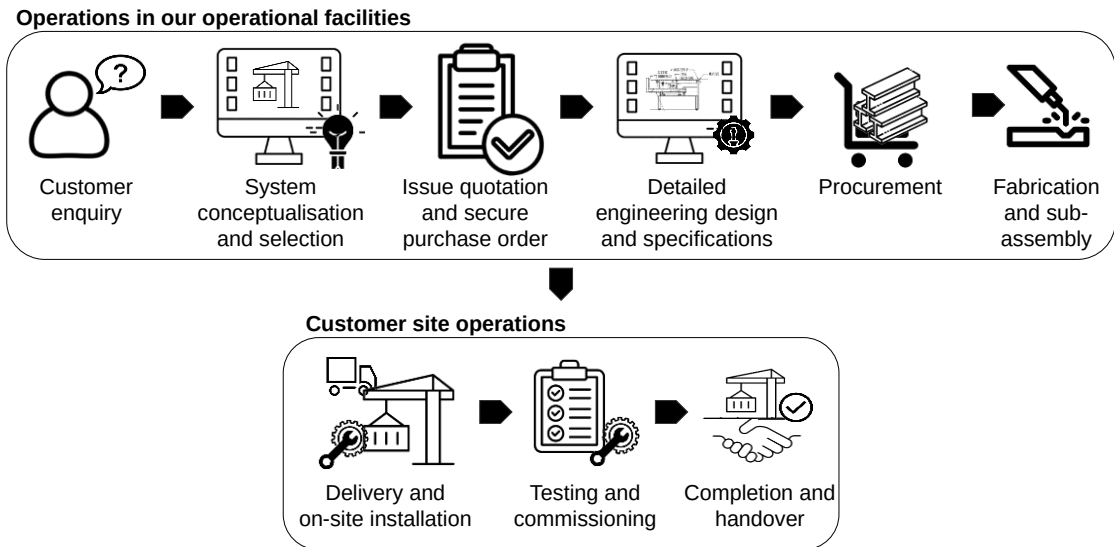
-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)

7.8 PROCESS FLOW

7.8.1 Provision of lifting systems

Our process flow for the provision of lifting systems is depicted in the diagram below:



Customer enquiry

Our sales process begins with enquiry and requests for quotations from potential customers. Our team will carry out the preliminary consultation session to understand their lifting system requirements as well as the operating environment.

System conceptualisation and selection

Our technical team will proceed to develop several customised system concepts which take into consideration the requirements of the customers such as safe working load, coverage area, transferring goods, and application. In addition, the preliminary design takes into consideration the building layout drawings as well as load bearing of floor and support structures provided by the customer.

Meanwhile, elevated platform systems and elevators are based on standard designs where key parameters such as safe working load, travelling heights, and number of stops (for elevators only). While the mechanical design of our home elevators is standardised, our customers have the option to choose the finishing of the elevator to suit the interior design of the intended application.

The preliminary design will be provided to the customer for feedback and approval. Generally, the system conceptualisation phase will take approximately 2 to 3 days from the preliminary consultation session with the customer.

Please refer to Section 7.4.1.2 of this Prospectus for further details on the engineering design of our lifting system.

7. BUSINESS OVERVIEW (Cont'd)

Issue quotation and secure purchase order

Once the customer has finalised and selected the system conceptualisation design, we will issue a quotation providing the selected design and listing all the relevant specifications. Once our quotation is accepted, the customer will issue a purchase order or equivalent. Typically, the purchase order will incorporate information provided in the agreed quotation including, among others, pricing, design specifications, delivery schedule, payment terms (including mobilisation fees), and warranties.

Detailed engineering design and specifications

Upon securing the purchase order, our technical team will proceed to develop the detailed engineering design and specifications of the lifting system. This phase involves refining the preliminary design into comprehensive, fully-engineered specifications, which include precise structural calculations, component and equipment selection, material specifications, and installation details. The engineering design and specifications will also detail the customer's work area.

In addition, our technical personnel will conduct design reviews to ensure that the lifting system complies with relevant safety and industry standards, regulatory requirements, and performance criteria. These reviews will also confirm that the design adheres to the customer's specific operational needs. During this process, we will identify potential design optimisations to enhance the efficiency of the lifting system, address any issues that could impact functionality, and ensure compatibility with the customer's existing infrastructure. A detailed engineering document will be provided to the customer for feedback and approval. Typically, this detailed engineering design phase will take approximately 1 to 2 days.

Once finalised and accepted by our customers, we will submit it to DOSH to obtain the necessary design approvals, ensuring compliance with relevant regulations and standards. Our lifting systems that require DOSH approval include crane and hoist systems, table lifters, and freight elevators. Generally, it takes approximately 1 to 2 weeks to obtain the required design approvals from the DOSH.

Please refer to Section 7.4.1.2 of this Prospectus for further details on the engineering design of our lifting system.

Procurement

We keep stock of some general input materials such as metal-based materials, mechanical and electrical components. We do not maintain an inventory of key functional components of the lifting systems in excess of our fabrication needs as we adopt a built-to-order approach. We will purchase equipment and materials once we have secured the purchase order.

Our procurement team will source the required materials and equipment from our suppliers based on the list of materials prepared by our technical team involved in the engineering design. We source our input materials from both local domestic and foreign suppliers. Typically, deliveries from domestic suppliers would take approximately a week, while deliveries from foreign suppliers would take approximately 1 to 3 months.

7. BUSINESS OVERVIEW (Cont'd)

Fabrication and sub-assembly

We carry out in-house fabrication on certain parts such as the runway, bridge, support columns of our lifting systems using metal-based materials sourced from third-party suppliers. Please refer to Section 7.4.1 of this Prospectus for further details on the parts of lifting systems that we fabricate. During the fabrication phase, we may need to value-add or customise some of these metal-based materials using a combination of cutting, bending, welding, and machining processes.

We also procure all necessary equipment, motors, control systems, power feeder systems, and devices required for the overall lifting equipment. All these parts, components, and equipment are sub-assembled, to facilitate ease of transportation and final assembly and installation at user sites. Generally, the fabrication and sub-assembly of lifting systems takes approximately 1 to 2 months depending on the complexity of the design of the lifting system.

Delivery and on-site installation

(i) **Delivery:** The prepared sub-assemblies, components, and materials for the lifting systems are securely packed and delivered to the customer's site for final assembly and installation. We engage a combination of in-house transportation trucks and third-party transportation companies depending on the size and weight of the goods to be being transported.

(ii) **On-site installation:** We engaged a third-party subcontractor to carry out the on-site installation of our lifting systems under our supervision. In addition, we have our in-house technical team to carry out the on-site installation of our lifting systems. Our third-party subcontractor and in-house technical team provide flexibility in resources planning based on the location of the site and project delivery schedule. The on-site installation requires proper planning and execution which involve the following:

- **Pre-installation planning and site preparation:** Our technical team will reassess the site to verify structural integrity and ensure adequate space for lifting system assembly, movement, and necessary installation work. This site assessment occurs during both the initial proposal phase and the detailed engineering design phase. The site would have been assessed during the initial proposal and detailed engineering design phases.
- **Mobilisation of installation equipment:** We will arrange for the necessary installation equipment, such as forklifts and mobile cranes, to be brought to the site. Additionally, we will stage the sub-assemblies, components, and materials in proximity to the installation area.

We are involved in the pre-installation planning, and site preparation, and transportation arrangements.

- **Mechanical assembly and installation:** This process involves the final assembly of various sub-assemblies and components, followed by their installation on-site according to detailed engineering specifications. The mechanical assembly and installation of our lifting systems include the following steps:

7. BUSINESS OVERVIEW (Cont'd)

- (a) **Crane and hoist systems:** The mechanical assembly and installation of crane and hoist systems at the site begin with assembling the crane bridge, which consists of the bridge girder and the end trucks that support and move the bridge along the runway. The runway, including the rails and supporting beams, is installed and aligned to ensure smooth crane movement. Once the crane bridge is mounted onto the runway, the hoist system is installed on the girder. After that, the control system is integrated to manage crane operations, including movement, lifting, and safety functions. This assembly process involves both bolting and welding activities to ensure that all structural components are securely fastened, properly aligned, and ready for operational testing.
- (b) **Elevated platform systems:** Our elevated platform systems are pre-assembled in our workshop, allowing on-site operations to focus primarily on installation. The installation process involves positioning the elevated platform system in its designated location, securing it to the foundation or floor, and integrating the control system to manage its operations.
- (c) **Elevator:** The mechanical assembly and installation of an elevator begin with preparing the elevator shaft and installing the guide rails to create a stable track for the elevator car. Next, the hoist system, which includes the motor and overspeed governor, is secured in place. The elevator car is then positioned, and the counterweight is installed. Following this, the control system is integrated to manage the elevator's movement and safety features. Finally, the car door and landing door are attached, and car buffers are installed to complete the assembly.

We engage a third-party subcontractor to carry out the on-site mechanical assembly and installation works under our supervision. In addition, we have our in-house technical team to carry out the on-site mechanical assembly and installation works.

- **Electrical installation and wiring:** This process involves connecting the lifting systems to the power supply. It includes routing and connecting electrical cables to various components of the system, such as motors, control panels, and safety devices.

We engage a third-party subcontractor to carry out the electrical installation and wiring works under our supervision. In addition, we have our in-house technical team to carry out the electrical installation and wiring works.

Generally, the on-site installation of lifting systems takes approximately 1 to 2 weeks depending on the complexity of the design of the lifting system.

Testing and commissioning

Upon completion of installation, our technical team will conduct testing to ensure the system operates smoothly. This includes mechanical tests to verify the movement of the system and electrical tests to check functionality, including motor operations, controls, and safety features.

7. BUSINESS OVERVIEW (Cont'd)

During the commissioning stage, we will perform a comprehensive inspection of the mechanical, electrical, and safety systems to ensure the lifting system is ready for operation. Additionally, we will conduct load tests using test weights to confirm that the lifting system can safely lift and move loads, including tests at two load capacities, including full and overload conditions. For lifting systems requiring a certificate of fitness, the testing and commissioning will be conducted with the presence of officers from the DOSH.

Completion and handover

Upon completion, we will provide training to our customers on the safe operation of the lifting system. During the handover process, we will present detailed documentation, including necessary certification documents such as the certificate of fitness, operating manuals, and maintenance schedules. The customer will sign the acceptance document during this process. For lifting system requiring a certificate of fitness, we will hand over the system upon obtaining the certificate of fitness. Generally, it takes 1 to 2 months to obtain the certificate of fitness upon the completion of installation. As for lifting systems not requiring a certificate of fitness, we will hand over the system upon completion of installation.

7.9 TECHNOLOGIES USED

Our business operations do not employ any special technology as we rely on the technologies that are embedded in the machinery and equipment as set out in Section 7.6 of this Prospectus.

7.10 RESEARCH AND DEVELOPMENT

We do not have a research and development policy. We also do not have any separate classification for R&D expenditure in our accounting system for the Periods Under Review.

For the Periods Under Review, there were costs incurred for the development and enhancement works for dock levellers and elevators. The cost incurred for the development and enhancement of home elevators are capitalised in our asset as they are used as display unit in our showroom. The related cost incurred for the development and enhancement for dock leveller and freight elevators are recognised as cost of sales, as the products are sold to our customers. We carry out new product development and enhancement activities that focus on elevators and dock levellers. The engineering design for crane and hoist systems, table lifters and tilting platforms is typically based on standardised framework, with variations in key parameters based on customer's requests. As such, our product development and enhancement activities only focus on elevators and dock levellers to improve the features, performance and safety standards of the said lifting systems. Our new product development and enhancement activities mainly involve the following:

- **Technical design analysis:** We conduct studies and analysis of existing technical designs of elevators and dock leveller. This involves assessing the mechanical and electrical components, design layout, structural integrity, and safety features to understand the factors contributing to the overall performance of the system.
- **System enhancement:** This stage aims to improve the performance, efficiency, and safety of the system. This includes developing designs to improve the capabilities of the system including the safe working load and operation speeds as well as to enhance its durability, and energy efficiency.
- **Prototyping and testing:** Our fabrication capabilities allow us to develop physical prototypes based on the R&D design drawings to assess their feasibility, functionality, durability, safety, and reliability. Based on the results from these prototype assessments, we are able to improve the system's design based on actual performance data.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, we have 2 personnel involved in the new product development and enhancement activities, headed by our Executive Director, Choo Chee Yong.

7.11 MARKETING ACTIVITIES

We will focus on serving our customers with the vision of being the preferred supplier of lifting systems by adopting the following sales and marketing strategies to retain our existing customers while attracting new ones:

- We will continue to position ourselves as a lifting system specialist providing comprehensive services that include engineering design, fabrication, assembly, installation, and commissioning. We can customise our lifting systems to meet the requirements of our customers and their specifications.
- We will position ourselves to provide a comprehensive range of lifting systems, including hoist and crane systems such as overhead, gantry, underhung, jib, and monorail hoist, as well as elevated platform systems like dock levellers, table lifters, tilting platform and freight and home elevators.
- We will also position that our crane and hoist systems comply with the British Standards which outline various criteria such as design, operational safety requirements, and fabrication processes to ensure the safe operation.
- As part of our proactive marketing strategy, we will continue to engage with our existing customers to secure additional contracts to address their needs for expansions, retrofitting and upgrading of their existing or new operational facilities. This includes conducting sales visits to existing and prospective customers, leveraging references from existing customers and suppliers, and responding to general inquiries to further expand our market reach and opportunities.
- We will continue to build our brand equity by promoting our "Powertechnic" brand of lifting systems through billboard advertisements, leveraging social media such as Facebook and Tiktok, utilising targeted advertisements on platforms such as Google Ads and attending and participating in industrial exhibitions. For the Periods Under Review, our advertisement expenses amounted to RM0.10 million, RM0.15 million, RM0.16 million, RM0.29 million and RM0.19 million for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.
- As part of our strategy to cultivate customer loyalty, we will continue to focus on providing after-sales services, including maintenance, which serves as an additional revenue stream for our Group. This effort is supported by our mobile application allowing customers access to after-sales services, including 24-hour on-call support. Our after-sales services are backed by 19 external technician teams who are appointed by our Group as at the LPD. These external technician teams are dedicated to serving our customers.
- We participate in exhibition to promote our lifting systems to potential customers. For the Periods Under Review and up to the LPD, we participated in the following exhibition:

<u>Date</u>	<u>Exhibition and event</u>	<u>Location</u>	<u>Organiser</u>
August 2023	BCI Equinox Bahru	Johor, Malaysia	BCI Central Sdn. Bhd.
April 2025	Paradigm Mall Bahru	Johor, Malaysia	iProperty.com Malaysia Sdn Bhd

As at the LPD, we have a total of 16 personnel in our sales and marketing team which is headed by our Head of Sales and Marketing, Clessense Kho Mei Chee.

7. BUSINESS OVERVIEW (Cont'd)**7.12 MAJOR CUSTOMERS**

Our Group's top 5 major customers and their contribution to our revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 are as follows:

FYE 2021

Customer name	Location	RM'000	%	⁽¹⁾ Length of relationship (years)	Main products sold
Yatai New Energy Sdn Bhd ⁽⁶⁾	Malaysia	1,765	10.85	2	Crane and hoist system
AME Group ⁽²⁾	Malaysia	1,022	6.28	17	Elevated platform system, maintenance and repair services
Foo Ngan Technologies Sdn Bhd ⁽⁶⁾	Malaysia	835	5.13	2	Crane and hoist system
Newline Steel Sdn Bhd ⁽⁶⁾	Malaysia	675	4.15	Less than 1	Crane and hoist system
Munchy Group ⁽³⁾⁽⁶⁾	Malaysia	620	3.81	14	Elevator
Subtotal		4,917	30.22		
Total Group's revenue		16,273			

FYE 2022

Customer name	Location	RM'000	%	⁽¹⁾ Length of relationship (years)	Main products sold
TNL Industries Sdn Bhd ⁽⁶⁾	Malaysia	2,274	11.25	2	Crane and hoist system
LSPCM (Johore) Sdn Bhd ⁽⁶⁾	Malaysia	1,164	5.76	4	Crane and hoist system
A & One Precision Engineering Sdn Bhd ⁽⁶⁾	Malaysia	1,089	5.39	1	Crane and hoist system
Flextronics Group ⁽⁴⁾⁽⁶⁾	Malaysia	655	3.24	8	Crane and hoist system, maintenance and repair services
AME Group ⁽²⁾	Malaysia	538	2.66	18	Elevated platform system, maintenance and repair services
Subtotal		5,720	28.30		
Total Group's revenue		20,215			

7. BUSINESS OVERVIEW (Cont'd)**FYE 2023**

Customer name	Location	RM'000	%	⁽¹⁾ Length of relationship (years)	Main products sold
Ratel Pte Ltd ⁽⁷⁾	Singapore	2,076	6.78	9	Elevated platform system
United Specialty Metals Sdn Bhd ⁽⁶⁾	Malaysia	1,856	6.06	Less than 1	Crane and hoist system
SQA Builders Sdn Bhd ⁽⁷⁾	Malaysia	1,801	5.88	1	Elevated platform system
PEA Group ⁽⁵⁾⁽⁷⁾	Malaysia	1,353	4.42	19	Crane and hoist system, elevated platform system
AME Group ⁽²⁾	Malaysia	846	2.76	19	Elevated platform system
Subtotal		7,932	25.90		
Total Group's revenue		30,619			

FYE 2024

Customer name	Location	RM'000	%	⁽¹⁾ Length of relationship (years)	Main products sold
Tai Hoe Hardware Sdn Bhd ⁽⁶⁾⁽⁸⁾	Malaysia	1,947	4.87	22	Crane and hoist system
Hwa Hin Sdn Bhd ⁽⁷⁾	Malaysia	1,693	4.23	15	Elevated platform system
S.K. Rosenbauer Pte Ltd ⁽⁶⁾	Singapore	982	2.45	1	Elevated platform system
TOSB ⁽⁶⁾	Malaysia	810	2.02	1	Parts and components
Customer A ⁽⁶⁾	Malaysia	804	2.01	Less than 1	Crane and hoist system
Subtotal		6,236	15.58		
Total Group's revenue		40,006			

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)**FPE 2025**

Customer name	Location	RM'000	%	⁽¹⁾ Length of relationship (years)	Main products sold
Hong Lee Steel Engineering Sdn Bhd ⁽⁷⁾	Malaysia	2,500	11.07	10	Platform for freight elevator
Tong Seng Fabricators Sdn Bhd ⁽⁶⁾	Malaysia	2,452	10.86	11	Crane and hoist system, elevated platform system
China Construction Yangtze River (Malaysia) Sdn Bhd ⁽⁷⁾	Malaysia	977	4.33	2	Elevated platform system
Customer B ⁽⁷⁾	Malaysia	934	4.14	1	Elevated platform system and crane and hoist system
Kide International Sdn Bhd ⁽⁷⁾	Malaysia	496	2.20	Less than 1	Crane and hoist system, elevated platform system
Subtotal		7,359	32.60		
Total Group's revenue		22,578			

Notes:

- (1) Length of relationship as at the respective financial year.
- (2) Comprising AME Construction Sdn Bhd (being a customer from indirect distribution channel) and AME Engineering Industries Sdn Bhd (being a customer from direct distribution channel) (collectively, "**AME Group**"), being subsidiaries of AME Elite Consortium Berhad, a company listed on the Main Market of Bursa Securities.
- (3) Comprising URC Snack Foods (Malaysia) Sdn Bhd and its indirect subsidiary namely Munchy Food Industries Sdn Bhd (collectively, "**Munchy Group**").
- (4) Comprising Flextronics Technology (Penang) Sdn Bhd and Flextronics Shah Alam Sdn Bhd (collectively, "**Flextronics Group**").
- (5) Comprising Pembinaan Eastern Aluminium Sdn Bhd and its subsidiary namely PEA Construction Sdn Bhd (collectively, "**PEA Group**").
- (6) Customer from direct distribution channel.
- (7) Customer from indirect distribution channel.
- (8) Tai Hoe Hardware Sdn Bhd is our customer and supplier. They supply metal-based materials that are used as part of the input materials for the provision of lifting systems to us, while we supply crane and hoist systems to them.

For the Periods Under Review, four major customers contributed more than 10.00% of our total revenue. Yatai New Energy Sdn Bhd and TNL Industries Sdn Bhd accounted for 10.85% and 11.25% of our total revenue for FYE 2021 and FYE 2022 respectively, while Hong Lee Steel Engineering Sdn Bhd and Tong Seng Fabricators Sdn Bhd accounted for 11.07% and 10.86% of our total revenue for FPE 2025 respectively. However, we are not dependent on any of these major customers due to the nature of our business being project-based. Revenue from our major customers would vary from year to year depending on the projects secured.

For the Periods Under Review and up to the LPD, we have not encountered any disputes with any of our major customers that have significant impact on our business operations and financial performance.

7. BUSINESS OVERVIEW (Cont'd)**7.13 TYPES AND SOURCES OF INPUT MATERIALS, PRODUCTS AND SERVICES**

The major types of materials that we purchased for the Periods Under Review are set out below:

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM' 000	%	RM' 000	%	RM' 000	%	RM' 000	%	RM' 000	%
Mechanical and electrical materials	5,454	58.83	5,971	60.49	10,237	63.19	9,267	54.18	5,265	61.43
<i>Finished products, hydraulic systems and components⁽¹⁾</i>	585	6.31	1,710	17.32	3,846	23.74	2,978	17.41	926	10.81
<i>Hoists and accessories</i>	2,275	24.54	2,031	20.57	2,283	14.10	1,997	11.68	1,829	21.33
<i>Home elevators</i>	842	9.08	394	3.99	1,913	11.81	1,376	8.04	1,417	16.54
<i>Electrical parts⁽²⁾</i>	951	10.26	797	8.07	938	5.79	1,598	9.34	699	8.15
<i>Others⁽³⁾</i>	801	8.64	1,040	10.54	1,256	7.75	1,318	7.71	394	4.60
Subcontracted services	704	7.60	1,796	18.20	2,757	17.02	3,728	21.80	1,725	20.13
<i>On-site assembly and installation works</i>	579	6.25	1,392	14.10	1,533	9.46	1,488	8.70	851	9.93
<i>Metal-based material processing⁽⁴⁾</i>	58	0.63	51	0.52	97	0.60	309	1.81	83	0.98
<i>Parts repair</i>	67	0.72	353	3.58	1,127	6.96	1,931	11.29	791	9.22
Metal-based materials ⁽⁵⁾	2,725	29.39	1,733	17.56	2,556	15.78	2,922	17.09	1,346	15.70
Others ⁽⁶⁾	388	4.18	370	3.75	650	4.01	1,186	6.93	235	2.74
TOTAL PURCHASES	9,271	100.00	9,870	100.00	16,200	100.00	17,103	100.00	8,571	100.00

Notes:

- (1) Include finish products comprising dock levellers, table lifters, and tilting platforms, as well as hydraulic systems and components such as cylinders and pumps.
- (2) Include control panel, sensors and limit switches and safety devices.
- (3) Include parts such as doors, conveyors, roller shutters and parts for elevator shaft.
- (4) Include processes such as cutting, bending, welding of metal-based materials.
- (5) Include I-beams, mild steel plates, hollow metal parts, square bars, round steel bars, U-channels, flat bars, stainless steel wire mesh, steel pipes and others.
- (6) Include consumables and parts such as foam tape, oil seal, paints and services such as authority submission services, equipment testing services and mechanical technical consultancy services.

7. BUSINESS OVERVIEW (Cont'd)**Sources of our input materials**

The breakdown of input materials purchased by the source of supply for the Periods Under Review is set out below:

	FYE 2021			FYE 2022			FYE 2023			FYE 2024			FPE 2025		
	RM '000	Domestic %	Imported %	RM '000	Domestic %	Imported %	RM '000	Domestic %	Imported %	RM '000	Domestic %	Imported %	RM '000	Domestic %	Imported %
Mechanical and electrical materials	5,454	50.53	49.47	5,971	73.33	26.67	10,237	62.19	37.81	9,267	84.60	15.40	5,265	75.06	24.94
<i>Finished products, hydraulic systems and components⁽¹⁾</i>	585	94.79	5.21	1,709	100.00	-	3,847	99.20	0.80	2,978	100.00	-	926	100.00	-
<i>Hoists and accessories</i>	2,275	37.24	62.76	2,031	53.96	46.04	2,283	42.24	57.76	1,997	57.59	42.41	1,829	47.83	52.17
<i>Home elevators</i>	842	14.79	85.21	394	13.70	86.30	1,913	4.48	95.52	1,376	80.46	19.54	1,417	92.30	7.70
<i>Electrical parts⁽²⁾</i>	951	95.06	4.94	797	96.10	3.90	938	98.32	1.68	1,598	99.99	0.01	699	97.82	2.18
<i>Others⁽³⁾</i>	801	40.69	59.31	1,040	72.46	27.54	1,256	45.99	54.01	1,318	76.40	23.60	394	40.43	59.57
Subcontracted services	704	98.69	0.31	1,796	100.00	-	2,757	100.00	-	3,728	100.00	-	1,725	100.00	-
<i>On-site assembly and installation works</i>	579	99.62	0.38	1,392	100.00	-	1,533	100.00	-	1,488	100.00	-	851	100.00	-
<i>Metal-based material processing⁽⁴⁾</i>	58	100.00	-	51	100.00	-	97	100.00	-	309	100.00	-	83	100.00	-
<i>Parts repair</i>	67	100.00	-	353	100.00	-	1,127	100.00	-	1,931	100.00	-	791	100.00	-
Metal-based materials ⁽⁵⁾	2,725	100.00	-	1,733	100.00	-	2,556	100.00	-	2,922	99.95	0.05	1,346	100.00	-
Others ⁽⁶⁾	388	100.00	-	370	99.01	0.99	650	98.94	1.06	1,186	99.65	0.35	235	94.50	5.50
TOTAL PURCHASES	9,271	70.87	29.13	9,870	83.83	16.17	16,200	76.06	23.94	17,103	91.62	8.38	8,571	83.14	16.86

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) *Include finished products comprising dock levellers, table lifters, and tilting platforms, as well as hydraulic systems and components such as cylinders and pumps.*
- (2) *Include control panel, sensors and limit switches, and safety devices*
- (3) *Include parts such as doors, conveyors, roller shutters and parts for elevator shaft.*
- (4) *Include processes such as cutting, bending, welding of metal-based materials.*
- (5) *Include I-beams, mild steel plates, hollow metal parts, square bars, round steel bars, U-channels, flat bars, stainless steel wire mesh, steel pipes and others.*
- (6) *Include consumables and parts such as foam tape, oil seal, paints and services and services such as authority submission services, equipment testing services and mechanical technical consultancy services.*

For the Periods Under Review, our purchase was mainly contributed by mechanical and electrical parts which accounted for 58.83%, 60.49%, 63.19%, 54.18% and 61.43% of our total purchases for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. The mechanical and electrical materials that we purchase mainly include the following:

- finished products, hydraulic system and components comprising dock levellers, table lifters and tilting platform in finished form as well as hydraulic parts and components mainly for the assembly of our elevated platform systems;
- hoist and accessories such as motors, hook blocks, and other components of the hoist system for integration onto our crane and hoist systems;
- home elevator in finished form for installation at our customer's site; and
- electrical parts including doors, conveyors, roller shutters and parts for elevator shaft.

During the Periods Under Review, we sourced mechanical and electrical materials from domestic suppliers and imports primarily from Italy and Bulgaria.

Our purchases include subcontractor services which accounted for 7.60%, 18.20%, 17.02%, 21.80% and 20.13% of our total purchases for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. The subcontractor services include on-site assembly and installation services for our lifting systems, metal-based materials processes such as metal cutting and bending as well as maintenance and repair of lifting systems. In FYE 2021, we engaged a subcontractor in Singapore to carry out the assembly and installation works of lifting systems at our customer's site in Singapore.

7. BUSINESS OVERVIEW (Cont'd)

Our purchases of metal-based materials accounted for 29.39%, 17.56%, 15.78%, 17.09% and 15.70% of our total purchases for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. We purchase various metal-based materials including I-beams, mild steel plates, hollow metal parts, and square bars as input materials for fabrications into various components of our lifting systems such as box girders, end trucks, and crane runways. Metal-based materials are globally traded and as such, may be subject to global price fluctuations. Overall, the global prices for carbon steel plates encountered significant volatility between 2020 and 2022 due to the impact of the COVID-19 pandemic on the global supply chain and demand. The Russian-Ukraine conflict further increased the prices in early 2022. However, prices have started to decline since then due to subdued global demand amid growing inflation pressures and tightening financial conditions. *(Source: IMR Report)* The sale of our lifting systems is based on a fixed price agreed upon acceptance of purchase orders or equivalent documents issued by customers. In the event the costs increase after order acceptance, we are unable to adjust the price of the orders as it is based on a fixed price. Generally, the duration between acceptance of purchase orders and handover of our lifting systems ranges between 2 to 8 months. However, we generally account for the price fluctuations in metal-based materials by factoring them into our quoted prices which are typically valid for 14 to 30 days. This ensures that anticipated cost fluctuations are considered over the duration between order acceptance and handover. For new orders, we can pass on price fluctuations by adjusting our quotations to reflect the latest material costs. This ensures that any increases in the cost of metal-based materials are incorporated into the pricing before order confirmation.

Please refer to Section 9.1.6 of this Prospectus for further details for risk concerning fluctuations in metal-based materials.

7.14 MAJOR SUPPLIERS

Our Group's top 5 major suppliers and our purchases from them for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 are as follows:

FYE 2021

Supplier	Supplier location	RM'000	%	⁽¹⁾ Length of relationship (years)	Main input materials/services purchased
Podemcrane AD	Bulgaria	1,512	16.31	11	Hoist
Tai Hoe Hardware Sdn Bhd ⁽³⁾	Malaysia	1,339	14.44	19	Metal-based materials
Nova Elex S.R.L	Italy	717	7.73	2	Home elevators
Seng Datt Hardware (M) Sdn Bhd	Malaysia	639	6.89	19	Metal-based materials
Powermatics	Malaysia	535	5.77	19	Hydraulic systems and components
Subtotal		4,742	51.14		
Total Group's purchases of input materials, products and services		9,271			

7. BUSINESS OVERVIEW (Cont'd)**FYE 2022**

Supplier	Supplier location	RM'000	%	⁽¹⁾ Length of relationship (years)	Main materials/services input purchased
Powermatics	Malaysia	1,559	15.80	20	Hydraulic systems and components
Tai Hoe Hardware Sdn Bhd ⁽³⁾	Malaysia	1,258	12.75	20	Metal-based materials
Podemcrane AD	Bulgaria	965	9.78	12	Hoist
THES	Malaysia	787	7.97	Less than 1	Installation, maintenance and repair services
Excellift Sdn Bhd	Malaysia	479	4.85	20	Hoist
Subtotal		5,048	51.15		
Total Group's purchases of input materials, products and services		9,870			

FYE 2023

Supplier	Supplier location	RM'000	%	⁽¹⁾ Length of relationship (years)	Main materials/services input purchased
Powermatics	Malaysia	3,555	21.94	21	Hydraulic systems and components
THES	Malaysia	2,156	13.31	1	Installation, maintenance and repair services
Tai Hoe Hardware Sdn Bhd ⁽³⁾	Malaysia	1,764	10.89	21	Metal-based materials
Elma Group ⁽²⁾	Italy	1,763	10.88	1	Home elevators
Podemcrane AD	Bulgaria	1,269	7.83	13	Hoist
Subtotal		10,507	64.85		
Total Group's purchases of input materials, products and services		16,200			

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)**FYE 2024**

Supplier	Supplier location	RM'000	%	⁽¹⁾ Length of relationship (years)	Main materials/services input purchased
THES	Malaysia	3,111	18.19	2	Installation, maintenance and repair services
TOSB	Malaysia	2,643	15.45	1	Dock levellers and home elevators
Tai Hoe Hardware Sdn Bhd ⁽³⁾	Malaysia	2,051	11.99	22	Metal-based materials
Powermatics	Malaysia	1,954	11.42	22	Hydraulic systems and components
Aspect Trading Sdn Bhd	Malaysia	805	4.71	1	Parts and components
Subtotal		10,564	61.76		
Total Group's purchases of input materials, products and services		17,103			

FPE 2025

Supplier	Supplier location	RM'000	%	⁽¹⁾ Length of relationship (years)	Main materials/services input purchased
TOSB	Malaysia	2,081	24.28	2	Dock levellers and home elevators
THES	Malaysia	1,138	13.28	3	Installation, maintenance and repair services
Wuhan Rayvanbo Import and Export Trade Co. Ltd.	China	627	7.32	2	Hoists and accessories
Tai Hoe Hardware Sdn Bhd ⁽³⁾	Malaysia	616	7.19	23	Metal-based materials
Powermatics	Malaysia	392	4.57	23	Hydraulic systems and components
Subtotal		4,854	56.64		
Total Group's purchases of input materials, products and services		8,571			

Notes:

- (1) Length of relationship as at the respective financial year.
- (2) Comprising Nova Elex S.R.L. and Elma S.P.A. (collectively, "**Elma Group**"), companies incorporated in Italy.
- (3) Tai Hoe Hardware Sdn Bhd is our customer and supplier. They supply metal-based materials that are used as part of the input materials for the provision of lifting systems to us, while we supply crane and hoist systems to them.

7. BUSINESS OVERVIEW (Cont'd)

We are dependent on certain major suppliers by virtue of our purchases exceeding 10.00% for any one year of the Periods Under Review and this includes the following:

- (i) Powermatics was incorporated in Malaysia on 2 June 1977 as a private limited company and is currently principally involved in the trading, designing and manufacturing of hydraulic equipment and system. Powermatics is our major supplier for hydraulic systems such as dock levellers and table lifters as well as hydraulic parts and components, with purchases accounting for 5.77%, 15.80%, 21.94%, 11.42% and 4.57% of our total purchases of input materials, products and services for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. We have been dealing with this supplier since 2002. Our purchases from Powermatics are based on purchase orders, and we do not have any supply agreement with Powermatics.

Prior to May 2024, we source the dock levellers in a finished product form from Powermatics. As part of our business plan to bring dock leveller fabrication in-house, as well as to reduce our dependency on Powermatics, we began producing our own brand of dock levellers in May 2024 at I-Park Lot 42. Additionally, the risks associated with our reliance on Powermatics can be mitigated by engaging alternative suppliers. During the Periods Under Review, we sourced similar products from 3 other alternative suppliers, namely TOSB, Master Well Enterprise Limited and Inkema Sistemas, S.L.

Subsequent to the commencement of our in-house fabrication of dock leveller in May 2024, we have not purchased dock leveller in a finished product form from Powermatics since August 2024.

- (ii) THES was incorporated in Malaysia on 23 April 2021 as a private limited company and is currently principally involved in providing, amongst others, project management as well as project consultancy services, procuring the supply of such on-site assembly, installation, commissioning and maintenance works. THES is the dedicated subcontractor that we engaged to carry out mainly the Services, which accounted for 7.97%, 13.31%, 18.19% and 13.28% of our total purchases of input materials, products and services for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. We have been dealing with this subcontractor since 2022 mainly for the Services.

While we also have our in-house technical team to supervise and carry out Services, the main reasons to engage THES for these services, include:

- to complement our in-house technical team where we have 7 teams comprising a total of 19 technical personnel as at the LPD, to carry out the Services; and
- to enable us to manage variable cost effectively where we only pay for services as needed as well as allow us to scale our operations quickly to meet certain periods of high demand without being constrained by internal staffing limitation.

Furthermore, we have been dealing with THES since 2022, demonstrating our continuing business relation. The consistency in their services reliability that provide us the confidence in maintaining the continuing working relationship with this subcontractor.

We have entered into a service agreement with THES on 18 November 2024 to govern the parties' respective obligations in this business relationship. The salient terms of the said service agreement are amongst others, set out as follows:

- (1) PHEM and PMSB to sub-contract the Services to THES at the price as mutually agreed upon from time to time.

7. BUSINESS OVERVIEW (Cont'd)

- (2) THES to purchase consumables required for the Services from PRSB for the purpose of the Services at the price as mutually agreed upon from time to time. Nevertheless, THES shall have the discretion to purchase such consumables from other parties and shall bear sole responsibilities for the use of the consumables from other parties.

The said service agreement is and will continue to be in force until it is terminated pursuant to the terms contained therein ("**Terms of Termination**") or by way of mutual agreement of the said parties in writing, whichever is the first to occur.

In respect of the Terms of Termination:

- (1) the non-defaulting party may terminate the said service agreement in the event there is a material breach of any of the terms therein, after the non-defaulting party has served a 30 days' written notice to the defaulting party in requesting the rectifications but the defaulting party failed to remedy the relevant defaults; and
- (2) either party may terminate the said service agreement upon a written notice if amongst others (aa) a liquidator is appointed over any property of a party; (bb) a winding up petition has been served on a party; (cc) a party undergoes reconstruction in such manner it may affect its performance of the terms of the said service agreement; or (dd) a party ceases to carry on business.

Additionally, the risks associated with our reliance on THES can be mitigated by engaging alternative subcontractors. During the Periods Under Review, we sourced similar services from 2 other alternative subcontractors, including Kim Yen Metaltech Sdn Bhd and Chai Seng Lift & Escalator Sdn Bhd. In addition, we have our in-house technical team to support the Services.

- (iii) We engaged a dedicated third-party fabricator of our brand of home elevator during FYE 2024 where we started to deal with TOSB in 2023. We also source the dock levellers in a finished product form from TOSB. For the FYE 2024 and FPE 2025, the purchases from TOSB accounted for 15.45% and 24.28% of our total purchases of input materials, products and services respectively.

We have entered into a supply cum confidentiality agreement with TOSB on 18 November 2024 to govern the parties' respective obligations in this business relationship. The salient terms of the said supply cum confidentiality agreement are amongst others, set out as follows:

- (1) TOSB to source, supply or procure the supply of the products such as control panel box, dock levellers, home lift, cage panel and control panel (collectively, "**Products**") to our Group as well as to ensure the same are not defective and in compliance with all applicable laws; and
- (2) TOSB shall keep all confidential information provided by our Group, such as all designs, plans and layouts in respect of any of the Products, confidential, and shall not disclose such information to any other third party (save for TOSB's directors, employees or representatives who are required in the course of their duties to receive such information) without prior written consent from our Group.

TOSB also fabricates the elevator car (cabin) and doors (including cabin and landing doors) based on our design and specifications. In addition, the supplier also carries out the integration of other mechanical and electronic parts to assemble them into a finished product. TOSB has been purchasing the main parts and components from us, which include metal shaft, motor, control and indicator panels, and related components. For the avoidance of doubt, we purchase the said main parts and components from third parties.

7. BUSINESS OVERVIEW (Cont'd)

The risks associated with our reliance on TOSB can be mitigated by engaging alternative suppliers. During the Periods Under Review, we sourced similar products from 1 other alternative supplier, namely Elma Group for home elevators, and 3 other alternative suppliers, namely Powermatics, Master Well Enterprise Limited and Inkema Sistemas, S.L. for dock levellers.

Notwithstanding that our Group's total purchases of materials from Tai Hoe Hardware Sdn Bhd exceeded 10.00% of the Group's total purchase of input materials, products and services in FYE 2021, FYE 2022, FYE 2023 and FYE 2024, we are not dependent on Tai Hoe Hardware Sdn Bhd as the type of metal-based materials (such as I-beam, mild steel plate, hollow metal part and square bar) are easily sourced from other local suppliers. During the Periods Under Review, we also purchased such metal-based materials from Seng Datt Hardware (M) Sdn Bhd and other suppliers (including Y K Hardware Supply Sdn Bhd and Yick Hoe Ferrous Steel Sdn Bhd).

Nevertheless, our purchases of metal-based materials from Tai Hoe Hardware Sdn Bhd was higher compared to other suppliers for the Periods Under Review mainly attributable to the positive business relationship established with them, reliable and timely supply of the metal-based materials and consistently positive experiences with Tai Hoe Hardware Sdn Bhd.

As at the LPD, we also maintain a list of 13 other suppliers and subcontractors for the supply of key input materials, products and services which meet our project requirements. We are also able to source for materials/ services from other suppliers/ subcontractors. In selecting suppliers, the we will consider a variety of factors, including the availability of materials, quality, pricing and lead time for delivery.

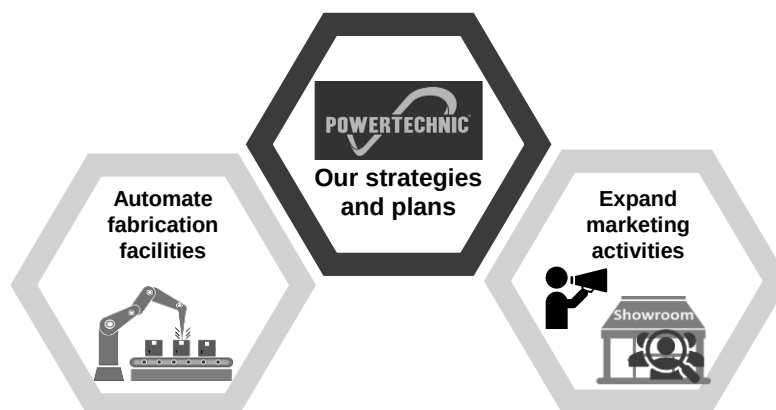
Premised on the above, save for Powermatics, THES and TOSB, we are not dependent on any other single supplier/ subcontractor.

For the Periods Under Review and up to the LPD, we have not encountered any disputes with any of our major suppliers that have significant impact on our business operations and financial performance.

As at the LPD, none of the Company's Directors, Promoters and/ or substantial shareholders has any interest, direct or indirect, in any of our major suppliers/ subcontractors.

7.15 BUSINESS STRATEGIES AND PLANS

Moving forward, we will continue with our existing business activities and leverage our core competencies to address potential opportunities for business growth. A summary of our business strategies and plans is as follows:



7. BUSINESS OVERVIEW (Cont'd)

7.15.1 Automate fabrication facilities

As part of our lifting systems provision, we perform fabrication work at our workshop, including mechanical cutting, milling, and manual welding. We plan to invest in automation to enhance some of our fabrication processes by incorporating various automated machines, aiming to improve precision and speed while increasing production scalability.

We plan to purchase and integrate a range of automated machines for our fabrication processes, including:

- robotic welding machines to automate the welding of metal-based materials;
- automated cutting machines include laser cutting machines to perform precision cutting of metal sheets and components;
- automated bending machine to perform precision bending of metal-based materials; and
- automated painting and coating systems to automate the application of powder coating to metal parts.

In addition, we plan to purchase a truck equipped with crane for the transport of materials between our operational facilities and the customers' sites.

The new automated machines are planned to be installed mainly at I-Park Lot 42 which is our fabrication workshop dedicated to our elevated platform systems specifically dock levellers. The existing workshop at I-Park Lot 42 has sufficient space to accommodate the new automated machines. Our fabrication of dock levellers commenced in May 2024. As at the LPD, our Group is not operating any of the new automated machines proposed to be acquired. Our fabrication processes comprising welding, cutting, bending, painting and coating activities are carried out manually. The main rationale for having the automated machines is to automate and improve efficiency and production speed and production capacity of our dock levellers will increase progressively. We plan to expand the facilities to capitalise on business growth opportunities, leveraging our track record and market acceptance that we have gained for our lifting systems. Furthermore, we have recurring orders from customers in both domestic and export markets, demonstrating market acceptance of our dock levellers. For the Periods Under Review, revenue contribution from our elevated platform systems increased from RM1.69 million in FYE 2021 to RM11.20 million in FYE 2024, representing a CAGR of 87.95%.

The total estimated cost for the purchase and installation of automated machines is RM3.80 million which will be funded through IPO proceeds. The estimated time frame for the utilisation of the IPO proceeds is within 18 months from the date of listing. The expected timing to commence the purchase of robotic welding machines, truck with crane and automated painting and coating systems is fourth quarter 2025 and the expected timing to commence the purchase of automated cutting system and automated bending machine is second quarter 2026. The automated machines that we plan to purchase and the estimated cost are as follows:

	Quantity	Estimated total cost (RM'000)
Robotic welding machines	2	1,800
Automated cutting system	2	1,000
Automated bending machine	1	500
Truck with crane	1	300
Automated painting and coating system	2	200
Total	8	3,800

7. BUSINESS OVERVIEW (Cont'd)**7.15.2 Expand marketing activities**

We intend to expand our marketing activities to increase our brand awareness in both offline and online marketing channels. Our plans for marketing activities include the following:

(i) Setting up new product showrooms and sales offices with storage space in industrial buildings

We principally operate from our headquarters in Johor. For the Periods Under Review, the southern region of Peninsular Malaysia comprising Johor, Malacca and Negeri Sembilan has been our main revenue contributor accounting for 92.56% (RM15.06 million), 87.79% (RM17.75 million), 64.28% (RM19.68 million), 69.91% (RM27.97 million) and 77.88% (RM17.58 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Our showroom is mainly for the display of our home elevators, providing a point of reference to our potential customers. As at the LPD, we have 2 showrooms and sales offices located in Selangor and Johor that feature our home elevators. Our expansion plans encompass setting up new product showrooms and sales offices with storage space, with the objective of expanding our market coverage in the northern region of Peninsular Malaysia and East Malaysia. This is to attract potential customers by providing ease of access and convenience and also enable us to be close to potential customers.

We plan to set up 2 new operational facilities in industrial buildings, each of which comprises product showroom and sales office with storage space. The 2 new facilities will be located in Penang and Sarawak. The primary reason for establishing facilities in Penang and Sarawak is to support business growth in northern Peninsular Malaysia and East Malaysia by addressing potential markets driven by economic growth in these regions. The total estimated cost for setting up new product showrooms and sales offices with storage space is RM3.30 million which will be funded through IPO proceeds. The estimated time frame for the utilisation of the IPO proceeds is within 18 months from the date of listing. The set up of the 2 new product showrooms and sales offices with storage space is expected to commence in fourth quarter 2025. As at the LPD, we have yet to incur any costs for setting up the 2 new operational facilities comprising product showrooms and sales offices with storage space.

	Estimated cost (RM'000) ⁽¹⁾		
	Facility in Penang ⁽²⁾	Facility in Sarawak ⁽²⁾	Total
Rental and related expenses ⁽³⁾	750	450	1,200
Renovation including interior fit-out	850	650	1,500
Display unit	300	300	600
Total	1,900	1,400	3,300

Notes:

(1) The estimated cost takes into consideration the actual setup costs incurred for our existing showrooms and sales offices in Selangor and Johor, quotations from suppliers and contractors, as well as prevailing market rates for industrial building rentals.

(2) Comprises product showroom and sales office with storage space.

7. BUSINESS OVERVIEW (Cont'd)

- (3) *Include estimated rental expenses for a period of 18 months and related costs such as deposits, agent fees and cleaning fees. We are in the midst of identifying suitable locations for the establishment of the new product showrooms and sales offices with storage space. As at the LPD, we have yet to enter into any tenancy agreement.*

(ii) Digital marketing and offline marketing events

Part of our plans includes continuous marketing to promote our *Powertechnik* brand of products. For the Periods Under Review, all our lifting systems are sold under our “Powertechnik” brand. We plan to allocate resources in the following areas:

- **Digital marketing campaigns:** This includes social media marketing to promote our products and services on platforms like Facebook, Instagram, LinkedIn and TikTok, in collaboration with influencers who can share updates, customer testimonials, and case studies to engage our Group's audience.

In addition, we will run targeted advertisements on platforms such as Google Ads to reach potential customers in new target areas including northern region of Peninsular Malaysia, East Malaysia, Singapore and Indonesia who are actively searching for lifting systems and related products. Our plan to expand digital marketing campaigns to Singapore is mainly to grow our existing market presence in Singapore. Our revenue from Singapore increased from RM0.04 million in FYE 2021 to RM1.67 million in FYE 2024. Our plan to expand digital marketing campaigns to Indonesia is aimed at testing market acceptance, as well as evaluating the potential demand in Indonesia.

We will also optimise our website and content for search engines so that our Company ranks among the top providers of lifting systems in the search results.

- **Content creation:** We will develop informative and engaging content, such as videos and blog posts, covering topics that showcase our products in action. This includes product demonstrations, customer experiences, instructional content, and educational materials on the benefits of different products, maintenance tips, trends, and special offers. Our plan includes enhancing content quality to improve audience engagement. This content will be hosted on platforms like YouTube and embedded on our website.
- **Trade shows and industry events:** We plan to participate in trade shows and industry events to showcase our products and generate leads.

We plan to set aside RM1.20 million to facilitate the expansion of marketing activities between 2025 and 2026 in Malaysia and foreign markets including Singapore and Indonesia, and this will be funded through IPO proceeds within 18 months from the date of listing. The marketing activities will be carried out by our in-house marketing team, complemented by third-party marketing companies for activities such as digital marketing campaigns and content creation.

7. BUSINESS OVERVIEW (Cont'd)

7.16 SEASONALITY

For the Periods Under Review, we did not experience any material seasonality in our business operations.

7.17 MATERIAL INTERRUPTIONS TO OUR BUSINESS

In 2020 and 2021, we experienced temporary suspension of our business operations in accordance to the guidelines of the Government and our standard operating procedures during the COVID-19 pandemic period. We did not experience any material interruptions to our business for the Periods Under Review and up to the LPD.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)**7.18 INFORMATION ON MATERIAL LAND AND BUILDINGS****7.18.1 Material property owned by our Group**

As at the LPD, the details of the material property owned by our Group are as set out below:

No.	Postal address/ Title details/ Tenure	Registered/ Beneficial owner	Description/ Existing use	Approximate land area/ built-up area (sq. ft.)	Date of issuance of CCC	Major Encumbrances/ Restriction-in-Interest	Audited NBV as at 30 June 2025 (RM'000)
1.	<u>Postal address:</u> No. 28, Jalan I-Park 1/3, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor (I-Park Lot 28) <u>Title details:</u> GRN 580179, Lot 98855 (formerly known as HS(D) 62271 PTD 106959), Mukim of Kulai, District of Kulaijaya, State of Johor <u>Tenure:</u> Freehold	PHEM	<u>Description of property:</u> 1 ½ storey detached factory <u>Existing use:</u> Manufacturing facilities and office	43,560/ 25,661.16	31 March 2014	(i) The property allocated for the Bumiputera, once it changes ownership to a Bumiputera/ Bumiputera company, it cannot subsequently be sold, leased or transferred in any manner to a non-Bumiputera individual or non-Bumiputera company without the permission of the state authority ⁽¹⁾ . (ii) Charged in favour of Maybank Islamic Berhad under the presentation no. 53207/2014 registered on 30 June 2014. As at the LPD, it is valid and subsisting.	4,365

Note:

(1) This restriction shall apply whenever PHEM intends to transfer the ownership of this property to any other non-Bumi owners.

7. BUSINESS OVERVIEW (Cont'd)**7.18.2 Material property owned by our Group and rented out to third parties**

As at the LPD, the details of the material property owned by our Group and rented out to third party are as set out below:

No.	Postal address/ Title details/ Tenure	Landlord/ Tenant	Description/ Existing use	Approximate land area/ built-up area (sq. ft.)	Date of issuance of CCC	Major Encumbrances/ Restriction-in-Interest	Audited NBV as at 30 June 2025 (RM'000)
1.	<u>Postal address:</u> PTD 108444, Jalan Seroja 28, Bandar Indahpura, 81000 Kulai, Johor <u>Title details:</u> HS(D) 64684 PTD 108444 Mukim Kulai, Daerah Kulaijaya, Negeri Johor <u>Tenure:</u> Freehold	PHEM/ I-Jaya Management Sdn Bhd	<u>Description of property:</u> Empty land rented to I-Jaya Management Sdn Bhd ⁽¹⁾ <u>Existing use:</u> Investment	100,188/ 132,110.7	N/A ⁽²⁾	(i) The property allocated for the Bumiputera, once it changes ownership to a Bumiputera/ Bumiputera company, it cannot subsequently be sold, leased or transferred in any manner to a non-Bumiputera individual or non-Bumiputera company without the permission of the state authority ⁽³⁾ . (ii) Property charged by PHEM in favour of Hong Leong Islamic Bank Berhad under the presentation no. 100641/2015 registered on 22 December 2015. As at the LPD, it is valid and subsisting.	6,736
2.	<u>Postal address:</u> 34-16, Blok A, Pangsapuri Molek, Persiaran Bumi Hijau, Taman Molek, 81100 Johor Bahru, Johor <u>Title details:</u> GRN 598455 Lot 216032 Mukim of Plentong, District of Johor Bahru, State of Johor <u>Tenure:</u> Freehold	PHEM/ See Peck Heng	<u>Description of property:</u> Service apartment <u>Existing use:</u> Investment	273,831.73 ⁽⁵⁾ / 640	16 April 2018	(i) The property allocated for the Bumiputera, once it changes ownership to a Bumiputera/ Bumiputera company, it cannot subsequently be sold, leased or transferred in any manner to a non-Bumiputera individual or non-Bumiputera company without the permission of the state authority ⁽³⁾ . (ii) Property charged by PHEM to Public Bank Berhad ⁽⁴⁾ .	383

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) PHEM is currently renting a piece of empty land to I-Jaya Management Sdn Bhd ("I-Jaya" or "Tenant") whereby a temporary structure was subsequently erected by I-Jaya on the said land. In this regard, PHEM does not own the temporary structure.
- (2) A Limited Planning Permission (Kebenaran Merancang Terhad) has been granted by Kulai Municipal Council to the Tenant. For clarification, the Limited Planning Permission is issued by the local authority to permit the erection of a temporary structure on the land. Due to the temporary nature of the structure, the CCC is not applicable. The Limited Planning Permission was issued on 23 November 2020 and is expected to expire on 22 November 2025, subject to further directions as may be advised by the relevant authority.
- (3) This restriction shall apply whenever PHEM intends to transfer the ownership of this property to any other non-Bumi owners.
- (4) A loan of RM249,600 was obtained from Public Bank Berhad to finance the purchase of the property, as stated in the letter of offer dated 31 October 2019. As at the LPD, the strata title application of this property is still in process.
- (5) For avoidance of doubt, the land area represents the entire land of the "Pangsapuri Molek" (Molek Regency Service Apartment).

7.18.3 Material properties rented by our Group

As at the LPD, the details of the material properties rented by our Group are as set out below:

No.	Registered owner/ Landlord	Tenant	Address and Title details	Description / Existing use	Approximate land area/ built- up area (sq. ft.)	Date of issuance of CCC	Term of tenancy	Rental per annum (RM)
1.	Hing Yick Trading Sdn Bhd	PHEM	<u>Postal Address:</u> No. 42, Jalan I-Park 1/4, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor (I-Park Lot 42) <u>Title details:</u> GRN 580199, Lot 98876, Mukim of Kulai, District of Kulai Jaya, Johor	<u>Description of property:</u> 1 ½ storey semi- detached factory <u>Existing use:</u> Manufacturing facilities and office	23,594.5 / 12,053.32	26 February 2024	1 April 2024 – 31 March 2027	222,000
2.	Chai Sien Theng	PMSB	<u>Postal Address:</u> No. 18, Jalan Anggerik Mokara 31/51, Kota Kemuning, 40460 Shah Alam, Selangor (Kota Kemuning Lot 18) <u>Title details:</u> H.S.(D) 55192, PT566515, Mukim of Klang, District of Klang, Selangor	<u>Description of property:</u> 1 ½ storey semi- detached factory <u>Existing use:</u> Office	7,319.5 / 10,019	30 January 2012	15 July 2025 – 14 July 2028	182,000

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, the properties owned/ rented by our Group are in compliance with the property use conditions and the current statutory requirements, land codes or building regulations or by-laws.

7.19 MAJOR APPROVALS, LICENCES AND PERMITS

Details of the approvals, major licences and permits obtained by our Group as at the LPD are set out below:

Company	Issuing authority	Licence/ Reference no.	Commencement date / Expiry date	Description of licence/ approval	Major conditions imposed	Compliance status
PHEM	Kulai Municipal Council	LPP2280234900 539	1 January 2025 / 31 December 2025	Business licence in respect of the I-Park Lot 28	Nil	N/A
PHEM	Kulai Municipal Council	LTB2024002779	1 January 2025 / 31 December 2025	Business licence in respect of the I-Park Lot 42	Nil	N/A
PHEM	Shah Alam City Council	L031110720240 002	28 November 2024 / 14 November 2025	Business licence in respect of the Kota Kemuning Lot 18	Nil	N/A
PMSB	Shah Alam City Council	L031110920240 001	1 April 2025/ 31 March 2026	Business licence in respect of the Kota Kemuning Lot 18	Nil	N/A
PMSB	Kulai Municipal Council	LTB2024002822	1 January 2025 / 31 December 2025	Business licence in respect of the I-Park Lot 42	Nil	N/A
PRSB	Kulai Municipal Council	LTB2024002780	1 January 2025 / 31 December 2025	Business licence in respect of the I-Park Lot 28	Nil	N/A

7. BUSINESS OVERVIEW (Cont'd)

Company	Issuing authority	Licence/ Reference no.	Commencement date / Expiry date	Description of licence/ approval	Major conditions imposed	Compliance status
PHEM	CIDB	0120200904-JH054611	20 October 2022 / 16 October 2025 ⁽¹⁾	Certificate of registration pursuant to Part VI of the LPIP Act 1994 in respect of: - Grade 5, Category B, Specialisation B04 - Grade 5, Category CE, Specialisation CE21 - Grade 5, Category ME, Specialisation M15	<u>General Conditions:</u> (i) This certificate is non-transferable. (ii) CIDB reserves the right to review the registration grade of the registered licensee from time to time. <u>Responsibilities and obligations of licensee:</u> (i) licensee shall comply to the provisions of the LPIP Act 1994, the rules and regulations made thereunder and any terms, conditions or restrictions imposed by CIDB from time to time; (ii) licensee shall not participate in any tender or perform any construction work after the expiry of the certificate of registration unless it is renewed; (iii) licensee shall not undertake any construction project that exceeds the value of the construction work specified under the grade that they are registered under and shall not carry out any project construction outside its registered category; (iv) licensee shall furnish information relating to the construction work(s) or contract(s) within 14 days from the award or the commencement of such construction work(s), whichever is earlier;	Noted. Noted. Noted and complied. Noted and complied. Noted and complied. Noted and complied.

7. BUSINESS OVERVIEW (Cont'd)

Company	Issuing authority	Licence/ Reference no.	Commencement date / Expiry date	Description of licence/ approval	Major conditions imposed	Compliance status
					(v) licensee shall submit any information required by the CIDB from time to time; (vi) licensee shall display its certificate of registration, either original or a copy of the same, at its place of business; (vii) licensee shall display its registration numbers on the signboards at each of its construction sites; (viii) licensee shall submit the application for renewal of the certificate of registration 60 days before the expiry date specified on the certificate of registration; (ix) licensee shall comply to all the conditions set out in CIDB's Code of Ethics for Contractors; (x) licensee shall appoint skilled construction workers and site supervisors accredited and certified by CIDB; and (xi) all workers of the licensee at the construction site must have a valid construction personnel card.	Noted. Noted and complied. Noted and complied. Noted. Noted and complied. Noted and complied. Noted and complied
PHEM	DOSH	JKKP/ 2023/22/32	28 April 2023 / 27 April 2026	Certificate of competency as manufacturer of hoisting machine	Nil	N/A

7. BUSINESS OVERVIEW (Cont'd)

Company	Issuing authority	Licence/ Reference no.	Commencement date / Expiry date	Description of licence/ approval	Major conditions imposed	Compliance status
PHEM	MITI	A026127 for I-Park Lot 28 A026126 for I-Park Lot 42	Since 10 October 2024	Manufacturing license for the manufacturing of overhead crane and dock leveller at I-Park Lot 28 and I-Park Lot 42 respectively ⁽²⁾	(i) MITI and MIDA shall be notified of any sale of shares in PHEM. (ii) PHEM shall train its Malaysian employees to ensure that technology and expertise may be transferred to all positions in PHEM. (iii) PHEM shall ensure that its project's capital investment per employee is at least RM140,000.00. (iv) The total full-time workforce of PHEM shall comprise at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies. (v) PHEM must present information regarding investment performance and projects implemented under the ICA 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 (MIDA Act 1965) when required by MIDA. Failing to submit such information may result in PHEM: (a) Being found guilty of an offence and liable to a fine not exceeding RM1,000.00 or to imprisonment for a term not exceeding 3 months or to both, and liable to a further fine not exceeding RM500.00 for each; or	Noted and complied. Noted and complied. Noted and complied. Noted and complied. Noted.

7. BUSINESS OVERVIEW (Cont'd)

Company	Issuing authority	Licence/ Reference no.	Commencement date / Expiry date	Description of licence/ approval	Major conditions imposed	Compliance status
					(b) Being held liable for an offence for furnishing statements or information that is false or misleading in any material form which can result in a fine of not more than RM2,000.00 or imprisonment for a term not exceeding 6 months or both. (vi) PHEM shall establish its project as approved subject to the conditions of this licence and in accordance with other laws and regulations in Malaysia.	Noted.

Notes:

- (1) Subsequent to the LPD, the CIDB licence has been renewed, and the renewed licence is valid from 18 September 2025 to 15 October 2028.
- (2) Please refer to Section 7.22(i) of this Prospectus for further details on the previous non-compliance by our Group.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)

7.20 INTELLECTUAL PROPERTY

As at the LPD, our Group currently holds the following trademarks, which are registered under our Subsidiary, being PHEM:

Trademark	Registered Owner	Description	Trademark no.	Date of registration / Renewal due date	Approving authority	Place of registration	Status
	PHEM	Class 7: Cranes (lifting and hoisting apparatus); mobile cranes; mobile dock cranes; dock cranes; jib cranes; gantry cranes; floating cranes; hoists; mechanical hoists; hydraulic hoists; pneumatic hoists; mechanical lifts; lift operating apparatus; lifting apparatus; lifting work platforms; mechanical lifts for moving, parking and storing land vehicles; robotic mechanisms for lifting; electric door openers; electric door closers; elevator doors; lift doors.	TM2022000041	1 January 2022 / 1 January 2032	MyIPO	Malaysia	Valid
	PHEM	Class 9: Application software; application software for cell phones; application software for cloud computing; cloud computing software; computer e-commerce software to allow users to perform electronic business transactions via a global computer network.	TM2022000078	4 January 2022 / 4 January 2032	MyIPO	Malaysia	Valid
	PHEM	Class 16: Advertisement boards of paper or cardboard; plastic bags for packaging; balls for ball-point pens; address stamps; booklets; bookbinding material; books; catalogues; copying paper (stationery); document laminators for office use; document files (stationery); envelopes (stationery); flyers; files (office requisites); graphic representations; index cards (stationery); paper labels; magazines (periodicals); note books; newsletters; pads (stationery); pamphlets; paper sheets (stationery); pictures; printed matter; printed publications; seals (stamps); stamps (seals); stationery; writing instruments; writing materials; writing paper; printed paper labels; paper cartons for delivering goods; sealing tape for paper cartons.	TM2022000079	4 January 2022 / 4 April 2032	MyIPO	Malaysia	Valid

7. BUSINESS OVERVIEW (Cont'd)

Trademark	Registered Owner	Description	Trademark no.	Date of registration / Renewal due date	Approving authority	Place of registration	Status
	PHEM	Class 35: Business management of wholesale and retail outlets; advertising for others on the internet; advertising and marketing services provided by means of social media; advertising and commercial information services provided via the internet; advertising in periodicals, brochures and newspapers; advertising relating to transport and delivery services; advertising by mail order; invoicing; marketing; online advertising on a computer network; providing business information via a web site; promoting the goods and services of others through advertisements on internet web sites; retail services featuring a bonus incentive programme for customers; administration of customer loyalty programmes; banner advertising; internet marketing; social media marketing; advertising services to create corporate and brand identity; information, advisory and consultancy services relating to business management and business administration provided online or via the internet.	TM2022000080	4 January 2022 / 4 January 2032	MyIPO	Malaysia	Valid

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)

Trademark	Registered Owner	Description	Trademark no.	Date of registration / Renewal due date	Approving authority	Place of registration	Status
	PHEM	Class 7: Agricultural implements other than hand-operated; Hand-held tools, other than hand-operated; Handling apparatus for loading and unloading; Hydraulic tools; Hydraulic presses; Hydraulic cylinder; Hydraulic jacks; Hydraulic pumps; Hydraulic crimping units; Torque wrenches; Rams; Pullers (machine); Cutter (machine); Punches for use with machine tools; Manually operated hydraulic benders; Machines and machine tools; Moulding machines; Nut-tapping machines; Packing machines; Power hammers; Presses; Pressure valves (parts of machines); Pumps for heating installations; Torque wrench; All included in class 7.	012053729	30 May 2012/ 30 May 2032	MyIPO	Malaysia	Valid
	PHEM	Class 16: Address stamps; Advertisement boards of paper or cardboard; Albums; Announcement cards (stationery); Architects' models; Arithmetical tables; Bags (envelopes, pouches) of paper or plastics, for packaging; Bags (garbage) of paper or of plastics; Blackboards; Blotters; Blueprints; Bookbinding apparatus and machines (office equipment); Bookbinding material; Bookbindings; Bookends; Booklets; Bookmarkers; Books; Cabinets for stationery (office requisites); Calculating tables; Calendars; Canvas for painting; Carbon paper; Cardboard; Cardboard articles; Cardboard tubes; Cards; Catalogues; Charts; Coasters of paper; Comic books; Compasses for drawing; Cords for bookbinding; Covers (stationery); Document files (stationery); Document laminators for office use; Drawing instruments; Drawing materials; Duplicators; Engravings; Envelope sealing machines, for offices; Envelopes (stationery); Erasers; Erasing products; Filter paper; Folders for papers; Folders (stationery); Forms	2012053749	30 May 2012/ 30 May 2032	MyIPO	Malaysia	Valid

7. BUSINESS OVERVIEW (Cont'd)

Trademark	Registered Owner	Description	Trademark no.	Date of registration / Renewal due date	Approving authority	Place of registration	Status
		(printed); Graphic prints; Graphic representations; Graphic reproductions; Greeting cards; Gummed cloth for stationery purposes; Hand labeling appliances; Handbooks (manuals); Handkerchiefs of paper; Hand-rests for painters; Handwriting specimens for copying; Hat boxes of cardboard; Holders for checkbooks (cheque books); Holders for stamps (seals); Indexes; Ink; Labels, not of textile; Letter trays; Letter head; Magazines (periodicals) luminous paper; Note books; Packaging material made of starches; Packing paper; Paper; Periodicals; Photo-engravings; Photographs; Pictures; Plastic bubble packs (for wrapping or packaging); Postcards; Posters; Printed matter; Printed publications; Printed timetables; Printers' blankets, not of textile; Printers' reglets; Printing blocks; Printing sets, portable (office requisites); Printing type; Prints (engravings); Publications; Stationery; Tickets; Transparencies (stationery); Wrapping paper; All included in class 16.					

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)**7.21 EMPLOYEES**

A summary of our Group's total workforce by job functions as at 30 June 2025 and the LPD are as set out below.

Categories	As at 30 June 2025			As at the LPD		
	Local employees	Foreign employees	Sub-total	Local employees	Foreign employees	Sub-total
Executive Directors and key senior management	5	-	5	5	-	5
Finance and accounts	8	-	8	7	-	7
Human resources and administration	7	-	7	8	-	8
Procurement, sales and marketing	36	-	36	36	-	36
Engineering and technical staff	53	13	⁽¹⁾ 66	56	12	⁽²⁾ 68
Total	109	13	122	112	12	124

A summary of our Group's total workforce by geographical location as at 30 June 2025 and the LPD are as set out below.

Categories	As at 30 June 2025			As at the LPD		
	Local employees	Foreign employees	Sub-total	Local employees	Foreign employees	Sub-total
Johor	96	13	109	100	12	112
Selangor	13	-	13	12	-	12
Total	109	13	122	112	12	124

Notes:

- (1) Comprises 6 mechanical engineers*, 1 production engineer[^], 1 assistant production engineer[^], 3 project engineers[#], 1 project engineer assistant[#], 1 operation executive[#], 1 industrial product design*, 1 quality assurance and quality control welder engineer and 51 production technicians (including 18 technical personnel of which 4 are electrical technical staff).
- (2) Comprises 6 mechanical engineers*, 1 production engineer[^], 1 assistant production engineer[^], 3 project engineers[#], 1 project engineer assistant[#], 1 operation executive[#], 1 quality assurance and quality control welder engineer, 1 safety design engineer and 53 production technicians (including 19 technical personnel of which 4 are electrical technical staff).

Notes:

- * mainly involved in engineering design.
- [^] mainly involved in fabrication and assembly.
- [#] mainly involved in installation and commissioning.

As at the LPD, we have a total workforce of 124 employees of which:

- (i) 108 permanent employees are Malaysians and accounted for approximately 87.10% of our total workforce;
- (ii) 4 contractual and / or temporary workers are Malaysians and accounted for approximately 3.23% of our total workforce; and
- (iii) 12 permanent employee who are foreign workers from Nepal and represents 9.67% of our total workforce. All the said foreign workers holds valid employment passes which are renewable every 9 months.

All our foreign workers hold the relevant visa and valid working permits.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, we employ a total of 123 full-time staffs and 1 part-time staff.

None of our employees belong to any trade unions and there has been no industrial dispute during the Periods Under Review and up to the LPD.

7.22 GOVERNING LAWS AND REGULATIONS

Our Group is subject to the following governing laws and regulations which are material to our business operations:

(i) Industrial Co-Ordination Act 1975 ("ICA 1975")

Pursuant to the ICA 1975, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. The ICA 1975 defines "manufacturing activity" as the "making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade". Failure to comply is an offence and the person is liable on conviction to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues.

Manufacturing companies with shareholders' funds of RM2.50 million and above or engaging 75 or more full-time paid employees are required to apply to the MITI for a manufacturing licence.

Save as disclosed below, there was no non-compliance of our Group as to the provisions of the ICA 1975.

Nature of previous non-compliance	Non-registration of PHEM as a manufacturer for manufacturing for operating facilities located at: (i) I-Park Lot 28; and (ii) I-Park Lot 42.
Status as at the LPD	As at the LPD, PHEM has obtained manufacturing licences for its operations in I-Park Lot 28 and I-Park Lot 42.
Estimated time for rectification	Rectified.
Estimated cost to rectify (RM'000)	Not applicable.
Potential maximum penalty	Failure to comply is an offence and the person is liable on conviction to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues.
Impact to business operations or financial condition	No impact on business operations or financial condition (as no penalties have been imposed for the past non-compliance) as PHEM has obtained the manufacturing licences from MITI.

7. BUSINESS OVERVIEW (Cont'd)

PHEM is primarily engaged in the provision of lifting systems, and maintenance and repair services which involve engineering design, fabrication, assembly, installation and commissioning activities of the lifting systems. Thus, a manufacturing licence is required for each of its operating facilities once its shareholders' funds exceeded RM2.50 million and above or it employs 75 or more full-time paid employees.

The past non-compliance of PHEM (i.e., not licenced under the ICA 1975) arose because PHEM was not aware of the requirement to obtain a manufacturing licence for each of its operating facilities once it employs 75 or more full-time paid employees or its shareholders' funds exceeded RM2.50 million, whichever is applicable. While PHEM's shareholders' funds exceeded RM2.50 million in FYE 2011, PHEM only commenced fabrication activities in 2012 when a manufacturing licence is required.

As such, PHEM was in breach of ICA 1975 for:

- (a) undertaking manufacturing activities at I-Park Lot 28 from 19 January 2016 (being the date PHEM commenced operations at I-Park Lot 28) to 9 October 2024 without a manufacturing licence; and
- (b) undertaking manufacturing activities at I-Park Lot 42 from 1 April 2024 (being the date PHEM commenced operations at I-Park Lot 42) to 9 October 2024 without a manufacturing licence.

PHEM was of the view that it was sufficient that PHEM possessed a valid and subsisting certificate of competency as manufacturer of hoisting machine from DOSH.

When PHEM became aware during the course of due diligence that it is required to obtain a manufacturing licence for each of its operating facilities under Section 3 of the ICA 1975, PHEM submitted an application to MIDA for the manufacturing licences in August 2024.

PHEM successfully obtained the manufacturing licences for I-Park Lot 28 and I-Park Lot 42 on 10 October 2024. As at the LPD, PHEM has not been fined or issued with any notice of non-compliance in relation to the absence of manufacturing licences under ICA 1975.

To prevent the occurrence of regulatory non-compliance such as the aforementioned in the future, our Group has in place the following measures:

- (a) designated to the new Human Resources and Administration Manager to oversee and handle all licence applications;
- (b) enhanced our Administration policies and procedures (i.e., for renewal and monitoring of licences, permits and certificates as well as maintain a master list) to keep track of all the licences required, status of compliance with conditions imposed on the licences, and renewal dates for the licences; and
- (c) as part of the Human Resource Training policies and procedures, the Group would also keep abreast with any latest development on rules and regulations governing our Group's business operations to ensure continuous compliance.

We are of the view that this past non-compliance will not have an adverse impact on our Group's business operations and/ or financial performance as:

- (a) PHEM has obtained its manufacturing licences for I-Park Lot 28 and I-Park Lot 42. As at the LPD, PHEM has not been fined or issued with any notice of non-compliance in relation to the absence of manufacturing licences under ICA 1975 and hence would not have an impact on its financial performance and position; and

7. BUSINESS OVERVIEW (Cont'd)

- (b) PHEM has taken the necessary remedial actions to rectify the non-compliance and to ensure future compliance as stated above.

(ii) Local Government Act 1976 ("LGA 1976")

The LGA 1976 was enacted to revise and consolidate the laws relating to local government in Peninsular Malaysia. Every licence or permit granted by the local authority shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefore.

Pursuant to the LGA 1976, a person who fails to exhibit or produce his licence on the licenced premises shall be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding 6 months or to both.

As our Group is running its business in the district of Kulai and Shah Alam, therefore, it is a requirement to comply with the Licensing of Trades, Businesses, Industries and Professions (Majlis Daerah Kulai) By-laws 1982 ("**Kulai By-laws 1982**") and Licensing of Trades, Businesses, Industries and Professions (Shah Alam City Council) By-laws 2007 ("**Shah Alam By-laws 2007**").

In respect of Kulai By-laws 1982, Section 6 stipulates that any person who without a licence establishes or uses any premises or permits the same to be established or used for any of the purposes set out in the schedule of the aforesaid by-laws shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM2,000 or to imprisonment not exceeding one year or to both such fine and imprisonment and to a further fine not exceeding RM200 for every day during which the offence is continued after conviction.

Further in respect of the Shah Alam By-law 2007, Section 3 stipulates that no person shall operate any activity of trade, business and industry or use any place or premise in the local area without a licence whereby failure to do so by such person pursuant to Section 47 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM2,000 or to imprisonment not exceeding one year or to both such fine and imprisonment and to a further fine not exceeding RM200 for every day during which the offence is continued after conviction.

During the Periods Under Review, our Group had only 1 business license under PHEM for I-Park Lot 28, and was not aware that each subsidiary was required to apply for a business premise licence at each operating premise.

As such, our Group was operating at the following business premises without a business premise licence during the Periods Under Review:

- (a) PHEM

Period of non-compliance during the Periods Under Review	Business premise	Status of compliance
1 April 2024 to 13 August 2024	I-Park Lot 42	PHEM obtained a valid and subsisting business licence for I-Park Lot 42 which is valid from 14 August 2024 to 31 December 2024. Subsequently, the business licence was successfully renewed with the validity period extending to 31 December 2025.

7. BUSINESS OVERVIEW (Cont'd)

Period of non-compliance during the Periods Under Review	Business premise	Status of compliance
1 August 2024 to 27 November 2024 <i>Note: Since 1 August 2024, PHEM has established a sales office at Kota Kemuning Lot 18</i>	Kota Kemuning Lot 18	PHEM obtained a valid and subsisting business licence for Kota Kemuning Lot 18 which is valid from 28 November 2024 to 14 November 2025.

(b) PMSB

Period of non-compliance during the Periods Under Review	Business premise	Status of compliance
1 January 2021 to 31 July 2024 <i>Note: From 1 January 2021 to 31 July 2024, PMSB operated at I-Park Lot 28 until its relocation to I-Park Lot 42.</i>	I-Park Lot 28	Subsequent to the relocation of PMSB to I-Park Lot 42, PMSB obtained a valid and subsisting business premise licence for I-Park Lot 42 which is valid from 27 August 2024 to 31 December 2024. Subsequently, the business licence was successfully renewed with the validity period extending to 31 December 2025.
1 August 2024 to 26 August 2024 <i>Note: Since 1 August 2024, PMSB has relocated its operations to I-Park Lot 42.</i>	I-Park Lot 42	
15 July 2023 to 3 April 2024	Kota Kemuning Lot 18	PMSB obtained a valid and subsisting business licence for Kota Kemuning Lot 18 which is valid from 4 April 2024 to 31 March 2025. Subsequently, the business licence was successfully renewed with the validity period extending to 31 March 2026.

(c) PRSB

Period of non-compliance during the Periods Under Review	Business premise	Status of compliance
1 January 2021 to 13 August 2024	I-Park Lot 28	PRSB obtained a valid and subsisting business licence for I-Park Lot 28 which is valid from 14 August 2024 to 31 December 2024. Subsequently, the business licence was successfully renewed with the validity period extending to 31 December 2025.

7. BUSINESS OVERVIEW (Cont'd)

When our Group became aware during the course of due diligence that each subsidiary was required to apply for a business premise licence at each operating premise pursuant to the LGA 1976, the Group submitted applications to the respective Municipal Council for the business premise licences in August 2024 and September 2024.

As at the LPD, our Group has obtained valid and subsisting business premise licence for each of the operating premises.

To prevent the occurrence of regulatory non-compliances such as the aforementioned in the future, our Group has in place the following measures:

- (a) designated to the new Human Resources and Administration Manager to oversee and handle all licence applications;
- (b) enhanced our Administration policies and procedures (i.e., for renewal and monitoring of licences, permits and certificates as well as maintain a master list) to keep track of all the licences required, status of compliance with conditions imposed on the licences, and renewal dates for the licences; and
- (c) as part of the Human Resource Training policies and procedures, our Group would also keep abreast with any latest development on rules and regulations governing our Group's business operations to ensure continuous compliance.

We are of the view that that these past non-compliances will not have an adverse impact on our Group's business operations and/ or financial performance as:

- (a) our Group has obtained valid and subsisting business premise licence for each of the operating premises. As at the LPD, our Group has not been fined or issued with any notice of non-compliance under the LGA 1976 and hence would not have an impact on its financial performance and position; and
- (b) our Group has taken the necessary remedial actions to rectify the non-compliances and to ensure future compliance as stated above.

(iii) Service Tax Act 2018 ("STA 2018")

The STA 2018 is an act enacted to provide for the charging, levying and collecting of service tax and for matters connected therewith.

Pursuant to Section 26(4) of STA 2018, any taxable person who is required to furnish a return under Section 26 of the STA 2018, shall pay to the Director General the amount of service tax due and payable by him in respect of the taxable period to which the return related not later than the last day on which he is required to furnish the return. Failing which, the persons shall be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or both.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)

Pursuant to Section 26(8) of STA 2018, late submission of returns or late payment of taxes will be subject to maximum penalty rates of 40%.

Nature of previous non-compliance	Non-registration of PHEM and PMSB with Royal Malaysian Customs Department (" RMCD ") for service tax pursuant to STA 2018.
Status as at the LPD	As at the LPD, PHEM and PMSB have registered with RMCD.
Estimated time for rectification	Rectified.
Estimated cost to rectify (RM'000)	Not applicable.
Potential maximum penalty	Failure to comply with Section 26(4) of STA 2018 is an offence and the person is liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or both. Pursuant to Section 26(8) of STA 2018, late submission of returns or late payment of taxes will be subject to maximum penalty rates of 40%.
Impact to business operations or financial condition	No impact on business operations and no material impact on our Group's financial condition (based on the aggregate payment of RM84,216.48, which comprises of estimated service tax payment of RM60,154.63 and late payment penalty of RM24,061.85, the financial impact on our Group is 2.59% of our PAT of RM3.25 million for the FPE 2025).

The annual maintenance service package and handling service (in relation to the submission for DOSH certification) provided by PHEM and PMSB during the Periods Under Review are regarded as taxable management services.

Based on the assessment by the Group's tax agent, the following was noted:

- (a) PHEM is liable to collect service tax on every sale generated from the taxable services starting from November 2022. PHEM would be liable for a total estimated service tax payment, including a late payment penalty to the RMCD, amounting to RM62,908.86*.

Note:

* In May 2024, PHEM opted to participate in the Special Voluntary Disclosure Programme 2.0 ("**SVDP**") and submitted and paid its tax liabilities to RMCD for the period from November 2022 to February 2023 amounting to RM10,142.89. The remaining estimated service tax liabilities after waiver of penalty of RM4,057.15 under SVDP, totalling RM48,708.82 would be subject to the issuance of the notice of assessment by the RMCD.

- (b) PMSB is liable to collect service tax on every sale generated from the taxable services starting from October 2023. PMSB would be liable for a total estimated service tax payment, including a late payment penalty to the RMCD, amounting to RM21,307.62.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, PHEM and PMSB have not received any assessment or correspondence from the RMCD following the submission of their service tax registration applications.

PHEM and PMSB have started collecting service tax from its customer effective 1 June 2024, subsequent to their registration with RMCD.

Our management views that such non-compliance arose due to our Group's lack of awareness on such compliance with regulatory and legal requirements.

To prevent the occurrence of regulatory non-compliance such as the aforementioned in the future, we have in place the Finance and Accounts policies and procedures and our Group would keep abreast with any latest development on rules and regulations governing our Group's business operations to ensure continuous compliance.

We are of the view that this past non-compliance will not have a material adverse impact on our Group's business operations and/ or financial performance as:

- (a) PHEM and PMSB have registered with RMCD for service tax;
- (b) the potential financial impact on our Group would not have a material impact on its financial performance and position; and
- (c) our Group has taken the necessary corrective actions to rectify the non-compliance and to ensure future compliance as per the Finance and Accounts policies and procedures.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

7. BUSINESS OVERVIEW (Cont'd)**(iv) LPIP Act 1994 and its regulations**

LPIP Act 1994 and regulations made thereunder, governing the registration of construction personnel as well as skills and competency certification.

The LPIP Act 1994 prescribes that no person shall undertake any construction works unless he is registered with the CIDB and hold a valid certificate of registration issued by the CIDB under the LPIP Act 1994. Every contractor, whether registered under the LPIP Act 1994 or not, shall be subject to the provisions of LPIP Act 1994 in order to carry out or complete, undertake to carry out or complete any construction works or hold himself as a contractor. Construction works include among others, construction, extension, installation, renovation or dismantling of any building or erection above or below ground level and includes any works that are an integral part of or preparatory to the same. Pursuant to Section 25 of the LPIP Act 1994, a contractor shall register with the CIDB and hold a valid certificate of registration issued by the CIDB under the LPIP Act 1994 in order to carry out or complete, undertake to carry out or complete any construction works or hold himself as a contractor.

Section 2 of the LPIP Act 1994 defined “construction works” to include among others construction, extension, installation, renovation or dismantling of any building or erection above or below ground level and includes any works that are integral part of or preparatory to the same. This thus includes site clearance, earthmoving, excavation, and laying of foundation.

Section 29 of the LPIP Act 1994 provides that any person who contravenes Section 25(1) of the LPIP Act 1994 shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM100,000.

During the Periods Under Review and up to the LPD, there was no previous non-compliance and our Group will continue to ensure that we comply with the LPIP Act 1994.

(v) OSHA 1994 and its regulations

The OSHA 1994 and regulations made thereunder, govern the safety, health and welfare of persons at work, to protect others against risks to safety or health in connection with the activities of persons at work, as well as to promote an occupational environment for persons at work. Section 1(2) of the OSHA 1994 provides that the said act shall apply to all places of work throughout Malaysia including in the public services and statutory authorities. The term ‘places of work’ was further defined therein as premises where persons work or premises used for the storage of plant or substance. The OSHA 1994 and its regulations only apply to places of work, the same do not extend to the home elevators supplied, installed or procured to be installed by our Group.

OSHA 1994 also provides that no person shall operate or cause or permit to be operated any plant without a certificate of fitness and any person who install or caused to be installed any plant requiring a certificate of fitness shall comply with a set of requirements, including among others, procuring design verification and ensuring that such plant is manufactured by a competent person certified under the OSHA 1994. The term ‘plant’ under the OSHA 1994 includes any machinery, equipment, appliance, implement or tool, any component thereof and anything fitted, connected or appurtenant thereto. OSHA 1994 states that a person who contravenes the aforesaid shall on conviction, be liable to a fine not exceeding RM100,000.00 or to imprisonment for a term not exceeding 1 year or to both.

7. BUSINESS OVERVIEW (Cont'd)

The Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024 ("**OSHA Regulations 2024**") further stipulates that steam boiler, pressure vessel and lifting machinery are prescribed plants that require certificate of fitness.

Section 31B(1)(a) of the OSHA 1994 stipulates that no person shall carry out any activity stipulated in the fifth schedule of the OSHA 1994 such as amongst others, operate, handle or be in charge of any plant, unless he has been registered as a competent person under the OSHA 1994. Any person who contravenes this provision shall on conviction, be liable to a fine not exceeding RM100,000.00.

Section 32 of the OSHA 1994 also requires an employer to notify the nearest occupational safety and health office of any accident, dangerous occurrence, occupational poisoning or occupational disease which has occurred or is likely to occur at the place of work. The OSHA Regulations 2004 provides further requirements and information on the notification method, procedure and process to be followed by the employer in pursuant to the requirements of such notification.

Regulation 5 of the OSHA Regulations 2004 further sets out the requirements and obligations of the employer to notify DOSH on any accidents occurred at places of work. Any person who fails to comply with the OSHA Regulations 2004 shall, on conviction, be liable to a fine not exceeding RM10,000.00 or to imprisonment for a term not exceeding 1 year or to both.

Pursuant to the OSHA 1994, a person who by any act or omission contravenes any provision of the OSHA 1994 or any regulation made thereunder, shall be guilty of an offence, and if no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding one year or to both, and in the case of continuing offence, to a fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction.

With the recent repeal of the Factories and Machinery Act 1967 ("**FMA 1967**") and the consolidation of some of the provisions of the FMA 1967 into the OSHA 1994 effective from 1 June 2024, a few key changes shall be taken note of, among others the expansion of the scope of workplaces, additional duties on employers, self-employed persons, employees' right to remove themselves from 'imminent danger', monitoring of workplace conditions, including physiological and psychological needs as well as increased penalties.

During the Periods Under Review, save for the incident set out under Section 9.1.1(i) of this Prospectus which PHEM did not report the same to DOSH pursuant to the OSHA Regulations 2004 due to oversight, our Group has complied with and will continue to comply with the OSHA 1994 and all applicable regulations in relation thereto.

In January 2022, a technician employed under PHEM was injured at our fabrication site at I-Park Lot 28. Our Environmental, Safety and Health policy and procedures were already in place then. Nevertheless, our Group subsequently enhanced its controls including designating a Safety and Health Manager to specifically handle matters in relation to employee safety. We have also consulted DOSH on the earlier non-reporting and was informed that as the incident took place more than 2 years ago and the employee was compensated through the SOCSO claims, the case shall then be deemed settled and no further action is to be anticipated from DOSH. Thus, we are of the view that this past non-compliance will not have a material adverse impact on our Group's business operations and/ or financial performance.

7. BUSINESS OVERVIEW (Cont'd)

(vi) Income Tax Act 1967 ("ITA 1967")

Pursuant to the ITA 1967 and the prevailing taxation policies in Malaysia, corporate taxpayers are generally subject to Malaysia corporate income tax on income accruing in or derived from Malaysia or received in Malaysia from outside Malaysia at the prevailing corporate income tax rate of 24%.

Pursuant to the Income Tax (Deduction from Remuneration) Rules 1994 and any subsequent amendments to the legislation, it is mandatory for employers to make deductions from their employees' remuneration every month in accordance with the Monthly Tax Deduction Schedule. The employer shall then pay to the Director General the deducted remuneration by the 15th day of the month following the month of deduction.

During the Periods Under Review and up to the LPD, there was no previous non-compliance and our Group will continue to ensure that we comply with the taxation laws and policies in Malaysia.

(vii) Employment Act 1955 ("EA 1955")

The EA 1955 and the regulations made thereunder govern employment laws in Peninsular Malaysia and set out the minimum work requirements and benefits of employment, as well as the rights and responsibilities of employers and employees who fall within the ambit of the EA 1955.

Any person who commits an offence under, or contravenes any provision of the EA 1955, or any regulations made thereunder, in respect of which no penalty is provided, shall be liable, on conviction, to a fine not exceeding RM50,000. In the event that an employee's contract does not adhere to the minimum standards prescribed by the EA 1955, the affected employee can lodge a complaint of non-compliance of the standards prescribed by the EA 1955 to the Director General of Labour.

Our Group has observed and will continue to ensure that we comply with the minimum standards prescribed by the EA 1955.

(viii) Employment (Restriction) Act 1968 (ERA 1968) and Immigration Act 1959/63 ("Immigration Act")

The ERA 1968 and Immigration Act generally sets out the restriction of employment of non-citizen and the registration of such non-citizens.

In so far as non-residents of Malaysia are concerned, their employment is further governed by the ERA 1968 which imposes the requirement on a person not being a citizen to obtain a valid employment permit before he or she can be employed in any business in Malaysia or accept employment in any business in Malaysia. The ERA 1968 similarly prohibits a person from employing in Malaysia any person not being a citizen unless there has been issued in respect of that latter person a valid employment permit. Failure to comply will result the employer being fined not exceeding RM5,000 or to imprisonment for a term not exceeding 1 year or to both.

Apart from the ERA 1968, employers of non-residents are further subject to the provisions contained in the Immigration Act, which prohibits the employment of one or more persons not in possession of valid pass or entry permit issued under the Immigration Act. Any person who contravenes this provision shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months or to both for each such employee.

As at the LPD, we have 12 foreign workers in Malaysia, all of which hold a valid working permit.

7. BUSINESS OVERVIEW (Cont'd)

During the Periods Under Review and up to the LPD, there were no previous non-compliances to the ERA 1968 and the Immigration Act.

7.23 MATERIAL INVESTMENTS AND DIVESTITURES**(i) Material investments**

Save as disclosed below, our Group has not incurred any other material capital expenditure for the Periods Under Review and up to the LPD.

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 July 2025 up to the LPD
Capital expenditure	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>At cost</u>						
Freehold buildings and renovation ⁽¹⁾	29	-	5	147	120	7
Factory equipment ⁽²⁾	11	77	66	121	-	-
Office equipment, furniture and fittings ⁽³⁾	190	288	270	285	155	43
Motor vehicles ⁽⁴⁾	95	362	1,199	109	-	-
Total	325	727	1,540	662	275	50

Notes:

- (1) Renovation works for I-Park Lot 28 and I-Park Lot 42.
- (2) Purchase of the following factory equipment during the Periods Under Review:
 - (i) in FYE 2021, our Group purchased, among others, 1 unit of weld cleaning machine and 1 unit of welding machine;
 - (ii) in FYE 2022, our Group purchased, among others, 1 unit of bandsaw machine;
 - (iii) in FYE 2023, our Group purchased, among others, 1 unit of laser welding machine, 2 units of mobile scissor lifts and 1 unit of generator; and
 - (iv) in FYE 2024, our Group purchased, among others, 1 unit of overhead crane, 2 units of cutting machines and 6 units of welding machines.
- (3) Mainly the purchase of computers, computer software and office furniture for office use.
- (4) Our Group purchased the following motor vehicles during the Periods Under Review for business purposes:
 - (i) in FYE 2021, our Group purchased 1 unit of delivery truck;
 - (ii) in FYE 2022, our Group purchased 1 unit of passenger car and 5 units of delivery trucks; and
 - (iii) in FYE 2023, our Group purchased 4 units of passenger cars and 3 units of delivery trucks.

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds.

7. BUSINESS OVERVIEW (Cont'd)**(ii) Material capital divestitures**

Save as disclosed below, there were no other material capital divestitures for the Periods Under Review and up to the LPD.

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 July 2025 up to the LPD
Capital divestitures	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>At cost</u>						
Office equipment, furniture and fittings	3	-	7	-	-	-
Motor vehicles ⁽¹⁾	299	-	99	134	-	-
Investment properties/ Freehold buildings	-	-	⁽²⁾ 293	⁽³⁾ 1,009	-	-
Total	302	-	399	1,143	-	-

Notes:

- (1) Our Group disposed the following motor vehicles during the Periods Under Review:
 - (i) in FYE 2021, our Group disposed 1 unit of passenger car;
 - (ii) in FYE 2023, our Group disposed 1 unit passenger car and 1 unit of pickup truck; and
 - (iii) in FYE 2024, our Group disposed 1 unit of passenger car.
- (2) In FYE 2023, our Group completed the disposal of a piece of freehold land together with a unit of light industry factory erected thereon bearing postal address No. 10, Jalan Mutiara Emas 5/24, Taman Mount Austin, 81100 Johor Bahru, Johor, to a third party, for a disposal consideration of RM1.20 million.
- (3) In FYE 2024, our Group completed the disposal of the following:
 - (i) a piece of freehold land together with a unit of double storey terrace house erected thereon bearing postal address of No. 1520, Jalan Teratai 36/30, Indahpura, 81000 Kulai, Johor, to a third party, for a disposal consideration of RM0.45 million; and
 - (ii) a piece of freehold land together with a unit of one and half storey light industrial terrace factory erected thereon bearing postal address at No. 2, Jalan Mutiara Emas 7/11, Taman Mount Austin, 81100 Johor Bahru, Johor, to a third party, for a disposal consideration of RM3.38 million.

7.24 MATERIAL DEPENDENCY ON COMMERCIAL OR FINANCIAL CONTRACTS, INTELLECTUAL PROPERTY RIGHTS, LICENCES, PERMITS AND OTHER ARRANGEMENTS

As at the LPD, save for the major licences and permits, and intellectual property as disclosed in Sections 7.19 and 7.20 of this Prospectus respectively, we do not have any other regulatory approvals, licences, permits and intellectual property rights which we are materially dependent for our business or profitability. Further, we do not have any other commercial or financial contracts on which are materially dependent for our business or profitability.

7. BUSINESS OVERVIEW (Cont'd)**7.25 ENVIRONMENT, SOCIAL AND GOVERNANCE PRACTICES OF OUR GROUP**

We recognise the importance of adopting Environment, Social and Governance (“**ESG**”) practices such as ensuring environmentally responsible operations, providing conducive workplaces for employees and a high standard of corporate governance for sustainable valuation creation and maintaining the confidence of our shareholders and stakeholders. As such, we are committed to:

- (i) develop our sustainability framework based on the following guidelines and standards;
 - Bursa Securities’ ACE Market Listing Requirements in Relation to Sustainability Reporting Framework;
 - Bursa Securities’ Sustainability Reporting Guide (3rd Edition);
 - MCGG;
 - Global Reporting Initiative (“**GRI**”); and
 - United Nations Sustainable Development Goals (“**UNSDG**”)
- (ii) establish our Sustainability Governance Structure as follow:

Board and Committee	Roles and responsibilities
Board of Directors	• Provide leadership, direction and oversight of our Group’s Sustainability Framework and performance • Approve our Group’s overall sustainability framework
Sustainability Committee	• Govern our Group’s overall sustainability strategies and performance • Ensure key sustainability decisions align with our Group’s overall business strategies and goals • Review all sustainability-related policies, initiatives, key sustainability risks and opportunities for sustainability practices across all business operations • Allocate adequate resources for successful implementation of sustainability strategies and initiatives • Review and report sustainability progress and performance to our Board
Sustainability Working Group	• Implement sustainability strategies, sustainability-related policies, initiatives, sustainability risks and opportunities for sustainability practices across all business operations. • Manage day-to-day sustainability matters • Conduct research to enhance our Group’s sustainability performance • Gather, compile and report sustainability data • Track and report sustainability targets and progress • Manage stakeholder engagement efforts

7. BUSINESS OVERVIEW (Cont'd)

We are dedicated to conducting a materiality assessment at least once every three years to engage with our internal and external stakeholders. This process helps us identify issues that matter most to our stakeholders and our business. Through these assessments, we aim to:

- Evaluate and realign sustainability initiatives.
- Identify opportunities and mitigate risks.
- Review and address our Environmental, Social, and Governance (ESG) impacts.
- We define material matters as issues that have a substantive impact on our sustainability performance and strategic objectives.

Our Sustainability Focus

In managing and implementing sustainability initiatives, we will focus on the following 4 broad categories.

As at the LPD, we are in the process of developing a comprehensive framework. This includes updating relevant pertinent policies, procedures, materiality assessment criteria, performance indicators and reporting schedules. Additionally, we are designing forms and formats to encourage and ensure alignment and compliance with Bursa Securities' Listing Requirements. Our sustainability governance framework will also include various working stakeholders, and governing committees, clearly defined reporting structures and frequencies, and clear roles and responsibilities.

(i) Economic

To address economic sustainability, we will focus on, among others, the following actions:

- conducting business with openness, transparency, and accountability;
- supporting and contributing to the local economy by sourcing materials and equipment from local suppliers whenever feasible;
- developing high-quality, sustainable products by adhering to the quality management system to achieve total customer satisfaction and ensure long term commercial success;
- continuously improving the effectiveness of our management system to meet operational, service delivery and customer requirements; and
- maintaining timely, transparent, and meaningful communication with shareholders and stakeholders to foster mutual understanding.

(ii) Environmental

To address environmental sustainability matters, we will focus on, among others, the following actions:

- protecting the environment by minimising risks and impacts through responsible daily operations;
- complying with all relevant environmental regulatory and legal requirements; and
- ensuring responsible waste management and disposal practices.

7. BUSINESS OVERVIEW (Cont'd)

(iii) Social

To enhance social sustainability, we will focus on, among others, the following actions:

- providing a safe, healthy, and conducive work environment for all employees;
- fostering a diverse and inclusive culture that values individuality and respect;
- ensure equal access to opportunities regardless of age, gender, ethnicity, religion, national origin, disability, sexual orientation or any other relevant characteristics;
- eradicating improper work place conduct and practices, including but not limited to workplace bullying, discrimination against individual differences, discrimination, harassment, intimidation and victimisation;
- empower our workforce by supporting their personal and professional development;
- respect and uphold the fundamental workers' rights by eliminating child labour and all forms of forced labour; and
- contributing to the well-being and development of the surrounding community through corporate social responsibility programmes, employee volunteerism and job creation and donation.

We recognise the importance of acting responsibly in our business operations and supporting our community. Our stakeholders include shareholders, employees, customers, suppliers, business associates and the wider community in general.

We have implemented operational safety policies such as safety briefings for our projects. Our project sites are also subject to inspection by the local authorities to ensure compliance with the OSHA regulations.

To further support our employees, we prioritise training and skills development through programmes covering safety training, production techniques, leadership skills and self-development. Moving forward, our Group will include training and development as an integral part of our Group's annual business plan and budget which will be aligned with our Group's yearly performance appraisal exercise.

(iv) Governance

To ensure good governance sustainability, we will focus on, among others, the following actions:

- upholding high standards of business ethics, integrity, and corporate governance practices;
- continually improving governance structures and processes;
- complying with all applicable laws and regulations in relation to corporate governance;
- resolving verifiable complaints, grievances and conflicts through transparent and consultative processes; and
- implementing policies and procedures to ensure the adequacy and integrity of our Group's internal control systems.

7. BUSINESS OVERVIEW (Cont'd)

We recognise the importance of adhering to a high standard of corporate governance as set out in the MCCG. We have among others, the following policies to uphold good corporate governance practices:

- (a) formal organisational structure with clearly defined lines of reporting to Board Committees and Key Senior Management, including clear accountability and authority limits;

As at the LPD, we have adopted, among others, the following practices of the MCCG:

- (aa) recommendation under Practice 5.2 of the MCCG that at least half of the Board comprises independent directors.

As at the LPD, 4 out of 6 of our Directors are independent directors.

- (bb) recommendation under Practice 5.9 of the MCCG for the Board to comprise at least 30% women directors.

As at the LPD, 2 out of our 6 Directors are female.

- (cc) recommendation under Step Up Practice 9.4 of the MCCG that the Audit Committee should comprise solely of independent directors.

As at the LPD, our Audit and Risk Management Committee is comprised solely of independent directors.

- (b) adopted the Anti-Bribery and Anti-Corruption Policy and Whistle-blowing Policy to ensure compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Whistleblower Protection Act 2010; and
- (c) adopted a Personal Data Protection Notice, compliant with the Personal Data Protection Act, 2010 to safeguard the data and privacy of our customers, vendors, suppliers, service providers and/ or employees.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

8. IMR REPORT



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

17 September 2025

The Board of Directors
Powertech Group Berhad
No. 28, Jalan I-Park 1/3
Kawasan Perindustrian I-Park
Bandar Indahpura, 81000
Kulai, Johor

Dear Sirs/Madams

Vital Factor Consulting Sdn Bhd

Company No.: 199301012059 (266797-T)

V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor, Malaysia

Tel (603) 7931 3188
www.vitalfactor.com

Independent Assessment of the Lifting and Handling Equipment Industry

We are an independent business consulting and market research company based in Malaysia. Established in 1993, we offer services such as business plans, opportunity evaluations, commercial due diligence, feasibility studies, financial and industry assessments, and market research. Since 1996, we have been involved in corporate exercises, including initial public offerings, reverse takeovers, chain listings, transfers to the Main Market, and business regularisations for public listed companies on Bursa Malaysia Securities Berhad (Bursa Securities). Our corporate exercise services include business overviews, independent industry assessments, management discussions and analyses, and business and industry risk assessments for incorporation into prospectuses and shareholders' circulars.

We have been engaged to provide an independent assessment of the industry for inclusion in the prospectus of Powertech Group Berhad for its listing on the ACE Market of Bursa Securities. This report has been prepared independently and objectively, with all reasonable care taken to ensure its accuracy and completeness.

In our opinion, the report provides a true and fair assessment of the industry, considering the limitations of timely information and analyses based on secondary and primary market research as of the report date. Please note that our assessment pertains to the overall industry and may not reflect the performance of any specific company.

We accept no responsibility for the decisions or actions of the readers of this document. This report should not be interpreted as a recommendation to buy or not buy the securities of any company.

Our report may contain information, assessments, opinions, and forward-looking statements subject to uncertainties and contingencies. These statements are based on secondary information and primary market research, and, despite careful analysis, the industry is influenced by various known and unforeseen factors that could cause actual events and future results to differ materially.

Yours sincerely

Wooi Tan
Managing Director

Wooi Tan holds a Bachelor of Science from the University of New South Wales and a Master of Business Administration from the University of Technology, Sydney. He is a Fellow of both the Australian Marketing Institute and the Institute of Managers and Leaders. With over 30 years of experience in business consulting and market research, he has also assisted companies in their initial public offerings and listings on Bursa Malaysia Securities Berhad.

8. IMR REPORT (Cont'd)



Date of Report: 17 September 2025

INDEPENDENT ASSESSMENT OF THE LIFTING AND HANDLING EQUIPMENT INDUSTRY

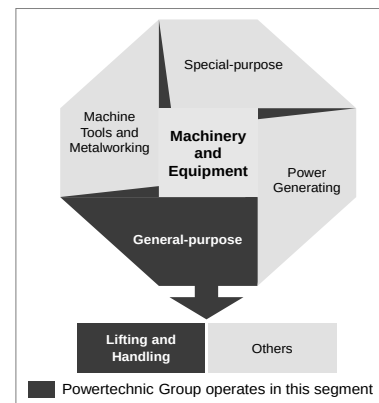
1. OVERVIEW OF POWERTECHNIC GROUP'S BUSINESS AND REPORT PARAMETERS

- Powertech Group Berhad, together with its subsidiaries (collectively referred to as Powertech Group) is principally involved in engineering design, fabrication, assembly, installation and commissioning of lifting and handling equipment including crane and hoist systems such as overhead, gantry, underhung, and jib cranes, as well as monorail hoist system; elevated platform systems including dock levellers, table lifters, tilting platforms, and docking accessories; and elevators comprising freight and home elevators. To a lesser extent, it also undertakes maintenance, repair and related services for lifting and handling equipment. Powertech Group's main market is Malaysia. This report will focus on these areas.
- In this report, all information relates to Malaysia, gross domestic product (GDP) refers to nominal GDP unless stated otherwise, fabrication is part of manufacturing and all data and statistics are based on the latest available to the public as at the date of this report.

2. OVERVIEW OF THE LIFTING AND HANDLING EQUIPMENT INDUSTRY

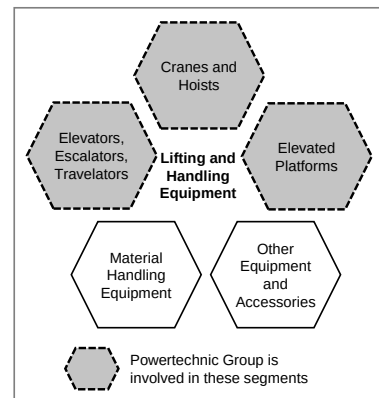
2.1 Machinery and Equipment

- The lifting and handling equipment is part of the larger category of machinery and equipment industry, segmented into general-purpose, machine tools and metalworking, special-purpose and power generating machinery and equipment.
- General-purpose machinery and equipment are used across various industries, while special-purpose machinery and equipment are specifically designed for particular sectors such as agriculture, metal forming, construction, mining, food and beverage, and electronics. Power generating equipment includes, among others, turbines, boilers, and engines, while machine tools and metalworking pertain to tools and equipment used for processing metals.
- General-purpose machinery and equipment can be further segmented into lifting and handling equipment, and others which includes, among others, heating, ventilation and air-conditioning equipment, fluid power equipment, pumps, compressors and office machinery and equipment.



2.2 Lifting and Handling Equipment

- Lifting and handling equipment is designed to facilitate the lifting, moving and holding of heavy loads and passengers. It is used in various settings, including residential, commercial and institutional properties, industrial facilities, construction sites and open yards. Types of lifting and handling equipment include:
 - **cranes and hoists** are combinations of crane structures and hoist systems that are capable of three-dimensional movement, allowing them to transport loads along the x-axis (lateral), y-axis



8. IMR REPORT (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

- (longitudinal), and z-axis (vertical). The crane structures consist of beams and columns that provide the necessary support to the crane, while the hoist system serves as the primary lifting mechanism. Examples include, among others, overhead cranes (also known as bridge cranes), gantry cranes, underhung cranes, jib cranes, monorail hoists, tower cranes, and mobile cranes;
- **elevated platforms** are lifting equipment with flat surfaces used to raise loads or workers. These platforms provide a stable work surface and can be adjusted to various heights and/or angles. Examples include, among others, dock levellers, table lifters, tilting platforms, suspended access equipment and aerial working platforms;
 - **elevators, escalators and travelators** are transportation systems designed to move passengers and goods between predetermined destinations. Elevators (or lifts) operate vertically, typically classified as either freight or passenger elevators depending on their intended use. Escalators are moving staircases that provide continuous transportation between different levels, while travelators are flat conveyor belts that transport passengers horizontally or on a slight incline;
 - **material handling equipment** is used to facilitate movement, handling and storage of materials. Examples include, among others, forklifts, automated storage and retrieval systems, and conveyor systems; and
 - **other equipment and accessories** include teleferics systems and chairlifts, and accessories that support and enhance lifting operations including, slings, chains, hooks, winches, pulleys and others.
- Powertechnic Group is mainly involved in the provision of cranes and hoists such as overhead cranes, gantry cranes, underhung cranes, jib cranes and monorail hoists; elevated platforms such as dock levellers, table lifters and tilting platforms; as well as elevators comprising freight and home elevators.

3. REGULATIONS ON LIFTING AND HANDLING EQUIPMENT

- In Malaysia, the lifting and handling equipment industry is regulated by the Department of Occupational Safety and Health (DOSH). According to the Occupational Safety and Health (Amendment) Act 2022, no individual or company shall fabricate, install, erect, dismantle, test, inspect, maintain, repair or service any plant or engineering control equipment including lifting and handling equipment without being registered as a competent person or firm. Powertechnic Group is registered as a competent firm with DOSH for its involvement in lifting and handling equipment.
- According to the Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024, all power-driven lifting and handling equipment must obtain design verification from the Director General before fabrication. Furthermore, installation approval is required before any installation, followed by an inspection conducted by a DOSH-approved licensed individual or officer. Upon passing the inspection, the equipment will be issued a certificate of fitness (CF), which is mandatory for legal operation, with renewal every 15 months. The owner of the lifting and handling equipment is responsible for ensuring the equipment is maintained at all times for continued safety and compliance.
- Specific lifting and handling equipment, such as elevators, escalators, travelators, tower cranes, suspended access equipment, launching gantries and quay cranes, must undergo regular maintenance services and adjustment at least once a month and a comprehensive examination by a competent person every three months as mandated in the regulation.

8. IMR REPORT (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

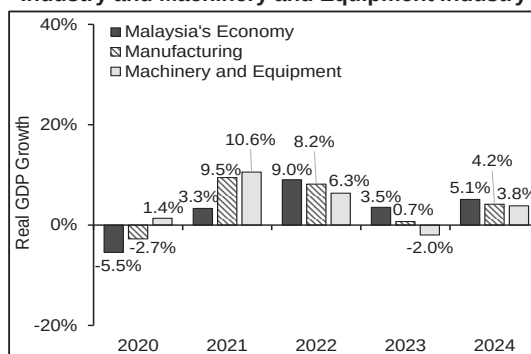
- Exceptions to this regulation include, among others, dock levellers, material handling equipment, winches and tail lifts installed on vehicles and pneumatic lifting and handling equipment with working loads below 500 kg.

4. PERFORMANCE OF LIFTING AND HANDLING EQUIPMENT INDUSTRY IN MALAYSIA

4.1 Performance of Malaysia's Economy and the Machinery and Equipment Industry

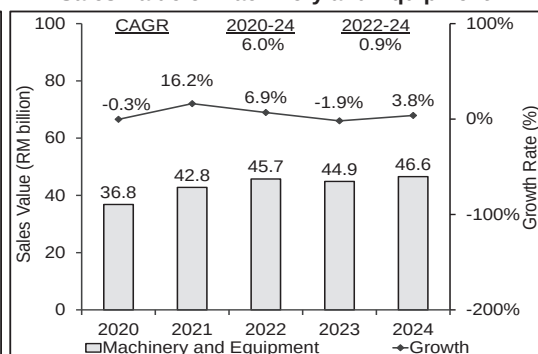
- The machinery and equipment industry, including lifting and handling equipment, is an integral part of the broader manufacturing industry, which plays a vital role in the nation's economy. Economic growth drives industrial development, creating opportunities for the machinery and equipment industry. As such, the performance of the manufacturing industry as well as the overall well-being of the Malaysian economy are key indicators of growth opportunities for the machinery and equipment industry.

Real GDP of Malaysia's Economy, Manufacturing Industry and Machinery and Equipment Industry



(Source: Department of Statistics Malaysia (DOSM))

Sales Value of Machinery and Equipment



- GDP measures the gross value added to the outputs of economic activities during a period, such as a year, providing an indication of the economic health of the country or a sector. Real GDP is a measure of “real” changes in output over time, due to changes in the quantity of goods and services produced, rather than changes in their prices due to inflation or deflation.
- The real output of Malaysia indicates the economic health of the country and may have an impact on the performance of the manufacturing industry. In 2024, Malaysia's economy grew moderately by 5.1% following an increase of 3.5% in the previous year. The manufacturing industry increased by 4.2% in the same year. In the first half of (H1) 2025, the nation's economy and manufacturing industry grew by 4.4% and 3.9%, respectively, compared to the corresponding period in 2024. (Source: DOSM)
- The machinery and equipment industry experienced a growth of 3.8% in 2024, mainly driven by the growing investment and spending in machinery and equipment, reflecting the automation and digitalisation efforts of businesses since COVID-19. In H1 2025, the industry grew by 6.2% compared to H1 2024. (Source: DOSM and Bank Negara Malaysia (BNM))
- Between 2022 and 2024, the sales value of machinery and equipment grew at a CAGR of 0.9% despite encountering a decline of 1.9% in 2023, which was mainly attributable to the decreased sales value of the fluid power equipment and air-conditioning machines subsectors. In H1 2025, the sales value of machinery and equipment grew by 8.7% compared to the corresponding period in 2024. (Source: DOSM)

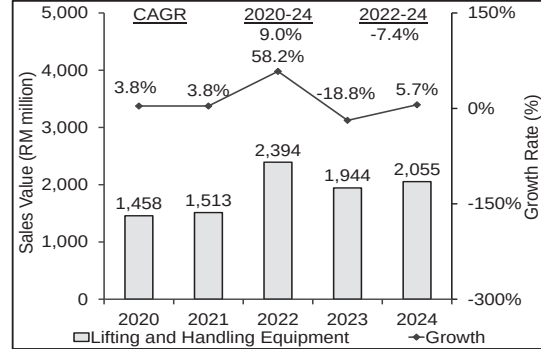
8. IMR REPORT (Cont'd)



4.2 Lifting and Handling Equipment

- Powertechnic Group primarily fabricates lifting and handling equipment in Malaysia. Thus, the sales value of domestically manufactured, processed and assembled lifting and handling equipment will indicate the performance of the industry.
- Between 2022 and 2024, the sales value of domestically manufactured, processed and assembled lifting and handling equipment declined at an average annual rate of 7.4%. In 2024, the sales value of domestically manufactured, processed and assembled lifting and handling equipment grew by 5.7% as compared to a decline of 18.8% in 2023. The decline in 2023 was mainly due to the high base effect of 2022, when the economy experienced a robust expansion following the COVID-19 pandemic. The size of the lifting and handling equipment industry amounting to RM2.1 billion will provide a platform for operators within the industry such as Powertechnic Group.

Sales Value of Lifting and Handling Equipment*

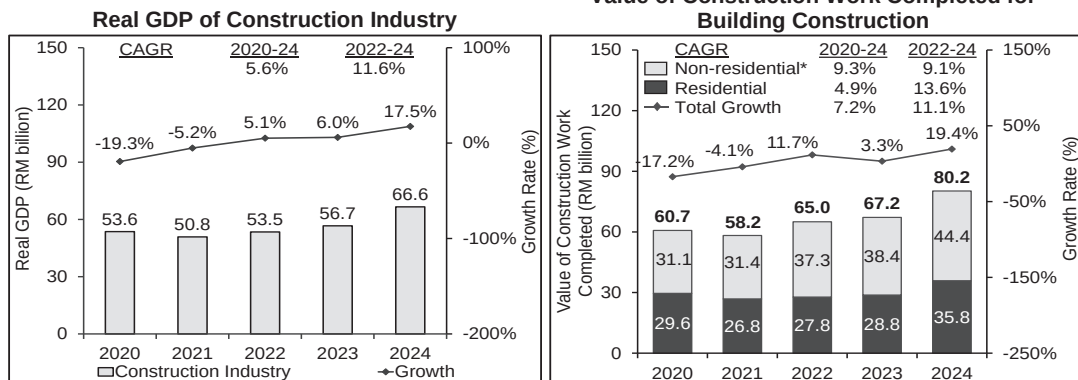


* Includes domestically manufactured, processed and assembled lifting and handling equipment. (Source: DOSM)

5. DEMAND DEPENDENCIES

- Lifting and handling equipment, such as cranes and hoists, and elevated platforms, are mainly used in manufacturing and warehousing facilities, while elevators can be found in residential, commercial, institutional and industrial properties. Therefore, Malaysia's building construction activities as well as the supply of residential and non-residential properties, create opportunities for operators in the lifting and handling equipment industry. Similarly, since lifting and handling equipment is essential in manufacturing facilities, the performance of the manufacturing industry may indicate potential demand for lifting and handling equipment. Powertechnic Group is mainly involved in the provision of lifting and handling equipment for industrial, commercial and residential buildings.

5.1 Building Construction Activities



* Include commercial, industrial and other non-residential buildings. (Source: DOSM)

- In 2024, the real GDP of the construction industry grew by 17.5%, primarily driven by the broad-based expansion across all sectors. Similarly, the value of construction work completed for building construction increased by 19.4%, driven by increases of 24.5% in the

8. IMR REPORT (Cont'd)

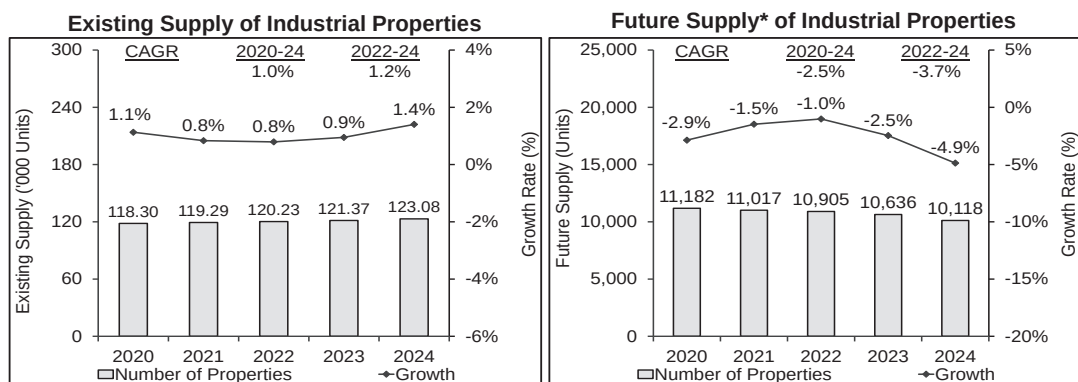


VITAL FACTOR CONSULTING
Creating Winning Business Solutions

residential sector and 15.5% in the non-residential sectors (*Source: DOSM*). The growth in the residential sector was driven by increased housing demand, supported by improved income and employment conditions throughout the year (*Source: BNM*). It has just exceeded the pre-COVID-19 pandemic level. In H1 2025, the real GDP of the construction industry grew by 13.1%. Additionally, in H1 2025, the value of construction work completed for residential and non-residential buildings grew by 20.0% and 18.6% respectively, compared to H1 2024. (*Source: DOSM*)

- The continuing growth in the construction industry particularly for building construction will help sustain and provide opportunities for operators involved in the lifting and handling equipment industry. The existing supply represents the base addressable market, while future supply provides growth opportunities to operators within the industry. As such, the following section will outline both the existing and future supply of the end-user properties that Powertechnic Group serves.

5.1.1 Supply Condition of Industrial Properties



* Future supply = incoming supply + planned supply. (*Source: National Property Information Centre (NAPIC)*)

- Between 2022 and 2024, the existing supply of industrial properties grew moderately at a CAGR of 1.2%. As of the second quarter (Q2) of 2025, the existing supply of industrial properties recorded a 1.1% growth to 123,530 units compared to the corresponding period in 2024 (*Source: NAPIC*). The growing existing supply of industrial buildings may serve as an indicator of the growing demand for replacement, maintenance and repairs of lifting and handling equipment for industrial purposes.
- In terms of the future supply of industrial properties, between 2022 and 2024, the future supply declined at an average annual rate of 3.7% to 10,118 units. In addition, the future supply of industrial properties as of Q2 2025 further declined by 18.6% as compared to the corresponding period in 2024 (*Source: NAPIC*). The future supply of industrial properties indicates the potential demand for new lifting and handling equipment.

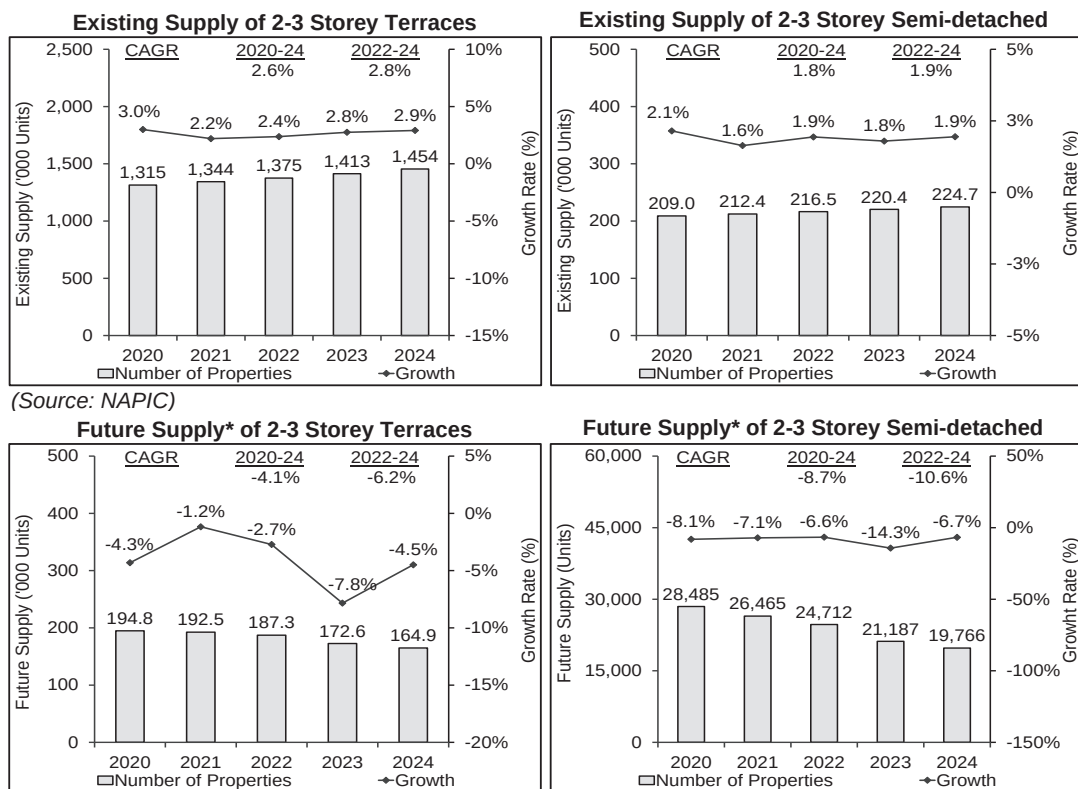
5.1.2 Supply Condition of Residential Properties

- Between 2022 and 2024, the existing supply for 2-3 storey terraces and 2-3 storey semi-detached both recorded a positive CAGR of 2.8% and 1.9% respectively. As of Q2 2025, the existing supply for 2-3 storey terraces and 2-3 storey semi-detached grew by 3.0% and 2.0%, respectively, compared to their corresponding period in 2024. This augurs well for operators in the provision of passenger elevators focusing on multi-storey residential properties.
- However, in terms of future supply, both the 2-3 storey terraces and the 2-3 storey semi-detached experienced a decline between 2022 and 2024. When comparing the future supply at the end of Q2 2025 to Q2 2024, 2-3 storey terraces and 2-3 storey semi-detached reduced

8. IMR REPORT (Cont'd)



by 11.6% and 24.4% respectively (Source: NAPIC). The future supply of 2-3 storey residential properties may indicate potential demand for passenger elevators for residential purposes, which benefit operators involved in passenger elevators for residential purposes like Powertechnic Group.



* Future supply = incoming supply + planned supply. (Source: NAPIC)

5.1.3 Construction Projects Awarded

- The construction projects awarded for residential and non-residential buildings will create growth opportunities for operators within the lifting and handling equipment industry.

Value of Construction Projects Awarded

	RM billion		
	Residential	Non-residential	Total
2022	40.7	73.9	114.6
2023	34.5	85.0	119.5
2024	30.4	151.4	181.8
2022-24 CAGR	-13.5%	43.1%	26.0%

(Source: Construction Industry Development Board (CIDB))

- Between 2022 and 2024, the value of projects awarded in the residential sector declined at an average annual rate of 13.5%. However, the value of projects awarded in the non-residential sector grew at a CAGR of 43.1%. As at 31 August 2025, the total value of projects awarded for residential and non-residential buildings in 2025 was valued at RM11.0 billion and RM102.5 billion, respectively, throughout the year. (Source: CIDB)

5.2 Manufacturing Activities in Malaysia

- Between 2022 and 2024, the manufacturing sector's GDP and overall sales value both grew at a CAGR of 1.9% and 2.3%. In 2024, the manufacturing sales value hit RM1.9 trillion,

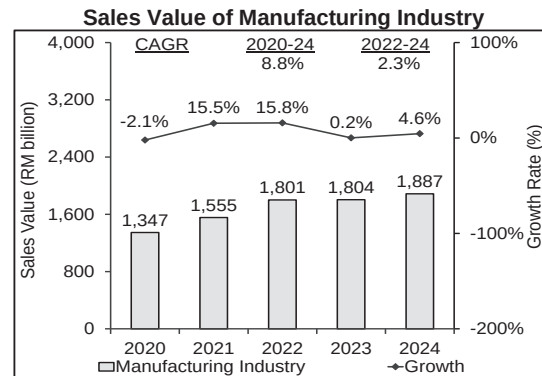
8. IMR REPORT (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

indicating a growth of 4.6% compared to the growth of 0.2% in 2023. The growth in the manufacturing industry may be attributable to recovery in export-oriented sectors driven by robust global trade and technology upcycle (Source: BNM). In H1 2025, the overall manufacturing sales value saw an increase of 3.7% compared to the corresponding period in 2024. (Source: DOSM)

- Ongoing growth in Malaysia's manufacturing industry may provide a sustainable platform for operators like Powertech Group, which specialises in providing lifting and handling equipment for manufacturing facilities. As the sector expands, manufacturers are likely to seek enhancement to their facilities, driving demand for new equipment, replacements and maintenance services for lifting and handling equipment in response to the vibrant activities within the industry.



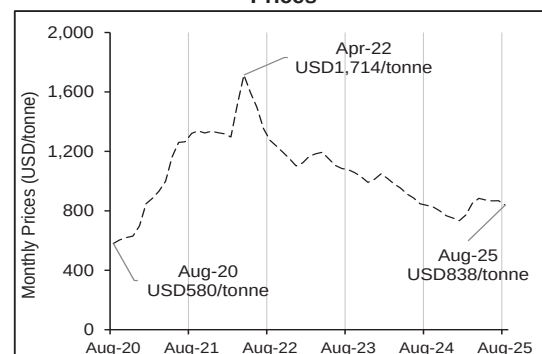
(Source: DOSM)

6. SUPPLY DEPENDENCIES – KEY INPUT MATERIALS

6.1 Global Hot-rolled Carbon Steel Plate Price

- Powertech Group purchases input materials, parts, and subsystems mainly made from carbon steel plates. As a result, fluctuations in the global prices of hot-rolled carbon steel plates are likely to impact the production costs of the Powertech Group.
- Between 2020 and 2022, global prices for hot-rolled carbon steel plates saw substantial increases. In August 2020, the hot-rolled carbon steel plates were priced at USD580 per tonne. By April 2022, the prices had nearly doubled to USD1,714 per tonne. However, prices later declined to USD838 per tonne by August 2025, indicating a 51.1% decline from the peak. Between 2022 and 2024, global prices for hot-rolled carbon steel plates declined at an average annual rate of 19.1%. (Source: Vital Factor analysis)

Global Hot-rolled Carbon Steel Plate Monthly Prices



Note: The data range is from August 2020 to August 2025. (Source: Vital Factor analysis)

- Overall, the global prices for hot-rolled carbon steel plates encountered significant volatility between 2020 and 2022 due to the impact of the COVID-19 pandemic on the global supply chain and demand. The Russian-Ukraine conflict further increased the prices in early 2022. However, prices have started to decline since then due to subdued global demand amid growing inflation pressures and tightening financial conditions.

6.2 Electric Motors

- Powertech Group uses hoists and other systems that use electric motors as the power source. It sources electric motors from local and foreign third-party suppliers, and hence, this section will focus on electric motors.

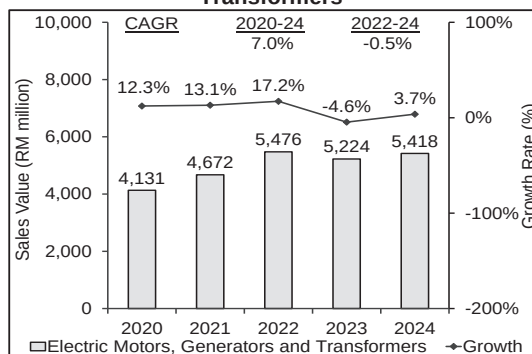
8. IMR REPORT (Cont'd)



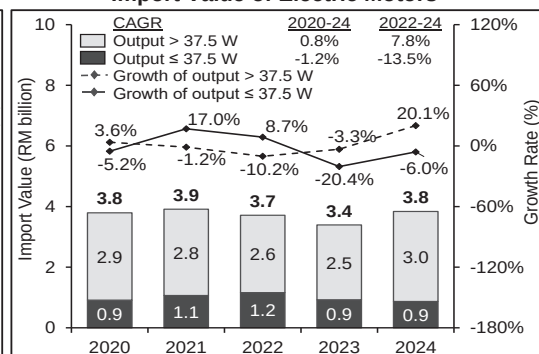
VITAL FACTOR CONSULTING
Creating Winning Business Solutions

- Between 2022 and 2024, the sales value of electric motors, generators and transformers declined at an average annual rate of 0.5%. In H1 2025, the sales value of the electric motors, generators and transformers declined by 4.1% compared to H1 2024 (Source: DOSM).

Sales Value of Electric Motors, Generators and Transformers*



Import Value of Electric Motors



* No further segmentation available. W = Watts. (Source: DOSM)

- In terms of imports of electric motors in Malaysia, the import value grew at a CAGR of 1.6% between 2022 and 2024 (Source: DOSM). Import value of electric motors with outputs not exceeding 37.5W declined at an average annual rate of 13.5%, while those exceeding 37.5W experienced growth at a CAGR of 7.8% during the same period.
- In H1 2025, the import value of electric motors not exceeding 37.5W remained stable as compared to the corresponding period in 2024. In contrast, the import value of electric motors with outputs exceeding 37.5W declined by 13.9%, driving the overall import value of electric motors to decline by 10.7% as compared to H1 2024. (Source: DOSM)

7. COMPETITIVE LANDSCAPE

- The companies listed below engage in similar business activities as the Powertech Group and have been selected for comparing their financial performance. Some of these companies may also be involved in other business activities. The list is sorted in descending order of revenue, and is not exhaustive.
- The selection criteria for these companies are as follows: (1) registered as a competent firm with DOSH for their involvement in the fabrication of cranes and hoists, as well as elevators; (2) involved in the fabrication of cranes and hoists, and/or dock levellers, and/or elevators; (3) having facilities in Malaysia; and (4) availability of recent financial information. These companies are also involved in the installation and maintenance of the lifting and handling equipment.

Company	C	D	E	FYE ⁽¹⁾	Rev ⁽²⁾ (RM mil)	Rev ⁽³⁾ CAGR	GP ⁽²⁾ (RM mil)	GP ⁽⁴⁾ Growth	GP ⁽²⁾ Margin	NP/NL ⁽²⁾ (RM mil)	NP/NL ⁽²⁾ Margin
Jebsen & Jessen ⁽⁵⁾		√		Dec-24	125.1	28.5%	n.a.	n.a.	n.a.	2.0	1.6%
Konecranes ⁽⁶⁾	√			Dec-24	79.5	(17.3%)	n.a.	n.a.	n.a.	(3.7)	(4.6%)
Powermatics ⁽⁷⁾		√		Mar-24	53.4	18.4%	22.2	24.7%	41.6%	10.6	19.9%
MS Time S/B	√			Dec-24	45.8	26.2%	12.8	33.9%	27.9%	1.2	2.6%
Top-Mech ⁽⁸⁾	√	√		Dec-23	43.7	39.2%	10.5	20.2%	24.1%	3.9	9.0%
VME Material ⁽⁹⁾	√	√		Dec-24	42.6	18.5%	n.a.	n.a.	n.a.	1.6	3.8%
Powertech Group	√	√	√	Dec-24	40.0	40.7%	19.0	45.0%	47.6%	6.3	15.7%

8. IMR REPORT (Cont'd)



Company	C	D	E	FYE ⁽¹⁾	Rev ⁽²⁾ (RM mil)	Rev ⁽³⁾ CAGR	GP ⁽²⁾ (RM mil)	GP ⁽⁴⁾ Growth	GP ⁽²⁾ Margin	NP/NL ⁽²⁾ (RM mil)	NP/NL ⁽²⁾ Margin
Liftech Engineering ⁽¹⁰⁾	√		√	Dec-23	28.9	41.3%	9.1	17.2%	31.6%	2.1	7.2%
Helmsion Engineering ⁽¹¹⁾	√			Mar-24	27.7	33.9%	5.8	6.7%	21.1%	0.5	1.6%
Paxton Engineering S/B	√		√	Aug-24	21.1	13.4%	4.9	(0.3%)	23.1%	0.9	4.3%
Multicrane Industries S/B	√		√	Dec-23	16.7	17.5%	9.4	23.5%	56.7%	0.4	2.2%
Toptek Engineering ⁽¹²⁾	√			Dec-23	14.3	9.7%	4.2	1.9%	29.4%	#	0.2%
Shimba S/B	√		√	Feb-24	14.2	28.1%	4.9	92.8%	34.2%	0.9	6.4%
Niche Elevator S/B			√	Dec-24	13.8	(0.1%)	6.4	(9.3%)	46.3%	1.0	7.2%
NHS Engineering ⁽¹³⁾	√		√	Dec-23	12.2	24.0%	3.2	9.3%	26.0%	0.4	3.0%
Seratech Systems ⁽¹⁴⁾	√		√	Jun-24	10.3	16.4%	3.9	(1.2%)	37.6%	#	0.1%
Weighted average						15.7%(a)		21.8%(b)	34.0%(c)		4.8%(d)

(a) Compound annual growth rate (CAGR) of the sum of the revenue of all of the above companies for their latest three financial years; (b) Growth of the sum of the GP of 13 of the above companies (with data) compared to the sum of their GP for their previous financial year; (c) (Sum of the GP of 13 of the above companies (with data) divided by the sum of their revenue) x 100%; (d) (Sum of the NP/NL of all of the above companies divided by the sum of their revenue) x 100%; C = Fabrication of cranes and hoists; D = Fabrication of dock levellers; E = Fabrication of freight and/or passenger elevators; FYE = Financial Year Ended; Rev = Revenue; GP = Gross Profit; NP = Net Profit; NL = Net Loss; mil = million; S/B = Sendirian Berhad; n.a. = not available; # = less than 0.1 million.

(1) Latest audited financial data from the Companies Commission of Malaysia and Powertech Group. (2) At Group or company level, which may include other business activities, products or services. (3) CAGR for their respective latest three financial years. (4) Compared to their respective previous financial year. (5) Jebson & Jessen Malaysia S/B. On 31 March 2023, the company acquired a business that is engaged in the business of manufacturing industrial equipment, services and others, engineering contract, assembling heavy automotive equipment and selling and servicing industrial plant and equipment. (6) Konecranes Material Handling (Malaysia) S/B. A subsidiary of Konecranes Plc, a listed entity on the Nasdaq Helsinki Ltd. (7) Powermatics Hydraulics & Engineering (M) S/B. (8) Top-Mech Provincial S/B. (9) VME Material Handling S/B. (10) Liftech Engineering (K.L) S/B. (11) Helmsion Engineering S/B. (12) Toptek Engineering Services S/B. (13) NHS Engineering Services S/B. (14) Seratech Systems (M) S/B.

- **Appraisal of Powertech Group compared to the selected companies:** Based on the above list of companies (including Powertech Group), Powertech Group's revenue CAGR, GP growth, GP margin and NP margin are higher than their weighted average.
- **Barriers to entry:** In Malaysia, lifting and handling equipment (except for home elevators) is regulated by DOSH, which develops and enforces standards, provides registrations and certifications (where relevant), and promotes best practices. Operators seeking to enter this sector must register as competent persons or firms, which may pose a barrier for new entrants. Other barriers may include proven track records, compliance with regulatory standards and access to skilled technical and experienced personnel. Additionally, initial capital investments are often required to purchase machinery and equipment, as well as sufficient working capital for acquiring input materials.
- The number of competent firms registered as Hoisting Machine Manufacturers with DOSH also reflects the level of barriers to entry in the industry. As an indication of the level of competition and barriers to entry, as at 17 September 2025, there were 33 companies, including Powertech Group, registered as a competent firm under the category of Hoisting Machine Manufacturer Company with DOSH. (Source: DOSH)

8. INDUSTRY SIZE AND SHARE

- The industry size of the lifting and handling equipment industry in Malaysia and the market share of Powertech Group is estimated below:

8. IMR REPORT (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Sales value - 2024	Malaysia	Powertech Group	
	Industry size ^(a)	Revenue ^(b)	Market share ^(c)
Lifting and handling equipment	RM2,055 million ⁽¹⁾	RM32 million ⁽²⁾	2% ⁽³⁾

Sources: (a) DOSM; (b) Powertech Group; (c) Vital Factor analysis.

(1) Based on the sales value of domestically manufactured, processed and assembled lifting and handling equipment in 2024; (2) Powertech Group's revenue for the provision of lifting and handling equipment in 2024; (3) $[(2)/(1)] \times 100\%$

9. INDUSTRY OUTLOOK AND PROSPECTS

Some consideration factors that impact the outlook and prospects of the lifting and handling equipment industry are as follows:

Drivers of growth and opportunities

- In 2023, the Ministry of Investment, Trade and Industry (MITI) introduced the **New Industrial Master Plan 2030 (NIMP 2030)** for the manufacturing and manufacturing-related services sectors. This plan covers the machinery and equipment industry, which includes lifting and handling equipment. NIMP 2030 aims to boost Malaysia's manufacturing value-added, targeting a CAGR of 6.5% between 2022 and 2030, while general industrial machinery and equipment are expected to grow at a CAGR of 8.0% by 2027. (Source: MITI)
- Growth in the Malaysian economy** will provide opportunities for operators serving the domestic market. In H1 2025, the economy grew by 4.4%, driven by improved household expenditure, robust investment activities, sustained external demand for electrical and electronics (E&E) products, and tourism activity. This positive growth is expected to continue in 2025, with a projected growth rate between 4.0% and 4.8%, supported by robust domestic demand, sustained investment activity, moderate trade expansion, and improved tourist spending despite uncertainties amidst geopolitical and global trade tensions. (Source: BNM)
- Growth in the user industries**, including building construction and manufacturing, will serve as a platform for continuing demand for lifting and handling equipment.
 - The construction industry grew by 13.1% in H1 2025, driven by continued activities in residential, non-residential, and specialised construction subsectors. In 2025, the growth in the residential subsector will be driven by new housing projects, particularly affordable houses while the construction of commercial and industrial buildings will support the growth in the non-residential subsector. The industry is forecasted to expand at a projected growth rate of 11.0% in 2025, largely driven by the non-residential, specialised construction, and residential subsectors. (Source: BNM)
 - In H1 2025, the manufacturing industry expanded by 3.9%, supported by the sustained growth in the domestic-oriented industries despite refined petroleum production disruptions. The ongoing expansion in E&E industry and consumer-related industries are projected to strengthen the manufacturing industry with a forecasted growth of 3.9% in 2025. (Source: BNM)

Threats and challenges

- Any fluctuation in global steel prices** may affect the performance of the operators within the lifting and handling equipment industry. Any rise in steel price would directly impact the cost of production which may lead to higher prices for users, thus potentially reducing the demand for such equipment. Nevertheless, the prices of global hot-rolled carbon steel plate as at August 2025 declined by 51.1% from its peak in April 2022.
- A potential downturn** in the domestic and global economy could impact domestic demand, affecting the performance of the construction and manufacturing sectors, which in turn may reduce demand for lifting and handling equipment. Key downside risks may include, among others, tariff pressures, escalations of geopolitical tensions, weakened trade sentiment, and declines in commodity production. (Source: BNM)

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER, IN ADDITION TO THE OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP BEFORE INVESTING IN OUR SHARES.

If you are in any doubt as to the information contained in this section, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers.

9.1 RISKS RELATING TO OUR BUSINESS OPERATIONS

9.1.1 **We are required to comply with the relevant regulatory authorities' requirements, and our inability to obtain or renew necessary registrations, approvals, and certifications could negatively impact our business operations and financial performance**

As a lifting systems specialist, our products are categorised under the umbrella of crane and hoist systems, elevated platform systems as well as freight elevators, which are subject to various regulations, registrations and product certifications including the following:

- registrations:
 - with CIDB under the relevant grade and specialisation;
 - as a competent company for lifting machinery with the DOSH; and
 - under "registration for certificate of competency" in Section 31B(1)(a) of the OSHA 1994.
- approval for the design verification from DOSH before construction, installation, or use of the lifting systems; and
- a valid lifting machine qualification certificate (CF) from DOSH must be obtained for any lifting machine that uses power drive such as electric, diesel, pneumatic and equivalent before it is permitted to be used. This is governed under the Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024 ("**OSHA Regulations 2024**").

There is no assurance that we will be able to obtain new registrations, approvals, or certifications, or renew existing ones in a timely manner. If we are unable to secure the necessary registrations, approvals, or certifications, it could negatively impact our operational results and financial performance.

Additionally, our business operations are subject to OSHA Regulations 2004, which deals with workplace safety hazards that could lead to injuries. If our employees or subcontracted workers are injured while performing their duties, or if we fail to comply with relevant health and safety regulations, our operations may be disrupted and potentially impacting our operations and financial performance.

During the Periods Under Review, there were 2 incidents involving injuries of our technical personnel as follows:

- (i) In January 2022, a technician employed under PHEM sustained 3 broken toes and bones displacement of his foot at work, when an end track fell on his right foot. The incident occurred at our fabrication site at I-Park Lot 28. The employee has claimed the relevant compensation from SOCSO and this incident is deemed settled*.

9. RISK FACTORS (Cont'd)

Note:

* *PHEM did not file a report to DOSH due to oversight, as PHEM was focussed on ensuring the well-being of the employee. While Environmental, Safety and Health policy and procedures were already in place then, our Group subsequently enhanced its controls including designating a person to specifically handle matters in relation to employee safety. PHEM has consulted DOSH on the earlier non-reporting and was informed that as the incident took place more than 2 years ago and the employee was compensated through the SOCSO claims, the case was deemed settled and no further action is to be anticipated from DOSH.*

- (ii) In May 2024, a technician employed under PHEM sustained severe lacerations on his wrist, when a sheet of tempered glass shattered during installation at our fabrication site at I-Park Lot 42. PHEM filed a report to DOSH, and an investigation was conducted by the occupational safety and health officer from DOSH in September 2024. There was no penalty issued by DOSH, and the case is considered close. The employee has made necessary claims from SOCSO.

Premised on the above, the incidents have been settled as at the LPD. While there has been no material impact on our business operations caused by the incidents, there can be no assurance that we will not experience any incident that will adversely impact our business operations and financial performance in the future. There can also be no assurance that injuries to our employees or subcontractors, or failures to comply with relevant health and safety regulations, will not occur in the future.

9.1.2 Our business and financial performance is dependent on our ability to continually secure new orders from customers

Our revenue from designing and providing lifting systems is derived from fixed lump-sum purchase orders and equivalents such as work orders, acceptance of quotations and letters of award, which include variable components for specific services and products such as labour and materials. These purchase orders and equivalents are typically non-recurring after installation and handover to customers. As such, our business sustainability and financial performance rely on our ability to consistently secure new orders to replenish our order book. As at the LPD, we have a total unbilled order book of RM38.97 million. While we will continue to submit proposals and quotations to secure new orders, we cannot assure the success of these efforts.

After installation and handover, customers may request ongoing maintenance services, which are recurring in nature. However, these would be governed by separate purchase orders. Nevertheless, there can be no assurance that we will obtain such purchase orders from all our customers.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

9. RISK FACTORS (Cont'd)

9.1.3 We may be subject to the risk of penalties for any shortcomings in the quality of our subcontractors' work

As at the LPD, we engage a dedicated subcontractor to carry out the Services and a dedicated third-party fabricator for our brand of home elevators. The Services are carried out under our management and supervision, and the fabrication of our brand of home elevators are carried out in accordance with our specifications and methods (product know-how). Our subcontractors' costs accounted for 7.60%, 18.20%, 17.02%, 21.80% and 20.13% of our total purchases of input materials, products and services for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. For more details on subcontracted services, please refer to Section 7.13 of this Prospectus.

If our subcontractor fails to complete the required work, provide the necessary services or labour on time, or deliver substandard work, we may face penalties from our customers. These penalties could include liquidated ascertained damages (LAD) or requests to rectify defects during the defect liability period (DLP) or be related to warranty claims, depending on our arrangements with customers. While we have back-to-back arrangements with a subcontractor to address technical defects arising during the DLP at no additional cost to us, we may still incur extra costs to handle customer claims or rectify defects due to the quality of our subcontractors' work.

During the Periods Under Review and up to the LPD, we have not faced any customer claims due to poor performance by our subcontractors. However, we cannot assure that we will not incur penalties resulting from shortcomings in our subcontractors' performance in the future.

9.1.4 We are dependent on certain major suppliers

We are dependent on certain major suppliers including:

- Powermatics which was our major supplier of hydraulic systems such as dock levellers and table lifters as well as hydraulic parts and components, with purchases having accounted for 5.77%, 15.80%, 21.94%, 11.42% and 4.57% of our total purchases of input materials, products and services for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. We have been dealing with this supplier since 2002.
- THES is our dedicated subcontractor to carry out the Services, which accounted for 7.97%, 13.31%, 18.19% and 13.28% of our total purchases of input materials, products and services for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. We have been dealing with this subcontractor since 2022 mainly for the on-site assembly and installation, as well as maintenance and repair services.
- TOSB is a dedicated third-party fabricator of our brand of home elevator as well as our supplier for dock levellers in a finished product form, with purchases having accounted for 15.45% and 24.28% of our total purchases of input materials, products and services for FYE 2024 and FPE 2025 respectively. We started to deal with TOSB in 2023.

Nonetheless, we have not experienced any disruptions in the supply of the said equipment and services for the Periods Under Review and up to the LPD. Although we can source for other suppliers and subcontractors in the market, we cannot provide any assurance that we would not face any disruptions in our operations if the relationships with any of our abovementioned suppliers were terminated unexpectedly.

9. RISK FACTORS (Cont'd)**9.1.5 We are subject to operational risk including shortage of labour including skilled personnel**

Our business in providing lifting systems relies on the technical knowledge and experience of our technical personnel for the execution of engineering design, on-site assembly and installation, as well as maintenance and repair services for our lifting systems. Our in-house technical personnel usually hold educational qualifications in mechanical and electrical engineering.

Our engineering design capabilities are led by our Executive Director, Choo Chee Yong who is supported by a team of in-house technical personnel comprising 6 mechanical engineers, 4 electrical technical staff and 1 safety design engineer as at the LPD. In addition, the on-site assembly and installation, as well as maintenance and repair services for our lifting systems is overseen by our Executive Director, Choo Chee Yong, who is supported by 19 in-house technical personnel as at the LPD.

In addition, we are dependent on labour including domestic labour (for on-site assembly and installation, as well as maintenance and repair services) and foreign labour (for fabrication works) for our lifting systems. We may experience a shortage of workers from time to time due to various factors including, among others, changes in government policies and regulations on the supply of foreign labour such as a freeze on hiring foreign labour and increase in minimum wages. The loss of services of our labour including skilled personnel and general workers, without timely and suitable replacement may adversely affect our business operations and financial performance. During the Periods Under Review and up to the LPD, we have not experienced any shortage of labour that has had a material impact on our business operations. Nevertheless, any challenges in hiring skilled technical personnel, or the inability of our Group to train and retain current employees as well as the inability to replace the loss in headcounts, could adversely affect the quality standards of our lifting systems, which in turn may adversely affect our reputation, business operations, and financial performance in the future.

9.1.6 We are exposed to fluctuations in the prices of our input materials which comprises steel-based materials

Our business is exposed to fluctuations in the prices of steel-based materials. For the Periods Under Review, purchases of metal-based materials accounted for 29.39%, 17.56%, 15.78%, 17.09% and 15.70% of our total purchases of input materials, products and services for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Steel is a commodity and is therefore subject to global price fluctuations. The price of steel is affected by various factors including, among others, global economic conditions, geopolitical events, demand and supply conditions and production capacity. Fluctuations in the prices of steel would affect the results of our operations and financial performance.

Between 2020 and 2022, global prices for hot-rolled carbon steel plates saw substantial increases. In August 2020, the hot-rolled carbon steel plates were priced at USD580 per tonne. By April 2022, the prices had nearly doubled to USD1,714 per tonne. However, prices later declined to USD838 per tonne by August 2025, indicating a 51.1% decline from the peak. Between 2022 and 2024, global prices for hot-rolled carbon steel plates declined at an average annual rate of 19.1%. (Source: IMR Report)

9. RISK FACTORS (Cont'd)

For the Periods Under Review, the movement of our average purchase price of metal-based input materials are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Steel materials					
Purchases (RM'000)	2,725	1,733	2,556	2,922	1,346
Purchase volume (tonnes)	622	434	775	949	473
Average price per tonne (RM per tonne)	4,379	3,996	3,298	3,079	2,847

As such, any increases in the market prices of steel may lead to an increase in the cost of our products. If we are unable to pass on the increases in costs to our customers, our financial performance may be adversely affected.

9.1.7 We may not be able to sustain the growth rate of our financial performance in the future

Our revenue increased from RM16.27 million in FYE 2021 to RM40.01 million in FYE 2024, representing a CAGR of 34.96%. Similarly, our GP increased from RM6.01 million in FYE 2021 to RM19.03 million in FYE 2024, representing a CAGR of 46.82%.

However, there is no guarantee that we will achieve similar growth rates in our financial performance in the future. Various internal and external factors could affect our performance, including unfavourable trade practices, a decline in demand for our products and services, adverse economic and social conditions, changes in regulatory policies, increased competition, disruptions to our business operations, and potential delays or failures in executing our business strategies and plans.

9.1.8 Our growth prospects may be limited if we are unable to execute some of our business strategies and plans effectively

Our business strategies and plans focus on leveraging our strengths and capitalising on our expertise in the design, installation, and commissioning of lifting systems. These strategies include investing in automation to enhance precision and speed in our fabrication processes, increasing production scalability, and establishing new product showrooms and sales offices with storage space as part of our marketing efforts to support business growth. For more details on our business strategies and plans, please refer to Section 7.15 of this Prospectus.

The prospects and future growth of our business depend on our ability to implement and execute our strategies and plans effectively and promptly. There is a risk that we may not successfully execute these strategies on time, nor can we assure their commercial success or our ability to foresee all associated business and operational risks. Factors that may impact our ability to execute our strategies include, among others, insufficient funding or bank borrowings, limitations in human resources or skilled personnel, regulatory changes, and unforeseen delays. Any delays or failures in effectively implementing our strategies may adversely affect our sustainability, future business development, and financial performance.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

9. RISK FACTORS (Cont'd)**9.1.9 We are dependent on our Executive Directors and key senior management and the loss of services without timely replacement would adversely affect our business operations and financial performance**

We are dependent on the experience, expertise and technical knowledge, and business development expertise of our Executive Directors and key senior management for our business operations. Our Managing Director, Ivan Na Keh Chai is mainly responsible for handling the commercial related matters of our Group and overseeing daily operations of our Group, and our Executive Director, Choo Chee Yong is responsible for overseeing the daily technical operations of our Group. Our Managing Director and Executive Director are supported by our key senior management who have the relevant experience in their respective fields including our Group Accountant, Chin Yanjiang, our Head of Sales and Marketing, Clessense Kho Mei Chee, and Head of Human Resources and Administration, Soo Sheau Wen.

The loss of services of any one or more of our Executive Directors or key senior management without any suitable and timely replacement may adversely affect our business operations and financial performance.

9.1.10 We may be subject to defect liability and warranty claims from our customers

Some of our projects, such as those involving lifting systems and installations, include a defect liability period generally ranging from 12 to 24 months after handover or acceptance by the customer, as specified in our purchase orders. During this period, we are responsible for rectifying any defects that may arise at our own expense. As at 30 June 2025, our retention sum held by customers collectively amounted to RM0.78 million.

Additionally, for sales of lifting systems not subject to defect liability period, we typically offer warranties for our lifting systems, which vary by product type. We provide a one-year warranty for our crane and hoist systems, as well as our hydraulic system range. For our elevators, we offer a six-year warranty for freight elevators and a three-year warranty for home elevators. If any of these products break down or become faulty during the warranty period, we will handle the workmanship involved in repairing or replacing the faulty parts, while the cost of spare parts and devices will be borne by the customer.

As at 30 June 2025, the provision of warranty was RM0.16 million which is part of our management practices to ensure we have set aside funds to cover the labour cost for the potential repair and replacement works for products sold under warranty. During the Periods Under Review and up to the LPD, we have not incurred any material costs to rectify any defects related to defect liability period and warranty claims from customers. Nevertheless, there is no assurance that we will not receive any defect liability claims or warranty claims from our customers in the future that would result in incurring costs that would adversely affect our financial performance.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

9. RISK FACTORS (Cont'd)**9.1.11 We may be exposed to financial risks associated with liquidity**

We may be exposed to financial risks associated with liquidity and interest rates. Our outstanding bank borrowings including hire purchase liabilities (excluding lease liabilities for right-of-use assets arising from rental of properties) were RM11.77 million, RM11.72 million, RM11.23 million, RM12.64 million and RM12.01 million as at 31 December 2021, 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 respectively. The bank borrowings were primarily for working capital as well as acquisition of I-Park Lot 28, 2 factories located at Taman Mount Austin, Johor and a land in Johor. The 2 factories located at Taman Mount Austin were subsequently disposed of in FYE 2023 and FYE 2024 (as set out in Sections 15.4(i) and (iii) of this Prospectus, respectively) while the land in Johor was rented out to a third-party (as set out in Section 7.18.2 of this Prospectus). Our gearing ratio was above 1.00 times which recorded 1.54 times, 1.54 times and 1.10 times as at 31 December 2021, 31 December 2022 and 31 December 2023 respectively before improving to 0.86 times as at 31 December 2024. As at 30 June 2025, our gearing ratio was 0.67 times.

As at 30 June 2025, our total bank borrowings including hire purchase liabilities (excluding lease liabilities for right-of-use assets arising from rental of properties) was RM12.01 million, of which RM9.67 million were based on floating interest rates and the remaining RM2.34 million were based on fixed rates. Our finance costs increased by 4.80% to RM0.55 million in FYE 2022 (FYE 2021: RM0.52 million), which further increased by 13.19% to RM0.62 million in FYE 2023 and 16.05% to RM0.72 million in FYE 2024 due to higher utilisation of bank borrowings for capital expenditure and working capital. In this respect, any increases in the interest rates may adversely affect our financial performance.

Part of our strategies is to expand on our operational facilities including investing in automation at our fabrication workshop as well as setting-up new product showrooms, which will be funded using IPO proceeds where any shortfall will be funded through internally generated funds and/ or bank borrowings. In this respect, there may be additional drawdown of bank borrowings for expansion activities if the need arises.

In addition, we are required to provide retention sum to some of our customers and bank guarantees to customers. For the Periods Under Review, our retention sum has been increasing from RM0.03 million as at 31 December 2021 to RM0.07 million as at 31 December 2022, and continued to increase to RM0.26 million as at 31 December 2023 and RM0.75 million as at 31 December 2024. Our retention sum further increased to RM0.78 million as at 30 June 2025.

Furthermore, we had bank guarantees that were issued to customers which accounted for RM0.58 million as at 31 December 2022, RM0.72 million as at 31 December 2023, RM0.13 million as at 31 December 2024 and RM0.12 million as at 30 June 2025. The increases in retention sum or bank guarantees could lead to liquidity risks which would adversely affect our cash flow. In the event a larger portion of payments are withheld by customers up until either project completion or when the project meets with certain specific conditions, or increases in our bank guarantees issued to customers, this will reduce the immediate cash that are available to cover our operating expenses and any prolonged retention periods may exacerbate the cash flow for working capital and impact on our operational flexibility.

For FYE 2022, we recorded a relatively low net cash from operating activities of RM0.16 million which was mainly attributed to the higher outstanding trade receivables due to slow payments from customers. For more details, please refer to Section 12.5(ii) of this Prospectus for net cash generated from operating activities for FYE 2022. There can be no assurance that we would not experience any adverse liquidity conditions which may materially affect the results of our operations and financial performance.

9. RISK FACTORS (Cont'd)**9.1.12 Our business and financial performance may be exposed to operational risks and there is no assurance that our insurance coverage will be sufficient to cover the associated legal liability arising from negative events**

We are exposed to various operational risks associated with our provision of lifting systems, which involve fabrication activities at our workshops, as well as on-site assembly and installation work. These risks include accidents, outbreaks of fire or floods, energy crises, and other natural disasters, all of which could result in losses or damage to our goods and facilities, leading to business disruptions that may negatively impact our operations and financial results.

We maintain a certain level of insurance for our business, covering our operational facilities, including buildings and fabrication workshops, machinery and equipment, and inventories, to protect against various losses and liabilities. As at the LPD, we have various insurance coverage including fire and consequential losses, general liability, public liability and employee insurance with a total coverage of RM31.07 million.

We may face liabilities and losses arising from various factors, including environmental issues, operational hazards, and occupational risks, for which we may not have adequate insurance coverage. Any losses or damages that exceed our insured limits or occur in areas where we lack sufficient insurance could negatively impact our financial condition. Additionally, frequent or large insurance claims may result in higher premiums, further affecting our financial performance. During the Periods Under Review and up to the LPD, there were no material claims that have exceeded the limits of our insurance policies. However, there is no guarantee that our insurance will fully cover all replacement costs, employee or public claims, or consequential losses.

From time to time, we may face various legal and other disputes arising from our business operations. Resolving these disputes can be costly and time-consuming. The uncertainties of dispute resolution processes mean we cannot guarantee favourable outcomes while adverse resolutions could harm our market reputation, erode consumer trust in our services, and affect our financial performance negatively.

We cannot assure that such incidents would not occur in the future or that they will not significantly impact our reputation, business operations, and financial performance. Additionally, there is no assurance that insurance compensation will suffice to cover all potential claims. Furthermore, claims may result in increased insurance premiums, further affecting our financial performance.

9.1.13 Our business is subject to the risk of unfavourable foreign exchange fluctuations on the purchase of imported materials and export sales of our products which are transacted in foreign currencies

We are exposed to foreign currency exchange, including USD, EUR, GBP and SGD arising from our purchases of imported materials, and SGD from export sales. For the Periods Under Review, 30.14%, 16.64%, 24.05%, 8.38% and 16.86% of our total purchases of input materials, products and services for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively, were transacted in foreign currencies. In addition, our export sales are transacted in SGD which accounted for 0.26%, 1.24%, 7.16%, 4.17% and 1.25% of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. As such, any unfavourable exchange rates between RM and the respective foreign currencies would affect our financial performance.

9. RISK FACTORS (Cont'd)

Our purchases transacted in MYR, EUR, USD, SGD and GBP is as follows:

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000
Purchases					
MYR	6,477	8,228	12,304	15,670	7,126
EUR	2,295	1,320	3,054	608	348
USD	497	320	832	769	978
SGD	2	2	10	6	119
GBP	-	-	-	50	-
TOTAL	9,271	9,870	16,200	17,103	8,571

Our revenue transacted in MYR and SGD is as follows:

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000
Revenue					
MYR	16,231	19,964	28,426	38,339	22,296
SGD	42	251	2,193	1,667	282
TOTAL	16,273	20,215	30,619	40,006	22,578

For the Periods Under Review, the details of our foreign exchange gains and losses are set out below:

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000
Realised gain on foreign exchange	2	18	35	-	-
Realised loss on foreign exchange	-	-	-	(13)	(23)
Net realised gain/(loss) on foreign exchange	2	18	35	(13)	(23)
Unrealised gain on foreign exchange	-	-	<i>Negligible</i>	-	6
Unrealised loss on foreign exchange	-	-	-	(9)	-
Net unrealised gain/(loss) on foreign exchange	-	-	-	(9)	6
Net gain/(loss) on foreign exchange	2	18	35	(22)	(17)

9. RISK FACTORS (Cont'd)

As at the LPD, we maintain our bank accounts in MYR, EUR and RMB, which are mainly used to settle payments for the purchases. There can be no assurance that our financial performance would not be materially affected by any adverse fluctuations in certain foreign currencies against the MYR.

9.1.14 Our business and financial performance may be affected if there are any delays in the implementation and completion of our lifting system or if we face any early termination or suspension of works

In general, we are required to meet specific timelines when implementing lifting system projects, which include design verification, parts and component fabrication, and onsite assembly, installation, and commissioning. Any delays in meeting these timelines may result in negative consequences, such as delays in revenue recognition and project cost overruns. Additionally, delays may prompt customers to reduce our scope of work or terminate our contracts, purchase orders, or work orders altogether, adversely affecting our financial performance.

Some of the secured purchase orders for lifting system projects include provisions for performance penalties in the form of LAD. We may be liable for LAD if a project is completed later than the stipulated completion date or delivery due date, or beyond any agreed extensions.

Delays in project completion can also harm our relationships with customers, potentially tarnishing our reputation and impacting our ability to secure future projects, all of which could negatively affect our financial performance. Moreover, if we incur LAD in the future, our profitability may also suffer.

Projects may be delayed due to various factors, including delays in site handover, unforeseen site conditions at the time of handover, engineering or safety issues, on-site accidents, delays in material delivery, labour shortages, delays from subcontractors, and unfavourable government policy changes that restrict the availability of foreign labour.

During the Periods Under Review and up to the LPD, we have not encountered any undue delays in implementing our projects. None of our completed projects were delivered later than the dates specified in the contracts or any mutually agreed extensions. We have not received any LAD claims from our customers during this period, nor have we recognised any costs related to LAD. However, there is no guarantee that we will not experience delays or incur LAD in the future.

Additionally, we may face early termination or suspension of work for unforeseen reasons before completing our scope. A purchase order may be terminated or suspended due to various factors, including on-site accidents, safety issues, non-performance by either party, insolvency, payment defaults, changes in customer plans, economic downturns, our inability to fulfil contractual obligations, mutual agreement, or reasons beyond either party's control.

Early termination or suspension of work could negatively impact our financial performance if we are unable to recover incurred expenses or revenue billed, along with lost revenue and profit. During the Periods Under Review and up to the LPD, there were 6 purchase orders and equivalents cancelled by our customers due to changes in the customers' plans. Of which, the deposit payments for 3 of the purchase orders have been made by the customers and we have commenced the engineering design of the lifting system. However, the fabrication and assembly work for the orders has yet to commence and no material costs were incurred following the cancellation of the order.

9. RISK FACTORS (Cont'd)

While there has been no material impact on our business operations caused by the cancellation of the orders, there can be no assurance that we will not experience other cancellations of orders that will adversely impact our business operations and financial performance in the future. There can also be no assurance that we will not face early terminations or suspensions of our purchase orders and works in the future.

9.1.15 We are subject to the risk of supply disruptions especially for imported materials including motor-driven equipment and devices

Our business is dependent on the supply of input materials comprising imported motor-driven equipment and devices such as power feed system and hoists, as well as locally sourced metal-based materials include cut-to-length steel plates. For the Periods Under Review, purchases of imported input materials accounted for 29.13%, 16.17%, 23.94%, 8.38% and 16.86% of our total purchases of materials, products and services for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. For more details, please refer to Section 7.13 of this Prospectus.

Prolonged supply disruptions could result in lost sales, delays in completing projects, or an inability to meet delivery deadlines, adversely impacting our business operations and financial performance. During the Periods Under Review, we did not experience any material disruptions in the supply of imported input materials, as we maintained a certain level of stock for our secured projects. Additionally, our inventory turnover period ranged from 53 days to 109 days during these periods, which has supported our ability to complete works and fulfil customer orders. However, there is no guarantee that we will not face supply disruptions for imported materials in the future, which could negatively affect our business and financial performance.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

9. RISK FACTORS (Cont'd)

9.2 RISKS RELATING TO OUR INDUSTRY**9.2.1 We are subject to the risk of competition from other operators that provide similar products and services**

We face competition from operators that offer similar products and services. We may also encounter competition from new entrants in the market as they establish themselves in the industry over time. The barriers of entry for the operators of design and provision of lifting systems are predicated on various factors such as business registration with CIDB and registration with DOSH as competent companies.

There can be no assurance that competition from existing operators and from new entrants in Malaysia as well as other countries will not have a material adverse effect on our business and financial performance.

9.2.2 We are subject to risks related to changes in conditions in Malaysia and global events, as well as the occurrence of force majeure events such as global pandemic risks

Changes in the political, social, economic, and regulatory conditions in Malaysia may adversely affect our business operations and financial performance. Examples of changes include but are not limited to, changes in political leadership, geopolitical events, wars, acts of terrorism, riots, prolonged or emergence of new epidemics or pandemics, economic policies such as expropriation, nationalisation, fiscal and monetary policies such as changes in interest rates, methods of taxation, tax policies, and foreign worker levy, changes in international relationships and other matters that may influence consumer and business confidence and spending.

A prolonged pandemic may cause interruptions in the supply chain which may adversely affect our business operations. Any economic slowdown may cause our customers to defer, reduce or terminate sales orders or reduce the price of our products. In addition, our business may also be affected by global events such as, among others, geopolitical events, financial crises, trade conflicts and sanctions, and technological changes. Changes in political, social, economic, and regulatory conditions in Malaysia, as well as global events, are beyond our control. There can be no assurance that such changes and events will not materially affect our business operations and financial performance.

9.2.3 Our business is subject to the demand and performance of user-industries

As a lifting systems specialist, our products are primarily used in industrial facilities such as factories, warehouses and workshops, commercial buildings such as shop units and low-rise office buildings, as well as residential buildings. As such, any decreases in the demand from these user-industries could adversely affect our financial performance.

Any decline in the performance of relevant end-user industries due to, among others, economic downturn, low demand from end-users, adverse changes in the industrial and commercial sectors including governmental policies, regulations, and reduction in capital expenditure, will directly influence the demand for lifting systems. Failure to secure new orders in these segments may adversely affect our business operations and financial performance.

9. RISK FACTORS (Cont'd)

9.3 RISKS RELATING TO OUR SHARES AND OUR LISTING**9.3.1 There is no prior market for our Shares**

Prior to our IPO, there has been no public market for our Shares. Accordingly, there can be no assurance that an active market for our Shares will develop upon our Listing or, if developed, that such market will be sustained.

Furthermore, notwithstanding that our IPO Price was determined after taking into consideration a number of factors including but not limited to our historical earnings, prospects and future plans and our financial and operating history, we cannot assure you that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market upon or subsequent to our Listing and that the market price of our Shares will not decline below the IPO Price or that an active market for our Shares will develop and continue upon or subsequent to our Listing.

9.3.2 Our Share price and trading volume may be volatile

The market price of our Shares may be highly volatile and could be subject to wide fluctuations in response to, among others, the following factors, some of which are beyond our control:

- (i) variation in our operating results;
- (ii) success or failure of our management in implementing business and growth strategies;
- (iii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) changes in conditions affecting the industry, general economic conditions or stock market sentiments or other events or factors;
- (v) changes in market valuations and share prices of companies with similar businesses to our Company that may be listed in Malaysia or anywhere else in the world;
- (vi) additions or departures of key management;
- (vii) fluctuations in stock market prices and volume;
- (viii) involvement in litigation; or
- (ix) changes in government policy, legislation or regulation.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and global stock exchanges, inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes on Bursa Securities, thus adding risks to the market price of our Shares.

9. RISK FACTORS (Cont'd)**9.3.3 Our Listing is exposed to risk that it may be aborted or delayed**

Our Listing may be aborted or delayed due to possible occurrences of certain events, which include the following:

- (i) the selected investors fail to subscribe for their portion of our IPO Shares;
- (ii) our Underwriter exercising its rights under the Underwriting Agreement to discharge itself of its obligations under such agreement;
- (iii) we are unable to meet the minimum public shareholding spread requirement under the Listing Requirements of having at least 25.00% of the total number of our Shares for which our Listing is sought being in the hands of a minimum number of 200 public shareholders holding not less than 100 Shares each at the point of our Listing; and/ or
- (iv) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Although we endeavour to comply with the various regulatory requirements, in any event these events as mentioned above occurs, the investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the application within 14 days, failing which the provisions of Section 243(2) of the CMSA shall apply. Our Company shall be liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be specified by the SC upon expiration of that period until the full refund is made.

If our Listing is aborted/ terminated and our Shares have been allotted to the investors, all monies paid in respect of all applications for our IPO Shares will be refunded to the investors only by way of cancellation of share capital as provided under Sections 116 and 117 of the Act and its related rules.

Such cancellation requires the approval of the shareholders by special resolution in a general meeting, the consent of our creditors (if required), with the sanction of the High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and Registrar of Companies within 7 days of the date of the special resolution and meeting the solvency requirements under Section 117(3) of the Act. There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

Nonetheless, our Board will endeavour to comply with the various regulatory requirements, including, *inter alia*, public shareholding spread requirements for our Listing. However, there can be no assurance that the abovementioned factors/ events will not cause a delay in or non-implementation of our Listing.

9.3.4 Future sale or issuance of our Shares could adversely affect our Share price

Any future sale, issuance or availability of our Shares can have an adverse effect on our Share price. The sale of a significant amount of our Shares in the public market after the IPO, or the perception that such sales may occur, could adversely affect the market price of our Shares. These factors also affect our ability to raise funds from the issue of additional equity securities.

If our Specified Shareholders and Promoters sell, or are perceived to sell, substantial amounts of Shares in the public market following the expiry of the moratorium period, this may result in a dampening effect on our Share price.

9. RISK FACTORS (Cont'd)

9.3.5 Our future fund raising exercise may result in dilution of your shareholdings

Our capital requirements are dependent on, amongst others, our business, the availability of our resources for attracting, maintaining and enlarging our client base and the need to maintain and expand our products or service offering. Thus, we may need additional capital expenditure for future expansions and/ or investments. An issue of new Shares or other securities to raise funds will dilute shareholders' equity interest and may, in case of a rights issue, require additional investments by shareholders.

9.3.6 We are a holding company and, as a result, are dependent on the flow of dividends from our Subsidiaries to provide funds for payment of dividends on our Shares

Our Company is a holding company and substantially all of our operations are conducted through our Subsidiaries. Accordingly, dividends and other distributions received from our Subsidiaries are our Company's principal source of income. Our Company and Subsidiaries may incur expenses or liabilities that would reduce or eliminate the cash or profit available for the distribution of dividends.

As part of our Board's guidance on dividends, we aim to declare a certain portion of our PAT attributable to the owners of our Company for each financial year, subject to the approval of our Board and to any applicable law and contractual obligations, as dividends, provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board. Even if we are able to pay dividends, our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends or to pay smaller dividends than the amount we currently propose, after taking into consideration the necessary funds for capital expenditure, working capital and applicable restrictive covenants under our financing. Such declaration of dividends shall not exceed our distributable profits. Further, if we incur new borrowings subsequent to our Listing, we and our Subsidiaries may be subjected to additional covenants restricting the ability to pay dividends. If we do not pay dividends, or we pay dividends at levels lower than anticipated by investors, the market price of our Shares may be negatively affected and the value of your investment in our Shares may be reduced.

Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditure as well as our ability to make interest and principal repayments on any borrowings that we may have outstanding at the time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be on favourable terms or available at all.

9.4 OTHER RISKS**9.4.1 Our Specified Shareholders and Promoters will be able to exert significant influence over our Company and the interest of our Specified Shareholders and Promoters who control our Company may not be aligned with the interest of our other shareholders**

Our Specified Shareholders and Promoters will collectively hold 71.95% and 69.76%, respectively of our enlarged number of issued Shares upon Listing. As a result, they will be able to effectively control the business direction and management of our Group including the election of Directors, the timing and payment of dividends as well as having substantial voting control and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they and persons connected with them are required to abstain from voting either by law, relevant guidelines or regulations. Therefore, there is a risk of non-alignment of interests by our Specified Shareholders and Promoters with those of our other shareholders.

9. RISK FACTORS (Cont'd)

9.4.2 Forward-looking/ prospective statements in this Prospectus may not be achievable

Certain statements in this Prospectus are based on historical data which may not be reflective of future results and others are forward-looking in nature that are based on assumptions and subject to uncertainties and contingencies which may or may not be achievable.

Whether such statements would ultimately prove to be accurate depends on variety of factors that may affect our businesses and operations, and such forward-looking statements also involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, plans, performances and achievements, expressed or implied, by such prospective statements.

Although we believe that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such prospective statements or expectations will materialise.

As such, such prospective statements or expectations should not be regarded as a representation and warranty by our Group, Principal Adviser and other advisers that the plans and objectives of our Group will be achieved.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, a “related party transaction” is a transaction entered into by a listed corporation or its subsidiaries that involves the interest, direct or indirect, of a related party. A “related party” means:

- (i) a director, having the meaning given in section 2(1) of the CMA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:
 - (a) a director of the listed corporation, its subsidiary or holding company; or
 - (b) a chief executive of the listed corporation, its subsidiary or holding company;
- (ii) a major shareholder including any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed corporation or its subsidiary or holding company, having an interest or interests in 1 or more voting shares in a corporation and the number or aggregate number of those shares is:
 - (a) 10% or more of the total number of voting shares in the corporation; or
 - (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation; or

For the avoidance of doubt, “interest” shall have the meaning of “interest in shares” given in section 8 of the Act.

- (iii) a person connected with such director or major shareholder.

10.1.1 Material related party transactions entered into by our Group

Save for the Acquisitions and as disclosed below, there are no material related party transactions, existing or proposed, entered or to be entered into by our Group which involves the interests, direct or indirect, of our Directors, major shareholders and/ or persons connected with them for the Periods Under Review and up to the LPD:

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting company in our Group	Related party/ Interested person/ Nature of relationship between our Group and the related party	Nature of transaction	Transaction value											
				FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 July 2025 up to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
1.	PHEM	Ivan Na Keh Chai ⁽¹⁾	Purchase of a motor vehicle by PHEM from Ivan Na Keh Chai ⁽⁹⁾	-	-	-	-	260	2.55 ⁽⁴⁾	-	-	-	-	-	-
2.	PHEM	Choo Chee Yong ⁽²⁾	Purchase of a motor vehicle by PHEM from Choo Chee Yong ⁽⁹⁾	-	-	-	-	180	1.76 ⁽⁴⁾	-	-	-	-	-	-
3.	PHEM	Powertechnic KL ⁽³⁾ , Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾	Purchase of motor vehicles by PHEM from Powertechnic KL ⁽⁹⁾	-	-	103	1.35 ⁽⁴⁾	121	1.19 ⁽⁴⁾	-	-	-	-	-	-
4.	PMSB	Powertechnic KL ⁽³⁾ , Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾	Purchase of a motor vehicle by PMSB from Powertechnic KL ⁽⁹⁾	-	-	60	0.79 ⁽⁴⁾	-	-	-	-	-	-	-	-
5.	PHEM and PMSB	Powertechnic KL ⁽³⁾ , Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾	Backcharge of administrative expenses such as upkeep of motor vehicles, utilities, road tax and car insurance and upkeep of office paid by Powertechnic KL on behalf of PHEM and PMSB ⁽¹⁰⁾	6	0.14 ⁽⁵⁾	66	1.20 ⁽⁵⁾	16	0.23 ⁽⁵⁾	-	-	-	-	-	-
6.	PHEM and PMSB	Powertechnic KL ⁽³⁾ , Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾	Rental of office space from Powertechnic KL by PHEM and PMSB ⁽⁹⁾	-	-	41	0.75 ⁽⁵⁾	24	0.35 ⁽⁵⁾	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting company in our Group	Related party/ Interested person/ Nature of relationship between our Group and the related party	Nature of transaction	Transaction value											
				FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 July 2025 up to LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
7.	PHEM and PMSB	Powertechnic KL ⁽³⁾ , Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾	Purchases of dock levellers and other materials such as steel plates and sleeve anchors plates by PHEM and PMSB from Powertechnic KL ⁽¹¹⁾	111	1.08 ⁽⁶⁾	1	0.01 ⁽⁶⁾	-	-	-	-	-	-	-	-
8.	PHEM	Powertechnic KL ⁽³⁾ , Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾	Provision of ad-hoc services by PHEM to Powertechnic KL ⁽⁹⁾⁽¹²⁾	15	3.30 ⁽⁷⁾	-	-	-	-	-	-	-	-	-	-
9.	PHEM	Powertechnic KL ⁽³⁾ , Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾	Purchase of loose tools by PHEM from Powertechnic KL ⁽⁹⁾	*	^(6)	*	^(6)	-	-	-	-	-	-	-	-
10.	PHEM, PMSB and PRSB	Powertechnic KL ⁽³⁾ , Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾	Sales of products/ materials such as electric operated travelling crane, dock leveller, sectional door and provision of associated services by PHEM, PMSB and PRSB to Powertechnic KL ⁽¹³⁾	310	1.91 ⁽⁸⁾	104	0.51 ⁽⁸⁾	2	0.01 ⁽⁸⁾	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Notes:

* Negligible, less than RM500.

^ Less than 0.01%.

(1) Ivan Na Keh Chai is our Company's Promoter, substantial shareholder and Managing Director.

(2) Choo Chee Yong is our Company's Promoter, substantial shareholder and Executive Director.

(3) Ivan Na Keh Chai and Choo Chee Yong were the directors and shareholders who held the entire equity interest in Powertech KL (now known as Kam Success Sdn Bhd). Powertech KL was principally involved in trading and servicing of industrial machinery and parts and used to provide maintenance services for our Group's customers located in central region of Peninsular Malaysia. They disposed of their equity interests in Powertech KL on 29 December 2023 to streamline our Group's reporting structure. Powertech KL also ceased operations in December 2023. Since then, our Group's sales office in Shah Alam, Selangor assumed the role of Powertech KL to serve the customers in central region of Peninsular Malaysia.

The purchase of motor vehicles by our Group from Powertech KL was part of the process to facilitate the cessation of Powertech KL's business operations. On 29 December 2023, Ivan Na Keh Chai and Choo Chee Yong resigned as directors and disposed their shares in Powertech KL to Lee Yoke Kam. Lee Yoke Kam is not a person connected to Ivan Na Keh Chai and Choo Chee Yong. On 22 March 2024, Powertech KL officially changed its name to Kam Success Sdn Bhd. As at the LPD, Powertech KL is principally involved in investment holding and investment property.

(4) Calculated based on our Group's NA for each of the respective financial years/ period.

(5) Calculated based on our Group's total administrative expenses for each of the respective financial years/ period.

(6) Calculated based on our Group's total cost of sales for each of the respective financial years/ period.

(7) Calculated based on our Group's total other income for each of the respective financial years/ period.

(8) Calculated based on our Group's total revenue for each of the respective financial years/ period.

(9) The transactions were conducted on an arm's length basis as the transactions were transacted at prices that were within the range of pricing of comparable quotes or rates.

(10) The transactions were conducted on an arm's length basis as the backcharge of administrative expenses paid by our Group were transacted as per the invoices issued by third parties to Powertech KL.

(11) The purchases of dock levellers and other materials by PHEM and PMSB from Powertech KL were not at arm's length as there were no available comparable quotes or rates referred to by our Group, in arriving at the purchase prices. Nevertheless, such amounts transacted with Powertech KL during the Periods Under Review were not material as they were not more than 1.08% of our Group's total cost of sales for each of the respective financial years/ period.

Our Directors are of the view that these transactions were not to the detriment of our Group.

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (12) *Comprising labour charges for the maintenance and repair of Powertechnic KL's products.*
- (13) *The sales of products and materials by PHEM, PMSB and PRSB to Powertechnic KL were not at arm's length as there were no available comparable quotes or rates referred to by our Group, in arriving at the sales prices. Nevertheless, such amounts transacted with Powertechnic KL during the Periods Under Review were not material as they were not more than 1.91% of our Group's total revenue for each of the respective financial years/ period.*

Our Directors are of the view that these transactions were not to the detriment of our Group.

Save for the transactions as set out in Notes (11) and (13) above, our Group is of the opinion that the transactions as disclosed above were carried out on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties and are not detrimental to our Group.

Further to the above, our Board has confirmed that there are no material related party transactions that we have entered into with the related parties but not yet effected up to the date of this Prospectus. There are no subsisting transactions and agreements with the related parties and Kam Success Sdn Bhd (*formerly known as Powertechnic KL*) after our Listing.

Upon our Listing, our Group will put in place strict internal controls and compliance procedures including, among others, our Directors through our Audit and Risk Management Committee will review the terms of all related party transactions before the transactions are entered into or any renewals relating to the same to ensure that all related party transactions are carried out on terms not more favourable to the related parties than those normally agreed terms with third parties and not detrimental to our non-interested shareholders, and in the best interest of our Group. The procedures for monitoring and oversight of related party transactions are set out in Section 10.3 of this Prospectus. When necessary, our Board will make appropriate disclosures in our annual report with regards to any related party transaction entered into by us.

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, our Directors and major shareholders, and/or persons connected with them which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Director and/or major shareholders will also undertake to ensure that the person connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

10. RELATED PARTY TRANSACTIONS (Cont'd)**10.2 OTHER TRANSACTIONS****10.2.1 Transactions entered into that are unusual in their nature or conditions**

Our Directors (including the directors of our Subsidiaries) have confirmed that there are no transactions that were unusual in its nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party during the Periods Under Review and up to the LPD.

10.2.2 Outstanding loans/ advances and/or financial assistance from related parties or made to or for the benefit of related parties

Our Directors (including the directors of our Subsidiaries) have confirmed that, save as disclosed below, there are no outstanding loans/ advances and/ or financial assistance (including guarantees of any kind) from related parties, or made by our Group to or for the benefit of the related parties for the Periods Under Review and as at the LPD:

(i) Amounts owing to related parties

No.	Company within our Group	Interested person/ Nature of relationship between our Group and the related party	Nature of transaction	Outstanding amount											
				As at 31 December								As at 30 June 2025		As at the LPD	
				2021		2022		2023		2024		RM'000	%	RM'000	%
				RM'000	%	RM'000	%	RM'000	%	RM'000	%				
1.	Powertechnic, PHEM and PMSB	Ivan Na Keh Chai ⁽¹⁾	Advances from Ivan Na Keh Chai for our Group's working capital purposes	57	0.74 ⁽³⁾	57	0.74 ⁽³⁾	170	1.67 ⁽³⁾	-	-	-	-	-	-
2.	Powertechnic, and PHEM	Choo Chee Yong ⁽²⁾	Advances from Choo Chee Yong for our Group's working capital purposes	57	0.74 ⁽³⁾	57	0.74 ⁽³⁾	60	0.59 ⁽³⁾	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Company within our Group	Interested person/ Nature of relationship between our Group and the related party	Nature of transaction	Outstanding amount											
				As at 31 December								As at 30 June 2025		As at the LPD	
				2021		2022		2023		2024		RM'000	%	RM'000	%
				RM'000	%	RM'000	%	RM'000	%	RM'000	%				
3.	PHEM and PMSB	Powertech KL ⁽³⁾ , Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾	Being the outstanding amount for the purchase of motor vehicles by PHEM and PMSB from Powertech KL as set out in items (3) and (4) in Section 10.1.1 of this Prospectus	-	-	146	1.92 ⁽³⁾	76	0.74 ⁽³⁾	-	-	-	-	-	-
4.	PMSB	Powertech KL ⁽³⁾ , Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾	Advance from Powertech KL to PMSB for working capital purposes	-	-	2	0.03 ⁽³⁾	-	-	-	-	-	-	-	-

Notes:

(1) Ivan Na Keh Chai is our Company's Promoter, substantial shareholder and Managing Director.

(2) Choo Chee Yong is our Company's Promoter, substantial shareholder and Executive Director.

(3) Calculated based on our Group's NA for each of the respective financial years/ period.

(4) Ivan Na Keh Chai and Choo Chee Yong were the directors and shareholders who held the entire equity interest in Powertech KL (now known as Kam Success Sdn Bhd). Powertech KL was principally involved in trading and servicing of industrial machinery and parts and used to provide maintenance services for our Group's customers located in central region of Peninsular Malaysia. They disposed of their equity interests in Powertech KL in 29 December 2023 to streamline our Group's reporting structure. Powertech KL also ceased operations in December 2023. Since then, our Group's sales office in Shah Alam assumed the role of Powertech KL to serve the customers in central region of Peninsular Malaysia.

10. RELATED PARTY TRANSACTIONS (Cont'd)

The purchase of motor vehicles by our Group from Powertech KL was part of the process to facilitate the cessation of Powertech KL's business operations. On 29 December 2023, Ivan Na Keh Chai and Choo Chee Yong resigned as directors and disposed their shares in Powertech KL to Lee Yoke Kam. Lee Yoke Kam is not a person connected to Ivan Na Keh Chai and Choo Chee Yong. On 22 March 2024 Powertech KL officially changed its name to Kam Success Sdn Bhd. As at the LPD, Powertech KL is principally involved in investment holding and investment property.

During the Periods Under Review and up to the LPD, the advances made by the related parties to our Group were not at arm's length as they were unsecured, interest-free and repayable on demand. All the advances to our Group have been fully repaid as at the LPD.

As at the LPD, there are no advances/ loans granted to our Group by related parties for the benefit of our Group.

Moving forward, we will put in place internal controls and compliance procedures in relation to advances, loans or financial assistance from related parties. As such, no further advances, loans or financial assistance will be taken from related parties by our Group unless such advances, loans or financial assistance are permitted under the applicable laws, rules and regulations (including the Listing Requirements) and brought to our Audit and Risk Management Committee and our Board for deliberation and approval.

(ii) Financial assistance (including guarantees of any kind)

Notwithstanding to the above, our Promoters and their related parties have extended guarantees for our banking facilities as follows:

Banks	Types of facility	Guarantor(s)	Guaranteed amount⁽⁴⁾ (RM'000)	Outstanding amount as at the LPD (RM'000)
Hong Leong Islamic Bank Berhad	Banking facilities comprising letter of credit, trust receipt, bank guarantee and invoice financing	Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾ Ivan Na Keh Chai and Choo Chee Yong have given joint and several guarantees in favour of Hong Leong Islamic Bank Berhad for banking facilities granted to PHEM.	4,950	3,195

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Banks	Types of facility	Guarantor(s)	Guaranteed amount⁽⁴⁾ (RM'000)	Outstanding amount as at the LPD (RM'000)
Maybank Islamic Berhad	Banking facilities comprising term financing	Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾ Ivan Na Keh Chai and Choo Chee Yong have given joint and several guarantees in favour of Maybank Islamic Berhad for banking facilities granted to PHEM.	12,199	3,271
	Banking facilities comprising term financing and tradeline consisting letter of credit, trust receipt, accepted bills, invoice financing and bank guarantee	Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾ Ivan Na Keh Chai and Choo Chee Yong have given joint and several guarantees in favour of Maybank Islamic Berhad for banking facilities granted to PHEM.	4,000	2,847
	Banking facilities comprising term financing	Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾ Ivan Na Keh Chai and Choo Chee Yong have given joint and several guarantees in favour of Maybank Islamic Berhad for banking facilities granted to PHEM.	1,000	222
Public Bank Berhad	Banking facilities comprising term loan	Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾ Ivan Na Keh Chai and Choo Chee Yong have given joint and several guarantees in favour of Public Bank Berhad for banking facilities granted to PHEM.	250	200
	Hire purchase	Choo Chee Yong ⁽²⁾ Choo Chee Yong has given personal guarantees in favour of Public Bank Berhad for hire purchase facilities granted to PHEM.	512	258
	Hire purchase	Choo Chee Yong ⁽²⁾ Choo Chee Yong has given personal guarantees in favour of Public Bank Berhad for hire purchase facility granted to PMSB.	119	15
	Hire purchase	Clessense Kho Mei Chee ⁽³⁾ Clessense Kho Mei Chee has given personal guarantees in favour of Public Bank Berhad for hire purchase facilities granted to PMSB.	251	77

10. RELATED PARTY TRANSACTIONS (Cont'd)

Banks	Types of facility	Guarantor(s)	Guaranteed amount⁽⁴⁾ (RM'000)	Outstanding amount as at the LPD (RM'000)
Public Bank Berhad	Hire purchase	Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾ Ivan Na Keh Chai and Choo Chee Yong have given personal guarantees in favour of Public Bank Berhad for hire purchase facilities granted to PRSB.	263	156
Malaysian Industrial Development Finance Berhad	Banking facilities comprising term financing	Ivan Na Keh Chai ⁽¹⁾ and Choo Chee Yong ⁽²⁾ Ivan Na Keh Chai and Choo Chee Yong have given joint and several guarantees in favour of Malaysian Industrial Development Finance Berhad for banking facilities granted to PHEM.	1,657	1,198
Affin Bank Berhad	Hire purchase	Choo Chee Yong ⁽²⁾ Choo Chee Yong has given personal guarantees in favour of Affin Bank Berhad for hire purchase facilities granted to PHEM.	464	244
	Hire purchase	Clessense Kho Mei Chee ⁽³⁾ Clessense Kho Mei Chee has given personal guarantees in favour of Affin Bank Berhad for hire purchase facility granted to PMSB.	129	65
Total			25,794	11,748

Notes:

- (1) Ivan Na Keh Chai is our Company's Promoter, substantial shareholder and Managing Director.
- (2) Choo Chee Yong is our Company's Promoter, substantial shareholder and Executive Director.
- (3) Clessense Kho Mei Chee is the Head of Sales and Marketing of our Group and a director of PMSB.
- (4) The amount guaranteed represents the total banking facilities and/ or leasing facilities.

In conjunction with the Listing, our Group has applied to the financiers to obtain a release and/ or discharge of the guarantees by substituting the same with a corporate guarantee from our Company. As at the LPD, we have received conditional approvals from the respective financiers to discharge the above guarantees which include conditions such as:

- (i) Our Company's successful Listing; and
- (ii) substituting the guarantees with a corporate guarantee from our Company.

10. RELATED PARTY TRANSACTIONS (Cont'd)

10.3 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.3.1 Audit and Risk Management Committee review

Our Audit and Risk Management Committee reviews related party transactions and conflict of interest situation that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts. Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to monitor related party transactions and conflicts of interest. It also sets the procedures and processes to ensure that transactions are carried out in the best interest of our Company on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length, and are not to the detriment of the interest of our Company's minority shareholders. Amongst others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

10.3.2 Our Group's policy on related party transactions

Related party transactions by their nature, involve conflict of interest between our Group and the related parties with whom our Group has entered into for such transactions. Any such related party transactions may individually and in aggregate give rise to potential conflicts of interest.

It is the policy of our Group that all related party transactions in the course of our business are made on an arm's length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the public and these terms are not detrimental to our non-interested shareholders. The related parties and any other parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations and voting on resolutions pertaining to the matters and/ or transactions where a conflict of interest may arise.

In addition, our Directors are required to make an annual disclosure of any related party transactions and conflicts of interest with our Group, and our Audit and Risk Management Committee must carry out an annual assessment of our Directors which include an assessment of such related party transactions and/ or conflict of interest. Our Audit and Risk Management Committee will in turn report and make the appropriate recommendations to our Board after its evaluation and assessment.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

10. RELATED PARTY TRANSACTIONS (Cont'd)

10.3.3 Our Group's policy on recurrent related party transactions

In order to ensure that recurrent related party transactions are undertaken on an arm's length basis and on normal commercial terms, we have established the following procedures:

- (i) At least 2 other contemporaneous transactions carried out with third parties for similar products and/ or quantities will be used as comparison wherever possible, to determine if the price and the terms as offered by the related parties are for the same or substantially similar type of products/ services and/ or quantities.
- (ii) If we are unable to obtain or procure the quotation or comparative pricing from third parties, the transaction price will be determined by our Group based on those offered by other third parties for substantially the similar type of transactions to ensure that the recurrent related party transactions are not detrimental to us. For such transactions, the case will be submitted to the Audit and Risk Management Committee for deliberation and approval.

We will seek mandate from our shareholders to enter into any recurrent related party transactions at a general meeting. However, due to the time-sensitive nature of such transactions, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in the ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

11. CONFLICT OF INTEREST

11.1 INTEREST IN BUSINESSES WHICH CARRY ON A SIMILAR TRADE AS OUR GROUP OR WHICH ARE OUR CUSTOMERS AND SUPPLIERS

As at the LPD, none of our Directors or substantial shareholders have any interests, direct or indirect, in businesses and corporations that:

- (i) carry on a similar trade as that of our Group; or
- (ii) are customers or suppliers of our Group.

In order to safeguard the interest of our Group and minority shareholders, the Audit and Risk Management Committee will monitor and review any potential conflict of interest situation and report to our Board for further deliberation and approval.

11.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

- (i) TA Securities has confirmed that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent in respect of our IPO;
- (ii) Ecovis Malaysia PLT has confirmed that there is no existing or potential conflict of interest in its capacity as the Reporting Accountants in respect of our IPO;
- (iii) David Lai & Tan has confirmed that there is no existing or potential conflict of interest in its capacity as the Solicitors to our Company in respect of our IPO; and
- (iv) Vital Factor has confirmed that there is no existing or potential conflict of interest in its capacity as the Independent Business and Market Research Consultants in respect of our IPO.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION**12.1 HISTORICAL FINANCIAL INFORMATION**

Our Group's historical audited financial information comprise the combined and consolidated statements of financial position, combined and consolidated statements of profit or loss and other comprehensive income and combined and consolidated statements of cash flows for the Periods Under Review. These historical financial information have been prepared in accordance with MFRS and IFRS.

The following financial information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations set out in Section 12.3 of this Prospectus and Accountants' Report included in Section 13 of this Prospectus.

12.1.1 Combined and consolidated statements of profit or loss and other comprehensive income

The following table sets out a summary of our Group's audited combined and consolidated statements of profit or loss and other comprehensive income for the Periods Under Review, which was extracted from the Accountants' Report set out in Section 13 of this Prospectus.

	Audited					
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	16,273	20,215	30,619	40,006	18,774	22,578
Cost of sales	(10,260)	(12,725)	(17,499)	(20,976)	(9,549)	(10,787)
GP	6,013	7,490	13,120	19,030	9,225	11,791
Other income	454	473	1,496	3,232	245	155
Administrative expenses	(4,312)	(5,478)	(6,902)	(10,893)	(4,147)	(5,644)
Sales and marketing expenses	(561)	(770)	(901)	(1,570)	(500)	(745)
Impairment loss on financial assets	-	-	(310)	(158)	(6)	(426)
Finance costs	(521)	(546)	(617)	(716)	(282)	(318)
PBT	1,073	1,169	5,886	8,925	4,535	4,813
Tax expense	(274)	(363)	(1,648)	(2,641)	(992)	(1,568)
PAT	799	806	4,238	6,284	3,543	3,245
Adjusted PBT ⁽¹⁾	-	-	4,908	6,104	-	-
Adjusted PAT ⁽²⁾	-	-	3,349	3,685	-	-
EBITDA ⁽³⁾	1,991	2,208	7,075	10,559	5,238	5,610
GP margin (%) ⁽⁴⁾	36.95	37.05	42.85	47.57	49.14	52.22
PBT margin (%) ⁽⁵⁾	6.59	5.78	19.22	22.31	24.16	21.32
PAT margin (%) ⁽⁶⁾	4.91	3.99	13.84	15.71	18.87	14.37
Adjusted PBT margin (%) ⁽¹⁾	-	-	16.03	15.26	-	-
Adjusted PAT margin (%) ⁽²⁾	-	-	10.94	9.21	-	-
Number of Shares assumed in issue ('000) ⁽⁷⁾	310,337	310,337	310,337	310,337	310,337	310,337
Basic EPS (sen) ⁽⁸⁾	0.26	0.26	1.37	2.02	1.14	1.05
Diluted EPS (sen) ⁽⁸⁾⁽⁹⁾	0.26	0.26	1.37	2.02	1.14	1.05

12. FINANCIAL INFORMATION (Cont'd)*Notes:*

(1) *After deducting the following:*

- (i) *one-off gain on disposal of an investment property of RM0.98 million in FYE 2023;*
- (ii) *one-off gain on disposal of a property of RM0.13 million in FYE 2024; and*
- (iii) *one-off gain on disposal of an investment property of RM2.70 million in FYE 2024.*

Please refer to Sections 7.23(ii), 15.4(i), 15.4(ii) and 15.4(iii) of this Prospectus for further details.

(2) *After deducting the following:*

- (i) *one-off gain on disposal of an investment property of RM0.98 million net of real property gains tax of RM0.09 million in FYE 2023;*
- (ii) *one-off gain on disposal of a property of RM0.13 million net of real property gains tax of RM0.01 million in FYE 2024; and*
- (iii) *one-off gain on disposal of an investment property of RM2.70 million net of real property gains tax of RM0.21 million in FYE 2024.*

(3) *The table below sets forth a reconciliation of our PBT to EBITDA.*

	Audited					
	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2024 RM'000	FPE 2025 RM'000
PBT	1,073	1,169	5,886	8,925	4,535	4,813
<u>Add:</u>						
Finance costs	521	546	617	716	282	318
Depreciation	454	531	656	999	466	513
<u>Less:</u>						
Interest income	(52)	(28)	(55)	(52)	(30)	(19)
Amortisation	(5)	(10)	(29)	(29)	(15)	(15)
EBITDA	1,991	2,208	7,075	10,559	5,238	5,610

(4) *GP margin is computed based on our GP over revenue.*

(5) *PBT margin is computed based on our PBT over revenue.*

(6) *PAT margin is computed based on our PAT over revenue.*

(7) *Assumed number of ordinary shares in issue in Powertechnic after our IPO.*

(8) *Basic and diluted EPS is calculated based on PAT attributable to owners of the Company divided by 310,337,000 enlarged total number of Shares after our IPO.*

(9) *Our Company does not have any outstanding convertible securities at the end of the financial years/ periods.*

12. FINANCIAL INFORMATION (Cont'd)**12.1.2 Combined and consolidated statements of financial position**

The following table sets out a summary of our Group's audited combined and consolidated statements of financial position for the Periods Under Review, which was extracted from the Accountants' Report set out in Section 13 of this Prospectus.

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6,649	6,984	8,395	8,310	8,031
Investment properties	8,088	8,063	7,818	7,120	7,115
Other investment	60	60	-	-	-
Deferred tax assets	83	90	317	148	90
	14,880	15,197	16,530	15,578	15,236
Current assets					
Inventories	3,535	3,095	4,036	3,271	3,055
Trade and other receivables ⁽¹⁾	3,925	6,283	7,846	14,156	18,258
Contract assets	511	752	997	348	1,797
Tax recoverable	571	1,084	70	-	-
Deposits with a licensed bank	2,239	1,259	1,080	500	-
Cash and bank balances	3,086	2,012	3,394	7,775	8,857
	13,867	14,485	17,423	26,050	31,967
TOTAL ASSETS	28,747	29,682	33,953	41,628	47,203
EQUITY AND LIABILITIES					
Equity					
Share capital	1	1	1	12,368	12,368
Invested equity	451	451	451	-	-
Reorganisation reserve	-	-	-	(11,916)	(11,916)
Retained profits	7,172	7,176	9,758	14,172	17,416
	7,624	7,628	10,210	14,624	17,868
Non-current liabilities					
Loans and borrowings	10,595	10,108	9,420	10,685	10,146
Lease liabilities	175	284	1,159	1,071	727
Deferred income	18	205	176	146	132
	10,788	10,597	10,755	11,902	11,005
Current liabilities					
Trade and other payables ⁽²⁾	2,378	2,496	4,339	7,301	7,721
Contract liabilities	6,911	7,508	7,154	5,444	7,986
Loans and borrowings	885	1,267	724	1,041	1,065
Lease liabilities	111	157	450	642	632
Deferred income	5	29	29	29	29
Tax payable	45	-	292	645	897
	10,335	11,457	12,988	15,102	18,330
TOTAL LIABILITIES	21,123	22,054	23,743	27,004	29,335
TOTAL EQUITY AND LIABILITIES	28,747	29,682	33,953	41,628	47,203

12. FINANCIAL INFORMATION (Cont'd)

Notes:

(1) The breakdown of our trade and other receivables is set out below:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	3,530	5,245	6,807	13,122	17,158
Other receivables	395	1,038	1,039	1,034	1,100
Total	3,925	6,283	7,846	14,156	18,258

(2) The breakdown of our trade and other payables is set out below:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	1,788	1,992	2,938	4,221	4,818
Other payables	590	504	1,401	3,080	2,903
Total	2,378	2,496	4,339	7,301	7,721

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)**12.1.3 Combined and consolidated statements of cash flows**

The following table sets out a summary of our Group's audited combined and consolidated statements of cash flows for the Periods Under Review, which was extracted from the Accountants' Report set out in Section 13 of this Prospectus.

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES					
PBT	1,073	1,169	5,886	8,925	4,813
<u>Adjustments for:</u>					
Amortisation of government grants	(5)	(10)	(29)	(29)	(15)
Bad debts written off	-	-	12	-	85
Depreciation of investment properties	25	25	23	15	4
Depreciation of property, plant and equipment	429	506	633	984	509
Distribution income from cash management fund at fair value through profit or loss (FVTPL)	(2)	(1)	(4)	(4)	(2)
Finance costs	521	546	617	716	318
Interest income	(52)	(28)	(55)	(52)	(19)
Gain on disposal of investment property	-	-	(978)	(2,696)	-
Gain on disposal of property, plant and equipment	(72)	-	(11)	(126)	-
Gain on early termination of lease	-	-	-	*	(3)
Net impairment loss on financial assets	-	-	310	158	426
Loss on disposal of other investment	-	-	50	-	-
Plant and equipment written off	-	-	-	-	1
Provision/ (reversal) of warranty	23	14	26	73	(5)
Unrealised loss/ (gain) on foreign exchange	-	-	*	9	(6)
Operating profit before changes in working capital	1,940	2,221	6,480	7,973	6,106
(Increase)/ Decrease in inventories	(952)	440	(941)	766	216
Increase in trade and other receivables	(69)	(2,358)	(1,886)	(6,480)	(4,612)
Increase in trade and other payables	722	404	1,818	2,891	429
Decrease/ (Increase) in contract assets/ (liabilities), net	782	355	(598)	(1,062)	1,094
Cash flows generated from operations	2,423	1,062	4,873	4,088	3,233
Interest received	52	28	55	52	19
Income tax paid	(813)	(928)	(569)	(2,050)	(1,258)
Net cash generated from operating activities	1,662	162	4,359	2,090	1,994

12. FINANCIAL INFORMATION (Cont'd)

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Distribution income received	2	1	4	4	2
Purchase of property, plant and equipment	(239)	(539)	(616)	(570)	(276)
Proceeds from disposal of investment property	-	-	1,200	3,380	-
Proceeds from disposal of property, plant and equipment	73	-	26	505	-
Proceeds from disposal of other investment	-	-	10	-	-
Net cash (used in)/ generated from investing activities	(164)	(538)	624	3,319	(274)
CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES					
Dividends paid	(650)	(880)	(1,656)	(1,870)	-
Finance costs paid	(521)	(546)	(617)	(716)	(318)
(Increase)/ Decrease in pledged deposits	-	-	(1,080)	1,080	-
Proceeds from issuance of shares	50	-	-	-	-
(Repayment)/ Drawdown of loan and borrowings, net	(560)	(606)	(731)	1,582	(515)
Repayment of lease liabilities	(133)	(146)	(276)	(604)	(305)
(Increase)/ Decrease in restricted cash at bank	-	-	-	(132)	67
Net cash used in financing activities	(1,814)	(2,178)	(4,360)	(660)	(1,071)
Net (decrease)/ increase in cash and cash equivalents	(316)	(2,554)	623	4,749	649
Cash and cash equivalents at beginning of the year/ period	5,641	5,325	2,771	3,394	8,143
Cash and cash equivalents at end of the year/ period	5,325	2,771	3,394	8,143	8,792

Note:

* Less than RM500.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)**12.2 CAPITALISATION AND INDEBTEDNESS**

The following table sets out our Group's capitalisation and indebtedness based on our unaudited financial information as at 31 August 2025 and after adjusting for the effects of our Public Issue and utilisation of proceeds from our Public Issue.

	Unaudited as at 31 August 2025 RM'000	(I)	(II)
		After Public Issue RM'000	After (I) and utilisation of proceeds RM'000
Capitalisation			
Share capital	12,368	34,418	33,377
Total capitalisation	12,368	34,418	33,377
Indebtedness			
Current			
<u>Secured and guaranteed</u>			
- Term loans	1,072	1,072	1,072
- Lease liabilities (under hire purchase arrangements) ⁽¹⁾	250	250	250
<u>Unsecured and unguaranteed</u>			
- Lease liabilities (rentals) ⁽²⁾	380	380	380
	1,702	1,702	1,702
Non-current			
<u>Secured and guaranteed</u>			
- Term loans	9,972	9,972	7,172
- Lease liabilities (under hire purchase arrangements) ⁽¹⁾	508	508	508
<u>Unsecured and unguaranteed</u>			
- Lease liabilities (rentals) ⁽²⁾	455	455	455
	10,935	10,935	8,135
<u>Secured and guaranteed</u>			
- Financial guarantee contracts ⁽³⁾	116	116	116
Total indebtedness	12,753	12,753	9,953
Total capitalisation and indebtedness	25,121	47,171	43,330
Debt-to-capital ratio (times) ⁽⁴⁾	1.02	0.37	0.29

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Lease liabilities (under hire purchase arrangements) represent our motor vehicles under hire purchase arrangements which are guaranteed by directors of our Subsidiaries.*
- (2) Lease liabilities (rentals) represent the present value of the remaining rental payments over the rental period for our rented properties.*
- (3) The financial guarantee contracts have not crystallised as at 31 August 2025 and is included for illustration purposes only.*
- (4) Computed based on total indebtedness (excluding contingent liabilities arising from financial guarantee contracts) divided by total capitalisation.*

As at the LPD, save as disclosed above, there is no indirect and/ or material contingent liabilities incurred by our Group which have a substantial impact on the financial position of our Group.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)

12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with the Accountants' Report and related notes as set out in Section 13 of this Prospectus.

12.3.1 Overview of our business operations

We are specialists in lifting systems, providing comprehensive services that include engineering design, fabrication, assembly, installation, and commissioning. We customise our systems to meet specific operational requirements and safety standards.

Our range of lifting systems is broadly categorised as follows:

- **crane and hoist systems** including overhead, gantry, underhung and jib cranes as well as monorail hoist system;
- **elevated platform systems** including dock leveller, table lifters, tilting platform, docking accessories; and
- **elevators** comprising freight and home elevators.

Additionally, we also provide maintenance, repair and related services, including routine inspections and preventive maintenance to optimise performance and extend system operational life, as well as repair services to restore system functionality. In addition, we provide other related services including lifting systems licence renewal services and freight elevators upgrade services based on customers' request.

Please refer to Section 7.2 of this Prospectus for further information on our business operations.

12.3.2 Overview of our financial results

Our revenue is derived from the provision of lifting systems as well as maintenance, repair and related services. Our revenue is recognised based on the following scenarios:

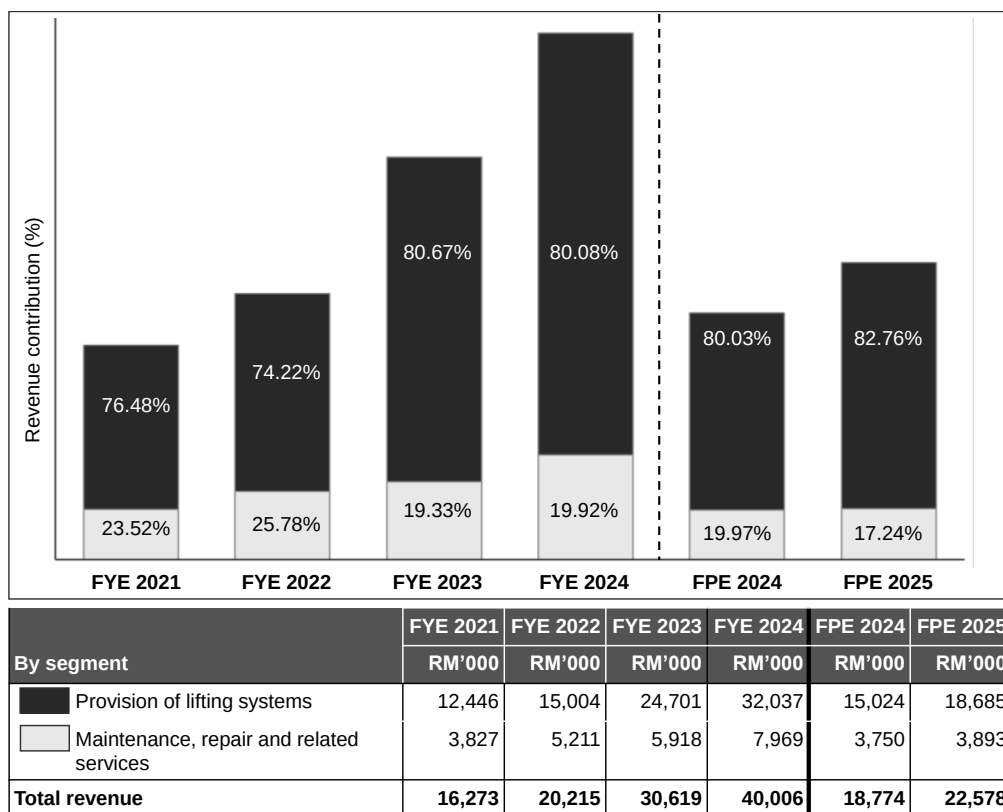
- (i) revenue from the provision of lifting systems include engineering design, fabrication, assembly, installation and commissioning is recognised over time using input method by reference to the progress based on cost incurred relative to total expected cost;
- (ii) revenue from the sales of goods is recognised at the point in time when the goods have been delivered to customers and accepted by customers; and
- (iii) revenue from the maintenance, repair and related services is recognised upon services rendered.

Our total revenue increased from RM16.27 million in FYE 2021 to RM40.01 million in FYE 2024, representing a CAGR of 34.96%. This was contributed by the increase in revenue from both the provision of lifting systems segment as well as maintenance, repair and related services segment.

Revenue from the provision of lifting systems constituted the largest revenue contributor, which accounted for 76.48% (RM12.45 million), 74.22% (RM15.00 million), 80.67% (RM24.70 million), 80.08% (RM32.04 million) and 82.76% (RM18.69 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. The revenue from this segment increased from RM12.45 million in FYE 2021 to RM32.04 million in FYE 2024, representing a CAGR of 37.05%.

12. FINANCIAL INFORMATION (Cont'd)

Revenue from the maintenance, repair and related services segment accounted for 23.52% (RM3.83 million), 25.78% (RM5.21 million), 19.33% (RM5.92 million), 19.92% (RM7.97 million) and 17.24% (RM3.89 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. The revenue from the maintenance, repair and related services segment increased from RM3.83 million in FYE 2021 to RM7.97 million in FYE 2024, representing a CAGR of 27.70%.

Revenue by business activities

For the Periods Under Review, revenue contribution from the domestic market accounted for 99.74%, 98.76%, 92.84%, 95.83% and 98.75% of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. The remainder of our revenue was contributed by export sales to Singapore which accounted for 0.26%, 1.24%, 7.16%, 4.17% and 1.25% of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Please refer to Section 12.3.3 of this Prospectus for further analysis on our revenue by business activities and products, and geographical markets.

For the Periods Under Review, our revenue contribution is transacted in RM and SGD.

12. FINANCIAL INFORMATION (Cont'd)
12.3.3 Segmental analysis by revenue
(i) Revenue by business activities and products

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of lifting systems	12,446	76.48	15,004	74.22	24,701	80.67	32,037	80.08
Crane and hoist systems	7,921	48.67	8,331	41.21	11,115	36.30	11,118	27.79
Elevated platform systems	1,687	10.37	3,225	15.95	8,699	28.41	11,200	28.00
Elevators	2,838	17.44	3,448	17.06	4,887	15.96	9,719	24.29
Maintenance, repair and related services	3,827	23.52	5,211	25.78	5,918	19.33	7,969	19.92
Maintenance and repair	3,525	21.66	4,854	24.01	5,571	18.19	7,471	18.68
Related services	302	1.86	357	1.77	347	1.14	498	1.24
Total	16,273	100.00	20,215	100.00	30,619	100.00	40,006	100.00

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Provision of lifting systems	15,024	80.03	18,685	82.76
Crane and hoist systems	4,732	25.21	8,427	37.32
Elevated platform systems	6,301	33.56	5,151	22.82
Elevators	3,991	21.26	5,107	22.62
Maintenance, repair and related services	3,750	19.97	3,893	17.24
Maintenance and repair	3,454	18.40	3,438	15.23
Related services	296	1.57	455	2.01
Total	18,774	100.00	22,578	100.00

(ii) Sales volume of our main product range

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	Units	Units	Units	Units	Units	Units
Crane and hoist systems	43	37	61	87	31	58
Elevated platform systems	129	148	362	450	204	224
Elevators	34	43	61	92	43	50

12. FINANCIAL INFORMATION (Cont'd)**(iii) Revenue by geographical markets**

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	16,231	99.74	19,964	98.76	28,426	92.84	38,339	95.83
Southern region	15,061	92.56	17,747	87.79	19,682	64.28	27,969	69.91
Central region	912	5.60	2,145	10.62	8,303	27.12	8,486	21.21
Northern region	90	0.55	5	0.02	441	1.44	1,755	4.39
East Coast region	-	-	-	-	-	-	87	0.22
East Malaysia	168	1.03	67	0.33	-	-	42	0.10
Singapore	42	0.26	251	1.24	2,193	7.16	1,667	4.17
Total revenue	16,273	100.00	20,215	100.00	30,619	100.00	40,006	100.00

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Malaysia	17,763	94.61	22,296	98.75
Southern region	13,174	70.17	17,583	77.87
Central region	3,993	21.27	4,332	19.19
Northern region	489	2.60	345	1.53
East Coast region	86	0.46	5	0.02
East Malaysia	21	0.11	31	0.14
Singapore	1,011	5.39	282	1.25
Total revenue	18,774	100.00	22,578	100.00

(iv) Revenue by distribution channel

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct distribution	14,666	90.12	18,240	90.23	21,024	68.66	30,854	77.12
End users								
- Industrial and commercial users	13,915	85.51	17,111	84.65	19,532	63.79	26,950	67.36
- Residential users	751	4.61	1,129	5.58	1,492	4.87	3,904	9.76
Indirect distribution	1,607	9.88	1,975	9.77	9,595	31.34	9,152	22.88
Contractors and engineering companies	1,607	9.88	1,975	9.77	9,595	31.34	9,152	22.88
Total	16,273	100.00	20,215	100.00	30,619	100.00	40,006	100.00

12. FINANCIAL INFORMATION (Cont'd)

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Direct distribution	14,614	77.84	14,136	62.61
End users				
- Industrial and commercial users	12,671	67.49	12,398	54.91
- Residential users	1,943	10.35	1,738	7.70
Indirect distribution	4,160	22.16	8,442	37.39
Contractors and engineering companies	4,160	22.16	8,442	37.39
Total	18,774	100.00	22,578	100.00

Comparison between FYE 2021 and FYE 2022

Our revenue increased by RM3.94 million or 24.22% to RM20.22 million in FYE 2022 (FYE 2021: RM16.27 million), which was driven by our provision of lifting systems segment as well as maintenance, repair and related services segment.

Provision of lifting systems

Our revenue from the provision of lifting systems segment increased by RM2.56 million or 20.55% to RM15.00 million in FYE 2022 (FYE 2021: RM12.45 million), which was contributed by the following:

- increase in revenue from elevated platform systems by RM1.54 million or 91.17% to RM3.23 million in FYE 2022 (FYE 2021: RM1.69 million), mainly attributed to the higher sales of table lifters and dock levellers. This was also reflected in the higher number of elevated platform systems provided which increased to 148 units in FYE 2022 (FYE 2021: 129 units).

Revenue from table lifters increased by RM0.81 million or 578.57% in FYE 2022. This was reflected in the increase in number of table lifters provided to 9 units in FYE 2022 (FYE 2021: 2 units), mainly contributed by domestic sales in the central and southern regions.

The increase was also partly contributed by higher revenue from the dock levellers, which increased by RM0.68 million or 46.59% in FYE 2022 arising from higher number of units provided. This is reflected in the higher number of dock levellers provided which increased to 139 units in FYE 2022 (FYE 2021: 127 units), mainly contributed by domestic sales in the southern region as well as export sales to Singapore.

- increase in revenue from elevators by RM0.61 million or 21.49% to RM3.45 million in FYE 2022 (FYE 2021: RM2.84 million), was driven by higher sales of both home elevators and freight elevators. This was reflected in the increase in orders secured for the supply and installation of elevators, which increased to 43 units in FYE 2022 (FYE 2021: 34 units).

Revenue from home elevators increased by RM0.35 million or 47.76% in FYE 2022 mainly attributed to higher number of units of home elevators supplied and installed which increased to 9 units in FYE 2022 (FYE 2021: 6 units), mainly contributed by domestic sales in the southern region.

12. FINANCIAL INFORMATION (Cont'd)

The increase was also partly contributed by higher revenue from freight elevators, which increased by RM0.26 million or 12.28% in FYE 2022 arising from higher number of freight elevators provided which increased to 34 units in FYE 2022 (FYE 2021: 28 units). The sales of freight elevators were mainly contributed by the domestic sales in the southern and central regions.

- increase in revenue from crane and hoist systems by RM0.41 million or 5.18% to RM8.33 million in FYE 2022 (FYE 2021: RM7.92 million). The increase was mainly attributed to higher revenue from the provision of various cranes, comprising gantry cranes, jib cranes and underhung cranes, which collectively increased by RM1.14 million or 730.77% in FYE 2022. This was also reflected in the increased number of these types of crane and hoist systems provided, which increased to 14 units in FYE 2022 (FYE 2021: 2 units). The growth was mainly contributed by the domestic sales in the southern and central regions for systems with safe working load of up to 5 tonnes.

The increase was partially offset by a decrease in revenue from overhead cranes and monorail hoist system, which collectively decreased by RM0.73 million or 9.40%, due to lower orders of the said systems in FYE 2022. The orders for overhead cranes and monorail hoist system collectively decreased to 23 units in FYE 2022 (FYE 2021: 41 units).

Maintenance, repair and related services segment

The growth in revenue was also contributed by the maintenance, repair and related services segment which increased by RM1.38 million or 36.16% to RM5.21 million in FYE 2022 (FYE 2021: RM3.83 million). The increase was mainly contributed by maintenance and repair services which increased by RM1.33 million or 37.70%, arising from higher customer requests for maintenance and repair services during FYE 2022.

Geographical markets

On a geographical basis, revenue from domestic sales increased by RM3.73 million or 23.00% to RM19.96 million in FYE 2022 (FYE 2021: RM16.23 million). This was mainly attributed to higher sales of lifting systems including table lifters, home elevators, freight elevators, gantry cranes, jib cranes and underhung cranes in the southern and central regions.

Revenue from the central region increased by RM1.23 million or 135.20% to RM2.15 million in FYE 2022 (FYE 2021: RM0.91 million), mainly attributed to the higher sales of overhead cranes, table lifters and freight elevators to customers who are industrial users. In addition, our customer base from the central region increased from 44 customers in FYE 2021 to 83 customers in FYE 2022.

Revenue from foreign market sales also increased by RM0.21 million or 497.62% to RM0.25 million in FYE 2022 (FYE 2021: RM0.04 million), mainly attributed to export sales of lifting systems including dock levellers.

Distribution channels

Revenue from direct distribution channels increased by RM3.57 million or 24.37% to RM18.24 million in FYE 2022 (FYE 2021: RM14.67 million). This was mainly attributed to higher sales of lifting systems to industrial and commercial users.

Revenue from indirect distribution channel increased by RM0.37 million or 22.90% to RM1.98 million in FYE 2022 (FYE 2021: RM1.61 million), attributed to higher sales of lifting systems to customers who are intermediaries including contractors and engineering companies.

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2022 and FYE 2023**

Our revenue increased by RM10.40 million or 51.47% to RM30.62 million in FYE 2023 (FYE 2022: RM20.22 million), which was mainly driven by our provision of lifting systems segment.

Provision of lifting systems

Our revenue from the provision of lifting systems segment increased by RM9.70 million or 64.63% to RM24.70 million in FYE 2023 (FYE 2022: RM15.00 million), which was contributed by the following:

- increase in revenue from elevated platform systems by RM5.47 million or 169.74% to RM8.70 million in FYE 2023 (FYE 2022: RM3.23 million), mainly attributed to the higher sales of dock levellers and table lifters. This was also reflected in a higher number of elevated platforms provided which increased to 362 units in FYE 2023 (FYE 2022: 148 units).

Revenue from dock levellers increased by RM4.35 million or 202.28% in FYE 2023. This was reflected in the higher number of dock levellers provided which increased to 348 units in FYE 2023 (FYE 2022: 139 units), mainly contributed by domestic sales in the central and southern region. In addition, the average price per unit of dock leveller increased by 20.74% in FYE 2023, which was mainly attributed to the sales of higher-priced dock levellers designed to meet customers' specific requirements.

The increase was also partly contributed by increase in revenue from table lifters by RM0.56 million or 59.26% in FYE 2023 arising from higher number of units provided. This is reflected in the increase in the number of table lifters which increased to 14 units in FYE 2023 (FYE 2022: 9 units), mainly contributed by domestic sales in the central and southern regions.

- increase in revenue from crane and hoist systems by RM2.78 million or 33.42% to RM11.12 million in FYE 2023 (FYE 2022: RM8.33 million). The increase was mainly attributed to the higher revenue from the provision of various cranes, comprising overhead cranes, monorail hoist systems, jib cranes, and underhung cranes, which collectively increased by RM3.48 million or 46.48% in FYE 2023. This was also reflected in the higher number of these types of crane and hoist systems provided, which increased to 59 units in FYE 2023 (FYE 2022: 31 units). The growth was mainly contributed by the domestic sales in the southern and central region.

The increase was partially offset by the decrease in revenue from gantry cranes by RM0.70 million or 82.88% in FYE 2023. This was also reflected in the number of gantry cranes provided, which decreased to 2 units in FYE 2023 (FYE 2022: 6 units).

- increase in revenue from elevators by RM1.44 million or 41.73% to RM4.89 million in FYE 2023 (FYE 2022: RM3.45 million), which was driven by higher sales of both home elevators and freight elevators. This was reflected in the increase in orders secured for the supply and installation of elevators, which increased to 61 units in FYE 2023 (FYE 2022: 43 units).

The revenue from freight elevators increased by RM1.10 million or 46.42% in FYE 2023. This was reflected in the increase in orders secured for the supply and installation of freight elevators which increased to 49 units in FYE 2023 (FYE 2022: 34 units). The sales of freight elevators were mainly contributed by domestic sales in the central, northern and southern regions.

12. FINANCIAL INFORMATION (Cont'd)

The increase was also partly contributed by higher revenue from home elevators, which increased by RM0.34 million or 31.59%, mainly attributed to the higher number of home elevators provided which increased to 12 units in FYE 2023 (FYE 2022: 9 units), mainly contributed by domestic sales in the southern, central and northern regions.

Maintenance, repair and related services segment

The growth in revenue was also contributed by the maintenance, repair and related services segment which increased by RM0.71 million or 13.57% to RM5.92 million in FYE 2023 (FYE 2022: RM5.21 million). This was mainly contributed by maintenance and repair services which increased by RM0.72 million or 14.77%, arising from higher customer requests for maintenance and repair services during FYE 2023.

Geographical markets

On a geographical basis, revenue from domestic sales increased by RM8.46 million or 42.39% to RM28.43 million in FYE 2023 (FYE 2022: RM19.96 million). This was mainly attributed to higher sales of lifting systems including dock levellers, table lifters, overhead cranes, monorail hoist systems, jib cranes, underhung cranes, freight elevators, and home elevators in the southern and central regions.

Revenue from the central region increased by RM6.16 million or 287.09% to RM8.30 million in FYE 2023 (FYE 2022: RM2.15 million), mainly attributed to the higher sales of overhead cranes, jib cranes, monorail hoist systems, freight elevators, dock levellers and table lifters to customers who are industrial users and contractors. In addition, our customer base from the central region increased from 83 customers in FYE 2022 to 115 customers in FYE 2023. Furthermore, we also increased our number of sales personnel to serve our customers in the central region from 2 persons in FYE 2022 to 6 persons in FYE 2023.

Revenue from foreign market sales also increased by RM1.94 million or 773.71% to RM2.19 million in FYE 2023 (FYE 2022: RM0.25 million), mainly attributed to the export sales of lifting systems, namely tilting platform to a customer in Singapore.

Distribution channels

Revenue from direct distribution channel increased by RM2.78 million or 15.26% to RM21.02 million in FYE 2023 (FYE 2022: RM18.24 million). This was mainly attributed to higher sales of lifting systems to industrial and commercial users.

Revenue from indirect distribution channel increased by RM7.62 million or 385.82% to RM9.60 million in FYE 2023 (FYE 2022: RM1.98 million), attributed to higher sales of lifting systems to customers who are intermediaries including contractors and engineering companies.

Comparison between FYE 2023 and FYE 2024

Our revenue increased by RM9.39 million or 30.66% to RM40.01 million in FYE 2024 (FYE 2023: RM30.62 million), which was driven by our provision of lifting systems segment as well as maintenance, repair and related services segment.

12. FINANCIAL INFORMATION (Cont'd)**Provision of lifting systems**

Our revenue from the provision of lifting systems segment increased by RM7.34 million or 29.70% to RM32.04 million in FYE 2024 (FYE 2023: RM24.70 million), which was contributed by the following:

- increase in revenue from elevators by RM4.83 million or 98.87% to RM9.72 million in FYE 2024 (FYE 2023: RM4.89 million), which was driven by higher sales of both home elevators and freight elevators. This was reflected in the increase in orders secured for the supply and installation of elevators, which increased to 92 units in FYE 2024 (FYE 2023: 61 units).

Revenue from home elevators increased by RM2.46 million or 171.32% to RM3.89 million in FYE 2024 (FYE 2023: RM1.43 million), mainly attributed to the higher number of home elevators supplied and installed which increased to 25 units in FYE 2024 (FYE 2023: 12 units), mainly contributed by domestic sales in the southern and central regions.

The increase was also partly contributed by the increase in revenue from freight elevators, which increased by RM2.38 million or 68.82% to RM5.83 million in FYE 2024 (FYE 2023: RM3.45 million), arising from the higher number of freight elevators supplied and installed which increased to 67 units in FYE 2024 (FYE 2023: 49 units). The sales of freight elevators were mainly contributed by the domestic sales in the southern and central regions.

- increase in revenue from elevated platform systems by RM2.50 million or 28.75% to RM11.20 million in FYE 2024 (FYE 2023: RM8.70 million), mainly attributed to the higher sales of docking accessories such as dock shelters, high-speed doors and sectional doors as well as tilting platform. In addition, the revenue from dock leveller increased by RM0.39 million or 6.01% to RM6.90 million in FYE 2024 (FYE 2023: RM6.51 million). This was mainly attributed to the higher number of dock levellers sold, which increased to 437 units in FYE 2024 (FYE 2023: 348 units). Overall, the total number of elevated platform systems provided increased to 450 units in FYE 2024 (FYE 2023: 362 units).

Revenue from docking accessories increased by RM1.01 million in FYE 2024. The sales of docking accessories were mainly contributed by customers in the southern and central regions.

The increase was also contributed by a project for the export sales of tilting platform to a customer in Singapore, namely S.K. Rosenbauer Pte Ltd which contributed RM0.98 million in FYE 2024.

- revenue from crane and hoist systems remained relatively consistent at RM11.12 million in both FYE 2023 and FYE 2024.

Revenue from gantry cranes increased by RM0.43 million or 295.14% to RM0.57 million in FYE 2024 (FYE 2023: RM0.14 million), while the number of gantry cranes provided remained at 2 units in FYE 2024 (FYE 2023: 2 units). The increase in revenue from gantry cranes was mainly attributed to the higher sales of high-priced systems with higher safe working loads and dimensional specifications. The growth was mainly contributed by the domestic sales in the southern region.

The increase was partially offset by the lower revenue from overhead cranes by RM0.41 million or 4.38% to RM8.87 million in FYE 2024 (FYE 2023: RM9.27 million), mainly due to the lower sales of high-priced systems with higher safe working loads and dimensional specifications.

12. FINANCIAL INFORMATION (Cont'd)**Maintenance, repair and related services segment**

The growth in revenue was also contributed by the maintenance, repair and related services segment which increased by RM2.05 million or 34.66% to RM7.97 million in FYE 2024 (FYE 2023: RM5.92 million). This was mainly contributed by maintenance and repair services which increased by RM1.90 million or 34.11%, arising from higher customer requests for maintenance and repair services during FYE 2024.

Geographical markets

On a geographical basis, revenue from domestic sales increased by RM9.91 million or 34.87% to RM38.34 million in FYE 2024 (FYE 2023: RM28.43 million). This was mainly attributed to the higher sales of lifting systems in the southern and northern regions.

Revenue from the southern region increased by RM8.29 million or 42.10% to RM27.97 million in FYE 2024 (FYE 2023: RM19.68 million), mainly attributed to the higher sales of overhead cranes, gantry cranes, monorail hoist systems, table lifters and dock levellers to customers who are industrial users and contractors. The increase was also partly attributed to higher sales of home elevators in the southern region. In addition, our customer base from the southern region increased from 567 customers in FYE 2023 to 616 customers in FYE 2024.

Revenue from the northern region increased by RM1.31 million or 297.96% to RM1.76 million in FYE 2024 (FYE 2023: RM0.44 million), mainly attributed to the higher sales of monorail hoist systems and overhead cranes to customers who are industrial users. Our customer base from the northern region increased from 8 customers in FYE 2023 to 14 customers in FYE 2024.

The increase was partially offset by the decrease in foreign market sales by RM0.53 million or 23.99% to RM1.67 million in FYE 2024 (FYE 2023: RM2.19 million), mainly due to lower export sales of lifting systems in Singapore.

Distribution channels

Revenue from direct distribution channel increased by RM9.83 million or 46.76% to RM30.85 million in FYE 2024 (FYE 2023: RM21.02 million). This was mainly attributed to higher sales of lifting systems to industrial and commercial users.

Revenue from indirect distribution channel decreased by RM0.44 million or 4.62% to RM9.15 million in FYE 2024 (FYE 2023: RM9.60 million), attributed to lower sales of lifting systems to customers who are intermediaries including contractors and engineering companies.

Comparison between FPE 2024 and FPE 2025

Our revenue increased by RM3.80 million or 20.26% to RM22.58 million in FPE 2025 (FPE 2024: RM18.77 million), which was driven by our provision of lifting systems segment.

12. FINANCIAL INFORMATION (Cont'd)**Provision of lifting systems**

Our revenue from the provision of lifting systems segment increased by RM3.66 million or 24.37% to RM18.69 million in FPE 2025 (FPE 2024: RM15.02 million), which was contributed by the following:

- revenue from crane and hoist systems increased by RM3.70 million or 78.09% to RM8.43 million in FPE 2025 (FPE 2024: RM4.73 million). The increase was mainly attributed to the higher revenue from the overhead cranes which increased by RM4.51 million or 121.18% to RM8.23 million in FPE 2025 (FPE 2024: RM3.72 million), reflected in the increased number of overhead cranes systems provided, which increased to 52 units in FPE 2025 (FPE 2024: 22 units). The growth was mainly contributed by the domestic sales in the southern and central regions for systems with safe working load of up to 5 tonnes.

The increase was partially offset by a decrease in revenue from gantry cranes, jib cranes and underhung cranes, which collectively decreased by RM0.81 million or 83.70%, due to lower orders of the said systems in FPE 2025. The orders for gantry cranes, jib cranes and underhung cranes collectively decreased to 5 units in FPE 2025 (FPE 2024: 8 units).

- increase in revenue from elevators by RM1.12 million or 27.96% to RM5.11 million in FPE 2025 (FPE 2024: RM3.99 million), which was driven by higher sales of freight elevators.

Revenue from freight elevators increased by RM1.20 million or 57.84% to RM3.28 million in FPE 2025 (FPE 2024: RM2.08 million). This was reflected in the increase in orders secured for the supply and installation of freight elevators, which increased to 36 units in FPE 2025 (FPE 2024: 30 units), mainly contributed by domestic sales in the southern region.

The increase was partially offset by the decrease in revenue from the home elevators by RM0.09 million or 4.55% to RM1.82 million in FPE 2025 (FPE 2024: RM1.91 million). This was mainly attributed to the sales of low-priced home elevators tailored to customer requirements.

The increase in revenue from crane and hoist systems as well as elevators was partially offset by the decrease in revenue from elevated platform system by RM1.15 million or 18.25% to RM5.15 million in FPE 2025 (FPE 2024: RM6.30 million), mainly due to the absence of sales for tilting platform compared to the export sales of RM0.98 million in FPE 2024. In addition, revenue from docking accessories decreased by RM0.86 million to RM0.50 million in FPE 2025 (FPE 2024: RM1.36 million), mainly due to lower orders from customers.

Maintenance, repair and related services segment

The revenue from the maintenance, repair and related services segment remained relatively consistent at RM3.75 million in FPE 2024 and RM3.89 million in FPE 2025.

Geographical markets

On a geographical basis, revenue from domestic sales increased by RM4.53 million or 25.52% to RM22.30 million in FPE 2025 (FPE 2024: RM17.76 million). This was mainly attributed to the higher sales of lifting systems in the southern and central regions.

Revenue from the southern region increased by RM4.41 million or 33.47% to RM17.58 million in FPE 2025 (FPE 2024: RM13.17 million), mainly attributed to the higher sales of overhead cranes and freight elevators. In addition, our customer base from the southern region increased from 497 customers in FPE 2024 to 573 customers in FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)

Revenue from the central region increased by RM0.34 million or 8.49% to RM4.33 million in FPE 2025 (FPE 2024: RM3.99 million), mainly attributed to the higher sales of overhead cranes.

The increase was partially offset by the decrease in foreign market sales by RM0.73 million or 72.11% to RM0.28 million in FPE 2025 (FPE 2024: RM1.01 million), mainly due to lower export sales of lifting systems in Singapore.

Distribution channels

Revenue from direct distribution channels decreased by RM0.48 million or 3.27% to RM14.14 million in FPE 2025 (FPE 2024: RM14.61 million). This was mainly due to lower sales of lifting systems to industrial, commercial and residential users.

Revenue from indirect distribution channels increased by RM4.28 million or 102.93% to RM8.44 million in FPE 2025 (FPE 2024: RM4.16 million), attributed to higher sales of lifting systems to customers who are intermediaries including contractors and engineering companies.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)
12.3.4 Cost of Sales
(i) Cost of sales by cost component

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Materials costs	8,564	83.47	9,358	73.54	13,734	78.48	15,163	72.29
- Mechanical and electrical materials	5,197	50.65	6,046	47.51	8,871	50.69	10,016	47.75
- Metal-based materials	2,107	20.54	2,118	16.64	3,110	17.77	2,879	13.73
- Others ⁽¹⁾	1,260	12.28	1,194	9.39	1,753	10.02	2,268	10.81
Labour costs	1,696	16.53	3,367	26.46	3,765	21.52	5,813	27.71
- Subcontractor costs	704	6.86	2,275	17.88	2,145	12.26	3,728	17.77
- Direct labour	992	9.67	1,092	8.58	1,620	9.26	2,085	9.94
Total	10,260	100.00	12,725	100.00	17,499	100.00	20,976	100.00
	FPE 2024		FPE 2025					
	RM'000	%	RM'000	%				
Materials costs	6,803	71.24	7,789	72.21				
- Mechanical and electrical materials	5,029	52.67	5,355	49.64				
- Metal-based materials	862	9.02	1,440	13.35				
- Others ⁽¹⁾	912	9.55	994	9.22				
Labour costs	2,746	28.76	2,998	27.79				
- Subcontractor costs	1,751	18.34	1,725	15.99				
- Direct labour	995	10.42	1,273	11.80				
Total	9,549	100.00	10,787	100.00				

Note:

(1) Other costs include consumables such as paints, drill bits, gas cylinders, welding store, tapes, and grinding disk as well as services including rental of equipment and system license application and renewal costs.

12. FINANCIAL INFORMATION (Cont'd)
(ii) Cost of sales by business activities

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of lifting systems	8,575	83.58	10,712	84.18	15,382	87.90	17,030	81.19
Crane and hoist systems	5,674	55.30	6,040	47.47	6,993	39.96	5,383	25.66
Elevated platform systems	999	9.74	2,032	15.96	5,029	28.74	5,625	26.82
Elevators	1,902	18.54	2,640	20.75	3,360	19.20	6,022	28.71
Maintenance, repair and related services	1,685	16.42	2,013	15.82	2,117	12.10	3,946	18.81
Maintenance and repair	1,564	15.24	1,832	14.40	2,017	11.53	3,703	17.66
Related services	121	1.18	181	1.42	100	0.57	243	1.15
Total	10,260	100.00	12,725	100.00	17,499	100.00	20,976	100.00

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Provision of lifting systems	7,968	83.44	8,804	81.62
Crane and hoist systems	2,450	25.66	3,877	35.94
Elevated platform systems	3,082	32.27	2,292	21.25
Elevators	2,436	25.51	2,635	24.43
Maintenance, repair and related services	1,581	16.56	1,983	18.38
Maintenance and repair	1,448	15.17	1,772	16.43
Related services	133	1.39	211	1.95
Total	9,549	100.00	10,787	100.00

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)

Our cost of sales mainly consists of the following:

- **Material costs**

Input materials costs constitute the largest components of our cost of sales which accounted for 83.47% (RM8.56 million), 73.54% (RM9.36 million), 78.48% (RM13.73 million), 72.29% (RM15.16 million) and 72.21% (RM7.79 million) of our total cost of sales in FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. Our material costs consist of materials used for our operation for the provision of lifting systems as well as parts and components used for the maintenance and repair services which mainly include the follows:

- **Mechanical and electrical materials** which mainly comprise finished products including dock levellers, table lifters and home elevators in finished form as well as parts and components such as hydraulic and electrical parts and components as well as hoists and accessories; and
- **Metal-based materials** including I-beams, mild steel plates, hollow metal parts, and square bars as input materials for fabrications into various components of our lifting systems.

In FYE 2022, our material costs increased by RM0.79 million or 9.27% to RM9.36 million in FYE 2022 (FYE 2021: RM8.56 million). This was mainly attributed to the increase in cost of mechanical and electrical materials by RM0.85 million or 16.34%. This was mainly arising from the higher consumption of the said materials to cater to the increased number of lifting systems provided during FYE 2022. This is reflected in the increase in revenue from the provision of lifting system by RM2.56 million or 20.55% to RM15.00 million in FYE 2022 as discussed in Section 12.3.3 above. In addition, the increase was partly attributed to the increase in procurement costs for the purchase of dock leveller in FYE 2022.

In FYE 2023, our materials costs increased by RM4.38 million or 46.76% to RM13.73 million (FYE 2022: RM9.36 million). The increase was mainly attributed to the increase in cost of mechanical and electrical materials by RM2.83 million or 46.73% as well as the increase in cost of metal-based materials by RM0.99 million or 46.84%. This was mainly arising from the higher consumption to cater to the increased number of lifting systems provided during FYE 2023. This is reflected in the increase in revenue from the provision of the lifting system by RM9.70 million or 64.63% to RM24.70 million in FYE 2023 (FYE 2022: RM15.00 million) as discussed in Section 12.3.3 above.

In FYE 2024, our material costs increased by RM1.43 million or 10.40% to RM15.16 million in FYE 2024 (FYE 2023: RM13.73 million). The increase was mainly attributed to the increase in cost of mechanical and electrical materials by RM1.15 million or 12.91%. This was mainly arising from the higher consumption to cater to the increased number of lifting systems provided during FYE 2024. This is reflected in the increase in revenue from the provision of the lifting system by RM7.34 million or 29.70% to RM32.04 million in FYE 2024 (FYE 2023: RM24.70 million) as discussed above.

12. FINANCIAL INFORMATION (Cont'd)

In FPE 2025, our material costs increased by RM0.99 million or 14.49% to RM7.79 million in FPE 2025 (FPE 2024: RM6.80 million). The increase was mainly attributed to the increase in cost of metal materials by RM0.58 million as well as mechanical and electrical materials by RM0.33 million. This was mainly arising from the higher consumption to cater to the increased number of lifting systems provided during FPE 2025. This is reflected in the increase in revenue from the provision of the lifting system by RM3.66 million or 24.37% to RM18.69 million in FPE 2025 (FPE 2024: RM15.02 million) as discussed above.

- **Labour costs**

Labour costs accounted for 16.53% (RM1.70 million), 26.46% (RM3.37 million), 21.52% (RM3.77 million), 27.71% (RM5.81 million) and 27.79% (RM3.00 million) of our total cost of sales in FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. Our labour costs consist of subcontractor costs for on-site assembly and installation services for our lifting systems, metal-based materials processes such as metal cutting and bending as well as maintenance and repair of lifting systems. In addition, labour costs include direct labour cost comprising salaries, bonus, allowances, and statutory contributions for employees who are involved in the operations of our Group.

In FYE 2022, our labour costs increased by RM1.67 million or 98.53% to RM3.37 million in FYE 2022 (FYE 2021: RM1.70 million). This was mainly attributed to the increase in subcontractor labour cost by RM1.57 million or 223.15%, mainly arising from the incremental cost incurred to cater to the increased number of lifting systems provided during FYE 2022.

In FYE 2023, our labour costs increased by RM0.40 million or 11.82% to RM3.77 million in FYE 2023 (FYE 2022: RM3.37 million). This was mainly attributed to the increase in our direct labour cost as our headcount increased from 25 in FYE 2022 to 43 in FYE 2023.

In FYE 2024, our labour costs increased by RM2.05 million or 54.40% to RM5.81 million in FYE 2024 (FYE 2023: RM3.77 million). This was mainly attributed to the increase in subcontractor labour cost by RM1.58 million or 73.80%, mainly arising from the incremental cost incurred to cater to higher maintenance and repair works performed as well as increased number of lifting systems provided during FYE 2024.

In FPE 2025, our labour costs increased by RM0.25 million or 9.18% to RM3.00 million in FPE 2025 (FPE 2024: RM2.75 million). This was mainly attributed to the increase in our direct labour cost as our headcount increased from 65 in FPE 2024 to 70 in FPE 2025 as well as salary increment.

12. FINANCIAL INFORMATION (Cont'd)
12.3.5 GP and GP margin by business activities
(i) GP and GP margin by business activities

	FYE 2021			FYE 2022			FYE 2023			FYE 2024		
	RM'000	%	GP margin (%)	RM'000	%	GP margin (%)	RM'000	%	GP margin (%)	RM'000	%	GP margin (%)
Provision of lifting systems	3,871	64.38	31.10	4,292	57.30	28.61	9,319	71.03	37.73	15,007	78.86	46.84
Crane and hoist systems	2,247	37.37	28.37	2,291	30.58	27.50	4,122	31.42	37.09	5,735	30.13	51.58
Elevated platform systems	688	11.44	40.78	1,193	15.93	36.99	3,670	27.97	42.19	5,575	29.30	49.78
Elevators	936	15.57	32.98	808	10.79	23.43	1,527	11.64	31.25	3,697	19.43	38.04
- Freight elevators	815	13.56	38.79	695	9.28	29.46	1,371	10.45	39.69	2,046	10.75	35.09
- Home elevators	121	2.01	16.42	113	1.51	10.38	156	1.19	10.89	1,651	8.68	42.46
Maintenance, repair and related services	2,142	35.62	55.97 ⁽¹⁾	3,198	42.70	61.37 ⁽¹⁾	3,801	28.97	64.23 ⁽¹⁾	4,023	21.14	50.48 ⁽¹⁾
Maintenance and repair	1,961	32.61	55.63	3,022	40.35	62.26	3,554	27.09	63.79	3,768	19.80	50.44
Related services	181	3.01	59.93	176	2.35	49.30	247	1.88	71.18	255	1.34	51.20
Total GP / Group GP margin	6,013	100.00	36.95	7,490	100.00	37.05	13,120	100.00	42.85	19,030	100.00	47.57

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)

	FPE 2024			FPE 2025		
	RM'000	%	GP margin (%)	RM'000	%	GP margin (%)
Provision of lifting systems	7,056	76.49	46.96	9,881	83.80	52.88
Crane and hoist systems	2,282	24.74	48.22	4,550	38.59	53.99
Elevated platform systems	3,219	34.89	51.09	2,859	24.25	55.50
Elevators	1,555	16.86	38.96	2,472	20.96	48.40
- Freight elevators	784	8.50	37.69	1,720	14.58	52.39
- Home elevators	771	8.36	40.35	752	6.38	41.23
Maintenance, repair and related services	2,169	23.51	57.84 ⁽¹⁾	1,910	16.20	49.06
Maintenance and repair	2,006	21.74	58.08	1,666	14.13	48.46
Related services	163	1.77	55.07	244	2.07	53.63
Total GP / Group GP margin	9,225	100.00	49.14	11,791	100.00	52.22

Note:

(1) The GP margins from maintenance, repair, and related services are generally higher, compared to the provision of lifting systems, as the main cost components are labour costs, followed by parts and consumables. This is also reflected in the lower proportion of the cost of sales over revenue from maintenance, repair and related services of 44.03%, 38.63%, 35.77%, 49.52%, 42.16% and 50.94% for FYE 2021, FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025, respectively.

While for the provision of lifting systems, the proportion of the cost of sales over revenue was 68.90%, 71.39%, 62.27%, 53.16%, 53.04% and 47.12% for FYE 2021, FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025, respectively. The main cost components are material, fabrication and assembly costs associated with the provision of lifting systems.

12. FINANCIAL INFORMATION (Cont'd)
(ii) GP and GP margin by geographical markets

	FYE 2021			FYE 2022			FYE 2023			FYE 2024		
	RM'000	%	GP margin (%)	RM'000	%	GP margin (%)	RM'000	%	GP margin (%)	RM'000	%	GP margin (%)
Malaysia	5,984	99.52	36.87	7,329	97.85	36.71	11,703	89.20	41.17	17,873	93.92	46.62
Southern region	5,537	92.08	36.76	6,497	86.74	36.61	8,532	65.03	43.35	13,254	69.65	47.39
Central region	314	5.22	34.43	794	10.60	37.02	3,017	23.00	36.34	3,645	19.15	42.95
Northern region	60	1.00	66.67	3	0.04	60.00	154	1.17	34.92	922	4.84	52.54
East coast region	-	-	-	-	-	-	-	-	-	29	0.15	33.33
East Malaysia	73	1.22	43.45	35	0.47	52.24	-	-	-	23	0.13	54.76
Singapore	29	0.48	69.05	161	2.15	64.14	1,417	10.80	64.61	1,157	6.08	69.41
Total GP / Group GP margin	6,013	100.00	36.95	7,490	100.00	37.05	13,120	100.00	42.85	19,030	100.00	47.57
	FPE 2024			FPE 2025								
	RM'000	%	GP margin (%)	RM'000	%	GP margin (%)						
Malaysia	8,501	92.15	47.86	11,759	99.73	52.74						
Southern region	6,470	70.14	49.11	9,374	79.50	53.31						
Central region	1,733	18.79	43.40	2,159	18.31	49.84						
Northern region	258	2.80	52.76	208	1.76	60.29						
East coast region	28	0.30	32.56	3	0.03	60.00						
East Malaysia	12	0.12	57.14	15	0.13	48.39						
Singapore	724	7.85	71.61	32	0.27	11.35						
Total GP / Group GP margin	9,225	100.00	49.14	11,791	100.00	52.22						

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2021 and FYE 2022**

Our GP increased by RM1.48 million or 24.56% to RM7.49 million in FYE 2022 (FYE 2021: RM6.01 million), while our GP margin increased from 36.95% in FYE 2021 to 37.05% in FYE 2022. This was mainly contributed by our maintenance, repair and related services segment.

Provision of lifting systems segment

The GP from the provision of lifting systems segment increased by RM0.42 million or 10.88% to RM4.29 million in FYE 2022 (FYE 2021: RM3.87 million).

This was mainly contributed by the increase in GP from elevated platform systems by RM0.51 million or 73.40% to RM1.19 million in FYE 2022 (FYE 2021: RM0.69 million). This was also reflected in the revenue growth of 91.17% from elevated platform systems in FYE 2022. The increase was driven by higher GP from table lifters and dock levellers, primarily due to increase in number of these types of products provided in FYE 2022. The increase was partially offset by the decrease in GP from elevators by RM0.13 million or 13.68% to RM0.81 million in FYE 2022 (FYE 2021: RM0.94 million), mainly due to the lower GP contribution from freight elevators. This was primarily due to the higher average cost of freight elevators as reflected in the increase in proportion of cost of sales against revenue of freight elevators by 9.33% in FYE 2022.

GP margin from the provision of lifting systems segment declined from 31.10% in FYE 2021 to 28.61% in FYE 2022. This was mainly attributed to the following:

- GP margin from elevated platform systems decreased from 40.78% in FYE 2021 to 36.99% in FYE 2022. This was mainly due to the increase in the average cost of dock levellers and table lifters mainly attributed to higher procurement costs of these finished goods, partly attributed to disruption in the supply chain and shortages in foreign labour. This was also reflected in the increase in proportion of cost of sales against revenue of elevated platform systems by 3.79% in FYE 2022.
- GP margin from elevators decreased from 32.98% in FYE 2021 to 23.43% in FYE 2022. This was mainly due to the increase in the average cost of freight elevators and home elevators mainly attributed to higher procurement costs of finished goods partly affected by higher industry average steel prices in 2022. This was also reflected in the increase in proportion of cost of sales against revenue of elevators by 9.58% in FYE 2022.

The GP margin from crane and hoist systems remained relatively consistent at 28.37% in FYE 2021 and 27.50% in FYE 2022.

Maintenance, repair and related services segment

GP from maintenance, repair and related services segment increased by RM1.06 million or 49.30% to RM3.20 million in FYE 2022 (FYE 2021: RM2.14 million), was mainly contributed by the maintenance and repair services. This was also reflected in the increase in revenue by 36.16% in FYE 2022 mainly attributed to higher maintenance and repair services performed.

The GP margin from the maintenance, repair and related services segment improved from 55.97% in FYE 2021 to 61.37% in FYE 2022, mainly attributed to the improvement in operational costs arising from higher maintenance and repair service performed in FYE 2022. The improvements also attributed to higher maintenance and repair services provided which drove improvement in operating efficiency. This was reflected in the lower proportion of cost of sales against revenue from the maintenance and repair services by 6.63% in FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)**Geographical markets**

On a geographical basis, our GP from domestic sales increased by RM1.35 million or 22.48% to RM7.33 million in FYE 2022 (FYE 2021: RM5.98 million), mainly attributed to the higher GP contribution from the southern and central regions driven by the maintenance, repair and related services segment. The GP margin of domestic sales remained relatively consistent at 36.87% in FYE 2021 and 36.71% in FYE 2022.

The GP from foreign market increased by RM0.13 million or 455.17% to RM0.16 million in FYE 2022 (FYE 2021: RM0.03 million), driven by higher GP from the export sales to Singapore. The GP margin from Singapore decreased from 69.05% in FYE 2021 to 64.14% in FYE 2022, which was mainly attributed to higher costs incurred arising from the supply and installation for dock levellers and table lifter to Singapore.

Comparison between FYE 2022 and FYE 2023

Our GP increased by RM5.63 million or 75.17% to RM13.12 million in FYE 2023 (FYE 2022: RM7.49 million), while our GP margin increased from 37.05% in FYE 2022 to 42.85% in FYE 2023. This was mainly attributed to our provision of lifting systems segment.

Provision of lifting systems segment

The GP from the provision of lifting systems segment increased by RM5.03 million or 117.12% to RM9.32 million in FYE 2023 (FYE 2022: RM4.29 million).

This was mainly contributed by the GP from elevated platform systems as well as crane and hoist systems which collectively increased by RM4.31 million or 123.65% to RM7.79 million in FYE 2023 (FYE 2022: RM3.48 million). This was also reflected in the collective revenue growth of 71.46% from elevated platform systems as well as crane and hoist systems in FYE 2023. This increase was driven by higher GP from dock levellers and overhead cranes primarily due to the increase in the number of these types of products provided in FYE 2023 as well as higher specification requirements from customers including higher safe working loads and dimensional specifications. The increase was also partly attributed to the higher GP contribution from elevators by RM0.72 million or 88.99% to RM1.53 million in FYE 2023 (FYE 2022: RM0.81 million). The increase was mainly attributed to higher GP from freight elevators, which was also reflected in the revenue growth of 46.42% from freight elevators in FYE 2023.

GP margin from the provision of lifting systems segment increased from 28.61% in FYE 2022 to 37.73% in FYE 2023. This was mainly attributed to the following:

- GP margin from elevated platform systems increased from 36.99% in FYE 2022 to 42.19% in FYE 2023. This was mainly attributed to the higher-priced dock levellers designed to meet customers' specific requirements. This was also reflected in the increase in average price per unit of dock leveller by 20.74% in FYE 2023.

GP margin from the crane and hoist systems increased from 27.50% in FYE 2022 to 37.09% in FYE 2023. This was mainly attributed to the lower average unit cost for overhead cranes provided as a result of higher sales volume. The orders for overhead cranes increased by 100.00% to 32 units in FYE 2023 (FYE 2022: 16 units). As a result, the average unit cost of overhead cranes decreased by 34.39% in FYE 2023.

- GP margin from elevators increased from 23.43% in FYE 2022 to 31.25% in FYE 2023. This was mainly attributed to the lower average unit cost for freight elevators as a result of higher sales volume. The orders for freight elevators increased by 44.12% to 49 units in FYE 2023 (FYE 2022: 34 units). As a result, the average cost of sales per unit of freight elevators decreased by 13.14% in FYE 2023.

12. FINANCIAL INFORMATION (Cont'd)**Maintenance, repair and related services segment**

GP from the maintenance, repair and related services segment increased by RM0.60 million or 18.86% to RM3.80 million in FYE 2023 (FYE 2022: RM3.20 million), which was mainly contributed by the maintenance and repair services. This was also reflected in the increase in revenue by 13.57% in FYE 2023, mainly attributed to the higher maintenance and repair services performed.

The GP margin from the maintenance, repair and related services segment increased from 61.37% in FYE 2022 to 64.23% in FYE 2023, mainly attributed to the increase in maintenance and repair service charges in FYE 2023. This was also attributed to the higher services performed that drove the operating efficiency and this was reflected in the decrease in proportion of cost of sales against revenue of maintenance and repair services by 1.54% in FYE 2023.

Geographical markets

On a geographical basis, our GP from domestic sales increased by RM4.37 million or 59.68% to RM11.70 million in FYE 2023 (FYE 2022: RM7.33 million), mainly attributed to the higher GP contribution from the southern and central regions driven by the provision of lifting systems segment. The GP margin from the domestic market increased from 36.71% in FYE 2022 to 41.17% in FYE 2023, mainly attributed to the lower average unit cost of lifting systems as a result of higher sales volume and the sales of higher priced dock leveller, as discussed above.

The GP from foreign market increased by RM1.26 million or 780.12% to RM1.42 million in FYE 2023 (FYE 2022: RM0.16 million), driven by higher GP from the export sales to Singapore. The GP margin from Singapore remained relatively consistent at 64.14% in FYE 2022 and 64.61% in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our GP increased by RM5.91 million or 45.05% to RM19.03 million in FYE 2024 (FYE 2023: RM13.12 million), while our GP margin increased from 42.85% in FYE 2023 to 47.57% in FYE 2024. This was mainly attributed to our provision of lifting systems segment as well as maintenance, repair and related services segment.

Provision of lifting systems segment

The GP from the provision of lifting systems segment increased by RM5.69 million or 61.04% to RM15.01 million in FYE 2024 (FYE 2023: RM9.32 million).

This was mainly contributed by the increase in GP from elevators and elevated platform systems which collectively increased by RM4.08 million or 78.41% to RM9.27 million in FYE 2024 (FYE 2023: RM5.20 million). This was also reflected in the collective revenue growth of 53.97% from elevators and elevated platform systems in FYE 2024. The increase in GP from elevators was attributed to the increased GP from home elevators and freight elevators, which was also reflected in the revenue growth of 171.32% and 68.82% in FYE 2024, respectively. This increase in GP from elevated platform systems was mainly contributed by a tilting platform sold and docking accessories as well as higher number of dock levellers sold in FYE 2024.

In addition, the GP from crane and hoist systems increased by RM1.61 million or 39.13% to RM5.74 million in FYE 2024 (FYE 2023: RM4.12 million), mainly contributed by the increase in GP from overhead cranes. This was mainly attributed to the lower average costs as reflected in the lower proportion of the cost of sales against revenue of overhead cranes by 15.29% in FYE 2024, arising from lower prices of input materials, namely metal-based materials.

12. FINANCIAL INFORMATION (Cont'd)

GP margin from the provision of lifting systems segment increased from 37.73% in FYE 2023 to 46.84% in FYE 2024. This was mainly attributed to the following:

- GP margin from elevators increased from 31.25% in FYE 2023 to 38.04% in FYE 2024. This was mainly attributed to the sales of higher priced home elevators. This was due to higher specification requirements from customers in terms of safe working load, number of stops and dimensional specifications. In addition, the improvement in GP margin of home elevators was attributed to the lower average unit cost as we engaged a local third-party fabricator, namely TOSB for the fabrication of our home elevators based on our design in FYE 2024.
- GP margin from elevated platform systems increased from 42.19% in FYE 2023 to 49.78% in FYE 2024. This was mainly attributed to the sales of higher priced specialised elevated platform, namely tilting platform. The improvement was also attributed to the higher GP margin from dock levellers driven by lower average unit cost as a result of higher sales volume as well as the commencement of in-house manufacturing of dock levellers in May 2024 that reduced the average cost of dock levellers. In addition, GP margin from table lifters increased, attributed to the sales of higher priced systems.
- GP margin from crane and hoist systems increased from 37.09% in FYE 2023 to 51.58% in FYE 2024. This was mainly attributed to the lower average unit cost for overhead cranes pertaining to the lower prices of input materials, namely metal-based materials.

Maintenance, repair and related services segment

GP from maintenance, repair and related services segment increased by RM0.22 million or 5.84% to RM4.02 million in FYE 2024 (FYE 2023: RM3.80 million), which was mainly contributed by the maintenance and repair services. This is also reflected in the increase in revenue by 34.66% in FYE 2024, mainly attributed to higher maintenance and repair services performed.

The GP margin from the maintenance, repair and related services segment decreased from 64.23% in FYE 2023 to 50.48% in FYE 2024. This was mainly attributed to the higher operating costs for the provision of maintenance and repair services in FYE 2024 mainly due to higher subcontracted labour costs resulting from higher charge rates.

Geographical markets

On a geographical basis, our GP from domestic sales increased by RM6.17 million or 52.72% to RM17.87 million in FYE 2024 (FYE 2023: RM11.70 million), mainly attributed to the higher GP contribution from the southern, central and northern regions driven by the provision of lifting systems segment. The GP margin from the domestic market increased from 41.17% in FYE 2023 to 46.62% in FYE 2024, mainly attributed to the lower average cost of elevated platform and crane and hoist systems, as well as the sales of elevators with higher specifications, as discussed above.

Our GP from foreign market decreased by RM0.26 million or 18.35% to RM1.16 million in FYE 2024 (FYE 2023: RM1.42 million), mainly due to lower GP from the export sales to Singapore. The GP margin from Singapore increased from 64.61% in FYE 2023 to 69.41% in FYE 2024, mainly attributed to the sales of higher priced specialised elevated platform, namely tilting platform to Singapore.

Comparison between FPE 2024 and FPE 2025

Our GP increased by RM2.57 million or 27.82% to RM11.79 million in FPE 2025 (FPE 2024: RM9.23 million), while our GP margin increased from 49.14% in FPE 2024 to 52.22% in FPE 2025. This was mainly attributed to our provision of lifting systems segment.

12. FINANCIAL INFORMATION (Cont'd)**Provision of lifting systems segment**

The GP from the provision of lifting systems segment increased by RM2.83 million or 40.04% to RM9.88 million in FPE 2025 (FPE 2024: RM7.06 million).

This was mainly contributed by crane and hoist systems as well as elevators which collectively increased by RM3.19 million or 83.01% to RM7.02 million in FPE 2025 (FPE 2024: RM3.84 million). This was also reflected in the collective revenue growth of 55.15% in FPE 2025. This increase was driven by higher GP from overhead cranes and freight elevators primarily due to the increase in the number of these types of products provided in FPE 2025 as well as higher specification requirements from customers including higher safe working loads and dimensional specifications.

GP margin from the provision of lifting systems segment increased from 46.96% in FPE 2024 to 52.88% in FPE 2025. This was mainly attributed to the following:

- GP margin from the crane and hoist systems increased from 48.22% in FPE 2024 to 53.99% in FPE 2025. This was mainly attributed to the lower average unit cost for overhead cranes provided as a result of higher sales volume. The orders for overhead cranes increased by 136.36% to 52 units in FPE 2025 (FPE 2024: 22 units). As a result, the average unit cost of overhead cranes decreased by 18.66% in FPE 2025. In addition, the lower average unit costs was partly attributed to the lower prices of input materials, namely metal-based materials.
- GP margin from elevated platform systems increased from 51.09% in FPE 2024 to 55.50% in FPE 2025. This was mainly attributed to the lower average unit cost for dock levellers as a result of higher sales volume. The orders for dock levellers increased by 9.50% to 219 units in FPE 2025 (FPE 2024: 200 units). As a result, the average unit cost of dock levellers decreased by 23.34% in FPE 2025. In addition, the lower average unit costs was partly attributed to the commencement of in-house manufacturing of dock levellers in May 2024 as well as the lower prices of input materials, namely metal-based materials, which reduced the average cost of dock levellers.
- GP margin from elevators increased from 38.96% in FPE 2024 to 48.40% in FPE 2025. This was mainly attributed to the sales of higher priced freight elevators. This was due to higher specification requirements from customers in terms of safe working load, number of stops and dimensional specifications.

Maintenance, repair and related services segment

GP from maintenance, repair and related services segment decreased by RM0.26 million or 11.94% to RM1.91 million in FPE 2025 (FPE 2024: RM2.17 million), which was mainly due to the lower GP contribution from the maintenance and repair services. This is also reflected in the decrease in revenue by 0.46% in FPE 2025, mainly due to the lower maintenance and repair services performed.

The GP margin from the maintenance, repair and related services segment decreased from 57.84% in FPE 2024 to 49.06% in FPE 2025. This was mainly attributed to the higher cost for the materials used for the provision of maintenance and repair services including mechanical and electrical parts in FPE 2025.

Geographical markets

On a geographical basis, our GP from domestic sales increased by RM3.26 million or 38.31% to RM11.76 million in FPE 2025 (FPE 2024: RM8.50 million), mainly attributed to the higher GP contribution from the southern and central regions driven by the provision of lifting systems segment. The GP margin from the domestic market increased from 47.86% in FPE 2024 to 52.74% in FPE 2025, mainly attributed to the lower average cost of crane and hoist as well as elevated platform systems, as well as the sales of elevators with higher specifications, as discussed above.

12. FINANCIAL INFORMATION (Cont'd)

Our GP from foreign market decreased by RM0.69 million or 95.58% to RM0.03 million in FPE 2025 (FPE 2024: RM0.72 million), mainly due to lower GP from the export sales to Singapore. The GP margin from Singapore decreased from 71.61% in FPE 2024 to 11.35% in FPE 2025, mainly due to the absence of export sales of specialised elevated platform, namely tilting platform to Singapore during FPE 2025.

12.3.6 Other Income

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Gain on disposal of investment properties	-	-	-	-	978	65.37	2,696	83.41
Rental income	297	65.42	416	87.95	382	25.53	285	8.82
Interest income	52	11.45	28	5.92	55	3.68	52	1.61
Gain on disposal of PPE	72	15.86	-	-	11	0.74	126	3.90
Others ⁽¹⁾	33	7.27	29	6.13	70	4.68	73	2.26
	454	100.00	473	100.00	1,496	100.00	3,232	100.00

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Gain on disposal of investment properties	-	-	-	-
Rental income	178	72.65	83	53.55
Interest income	30	12.24	19	12.26
Gain on disposal of PPE	1	0.41	-	-
Others ⁽¹⁾	36	14.70	53	34.19
	245	100.00	155	100.00

Note:

- (1) Includes gain on foreign exchange, amortisation of government grant, distribution income from cash management funds at fair value through profit and loss, and miscellaneous income such as charges for scaffolding.

Comparison between FYE 2021 and FYE 2022

Other income increased by RM0.02 million or 4.19% to RM0.47 million in FYE 2022 (FYE 2021: RM0.45 million) which was attributed to higher rental income mainly from the rental of lorries to subcontractor for the delivery of our materials to customer's site and investment properties.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2022 and FYE 2023

Other income increased by RM1.02 million or 216.28% to RM1.50 million in FYE 2023 (FYE 2022: RM0.47 million) which was attributed to RM0.98 million gain on disposal of a light industry factory in Johor. Please refer to Sections 7.23(ii) and 15.4(i) of this Prospectus for further details.

Comparison between FYE 2023 and FYE 2024

Other income increased by RM1.74 million or 116.04% to RM3.23million in FYE 2024 (FYE 2023: RM1.50 million), mainly attributed to the increase in gain on disposal of a light industry factory in Johor.

Comparison between FPE 2024 and FPE 2025

Other income decreased by RM0.09 million or 36.73% to RM0.16 million in FPE 2025 (FPE 2024: RM0.25 million). This was mainly attributed to the lower income from the rental of lorry to subcontractor for the delivery of our materials to customer's site.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)**12.3.7 Administrative expenses**

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs ⁽¹⁾	2,161	50.12	2,897	52.88	3,670	53.17	4,367	40.09
Directors' remunerations	1,091	25.30	1,203	21.96	1,390	20.14	1,407	12.92
Depreciation expenses ⁽²⁾	429	9.95	506	9.24	633	9.17	984	9.03
Office expenses ⁽³⁾	183	4.24	266	4.86	315	4.56	444	4.08
Professional fees	99	2.30	100	1.83	215	3.12	2,620	24.05
Upkeep related expenses ⁽⁴⁾	119	2.76	172	3.14	262	3.80	250	2.29
Regulatory, tax and related expenses ⁽⁵⁾	57	1.32	161	2.94	78	1.13	323	2.96
Others ⁽⁶⁾	173	4.01	173	3.15	339	4.91	498	4.58
	4,312	100.00	5,478	100.00	6,902	100.00	10,893	100.00
	FPE 2024		FPE 2025					
	RM'000	%	RM'000	%				
Staff costs ⁽¹⁾	2,293	55.29	2,655	47.04				
Directors' remunerations	673	16.23	910	16.12				
Depreciation expenses ⁽²⁾	455	10.97	509	9.02				
Office expenses ⁽³⁾	207	4.99	282	5.00				
Professional fees	175	4.22	546	9.67				
Upkeep related expenses ⁽⁴⁾	113	2.73	127	2.25				
Regulatory, tax and related expenses ⁽⁵⁾	60	1.45	127	2.25				
Others ⁽⁶⁾	171	4.12	488	8.65				
	4,147	100.00	5,644	100.00				

Notes:

- (1) Include salaries, wages, allowances, bonuses, statutory contributions and other staff related expenses for administrative staff.
- (2) Include depreciation expenses for property, plant and equipment as well as right-of-use assets.
- (3) Include refreshments, communication services charges, printing and stationaries costs and other office expenses.
- (4) Include expenses for upkeep of office, utilities and other upkeep-related expenses.
- (5) Include expenses such as levy expenses, stamp duty, withholding tax, traffic compound, license fees, service tax and road tax. In FYE 2022, there was a payment of RM0.12 million to the Royal Malaysian Customs Department including RM0.11 million payment for the shortfall of custom tax due to incorrect use of import tariff code with a lower tax rate as well as a compound of RM1,000 arising from the incident.
- (6) Include other expenses such as petrol and toll payment, provision of warranty, loss on foreign exchange and others.

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2021 and FYE 2022**

Administrative expenses increased by RM1.17 million or 27.04% to RM5.48 million in FYE 2022 (FYE 2021: RM4.31 million). The increase in administrative expenses was mainly attributed to the following:

- increase in staff costs by RM0.74 million or 34.06% to RM2.90 million in FYE 2022 (FYE 2021: RM2.16 million). The increase in staff cost was mainly due to the higher bonus and incentive payment as well as salary increments.
- increase in directors' remunerations by RM0.11 million or 10.27% to RM1.20 million in FYE 2022 (FYE 2021: RM1.09 million), which was mainly attributed to the higher bonus payment and adjustment of the remuneration package for our directors.

Comparison between FYE 2022 and FYE 2023

Administrative expenses increased by RM1.42 million or 25.99% to RM6.90 million in FYE 2023 (FYE 2022: RM5.48 million). The increase in administrative expenses was mainly attributed to the following:

- increase in staff costs by RM0.77 million or 26.68% to RM3.67 million in FYE 2023 (FYE 2022: RM2.90 million). The increase was attributed to the higher bonus and incentive payment as well as salary increments. The increase was also attributed to the increase in headcount from 48 in FYE 2022 to 51 in FYE 2023.
- increase in directors' remunerations by RM0.19 million or 15.54% to RM1.39 million in FYE 2023 (FYE 2022: RM1.20 million), which was mainly attributed to the adjustment of the remuneration package and higher bonus payment for our directors.
- increase in depreciation expenses by RM0.13 million or 25.10% to RM0.63 million in FYE 2023 (FYE 2022: RM0.51 million) in relation to depreciation of rented property under right-of-use assets namely Kota Kemuning Lot 18.
- increase in professional fees by RM0.12 million or 115.00% to RM0.22 million in FYE 2023 (FYE 2022: RM0.10 million), mainly for professional fees in relation to accounting and tax matters.

Comparison between FYE 2023 and FYE 2024

Administrative expenses increased by RM3.99 million or 57.82% to RM10.89 million in FYE 2024 (FYE 2023: RM6.90 million). The increase in administrative expenses was mainly attributed to the following:

- increase in professional fees by RM2.41 million or 1,118.60% to RM2.62 million in FYE 2024 (FYE 2023: RM0.22 million), mainly for professional fees in relation to accounting and tax matters as well as for our Listing.
- increase in staff costs by RM0.70 million or 18.99% to RM4.37 million in FYE 2024 (FYE 2023: RM3.67 million). The increase in staff cost was mainly due to the increase in headcount from 51 in FYE 2023 to 122 in FYE 2024. The increase was also attributed to the salary increments.
- increase in depreciation expenses by RM0.35 million or 55.45% to RM0.98 million in FYE 2024 (FYE 2023: RM0.63 million) in relation to depreciation of rented property under right-of-use assets namely I-Park Lot 42.

12. FINANCIAL INFORMATION (Cont'd)

- increase in regulatory, tax and related expenses by RM0.25 million or 314.10% to RM0.32 million in FYE 2024 (FYE 2023: RM0.08 million), mainly due to higher sales and service tax expenses arising from professional fees for our Listing.
- increase in office expenses by RM0.13 million or 40.95% to RM0.44 million in FYE 2024 (FYE 2023: RM0.32 million), mainly in relation to printing and stationery expenses and others.

Comparison between FPE 2024 and FPE 2025

Administrative expenses increased by RM1.50 million or 36.10% to RM5.64 million in FPE 2025 (FPE 2024: RM4.15 million). The increase in administrative expenses was mainly attributed to the following:

- increase in professional fees by RM0.37 million or 212.00% to RM0.55 million in FPE 2025 (FPE 2024: RM0.18 million), mainly for professional fees in relation to our Listing.
- increase in staff costs by RM0.36 million or 15.79% to RM2.66 million in FPE 2025 (FPE 2024: RM2.29 million). The increase in staff costs was mainly due to the salary increments for our staff.
- increase in directors' remunerations by RM0.24 million or 35.22% to RM0.91 million in FPE 2025 (FPE 2024: RM0.67 million), which was mainly attributed to the adjustment of the remuneration package and higher bonus payment for our directors.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)**12.3.8 Sales and marketing expenses and impairment loss on financial assets**

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Sales and marketing expenses</u>								
Travelling expenses ⁽¹⁾	296	52.76	424	55.06	509	56.49	540	34.39
Sales commission ⁽²⁾	158	28.16	171	22.21	200	22.20	735	46.82
Advertisement	95	16.94	145	18.83	164	18.20	285	18.15
Transportation expenses ⁽³⁾	12	2.14	30	3.90	28	3.11	10	0.64
	561	100.00	770	100.00	901	100.00	1,570	100.00
<u>Impairment loss on financial assets</u>								
Impairment losses on trade receivables ⁽⁴⁾	-	-	-	-	310	100.00	158	100.00
	-	-	-	-	310	100.00	158	100.00
	FPE 2024		FPE 2025					
	RM'000	%	RM'000	%				
<u>Sales and marketing expenses</u>								
Travelling expenses ⁽¹⁾	238	47.60	227	30.47				
Sales commission ⁽²⁾	124	24.80	311	41.75				
Advertisement	133	26.60	190	25.50				
Transportation expenses ⁽³⁾	5	1.00	17	2.28				
	500	100.00	745	100.00				
<u>Impairment loss on financial assets</u>								
Impairment losses on trade receivables ⁽⁴⁾	6	100.00	426	100.00				
	6	100.00	426	100.00				

Notes:

- (1) Include travelling expenses related to sales and marketing activities.
- (2) Include sales commission paid to our sales personnel.
- (3) Include transportation charges for the delivery of goods to customers.
- (4) Consist of specific allowance on amounts owed by customers that are overdue 4 months after credit period, and expected credit losses on trade receivables at the end of each reporting period.

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2021 and FYE 2022**

Sales and marketing expenses increased by RM0.21 million or 37.25% to RM0.77 million in FYE 2022 (FYE 2021: RM0.56 million). This was mainly arising from the increase in travelling expenses by RM0.13 million or 43.24% in FYE 2022 arising from customer engagement activities such as sales visits in FYE 2022. The increase was also partly attributed to the increase in transportation expenses by RM0.02 million for the delivery of goods to our customers.

Comparison between FYE 2022 and FYE 2023

Sales and marketing expenses increased by RM0.13 million or 17.01% to RM0.90 million in FYE 2023 (FYE 2022: RM0.77 million). This was mainly attributed to higher travelling expenses, sales commission and advertisement expenses, which increased by RM0.09 million, RM0.03 million and RM0.02 million in FYE 2023 respectively.

Comparison between FYE 2023 and FYE 2024

Sales and marketing expenses increased by RM0.67 million or 74.25% to RM1.57 million in FYE 2024 (FYE 2023: RM0.90 million). This was mainly attributed to higher sales commission and advertisement expenses, which increased by RM0.54 million and RM0.12 million in FYE 2024 respectively.

Comparison between FPE 2024 and FPE 2025

Sales and marketing expenses increased by RM0.25 million or 49.00% to RM0.75 million in FPE 2025 (FPE 2024: RM0.50 million). This was mainly attributed to higher sales commission and advertisement expenses, which increased by RM0.19 million and RM0.06 million in FPE 2025 respectively.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)**12.3.9 Finance costs**

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest expense on:								
- Term loans	495	95.01	512	93.77	552	89.47	626	87.43
- Lease liabilities	26	4.99	26	4.76	64	10.37	90	12.57
- Bank guarantees	-	-	8	1.47	1	0.16	-	-
Total	521	100.00	546	100.00	617	100.00	716	100.00

	FPE 2024		FPE 2025	
	RM'000	%	RM'000	%
Interest expense on:				
- Term loans	237	84.04	280	88.05
- Lease liabilities	45	15.96	37	11.64
- Bank guarantees	-	-	1	0.31
Total	282	100.00	318	100.00

Comparison between FYE 2021 and FYE 2022

Finance costs increased by RM0.03 million or 4.80% to RM0.55 million in FYE 2022 (FYE 2021: RM0.52 million) which were mainly attributed to increase in interest expense on term loans due to the higher interest rates.

Comparison between FYE 2022 and FYE 2023

Finance costs increased by RM0.07 million or 13.00% to RM0.62 million in FYE 2023 (FYE 2022: RM0.55 million) which were mainly attributed to increase in interest expense on term loans and lease liabilities. The increase in interest expense on term loans were mainly due to higher interest rate and the higher interest expense on lease liabilities were mainly due to increased hire purchase used to purchase motor vehicles.

Comparison between FYE 2023 and FYE 2024

Finance costs increased by RM0.10 million or 16.05% to RM0.72 million in FYE 2024 (FYE 2023: RM0.62 million), mainly attributed to the increase in interest expense on term loans and lease liabilities. The increase in interest expense on term loans were mainly due to 2 additional term loans for working capital purposes. The higher interest expense on lease liabilities were mainly due to increased hire purchase for right-of-use assets namely I-Park Lot 42.

Comparison between FPE 2024 and FPE 2025

Finance costs increased by RM0.04 million or 12.77% to RM0.32 million in FPE 2025 (FPE 2024: RM0.28 million), mainly attributed to the increase in interest expense on term loans used for working capital purposes.

12. FINANCIAL INFORMATION (Cont'd)**12.3.10 PBT, taxation and PAT**

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
PBT (RM'000)	1,073	1,169	5,886	8,925
PBT margin (%)	6.59	5.78	19.22	22.31
Taxation (RM'000)	274	363	1,648	2,641
Effective tax rate (%)	25.54	31.05	28.00	29.59
Statutory tax rate (%)	24.00	24.00	24.00	24.00
PAT (RM'000)	799	806	4,238	6,284
PAT margin (%)	4.91	3.99	13.84	15.71
	FPE 2024	FPE 2025		
PBT (RM'000)	4,535	4,813		
PBT margin (%)	24.16	21.32		
Taxation (RM'000)	992	1,568		
Effective tax rate (%)	21.87	32.58		
Statutory tax rate (%)	24.00	24.00		
PAT (RM'000)	3,543	3,245		
PAT margin (%)	18.87	14.37		

Comparison between FYE 2021 and FYE 2022

Our PBT increased by RM0.10 million or 8.95% to RM1.17 million in FYE 2022 (FYE 2021: RM1.07 million), which was mainly driven by an increase in GP arising from our business growth including the provision of lifting systems and maintenance, repair and related services segment. PBT margins decreased from 6.59% in FYE 2021 to 5.78% in FYE 2022 which were mainly attributed to the increase in administrative expenses as well as sales and marketing expenses.

Our PAT increased by RM0.01 million or 0.88% to RM0.81 million in FYE 2022 (FYE 2021: RM0.80 million). Our PAT margins decreased from 4.91% in FYE 2021 to 3.99% in FYE 2022 which were mainly attributed to higher tax expenses.

Our effective tax rates were 25.54% and 31.05% for FYE 2021 and FYE 2022 respectively, which were higher than the statutory tax rate of 24.00%. This was mainly attributed to the tax effects on non-deductible expenses such as term loan interests for investment properties and working capital, as well as depreciation expenses of non-qualifying assets. This is partially offset by the differential (tiered) in tax rate for small and medium companies in Malaysia for FYE 2021 and FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2022 and FYE 2023**

Our PBT increased by RM4.72 million or 403.51% to RM5.89 million in FYE 2023 (FYE 2022: RM1.17 million). This was mainly driven by the increase in GP arising from our business growth including provision of lifting systems and maintenance, repair and related services segment as well as increase in other income. Our PBT margin increased from 5.78% in FYE 2022 to 19.22% in FYE 2023 and this was mainly attributed to the improvement in GP margin from our business operations and higher other income (due to gain on disposal of investment properties) as well as improvement in cost efficiency in administrative as well as sales and marketing expenses.

Our PAT increased by RM3.43 million or 425.81% to RM4.24 million in FYE 2023 (FYE 2022: RM0.81 million). Our PAT margin increased from 3.99% in FYE 2022 to 13.84% in FYE 2023 which was mainly attributed to the improvement in GP and GP margin.

Our effective tax rate was 28.00% for FYE 2023, which was higher than the statutory tax rate of 24.00%. This was mainly attributed to the tax effects on non-deductible expenses such as term loan interests for investment properties and working capital, as well as depreciation expenses of non-qualifying assets.

Comparison between FYE 2023 and FYE 2024

Our PBT increased by RM3.04 million or 51.63% to RM8.93 million in FYE 2024 (FYE 2023: RM5.89 million). This was mainly driven by the increase in GP arising from our business growth including provision of lifting systems and maintenance, repair and related services segment as well as increase in other income. Our PBT margin increased from 19.22% in FYE 2023 to 22.31% in FYE 2024 and this was mainly attributed to the improvement in margin from our business operations and higher other income.

Our PAT increased by RM2.05 million or 48.28% to RM6.28 million in FYE 2024 (FYE 2023: RM4.24 million). Our PAT margin increased from 13.84% in FYE 2023 to 15.71% in FYE 2024 which was mainly attributed to the improvement in GP and GP margin.

Our effective tax rate was 29.59% for FYE 2024, which was higher than the statutory tax rate of 24.00%. This was mainly attributed to the tax effects on non-deductible expenses such as expenses in relation to our Listing which was recognised in FYE 2024.

Comparison between FPE 2024 and FPE 2025

Our PBT increased by RM0.28 million or 6.13% to RM4.81 million in FPE 2025 (FPE 2024: RM4.54 million). This was mainly driven by the increase in GP arising from our business growth, mainly the provision of lifting systems. Our PBT margin decreased from 24.16% in FPE 2024 to 21.32% in FPE 2025 and this was mainly due to the increase in administrative expenses.

Our PAT decreased by RM0.30 million or 8.41% to RM3.25 million in FPE 2025 (FPE 2024: RM3.54 million). Our PAT margin decreased from 18.87% in FPE 2024 to 14.37% in FPE 2025, which was mainly due to higher tax expenses.

Our effective tax rate was 32.58% for FPE 2025, which was higher than the statutory tax rate of 24.00%. This was mainly attributed to the tax effects on non-deductible expenses such as expenses in relation to our Listing which was recognised in FPE 2025 as well as the absence of the differential (tiered) in tax rate for small and medium companies in Malaysia during FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)

12.4 SIGNIFICANT FACTORS AFFECTING OUR GROUP'S OPERATIONS AND FINANCIAL PERFORMANCE

(i) Dependency on our ability to continually secure new orders from customers

Our revenue from the provision of lifting systems is derived from fixed lump-sum purchase orders and equivalents, which include variable components for specific services and products. These purchase orders and equivalents were typically non-recurring after installation and handover to customers. As such, our business sustainability and financial performance rely on our ability to consistently secure new orders to replenish our order book. As at the LPD, we have a total unbilled order book of RM38.97 million. While we will continue to submit proposals and quotations to secure new orders, we cannot assure the success of these efforts.

After installation and handover, customers may request for ongoing maintenance services, which are recurring in nature. However, these would be governed by separate purchase orders. Nevertheless, there can be no assurance we will obtain such purchase orders from all our customers.

(ii) Impact on foreign exchange fluctuations

We are exposed to foreign currency exchange, including USD, EUR and GBP arising from our purchases of imported materials, and SGD from export sales. For the Periods Under Review, 30.14%, 16.64%, 24.05%, 8.38% and 16.86% of our total purchases of input materials, products and services for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively, which were transacted in foreign currencies. In addition, we have sales transacted in SGD which accounted for 0.26%, 1.24%, 7.16%, 4.17% and 1.25% of our total revenue for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. As such, any unfavourable exchange rates between RM and the respective foreign currencies would affect our financial performance.

As at the LPD, we maintain our bank accounts in MYR, EUR and RMB, which are mainly used to settle payments for the purchases. There can be no assurance that our financial performance would not be materially affected by any adverse fluctuations in certain foreign currencies against the MYR. As at the LPD, our Group does not have any financial instruments for hedging purposes.

While foreign currency exchange rate fluctuations have not had any material effect on our financial performance during the Periods Under Review, there can be no assurance that we will not be adversely affected in the future. Please refer to Note 34.5(a)(i) in the Accountants' Report set out in Section 13 of this Prospectus for sensitivity analysis on our PAT to changes in foreign currency.

Please refer to Section 9.1.13 of this Prospectus for further details on this risk.

(iii) Impact of interest rates fluctuations

As at 30 June 2025, our total bank borrowings including hire purchase liabilities (excluding lease liabilities for right-of-use assets arising from rental of properties) was RM12.01 million, of which RM9.67 million were based on floating interest rates. The remaining RM2.34 million were based on fixed rates. Our finance costs increased by 4.80% to RM0.55 million in FYE 2022 (FYE 2021: RM0.52 million), which further increased by 13.00% to RM0.62 million in FYE 2023 and 16.05% to RM0.72 million in FYE 2024 due to higher utilisation of bank borrowings for capital expenditure and working capital.

12. FINANCIAL INFORMATION (Cont'd)

In this respect, we face financial risks relating to the increase in interest rates which may impact our financial performance including profitability and margins. Please refer to Note 34.5(a)(ii) in the Accountants' Report set out in Section 13 of this Prospectus for sensitivity analysis on our PAT to changes in interest rates.

During the Periods Under Review and up to the LPD, we have not defaulted on any payments of either principal sums and/ or interests in relation to our borrowings.

(iv) Impact of inflation

Our financial performances during the Periods Under Review were not materially affected by the impact of inflation. However, there can be no assurance that future inflation would not have an impact on our business and financial performance.

(v) Impact of government / economic / fiscal / monetary policies

Our business is subject to risks relating to government, political, economic, fiscal or monetary policies and regulatory risks, geopolitical events, as well as occurrence of force majeure events in Malaysia. Any unfavourable changes in such government policies, economic conditions, or fiscal or monetary policies may materially affect our operations in Malaysia. Please refer to Section 9.2.2 of this Prospectus for further details on this risk.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)**12.5 LIQUIDITY AND CAPITAL RESOURCES****(i) Working capital**

Our business is financed by a combination of internal and external sources of funds. Internal sources of funds comprised shareholders' equity and cash generated from our business operations while our external sources of funds mainly consist of banking facilities from financial institutions. These funds are mainly used to finance our business operations and growth.

As at 30 June 2025, our cash and bank balances were RM8.86 million and our total borrowings were RM12.01 million (excluding lease liabilities for right-of-use assets arising from rental of properties). As at 30 June 2025, our gearing ratio was 0.67 times and current ratio was 1.74 times. As at the LPD, we have banking facilities namely trade facilities of RM1.80 million, all of which have yet to be utilised.

Our Directors are of the opinion that after taking into consideration the cash and bank balances, the expected profits to be generated from our operations, the amount that is available under our existing banking facilities, our expected future cash flows from operations as well as proceeds expected to be raised from our Public Issue, we will have adequate working capital to meet our present and foreseeable requirements for at least a period of 12 months from the date of this Prospectus.

(ii) Cash flow

The following is the summary of our combined and consolidated statements of cash flow for the Periods Under Review. This should be read in conjunction with the Accountants' Report as set out in Section 13 of this Prospectus.

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from operating activities	1,662	162	4,359	2,090	1,994
Net cash (used in)/ generated from investing activities	(164)	(538)	624	3,319	(274)
Net cash used in financing activities	(1,814)	(2,178)	(4,360)	(660)	(1,071)
Net (decrease)/ increase in cash and cash equivalents	(316)	(2,554)	623	4,749	649
Cash and cash equivalents at the beginning of the year/ period	5,641	5,325	2,771	3,394	8,143
Cash and cash equivalents at the end of the year/ period	5,325	2,771	3,394	8,143	8,792
Details of the cash and cash equivalents:					
Cash and bank balances	3,086	2,012	3,394	7,775	8,857
Deposits with a licensed bank	2,239	1,259	1,080	500	-
	5,325	3,271	4,474	8,275	8,857
Less: Pledged deposits	-	-	(1,080)	-	-
Bank overdraft	#	(500)	#	#	-
Restricted cash at bank	-	-	-	(132)	(65)
	5,325	2,771	3,394	8,143	8,792

12. FINANCIAL INFORMATION (Cont'd)

Note:

RM10 for FYE 2021 and FYE 2023, and RM9 for FYE 2024.

(a) Net cash generated from operating activities

FYE 2021

For the FYE 2021, our net cash from operating activities was RM1.66 million after taking into account the following:

- increase in inventories of RM0.95 million was mainly due to a higher raw materials and components inventories as at 31 December 2021 resulting from lower activities contributed by COVID-19 in FYE 2021;
- increase in trade and other payables of RM0.72 million, which was mainly due to higher trade payables outstanding of RM1.15 million as at 31 December 2020 compared to RM1.79 million as at 31 December 2021 where the amount has been subsequently settled;
- decrease of RM0.78 million in contract assets net of liabilities, which was mainly due to an increase in contracts liabilities arising from higher advance billings or payments collected in relation to the provision of lifting system projects; and
- tax paid of RM0.81 million.

FYE 2022

For the FYE 2022, our net cash from operating activities was RM0.16 million after taking into account the following:

- increase in trade and other receivables of RM2.36 million, which was mainly due to higher trade receivables outstanding of RM5.25 million as at 31 December 2022 compared to RM3.53 million as at 31 December 2021. This was mainly attributed to higher sales in the second half of FYE 2022;
- decrease in inventories of RM0.44 million, which was mainly due to a lower inventories for raw materials including metal-based materials as well as hoist and accessories as at 31 December 2022 resulting from completion of various crane and hoist systems in Johor;
- decrease of RM0.36 million in contract assets net of liabilities, which was mainly due to an increase in contracts liabilities arising from higher advance billings or payments received before work is performed in relation to the provision of lifting system projects;
- increase in trade and other payables of RM0.40 million, which was mainly due to higher accrued cost of sales for cost incurred during FYE 2022; and
- tax paid of RM0.93 million.

12. FINANCIAL INFORMATION (Cont'd)**FYE 2023**

For the FYE 2023, our net cash from operating activities was RM4.36 million after taking into account mainly the following:

- increase in trade and other receivables of RM1.87 million, which was mainly due to higher trade receivables outstanding of RM6.81 million as at 31 December 2023 compared to RM5.25 million as at 31 December 2022. This was mainly attributed to higher outstanding trade receivables from certain major customers including SQA Builders Sdn Bhd, AME Group, and China Construction Yangtze River (Malaysia) Sdn Bhd for the provision of crane and hoist systems in Malaysia, and a foreign customer namely Ratel Pte Ltd for the purchase of our elevated platform systems specifically dock levellers in Singapore;
- increase in trade and other payables of RM1.82 million, which was mainly due to higher outstanding trade payables to suppliers of RM2.94 million as at 31 December 2023 compared to RM1.99 million as at 31 December 2022. This was mainly attributed to amount outstanding to suppliers of finished goods mainly dock levellers, hydraulic systems and parts, and steel materials as well as subcontractor for installation services;
- increase in inventories of RM0.94 million, which were mainly due to a higher raw materials and components inventories as there were higher purchases made in FYE 2023 for the subsequent planned works;
- increase of RM0.60 million in contract assets net of liabilities, which was mainly attributed to a decrease in contract liabilities due to services rendered to customers on previous advanced payments received for the provision of lifting system projects; and
- tax paid of RM0.57 million.

FYE 2024

For the FYE 2024, our net cash from operating activities was RM2.09 million after taking into account mainly the following:

- increase in trade and other receivables of RM6.48 million, which was mainly due to higher trade receivables outstanding of RM13.12 million as at 31 December 2024 compared to RM6.81 million as at 31 December 2023. This was mainly attributed to slow payments from certain customers of our lifting systems;
- increase in trade and other payables of RM2.89 million, which was mainly due to higher outstanding trade payables to suppliers of RM4.22 million as at 31 December 2024 compared to RM2.94 million as at 31 December 2023. This was mainly attributed to past due amounts owing to certain major suppliers including supplier of metal-based materials, finished products and parts as well as subcontractor for the installation services. In addition, other payables increased by RM1.68 million mainly arising from expenses relating to our Listing;

12. FINANCIAL INFORMATION (Cont'd)

- increase in contract assets net of liabilities of RM1.06 million, which was mainly attributed to a decrease in contract liabilities due to services rendered to customers on previous advance payments received for the provision of lifting system projects;
- decrease in inventories of RM0.77 million, which was mainly due to lower work-in-progress materials as there were higher delivery of products and assembly works carried out at customer's site during the end of 31 December 2024; and
- tax paid of RM2.05 million.

FPE 2025

For the FPE 2025, our net cash from operating activities was RM1.99 million after taking into account mainly the following:

- increase in trade and other receivables of RM4.61 million, which was mainly due to higher trade receivables outstanding of RM17.16 million as at 30 June 2025 compared to RM13.12 million as at 31 December 2024. This was mainly attributed to slow payments from certain customers of our lifting systems;
- decrease in contract assets net of liabilities of RM1.09 million, which was mainly due to an increase in contract liabilities arising from higher advance billings or payments received before work is performed in relation to the provision of lifting system projects;
- increase in trade and other payables of RM0.43 million, which was mainly due to higher outstanding trade payables to suppliers of RM4.82 million as at 30 June 2025 compared to RM4.22 million as at 31 December 2024. This was mainly attributed to past due amounts owing to certain major suppliers including supplier of metal-based materials, finished products and parts as well as subcontractor for the installation services;
- decrease in inventories of RM0.22 million, which was mainly due to lower work-in-progress materials as there were higher delivery of products and assembly works carried out at customer's site during the end of 30 June 2025; and
- tax paid of RM1.26 million.

(b) Net cash (used in)/ generated from investing activities

FYE 2021

For FYE 2021, our net cash used in investing activities was RM0.16 million, which mainly comprised RM0.24 million used for the purchase of PPE. This mainly included the purchase of office equipment and furniture as well as renovation works for I-Park Lot 28 in FYE 2021.

This was partially offset by the proceeds of RM0.07 million received from the disposal of PPE mainly motor vehicles.

12. FINANCIAL INFORMATION (Cont'd)

FYE 2022

For FYE 2022, our net cash used in investing activities was RM0.54 million which was used for the purchase of PPE. This mainly included the purchase of office equipment and furniture as well as factory equipment such as bandsaw machine for I-Park Lot 28 in FYE 2022.

FYE 2023

For FYE 2023, our net cash from investing activities was RM0.62 million, which was mainly attributed to RM1.20 million of proceeds received from a disposal of light industry factory in Johor.

This was partially offset by RM0.62 million used for the purchase of PPE including motor vehicles and setting up showroom for home elevator.

FYE 2024

For FYE 2024, our net cash from investing activities was RM3.32 million, which was mainly attributed to RM3.38 million of proceeds received from a disposal of a light industry factory in Johor.

FPE 2025

For FPE 2025, our net cash used in investing activities was RM0.27 million, which was used for the purchase of PPE. This mainly included the purchase of office equipment including computer and related software, as well as renovation works for the display unit of our home elevators at I-Park Lot 42.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)**(c) Net cash from financing activities****FYE 2021**

For FYE 2021, our net cash used in financing activities was RM1.81 million, which was mainly attributed to the following:

- RM0.65 million used for dividends payment;
- RM0.56 million of repayments of loan and borrowings;
- RM0.52 million of interest payments; and
- RM0.13 million of repayments of lease liabilities including hire purchases for motor vehicles and rental payments.

FYE 2022

For FYE 2022, our net cash used in financing activities was RM2.18 million, which was mainly attributed to the following:

- RM0.88 million used for dividends payment;
- RM0.61 million of repayments of loan and borrowings;
- RM0.55 million of interest payments; and
- RM0.15 million of repayments of lease liabilities including hire purchases for motor vehicles and rental payments.

FYE 2023

For FYE 2023, our net cash used in financing activities was RM4.36 million, which was mainly attributed to the following:

- RM1.66 million used for dividends payment;
- RM1.08 million placement of pledged deposits for banking facility;
- RM0.73 million of repayments of loan and borrowings;
- RM0.62 million of interest payments; and
- RM0.28 million of repayments of lease liabilities including hire purchases for motor vehicles and rental payments.

FYE 2024

For FYE 2024, our net cash used in financing activities was RM0.66 million, which was mainly attributed to the following:

- RM1.87 million used for dividend payment;
- RM0.72 million of interest payments; and
- RM0.60 million of repayments of lease liabilities including hire purchases for motor vehicles and rental payments.

This was partially offset by:

- RM1.58 million of drawdown of loan and borrowings; and
- RM1.08 million of pledged deposits for banking facility uplifted.

FPE 2025

For FPE 2025, our net cash used in financing activities was RM1.07 million, which was mainly attributed to the following:

- RM0.52 million of repayments of loan and borrowings;
- RM0.32 million of interest payments; and
- RM0.31 million of repayments of lease liabilities including hire purchases for motor vehicles and rental payments.

12. FINANCIAL INFORMATION (Cont'd)**(iii) Borrowings**

For the Periods Under Review, our bank borrowings are all interest and denominated in RM.

The breakdown of our bank borrowings is set out below:

Type of bank borrowings	As at 30 June 2025		
	Payable within 12 months	Payable after 12 months	Total
	RM'000	RM'000	RM'000
Term loans ⁽¹⁾	1,065	10,146	11,211
Hire purchase liabilities	250	548	798
Total	1,315	10,694	12,009
Gearing ratio (times)⁽²⁾			0.67

Notes:

(1) Term loans were utilised for the purchase of PPE and working capital purposes.

(2) Calculated based on total borrowings divided by total equity.

As at 30 June 2025, our Group's floating and fixed rate borrowings are set out below:

	RM'000
Floating rate borrowings ⁽¹⁾	9,665
Fixed rate borrowings ⁽²⁾	2,344
Total	12,009

Notes:

(1) Include floating rate term loans and bank overdraft.

(2) Include hire purchase liabilities and fixed rate term loan.

The maturity profile and interest rates of our borrowings as at 30 June 2025 are set out below:

	Term loan	Hire purchase liabilities	Total
	RM'000	RM'000	RM'000
Under 1 year	1,065	250	1,315
1 - 5 years	3,575	548	4,123
More than 5 years	6,571	-	6,571
Total	11,211	798	12,009
Weighted average effective interest rates	4.89%	5.82%	

12. FINANCIAL INFORMATION (Cont'd)

Our Group has not defaulted on any payment of either principal sums and/ or interest in relation to the borrowings for the Periods Under Review and up to LPD. We also do not encounter any seasonality in our borrowings trend and there is no restriction on our committed borrowing facilities. As at the LPD, our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans, which can materially affect the financial position and results of business operations or investments by holders of securities in our Company.

In relation to the guarantees given by certain directors of our Group, we have applied to the financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company. Until such release and/or discharge are obtained from the respective financiers, some of our directors will continue to guarantee the banking facilities extended to our Group. As set out in Section 10.2.2(ii) of this Prospectus, we have received conditional approvals from the respective financiers to release and/ or discharge the guarantees.

(iv) Bank guarantees

For the Periods Under Review and up to the LPD, our bank guarantees provided to our customers are as follows:

	As at 31 December				As at 30 June	As at the LPD
	2021	2022	2023	2024	2025	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank guarantees	-	585	721	132	116	116

(v) Financial instrument, treasury policies and objectives

As at the LPD, our Group does not have any financial instruments for hedging purposes.

Our Group's operations have been funded through shareholders' equity, cash generated from our operations and external sources of funds. The external source of funds consists of banking facilities from financial institutions. The normal credit term granted by our suppliers ranges from 30 days to 90 days for the FPE 30 June 2025.

As at the LPD, our Group's banking facilities from financial institutions mainly consist of the following:

- term loans mainly for capital expenditure to purchase PPE and working capital purposes;
- bank overdrafts for working capital purposes; and
- lease liabilities used for the purchase of vehicles under hire purchase contracts.

12. FINANCIAL INFORMATION (Cont'd)

The interest rates for our bank borrowings are based on the market rates prevailing at the dates of the respective transactions. As at the LPD, our Group has available banking facilities, namely trade facilities of RM1.80 million, all of which have yet to be utilised.

The main objective of our capital management is to ensure sustainable shareholders' equity to ensure our ability to support and grow our business in order to maximise shareholders' value. We review and manage our capital structure to maintain our gearing ratio at an optimal level based on our business requirements and prevailing economic conditions.

(vi) Material litigation and contingent liabilities**(a) Material litigation**

Neither we nor our subsidiaries are engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus. As set out in Section 15.5 of this Prospectus, as at the LPD, our Group is not involved in any material litigation, claim and/ or arbitration, either as plaintiff or defendant which might materially and adversely affect our business or financial position, and our Directors confirm that there are no legal proceedings, pending or threatened, or of any fact likely to give rise to any legal proceeding which may materially and adversely affect our business or financial position.

(b) Contingent liabilities

As at the LPD, save for bank guarantees, we do not have any other material contingent liabilities which, upon becoming enforceable, may have a material adverse impact on our results of operations or financial position. Kindly refer to Section 12.5(iv) of this Prospectus for further details on the bank guarantees.

(vii) Material capital commitment

Our capital commitment as at the LPD is as follow:

	Capital commitment RM'000	Source of funds	
		Internally generated funds/ borrowings RM'000	IPO proceeds RM'000
Approved but not contracted for:			
Automate fabrication facilities	3,800	-	3,800
Set up product showrooms and sales offices with storage space	3,300	-	3,300
Digital marketing and offline marketing	1,200	-	1,200
Total	8,300	-	8,300

12. FINANCIAL INFORMATION (Cont'd)

12.6 KEY FINANCIAL RATIOS

Our key financial ratios for the Periods Under Review are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Average trade receivable turnover period (days) ⁽¹⁾	76	78	70	86	116
Average trade payable turnover period (days) ⁽²⁾	52	54	51	62	76
Average inventory turnover period (days) ⁽³⁾	109	95	74	64	53
Current ratio (times) ⁽⁴⁾	1.34	1.26	1.34	1.72	1.74
Gearing ratio (times) ⁽⁵⁾	1.54	1.54	1.10	0.86	0.67

Notes:

- (1) Computed based on average of the opening and closing trade receivables (excluding retention sums and impairment losses) as at the end of the respective financial year/ period divided by the total revenue of the respective financial year/ period, multiplied by 365 days for each financial year and 182 days for FPE 2025.
- (2) Computed based on average of the opening and closing trade payables as at the end of the respective financial year/ period divided by the total cost of sales of the respective financial year/ period, multiplied by 365 days for each financial year and 182 days for FPE 2025.
- (3) Computed based on average of the opening and closing inventories as at the end of the respective financial year/ period divided by the total cost of sales of the respective financial year/ period, multiplied by 365 days for each financial year and 182 days for FPE 2025.
- (4) Computed based on current assets over the current liabilities as at the end of the financial year/ period.
- (5) Computed based on total borrowings including hire purchase liabilities (excluding lease liabilities for right-of-use assets arising from rental of properties) over the total equity as at the respective financial year/ period.

(i) Trade receivables turnover ratio

A summary of our trade receivables for the Periods Under Review is set out as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Average trade receivables ⁽¹⁾	3,384	4,338	5,865	9,460	14,374
Revenue	16,273	20,215	30,619	40,006	22,578
Average trade receivables turnover period (days) ⁽²⁾	76	78	70	86	116

12. FINANCIAL INFORMATION (Cont'd)

Notes:

(1) Computed as follows:

	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FPE 2025</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening trade receivables*	3,271	3,496	5,179	6,550	12,369
Closing trade receivables*	3,496	5,179	6,550	12,369	16,378
Average trade receivables	3,384	4,338	5,865	9,460	14,374

Note:

* Exclude retention sums and impairment losses

(2) Computed based average of the opening and closing trade receivables (excluding retention sums and net of accumulated impairment losses) as at the end of the respective financial year/ period divided by the total revenue of the respective financial year/ period, multiplied by 365 days for each financial year and 182 days for FPE 2025.

We deal with our customers on credit terms.

Generally, the credit terms granted to our customers are assessed and approved on a case-to-case basis. The factors that are taken into consideration when determining the credit period granted to customers include their creditworthiness, payment history, quantum of amount owing to us and length of relationship with us.

As part of our credit control procedures, our sales and finance teams monitor our ageing report and to manage the collection of outstanding trade receivables on an individual customer basis. This is carried out regularly to promote prompt payment within the credit period granted. For any trade receivables which have exceeded the normal credit period granted to customers, we will follow up with calls and send reminders and where appropriate, provide for specific impairments on those trade receivables that are overdue 4 months after credit period.

For the Periods Under Review, the credit terms that we generally grant to customers are as follows:

	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FPE 2025</u>
Normal credit terms (days) ⁽¹⁾	30 to 90	30 to 90	30 to 90	30 to 90	30 to 90

Note:

(1) This is for customers of crane and hoist systems, elevated platform systems, elevators including home elevators as well as the maintenance, repair and related services.

Our average trade receivables turnover period increased from 76 days for FYE 2021 to 78 days for FYE 2022, mainly due to slow payments from certain major customers of lifting systems including SQA Builders Sdn Bhd, AME Group, Flextronics Group and Yatai New Energy Sdn Bhd. This was reflected in the higher past due outstanding trade receivables of RM4.10 million as at 31 December 2022 compared to RM1.83 million as at 31 December 2021.

12. FINANCIAL INFORMATION (Cont'd)

Our average trade receivables turnover period improved from 78 days for FYE 2022 to 70 days for FYE 2023, mainly due to the improvement in collections as reflected in the lower proportion of outstanding balances from our customers against revenue for FYE 2023. Meanwhile, our business experienced a growth with revenue increased by 51.47% to RM30.62 million in FYE 2023.

Our average trade receivables turnover period increased from 70 days for FYE 2023 to 86 days for FYE 2024, mainly due to slow payments from certain major customers of lifting systems including SMW Steel Engineering Sdn Bhd, LSPCM (Johore) Sdn Bhd, Hwa Hin Sdn Bhd, China Construction Yangtze River (Malaysia) Sdn Bhd, SQA Builders Sdn Bhd and Ratel Pte Ltd. This was reflected in the higher past due outstanding trade receivables of RM5.69 million as at 31 December 2024.

Our average trade receivables turnover period increased from 86 days for FYE 2024 to 116 days for FPE 2025, mainly due to slow payments from certain major customers of lifting systems including Tong Seng Fabricators Sdn Bhd, Hong Lee Steel Engineering Sdn Bhd and others. This was reflected in the higher past due outstanding trade receivables of RM6.55 million as at 30 June 2025 compared to RM5.69 million as at 31 December 2024. In line with our Group's credit control procedures, our management has assessed the recoverability of the trade receivables balances and is of the view that the remaining trade receivables are recoverable. As such, save for those impairments made during the Periods Under Review, there is no further provision for impairment required after taking into consideration subsequent collections, our Group's relationships and on-going dealing with our customers as well as our Group's understanding of our customers' payment patterns.

The ageing analysis of our trade receivables as at 30 June 2025 and the subsequent collections up to the LPD are set out below:

	Exceeded Credit Period					Total RM'000
	Within Credit Period	1-30 days	31-60 days	61-90 days	More than 90 days	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Trade receivables	10,678	1,763	2,456	368	2,787	18,052
Less: Retention sum	(781)	-	-	-	-	(781)
Less: Impairment	(70)	(22)	(43)	(6)	(753)	(894)
Net trade receivables	9,827	1,741	2,413	362	2,034	16,377
% of total net trade receivables	60.01	10.63	14.73	2.21	12.42	100.00
Subsequent collections as at the LPD	2,933	634	319	317	732	4,935
Net trade receivables net of subsequent collections	6,894	1,107	2,094	45	1,302	11,442
% of total net trade receivables net of subsequent collections	60.25	9.68	18.30	0.39	11.38	100.00

As at the LPD, RM4.94 million or 30.13% of our total net trade receivables outstanding as at 30 June 2025 have been collected. The remaining RM11.44 million or 69.87% of our total net trade receivables are still outstanding as at the LPD.

12. FINANCIAL INFORMATION (Cont'd)**(ii) Trade payables turnover ratio**

A summary of our trade payables for the Periods Under Review is set out as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Average trade payables ⁽¹⁾	1,470	1,890	2,465	3,580	4,520
Cost of sales	10,260	12,725	17,499	20,976	10,787
Average trade payable turnover period (days) ⁽²⁾	52	54	51	62	76

Notes:

(1) Computed as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening trade payables	1,152	1,788	1,992	2,938	4,221
Closing trade payables	1,788	1,992	2,938	4,221	4,818
Average trade payables	1,470	1,890	2,465	3,580	4,520

(2) Computed based on average of the opening and closing trade payables as at the end of the respective financial year/ period divided by the total cost of sales of the respective financial year/ period, multiplied by 365 days for each financial year and 182 days for FPE 2025.

We deal with our suppliers comprising material suppliers and subcontractors on credit terms. Our suppliers generally grant us credit terms as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Normal credit terms (days)	30 to 90	30 to 90	30 to 90	30 to 90	30 to 90

Our average trade payables turnover period increased from 52 days for FYE 2021 to 54 days for FYE 2022, mainly due to higher accruals for subcontracted services in FYE 2022.

Our average trade payables turnover period decreased from 54 days for FYE 2022 to 51 days for FYE 2023, mainly attributed to higher cost of sales arising from increased sales from our products and services provided during the year.

Our average trade payables turnover period increased from 51 days for FYE 2023 to 62 days for FYE 2024, mainly attributed to past due amounts owing to certain suppliers including suppliers of metal-based materials, hydraulic systems and components as well as subcontractors for the installation services.

12. FINANCIAL INFORMATION (Cont'd)

The ageing analysis of our trade payables as at 30 June 2025 and the subsequent payments up to the LPD are set out below:

	Within Credit Period	Exceeded Credit Period				Total
		1-30 days	31-60 days	61-90 days	More than 90 days	
		RM'000	RM'000	RM'000	RM'000	
Trade payables	2,108	1,178	632	275	625	4,818
% of total trade payables	43.75	24.45	13.12	5.71	12.97	100.00
Subsequent payments as at the LPD	1,591	978	632	275	616	4,092
Trade payables net of subsequent payments	517	200	-	-	9	726
% of total trade payables net of subsequent payments	71.21	27.55	-	-	1.24	100.00

As at the LPD, RM4.09 million or 84.93% of our total trade payables outstanding as at 30 June 2025 have been paid to suppliers. The remaining RM0.73 million or 15.07% of our total trade payables are still outstanding as at the LPD. This was mainly attributed to amount payable to our suppliers for dock levellers, home elevators, hydraulic systems and components.

(iii) Inventory turnover ratio

The breakdown of our inventories for the Periods Under Review is set out as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Total inventory	3,535	3,095	4,036	3,271	3,055
Consisting of:					
- Raw materials and components	3,133	2,718	2,715	2,445	2,377
- Work-in-progress	248	279	1,201	606	383
- Finished goods	154	98	120	220	295
Average inventory ⁽¹⁾	3,059	3,315	3,566	3,654	3,163
Cost of sales	10,260	12,725	17,499	20,976	10,787
Average inventory turnover period (days) ⁽²⁾	109	95	74	64	53

12. FINANCIAL INFORMATION (Cont'd)

Notes:

(1) Computed as follow:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening inventory	2,583	3,535	3,095	4,036	3,271
Closing inventory	3,535	3,095	4,036	3,271	3,055
Average inventory	3,059	3,315	3,566	3,654	3,163

(2) Computed based on average of the opening and closing inventories as at the end of the respective financial year/ period divided by the total cost of sales of the respective financial year/ period, multiplied by 365 days for each financial year and 182 days for FPE 2025.

Our inventory comprises the following:

- raw materials and components comprising mainly mechanical and electrical materials, metal-based materials, and others;
- work-in-progress comprise products which are undergoing fabrication and assembly process into finished goods and this may include parts that have been reserved for fabrication works; and
- finished goods comprise products that have completed fabrication and are stored prior to final delivery or installation to customers.

Our average inventory turnover period decreased from 109 days in FYE 2021 to 95 days in FYE 2022, mainly due to higher delivery of products to customers. This was reflected in our revenue growth from the provision of lifting systems in FYE 2022.

Our average inventory turnover period decreased from 95 days in FYE 2022 to 74 days in FYE 2023, mainly due to higher delivery of products to customers. This was reflected in our revenue growth from the provision of lifting systems in FYE 2023.

Our average inventory turnover period decreased from 74 days in FYE 2023 to 64 days in FYE 2024. This was mainly due to higher delivery of products to customers as reflected in our revenue growth at the end of FYE 2024. This was reflected in our revenue growth from the provision of lifting systems in FYE 2024.

Our average inventory turnover period decreased from 64 days in FYE 2024 to 53 days in FPE 2025. This was mainly due to higher delivery of products to customers as reflected in our revenue growth at the end of FPE 2025. This was reflected in our revenue growth from the provision of lifting systems in FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)**(iv) Current ratio**

The summary of our current ratio for the Periods Under Review is as follows:-

	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FPE 2025</u>
Current assets (RM'000)	13,867	14,485	17,423	26,050	31,967
Current liabilities (RM'000)	10,335	11,457	12,988	15,102	18,330
Current ratio (times) ⁽¹⁾	1.34	1.26	1.34	1.72	1.74

Note:

(1) *Computed based on the current assets over the current liabilities as at the end of the financial year/ period.*

As at 31 December 2022, our current ratio was 1.26 times which was lower than 1.34 times as at 31 December 2021. This was mainly attributed to higher contract liabilities arising from advance billing or payment received before work is performed from customers and higher outstanding borrowings specifically the use of bank overdrafts for working capital purposes.

As at 31 December 2023, our current ratio was 1.34 times which was higher than 1.26 times as at 31 December 2022. This was mainly attributed to higher cash and bank balances as well as higher trade receivables from the past due amounts from certain major customers for our lifting systems including Ratel Pte Ltd, SQA Builders Sdn Bhd, AME Group, and China Construction Yangtze River (Malaysia) Sdn Bhd.

As at 31 December 2024, our current ratio was 1.72 times which was higher than 1.34 times as at 31 December 2023, which was mainly attributed to higher trade receivables from the past due amounts as well as higher billing at the end of FYE 2024.

Our current ratio remained relatively consistent at 1.72 times as at 31 December 2024 and 1.74 times as at 30 June 2025.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

12. FINANCIAL INFORMATION (Cont'd)**(v) Gearing ratio**

The summary of our gearing ratio for the Periods Under Review is as follows:-

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Bank borrowings (RM'000)	11,766	11,723	11,231	12,644	12,009
Total equity (RM'000)	7,624	7,628	10,210	14,624	17,868
Gearing ratio (times) ⁽¹⁾	1.54	1.54	1.10	0.86	0.67

Note:

- (1) *Computed based on the total borrowings including hire purchase liabilities (excluding lease liabilities for right-of-use assets arising from rental of properties) over the total equity as at the end of the respective financial year.*

Our gearing ratio remained relatively consistent at 1.54 times as at 31 December 2021 and 31 December 2022.

As at 31 December 2023, our gearing ratio was 1.10 times which was lower than 1.54 times as at 31 December 2022. This was mainly attributed to repayments of term loans and minimal outstanding bank overdraft during and as at the end of the financial year.

As at 31 December 2024, our gearing ratio was 0.86 times which was lower than 1.10 times as at 31 December 2023. This was mainly attributed to higher retained earnings which increased from RM9.76 million in FYE 2023 to RM14.17 million in FYE 2024.

As at 30 June 2025, our gearing ratio was 0.67 times which was lower than 0.86 times as at 31 December 2024. This was mainly attributed to higher retained earnings which increased from RM14.17 million in FYE 2024 to RM17.42 million in FPE 2025.

12.7 ACCOUNTING POLICIES AND AUDIT QUALIFICATION

There was no accounting policy adopted which is peculiar to our Group because of the nature of our business or the industry we operate in during the Periods Under Review. The Accountants' Report did not contain any audit qualification for the Periods Under Review.

12.8 TREND ANALYSIS

As at the LPD, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had, or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position, operations, liquidity and capital resources, saved as disclosed in this section, and Sections 7 and 9 of this Prospectus;
- (ii) material commitment for capital expenditure;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this section, and Sections 7 and 9 of this Prospectus;

12. FINANCIAL INFORMATION (Cont'd)

- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our revenue and/or profits, save as disclosed in this section, and Sections 7 and 9 of this Prospectus; and
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical combined and consolidated financial statements not indicative of the future financial performance and position, save as disclosed in this section, Sections 7 and 9 of this Prospectus.

12.9 ORDER BOOK

For our provision of lifting systems, our order book is based on confirmed purchase orders or its equivalent. As for our maintenance and repair services, our order book is based on yearly contractual maintenance services secured from customers. As at the LPD, we have secured orders with a total unbilled order book of RM38.97 million, the details of which are set out below:

	Total unbilled order book as at the LPD	Expected timeline to be recognised		
		FYE 2025	FYE 2026	FYE 2026-onwards
	RM'000	RM'000	RM'000	RM'000
Provision of lifting systems ⁽¹⁾	38,170	28.125	4,795	5,250
Maintenance and repair ⁽²⁾	802	288	111	403
Total	38,972	28,413	4,906	5,653

Notes:

- (1) *In general, we do not have any long-term contracts with our customers for the provision of lifting systems as our sales are made based on confirmed purchase orders or its equivalent. Nevertheless, some of our indirect distribution channel customers (such as AME Construction Sdn Bhd and PEA Group) have placed such orders for their respective projects which span over a period of time. The order quantities from such customers may be subject to change arising from variation orders, which in turn may impact our total unbilled order book.*
- (2) *Based on confirmed contractual maintenance services secured from customers.*

12.10 DIVIDEND POLICY

It is the intention of our Board to recommend and distribute dividends of at least 30% of our annual audited profit after tax attributable to the shareholders. Nonetheless, our Company does not have any formal dividend policy and it is not a legally binding obligation/ guaranteed commitment to the shareholders.

As we are a holding company, our ability to declare and pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our subsidiaries, present and future. The payment of dividends by our subsidiaries is dependent upon various factors, including but not limited to, their distributable profits, financial performance, and cash flow requirements for operations and capital expenditures, as well as other factors that their respective boards of directors deem relevant. Save for certain banking restrictive covenants, which our subsidiaries are subject to, there is no other dividend restriction imposed on our subsidiaries as at LPD.

In addition to the factors above which may affect the ability of our subsidiaries to pay dividends to us, our Board will also consider, among others the following, when recommending the actual dividends for approval by shareholders or when declaring any interim dividends:

- (i) the level of our cash, gearing, return on equity and retained earnings;

12. FINANCIAL INFORMATION (Cont'd)

- (ii) our expected financial performance;
- (iii) our working capital requirements;
- (iv) our other investment plans;
- (v) any material impact of tax laws and other regulatory requirements; and
- (vi) any restrictive covenants contained in our current and future financing arrangements.

The payment and amount of any dividends and distributions to our shareholders will be at the discretion of our Board and will depend on the factors mentioned above (which may not be exhaustive). There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

Kindly refer to Section 9.3 of this Prospectus for risks relating to investments in our Shares and our Listing.

The following table sets out the dividends paid by our Group for the Periods Under Review, and the corresponding dividend payout ratio:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	1 January 2025 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Single tier interim dividend in respect of FYE 2020 ⁽¹⁾					
- Paid in FYE 2021	50	-	-	-	-
Single tier interim dividend in respect of FYE 2021 ⁽¹⁾					
- Paid in FYE 2021	600	-	-	-	-
- Paid in FYE 2022	-	80	-	-	-
Single tier interim dividend in respect of FYE 2022 ⁽¹⁾					
- Paid in FYE 2022	-	800	-	-	-
- Paid in FYE 2023	-	-	286	-	-
Single tier interim dividend in respect of FYE 2023 ⁽¹⁾					
- Paid in FYE 2023	-	-	1,370	-	-
Single tier interim dividend in respect of FYE 2024 ⁽¹⁾					
- Paid in FYE 2024	-	-	-	1,870	-
Total dividend paid	650	880	1,656	1,870	-
Total dividend declared	680	1,086	1,370	1,870	-
PAT	799	806	4,238	6,284	3,245
Dividend payout ratio ⁽²⁾	85.11%	134.74%	32.33%	29.76%	-

12. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) *The dividends were funded entirely from internally generated funds and paid out of the retained earnings of our Group.*
- (2) *Computed based on dividends declared divided by PAT for the respective financial years.*

The dividends distributed for the past FYE 2021 to FYE 2024 and up to the LPD were distributed from the funds within our Group in excess of our Group's funding requirements for our business operations. The declaration of such dividends would not affect the execution and implementation of our Group's future plans or strategies moving forward. Further, as at the LPD, there are no dividends which have been declared by our Group but not paid. Our Company does not intend to declare any dividend prior to our Listing.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

12.11 SIGNIFICANT CHANGES

Save as disclosed in this Prospectus, there is no significant changes that have occurred which may have a material effect on our financial position and results of operations subsequent to the FPE 2025 up to the LPD.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

13. ACCOUNTANTS' REPORT



POWERTECHNIC GROUP BERHAD

(Incorporated in Malaysia)
202101015445 (1415745-D)

**ACCOUNTANTS' REPORT ON
CONSOLIDATED AND
COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2024, 2023, 2022 AND 2021
AND FOR THE FINANCIAL PERIODS ENDED
30 JUNE 2025 AND 2024**

ECOVIS MALAYSIA PLT
201404001750 (LLP0003185-LCA) & AF 001825
Chartered Accountants

13. ACCOUNTANTS' REPORT (Cont'd)



19 September 2025

The Board of Directors
Powertechnic Group Berhad
28, Jalan I-Park 1/3
Kawasan Perindustrian I-Park
Bandar Indahpura
81000 Kulai, Johor.

Dear Sirs

REPORTING ACCOUNTANTS' OPINION ON THE CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF POWERTECHNIC GROUP BERHAD

Opinion

We have audited the consolidated and combined financial statements of Powertechnic Group Berhad ("Company" or "Powertechnic") and its subsidiaries/combining entities (collectively referred to as "the Group"), which comprise the statements of financial position as at 31 December 2024, 31 December 2023, 31 December 2022, 31 December 2021, 30 June 2025 and 30 June 2024, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flow for the financial years then ended 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 and 6 months financial periods ended 30 June 2025 and 30 June 2024 and notes to the consolidated and combined financial statements, including material accounting policy information as set out on pages 4 to 107.

These consolidated and combined financial statements of the Group have been prepared solely for inclusion in the prospectus of Powertechnic in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia and for no other purpose.

In our opinion, the accompanying consolidated and combined financial statements of the Group gives a true and fair view of the financial positions of the Group as at 31 December 2024, 31 December 2023, 31 December 2022, 31 December 2021, 30 June 2025 and 30 June 2024, and of its financial performance and its cash flows for the financial years ended ("FYE") 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 and the financial periods ended ("FPE") 30 June 2025 and 30 June 2024 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Consolidated and Combined 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.

ECOVIS MALAYSIA PLT 201404001750 (LLP0003185-LCA) & AF 001825 Chartered Accountants, D-10-03, Level 10, Exsim Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur, Malaysia. Phone: +60(3) 7986 0066 E-Mail: kuala-lumpur@ecovis.com.my

A member of ECOVIS International tax advisors, accountants, auditors and lawyers, operating in more than 90 countries worldwide.

ECOVIS International is a Swiss association. Each member firm is an independent legal entity in its own country and is only liable for its own acts or omissions, not those of any other entity. ECOVIS MALAYSIA PLT is a Malaysia member firm of ECOVIS International.

13. ACCOUNTANTS' REPORT (Cont'd)**Basis for Opinion (Cont'd)***Independence and Other Ethical Responsibilities*

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

Directors' Responsibilities for the Consolidated and Combined Financial Statements

The Directors of the Company are responsible for the preparation of the consolidated and combined financial statements of the Group that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of consolidated and combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and combined financial statements of the Group, the Directors are responsible for assessing the Group'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 to cease operations, or has no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Consolidated and Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and combined financial statements of the Group as a whole is free from material misstatement, whether due to fraud or error, and to issue a 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 ISAs 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 consolidated and combined financial statements.

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

- (a) Identify and assess the risks of material misstatement of the consolidated and combined financial statements of the Group, 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.
- (b) 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 internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

13. ACCOUNTANTS' REPORT (Cont'd)



Reporting Accountants' Responsibilities for the Audit of the Consolidated and Combined Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 consolidated and combined financial statements of the Group 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the consolidated and combined financial statements of the Group, including the disclosures, and whether the consolidated and combined financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and combined financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Restriction on Distribution and Use

This report is made solely for inclusion in the prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of the consolidated and combined financial statements.

A handwritten signature in black ink, appearing to read "T. Row".

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

Kuala Lumpur
19 September 2025

A large, stylized handwritten signature in black ink, appearing to read "CHUA KAH CHUN".

CHUA KAH CHUN
02696/09/2025 J
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT

STATEMENTS OF FINANCIAL POSITION

	Note	Audited					
		30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
		RM	RM	RM	RM	RM	RM
Assets							
Non-current assets							
Property, plant and equipment	8	8,030,663	8,698,481	8,310,303	8,395,146	6,983,753	6,649,179
Investment properties	9	7,115,457	7,123,977	7,119,717	7,818,237	8,063,339	8,088,366
Other investment	10	-	-	-	-	60,000	60,000
Deferred tax assets	11	89,765	-	148,444	317,087	89,817	82,268
		<u>15,235,885</u>	<u>15,822,458</u>	<u>15,578,464</u>	<u>16,530,470</u>	<u>15,196,909</u>	<u>14,879,813</u>
Current assets							
Inventories	12	3,054,654	3,385,757	3,270,615	4,036,125	3,095,228	3,535,322
Trade and other receivables	13	18,258,417	12,660,282	14,156,523	7,846,356	6,282,641	3,924,757
Contract assets	14	1,796,549	437,049	347,835	996,724	752,094	510,735
Tax recoverable		-	268,976	-	69,468	1,084,388	570,852
Deposits with a licensed bank	15	-	1,098,616	500,000	1,080,000	1,259,085	2,239,181
Cash and bank balances	16	8,856,995	2,712,188	7,774,795	3,394,307	2,012,140	3,086,031
		<u>31,966,615</u>	<u>20,562,868</u>	<u>26,049,768</u>	<u>17,422,980</u>	<u>14,485,576</u>	<u>13,866,878</u>
Non-current assets held for sale	17	-	1,008,953	-	-	-	-
		<u>31,966,615</u>	<u>21,571,821</u>	<u>26,049,768</u>	<u>17,422,980</u>	<u>14,485,576</u>	<u>13,866,878</u>
Total assets		<u>47,202,500</u>	<u>37,394,279</u>	<u>41,628,232</u>	<u>33,953,450</u>	<u>29,682,485</u>	<u>28,746,691</u>

13. ACCOUNTANTS' REPORT (Cont'd)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)
STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Audited					
		30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
		RM	RM	RM	RM	RM	RM
Equity and liabilities							
Equity							
Share capital	18	12,367,800	1,000	12,367,800	1,000	1,000	1,000
Invested equity	18	-	451,000	-	451,000	451,000	451,000
Retained earnings		17,416,391	12,801,772	14,172,029	9,758,732	7,176,811	7,171,202
		29,784,191	13,253,772	26,539,829	10,210,732	7,628,811	7,623,202
Reorganisation reserve	19	(11,915,800)	-	(11,915,800)	-	-	-
Total equity		17,868,391	13,253,772	14,624,029	10,210,732	7,628,811	7,623,202
Non-current liabilities							
Loan and borrowings	20	10,145,666	9,042,369	10,684,814	9,420,268	10,107,805	10,594,912
Lease liabilities	21	727,321	1,389,629	1,071,280	1,159,077	284,404	174,694
Deferred tax liabilities	11	-	112,586	-	-	-	-
Deferred income	22	131,520	160,937	146,228	175,646	205,063	18,534
		11,004,507	10,705,521	11,902,322	10,754,991	10,597,272	10,788,140

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)
STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Audited					
		30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
		RM	RM	RM	RM	RM	RM
Equity and liabilities (cont'd)							
Current liabilities							
Trade and other payables	23	7,720,827	5,735,530	7,301,288	4,339,391	2,495,290	2,377,880
Contract liabilities	14	7,985,955	5,834,806	5,443,663	7,154,138	7,508,018	6,911,150
Loan and borrowings	20	1,064,659	731,689	1,040,586	723,723	1,267,013	885,348
Lease liabilities	21	631,683	661,832	641,541	449,425	156,664	111,188
Deferred income	22	29,417	29,417	29,417	29,417	29,417	5,172
Tax payable		897,061	441,712	645,386	291,633	-	44,611
		<u>18,329,602</u>	<u>13,434,986</u>	<u>15,101,881</u>	<u>12,987,727</u>	<u>11,456,402</u>	<u>10,335,349</u>
Total liabilities		<u>29,334,109</u>	<u>24,140,507</u>	<u>27,004,203</u>	<u>23,742,718</u>	<u>22,053,674</u>	<u>21,123,489</u>
Total equity and liabilities		<u>47,202,500</u>	<u>37,394,279</u>	<u>41,628,232</u>	<u>33,953,450</u>	<u>29,682,485</u>	<u>28,746,691</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)**Powertech Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		Audited					
		01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
		to	to	to	to	to	to
		30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	Note	RM	RM	RM	RM	RM	RM
Revenue	24	22,577,739	18,773,847	40,006,405	30,619,010	20,214,572	16,272,619
Cost of sales		(10,786,426)	(9,548,710)	(20,976,342)	(17,498,532)	(12,724,971)	(10,259,469)
Gross profit		11,791,313	9,225,137	19,030,063	13,120,478	7,489,601	6,013,150
Other income	25	155,322	244,871	3,232,280	1,496,081	473,493	453,892
Administrative expenses		(5,644,294)	(4,146,409)	(10,892,276)	(6,901,547)	(5,478,456)	(4,311,757)
Sales and marketing expenses		(745,465)	(499,572)	(1,570,484)	(900,882)	(769,873)	(560,647)
Net impairment loss on financial assets		(425,669)	(6,487)	(158,244)	(310,451)	-	-
Profit from operations	26	5,131,207	4,817,540	9,641,339	6,503,679	1,714,765	1,594,638
Finance costs	28	(318,363)	(282,142)	(716,780)	(617,739)	(545,966)	(521,392)
Profit before tax		4,812,844	4,535,398	8,924,559	5,885,940	1,168,799	1,073,246
Tax expense	29	(1,568,482)	(992,358)	(2,641,262)	(1,648,410)	(363,190)	(274,067)
Net profit for the periods/years		3,244,362	3,543,040	6,283,297	4,237,530	805,609	799,179
Earnings per share ("EPS")							
attributable to the shareholders							
of the Company/combining entities							
- Basic and diluted (sen)	30	1.31	784	23	938	178	177

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

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital RM	Invested equity RM	Reorganisation reserve RM	Retained earnings RM	Total equity RM
Audited						
At 1 January 2021		-	451,000	-	7,101,807	7,552,807
Net profit/Total comprehensive income for the financial year		-	-	-	799,179	799,179
<u>Transactions with owners:</u>						
- Issuance of shares	18	1,000	-	-	-	1,000
- Dividends	31	-	-	-	(729,784)	(729,784)
At 31 December 2021/1 January 2022		1,000	451,000	-	7,171,202	7,623,202
Net profit/Total comprehensive income for the financial year		-	-	-	805,609	805,609
<u>Transactions with owners:</u>						
- Dividends	31	-	-	-	(800,000)	(800,000)
At 31 December 2022/1 January 2023		1,000	451,000	-	7,176,811	7,628,811
Net profit/Total comprehensive income for the financial year		-	-	-	4,237,530	4,237,530
<u>Transactions with owners:</u>						
- Dividends	31	-	-	-	(1,655,609)	(1,655,609)
At 31 December 2023/1 January 2024		1,000	451,000	-	9,758,732	10,210,732
Net profit/Total comprehensive income for the financial year		-	-	-	6,283,297	6,283,297
<u>Transactions with owners:</u>						
- Issuance of shares pursuant to acquisition of subsidiaries	18	12,366,800	-	-	-	12,366,800
- Acquisition of subsidiaries	19	-	(451,000)	(11,915,800)	-	(12,366,800)
- Dividends	31	-	-	-	(1,870,000)	(1,870,000)
At 31 December 2024		12,367,800	-	(11,915,800)	14,172,029	14,624,029

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Note	Share capital RM	Invested equity RM	Reorganisation reserve RM	Retained earnings RM	Total equity RM
Audited						
At 1 January 2025		12,367,800	-	(11,915,800)	14,172,029	14,624,029
Net profit/Total comprehensive income for the financial period		-	-	-	3,244,362	3,244,362
At 30 June 2025		<u>12,367,800</u>	<u>-</u>	<u>(11,915,800)</u>	<u>17,416,391</u>	<u>17,868,391</u>
At 1 January 2024		1,000	451,000	-	9,758,732	10,210,732
Net profit/Total comprehensive income for the financial period		-	-	-	3,543,040	3,543,040
<u>Transactions with owners:</u>						
- Dividends	31	-	-	-	(500,000)	(500,000)
At 30 June 2024		<u>1,000</u>	<u>451,000</u>	<u>-</u>	<u>12,801,772</u>	<u>13,253,772</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

STATEMENTS OF CASH FLOW

		Audited					
	Note	01.01.2025 to 30.06.2025 RM	01.01.2024 to 30.06.2024 RM	01.01.2024 to 31.12.2024 RM	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2021 to 31.12.2021 RM
Cash flows from/(for) operating activities							
Profit before tax		4,812,844	4,535,398	8,924,559	5,885,940	1,168,799	1,073,246
<u>Adjustments for:</u>							
Amortisation of government grants	22	(14,708)	(14,709)	(29,418)	(29,417)	(9,952)	(5,172)
Bad debts written off		85,000	-	-	11,539	-	-
Depreciation of investment properties	9	4,260	10,560	14,820	23,023	25,027	25,027
Depreciation of property, plant and equipment	8	508,762	454,605	984,407	633,380	506,422	429,191
Distribution income from cash management fund at FVTPL	25	(2,100)	(2,468)	(4,246)	(4,572)	(1,308)	(2,430)
Finance costs	28	318,363	282,142	716,780	617,739	545,966	521,392
Interest income	25	(19,043)	(29,674)	(51,549)	(55,368)	(28,287)	(51,961)
Gain on disposal of investment property	25	-	-	(2,696,300)	(977,921)	-	-
Gain on disposal of property, plant and equipment	25	-	(1,433)	(126,180)	(11,034)	-	(72,435)
Gain on early termination of lease		(2,877)	-	(208)	-	-	-
Net impairment loss on financial assets	13	425,669	6,487	158,244	310,451	-	-
Loss on disposal of other investment	26	-	-	-	50,000	-	-
Plant and equipment written off		1,153	-	-	-	-	-
(Reversal)/Provision of warranty	23	(4,281)	26,130	73,172	26,269	14,374	23,057
Unrealised (gain)/loss on foreign exchange		(5,673)	14,172	9,105	(339)	-	-
Operating profit before changes in working capital		<u>6,107,369</u>	<u>5,281,210</u>	<u>7,973,186</u>	<u>6,479,690</u>	<u>2,221,041</u>	<u>1,939,915</u>

13. ACCOUNTANTS' REPORT (Cont'd)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

STATEMENTS OF CASH FLOW (CONT'D)

	Note	Audited					
		01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
		to 30.06.2025 RM	to 30.06.2024 RM	to 31.12.2024 RM	to 31.12.2023 RM	to 31.12.2022 RM	to 31.12.2021 RM
Operating profit before changes in working capital (cont'd)		6,107,369	5,281,210	7,973,186	6,479,690	2,221,041	1,939,915
Changes in working capital:							
Decrease/(Increase) in inventories		215,961	650,368	765,510	(940,897)	440,094	(952,122)
Increase in trade and other receivables		(4,612,209)	(4,820,413)	(6,480,290)	(1,885,705)	(2,357,884)	(69,080)
Increase in trade and other payables		429,139	1,355,837	2,891,499	1,818,171	403,546	722,592
Decrease/(Increase) in contract assets/ (liabilities), net		1,093,578	(759,657)	(1,061,586)	(598,510)	355,509	782,074
Cash flows generated from operations		<u>3,233,838</u>	<u>1,707,345</u>	<u>4,088,319</u>	<u>4,872,749</u>	<u>1,062,306</u>	<u>2,423,379</u>
Interest received		19,043	29,674	51,549	55,368	28,287	51,961
Tax paid, net		<u>(1,258,128)</u>	<u>(612,114)</u>	<u>(2,049,398)</u>	<u>(569,127)</u>	<u>(928,886)</u>	<u>(812,696)</u>
Net cash generated from operating activities		<u>1,994,753</u>	<u>1,124,905</u>	<u>2,090,470</u>	<u>4,358,990</u>	<u>161,707</u>	<u>1,662,644</u>
Cash flows from/(for) investing activities							
Distribution income received		2,100	2,468	4,246	4,572	1,308	2,430
Purchase of property, plant and equipment	(b)	(275,832)	(419,624)	(570,226)	(616,256)	(539,104)	(240,450)
Proceeds from disposal of investment property		-	-	3,380,000	1,200,000	-	-
Proceeds from disposal of property, plant and equipment		-	55,000	505,000	25,511	-	73,300
Proceeds from disposal of other investment		-	-	-	10,000	-	-
Net cash (used in)/generated from investing activities		<u>(273,732)</u>	<u>(362,156)</u>	<u>3,319,020</u>	<u>623,827</u>	<u>(537,796)</u>	<u>(164,720)</u>

13. ACCOUNTANTS' REPORT (Cont'd)**Powertech Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****STATEMENTS OF CASH FLOW (CONT'D)**

	Note	Audited					
		01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
		to 30.06.2025 RM	to 30.06.2024 RM	to 31.12.2024 RM	to 31.12.2023 RM	to 31.12.2022 RM	to 31.12.2021 RM
Cash flows from/(for) financing activities							
Dividends paid		-	(500,000)	(1,870,000)	(1,655,609)	(879,784)	(650,000)
Finance costs paid	(c)	(318,363)	(282,142)	(716,780)	(617,739)	(545,966)	(521,392)
(Increase)/Decrease in pledged deposits		-	(18,616)	1,080,000	(1,080,000)	-	-
Proceeds from issuance of shares		-	-	-	-	-	50,000
(Repayment)/Drawdown of loan and borrowings, net	(c)	(515,066)	(369,933)	1,581,410	(730,537)	(605,732)	(559,798)
Repayment of lease liabilities	(c)	(305,383)	(274,177)	(603,631)	(275,560)	(146,706)	(132,958)
Decrease/(Increase) in restricted cash at bank		67,037	-	(132,037)	-	-	-
Net cash used in financing activities		<u>(1,071,775)</u>	<u>(1,444,868)</u>	<u>(661,038)</u>	<u>(4,359,445)</u>	<u>(2,178,188)</u>	<u>(1,814,148)</u>
Net increase/(decrease) in cash and cash equivalents		649,246	(682,119)	4,748,452	623,372	(2,554,277)	(316,224)
Cash and cash equivalents at beginning of the periods/years		8,142,749	3,394,297	3,394,297	2,770,925	5,325,202	5,641,426
Cash and cash equivalents at end of the periods/years	(a)	<u>8,791,995</u>	<u>2,712,178</u>	<u>8,142,749</u>	<u>3,394,297</u>	<u>2,770,925</u>	<u>5,325,202</u>

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

STATEMENTS OF CASH FLOW (CONT'D)

Note:

(a) Cash and cash equivalents

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Cash and bank balances (Note 16)	8,856,995	2,712,188	7,774,795	3,394,307	2,012,140	3,086,031
Deposits with a licensed bank (Note 15)	-	1,098,616	500,000	1,080,000	1,259,085	2,239,181
	8,856,995	3,810,804	8,274,795	4,474,307	3,271,225	5,325,212
<u>Less:</u>						
Pledged deposits	-	(1,098,616)	-	(1,080,000)	-	-
Bank overdraft (Note 20)	-	(10)	(9)	(10)	(500,300)	(10)
Restricted cash at bank	(65,000)	-	(132,037)	-	-	-
	8,791,995	2,712,178	8,142,749	3,394,297	2,770,925	5,325,202

13. ACCOUNTANTS' REPORT (Cont'd)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

STATEMENTS OF CASH FLOW (CONT'D)

Note (cont'd):

(b) Purchase of property, plant and equipment

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Purchase of property, plant and equipment	275,832	1,136,760	1,287,361	2,059,250	840,996	325,450
Financed by way of lease arrangements	-	(717,136)	(717,135)	(1,442,994)	(301,892)	(85,000)
Cash payments	275,832	419,624	570,226	616,256	539,104	240,450

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

STATEMENTS OF CASH FLOW (CONT'D)

Note (cont'd):

(c) Changes in liabilities arising from financing activities

		←──					

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****STATEMENTS OF CASH FLOW (CONT'D)**

Note (cont'd):

(c) Changes in liabilities arising from financing activities (cont'd)

	Movements							At end of the year RM
	At beginning of the year RM	Cash flows	Interest paid RM	Interest costs RM	New leases RM	Derecognition RM	Other charges RM	
Audited								
FYE 31 December 2023								
Loan and borrowings	10,874,518	(730,537)	(553,559)	553,559	-	-	-	10,143,981
Lease liabilities	441,068	(275,560)	(64,180)	64,180	1,442,994	-	-	1,608,502
	11,315,586	(1,006,097)	(617,739)	617,739	1,442,994	-	-	11,752,483
FYE 31 December 2022								
Loan and borrowings	11,480,250	(605,732)	(520,102)	520,102	-	-	-	10,874,518
Lease liabilities	285,882	(146,706)	(25,864)	25,864	301,892	-	-	441,068
	11,766,132	(752,438)	(545,966)	545,966	301,892	-	-	11,315,586
FYE 31 December 2021								
Loan and borrowings	12,040,048	(559,798)	(495,029)	495,029	-	-	-	11,480,250
Lease liabilities	333,840	(132,958)	(26,363)	26,363	85,000	-	-	285,882
	12,373,888	(692,756)	(521,392)	521,392	85,000	-	-	11,766,132

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

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

1. GENERAL INFORMATION

Powertechnic Group Sdn. Bhd. was incorporated in Malaysia under the Companies Act 2016 on 23 April 2021 as a private limited liability company and subsequently converted into a public limited liability company on 27 November 2024 and assumed its present name of Powertechnic Group Berhad ("Powertechnic" or the "Company").

The registered office of the Company is located at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No.9, Jalan Syed Mohd. Mufti, 80888 Ibrahim International Business District, Johor. The principal place of business is located at No. 28, Jalan I-Park 1/3, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor.

The principal activity of the Company is investment holding whilst the principal activities of its subsidiaries/combining entities are disclosed in Note 2 of this report. The Company was incorporated to acquire the combining entities pursuant to the restructuring exercise and listing exercise as disclosed in Note 2 to this report.

2. RESTRUCTURING EXERCISE

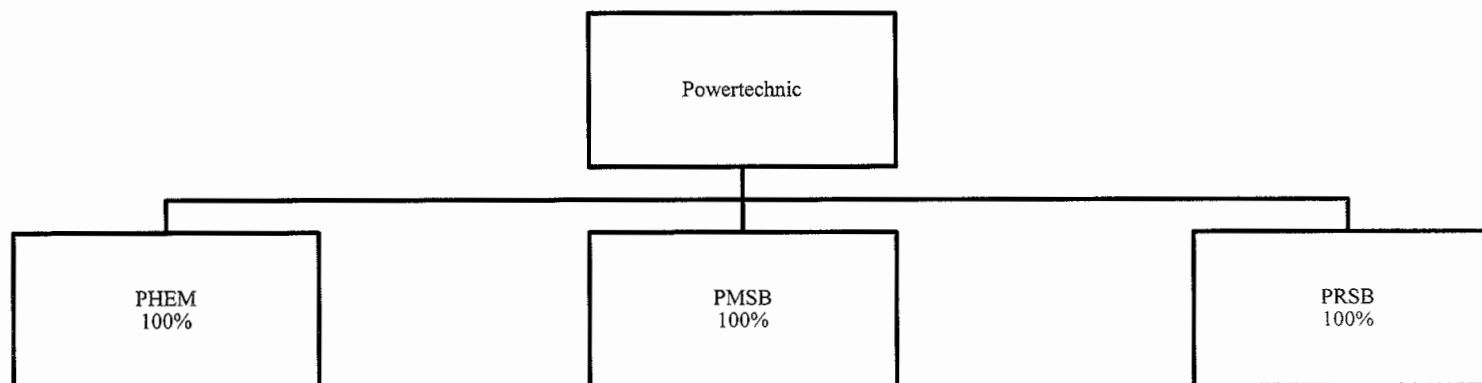
In connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities ("Listing"), Powertechnic undertook a restructuring exercise via the acquisitions of Powertechnic Handling Equipment (M) Sdn. Bhd. ("PHEM"), Powertechnic Marketing Sdn. Bhd. ("PMSB") and Powertechnic Resources Sdn. Bhd. ("PRSB").

For the purpose of the Listing, share sale agreements were executed for:

- (i) the acquisition by the Company of the entire issued share capital in PHEM comprising 400,000 ordinary shares for a purchase consideration of RM9,575,800 which was satisfied via the issuance of 191,516,000 new ordinary shares in the Company ("Shares") at an issue price of RM0.05 per Share. The acquisition of PHEM was completed on 21 November 2024.
- (ii) the acquisition by the Company of the entire issued share capital in PMSB comprising 50,000 ordinary shares for a purchase consideration of RM1,637,000 which was satisfied via the issuance of 32,740,000 new Shares at an issue price of RM0.05 per Share. The acquisition of PMSB was completed on 21 November 2024.
- (iii) the acquisition by the Company of the entire issued share capital in PRSB comprising 1,000 ordinary shares for a purchase consideration of RM1,154,000 which was satisfied via the issuance of 23,080,000 new Shares at an issue price of RM0.05 per Share. The acquisition of PRSB was completed on 21 November 2024.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****2. RESTRUCTURING EXERCISE (CONT'D)**

The corporate structure following completion of the restructuring exercise on 21 November 2024 is as follows:



Powertechnic and its subsidiaries/combining entities are collectively known as "Powertechnic Group" or "the Group" in the consolidated and combined financial statements contained in this Accountants' Report.

Details of the subsidiaries/combining entities at the date of this report are as follows:

Name of subsidiaries/combining entities	Date of incorporation	Issued share capital (RM)	Effective equity interest						Principal activities
			← At 30 June →		← At 31 December →				
			2025 %	2024 %	2024 %	2023 %	2022 %	2021 %	
PHEM	25 March 2002	400,000	100	100	100	100	100	100	Provision of lifting systems, and maintenance and repair services.
PMSB	23 May 2017	50,000	100	100	100	100	100	100	Provision of elevators, and maintenance and repair services.
PRSB	30 December 2015	1,000	100	100	100	100	100	100	Supply of parts and consumables, and procurement.

All the above subsidiaries/combining entities are incorporated in Malaysia.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****3. SHARE CAPITAL**

The details of the changes in the issued share capital of Powertechnic since its incorporation are as follow:

Date of allotment	No. of shares allotted	Cumulative no. of shares allotted	Consideration	Cumulative issued share capital (RM)
23 April 2021	1,000	1,000	Subscribers' shares	1,000
21 November 2024	191,516,000	191,517,000	Acquisition of PHEM	9,576,800
21 November 2024	32,740,000	224,257,000	Acquisition of PMSB	11,213,800
21 November 2024	23,080,000	247,337,000	Acquisition of PRSB	12,367,800
Upon listing	63,000,000	310,337,000	Public issue	34,417,800

4. BASIS OF COMBINATION

This report comprises the individual financial statements of the following combining entities for financial year(s) ended ("FYE") 31 December 2021, 31 December 2022, 31 December 2023 and financial period ended ("FPE") 30 June 2024 aggregated and adjusted for intercompany transactions and the consolidated financial statements of the Group for FYE 31 December 2024 and FPE 30 June 2025 for preparation of the consolidated and combined financial statements:

Company name	At 30 June		At 31 December			
	2025	2024	2024	2023	2022	2021
	RM	RM	RM	RM	RM	RM
Powertechnic	(1), (3)	(2), (3)	(1), (3)	(2), (3)	(2), (3)	(2), (3)
PHEM	(1), (3)	(2), (3)	(1), (3)	(2), (3)	(2), (3)	(2), (3)
PMSB	(1), (3)	(2), (3)	(1), (3)	(2), (3)	(2), (3)	(2), (3)
PRSB	(1), (3)	(2), (3)	(1), (3)	(2), (3)	(2), (3)	(2), (3)

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

4. BASIS OF COMBINATION (CONT'D)

This report comprises the individual financial statements of the following combining entities for financial year(s) ended ("FYE") 31 December 2021, 31 December 2022, 31 December 2023 and financial period ended ("FPE") 30 June 2024 aggregated and adjusted for intercompany transactions and the consolidated financial statements of the Group for FYE 31 December 2024 and FPE 30 June 2025 for preparation of the consolidated and combined financial statements: (cont'd)

- ⁽¹⁾ *As disclosed in Note 2, Powertechnic has completed the acquisition of PHEM, PMSB and PRSB on 21 November 2024. Accordingly, the consolidated financial statements of the relevant year/period represent the audited consolidated financial statements of Powertechnic which were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").*
- ⁽²⁾ *The combined financial statements of the relevant financial years/periods were prepared based on the audited financial statements of combining entities which were prepared in accordance with MFRS and IFRS.*
- ⁽³⁾ *The audited financial statements of the relevant financial years/periods were audited by Ecovis Malaysia PLT.*

The audited financial statements of subsidiaries/combining entities for the relevant financial years/periods reported above were not subject to any qualification or modification.

- (a) Combined financial statements for FYE 31 December 2021, 31 December 2022, 31 December 2023 and FPE 30 June 2024

The combined financial statements of the Group for the FYE 31 December 2021, 31 December 2022, 31 December 2023 and FPE 30 June 2024 have been prepared in a manner as if the combined entities under common control were operating as a single economic entity at the beginning of the earliest comparative period presented or, if later, at the date that common control was established.

Entities under common control are entities which are ultimately controlled by the same parties both during and after the reporting periods and that control is not transitory. Common control exists when the same parties have ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory.

The merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements. In applying merger accounting, financial statement line items of the combining entities for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the combined financial statements as if the combination had occurred from the date when the combining entities first came under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the combining entities. Therefore, the assets, liabilities and equity of the combining entities are recognised at the carrying amounts in the combined financial statements. The carrying amounts are included as if such combined financial statements had been prepared by the controlling party, including adjustments required for conforming to the Group's accounting policies and applying those policies to all years presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions and balances between the combining entities, whether occurring before or after the combination, are eliminated in preparing the combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

4. BASIS OF COMBINATION (CONT'D)

- (a) Combined financial statements for FYE 31 December 2021, 31 December 2022, 31 December 2023 and FPE 30 June 2024 (cont'd)

The financial information as presented in the combined financial statements do not correspond to the consolidated financial statements of the Group, as the combined financial statements reflect business combinations under common control for the purpose of the Listing. Consequently, the financial information from the combined financial statements do not purport to predict the financial positions, results of operations and cash flows of the Group during the reporting periods.

- (b) Consolidated financial statements for FYE 31 December 2024 and FPE 30 June 2025

During FYE 31 December 2024 and FPE 30 June 2025, the Group applied merger method of accounting on retrospective basis arising from the acquisition of entire equity interests of PHEM, PMSB and PRSB by the Company in business combination under common control.

Consequently, the following accounting treatments have been applied in the consolidated financial statements arising from the business combination under common control:

- (a) Assets and liabilities of PHEM, PMSB and PRSB are recognised and measured at their pre-business combination carrying amount without restatement to fair value;
- (b) Retained earnings of the Group as at 1 January 2024 are those of Powertechnic and its subsidiaries;
- (c) Share capital as at 1 January 2024 reflects the share capital of Powertechnic; and
- (d) The statements of financial position for FYE 31 December 2024 and FPE 30 June 2025 represent the financial position of the Group after reflecting the effects of the acquisitions during the financial year.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION

5.1 Statement of compliance

The consolidated and combined financial statements have been prepared in accordance with MFRS and IFRS.

The consolidated and combined financial statements have been prepared on the historical cost basis unless otherwise indicated in Note 6 to the consolidated and combined financial statements.

The consolidated and combined financial statements of the Group are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the combining entities.

The preparation of the consolidated and combined financial statements in conformity with MFRSs requires the Directors to make judgements, estimates and assumptions and that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The areas involving such judgements, estimates and assumptions are disclosed in Note 7 to the consolidated and combined financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results may differ from these estimates.

5.2 Adoption of MFRS and amendments to MFRSs on its mandatory effective date

The following are MFRS and amendments to MFRSs that are effective and have been adopted by the Group during the relevant financial years/periods:

(i) Effective during FYE 31 December 2021

- Amendments to MFRS 4, 7, 9, 16 and 139 – Interest Rate Benchmark Reform – Phase 2

(ii) Effective during FYE 31 December 2022

- Amendments to MFRS 3, 'Business Combination' – Reference to the Conceptual Framework
- Amendment to MFRS 16, 'Leases' - COVID-19-Related Rent Concessions beyond 30 June 2021
- Amendments to MFRS 116, 'Property, Plant and Equipment' – Proceeds before Intended Use
- Amendments to MFRS 137, 'Provisions, Contingent Liabilities and Contingent Assets' – Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION (CONT'D)

5.2 Adoption of MFRS and amendments to MFRSs on its mandatory effective date (cont'd)

The following are MFRS and amendments to MFRSs that are effective and have been adopted by the Group during the relevant financial years/periods: (cont'd)

(iii) Effective during FYE 31 December 2023

- MFRS 17 and Amendments to MFRS 17, 'Insurance Contracts'
- Amendments to MFRS 17, 'Insurance Contracts' – Initial Application of MFRS 17 and MFRS 9 (Comparative Information)
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Disclosure of Accounting Policies
- Amendments to MFRS 108, 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates
- Amendments to MFRS 112, 'Income Taxes' – Deferred Tax related to Asset and Liabilities arising from a Single Transaction
- Amendments to MFRS 112, 'Income Taxes' – International Tax Reform - Pillar Two Model Rules

(iv) Effective during FYE 31 December 2024

- Amendments to MFRS 16, 'Leases' – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 107, 'Statement of Cash Flows' and MFRS 7, 'Financial Instruments: Disclosure' – Supplier Finance Arrangements

(v) Effective during FPE 30 June 2025

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

The adoption of the above MFRS and amendments to MFRS did not have any significant effect on the consolidated and combined financial statements of the Group and did not result in significant changes to the Group's existing accounting policies.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION (CONT'D)

5.3 MFRS and amendments to MFRSs that have been issued, but not yet adopted

The following are accounting MFRS and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group. The Group intends to adopt these MFRS and amendments to MFRSs, if applicable, when they become effective in the following financial year:

(i) Effective for the financial period beginning on or after 1 January 2026

- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Contracts Referencing Nature-dependent Electricity
- Amendments to MFRSs, 'Annual Improvements to MFRS Accounting Standards – Volume 11'

(ii) Effective for the financial period beginning on or after 1 January 2027

- MFRS 18, 'Presentation and Disclosure of Financial Statements'
- MFRS 19, 'Subsidiaries without Public Accountability: Disclosures'

(iii) Deferred to a date to be determined by the MASB

- Amendments to MFRS 10, 'Consolidated Financial Statements' and Amendments to MFRS 128, 'Investments in Associates and Joint Ventures' - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group plans to apply the abovementioned MFRS and amendments to MFRSs, where applicable to the Group, from the beginning of the financial year where they become effective.

The Group is currently assessing the impact of initial application of the above application MFRS and amendment to MFRS since the effect would only be observable in future financial years.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION

6.1 Foreign currency transactions and balances

Transactions in foreign currencies are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

6.2 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of property, plant and equipment begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Freehold land is not subject to depreciation as it has indefinite useful life. All other property, plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Freehold buildings and renovation	2% - 10%
Office equipment and furniture & fittings	10%
Motor vehicles	10%
Factory equipment	10%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.2 Property, plant and equipment (cont'd)

The residual value, useful life and depreciation method are reviewed at each year-end, and adjusted prospectively, if appropriate.

Certain assets included in property, plant and equipment are right-of-use assets within the scope of MFRS 16. The policy for recognition and measurement of right-of-use assets are disclosed in Note 6.14 to the consolidated and combined financial statements.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year/period the asset is derecognised.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of an asset, and is recognised in the statements of profit or loss and other comprehensive income.

Repairs and maintenance are charged to the profit or loss during the year/period in which they are incurred.

6.3 Investment properties

Investment properties are properties (land or a building, or part of a building, or both of land and building, including self-constructed investment property) which are held either to earn rental income or capital appreciation or for both and are not used in the production or supply of goods or services or for administrative purpose, or sale in the ordinary course of business.

Investment properties are initially measured at cost. The cost of investment property comprises its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs, or present value of all future payments.

After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line over the estimated useful life of 50 years for freehold buildings. Freehold lands are not subject to depreciation as it has indefinite useful life.

The residual value, useful life and depreciation method of the investment property of the Group is reviewed, and adjusted prospectively if appropriate, if there is an indication of a change since the last reporting date.

Investment properties are derecognised when either they have been disposed or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.4 Other investment

Other investment is carried at cost less impairment losses (if any). Where an indication of impairment exists, the carrying amount of other investment is assessed and written down immediately to its recoverable amount, in line with the accounting policies as set out in Note 6.8 to the consolidated and combined financial statements.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited into profit or loss.

6.5 Financial assets

(i) Initial recognition and subsequent measurement

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

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

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the year/period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9 are as below:

(a) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.5 Financial assets (cont'd)

(i) Initial recognition and subsequent measurement (cont'd)

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9 are as below: (cont'd)

(b) Financial assets measured at fair value

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income, except impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. The Group does not have any financial assets measured at FVTOCI or FVTPL, other than cash management fund as disclosed in Note 16 to the consolidated and combined financial statements.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group does not have any financial assets that are equity instruments.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

(ii) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.5 Financial assets (cont'd)

(iii) Impairment of financial assets

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group uses historical experience and other supportive information to assess deterioration in credit quality of a financial asset. The Group assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group expects to receive. The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance account.

The Group measures the impairment loss on financial assets other than trade receivables and contract assets based on the two-step approach:

(i) 12-month expected credit loss ("ECL")

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(ii) Lifetime ECL

For the financial asset for which there is significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Group. If, in a subsequent year the significant increase in credit risk since initial recognition is no longer evident, the Group shall revert the loss allowance measurement from lifetime ECL to 12-month ECL.

If in a subsequent year, the credit quality improves and reverses any previously assessed significant increase in credit risk since initial recognition, then the impairment loss reverts from lifetime ECL to 12-month ECL.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.6 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

These assets are not depreciated or amortised once classified as held for sale.

Assets classified as held for sale are presented separately as current items in the statements of financial position.

6.7 Financial liabilities

(i) Initial recognition and subsequent measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are measured initially at fair value plus directly attributable costs, except in the case of financial liabilities at FVTPL.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(a) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group does not have any financial liabilities at FVTPL at reporting date.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.7 Financial liabilities (cont'd)

(i) Initial recognition and subsequent measurement (cont'd)

(b) Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(ii) Derecognition

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

6.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset (except for inventories and tax recoverable) may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful lives or that are not available for use, the recoverable amount is estimated each period at the same time.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use ("CGU"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. Where the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.8 Impairment of non-financial assets (cont'd)

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in profit or loss except for assets that have been previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rated basis.

An impairment loss in respect of goodwill is not reversed. In respect of assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is credited to profit or loss in the financial year in which the reversal is recognised.

6.9 Contract assets and liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. Contract assets are the excess of cumulative revenue earned over the billings to date. When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset carrying amount and the present value of estimated future cash flows to be generated by contract assets.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or have billed the customer. Contract liabilities are the excess of the billings to date over the cumulative revenue earned. Contract liabilities included advance payment and downpayments received from customers and other amounts where the Group has billed before the goods are delivered or services are provided to the customers.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**6.10 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials and trading goods: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of raw materials, conversion cost of labour and a proportion of manufacturing overheads based on normal operating capacity.

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

6.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, fixed deposits and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flow, cash and cash equivalents are presented net of bank overdrafts (if any), pledged deposits and restricted cash at bank.

6.12 Equity

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

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

Distributions to holders of an equity instruments is recognised directly in equity.

6.13 Provisions

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

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

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.14 Leases

(i) The Group as lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets and short-term leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the incremental borrowing rate determined by reference to the rate inherent in the lease.

On initial recognition, the carrying value of the lease liability also includes amounts expected to be payable under any residual value guarantee, the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option, and any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For leases of low value assets and short-term leases, the Group applies the recognition exemption in accordance with applicable criteria of MFRS 16. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(ii) The Group as lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct cost incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**6.15 Revenue and other income recognition**

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or service to customer, which is when the customer obtains control of the goods or service. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expect to be entitled in exchange for transferring promised goods or services to a customer, net of tax, returns, rebates and discounts. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) Provision of lifting systems and elevators

The Group is generally involved in provision of lifting systems and elevators (including maintenance and repair services), where revenue from standard lifting systems and elevators (and spare parts) are recognised at a point in time when the control of the goods has been transferred to the customers and coincide with the delivery of goods and acceptance by customers. If it is not possible to reliably estimate the outcome of a contract, sales are only recognised to the extent that the corresponding costs are expected to be recovered.

For revenue from larger contract that represents a series of deliverables such as design, manufacture and installation of lifting systems, revenue are recognised over time, using input method to measure progress towards complete satisfaction of the contract based on labour and material cost incurred to date relative to the total expected cost to the satisfaction of the contract.

Revenue from maintenance services for goods supplied are recognised upon the performance of services.

There is no significant financing component in the revenue arising from provision of lifting systems and elevators as the sales are made on normal credit terms not exceeding twelve (12) months.

(ii) Interest income

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

(iii) Rental income

Rental income from investment property is accounted for on a straight-line basis over the lease term of an ongoing lease.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.16 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 income in the combined statements of financial position and transferred 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 fair value of the loan based on prevailing market interest rates.

6.17 Employee benefits

(i) Short-term benefits

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

Bonus are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group make contributions to the Employee Provident Fund ("EPF") in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(iii) Share-based payment

The Group will recognise an employee benefit expense, if significant, for fair value of the ordinary shares of the combining entities in exchange for the services from employees, with a corresponding increase to share-based payment reserve within equity.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are interrupted or completed.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

6.19 Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- (a) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (b) in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.19 Taxes (cont'd)

(ii) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- (a) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (b) in respect of deductible temporary differences associated with investment in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reserve in the foreseeable future and taxable profit will be available against which that temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

6.20 Fair value measurement

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

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

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.20 Fair value measurement (cont'd)

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

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

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

Level 3: unobservable inputs for the asset or liability.

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

6.21 Earnings per ordinary share ("EPS")

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the periods, adjusted for own shares held.

Diluted EPS is determined by adjusting the net profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

6.22 Current versus non-current classification

Assets and liabilities in statements of financial position are presented based on current/non-current classification. An asset is current when it is:

- (i) Expected to be realised or intended to sold or consumed in normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realised within twelve months after the reporting period; or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.22 Current versus non-current classification (cont'd)

A liability is current when:

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated and combined financial statements in conformity with MFRS requires management to exercise their judgement in the process of applying the Group's accounting policies and the use of accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date and which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the consolidated and combined financial statements other than those disclosed below:

(i) Depreciation of property, plant and equipment and investment properties

The cost of an item of property, plant and equipment and investment properties are depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment and investment properties.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the consolidated and combined financial statements other than those disclosed below: (cont'd)

(ii) Measurement of right-of-use assets and lease liabilities

The right-of-use assets are depreciated on the straight-line basis over the assets' useful lives or lease term, whichever is earlier. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

The lease term has been determined based on the non-cancellable period of lease in terms and conditions of the arrangements together with both:

(a) periods covered by an option to extend the leases; and

(b) periods covered by an option to terminate the lease.

In determining whether it is reasonably certain that an option to extend the lease or not to exercise an option to terminate the lease will be exercised, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such options when exercising its judgement in the assessment.

The Group uses its incremental borrowing rate ("IBR") to measure lease liabilities as the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observation rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

(iii) Inventories costing

In determining the costing of inventories, management's judgement is required in determining the basis of valuation for finished goods and work-in-progress which comprise costs of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity.

(iv) Impairment of financial assets

The Group assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payment.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's financial assets at the reporting date is disclosed in Note 34.1 of the consolidated and combined financial statements.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the consolidated and combined financial statements other than those disclosed below: (cont'd)

(v) Measurement of income tax

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognise tax liabilities based on its undertaking of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(vi) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial instruments. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(vii) Revenue recognition

The Group recognises revenue from larger provision of lifting system contract in profit or loss by using the percentage-of-completion method. The stage of completion is determined by the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Estimated losses are recognised in full when determined. Contract revenue and expenses estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

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 project undertaken. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on work of specialists. If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a contract is completed, but would recognise a loss as soon as the loss becomes evident.

Adjustment based on the stage-of-completion method are reflected in contract revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported contract revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

Some portions of the Group's revenue are billed under fixed price contracts. Variation orders are commonly billed to customers in the normal course of business and these are recognised to the extent they have been agreed with the customers and can be reasonably estimated.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold lands RM	Freehold buildings and renovation RM	Factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Right-of-use assets RM	Total RM
Audited Cost							
At 1 January 2021	900,000	5,570,090	518,581	960,678	909,868	932,133	9,791,350
Additions	-	29,000	11,634	190,116	-	94,700	325,450
Disposals	-	-	-	(2,885)	(298,827)	-	(301,712)
Reclassification	-	-	-	-	402,396	(402,396)	-
At 31 December 2021/1 January 2022	900,000	5,599,090	530,215	1,147,909	1,013,437	624,437	9,815,088
Additions	-	-	77,000	287,504	163,200	313,292	840,996
At 31 December 2022/1 January 2023	900,000	5,599,090	607,215	1,435,413	1,176,637	937,729	10,656,084
Additions	-	5,066	66,184	270,382	120,800	1,596,818	2,059,250
Disposals	-	-	-	(7,594)	(98,846)	-	(106,440)
Reclassification	-	-	-	-	221,891	(221,891)	-
At 31 December 2023/1 January 2024	900,000	5,604,156	673,399	1,698,201	1,420,482	2,312,656	12,608,894
Additions	-	147,641	120,878	284,706	-	734,136	1,287,361
Derecognition upon early termination of lease	-	-	-	-	-	(19,587)	(19,587)
Disposals	-	-	-	-	(133,918)	-	(133,918)
Reclassification	-	-	-	-	307,846	(307,846)	-
Reclassification as asset held for sale	-	(373,498)	-	-	-	-	(373,498)
At 31 December 2024/1 January 2025	900,000	5,378,299	794,277	1,982,907	1,594,410	2,719,359	13,369,252
Additions	-	120,423	-	155,409	-	-	275,832
Derecognition upon early termination of lease	-	-	-	-	-	(113,892)	(113,892)
Written off	-	-	-	(1,687)	-	-	(1,687)
At 30 June 2025	900,000	5,498,722	794,277	2,136,629	1,594,410	2,605,467	13,529,505

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Freehold lands RM	Freehold buildings and renovation RM	Factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Right-of-use assets RM	Total RM
Audited							
Accumulated depreciation							
At 1 January 2021	-	1,009,187	293,949	576,494	762,321	395,614	3,037,565
Charge for the year	-	137,683	43,782	91,553	53,490	102,683	429,191
Disposals	-	-	-	(2,020)	(298,827)	-	(300,847)
Reclassification	-	-	-	-	291,074	(291,074)	-
At 31 December 2021/1 January 2022	-	1,146,870	337,731	666,027	808,058	207,223	3,165,909
Charge for the year	-	137,683	51,482	117,063	95,032	105,162	506,422
At 31 December 2022/1 January 2023	-	1,284,553	389,213	783,090	903,090	312,385	3,672,331
Charge for the year	-	138,045	56,429	131,656	83,065	224,185	633,380
Disposals	-	-	-	(1,202)	(90,761)	-	(91,963)
Reclassification	-	-	-	-	141,932	(141,932)	-
At 31 December 2023/1 January 2024	-	1,422,598	445,642	913,544	1,037,326	394,638	4,213,748
Charge for the year	-	139,572	65,466	173,778	135,988	469,603	984,407
Derecognition upon early termination of lease	-	-	-	-	-	(10,610)	(10,610)
Disposals	-	-	-	-	(80,351)	-	(80,351)
Reclassification	-	-	-	-	134,175	(134,175)	-
Reclassification as asset held for sale	-	(48,245)	-	-	-	-	(48,245)
At 31 December 2024/1 January 2025	-	1,513,925	511,108	1,087,322	1,227,138	719,456	5,058,949
Charge for the period	-	69,574	34,324	94,939	48,477	261,448	508,762
Derecognition upon early termination of lease	-	-	-	-	-	(68,335)	(68,335)
Written off	-	-	-	(534)	-	-	(534)
At 30 June 2025	-	1,583,499	545,432	1,181,727	1,275,615	912,569	5,498,842

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

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

	Freehold lands RM	Freehold buildings and renovation RM	Factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Right-of-use assets RM	Total RM
Audited							
Cost							
At 1 January 2024	900,000	5,604,156	673,399	1,698,201	1,420,482	2,312,656	12,608,894
Additions	-	94,624	120,878	187,122	-	734,136	1,136,760
Disposals	-	-	-	-	(133,918)	-	(133,918)
Reclassification	-	-	-	-	107,544	(107,544)	-
Reclassification as asset held for sale	-	(373,498)	-	-	-	-	(373,498)
At 30 June 2024	900,000	5,325,282	794,277	1,885,323	1,394,108	2,939,248	13,238,238
Accumulated depreciation							
At 1 January 2024	-	1,422,598	445,642	913,544	1,037,326	394,638	4,213,748
Charge for the period	-	68,580	30,372	81,266	38,805	235,582	454,605
Disposals	-	-	-	-	(80,351)	-	(80,351)
Reclassification	-	-	-	-	69,904	(69,904)	-
At 30 June 2024	-	1,442,933	476,014	994,810	1,065,684	560,316	4,539,757

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

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

	Freehold lands RM	Freehold buildings and renovation RM	Factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Right-of-use assets RM	Total RM
Audited							
Net carrying amounts							
At 30 June 2025	900,000	3,915,223	248,845	954,902	318,795	1,692,898	8,030,663
At 30 June 2024	900,000	3,882,349	318,263	890,513	328,424	2,378,932	8,698,481
At 31 December 2024	900,000	3,864,374	283,169	895,585	367,272	1,999,903	8,310,303
At 31 December 2023	900,000	4,181,558	227,757	784,657	383,156	1,918,018	8,395,146
At 31 December 2022	900,000	4,314,537	218,002	652,323	273,547	625,344	6,983,753
At 31 December 2021	900,000	4,452,220	192,484	481,882	205,379	417,214	6,649,179

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)****(a) Assets pledged as securities**

The carrying amounts of freehold lands and buildings of the Group represent assets being pledged as securities to secure banking facilities as disclosed in Note 20 to the consolidated and combined financial statements.

(b) Right-of-use assets

The Group has right-of-use assets arising from:

- (i) Lease arrangements with property owners (lessor) for rental of premises, with lease period of 2 to 5 years (including option to renew of 1 to 2 years); and
- (ii) Hire purchase arrangements with financier for purchase of motor vehicles, with lease term of 5 to 6 years.

Details of the right-of-use assets are as follows:

	Rented properties RM	Motor vehicles RM	Total RM
Audited			
Cost			
At 1 January 2021	-	932,133	932,133
Additions	-	94,700	94,700
Reclassification	-	(402,396)	(402,396)
At 31 December 2021/1 January 2022	-	624,437	624,437
Additions	113,892	199,400	313,292
At 31 December 2022	113,892	823,837	937,729

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

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

(b) Right-of-use assets (cont'd)

Details of the right-of-use assets are as follows: (cont'd)

	Rented properties RM	Motor vehicles RM	Total RM
Audited			
Cost			
At 1 January 2023	113,892	823,837	937,729
Additions	518,794	1,078,024	1,596,818
Reclassification	-	(221,891)	(221,891)
At 31 December 2023/ 1 January 2024	632,686	1,679,970	2,312,656
Additions	625,136	109,000	734,136
Derecognition upon early termination of lease	(19,587)	-	(19,587)
Reclassification	-	(307,846)	(307,846)
At 31 December 2024/ 1 January 2025	1,238,235	1,481,124	2,719,359
Derecognition upon early termination of lease	(113,892)	-	(113,892)
At 30 June 2025	1,124,343	1,481,124	2,605,467

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)****(b) Right-of-use assets (cont'd)**

Details of the right-of-use assets are as follows: (cont'd)

	Rented properties RM	Motor vehicles RM	Total RM
Audited			
Accumulated depreciation			
At 1 January 2021	-	395,614	395,614
Charge for the year	-	102,683	102,683
Reclassification	-	(291,074)	(291,074)
At 31 December 2021/1 January 2022	-	207,223	207,223
Charge for the year	22,778	82,384	105,162
At 31 December 2022/1 January 2023	22,778	289,607	312,385
Charge for the year	94,562	129,623	224,185
Reclassification	-	(141,932)	(141,932)
At 31 December 2023/ 1 January 2024	117,340	277,298	394,638
Charge during the year	353,626	115,977	469,603
Derecognition upon early termination of lease	(10,610)	-	(10,610)
Reclassification	-	(134,175)	(134,175)
At 31 December 2024/ 1 January 2025	460,356	259,100	719,456
Charge during the period	187,391	74,057	261,448
Derecognition upon early termination of lease	(68,335)	-	(68,335)
At 30 June 2025	579,412	333,157	912,569

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)****(b) Right-of-use assets (cont'd)**

Details of the right-of-use assets are as follows: (cont'd)

	Rented properties RM	Motor vehicles RM	Total RM
Audited			
Cost			
At 1 January 2024	632,686	1,679,970	2,312,656
Additions	625,136	109,000	734,136
Reclassification	-	(107,544)	(107,544)
At 30 June 2024	1,257,822	1,681,426	2,939,248
Accumulated depreciation			
At 1 January 2024	117,340	277,298	394,638
Charge during the period	151,583	83,999	235,582
Reclassification	-	(69,904)	(69,904)
At 30 June 2024	268,923	291,393	560,316
Net carrying amounts			
At 30 June 2025	544,931	1,147,967	1,692,898
At 30 June 2024	988,899	1,390,033	2,378,932
At 31 December 2024	777,879	1,222,024	1,999,903
At 31 December 2023	515,346	1,402,672	1,918,018
At 31 December 2022	91,114	534,230	625,344
At 31 December 2021	-	417,214	417,214

13. ACCOUNTANTS' REPORT (Cont'd)**Powertech Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)****(c) Assets fully depreciated**

Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment, at cost as follows:

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Freehold buildings and renovation	229,882	189,082	229,882	189,082	160,282	160,282
Factory equipment	107,796	92,396	107,796	92,396	92,396	92,396
Office equipment, furniture and fittings	387,457	377,231	387,457	362,803	250,985	233,149
Motor vehicles	755,664	510,449	510,449	510,449	365,825	226,285

9. INVESTMENT PROPERTIES

	Freehold lands RM	Freehold buildings RM	Total RM
Audited			
Cost			
At 1 January 2021/31 December 2021/1 January 2022/31 December 2022/1 January 2023	7,103,984	1,251,333	8,355,317
Disposal	(97,667)	(195,333)	(293,000)
At 31 December 2023/1 January 2024	7,006,317	1,056,000	8,062,317
Reclassified as non-current asset held for sale	(270,000)	(630,000)	(900,000)
At 31 December 2024/1 January 2025/30 June 2025	6,736,317	426,000	7,162,317

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

9. INVESTMENT PROPERTIES (CONT'D)

	Freehold lands RM	Freehold buildings RM	Total RM
Audited			
Accumulated depreciation			
At 1 January 2021	-	241,924	241,924
Charge for the year	-	25,027	25,027
At 31 December 2021/1 January 2022	-	266,951	266,951
Charge for the year	-	25,027	25,027
At 31 December 2022/1 January 2023	-	291,978	291,978
Charge for the year	-	23,023	23,023
Disposal	-	(70,921)	(70,921)
At 31 December 2023/1 January 2024	-	244,080	244,080
Charge for the year	-	14,820	14,820
Reclassified as non-current asset held for sale	-	(216,300)	(216,300)
At 31 December 2024/1 January 2025	-	42,600	42,600
Charge for the period	-	4,260	4,260
At 30 June 2025	-	46,860	46,860
Cost			
At 1 January 2024	7,006,317	1,056,000	8,062,317
Reclassified as non-current asset held for sale	(270,000)	(630,000)	(900,000)
At 30 June 2024	6,736,317	426,000	7,162,317
Accumulated depreciation			
At 1 January 2024	-	244,080	244,080
Charge for the period	-	10,560	10,560
Reclassified as non-current asset held for sale	-	(216,300)	(216,300)
At 30 June 2024	-	38,340	38,340

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

9. INVESTMENT PROPERTIES (CONT'D)

	Freehold lands RM	Freehold buildings RM	Total RM
Audited			
Net carrying amounts			
At 30 June 2025	6,736,317	379,140	7,115,457
At 30 June 2024	6,736,317	387,660	7,123,977
At 31 December 2024	6,736,317	383,400	7,119,717
At 31 December 2023	7,006,317	811,920	7,818,237
At 31 December 2022	7,103,984	959,355	8,063,339
At 31 December 2021	7,103,984	984,382	8,088,366

(a) Lease arrangement

During the relevant financial years/periods, the investment properties are leased to third parties with a non-cancellable period of one to three years (31.12.2021 to 31.12.2024: one to three years). No contingent rent was charged.

The rental income recognised in profit or loss during the financial years/periods are RM82,800 (FPE 30.06.2024: RM80,400; FYE 31.12.2024: RM161,800; FYE 31.12.2023: RM212,500; FYE 31.12.2022: RM283,900; FYE 31.12.2021: RM255,775).

(b) Assets pledged as securities

The carrying amount of freehold land and buildings of the Group pledged as security to secure banking facilities of the Group as disclosed in Note 20 to the consolidated and combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertech Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****9. INVESTMENT PROPERTIES (CONT'D)****(c) Fair value of the investment properties**

At 30 June 2025, the fair value of the investment properties of approximately RM7.9 million was estimated by the Directors as at the end of the reporting period based on the comparison method that make reference to recent market value of a similar property in the vicinity on a price per square feet basis. Any changes in the price per square feet will result in a reasonable change in the fair value of the investment properties. The fair value is at Level 3 of the fair value hierarchy.

10. OTHER INVESTMENT

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Investment in unquoted shares in Malaysia, at cost	-	-	-	-	60,000	60,000

Details of movement of other investments during the financial periods/years are as follows:

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
At 1 January	-	-	-	60,000	60,000	60,000
Less: Disposal during the periods/years	-	-	-	(60,000)	-	-
At 30 June/31 December	-	-	-	-	60,000	60,000

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

11. DEFERRED TAX ASSETS/ (LIABILITIES)

	Property, plant and lease liabilities RM	Trade receivables RM	Contract assets and liabilities RM	Others RM	Total RM
Audited					
At 1 January 2021	(163,559)	-	-	144,725	(18,834)
Recognised in profit or loss	(62,587)	-	308,414	(144,725)	101,102
At 31 December 2021/1 January 2022	(226,146)	-	308,414	-	82,268
Recognised in profit or loss	5,458	-	2,091	-	7,549
At 31 December 2022/1 January 2023	(220,688)	-	310,505	-	89,817
Recognised in profit or loss	(56,808)	74,507	186,969	22,602	227,270
At 31 December 2023/1 January 2024	(277,496)	74,507	497,474	22,602	317,087
Recognised in profit or loss	(66,839)	37,894	(157,260)	17,562	(168,643)
At 31 December 2024/1 January 2025	(344,335)	112,401	340,214	40,164	148,444
Recognised in profit or loss	11,952	102,246	(171,849)	(1,028)	(58,679)
At 30 June 2025	(332,383)	214,647	168,365	39,136	89,765
At 1 January 2024	(277,496)	74,507	497,474	22,602	317,087
Recognised in profit or loss	(141,830)	2,142	(296,257)	6,272	(429,673)
At 30 June 2024	(419,326)	76,649	201,217	28,874	(112,586)

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)**12. INVENTORIES**

		Audited				
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
<u>At cost:</u>						
Raw material and components	2,376,761	2,628,335	2,444,988	2,714,686	2,718,037	3,133,466
Work-in-progress	383,440	558,993	605,795	1,201,198	278,735	247,715
Finished goods	294,453	198,429	219,832	120,241	98,456	154,141
	<u>3,054,654</u>	<u>3,385,757</u>	<u>3,270,615</u>	<u>4,036,125</u>	<u>3,095,228</u>	<u>3,535,322</u>
<u>Recognised in profit or loss:</u>						
Inventories recognised as cost of sales	<u>7,596,156</u>	<u>6,043,583</u>	<u>14,457,795</u>	<u>14,411,708</u>	<u>10,201,883</u>	<u>7,405,294</u>

13. TRADE AND OTHER RECEIVABLES

		Audited				
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Trade receivables						
Third parties	17,271,889	11,192,929	12,837,275	6,860,097	5,178,622	3,476,504
Amount due from a related party	-	-	-	-	791	19,309
Retention sum	780,667	443,794	753,229	257,175	65,750	34,318
	<u>18,052,556</u>	<u>11,636,723</u>	<u>13,590,504</u>	<u>7,117,272</u>	<u>5,245,163</u>	<u>3,530,131</u>
Less: Accumulated impairment losses	(894,364)	(316,938)	(468,695)	(310,451)	-	-
	<u>17,158,192</u>	<u>11,319,785</u>	<u>13,121,809</u>	<u>6,806,821</u>	<u>5,245,163</u>	<u>3,530,131</u>
Other receivables						
Third parties	711,369	181,573	424,741	76,950	82,204	9,935
Deposits	157,388	795,595	150,163	829,734	888,358	323,431
Prepayments	231,468	363,329	459,810	132,851	66,916	61,260
	<u>1,100,225</u>	<u>1,340,497</u>	<u>1,034,714</u>	<u>1,039,535</u>	<u>1,037,478</u>	<u>394,626</u>
Total trade and other receivables	<u>18,258,417</u>	<u>12,660,282</u>	<u>14,156,523</u>	<u>7,846,356</u>	<u>6,282,641</u>	<u>3,924,757</u>

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)**13. TRADE AND OTHER RECEIVABLES (CONT'D)****(a) Trade receivables**

Trade receivables are non-interest bearing and are generally on 30 to 90 days (31.12.2021 to 31.12.2024: 30 to 90 days) term. 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) Retention sum

Retention receivables are due upon expiry of the defect liability period stated in respective project contracts.

(c) Impairment on trade receivables

Movement of accumulated impairment losses on trade receivables are as follows:

	Lifetime allowance RM	Specific allowance RM	Total RM
Audited			
At 1 January 2021/31 December 2021/1 January 2022/31 December 2022/1 January 2023	-	-	-
Charge for the year	82,881	227,570	310,451
At 31 December 2023/1 January 2024	82,881	227,570	310,451
Charge for the year	9,184	149,060	158,244
At 31 December 2024/1 January 2025	92,065	376,630	468,695
Charge for the period	100,133	325,536	425,669
At 30 June 2025	192,198	702,166	894,364
At 1 January 2024	82,881	227,570	310,451
Charge for the period	(844)	7,331	6,487
At 30 June 2024	82,037	234,901	316,938

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)**14. CONTRACT ASSETS/(LIABILITIES)**

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
At 1 January	(5,095,828)	(6,157,414)	(6,157,414)	(6,755,924)	(6,400,415)	(5,615,377)
Revenue recognised during the periods/years	19,773,236	16,095,068	35,362,320	26,283,209	16,363,392	13,312,860
Progress billing issued during the periods/years	(20,866,814)	(15,335,411)	(34,300,734)	(25,684,699)	(16,718,901)	(14,097,898)
At 30 June/31 December	<u>(6,189,406)</u>	<u>(5,397,757)</u>	<u>(5,095,828)</u>	<u>(6,157,414)</u>	<u>(6,755,924)</u>	<u>(6,400,415)</u>
<u>Represented by:</u>						
Contract assets	1,796,549	437,049	347,835	996,724	752,094	510,735
Contract liabilities	<u>(7,985,955)</u>	<u>(5,834,806)</u>	<u>(5,443,663)</u>	<u>(7,154,138)</u>	<u>(7,508,018)</u>	<u>(6,911,150)</u>
	<u>(6,189,406)</u>	<u>(5,397,757)</u>	<u>(5,095,828)</u>	<u>(6,157,414)</u>	<u>(6,755,924)</u>	<u>(6,400,415)</u>

(a) Contract assets

Contract assets represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts. Contract assets are transferred to receivables when the rights to economic benefits become unconditional, usually when the Group issues billing to the customers.

(b) Contract liabilities

Contract liabilities primarily related to advance billings or payment received before work is performed and the Group's obligation to deliver goods or provide services to customers. The Group applies the practical expedient in MFRS 15 "Revenue from Contracts with Customers" on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has original expected duration of less than one year.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertech Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****15. DEPOSITS WITH A LICENSED BANK**

Deposits with a licensed bank comprise of fixed deposits and short-term deposits.

Deposits of the Group amounted to Nil (FPE 30.06.2024: RM1,098,616; FYE 31.12.2024: Nil; FYE 31.12.2023: RM1,080,000; FYE 31.12.2022: Nil; FYE 31.12.2021: Nil) were pledged as securities for banking facilities utilised by the Group, as disclosed in Note 20 to the consolidated and combined financial statements.

At the end of the relevant financial years/periods, the remaining fixed deposits and short-term deposits earned interest rates of 3.85% to 3.83% (FPE 30.06.2024: 2.00%; FYE 31.12.2024: 3.85%; FYE 31.12.2023: 2.00%; FYE 31.12.2022: 1.85% to 2.40%; FYE 31.12.2021: 1.85% to 1.95%) per annum and with a tenure of 1 month to 3 months (FPE 30.06.2024: 1 month; FYE 31.12.2024: 1 month; FYE 31.12.2023: 1 month; FYE 31.12.2022: 3 months to 6 months; FYE 31.12.2021: 1 month to 3 months).

16. CASH AND BANK BALANCES

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
<u>At amortised cost:</u>						
Cash in hand	13,354	15,092	35,895	41,915	19,617	12,077
Cash at bank	8,666,679	2,524,012	7,564,038	3,181,776	1,826,479	2,909,219
	<u>8,680,033</u>	<u>2,539,104</u>	<u>7,599,933</u>	<u>3,223,691</u>	<u>1,846,096</u>	<u>2,921,296</u>
<u>At fair value through profit or loss:</u>						
Cash management funds	176,962	173,084	174,862	170,616	166,044	164,735
	<u>8,856,995</u>	<u>2,712,188</u>	<u>7,774,795</u>	<u>3,394,307</u>	<u>2,012,140</u>	<u>3,086,031</u>

(a) Cash at bank

Included in cash at bank is an amount of RM65,000 (FYE 31.12.2024: RM132,037; FYE 31.12.2021 to FPE 30.06.2024: Nil) being cash collateral pledged with licensed banks as security for bank guarantees as disclosed in Note 32 to the consolidated and combined financial statements.

(b) Cash management funds

Cash management funds represent investment in unit trust funds that invest only in low risk, high liquid short-term money market instruments. Distribution income from these funds is recognised as other income.

Cash management funds are valued with reference to the quoted net asset value of the underlying funds as at the reporting date. The fair value of the funds is classified under Level 1 of the value hierarchy.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****17. NON-CURRENT ASSETS HELD FOR SALE**

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
At beginning of financial periods/years	-	-	-	-	-	-
Reclassified from property, plant and equipment (Note 8)	-	325,253	325,253	-	-	-
Reclassified from investment properties (Note 9)	-	683,700	683,700	-	-	-
Disposals	-	-	(1,008,953)	-	-	-
At end of financial periods/years	-	1,008,953	-	-	-	-

The carrying amount of assets held for sale is the same as its carrying amount before it was being reclassified to current assets, as follow:

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Cost	-	1,273,498	-	-	-	-
Accumulated depreciation	-	(264,545)	-	-	-	-
Carrying amount	-	1,008,953	-	-	-	-

During the relevant periods/years, the Group has classified the following assets as held for sale:

- (a) A unit of double storey terrace house with net carrying amount of RM325,253 in property, plant and equipment. The Group committed to dispose via Sale and Purchase agreement dated 13 May 2024 for total consideration of RM450,000 and was completed on 29 July 2024.
- (b) A unit of one and half storey light industrial terrace factory with net carrying amount of RM683,700 in investment properties. The Group committed to dispose via Sale and Purchase agreement dated 13 May 2024 for the total consideration of RM3,380,000 and was completed on 26 September 2024.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****18. SHARE CAPITAL AND INVESTED EQUITY****(a) Share capital**

	Audited					
	Number of ordinary shares (units)					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Powertechnic						
<u>Issued and fully paid up:</u>						
At the beginning of the financial period/year	247,337,000	1,000	1,000	1,000	1,000	-
Issuance of shares:						
- subscribers' share	-	-	-	-	-	1,000
- pursuant to acquisition of subsidiaries	-	-	247,336,000	-	-	-
At the end of the financial period/year	247,337,000	1,000	247,337,000	1,000	1,000	1,000
	Audited					
	Amount (RM)					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Powertechnic						
<u>Issued and fully paid up:</u>						
At the beginning of the financial period/year	12,367,800	1,000	1,000	1,000	1,000	-
Issuance of shares:						
- subscribers' share	-	-	-	-	-	1,000
- pursuant to acquisition of subsidiaries	-	-	12,366,800	-	-	-
At the end of the financial period/year	12,367,800	1,000	12,367,800	1,000	1,000	1,000

13. ACCOUNTANTS' REPORT (Cont'd)**Powertech Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****18. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)****(b) Invested equity**

	Audited					
	30.06.2025	30.06.2024	Number of ordinary shares (units)		31.12.2022	31.12.2021
			31.12.2024	31.12.2023		
PHEM						
<u>Issued and fully paid up:</u>						
At the beginning and end of the financial period/year	-	400,000	400,000	400,000	400,000	400,000
Acquisition by Powertech	-	-	(400,000)	-	-	-
At the end of the financial period/year	-	400,000	-	400,000	400,000	400,000
PMSB						
<u>Issued and fully paid up:</u>						
At the beginning of the financial period/year	-	50,000	50,000	50,000	50,000	1,000
Issuance of shares	-	-	-	-	-	49,000
Acquisition by Powertech	-	-	(50,000)	-	-	-
At the end of the financial period/year	-	50,000	-	50,000	50,000	50,000
PRSB						
<u>Issued and fully paid up:</u>						
At the beginning and end of the financial period/year	-	1,000	1,000	1,000	1,000	1,000
Acquisition by Powertech	-	-	(1,000)	-	-	-
At the end of the financial period/year	-	1,000	-	1,000	1,000	1,000
Total invested equity	-	451,000	-	451,000	451,000	451,000

13. ACCOUNTANTS' REPORT (Cont'd)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

18. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)

(b) Invested equity (cont'd)

	Audited Amount (RM)					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
PHEM						
<u>Issued and fully paid up:</u>						
At the beginning and end of the financial period/year	-	400,000	400,000	400,000	400,000	400,000
Acquisition by Powertechnic	-	-	(400,000)	-	-	-
At the end of the financial period/year	-	400,000	-	400,000	400,000	400,000
PMSB						
<u>Issued and fully paid up:</u>						
At the beginning of the financial period/year	-	50,000	50,000	50,000	50,000	1,000
Issuance of shares	-	-	-	-	-	49,000
Acquisition by Powertechnic	-	-	(50,000)	-	-	-
At the end of the financial period/year	-	50,000	-	50,000	50,000	50,000
PRSB						
<u>Issued and fully paid up:</u>						
At the beginning and end of the financial period/year	-	1,000	1,000	1,000	1,000	1,000
Acquisition by Powertechnic	-	-	(1,000)	-	-	-
At the end of the financial period/year	-	1,000	-	1,000	1,000	1,000
Total invested equity	-	451,000	-	451,000	451,000	451,000

13. ACCOUNTANTS' REPORT (Cont'd)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

18. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)**(b) Invested equity (cont'd)**

Prior to the acquisition by Powertech, the common controlling shareholders of the combining entities are entitled to receive dividends as and when declared by the combining entities and are entitled to one (1) vote per ordinary share at meetings of the combining entities. All ordinary shares rank pari passu with regard to the residual assets of the Group.

19. REORGANISATION RESERVE

The reorganisation reserve presents the excess of the consideration paid over the share capital of PHEM, PMSB, and PRSB as at the acquisition date under the pooling of interest method of accounting.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

20. LOAN AND BORROWINGS

	Audited					
	30.06.2025 RM	30.06.2024 RM	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM	31.12.2021 RM
Current						
Secured:-						
- Bank overdraft	-	10	9	10	500,300	10
- Term loan I	232,119	225,274	226,992	219,537	220,221	254,584
- Term loan II	-	124,628	-	121,900	122,010	122,575
- Term loan III	171,244	153,998	166,219	158,043	149,006	178,163
- Term loan IV	-	8,650	-	8,966	8,626	9,271
- Term loan V	214,334	208,429	209,583	204,815	197,859	193,669
- Term loan VI	12,058	10,700	11,806	10,452	10,658	11,302
- Term loan VII	285,888	-	280,236	-	-	-
- Term loan VIII	149,016	-	145,741	-	-	-
- SME loan	-	-	-	-	58,333	115,774
	<u>1,064,659</u>	<u>731,689</u>	<u>1,040,586</u>	<u>723,723</u>	<u>1,267,013</u>	<u>885,348</u>
Non-current						
Secured:-						
- Term loan I	3,094,854	3,274,141	3,212,111	3,406,196	3,599,444	3,669,436
- Term loan II	-	1,873,066	-	1,938,003	2,058,975	2,185,902
- Term loan III	3,072,520	3,247,760	3,156,580	3,315,361	3,467,501	3,574,892
- Term loan IV	-	165,454	-	167,876	176,052	184,144
- Term loan V	61,162	277,999	172,234	383,249	585,784	707,779
- Term loan VI	191,217	203,949	197,048	209,583	220,049	230,200
- Term loan VII	984,440	-	1,128,811	-	-	-
- Term loan VIII	2,741,473	-	2,818,030	-	-	-
- SME loan	-	-	-	-	-	42,559
	<u>10,145,666</u>	<u>9,042,369</u>	<u>10,684,814</u>	<u>9,420,268</u>	<u>10,107,805</u>	<u>10,594,912</u>

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****20. LOAN AND BORROWINGS (CONT'D)**

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
<u>Maturity of borrowings:</u>						
- not later than one year	1,064,659	731,689	1,040,586	723,723	1,267,013	885,348
- later than one year not later than five years	3,575,377	2,652,676	3,767,792	2,734,418	2,718,916	2,984,726
- later than five years	6,570,289	6,389,693	6,917,022	6,685,850	7,388,889	7,610,186
	<u>11,210,325</u>	<u>9,774,058</u>	<u>11,725,400</u>	<u>10,143,991</u>	<u>11,374,818</u>	<u>11,480,260</u>

(i) Securities

The above loan and borrowings which are obtained from licensed banks and financial institutions are secured on the following:

Term loan I

- (i) Fresh Master Commodity Murabahah Financing Agreement for RM5,000,000;
- (ii) 1st party Deed of Assignment and Power of Attorney together with Sales and Purchase Agreement over the freehold land and building as disclosed in Note 8 to the consolidated and combined financial statements; and
- (iii) Joint and several guarantee by two of the Directors of the Group, Mr. Choo Chee Yong ("Mr. Choo") and Mr. Ivan Na Keh Chai ("Mr. Ivan").

Term loan I bears interest at Base Financing Rate (BFR) minus 2.20% per annum and repayable by monthly instalments of RM31,370 over 240 months, with adjustments to the last instalment.

Term loan II and bank overdraft

- (i) Facility Agreement for RM5,880,000 only together with profit, commission and all other charges thereon;
- (ii) 1st party 1st fixed charge over the freehold land and building as disclosed in Note 9 to the consolidated and combined financial statements;
- (iii) The deposit of RM1,080,000 together with interest accrued thereon as disclosed in Note 15 to the consolidated and combined financial statements upon discharge of a freehold land and building in (ii) above; and
- (iv) Joint and several guarantee by two of the Directors of the Group, Mr. Choo and Mr. Ivan.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

20. LOAN AND BORROWINGS (CONT'D)

(i) Securities (cont'd)

The above loan and borrowings which are obtained from licensed banks and financial institutions are secured on the following: (cont'd)

Term loan II and bank overdraft (cont'd)

Term loan II bears interest at Base Financing Rate (BFR) minus 2.40% per annum and repayable by monthly instalments of RM17,639 over 240 months, with adjustments to the last instalment. Term loan II is fully redeemed during the financial year following the disposal of the freehold land and building.

The effective profit rate for bank overdraft is based on Base Financing Rate (BFR) plus 0.60% per annum.

Term loan III

(i) 1st party 1st charge over a freehold land as disclosed in Note 9 to the consolidated and combined financial statements; and

(ii) Joint and several guarantee by two of the Directors of the Group, Mr. Choo and Mr. Ivan.

Term loan III bears interest rate at Islamic Financing Rate (IFR) minus 0.50% per annum and repayable by monthly instalments of RM30,576 over 240 months, with adjustments to the last instalment.

Term loan IV

(i) 1st party open monies charge over the property as disclosed in Note 8 to the consolidated and combined financial statements; and

(ii) Joint and several guarantee by two of the Directors of the Group, Mr. Choo and Mr. Ivan.

Term loan IV bears interest at Base Lending Rate (BLR) minus 2.54% per annum for the first 24 months and thereafter 2.39% per annum. Term loan IV is repayable by monthly instalments of RM1,331 for the first of 24 months and thereafter RM1,346 over 216 months, with adjustments to the last instalment.

Term loan IV is fully redeemed during the financial year following the disposal of the property.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

20. LOAN AND BORROWINGS (CONT'D)

(i) Securities (cont'd)

The above loan and borrowings which are obtained from licensed banks and financial institutions are secured on the following: (cont'd)

Term loan V

- (i) Letter of offer and Master Facility Agreement;
- (ii) Asset Sale Agreement for RM1,364,688 over Shariah compliant commodities determined by the borrower;
- (iii) Credit Guarantee Corporation Malaysia Berhad (CGC)'s guarantee under BizJamin Special Relief Facility-i for RM800,000; and
- (iv) Joint and several guarantee by two of the Directors of the Group, Mr. Choo and Mr. Ivan.

Term loan V bears interest at fixed rate of 3.50% per annum and repayable by monthly instalments of RM18,511 over 60 months.

Term loan VI

- (i) Letter of offer and Facility Agreement for RM249,600;
- (ii) 1st party Deed of Assignment and Power of Attorney together with Sales and Purchase Agreement over the freehold land and building as disclosed in Note 9 to the consolidated and combined financial statements; and
- (iii) Joint and several guarantee by the Directors of the Group, Mr. Choo and Mr. Ivan.

Term loan VI bears interest at Base Lending Rate (BLR) minus 2.25% per annum and repayable by monthly instalments of RM1,580 over 240 months, with adjustments to the last instalment.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

20. LOAN AND BORROWINGS (CONT'D)**(i) Securities (cont'd)**

The above loan and borrowings which are obtained from licensed banks and financial institutions are secured on the following: (cont'd)

Term loan VII

- (i) Master Facility Agreement and trade transaction documents of the loan;
- (ii) Issuance of guarantee cover by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under Government Guarantee Scheme Madani (GGSM); and
- (iii) Joint and several guarantee by two of the Directors of the Group, Mr. Choo and Mr. Ivan.

Term loan VII bears interest at fixed rate of 4.00% per annum and repayable by monthly instalments of RM27,625 over 60 months.

Term loan VIII

- (i) Letter of offer and Facility Agreement for RM4,000,000;
- (ii) 1st party Deed of Assignment and Power of Attorney together with Sales and Purchase Agreement over the freehold land and building as disclosed in Note 8 to the consolidated and combined financial statements; and
- (iii) Joint and several guarantee by two of the Directors of the Group, Mr. Choo and Mr. Ivan.

Term loan VIII bears interest at Base Lending Rate (BLR) minus 2.30% per annum and repayable by monthly instalments of RM22,721 over 180 months, with adjustments to the last instalment.

SME loan

- (i) Guaranteed by a Director of the Group, Mr. Choo.

SME loan bore fixed interest rate at 4% per annum and repayable by monthly instalments of RM10,000 over 60 months, with adjustments to the last instalment. SME loan was fully settled during FYE 31 December 2023.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

20. LOAN AND BORROWINGS (CONT'D)

(ii) Financial covenants

The Group is required to comply with certain financial covenants imposed by the licensed banks and financial institutions i.e. (i) Non-trade advances; (ii) Dividend payout percentage; (iii) Gearing ratio. The Group is in compliance with these covenants as at reporting date.

21. LEASE LIABILITIES

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
At beginning of the periods/years	1,712,821	1,608,502	1,608,502	441,068	285,882	333,840
New lease liabilities during the periods/years	-	717,136	717,135	1,442,994	301,892	85,000
Derecognition upon early terminate of lease	(48,434)	-	(9,185)	-	-	-
Lease interest	37,344	44,857	89,674	64,180	25,864	26,363
<u>Lease payments:</u>						
- principal	(305,383)	(274,177)	(603,631)	(275,560)	(146,706)	(132,958)
- interest	(37,344)	(44,857)	(89,674)	(64,180)	(25,864)	(26,363)
At end of the periods/years	1,359,004	2,051,461	1,712,821	1,608,502	441,068	285,882
<u>Minimum lease payments:</u>						
- not later than one year	685,151	748,561	710,652	519,687	173,361	126,348
- later than one year and not later than five years	765,506	1,482,093	1,135,251	1,236,300	328,844	205,027
- later than five years	-	3,668	-	17,326	-	-
	1,450,657	2,234,322	1,845,903	1,773,313	502,205	331,375
Less: future finance charges	(91,653)	(182,861)	(133,082)	(164,811)	(61,137)	(45,493)
Present value of lease liabilities	1,359,004	2,051,461	1,712,821	1,608,502	441,068	285,882

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

21. LEASE LIABILITIES (CONT'D)

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Represented by:						
<u>Current</u>						
- not later than one year	631,683	661,832	641,541	449,425	156,664	111,188
<u>Non-current</u>						
- later than one year and not later than five years	727,321	1,385,973	1,071,280	1,142,199	284,404	174,694
- later than five years	-	3,656	-	16,878	-	-
	727,321	1,389,629	1,071,280	1,159,077	284,404	174,694
Present value of lease liabilities	1,359,004	2,051,461	1,712,821	1,608,502	441,068	285,882

The carrying amounts of right-of-use assets of the Group under lease arrangement are disclosed in Note 8(b) to the consolidated and combined financial statements.

The lease liabilities bear interest at end of the reporting period ranging from 2.27% to 4.40% (FPE 30.06.2024: 2.27% to 4.40%; FYE 31.12.2024: 2.27% to 4.40%; FYE 31.12.2023: 2.27% to 4.28%; FYE 31.12.2022: 2.47% to 4.19%; FYE 31.12.2021: 2.47% to 3.60%) per annum.

The following are the amounts recognised in profit or loss in relation to leases as lessee:

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Depreciation of right-of-use assets	261,448	235,582	469,603	224,185	105,162	102,683
Lease liabilities interest	37,344	44,857	89,674	64,180	25,864	26,363
Expenses related to short-term lease and low value assets	18,300	1,200	5,696	2,850	7,763	28,890
	317,092	281,639	564,973	291,215	138,789	157,936

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****21. LEASE LIABILITIES (CONT'D)**

Total cash outflows for leases as a lessee of the Group amounted to RM361,027 (FPE 30.06.2024: RM320,234; FYE 31.12.2024: RM699,001; FYE 31.12.2023: RM342,590; FYE 31.12.2022: RM180,333; FYE 31.12.2021: RM180,211), including expenses relating to short-term lease and low value assets.

22. DEFERRED INCOME

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
At beginning of the periods/years	175,645	205,063	205,063	234,480	23,706	28,878
Received during the periods/years	-	-	-	-	220,726	-
Release to profit or loss	(14,708)	(14,709)	(29,418)	(29,417)	(9,952)	(5,172)
At end of the periods/years	<u>160,937</u>	<u>190,354</u>	<u>175,645</u>	<u>205,063</u>	<u>234,480</u>	<u>23,706</u>
Represented by:						
Current	29,417	29,417	29,417	29,417	29,417	5,172
Non-current	<u>131,520</u>	<u>160,937</u>	<u>146,228</u>	<u>175,646</u>	<u>205,063</u>	<u>18,534</u>
	<u>160,937</u>	<u>190,354</u>	<u>175,645</u>	<u>205,063</u>	<u>234,480</u>	<u>23,706</u>

Government grants related to assets

Government grants have been received for purchase of certain items in property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****23. TRADE AND OTHER PAYABLES**

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Trade payables						
Third parties	4,817,580	3,816,409	4,221,706	2,819,704	1,505,345	1,727,910
Amount due to a related party	-	-	-	-	7,200	60,042
Accruals	-	213,316	-	118,568	479,485	-
	<u>4,817,580</u>	<u>4,029,725</u>	<u>4,221,706</u>	<u>2,938,272</u>	<u>1,992,030</u>	<u>1,787,952</u>
Other payables						
Third parties	1,359,780	519,703	1,115,860	448,396	41,716	225,316
Amount due to Directors	-	119,501	-	229,191	113,480	113,470
Amount due to a related party	-	-	-	76,100	148,585	-
Accruals	1,316,149	691,294	1,731,373	489,755	43,821	32,824
Deposits received	64,250	255,000	65,000	63,500	87,750	85,000
Provision for warranty	163,068	120,307	167,349	94,177	67,908	53,534
Dividend payable	-	-	-	-	-	79,784
	<u>2,903,247</u>	<u>1,705,805</u>	<u>3,079,582</u>	<u>1,401,119</u>	<u>503,260</u>	<u>589,928</u>
Total trade and other payables	<u>7,720,827</u>	<u>5,735,530</u>	<u>7,301,288</u>	<u>4,339,391</u>	<u>2,495,290</u>	<u>2,377,880</u>

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group is 30 days to 90 days (31.12.2021 to 31.12.2024: 30 days to 90 days).

(b) Amount due to Directors

Amount due to Directors are unsecured, interest-free and payable on demand in cash and cash equivalents. These amounts are fully settled as of the date of this report.

(c) Amount due to related party

Except for trade balances which arose from normal trade transactions, amount due to a related party is unsecured, interest-free and payable on demand in cash and cash equivalents.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

24. REVENUE

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
<u>Revenue from contract with customers:</u>						
Provision of lifting systems and elevators	22,577,739	18,773,847	40,006,405	30,619,010	20,214,572	16,272,619
<u>Timing of revenue recognition:</u>						
Over time	4,092,206	7,429,258	9,173,243	11,088,427	9,747,596	4,748,388
At a point in time	18,485,533	11,344,589	30,833,162	19,530,583	10,466,976	11,524,231
	22,577,739	18,773,847	40,006,405	30,619,010	20,214,572	16,272,619

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

25. OTHER INCOME

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Amortisation of government grant	14,708	14,709	29,418	29,417	9,952	5,172
Distribution income from cash management fund at FVTPL	2,100	2,468	4,246	4,572	1,308	2,430
Interest income	19,043	29,674	51,549	55,368	28,287	51,961
Gain on early termination of lease	2,877	-	208	-	-	-
Gain on disposal of property, plant and equipment	-	1,433	126,180	11,034	-	72,435
Gain on disposal of investment properties	-	-	2,696,300	977,921	-	-
Gain on foreign exchange:						
- realised	-	2,691	-	34,781	18,026	1,580
- unrealised	5,673	-	-	339	-	-
Miscellaneous income	28,121	15,761	39,381	1,193	-	23,089
Rental income:						
- investment properties	82,800	80,400	161,800	212,500	283,900	255,775
- lorry	-	72,668	58,548	124,111	110,933	38,150
- property, plant and equipment	-	25,067	64,650	44,845	21,087	3,300
	<u>155,322</u>	<u>244,871</u>	<u>3,232,280</u>	<u>1,496,081</u>	<u>473,493</u>	<u>453,892</u>

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

26. PROFIT FROM OPERATIONS

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Auditors' remuneration	110,000	50,000	145,000	102,000	43,450	32,400
Amortisation of investment properties	4,260	10,560	14,820	23,023	25,027	25,026
Bad debts written off	85,000	-	-	11,539	-	-
Depreciation of property, plant and equipment	508,762	454,605	984,407	633,380	506,422	429,191
Employees benefits expense	4,499,540	2,856,786	7,532,360	6,297,842	5,035,032	4,080,118
Expense relating to short-term lease	18,300	1,200	5,696	2,850	7,763	28,890
Impairment loss on financial assets	425,669	6,487	158,244	310,451	-	-
Plant and equipment written off	1,153	-	-	-	-	-
Loss on disposal of other investment	-	-	-	50,000	-	-
Loss on foreign exchange:						
- realised	22,902	-	12,518	-	-	-
- unrealised	-	14,172	9,105	-	-	-

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

27. EMPLOYEE BENEFITS EXPENSES

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Fees	99,000	-	19,000	10,700	-	-
Salaries, bonuses and allowances	3,823,294	2,478,995	6,582,916	5,557,234	4,392,689	3,547,835
Defined contribution plan	445,459	300,865	772,809	615,945	512,399	445,309
Social security contribution	45,742	22,923	81,651	58,467	47,454	42,437
Employee insurance scheme contribution	4,750	2,592	8,683	6,273	5,122	4,576
Other staff related costs	81,295	51,411	67,301	49,223	77,368	39,961
	4,499,540	2,856,786	7,532,360	6,297,842	5,035,032	4,080,118

Included in the employee benefit expenses is an amount of RM1,291,439 (FPE 30 June 2024: RM911,535; FYE 31 December 2024: RM1,942,649; FYE 31 December 2023: RM1,697,296; FYE 31 December 2022: RM1,419,302; FYE 31 December 2021: RM1,185,612) being compensation of key management personnel incurred during the financial years/periods. The details are disclosed in Note 33.2 to the consolidated and combined financial statements.

28. FINANCE COSTS

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
<u>Interest expenses on:</u>						
- bank guarantees	857	-	704	1,322	8,191	-
- lease liabilities	37,344	44,857	89,674	64,180	25,864	26,363
- term loans	280,162	237,285	626,402	552,237	511,911	495,029
	318,363	282,142	716,780	617,739	545,966	521,392

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****29. TAX EXPENSE**

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
<u>Income tax</u>						
- current year	1,509,803	994,473	2,350,188	1,702,932	343,159	374,765
- (over)/under provision in prior periods/years	-	(431,788)	(99,303)	82,895	27,580	404
	<u>1,509,803</u>	<u>562,685</u>	<u>2,250,885</u>	<u>1,785,827</u>	<u>370,739</u>	<u>375,169</u>
<u>Real property gain tax</u>						
- disposal of freehold lands and buildings	-	-	221,734	89,853	-	-
	<u>-</u>	<u>-</u>	<u>221,734</u>	<u>89,853</u>	<u>-</u>	<u>-</u>
<u>Deferred tax (Note 11)</u>						
- current year	(44,221)	195,047	(112,820)	(245,971)	(29,150)	(101,102)
- under provision in prior periods/years	102,900	234,626	281,463	18,701	21,601	-
	<u>58,679</u>	<u>429,673</u>	<u>168,643</u>	<u>(227,270)</u>	<u>(7,549)</u>	<u>(101,102)</u>
	<u>1,568,482</u>	<u>992,358</u>	<u>2,641,262</u>	<u>1,648,410</u>	<u>363,190</u>	<u>274,067</u>

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

29. TAX EXPENSE (CONT'D)

The reconciliation between tax expense applicable to profit before tax at the statutory tax rate to tax expense at the effective rate of the Group are as follows:

	Audited					
	01.01.2025 to 30.06.2025 RM	01.01.2024 to 30.06.2024 RM	01.01.2024 to 31.12.2024 RM	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2021 to 31.12.2021 RM
Profit before tax	4,812,844	4,535,398	8,924,559	5,885,940	1,168,799	1,073,246
Malaysia statutory tax rate (24%)	1,155,083	1,088,496	2,141,894	1,412,625	280,785	257,580
<u>Tax effect in respect of:</u>						
Non-taxable income	(65,048)	(5,438)	(100,452)	(126,448)	(40,818)	(55,630)
Non-deductible expenses	375,547	215,373	1,006,135	431,431	158,803	183,070
Differential in tax rate for:						
- small and medium companies in Malaysia	-	(108,911)	(132,000)	(45,000)	(84,761)	(111,357)
- real property gain tax	-	-	(456,475)	(125,794)	-	-
(Over)/Under provision in prior periods/years:						
- income tax	-	(431,788)	(99,303)	82,895	27,580	404
- deferred tax	102,900	234,626	281,463	18,701	21,601	-
	<u>1,568,482</u>	<u>992,358</u>	<u>2,641,262</u>	<u>1,648,410</u>	<u>363,190</u>	<u>274,067</u>

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

30. EARNINGS PER SHARES ("EPS")

30.1 Basic

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Profit for the financial periods/years attributable to owners of the Group	3,244,362	3,543,040	6,283,297	4,237,530	805,609	799,179
Weighted average number of ordinary shares (unit)	247,337,000	452,000	27,433,967	452,000	452,000	451,690
Basic and diluted EPS (sen)	1.31	784	23	938	178	177

30.2 Diluted

The diluted earnings per ordinary share equal basic earnings per ordinary share because there were no potential dilutive ordinary shares as at end of each reporting year/period.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

31. DIVIDENDS

	Audited					
	01.01.2025 to 30.06.2025 RM	01.01.2024 to 30.06.2024 RM	01.01.2024 to 31.12.2024 RM	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2021 to 31.12.2021 RM
Single tier interim dividends in respect of FYE 31 December 2020 declared by:						
- PRSB	-	-	-	-	-	50,000
Single tier interim dividends in respect of FYE 31 December 2021 declared by:						
- PHEM	-	-	-	-	-	400,000
- PMSB	-	-	-	-	-	79,784
- PRSB	-	-	-	-	-	200,000
Single tier interim dividends in respect of FYE 31 December 2022 declared by:						
- PHEM	-	-	-	200,000	300,000	-
- PMSB	-	-	-	86,059	-	-
- PRSB	-	-	-	-	500,000	-
Single tier interim dividends in respect of FYE 31 December 2023 declared by:						
- PHEM	-	-	-	1,133,550	-	-
- PMSB	-	-	-	34,000	-	-
- PRSB	-	-	-	202,000	-	-
Single tier interim dividends in respect of FYE 31 December 2024 declared by:						
- PHEM	-	-	1,000,000	-	-	-
- PRSB	-	500,000	870,000	-	-	-
	-	500,000	1,870,000	1,655,609	800,000	729,784

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****32. BANK GUARANTEE**

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Bank guarantees issued to customers	116,000	137,537	132,037	721,198	584,998	-

The Group has assessed the bank guarantee contract and determined that the guarantee is not likely to be called upon by the bank.

33. RELATED PARTY DISCLOSURES**33.1 Related party transactions**

In addition to the related party information disclosed elsewhere in the consolidated and combined financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial periods/years:

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Transactions with an entity in which certain Directors have interest						
<i>Trade in nature</i>						
- Sales	-	-	-	(2,273)	(104,237)	(309,889)
- Purchases	-	-	-	-	780	110,611
<i>Non-trade in nature</i>						
- Administrative expenses	-	-	-	40,235	106,944	6,078
- Other income	-	-	-	-	-	(15,304)
- Purchase of motor vehicles	-	-	-	120,800	163,200	-
Transactions with Directors						
<i>Non-trade in nature</i>						
- Disposal of other investment	-	-	-	(10,000)	-	-
- Purchase of motor vehicles	-	-	-	440,000	-	-

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

33. RELATED PARTY DISCLOSURES (CONT'D)

33.2 Compensation of key management personnel

Key management personnel are those having the authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of key management personnel for the relevant financial periods/years are as follows:

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Directors						
Fees	99,000	-	19,000	10,700	-	-
Salaries, bonuses and allowances	723,399	400,533	1,236,188	812,933	764,581	604,154
Defined contribution plan	85,229	71,429	147,671	147,024	128,534	118,343
Social security contribution	1,875	1,560	3,276	3,120	2,697	1,726
Employee insurance scheme contribution	215	179	375	357	309	198
Other employment benefits	-	199,442	-	415,917	306,569	366,774
	<u>909,718</u>	<u>673,143</u>	<u>1,406,510</u>	<u>1,390,051</u>	<u>1,202,690</u>	<u>1,091,194</u>
Other key management personnel						
Salaries, bonuses and allowances	340,705	211,819	476,674	272,336	191,531	82,161
Defined contribution plan	38,926	24,835	55,813	32,407	23,266	10,503
Social security contribution	1,875	1,560	3,277	2,245	1,629	1,350
Employee insurance scheme contribution	215	178	375	257	186	154
Other employment benefits	-	-	-	-	-	250
	<u>381,721</u>	<u>238,392</u>	<u>536,139</u>	<u>307,245</u>	<u>216,612</u>	<u>94,418</u>
	<u>1,291,439</u>	<u>911,535</u>	<u>1,942,649</u>	<u>1,697,296</u>	<u>1,419,302</u>	<u>1,185,612</u>

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS

34.1 Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost based on their respective classification. The material accounting policy information in Note 6 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Financial assets						
<u>At amortised cost:</u>						
Trade and other receivables ^	18,026,949	12,296,953	13,696,713	7,713,505	6,215,725	3,863,497
Contract assets	1,796,549	437,049	347,835	996,724	752,094	510,735
Deposits with a licensed bank	-	1,098,616	500,000	1,080,000	1,259,085	2,239,181
Cash and bank balances	8,680,033	2,539,104	7,599,933	3,223,691	1,846,096	2,921,296
	<u>28,503,531</u>	<u>16,371,722</u>	<u>22,144,481</u>	<u>13,013,920</u>	<u>10,073,000</u>	<u>9,534,709</u>
<u>At fair value through profit or loss</u>						
Cash and bank balances						
- cash management funds	176,962	173,084	174,862	170,616	166,044	164,735
	<u>28,680,493</u>	<u>16,544,806</u>	<u>22,319,343</u>	<u>13,184,536</u>	<u>10,239,044</u>	<u>9,699,444</u>
Financial liabilities						
<u>At amortised cost:</u>						
Trade and other payables *	7,557,759	5,615,223	7,133,939	4,245,214	2,427,382	2,324,346
Contract liabilities	7,985,955	5,834,806	5,443,663	7,154,138	7,508,018	6,911,150
Loan and borrowings	11,210,325	9,774,058	11,725,400	10,143,991	11,374,818	11,480,260
Lease liabilities	1,359,004	2,051,461	1,712,821	1,608,502	441,068	285,882
	<u>28,113,043</u>	<u>23,275,548</u>	<u>26,015,823</u>	<u>23,151,845</u>	<u>21,751,286</u>	<u>21,001,638</u>

^ Excluded prepayments

* Excluded provision for warranty

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 Net gain or loss on financial instruments

	Audited					
	01.01.2025	01.01.2024	01.01.2024	01.01.2023	01.01.2022	01.01.2021
	to	to	to	to	to	to
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Net gain/(losses) on:						
Financial assets measured at amortised cost	(406,269)	9,015	(115,798)	(257,218)	27,376	50,215
Financial assets measured at fair value through profit or loss	2,100	2,468	4,246	4,572	1,308	2,430
Financial liabilities at amortised cost	(312,190)	(282,142)	(716,076)	(617,739)	(545,966)	(521,392)
	<u>(716,359)</u>	<u>(270,659)</u>	<u>(827,628)</u>	<u>(870,385)</u>	<u>(517,282)</u>	<u>(468,747)</u>

34.3 Fair value of financial instruments

All financial assets and financial liabilities are carried at the amounts approximating their fair values on the statements of financial position of the Group due to the relatively short-term maturity of these financial instruments and the Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.4 Fair value hierarchy

Fair value of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting period are as follows:

	Fair value of financial instruments carried at fair value		
	Level 1	Level 2	Level 3
	RM	RM	RM
<u>At fair value through profit or loss</u>			
Audited			
At 30 June 2025			
Cash management funds	176,962	-	-
At 30 June 2024			
Cash management funds	173,084	-	-
At 31 December 2024			
Cash management funds	174,862	-	-
At 31 December 2023			
Cash management funds	170,616	-	-
At 31 December 2022			
Cash management funds	166,044	-	-
At 31 December 2021			
Cash management funds	164,735	-	-

The Group does not have any financial instruments carried at fair value other than the above.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.4 Fair value hierarchy (cont'd)

Fair value of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting period are as follows: (cont'd)

	Fair value of financial instruments not carried at fair value		
	Level 1 RM	Level 2 RM	Level 3 RM
<u>At amortised cost</u>			
Audited			
At 30 June 2025			
Lease liabilities	-	1,394,319	-
At 30 June 2024			
Lease liabilities	-	2,197,765	-
At 31 December 2024			
Lease liabilities	-	1,744,114	-
At 31 December 2023			
Lease liabilities	-	1,678,021	-
At 31 December 2022			
Lease liabilities	-	451,239	-
At 31 December 2021			
Lease liabilities	-	318,147	-

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****34. FINANCIAL INSTRUMENTS (CONT'D)****34.5 Financial risk management, objectives and policies**

The Group is exposed to financial risks arising from its 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 overall financial risk management objective is to optimise value for its shareholders. The Group does not trade in financial instruments.

The Board of Directors review and agree policies and procedures for the management of these risks, which are executed by the Group's senior management.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of those risks.

(a) Market risk

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasuries activity are set out as follows:

(i) Foreign currency risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The transactional currency exposure arising from financial assets and liabilities that are denominated in a currency other than functional currency, are as follow:

	GBP RM	EUR RM	USD RM	SGD RM	CNY RM	Total RM
Audited						
At 30 June 2025						
<u>Financial assets</u>						
Trade receivables	-	-	-	-	-	-
Cash and bank balances	-	25,537	-	92	9,615	35,244
	-	25,537	-	92	9,615	35,244
<u>Financial liabilities</u>						
Trade payables	-	(163,412)	(447,603)	-	-	(611,015)
Net exposure	-	(137,875)	(447,603)	92	9,615	(575,771)

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****34. FINANCIAL INSTRUMENTS (CONT'D)****34.5 Financial risk management, objectives and policies (cont'd)****(a) Market risk (cont'd)**

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The transactional currency exposure arising from financial assets and liabilities that are denominated in a currency other than functional currency, are as follow: (cont'd)

	GBP RM	EUR RM	USD RM	SGD RM	CNY RM	Total RM
Audited						
At 30 June 2024						
<u>Financial assets</u>						
Trade receivables	-	-	-	198,359	-	198,359
Cash and bank balances	-	39,079	-	-	-	39,079
	-	39,079	-	198,359	-	237,438
<u>Financial liabilities</u>						
Trade payables	-	(336)	-	-	-	(336)
Net exposure	-	38,743	-	198,359	-	237,102
At 31 December 2024						
<u>Financial assets</u>						
Trade receivables	-	-	-	41,699	-	41,699
Cash and bank balances	-	38,903	-	-	-	38,903
	-	38,903	-	41,699	-	80,602
<u>Financial liabilities</u>						
Trade payables	-	-	(313)	-	-	(313)
Net exposure	-	38,903	(313)	41,699	-	80,289

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****34. FINANCIAL INSTRUMENTS (CONT'D)****34.5 Financial risk management, objectives and policies (cont'd)****(a) Market risk (cont'd)**

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The transactional currency exposure arising from financial assets and liabilities that are denominated in a currency other than functional currency, are as follow: (cont'd)

	GBP RM	EUR RM	USD RM	SGD RM	CNY RM	Total RM
Audited						
At 31 December 2023						
<u>Financial assets</u>						
Trade receivables	-	-	-	872,615	-	872,615
Cash and bank balances	-	33,634	-	-	-	33,634
	-	33,634	-	872,615	-	906,249
<u>Financial liabilities</u>						
Trade payables	(49,660)	(166,172)	(174,370)	-	-	(390,202)
Net exposure	(49,660)	(132,538)	(174,370)	872,615	-	516,047
At 31 December 2022						
<u>Financial assets</u>						
Trade receivables	-	-	-	-	-	-
Cash and bank balances	-	20,316	-	-	-	20,316
	-	20,316	-	-	-	20,316
<u>Financial liabilities</u>						
Trade payables	-	(680,291)	(137,987)	-	-	(818,278)
Net exposure	-	(659,975)	(137,987)	-	-	(797,962)

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 Financial risk management, objectives and policies (cont'd)

(a) Market risk (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The transactional currency exposure arising from financial assets and liabilities that are denominated in a currency other than functional currency, are as follow: (cont'd)

	GBP RM	EUR RM	USD RM	SGD RM	CNY RM	Total RM
At 31 December 2021						
<u>Financial assets</u>						
Trade receivables	-	-	-	-	-	-
Cash and bank balances	-	610,019	-	-	-	610,019
	-	610,019	-	-	-	610,019
<u>Financial liabilities</u>						
Trade payables	-	-	-	-	-	-
Net exposure	-	610,019	-	-	-	610,019

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax to a 10% fluctuation in the foreign currency exchange rates against the respective functional currencies of the Group, with all other variables held constant.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****34. FINANCIAL INSTRUMENTS (CONT'D)****34.5 Financial risk management, objectives and policies (cont'd)****(a) Market risk (cont'd)**

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

*(i) Foreign currency risk (cont'd)*Sensitivity analysis for foreign currency risk (cont'd)

	Audited					
	01.01.2025 to 30.06.2025 Increase/ (Decrease) RM	01.01.2024 to 30.06.2024 Increase/ (Decrease) RM	01.01.2024 to 31.12.2024 Increase/ (Decrease) RM	01.01.2023 to 31.12.2023 Increase/ (Decrease) RM	01.01.2022 to 31.12.2022 Increase/ (Decrease) RM	01.01.2021 to 31.12.2021 Increase/ (Decrease) RM
Effects on profit after tax						
GBP						
- strengthens by 10%	-	-	-	(3,774)	-	-
- weakens by 10%	-	-	-	3,774	-	-
EUR						
- strengthens by 10%	(10,479)	2,944	2,957	(10,073)	(50,158)	46,361
- weakens by 10%	10,479	(2,944)	(2,957)	10,073	50,158	(46,361)

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 Financial risk management, objectives and policies (cont'd)

(b) Market risk (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

(i) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk (cont'd)

	Audited					
	01.01.2025 to 30.06.2025 Increase/ (Decrease) RM	01.01.2024 to 30.06.2024 Increase/ (Decrease) RM	01.01.2024 to 31.12.2024 Increase/ (Decrease) RM	01.01.2023 to 31.12.2023 Increase/ (Decrease) RM	01.01.2022 to 31.12.2022 Increase/ (Decrease) RM	01.01.2021 to 31.12.2021 Increase/ (Decrease) RM
Effects on profit after tax						
USD						
- strengthens by 10%	(34,018)	-	(24)	(13,252)	(10,487)	-
- weakens by 10%	34,018	-	24	13,252	10,487	-
SGD						
- strengthens by 10%	7	15,075	3,169	66,319	-	-
- weakens by 10%	(7)	(15,075)	(3,169)	(66,319)	-	-
CNY						
- strengthens by 10%	731	-	-	-	-	-
- weakens by 10%	(731)	-	-	-	-	-

13. ACCOUNTANTS' REPORT (Cont'd)**Powertech Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****34. FINANCIAL INSTRUMENTS (CONT'D)****34.5 Financial risk management, objectives and policies (cont'd)****(a) Market risk (cont'd)**

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

(ii) Interest rate risk

The interest profile of the Group significant interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period were as follows:

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Fixed rate instruments						
<i>Finance assets</i>						
Deposits with a licensed bank	-	1,098,616	500,000	1,080,000	1,259,085	2,239,181
<i>Financial liabilities</i>						
Lease liabilities	1,359,004	2,051,461	1,712,821	1,608,502	441,068	285,882
Loan and borrowings	1,545,824	486,428	1,790,864	588,064	841,976	1,059,781
	<u>2,904,828</u>	<u>2,537,889</u>	<u>3,503,685</u>	<u>2,196,566</u>	<u>1,283,044</u>	<u>1,345,663</u>
Floating rate instrument						
<i>Financial liabilities</i>						
Loan and borrowings	<u>9,664,501</u>	<u>9,287,630</u>	<u>9,934,536</u>	<u>9,555,927</u>	<u>10,532,842</u>	<u>10,420,479</u>

Interest rate risk sensitivity analysis

Sensitivity analysis is not disclosed on fixed rate financial instruments as fixed rate financial instruments are not exposed to interest rate risk and are measured at amortised cost.

A 100 basis points straightening in the interest rate of floating rate instruments as at end of the reporting periods/years would have decreased in profit after tax by RM73,450 (FPE 30.06.2024: RM70,586; FYE 31.12.2024: RM75,502; FYE 31.12.2023: RM72,625; FYE 31.12.2022: RM80,050; FYE 31.12.2021: RM79,196). A 100 basis points weakening would have an equal but opposite effect on the profit after tax. The assumes that all other variables remain constant.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 Financial risk management, objectives and policies (cont'd)

(b) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, contract assets, and bank balances. The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

(i) Trade receivables and contract assets

At the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

In determining the recoverability of these receivables and contracts assets, the Group considers any changes in the credit quality of the receivables and contract assets from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by 2 (FPE 30.06.2024: Nil; FYE 31.12.2024: Nil; FYE 31.12.2023: 2; FYE 31.12.2022: Nil; FYE 31.12.2021: 1) customer(s) which constituted 30% (FPE 30.06.2024: Nil; FYE 31.12.2024: Nil; FYE 31.12.2023: 23%; FYE 31.12.2022: Nil; FYE 31.12.2021: 10%) of its trade receivables as at the end of each reporting period/year.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 Financial risk management, objectives and policies (cont'd)

(b) Credit risk (cont'd)

(i) Trade receivables and contract assets (cont'd)

Ageing analysis of the trade and contract assets

The ageing analysis of the Group's trade receivables and contract assets are as follows:

	Loss rate %	Gross amount RM	Loss allowance RM	Carrying amount RM
Audited				
At 30 June 2025				
<u>Trade receivables:</u>				
Neither past due nor impaired	0.66	10,678,493	(70,315)	10,608,178
Past due but not impaired:				
- 0 - 30 days	1.28	1,762,805	(22,497)	1,740,308
- 31 - 60 days	1.75	2,455,526	(42,954)	2,412,572
- 61 - 90 days	1.61	367,780	(5,932)	361,848
- > 90 days	2.42	2,085,786	(50,500)	2,035,286
		6,671,897	(121,883)	6,550,014
		17,350,390	(192,198)	17,158,192
Individually credit impaired		702,166	(702,166)	-
		18,052,556	(894,364)	17,158,192
<u>Contract assets:</u>				
Neither past due nor impaired		1,796,549	-	1,796,549
		19,849,105	(894,364)	18,954,741

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 Financial risk management, objectives and policies (cont'd)

(b) Credit risk (cont'd)

(i) Trade receivables and contract assets (cont'd)

Ageing analysis of the trade and contract assets (cont'd)

The ageing analysis of the Group's trade receivables and contract assets are as follows: (cont'd)

	Loss rate %	Gross amount RM	Loss allowance RM	Carrying amount RM
Audited				
At 30 June 2024				
<u>Trade receivables:</u>				
Neither past due nor impaired	0.29	5,501,016	(15,690)	5,485,326
Past due but not impaired:				
- 0 - 30 days	0.44	1,067,464	(4,692)	1,062,772
- 31 - 60 days	0.10	1,278,273	(1,337)	1,276,936
- 61 - 90 days	0.12	1,976,673	(2,333)	1,974,340
- > 90 days	3.67	1,578,396	(57,985)	1,520,411
		5,900,806	(66,347)	5,834,459
		11,401,822	(82,037)	11,319,785
Individually credit impaired		234,901	(234,901)	-
		11,636,723	(316,938)	11,319,785
<u>Contract assets:</u>				
Neither past due nor impaired		437,049	-	437,049
		12,073,772	(316,938)	11,756,834

13. ACCOUNTANTS' REPORT (Cont'd)**Powertech Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****34. FINANCIAL INSTRUMENTS (CONT'D)****34.5 Financial risk management, objectives and policies (cont'd)****(b) Credit risk (cont'd)***(i) Trade receivables and contract assets (cont'd)*Ageing analysis of the trade and contract assets (cont'd)

The ageing analysis of the Group's trade receivables and contract assets are as follows: (cont'd)

Audited**At 31 December 2024**Trade receivables:

Neither past due nor impaired

Past due but not impaired:

- 0 - 30 days

- 31 - 60 days

- 61 - 90 days

- > 90 days

Individually credit impaired

Contract assets:

Neither past due nor impaired

	Loss rate %	Gross amount RM	Loss allowance RM	Carrying amount RM
	0.05	7,431,997	(3,699)	7,428,298
	0.54	2,385,394	(12,992)	2,372,402
	0.15	1,089,565	(1,663)	1,087,902
	0.06	521,580	(312)	521,268
	4.11	1,785,338	(73,399)	1,711,939
		5,781,877	(88,366)	5,693,511
		13,213,874	(92,065)	13,121,809
		376,630	(376,630)	-
		13,590,504	(468,695)	13,121,809
		347,835	-	347,835
		13,938,339	(468,695)	13,469,644

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****34. FINANCIAL INSTRUMENTS (CONT'D)****34.5 Financial risk management, objectives and policies (cont'd)****(b) Credit risk (cont'd)***(i) Trade receivables and contract assets (cont'd)*Ageing analysis of the trade and contract assets (cont'd)

The ageing analysis of the Group's trade receivables and contract assets are as follows: (cont'd)

	Loss rate %	Gross amount RM	Loss allowance RM	Carrying amount RM
Audited				
At 31 December 2023				
<u>Trade receivables:</u>				
Neither past due nor impaired	0.02	2,241,439	(490)	2,240,949
Past due but not impaired:				
- 0 - 30 days	0.27	1,732,586	(4,634)	1,727,952
- 31 - 60 days	0.57	932,982	(5,306)	927,676
- 61 - 90 days		640,184	-	640,184
- > 90 days	5.40	1,342,511	(72,451)	1,270,060
		4,648,263	(82,391)	4,565,872
		6,889,702	(82,881)	6,806,821
Individually credit impaired		227,570	(227,570)	-
		7,117,272	(310,451)	6,806,821
<u>Contract assets:</u>				
Neither past due nor impaired		996,724	-	996,724
		8,113,996	(310,451)	7,803,545

13. ACCOUNTANTS' REPORT (Cont'd)

Powertech Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 Financial risk management, objectives and policies (cont'd)

(b) Credit risk (cont'd)

(i) Trade receivables and contract assets (cont'd)

Ageing analysis of the trade and contract assets (cont'd)

The ageing analysis of the Group's trade receivables and contract assets are as follows: (cont'd)

	Gross amount RM	Loss allowance RM	Carrying amount RM
Audited			
At 31 December 2022			
<u>Trade receivables:</u>			
Neither past due nor impaired	1,782,014	-	1,782,014
Past due but not impaired:			
- 0 - 30 days	1,046,863	-	1,046,863
- 31 - 60 days	675,253	-	675,253
- 61 - 90 days	390,911	-	390,911
- > 90 days	1,350,122	-	1,350,122
	3,463,149	-	3,463,149
	5,245,163	-	5,245,163
<u>Contract assets:</u>			
Neither past due nor impaired	752,094	-	752,094
	5,997,257	-	5,997,257

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 Financial risk management, objectives and policies (cont'd)

(b) Credit risk (cont'd)

(i) Trade receivables and contract assets (cont'd)

Ageing analysis of the trade and contract assets (cont'd)

The ageing analysis of the Group's trade receivables and contract assets are as follows: (cont'd)

	Gross amount RM	Loss allowance RM	Carrying amount RM
Audited			
At 31 December 2021			
<u>Trade receivables:</u>			
Neither past due nor impaired	1,696,977	-	1,696,977
Past due but not impaired:			
- 0 - 30 days	492,556	-	492,556
- 31 - 60 days	343,067	-	343,067
- 61 - 90 days	298,091	-	298,091
- > 90 days	699,440	-	699,440
	1,833,154	-	1,833,154
	3,530,131	-	3,530,131
<u>Contract assets:</u>			
Neither past due nor impaired	510,735	-	510,735
	4,040,866	-	4,040,866

13. ACCOUNTANTS' REPORT (*Cont'd*)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 Financial risk management, objectives and policies (cont'd)

(b) Credit risk (cont'd)

(i) *Trade receivables and contract assets (cont'd)*

Exposure to credit risk, credit quality and collateral

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of trade and contract assets as the end of the reporting period.

(ii) *Other receivables and other financial assets*

For other receivables and other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from their other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares 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 supportive forward-looking information.

For other financial assets for which there is a significant increase in credit risk since initial recognition, there is no material lifetime ECL impact on the amount reported for the Group.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's exposure to liquidity risk arises principally from trade and other payables, borrowings and lease liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimize cost on borrowed funds. The Group's finance department also ensures that there are sufficient unutilized standby facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertech Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****34. FINANCIAL INSTRUMENTS (CONT'D)****34.5 Financial risk management, objectives and policies (cont'd)****(c) Liquidity risk (cont'd)**

The table below summarises the maturity profile of the Group's financial liabilities at end of the reporting period based on undiscounted contractual payments:

	Weighted average effective interest rate	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two five years RM	More than five years RM
Audited						
At 30 June 2025						
Trade and other payables		7,557,759	7,557,759	7,557,759	-	-
Contract liabilities		7,985,955	7,985,955	7,985,955	-	-
Loan and borrowings	4.91%	11,210,325	11,433,365	1,554,295	5,505,261	4,373,809
Lease liabilities	3.42%	1,359,004	1,450,657	685,151	765,506	-
		28,113,043	28,427,736	17,783,160	6,270,767	4,373,809
Bank guarantee ^		116,000	116,000	116,000	-	-
At 30 June 2024						
Trade and other payables		5,615,223	5,615,223	5,615,223	-	-
Contract liabilities		5,834,806	5,834,806	5,834,806	-	-
Loan and borrowings	5.05%	9,774,058	13,310,184	1,209,960	3,248,176	8,852,048
Lease liabilities	3.48%	2,051,461	2,234,322	748,561	1,482,093	3,668
		23,275,548	26,994,535	13,408,550	4,730,269	8,855,716
Bank guarantee ^		137,537	137,537	137,537	-	-

^ This has been included for illustration purpose only as the related bank guarantee have not crystallised as at the financial period/year end.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertech Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****34. FINANCIAL INSTRUMENTS (CONT'D)****34.5 Financial risk management, objectives and policies (cont'd)****(c) Liquidity risk (cont'd)**

The table below summarises the maturity profile of the Group's financial liabilities at end of the reporting period based on undiscounted contractual payments: (cont'd)

	Weighted average effective interest rate	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two five years RM	More than five years RM
Audited						
At 31 December 2024						
Trade and other payables		7,133,939	7,133,939	7,133,939	-	-
Contract liabilities		5,443,663	5,443,663	5,443,663	-	-
Loan and borrowings	4.89%	11,725,400	15,636,181	1,589,709	5,809,525	8,236,947
Lease liabilities	3.30%	1,712,821	1,845,903	710,652	1,135,251	-
		26,015,823	30,059,686	14,877,963	6,944,776	8,236,947
Bank guarantee ^		132,037	132,037	132,037	-	-
At 31 December 2023						
Trade and other payables		4,245,214	4,245,214	4,245,214	-	-
Contract liabilities		7,154,138	7,154,138	7,154,138	-	-
Loan and borrowings	4.94%	10,143,991	13,805,150	1,209,960	3,359,375	9,235,815
Lease liabilities	3.12%	1,608,502	1,773,313	519,687	1,236,300	17,326
		23,151,845	26,977,815	13,128,999	4,595,675	9,253,141
Bank guarantee ^		721,198	721,198	721,198	-	-

^ This has been included for illustration purpose only as the related bank guarantee have not crystallised as at the financial period/year end.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)**ACCOUNTANTS' REPORT (CONT'D)****34. FINANCIAL INSTRUMENTS (CONT'D)****34.5 Financial risk management, objectives and policies (cont'd)****(c) Liquidity risk (cont'd)**

The table below summarises the maturity profile of the Group's financial liabilities at end of the reporting period based on undiscounted contractual payments: (cont'd)

	Weighted average effective interest rate	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two five years RM	More than five years RM
Audited						
At 31 December 2022						
Trade and other payables		2,427,382	2,427,382	2,427,382	-	-
Contract liabilities		7,508,018	7,508,018	7,508,018	-	-
Loan and borrowings	4.86%	11,374,818	14,861,717	1,268,967	3,578,990	10,013,760
Lease liabilities	3.36%	441,068	502,205	173,361	328,844	-
		<u>21,751,286</u>	<u>25,299,322</u>	<u>11,377,728</u>	<u>3,907,834</u>	<u>10,013,760</u>
Bank guarantee ^		<u>584,998</u>	<u>584,998</u>	<u>584,998</u>	<u>-</u>	<u>-</u>
At 31 December 2021						
Trade and other payables		2,324,346	2,324,346	2,324,346	-	-
Contract liabilities		6,911,150	7,375,990	7,375,990	-	-
Loan and borrowings	3.84%	11,480,260	14,696,836	1,311,144	3,616,371	9,769,321
Lease liabilities	3.28%	285,882	331,375	126,348	205,027	-
		<u>21,001,638</u>	<u>24,728,547</u>	<u>11,137,828</u>	<u>3,821,398</u>	<u>9,769,321</u>

^ This has been included for illustration purpose only as the related bank guarantee have not crystallised as at the financial period/year end.

13. ACCOUNTANTS' REPORT (Cont'd)**Powertechnic Group Berhad**

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)**35. SEGMENTAL INFORMATION****35.1 Business segments and geographical information**

Segment analysis for business segments and geographical information have not been prepared as the Group is predominantly involved in the provision of lifting systems and elevators (including maintenance and repair services) in Malaysia.

35.2 Major customers

Major customers with revenue of at least 10% of the Group's total revenue are as follow:

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Customer A	-	-	-	-	2,274,021	-
Customer B	-	-	-	-	-	1,764,849
Customer C	2,500,000	-	-	-	-	-
Customer D	2,451,670	-	-	-	-	-
	4,951,670	-	-	-	2,274,021	1,764,849

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to its shareholder or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the financial year and comparative prior years.

The Group monitors capital using the net gearing ratio, which is net debt divided by net assets. The Group's policy is to keep lower gearing ratio at a level deemed appropriate considering business, economic and investment decisions and to control the net gearing ratio at levels permissible to its lender.

As at the end of the financial periods/years, the Group has gearing ratio of 0.67 times (FPE 30.06.2024: 0.82; FYE 31.12.2024: 0.86; FYE 31.12.2023: 1.10; FYE 31.12.2022: 1.54; FYE 31.12.2021: 1.54).

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

36. CAPITAL MANAGEMENT (CONT'D)

	Audited					
	30.06.2025	30.06.2024	31.12.2024	31.12.2023	31.12.2022	31.12.2021
	RM	RM	RM	RM	RM	RM
Bank borrowings	11,210,325	9,774,058	11,725,400	10,143,991	11,374,818	11,480,260
Lease liabilities *	798,751	1,051,428	918,678	1,087,496	348,089	285,882
	12,009,076	10,825,486	12,644,078	11,231,487	11,722,907	11,766,142
Net assets	17,868,391	13,253,772	14,624,029	10,210,732	7,628,811	7,623,202

* Excluded lease liabilities for right-of-use assets arising from rental of properties.

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

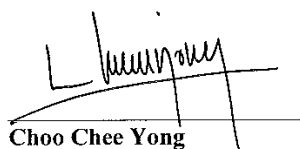
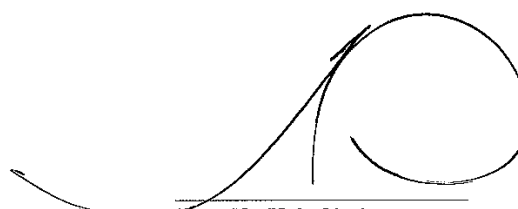
(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

Statement by Directors

We, **Choo Chee Yong** and **Ivan Na Keh Chai**, the Directors of **Powertechnic Group Berhad**, state that, in the opinion of the Directors, the consolidated and combined financial statements set out on pages 4 to 107 are drawn up so as to give a true and fair view of the financial position of the Group as at 30 June 2025, 30 June 2024, 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 and of the financial performance and cash flows of the Group for the financial periods/years ended 30 June 2025, 30 June 2024, 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated 19 September 2025.


Choo Chee Yong
Director
Ivan Na Keh Chai
Director

13. ACCOUNTANTS' REPORT (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ACCOUNTANTS' REPORT (CONT'D)

Statutory Declaration

I, **Chin Yanjiang**, being the Officer primarily responsible for the financial management of **Powertechnic Group Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying consolidated and combined 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 Declaration Act, 1960.

Subscribed and solemnly declared by
the abovenamed at Kuala Lumpur in the
Federal Territory on 19 September 2025



Chin Yanjiang

Before me,

Commissioner for Oaths,



14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025



ECOVIS MALAYSIA PLT

201404001750 (LLP0003185-LCA) & AF 001825
Chartered Accountants. Kuala Lumpur, Malaysia

Kuala Lumpur, Malaysia

Phone: +603 7986 0066

Email: kuala-lumpur@ecovis.com.my

The Board of Directors
POWERTECHNIC GROUP BERHAD

28, Jalan I-Park 1/3
Kawasan Perindustrian I-Park
Bandar Indahpura
81000 Kulai, Johor

19 September 2025

Dear Sirs

POWERTECHNIC GROUP BERHAD ("POWERTECHNIC" OR "THE COMPANY") AND ITS SUBSIDIARIES ("POWERTECHNIC GROUP" OR "THE GROUP")

REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of the Group as at 30 June 2025 ("Pro Forma Consolidated Statements of Financial Position") prepared by the Board of Directors of the Company (the "Directors") for inclusion in the Company's prospectus in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (the "Listing"). The Pro Forma Consolidated Statements of Financial Position and the accompanying notes thereon, have been stamped for identification.

The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in notes to the Pro Forma Consolidated Statements of Financial Position, and are in accordance with the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Guidance Note").

The Pro Forma Consolidated Statements of Financial Position has been compiled by the Directors to illustrate the impact of the events or transactions as set out in the notes to the Pro Forma Consolidated Statements of Financial Position, on the Group's financial position as at 30 June 2025 as if the events or transactions had taken place on 30 June 2025. As a part of this process, information about the Group's financial position has been extracted by the Directors from the Group's audited consolidated financial statements for the financial period ended 30 June 2025.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as described in the notes to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note.

ECOVIS MALAYSIA PLT 201404001750 (LLP0003185-LCA) & AF 001825 Chartered Accountants, D-10-03, Level 10, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur, Malaysia. Phone: +60(3) 7986 0066 E-Mail: kuala-lumpur@ecovis.com.my

A member of ECOVIS International tax advisors, accountants, auditors and lawyers, operating in more than 90 countries worldwide.

ECOVIS International is a Swiss association. Each Member Firm is an independent legal entity in its own country and is only liable for its own acts or omissions, not those of any other entity. ECOVIS MALAYSIA PLT is a Malaysia member firm of ECOVIS International.

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Cont'd)



Reporting Accountants' Independence and Quality Control

We have complied with the independence and other ethical requirement of 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)* (IESBA Code), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Directors of the Company on the basis as described in the notes to the Pro Forma Consolidated Statements of Financial Position, and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note.

We conducted our engagement in accordance with International Standards on Assurance Engagements ("ISAE") 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Accounting Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis described in the notes to the Pro Forma Consolidated Statements of Financial Position, and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of the Pro Forma Consolidated Statements of Financial Position included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the events had occurred or the transactions have been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- (i) the related pro forma adjustments give appropriate effect to those criteria; and
- (ii) the Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Cont'd)



Reporting Accountants' Responsibilities (cont'd)

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis described in the notes to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note.

Other Matter

This report has been prepared solely for the purpose of inclusion in the prospectus of the Company in connection with the Listing. As such, this report should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

A stylized handwritten signature of "Ecovis" in a cursive script.

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

Kuala Lumpur
19 September 2025

A stylized handwritten signature of "CHUA KAH CHUN" in a cursive script.

CHUA KAH CHUN
02696/09/2025 J
Chartered Accountant

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Cont'd)
Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)


Pro Forma Consolidated Statements of Financial Position
As at 30 June 2025

		Audited as at 30 June 2025 ⁽¹⁾ RM	Pro Forma I After IPO RM	Pro Forma II After Pro Forma I and utilisation of proceeds RM
Non-current assets	Note			
Property, plant and equipment		8,030,663	8,030,663	8,030,663
Investment properties		7,115,457	7,115,457	7,115,457
Deferred tax assets		89,765	89,765	89,765
		<u>15,235,885</u>	<u>15,235,885</u>	<u>15,235,885</u>
Current assets				
Inventories		3,054,654	3,054,654	3,054,654
Trade and other receivables	5(a)	18,258,417	18,258,417	18,106,433
Contract assets		1,796,549	1,796,549	1,796,549
Cash and bank balances	5(b)	8,856,995	30,906,995	26,390,398
		<u>31,966,615</u>	<u>54,016,615</u>	<u>49,348,034</u>
Total assets		<u>47,202,500</u>	<u>69,252,500</u>	<u>64,583,919</u>
Equity				
Share capital	5(c)	12,367,800	34,417,800	33,376,800
Retained earnings	5(d)	17,416,391	17,416,391	16,588,810
		<u>29,784,191</u>	<u>51,834,191</u>	<u>49,965,610</u>
Reorganisation reserve		(11,915,800)	(11,915,800)	(11,915,800)
Total equity		<u>17,868,391</u>	<u>39,918,391</u>	<u>38,049,810</u>
Non-current liabilities				
Loan and borrowings	5(e)	10,145,666	10,145,666	7,345,666
Lease liabilities		727,321	727,321	727,321
Deferred income		131,520	131,520	131,520
		<u>11,004,507</u>	<u>11,004,507</u>	<u>8,204,507</u>

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)
Registration No. 202101015445 (1415745-D)



Pro Forma Consolidated Statements of Financial Position As at 30 June 2025 (Cont'd)

	Note	Audited as at 30 June 2025 ⁽¹⁾ RM	Pro Forma I After IPO RM	Pro Forma II After Pro Forma I and utilisation of proceeds RM
Current liabilities				
Trade and other payables		7,720,827	7,720,827	7,720,827
Contract liabilities		7,985,955	7,985,955	7,985,955
Loan and borrowings	5(e)	1,064,659	1,064,659	1,064,659
Lease liabilities		631,683	631,683	631,683
Deferred income		29,417	29,417	29,417
Tax payable		897,061	897,061	897,061
		<u>18,329,602</u>	<u>18,329,602</u>	<u>18,329,602</u>
Total liabilities		<u>29,334,109</u>	<u>29,334,109</u>	<u>26,534,109</u>
Total equity and liabilities		<u>47,202,500</u>	<u>69,252,500</u>	<u>64,583,919</u>
<i>Number of ordinary shares (units)</i>		<i>247,337,000</i>	<i>310,337,000</i>	<i>310,337,000</i>
<i>Net assets (RM)</i>		<i>17,868,391</i>	<i>39,918,391</i>	<i>38,049,810</i>
<i>Net assets per ordinary share (RM)</i>		<i>0.07</i>	<i>0.13</i>	<i>0.12</i>
<i>Borrowings ⁽²⁾</i>		<i>12,009,076</i>	<i>12,009,076</i>	<i>9,209,076</i>
<i>Gearing ratio (times) ⁽³⁾</i>		<i>0.67</i>	<i>0.30</i>	<i>0.24</i>
<i>Current ratio (times) ⁽⁴⁾</i>		<i>1.74</i>	<i>2.95</i>	<i>2.69</i>

⁽¹⁾ Extracted from Powertechnic Group Berhad's audited consolidated statements of financial position as at 30 June 2025.

⁽²⁾ Total borrowings comprise of loans and borrowings as well as lease liabilities but excluding lease liabilities arising from rented properties.

⁽³⁾ Calculated based on total borrowings divided by total equity of the Group.

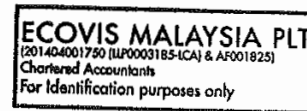
⁽⁴⁾ Calculated based on total current assets divided by total current liabilities of the Group.

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Cont'd)

Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)



Notes to the Pro Forma Consolidated Statements of Financial Position

As at 30 June 2025

1. Introduction

The pro forma consolidated statements of financial position of Powertechnic Group Berhad ("Powertechnic" or the "Company") and its subsidiaries (collectively referred as "the Group") as at 30 June 2025 ("the Pro Forma Consolidated Statements of Financial Position") together with the notes thereon, for which the board of directors ("the Directors") of Powertechnic are solely responsible, have been prepared for illustrative purpose only for the purpose of inclusion in the prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").

2. Basis of Preparation of the Pro Forma Consolidated Statements of Financial Position

The Directors have prepared the applicable criteria in the Pro Forma Consolidated Statements of Financial Position in accordance with Chapter 9, Part II Division I: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines").

The Pro Forma Consolidated Statements of Financial Position have been prepared based on the audited consolidated statements of financial position of the Group as at 30 June 2025, which is prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, and in a manner consistent with the format of the audited consolidated financial statements and accounting policies of the Group.

The Pro Forma Consolidated Statements of Financial Position are presented in Ringgit Malaysia ("RM").

The Pro Forma Consolidated Statements of Financial Position together with the related notes thereon, have been prepared solely to illustrate the impact of the events and transactions set out in Note 3 to the Pro Forma Consolidated Statements of Financial Position had the events occurred or transactions been undertaken on 30 June 2025. The Pro Forma Consolidated Statements of Financial Position are not necessary indicative of the financial position that would have been attained had the Listing actually occurred at the respective dates. Further, such information does not purport to predict the future financial position of the Group.

The auditors' report of the audited consolidated financial statements of the Group for the financial period ended 30 June 2025 was not subject to any audit qualification.

3. Listing Scheme

3.1 Initial Public Offering ("IPO")

(a) Public Issue

In conjunction with the IPO, the Company will undertake public issue of 63,000,000 new ordinary shares ("Shares") ("Public Issue"), representing approximately 20.30% of the enlarged issued share capital of the Company at RM0.35 per Share ("IPO Price") amounting to RM22,050,000, payable in full on application, upon such terms and conditions as set out in the prospectus of the Company.

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Cont'd)**Powertechnic Group Berhad**

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

**Notes to the Pro Forma Consolidated Statements of Financial Position
As at 30 June 2025 (Cont'd)****3. Listing Scheme (cont'd)****3.1 Initial Public Offering ("IPO") (cont'd)****(a) Public Issue (cont'd)**

The Public Issue Shares will be allocated and allotted in the following manner:

- (i) 15,600,000 new Shares made available for application by Malaysian Public;
- (ii) 10,000,000 new Shares made available for application by the eligible Directors, employees and persons who contributed the success of the Group; and
- (iii) 37,400,000 new Shares by way of private placement to selected investors.

(b) Offer for Sale

Offer for sale of 21,000,000 existing Shares, representing approximately 6.77% of the enlarged issued share capital of the Company at the IPO Price amounting to RM7,350,000, payable in full on application, upon terms and conditions as set out in the prospectus of the Company, made available by way of private placement to selected investors.

(c) Utilisation of Proceeds from IPO

The gross proceeds arising from the Public Issue of RM22,050,000 is intended to be utilised in the following manner:

	Percentage of gross proceeds	RM
Set up new product showrooms and sales offices with storage space and marketing expenses ⁽¹⁾	20.41%	4,500,000
Capital expenditure mainly for automated machines ⁽¹⁾	17.23%	3,800,000
Repayment of bank borrowings ⁽²⁾	12.70%	2,800,000
General working capital ⁽³⁾	30.16%	6,650,000
Estimated listing expenses ⁽⁴⁾	19.50%	4,300,000
	<u>100.00%</u>	<u>22,050,000</u>

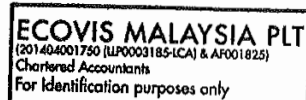
Notes:

- (1) As at 15 September 2025, being the latest practicable date, the Group has yet to enter into any contractual binding arrangements or issued any purchase orders in relation to these expenditure amounted to RM8,300,000. Accordingly, the utilisation of proceeds earmarked for these capital expenditure is not reflected in the Pro Forma Consolidated Statements of Financial Position.
- (2) The Group intends to utilise RM2,800,000 of its IPO proceeds for partial repayment of bank borrowings. The utilisation is reflected in the Pro Forma Consolidated Statements of Financial Position.
- (3) The Group has allocated RM6,650,000 of the gross proceeds arising from the Public Issue to supplement the general working capital requirements in tandem with the expected growth in the Group's business and operations. Accordingly, the utilisation of proceed earmarked for this purpose are not reflected in the Pro Forma Consolidated Statements of Financial Position and remained in cash and bank balances.

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Cont'd)**Powertechnic Group Berhad**

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

**Notes to the Pro Forma Consolidated Statements of Financial Position
As at 30 June 2025 (Cont'd)****3. Listing Scheme (cont'd)****3.1 IPO (cont'd)****(c) Utilisation of Proceeds from IPO (cont'd)**Notes: (cont'd)⁽⁴⁾ The estimated listing expenses comprise the following:

	RM
Professional fees	2,713,000
Fees payable to authorities	69,896
Underwriting, placement and brokerage fees	723,450
Printing, advertising fees and contingencies	793,654
	<u>4,300,000</u>

From the total estimated listing expenses of RM4,300,000, RM1,041,000 which are attributable to the issuance of new Shares will be debited against the share capital and the remaining RM3,259,000 will be charged out to the profit or loss. The Group has recognised listing expenses amounted to RM2,431,419 in profit or loss up to 30 June 2025 and RM151,984 of prepayment as at 30 June 2025.

4. Pro forma adjustments

The Pro Forma Consolidated Statements of Financial Position have been prepared to show the effects of the following:

- (i) Pro Forma I - After IPO as described in Note 3.1(a); and
- (ii) Pro Forma II - After Pro Forma I and utilisation of proceeds as described in Note 3.1(c).

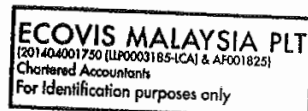
5. Effects on the Pro Forma Consolidated Statements of Financial Position**(a) Movement in trade and other receivables**

	RM
Balance as at 30 June 2025/ Pro Forma I	18,258,417
<u>Effect of Pro Forma II:</u>	
Utilisation of proceeds from IPO:	
- Prepaid expenses for the IPO derecognised	<u>(151,984)</u>
Pro Forma II	<u>18,106,433</u>

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Cont'd)**Powertechnic Group Berhad**

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

**Notes to the Pro Forma Consolidated Statements of Financial Position
As at 30 June 2025 (Cont'd)****5. Effects on the Pro Forma Consolidated Statements of Financial Position (cont'd)****(b) Movement in cash and bank balances**

	RM	RM
Balance as at 30 June 2025		8,856,995
<u>Effect of Pro Forma I:</u>		
Public Issue		22,050,000
Pro Forma I		30,906,995
<u>Effect of Pro Forma II:</u>		
Utilisation of proceeds from IPO:		
- Repayment of bank borrowing	(2,800,000)	
- Balance payment for estimated expenses for the IPO	(1,716,597)	(4,516,597)
Pro Forma II		26,390,398

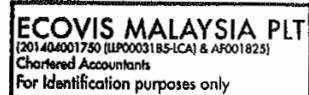
(c) Movement in share capital

	No. of Shares	RM
Balance as at 30 June 2025	247,337,000	12,367,800
<u>Effect of Pro Forma I:</u>		
Public Issue	63,000,000	22,050,000
Pro Forma I	310,337,000	34,417,800
<u>Effect of Pro Forma II:</u>		
Utilisation of proceeds from IPO:		
- Estimated listing expenses attributable to issuance of new Shares	-	(1,041,000)
Pro Forma II	310,337,000	33,376,800

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Cont'd)
Powertechnic Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)


Notes to the Pro Forma Consolidated Statements of Financial Position
As at 30 June 2025 (Cont'd)
5. Effects on the Pro Forma Consolidated Statements of Financial Position (cont'd)
(d) Movement in retained earnings

	RM
Balance as at 30 June 2025/Pro Forma I	17,416,391
<u>Effect of Pro Forma II:</u>	
Utilisation of proceeds from IPO:	
- Balance estimated listing expenses charged to profit or loss	(827,581)
Pro Forma II	<u>16,588,810</u>

(e) Movement in loan and borrowings

		RM
Balance as at 30 June 2025		
- non-current	10,145,666	
- current	<u>1,064,659</u>	
Pro Forma I		11,210,325
<u>Effect of Pro Forma II</u>		
Utilisation of proceeds from IPO:		
- Repayment of bank borrowing		<u>(2,800,000)</u>
Pro Forma II		
- non-current	7,345,666	
- current	<u>1,064,659</u>	<u>8,410,325</u>

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (Cont'd)

Powertech Group Berhad

(Incorporated in Malaysia)

Registration No. 202101015445 (1415745-D)

ECOVIS MALAYSIA PLT
(201404001750 (LLP0003185-LCA) & AF001825)
Chartered Accountants
For Identification purposes only

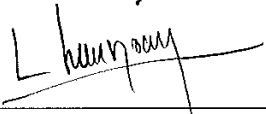
Notes to the Pro Forma Consolidated Statements of Financial Position

As at 30 June 2025 (Cont'd)

Approval by the Board of Directors

Approved and adopted by the Board of Directors in accordance with a resolution dated 19 September 2025.

For and on behalf of the Board of Directors,


Choo Chee Yong


Ivan Na Keh Chai

15. STATUTORY AND OTHER GENERAL INFORMATION

15.1 SHARE CAPITAL

- (i) No securities will be allotted or issued or offered on the basis of this Prospectus later than 6 months after the date of the issuance of this Prospectus.
- (ii) As at the date of this Prospectus, our Company has only 1 class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save for the issuance of our subscriber's shares upon our incorporation, new Shares issued for the Acquisitions and Public Issue as disclosed in this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Company or our Subsidiaries have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, during the Periods Under Review and up to the date of this Prospectus. Details of our share capital are set out in Section 6.4 of this Prospectus. Details of the share capital of our Subsidiaries, are set out in Section 6.5 of this Prospectus.
- (iv) None of the share capital of our Company or our Subsidiaries are under option or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.
- (v) As at the LPD, save for the Public Issue Shares reserved for subscription by our Eligible Parties as disclosed in Section 4.3.1(ii) of this Prospectus,
 - (a) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our Subsidiaries; and
 - (b) there is no scheme involving our Directors or employees of our Group in the shares of our Company or our Subsidiaries.
- (vi) Our Company and our Subsidiaries do not have any outstanding convertible debt security as at the date of this Prospectus.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**15.2 EXTRACT OF OUR CONSTITUTION**

The following is extracted from our Constitution and is qualified in its entirety by the remainder of the provision of our Constitution and by applicable law.

The words and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

Words	Definition
"Deposited Security"	means a Security of the Company standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense, subject to the provisions of the Central Depositories Act.
"Employee Share Scheme"	means collectively a Share Issuance Scheme and a Share Grant Scheme.
"Exchange"	means Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)) and its successors-in-title and permitted assigns.
"General Meeting"	means a meeting of Members of the Company.
"Major Shareholder"	means a major shareholder as defined under the Listing Requirements.
"Register of Members"	means the register of members to be kept pursuant to the Act and includes, where appropriate, the Record of Depositors of the Company.
"Rules" or "Rules of Depository"	means the Rules of Depository has the meaning given in Section 2 of the Capital Markets and Services Act 2007 including any amendment that may be made from time to time.
"Securities"	has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
"Special Resolution"	has the meaning given in Section 292 of the Act.

(1) Transfer of securities

The provision in our Company's Constitution in respect of the arrangements for transfer of securities and restrictions on their free transferability are as follows:

"Clause 40"

- (a) Subject to the restriction of this Constitution, Listing Requirements, the Central Depositories Act and the Rules, Securities that are not Deposited Securities shall be transferable by a duly executed and stamped instrument of transfer lodged at the Office accompanied by the certificate of the shares to be transferred (if any) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer. All instruments of transfer which shall be registered shall be retained by the Company.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (b) The transfer of Deposited Securities shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

Clause 41

Subject to the provisions of the Act, the Central Depositories Act and the Rules, the instrument of transfer of any share which is not a Deposited Security lodged with the Company shall be executed by or on behalf of both the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. The instrument of transfer shall in any one instance relate to one class of shares.

Clause 42

In the case of Deposited Security, the Depository may refuse to effect any transfer of Deposited Security that does not comply with the Central Depositories Act and Rules or where the reason for the transfer does not fall within any of the approved reasons provided in the Rules.

Clause 43

- (a) The Directors may in their absolute discretion refuse or delay to register any transfer of shares that is not a Deposited Security where the registration of the transfer would result in contravention of or failure to observe the provisions of any laws in Malaysia; or the transfer is in respect of a partly paid shares of which a call has been made and is unpaid or which the Company has a lien.
- (b) A Directors' resolution shall be passed within thirty (30) days from the receipt of the instrument of transfer to refuse or delay the registration of transfer of a share that is not a Deposited Security and such notice of the resolution including the reasons thereof shall be sent to the transferor and the transferee within seven (7) days of the resolution being passed.
- (c) The Company shall refuse to register more than three (3) persons as joint holders of a share unless they are executors or trustees of a deceased shareholder.

Clause 46

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Clause 47

A Record of Depositors requested by the Company as at any specified date and/or for any specified purpose when made available to the Company may be treated as the final Record of Depositors as at the specified date and/or for the specified purpose. If there shall be more than one Record of Depositors made available to the Company as at the specified date and/or for the specified purpose then the later or last of the Record of Depositors prepared by the Central Depository shall be the final Record of Depositors as at the specified date and/or for the specified purpose."

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**(2) Remuneration of Directors**

The provisions in our Constitution in respect of the remuneration of Directors are as follows:

“Clause 117

The fees of the non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover, and such fee shall be divided amongst the non-executive Directors as they shall determine or failing agreement, equally. The salaries payable to executive Directors, may however, include such percentage of profits as the Directors may determine but shall not in any circumstances include a commission on or percentage of turnover. The Director shall (including alternate directors) also be paid such travelling, hotel or other expenses as may reasonably be incurred by them in the execution of their duties including such expenses incurred in connection with their attendance at meetings of Directors. If by arrangement with the other Directors any Director shall perform or render any duties or services outside his ordinary duties as a Director or shall make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or shall give special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration in a lump sum in addition to his ordinary remuneration. The fees of Directors, and any benefits payable to Directors shall be approved by Members annually at a general meeting.

Clause 121

Subject to the provisions of the Act, any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.

Clause 124

The remuneration of a Managing Director, a Deputy Managing Director and an Executive Director given due to his office as executive or management position, if any, shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes, but shall not be a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. The remuneration of a Director(s) appointed to an executive position under Clause 123 shall be determined by the Board and can either be in addition to or in lieu of his/their fee as a Director.”

(3) Voting and borrowing powers of Directors

The provisions in our Constitution in respect of the voting and borrowing powers of the Directors are as follows:

“Clause 97

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote in addition to any other vote he may have.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Clause 120

No Director shall be disqualified by his office from holding any office or place of profit under the Company or under any company in which the Company shall be a shareholder or otherwise interested in conjunction with his office of Director (except that of auditor) or from contracting with the Company either as vendor, purchaser, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director be liable to account to the Company for any profit arising from any such office or place of profit or realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established provided always that Sections 221, 222 and 228 and all other relevant provisions of the Act and this Constitution are complied with. A Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the company, unless the interest is one that need not be disclosed under Section 221 of the Act, shall be counted only to make the quorum at the meeting of the Directors but shall not participate in any discussion while the contract or proposed contract is being considered during the meeting and shall not vote on the contract or proposed contract.

Clause 122

A general notice given to the Board by a Director to the effect that the Director is an officer or member of a specified corporation or a member of a specified firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that corporation or firm shall be deemed to be a sufficient declaration of interest in relation to any contract made if the notice specifies the nature and extent of the Director's interest in the specified corporation or firm and the interest is not different in nature or greater in extent than the nature and extent so specified in the general notice at the time any contract is so made. Such notice shall be of no effect unless the notice is given at a meeting of the Directors or the Director takes reasonable steps to ensure that the notice is brought up and read at the next meeting of the Directors after it is given.

Clause 126

The business of the Company shall be managed by, or under the direction of the Directors who may pay all such expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company, and as are not by law or by this Constitution required to be exercised or done by the Company in general meeting, but the exercise of all such powers shall be subject to and in accordance with the provisions of any law and of this Constitution and shall also be subject to and in accordance with any regulations or provisions made by the Company in general meeting, provided that no regulation so passed shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Clause 127

The Directors may from time to time by power of attorney under Seal or such other manner authorised by the Act, appoint any corporation, firm or person or body of persons whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretion vested in him.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Clause 128

Subject to the provisions of the Act, the Directors shall not acquire an undertaking or property of a substantial value or dispose of the whole or substantially the whole of the undertaking of the Company unless approval of the Members at a general meeting has been obtained.

Clause 142

Subject to the provisions of this Constitution, question arising at any meeting shall be decided by a majority of votes of the Directors present, each Director having one (1) vote. In case of an equality of votes, the chairman shall have a second or casting vote except that the chairman of a meeting at which only two (2) Directors are present or at which only two (2) Directors are competent to vote on the questions at issue shall not have a second or casting vote.

Clause 149

A resolution in writing signed or approved by a majority of the Directors or their alternates shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. All such resolutions shall be described as "Directors' Circular Resolutions" and may consist of several documents in like form each signed by one or more Directors or their alternates and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the minutes book of board proceedings. A Directors' Circular Resolution shall be inoperative if it shall purport to authorise or to do any act which a meeting of Directors has decided shall not be authorised or done, until confirmed by a meeting of the Directors. The expressions of "in writing" or "signed" include approval by legible confirmed transmission by facsimile or other forms of electronic communications.

Clause 152

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow for the purpose of the Company such sums of moneys as they think proper. The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other Securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Clause 153

The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Clause 154

The Company may in general meeting grant a right for the holders of bonds, debentures, debenture stock or securities to exchange the same for the shares in the Company authorised to be issued.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Clause 155

Subject as aforesaid, the Directors may secure or provide for the payment of any moneys to be borrowed or raised by mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and any capital remaining unpaid upon shares of the Company, whether called up or not or by any other security, and the Directors may confer upon any mortgagees or persons in whom any debentures, debenture stock or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any money so borrowed or so raised, and confer upon the trustees or any receiver to be appointed by them or by any debenture holder, such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company, or the management, or the realisation thereof, of the making, receiving or enforcing of calls upon the Members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

Clause 156

The Directors may give security for the payment of any moneys payable by the Company in like manner as for the payment of money borrowed or raised, but in such case the amount shall be reckoned as part of the money borrowed.

Clause 157

Debentures, debenture stock or other Securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Clause 158

Any debentures, debenture stock, bonds or other Securities may be issued with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at General Meetings of the Company, appointment of Directors and otherwise.

Clause 159

The Directors shall cause proper register to be kept in accordance with the provisions of the Act of all charges specifically affecting the property of the Company and all floating charges on the undertaking or any property of the Company and shall duly comply with the requirements of the Act in regard to the registration of charges therein specified and otherwise.

Clause 160

If the Directors or any of them, or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability."

(4) Changes in capital or variation of class rights and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

The provisions in our Constitution in respect of the changes in capital or variation of class rights and rights, preferences and restrictions attached to each class of securities relating to voting dividend, liquidation and any special rights are as follows:

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

“Clause 7

The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to Dividend, capital, voting or otherwise as the Company may from time to time by Ordinary Resolution determine.

Clause 9

The shares in the Company shall only be issued by the Directors with the prior approval of the Company in General Meeting where necessary under the provisions of the Act and the Listing Requirements. Subject as aforesaid and always to the provisions of this Constitution, the Listing Requirements and the Act, the Directors may allot or otherwise dispose of the shares in the Company to such persons on such terms and conditions and at such times as the Directors think fit and with full power to give to any person the right to call for the allotment of any shares for such time and for such consideration as the Directors may see fit, provided always: -

- (a) except in the case of an issue of shares on a pro-rata basis to all Members, every issue of shares to employees, Directors, Major Shareholders or person connected with any Director or Major Shareholder of the Company shall be approved by the Members in General Meeting and no Director, Major Shareholder shall participate in such issue of share unless:
 - (i) the Members in General Meetings have approved the specific allotment to be made to such Director, Major Shareholder or person connected with such Director or Major Shareholder; and
 - (ii) in the case of a Director, such Director holds office in the Company in an executive capacity provided always that a Director not holding office in an executive capacity may so participate in any issue of shares pursuant to a public issue or public offer or special issue, provided that such participation to be approved by the relevant authorities;
- (b) no Director shall participate in an Employee Share Scheme unless Members in General Meeting have approved the specific allotment to be made to such Director.

Clause 14

The Company shall have power with the sanction of an Ordinary Resolution of the Company to issue preference shares carrying a right to redemption or liable to be redeemed at the option of the Company or to issue preference shares ranking equally with or in priority to preference shares already issued. The Directors may subject to the Act, redeem such shares on such terms and in such manner as they may think fit provided always that the rights attaching to shares of a class other than ordinary shares shall be expressed.

Clause 15

The rights attaching to shares of a class other than ordinary shares be expressed in the resolution creating the same.

Clause 16

The right conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally therewith but in no respect in priority thereto.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Clause 18

The repayment of preference capital other than redeemable preference, or any other alteration of preference shareholders rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned, provided always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.

Clause 19

Subject to the provisions of Sections 71 and 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class. To every such separate General Meeting the provisions in this Constitution relating to the General Meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third (1/3) of the issued shares of the class (excluding any Shares of that class held as treasury Shares) and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply.

Clause 62

Subject to the provisions of the Act and the Listing Requirements, the Company may by passing a Special Resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards Dividend, return of capital, voting or otherwise over the others or any other of such shares;
- (c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (d) subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of shares into any other class of shares.

Clause 63

The Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or any reserve account, in any manner authorised by the Act.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Clause 67

- (a) Subject to the provisions of Sections 71 and 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), the repayment of preference capital other than redeemable preference or any other alteration of preference shareholders' rights may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated only with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class or, as the case may be, the preference shareholders concerned and to every such Special Resolution the provisions of the Act shall with such adaptations as are necessary apply.
- (b) To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall mutatis mutandis apply, so that the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney, one-third (1/3) of the number of issued shares of the class, excluding any shares of that class held as treasury shares and that any holder of shares of the class present in person or by proxy may demand a poll.
- (c) If that class of Shares only has one (1) holder, a quorum is constituted by one (1) person present holding Shares of such class. For an adjourned meeting, quorum is one (1) person present holding Shares of such class. To every such Special Resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.
- (d) Provided always that where the necessary majority for such a Special Resolution is not obtained at such separate General Meeting, consent in writing if obtained from the holders representing not less than seventy five per centum (75%) of the total voting rights of the class concerned or, as the case may be, the preference shareholders concerned, within two (2) months of the General Meeting shall be as valid and effectual as a Special Resolution, carried at the General Meeting.

Clause 167

The Directors may subject to the Act and the Listing Requirements, from time to time declare Dividends, if the Company is solvent, but no such Dividend shall be payable except out of profits of the Company, provided that the Directors may, if they think fit, from time to time pay to the Members such interim Dividends as appear to them to be justified by the profits of the Company. No higher Dividend shall be paid than is recommended by the Directors. The Directors may only authorise the payment of any Dividends (including interim Dividends) if they are satisfied that the Company will in accordance with the Act, be solvent immediately after the payment of Dividends is made.

Clause 168

Subject to the provisions contained and to the rights of Members whose shares have been issued with special rights as to Dividend, every Dividend shall be paid to the Members in proportion to the amounts paid up on their shares. For the purposes of this Clause, no amount paid on a share in advance of calls shall be treated as paid up on such share. Where capital is paid up during a period in respect of which a Dividend is declared such capital shall entitle the holder, unless otherwise provided as to the term of the issue, only to an apportioned amount of such Dividend as from the date or dates of payment of such capital."

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

15.3 NO LIMITATON ON THE RIGHT TO OWN SECURITIES

There are no limitations on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares imposed by law or by constituent documents of our Company.

15.4 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts which are not in the ordinary course of our Group's business within the Period Under Review up to the date of this Prospectus:

- (i) Sale and purchase agreement dated 7 March 2023 entered into between PHEM and Sima Global Sdn Bhd for disposal by PHEM of a piece of freehold land together with a unit of light industry factory erected thereon bearing postal address of No. 10, Jalan Mutiara Emas 5/24, Taman Mount Austin, 81100 Johor Bahru, Johor for a disposal consideration of RM1.20 million. This disposal was completed on 24 August 2023;
- (ii) Sale and purchase agreement dated 13 May 2024 entered into between PHEM and Anuratha A/P Elam Kovan for a disposal by PHEM of a piece of freehold land together with a unit of double storey terrace house erected thereon bearing postal address of No. 1520, Jalan Teratai 36/30, Indahpura, 81000 Kulai, Johor for a disposal consideration of RM0.45 million This disposal was completed on 29 July 2024;
- (iii) Sale and purchase agreement dated 13 May 2024 entered into between PHEM and Tahasan Stores Sdn Bhd for disposal by PHEM of a piece of freehold land together with a unit of one and half storey light industrial terrace factory erected thereon bearing postal address of No. 2, Jalan Mutiara Emas 7/11, Taman Mount Austin, 81100 Johor Bahru, Johor for a disposal consideration of RM3.38 million. This disposal was completed on 26 September 2024;
- (iv) Share sale agreement dated 15 November 2024 entered into between our Company (as purchaser) and vendors of PHEM (Ivan Na Keh Chai and Choo Chee Yong) to acquire the entire issued share capital of PHEM, for a purchase consideration of RM9,575,800 via the issuance of 191,516,000 new Shares at an issue price of RM0.05 per Share. The said acquisition was completed on 21 November 2024;
- (v) Share sale agreement dated 15 November 2024 entered into between our Company (as purchaser) and vendors of PMSB (Ivan Na Keh Chai, Choo Chee Yong, Choo Chee Siang and Clessense Kho Mei Chee) to acquire the entire issued share capital of PMSB, for a purchase consideration of RM1,637,000 via the issuance of 32,740,000 new Shares at an issue price of RM0.05 per Share. The said acquisition was completed on 21 November 2024;
- (vi) Share sale agreement dated 15 November 2024 entered into between our Company (as purchaser) and vendors of PRSB (Ivan Na Keh Chai and Choo Chee Yong) to acquire the entire issued share capital of PRSB, for a purchase consideration of RM1,154,000 via the issuance of 23,080,000 new Shares at an issue price of RM0.05 per Share. The said acquisition was completed on 21 November 2024; and
- (vii) Underwriting Agreement.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

15.5 MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claim and/ or arbitration, whether as plaintiff or defendant, which might materially and adversely affect our business or financial position, and our Directors confirm that there are no legal proceedings, pending or threatened, or of any fact likely to give rise to any legal proceeding which may materially and adversely affect our business or financial position.

15.6 PUBLIC TAKE-OVERS

During the last financial year and up to the LPD, there were:

- (i) no public take-over offers by third parties in respect of our Shares; and
- (ii) no public take-over offers by us in respect of other companies' shares.

15.7 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFITS AND TAXATION

Our Group has not established any other place of business outside of Malaysia and is not subject to governmental laws, decrees, regulations and/ or other legislations that may affect the repatriation of capital and remittance of profit by or to our Group.

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. However, effective from the year of assessment 2025, individual shareholders receiving dividend income exceeding RM100,000 per annum will be subject to a 2% tax. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gain tax arising from the disposal of listed shares.

15.8 LETTERS OF CONSENT

- (i) The written consent of the Principal Adviser, Sponsor, Underwriter and Placement Agent, Company Secretaries, Solicitors to the Company, Share Registrar and Issuing House for the inclusion in this Prospectus of their names and all references herein in the form and context in which such names appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Reporting Accountants for the inclusion in this Prospectus of its name, Reporting Accountants' report on the compilation of pro forma statements of financial position as at 30 June 2025, Accountants' Report and all references herein in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iii) The written consent of the IMR for the inclusion in this Prospectus of its name, the IMR Report and all references herein in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

15.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our Registered Office during the normal office hours for a period of 6 months from the date of this Prospectus:

- (i) the Constitution of our Company;
- (ii) the material contracts as referred to in Section 15.4 of this Prospectus;
- (iii) the IMR Report as set out in Section 8 of this Prospectus;
- (iv) Reporting Accountant's report on the compilation of pro forma statements of financial position as referred to in Section 14 of this Prospectus;
- (v) Accountants' Report referred to in Section 13 of this Prospectus;
- (vi) the letters of consent as referred to in Section 15.8 of this Prospectus; and
- (vii) the audited financial statements of our Company and our Subsidiaries for the Periods Under Review.

15.10 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and the Offerors have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

TA Securities, being the Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 6 October 2025

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 14 October 2025

In the event of any changes to the dates or time stated above, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia newspaper within Malaysia.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS**16.2.1 Application for our IPO Shares by the Malaysian Public and Eligible Parties**

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed.

Types of Application and category of investors	Application method
Applications by Eligible Parties	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	• White Application Form; or • Electronic Share Application; or • Internet Share Application
(ii) Non-individuals	White Application Form only

16.2.2 Application by identified institutional and/ or selected investors and identified Bumiputera Investors approved by MITI via private placement

Types of Application and category of investors	Application method
Applications by:	
(i) Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instruction.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Types of Application and category of investors	Application method
(ii) Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application, where applicable.

16.3 ELIGIBILITY**16.3.1 General**

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMISES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

16.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (i) You must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (b) a corporation/ institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/ trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) You must submit an Application by using only one of the following methods:
 - (a) White Application Form; or
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

16.3.3 Application by Eligible Parties

Our Eligible Parties will be provided with Pink Application Forms and letters from us detailing their respective allocations. The applicants must follow the notes and instructions in those documents and where relevant, of our Prospectus.

16.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.35 for each IPO Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 679**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Method below is relevant for White Application Form only.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided to the following address:

Malaysian Issuing House Sdn Bhd
(Registration No. 199301003608 (258345-X))
 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan

or

P.O. Box 00010
 Pejabat Pos Jalan Sultan
 46700 Petaling Jaya
 Selangor Darul Ehsan

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

so as to arrive not later than 5.00 p.m. on 14 October 2025 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATIONS BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 APPLICATIONS BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Securities Sdn Bhd), Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn. Bhd., Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

- (i) reject Applications which:
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.8 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of Shares and the balloting results in connection therewith will be furnished by our Issuing House to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website www.mih.com.my within 1 market day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's enlarged issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public, subject to the re-allocation as set out in Section 4.3.3 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL/ PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/ partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.9.1 For applications by way of Application Form

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/ registered post to your registered or correspondence address last maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/ registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten (10) Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or by issuance of banker's draft sent by ordinary/ registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than ten (10) Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the final balloting date. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (i) Our IPO Shares allotted to you will be credited into your CDS Account.
- (ii) A notice of allotment will be despatched to you at your registered or correspondence address last maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued/ offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and the Rules.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.11 ENQUIRIES**

Enquiries in respect of the Applications may be directed as follows:

Mode of Application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at telephone no. 03-7890 4700
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions or Participating Securities Firms and Authorised Financial Institution

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 p.m. Alternatively, you may contact any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-