



ANNUAL REPORT
2025

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	Form of Proxy

TA Securities Holdings Berhad ("TA Securities"), being the Sponsor, is responsible for the admission of Powertech Group Berhad to the ACE Market of Bursa Malaysia Securities Berhad on 28 October 2025. TA Securities assumes no responsibility for the contents of this annual report for the financial year ended 31 December 2025.



2ND

Annual General Meeting ("AGM")
of **POWERTECHNIC GROUP BERHAD**



Thursday,
28 May 2026
9:30 a.m.



Maharani Hall (Level 1), Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor

CHAIRMAN STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of **Powertechnic Group Berhad** (“Powertechnic” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 31 December 2025 (“FYE 2025”).

FYE 2025 marked an important milestone in the Group’s corporate journey with the successful listing of Powertechnic on the ACE Market of Bursa Malaysia Securities Berhad on 28 October 2025. This achievement represents a significant step forward in the Group’s evolution, strengthening its corporate governance framework, enhancing transparency and providing access to capital to support the Group’s future growth initiatives.

The listing also reflects the confidence of our stakeholders in the Group’s business model, operational capabilities, and long-term growth prospects within Malaysia’s lifting and handling equipment industry.

Key Highlights FYE 2025

- **Successful ACE Market Listing:** Powertechnic was listed on the ACE Market of Bursa Malaysia Securities Berhad on 28 October 2025, raising RM22.05 million in gross proceeds to support the Group’s expansion initiatives and enhance operational efficiency.
- **Revenue Growth:** The Group recorded revenue of RM42.53 million, representing a 6.31% increase compared with RM40.01 million in financial year ended 31 December 2024 (“FYE 2024”).
- **Diversified Revenue Contribution:** Revenue contributions remained well balanced across the Group’s key segments: crane and hoist systems (28.74%), elevated platform systems (26.72%), elevators (25.13%) and maintenance, repair and related services (19.41%).
- **Strengthened Financial Position:** Total equity increased significantly to RM39.12 million, while cash and bank balances stood at RM19.81 million, following the successful completion of the initial public offering (“IPO”).

Operating Environment

During FYE 2025, the global economy continued to navigate evolving geopolitical developments and moderating inflationary pressures. Despite ongoing uncertainties, industrial activity remained resilient across many economies, supported by continued investments in manufacturing capacity, logistics infrastructure and industrial automation.

In Malaysia, the economy remained resilient with gross domestic product (“GDP”) expanding by 5.2% during the year. Domestic demand remained a key growth driver, supported by favourable labour market conditions, steady consumer spending and continued public and private sector investments.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025, Bank Negara Malaysia)

Key sectors such as manufacturing, construction as well as commercial and residential property development continued to experience steady activity levels. These industries represent important end-user markets for lifting and material-handling equipment, which are essential in supporting operational efficiency, workplace safety, and productivity.

As infrastructure development and industrial investments continue to expand, demand for lifting systems is expected to remain supported in the medium to long term.

CHAIRMAN STATEMENT (CONT'D)

Business Performance

During FYE 2025, the Group recorded revenue of RM42.53 million, representing an increase of 6.31% compared with RM40.01 million in FYE 2024. The revenue growth was supported by steady contributions across the Group's core product segments, including crane and hoist systems, elevated platform systems, elevators and maintenance, repair and related services.

Crane and hoist systems remained the largest contributor to revenue, followed by elevated platform systems, elevators and maintenance, repair and related services. The Group's diversified product offering enables it to serve customers across the industrial, commercial and residential markets, thereby providing resilience to its revenue base.

For FYE 2025, the Group recorded profit before tax of RM5.41 million (FYE 2024: RM8.93 million) and profit after tax of RM3.33 million (FYE 2024: RM6.28 million). The lower profit compared with FYE 2024 was primarily attributable to the absence of non-recurring gains of RM2.82 million recognised in the previous financial year arising from the disposal of a property and an investment property. Excluding these one-off gains, the Group's core operating performance remained stable during the year.

The Group's financial position strengthened significantly during FYE 2025 following the successful completion of the IPO. Total equity increased to RM39.12 million as at 31 December 2025, while cash and bank balances increased to RM19.81 million. This strengthened balance sheet provides the Group with a solid financial foundation to support future expansion initiatives.

Strategic Focus

Looking ahead, the Board remains focused on strengthening the Group's long-term competitiveness and operational capabilities.

One of the Group's key priorities is to enhance operational efficiency and production capacity through the planned implementation of automated fabrication processes, particularly for elevated platform systems such as dock levellers. Automation is expected to improve production efficiency, increase fabrication precision and support higher production capacity as demand continues to grow.

In addition, the Group intends to expand its market presence through the establishment of new product showrooms and sales offices, which is expected to improve customer accessibility while strengthening product visibility and brand recognition in target areas.

At the same time, Powertechnic will continue to grow its maintenance, repair and related services capabilities, which generate recurring income streams and strengthen long-term customer relationships. As the Group's installed base of lifting systems expands, servicing activities are expected to play an increasingly important role in supporting earnings stability.

Through these strategic initiatives, the Group aims to strengthen its position as a reliable provider of lifting systems while continuing to deliver value to its customers and stakeholders.

CHAIRMAN STATEMENT (CONT'D)

Outlook

Looking ahead, the Board remains cautiously optimistic about the Group's prospects. The continued expansion of Malaysia's industrial, commercial and residential sector, together with ongoing infrastructure and construction activities, is expected to provide a supportive environment for lifting and handling equipment demand.

With its strengthened financial position following the IPO, diversified product portfolio and integrated engineering capabilities, Powertech Group is well positioned to pursue sustainable growth opportunities while maintaining disciplined execution and operational excellence.

Appreciation

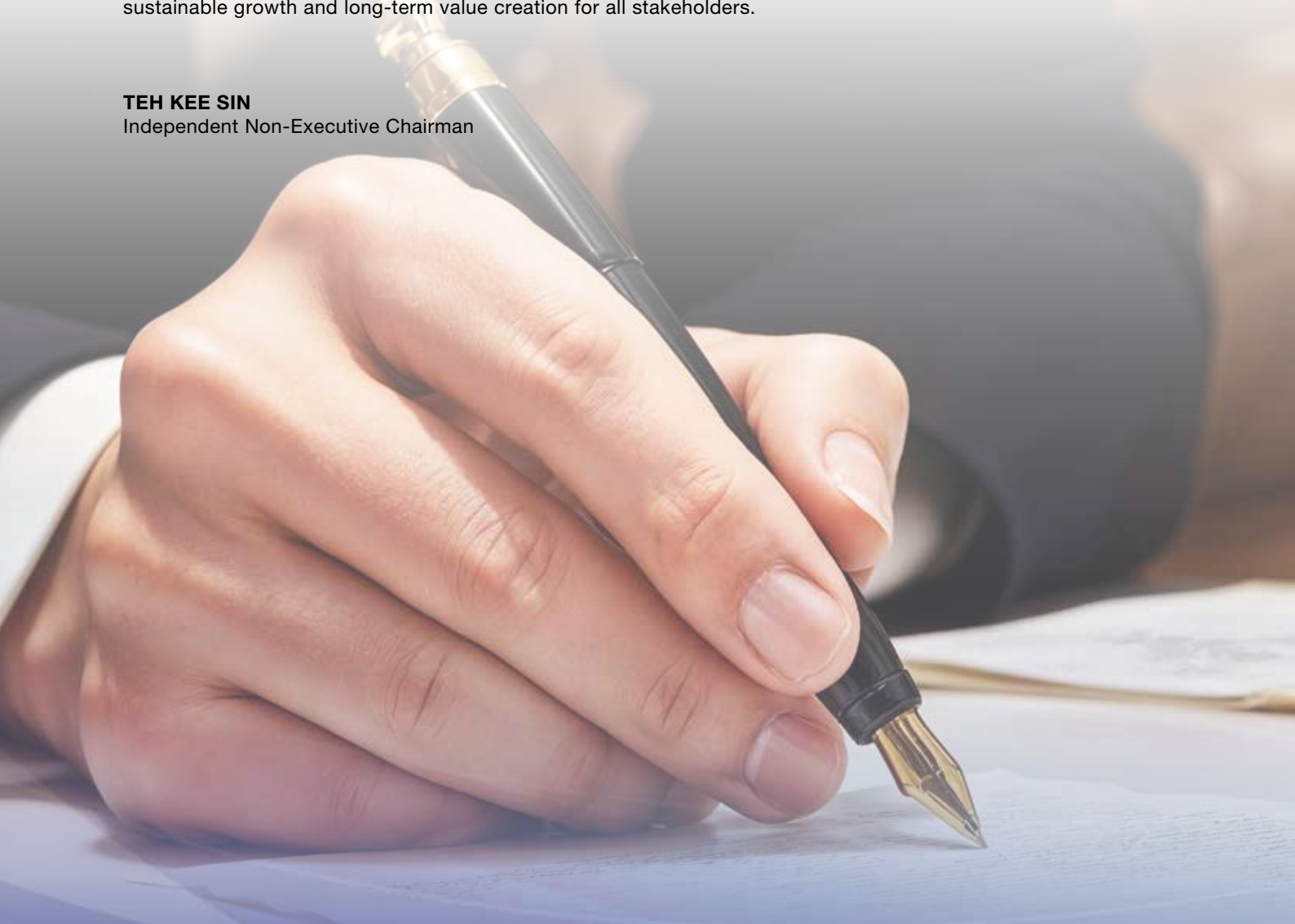
On behalf of the Board, I would like to express our sincere appreciation to the Group's customers, business partners, and stakeholders for their continued trust and support throughout the years. The successful listing of Powertech on the ACE Market of Bursa Malaysia Securities Berhad in October 2025 represents an important milestone for the Group, and we are grateful for the confidence shown by our shareholders in the Group's business and future prospects.

I would also like to extend my heartfelt appreciation to the Group's management team and employees whose dedication, professionalism, and hard work have been instrumental in driving the Group's operational excellence and long-term growth.

The Board remains committed to upholding strong governance standards while guiding the Group towards sustainable growth and long-term value creation for all stakeholders.

TEH KEE SIN

Independent Non-Executive Chairman



CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. TEH KEE SIN
INDEPENDENT NON-EXECUTIVE CHAIRMAN

MR. IVAN NA KEH CHAI
MANAGING DIRECTOR

MR. CHOO CHEE YONG
EXECUTIVE DIRECTOR

MS. CLESSENSE KHO MEI CHEE
EXECUTIVE DIRECTOR

MS. LAW LEE YEN
INDEPENDENT NON-EXECUTIVE DIRECTOR

MR. RAZI BIN ABDULLAH
INDEPENDENT NON-EXECUTIVE DIRECTOR

MS. EILEEN SU LEE MING
INDEPENDENT NON-EXECUTIVE DIRECTOR

AUDIT AND RISK
MANAGEMENT COMMITTEE

Chairman
Ms. Law Lee Yen

Member
Mr. Razi Bin Abdullah
Ms. Eileen Su Lee Ming

NOMINATING COMMITTEE

Chairman
Ms. Eileen Su Lee Ming

Member
Ms. Law Lee Yen
Mr. Razi Bin Abdullah

REMUNERATION COMMITTEE

Chairman
Mr. Razi Bin Abdullah

Member
Ms. Eileen Su Lee Ming
Ms. Law Lee Yen

PRINCIPAL PLACE OF BUSINESS

No. 28, Jalan I-Park 1/3
Kawasan Perindustrian I-Park
Bandar Indahpura
81000 Kulai, Johor
Tel : +607-660 7007
Website :
<https://powertechgroup.com.my/>
Email :
ir@powertechgroup.com.my

COMPANY SECRETARIES

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

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

REGISTERED OFFICE

Suite 5.11 & 5.12,
5th floor, Menara TJB
No. 9, Jalan Syed Mohd. Mufti
80888 Ibrahim International Business
District, Johor
Tel : +607-224 2823
Email : plc@cisgroup93.com

SPONSOR

TA Securities Holdings Berhad
(Registration No. 197301001467
(14948-M))
29th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-2072 1277

SHARE REGISTRAR

Boardroom Share Registrars
Sdn. Bhd.
(Registration No. 199601006647
(378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor
Tel : +603-7890 4700
Fax : +603-7890 4670
Website :
www.boardroomlimited.com
Email :
bsr.helpdesk@boardroomlimited.com

AUDITORS

Ecovis Malaysia PLT
(201404001750 (LLP0003185-LCA)
& AF001825)
D-10-03, Level 10, Exsim Tower
Millerz Square @ Old Klang Road,
Megan Legasi
No. 357, Jalan Kelang lama
58000 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-7986 0066

PRINCIPAL BANKERS

HONG LEONG ISLAMIC BANK BERHAD
PUBLIC BANK BERHAD
MALAYAN BANKING BERHAD

SUBSIDIARY COMPANIES

Powertech Handling Equipment
(M) Sdn Bhd
Registration No. 200201007360
(575023-H)
Powertech Marketing
Sdn Bhd
Registration No. 201701017910
(1232075-H)
Powertech Resources
Sdn Bhd
Registration No. 201501045428
(1170751-U)

STOCK EXCHANGE LISTING

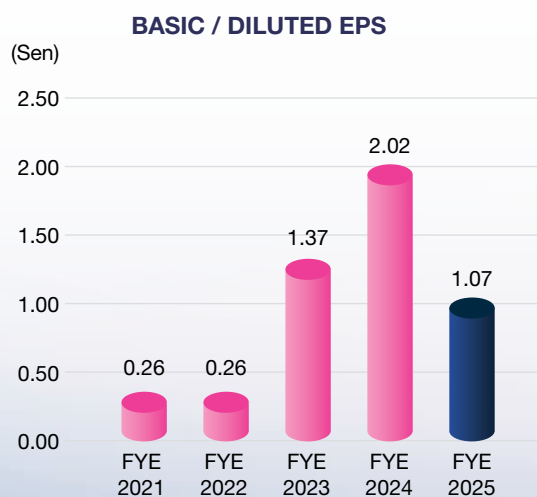
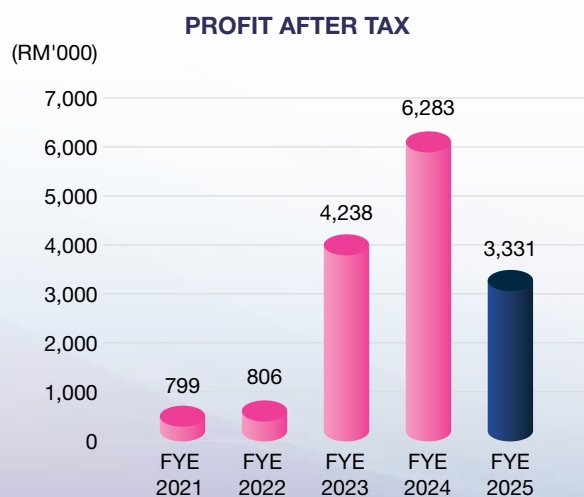
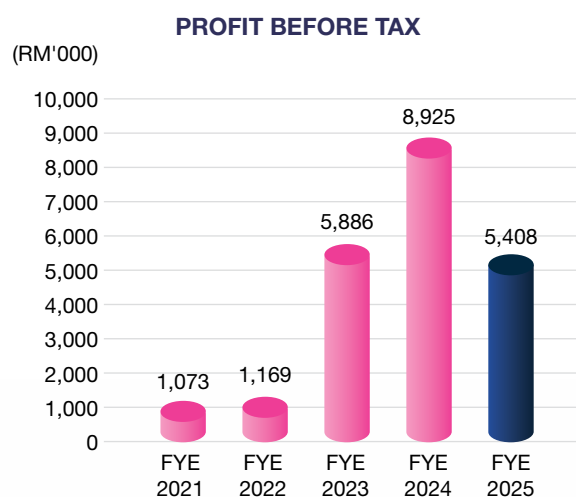
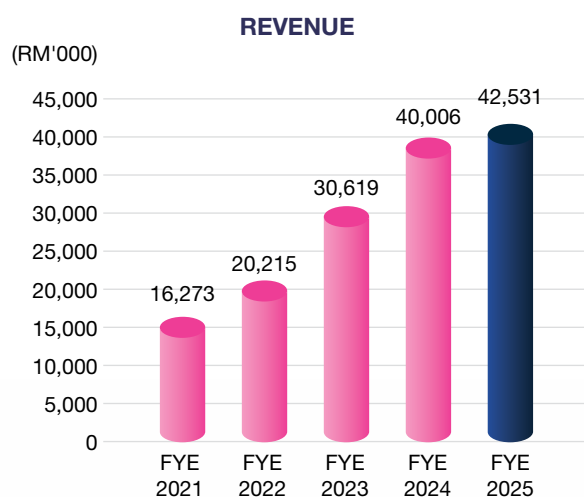
ACE Market of Bursa Malaysia
Securities Berhad
Stock Code : 0377
Stock Name : POWER
Date of Listing : 28 October 2025

GROUP FINANCIAL HIGHLIGHTS

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000
Revenue	16,273	20,215	30,619	40,006	42,531
Gross profit ("GP")	6,013	7,490	13,120	19,030	19,416
Other income	454	473	1,496	3,232	441
Profit before tax ("PBT")	1,073	1,169	5,886	8,925	5,408
Profit after tax ("PAT")	799	806	4,238	6,283	3,331
GP margin (%)	36.95	37.05	42.85	47.57	45.65
PBT margin (%)	6.59	5.78	19.22	22.31	12.72
PAT margin (%)	4.91	3.99	13.84	15.71	7.83
Basic/ Diluted earnings per share ("EPS") (sen) ⁽¹⁾	0.26	0.26	1.37	2.02	1.07

Note:

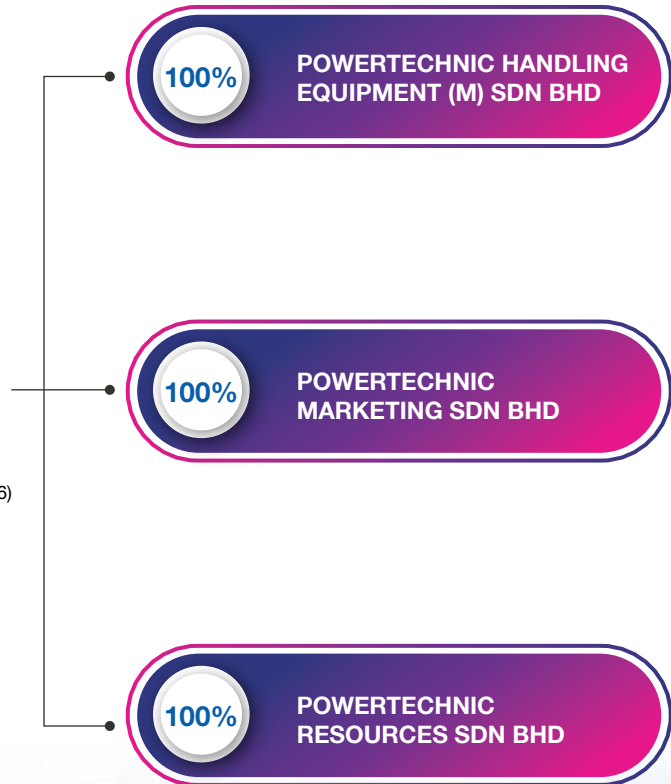
- (1) To facilitate the 5 years financial highlights for comparison purposes only, basic and diluted EPS is computed based on the PAT attributable to owners of the Company divided by 310,337,000 ordinary shares in issue following the Company's initial public offering ("IPO").



CORPORATE STRUCTURE



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



DIRECTORS PROFILE

Teh Kee Sin

Independent Non-Executive Chairman

Nationality	Malaysian
Gender	Male
Aged	64
Date of Appointment to the Board:	21 November 2024
Board Committees:	-

Teh Kee Sin 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 1983. 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 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. Subsequently, he joined a Malaysia private company involved in manufacturing of electrical appliances based in Johor as a Training Officer from June 1987 to August 1988. 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:

- 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.

- 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.
- 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.
- 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.

He does not hold any directorship in any other public company and other listed corporation.

He has no family relationship with any directors and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest with the Company and the Group that may arise. He has had no convictions for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He directly holds 400,000 ordinary shares in the Company.

He attended all the three (3) Board meetings held during the financial year ended 31 December 2025.

DIRECTORS PROFILE (CONT'D)

Ivan Na Keh Chai Managing Director

Nationality	Malaysian
Gender	Male
Aged	52
Date of Appointment to the Board:	23 April 2021
Board Committees:	-

Ivan Na Keh Chai graduated with a Diploma in Technology (Mechanical and Manufacturing Engineering) from Tunku Abdul Rahman College, Malaysia in 1998.

After graduation, he commenced his career in April 1998 as a Mechanical Engineer at a Singapore company which is principally involved in material handling equipment, where he was mainly involved in mechanical drawing and project management. He was transferred to the associate company based in Johor in March 1999 and 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 the company in April 2002.

After that, he joined Powertech Handling Equipment (M) Sdn Bhd ("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 was appointed as a director of PHEM. He was instrumental in the setting up and development of the Company's other subsidiaries, namely Powertech Resources Sdn Bhd ("PRSB") and Powertech Marketing Sdn Bhd ("PMSB"), together with Choo Chee Yong, the Company's Executive Director.

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 PRSB and PMSB until to date, he is mainly responsible for handling the commercial related matters of the Group i.e. business development and financial management, planning the Group's overall direction, formulating strategies to grow the Group's business, building business network with clients as well as overseeing the daily operations of the Group.

He does not hold any directorship in any other public company and other listed corporation.

He has no family relationship with any directors and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest with the Company and the Group that may arise. He has had no convictions for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He directly holds 108,257,500 ordinary shares in the Company.

He attended all the three (3) Board meetings held during the financial year ended 31 December 2025.

DIRECTORS PROFILE

(CONT'D)

Choo Chee Yong

Executive Director

Nationality	Malaysian
Gender	Male
Aged	50
Date of Appointment to the Board:	23 April 2021
Board Committees:	-

Choo Chee Yong 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 a private company based in Selangor which is involved in the manufacturing and supply of hydraulic products, where 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 whereby he was mainly involved in promoting and marketing of the company's products. After he left the company in July 2000 and joined another private company based in Johor as a Sales Executive, he was involved in sales and handled projects. He left the company in August 2002.

In September 2002, he was appointed as a director of PHEM. He was instrumental in the setting up and development of the Company's other subsidiaries, namely PRSB and PMSB, together with Ivan Na Keh Chai, the Company's Managing Director.

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 the Group including engineering design, fabrication, assembly, installation and commissioning of lifting and handling equipment (e.g., overhead crane, dock levellers and freight elevators), research and development, quality management and products delivery.

He does not hold any directorship in any other public company and other listed corporation.

He has no family relationship with any directors and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest with the Company and the Group that may arise. He has had no convictions for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He directly holds 108,257,500 ordinary shares in the Company.

He attended all the three (3) Board meetings held during the financial year ended 31 December 2025.

DIRECTORS PROFILE (CONT'D)

Clessense Kho Mei Chee Executive Director

Nationality	Malaysian
Gender	Female
Aged	34
Date of Appointment to the Board:	25 February 2026
Board Committees:	-

Clessense Kho Mei Chee graduated with a Bachelor of Science in Finance and Economics from University of Lancaster, United Kingdom in 2014 and obtained a Master of Science in Real Estate Economics and Finance from London School of Economics and Political Science, United Kingdom in 2016.

She joined PHEM in July 2018 as a Personal Assistant to the Company's Executive Director (Choo Chee Yong), who oversees the daily technical operations of the 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. She was appointed as a director of PMSB in November 2021 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 the Group where her role expanded to overseeing the sales and marketing function of the Group.

She does not hold any directorship in any other public company and other listed corporation.

She has no family relationship with any directors and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest with the Company and the Group that may arise. She has had no convictions for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She directly holds 3,824,000 ordinary shares in the Company.

As she was only appointed to the Board on 25 February 2026, she did not attend any Board meetings held during the financial year ended 31 December 2025.

DIRECTORS PROFILE

(CONT'D)

Law Lee Yen

Independent Non-Executive Director

Nationality	Malaysian
Gender	Female
Aged	41
Date of Appointment to the Board:	21 November 2024
Board Committees:	Chairman of Audit and Risk Management Committee Member of Nominating Committee Member of Remuneration Committee

Law Lee Yen 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. She is also an Associate of the Chartered Tax Institute of Malaysia.

She started her career in September 2007 with KPMG LLP Singapore as an Audit Associate. In March 2010, she left KPMG LLP Singapore and joined Terry Law & Co, Malaysia in April 2010 as a Manager, whereby she was responsible for tax advisory services. She was promoted as a Partner of the firm in April 2011, whereby she was responsible for outsourced bookkeeping and accounting works. She resigned from Terry Law & Co in May 2017.

In November 2016, she set up her own firm, LY Law & Associates, 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.

Presently, other than the Company, she is also an Independent Non-Executive Director of Aimflex Berhad and MSB Global Group Berhad, both of which are listed on the ACE Market of Bursa Securities as well as BCB Berhad, a company listed on the Main Market of Bursa Securities. She is also a director of SLGC Berhad since July 2025, a company seeking listing on ACE Market of Bursa Securities.

She has no family relationship with any directors and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest with the Company and the Group that may arise. She has had no convictions for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She does not hold any shares in the Company.

She attended all the three (3) Board meetings held during the financial year ended 31 December 2025.

DIRECTORS PROFILE (CONT'D)

Razi Bin Abdullah Independent Non-Executive Director

Nationality	Malaysian
Gender	Male
Aged	64
Date of Appointment to the Board:	21 November 2024
Board Committees:	Chairman of Remuneration Committee Member of Audit and Risk Management Committee Member of Nominating Committee

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

He commenced his career as a technician in March 1984 in a company, where he was mainly involved in the processing and utilisation of crude distiller in the operations department of the company. In the same year, he resigned from the company and joined the Department of Factory and Machinery, which has been renamed as the Department of Occupational Safety and Health of Malaysia (“DOSH”) effective April 1994. 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.

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. 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. 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. He assumes his role in the RBA Consult & Enterprise, NIOSH and TG Training & Services until to-date.

He does not hold any directorship in any other public company and other listed corporation.

He has no family relationship with any directors and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest with the Company and the Group that may arise. He has had no convictions for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He directly holds 350,000 ordinary shares in the Company.

He attended all the three (3) Board meetings held during the financial year ended 31 December 2025.

DIRECTORS PROFILE

(CONT'D)

Eileen Su Lee Ming

Independent Non-Executive Director

Nationality	Malaysian
Gender	Female
Aged	47
Date of Appointment to the Board:	21 November 2024
Board Committees:	Chairman of Nominating Committee Member of Audit and Risk Management Committee Member of Remuneration Committee

Eileen Su Lee Ming graduated with a Bachelor of Engineering in Electrical-Mechatronics from Universiti Teknologi Malaysia, Malaysia ("UTM") in July 2001. Subsequently, she graduated with a Master of Engineering in Electrical Engineering from UTM in December 2005 and completed her Doctor of Philosophy in Biomedical Engineering from Imperial College London, United Kingdom in November 2010. She is a registered Professional Technologist of the Malaysian Board of Technologists, a Chartered Engineer registered with the Engineering Council, United Kingdom and a registered Professional Engineer of the Board of Engineers Malaysia.

While pursuing her Master of Engineering at UTM, she joined Multimedia University, Malaysia as an Assistant Lecturer from November 2003 until September 2004, and worked as a Research Officer at UTM from October 2004 to November 2005. In March 2006, she joined UTM as a Lecturer and she was promoted to Senior Lecturer in June 2011. 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 left 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 private company as a New Product Introduction (NPI) Engineer. She subsequently assumed the role as a SMART Factory Consultant. 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 hold any directorship in any other public company and other listed corporation.

She has no family relationship with any directors and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest with the Company and the Group that may arise. She has had no convictions for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She directly holds 350,000 ordinary shares in the Company.

She attended all the three (3) Board meetings held during the financial year ended 31 December 2025.

PROFILES OF KEY SENIOR MANAGEMENT

Chin Yanjiang

Chief Financial Officer

Nationality	Malaysian	Gender	Male	Aged	33
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Chin Yanjiang, as the Group's Chief Financial Officer, is primarily responsible for overseeing the 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 the 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 the Group.

He obtained his Bachelor of Accounting (Honours) from Multimedia University, Malaysia in July 2016. He is a Certified Practising Accountant (CPA) of CPA Australia and Chartered Accountant of the Malaysian Institute of Accountants.

He commenced his career in March 2017 with an accounting firm where he was responsible for handling statutory audit engagements for SMEs. He left the firm in 2018 and in the same year, he joined another accounting firm 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.

Subsequently, he undertook freelance accounting related work and joined an accounting firm as an Accountant from November 2020 until September 2023, where he was in charge of accounting and tax related matters. Concurrently, he founded a sole proprietorship in March 2023 to provide outsourced accounting services. The sole proprietorship ceased operations in December 2023.

In October 2023, he joined PHEM as Group Accountant and was subsequently promoted to Chief Financial Officer on 8 April 2026.

He does not hold any directorship in any other public company and other listed corporation.

He has no family relationship with any directors and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest with the Company and the Group that may arise. He has had no convictions for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)

Soo Sheau Wen

Head of Human Resources and Administration

Nationality	Malaysian	Gender	Female	Aged	31
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Soo Sheau Wen, as the Group's Head of Human Resources and Administration, is responsible for overseeing the general administrative and human resource functions of the Group.

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

She commenced her career at PHEM in January 2021 as a Personal Assistant to the Company's 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.

She does not hold any directorship in any other public company and other listed corporation.

She has no family relationship with any directors and/or major shareholders of the Company and does not have any conflict of interest or potential conflict of interest with the Company and the Group that may arise. She has had no convictions for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION & ANALYSIS

Executive Summary

FYE 2025 marked an important milestone for Powertechnic Group Berhad (“Powertechnic” or “the Company”) following its successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 28 October 2025. During the financial year, the Group continued to strengthen its operational capabilities while maintaining steady revenue growth across its core business segments.

Key highlights for FYE 2025 include:

- Revenue increased by 6.31% to RM42.53 million, supported by contributions across crane and hoist systems, elevated platform systems, elevators and maintenance, repair and related services.
- The Group successfully completed its initial public offering, raising RM22.05 million to support expansion initiatives and enhance operational efficiency including establishment of showrooms and sales offices and automation investments.
- The Group maintained a diversified revenue base, with balanced contributions across multiple product segments serving industrial, commercial and residential sectors.
- The Group strengthened its balance sheet, with total equity increasing to RM39.12 million following the initial public offering (“IPO”).

This Management Discussion & Analysis (“MDA”) provides an overview of the Group’s business, operations, financial performance, business segment developments, and outlook.

Group’s Business Overview

Powertechnic Group Berhad (“Powertechnic” or “the Company”) and its subsidiaries (“the Group”) is principally engaged in the provision of lifting systems, supporting a wide range of industrial, commercial and residential applications across Malaysia.

The Group’s core solutions include crane and hoist systems, elevated platform systems (such as dock levellers), freight and home elevators, as well as maintenance, repair and related services. Through its integrated capabilities across engineering design, fabrication, assembly, installation, commissioning and after-sales support, Powertechnic delivers customised lifting systems tailored to customers’ operational requirements.

Powertechnic operates within the broader lifting and handling equipment industry, which serves as a critical enabling component across multiple sectors including manufacturing, construction and commercial and residential buildings. These industries rely on lifting systems to enhance operational efficiency, workplace safety, and productivity. As industrial activity and the manufacturing industry continue to expand, demand for reliable lifting systems remain an essential part of modern operations.

A key strength of the Group lies in its ability to deliver end-to-end solutions across the equipment lifecycle. From system conceptualisation and engineering design to fabrication, installation and long-term servicing, Powertechnic provides customers with a single integrated solution. This approach enhances execution reliability, improves accountability and strengthens long-term customer relationships.

The Group serves a diversified customer base through both direct and indirect distribution channels, comprising three primary customer categories:

- Industrial and commercial users, comprising manufacturing, trading and retail companies, which purchase the Group’s lifting systems and services for use in factories, warehouses and shop units.
- Residential users, primarily for home elevators installed in residential buildings such as detached and semi-detached houses.
- Contractors and engineering companies, which procure the Group’s lifting systems for project-based applications under the indirect distribution channel.

This diversified market exposure provides resilience across economic cycles, as demand is not concentrated in a single industry segment.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Powertechnic also benefits from an increasingly important recurring service component within its business model. In addition to project-based installations, the Group provides ongoing maintenance, inspection, repair and upgrade services. These recurring services help strengthen customer retention while providing stable revenue streams across equipment lifecycles.

The FYE 2025 also marked a significant milestone in the Group's corporate journey. Powertechnic was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad on 28 October 2025, strengthening its corporate governance framework, enhancing transparency and providing access to capital to support future expansion initiatives.

Following its listing, the Group continues to focus on strengthening its engineering capabilities, expanding its market presence and enhancing operational efficiency to support long-term sustainable growth.

Moving forward, Powertechnic aims to further strengthen its position within Malaysia's lifting and handling equipment industry by combining its engineering expertise, customised solution capabilities and long-term service support. Through this integrated approach, the Group seeks to remain as a reliable partner to its customers while supporting operational productivity, safety and long-term value creation.

Operating Environment Overview

The Group operates within the lifting and handling equipment industry, which is closely linked to broader economic activity, particularly in the manufacturing, construction, as well as commercial and residential property sectors. As such, the Group's business performance is influenced by both global economic conditions and domestic industry developments.

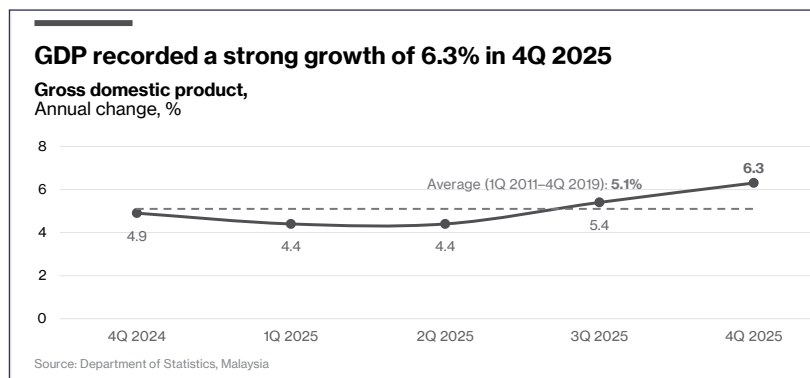
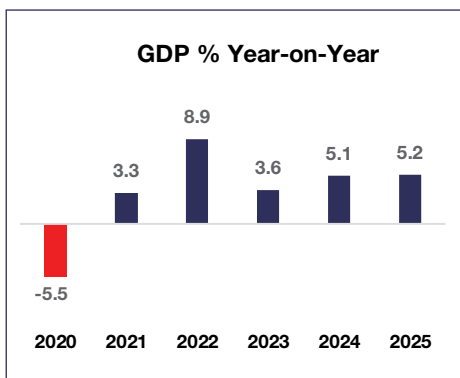
Global Economic Environment

During FYE 2025, the global economy continued to navigate a period of gradual recovery amid evolving geopolitical developments, moderating inflationary pressures, and shifting monetary policies across major economies. Global manufacturing activity remained supported by investments in industrial automation, logistics infrastructure, and technology-related sectors, while supply chains continued to stabilise following earlier disruptions.

Despite ongoing uncertainties in certain regions, industrial activity across many economies remained resilient, supported by continued capital expenditure in manufacturing facilities, infrastructure development, and logistics capacity expansion. These structural investments support the long-term demand for lifting and material-handling equipment, which are essential for operational efficiency and workplace safety in industrial environments.

Malaysian Economic Environment

The Malaysian economy demonstrated strong resilience during FYE 2025, supported primarily by robust domestic demand and continued investment activity. Malaysia's gross domestic product ("GDP") expanded by 5.2% in 2025, exceeding earlier expectations and reflecting improvements across multiple sectors of the economy.



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Household spending remained supportive of economic growth, underpinned by positive labour market conditions, steady wage growth and various government policy measures aimed at strengthening domestic consumption. At the same time, investment activity remained strong, driven by continued implementation of multi-year infrastructure projects and increased spending on machinery and equipment.

Malaysia's external sector also continued to perform steadily, supported by improving demand for electrical and electronics products as well as growth in tourism and services exports.

Looking ahead, Malaysia's economic growth is expected to remain stable in 2026, with GDP projected to expand within the range of 4.0% to 4.5%, supported by resilient domestic demand, continued realisation of approved investments and the implementation of catalytic initiatives under national development programmes.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025, Bank Negara Malaysia)

Industry Environment

The outlook for Malaysia's lifting and handling equipment industry remains positive, supported by expansion in several key end-user sectors. The construction sector continues to be a major demand driver, supported by infrastructure development, industrial facility construction and commercial property developments. Government-led infrastructure initiatives and ongoing private sector investments are expected to sustain activity across both civil engineering and building construction segments.

Meanwhile, the manufacturing sector continues to expand, supported by both export-oriented and domestic-oriented industries. Increased investments in semiconductor manufacturing, logistics facilities and industrial automation are contributing to growing demand for lifting and handling equipment used in production facilities and industrial operations.

In addition, Malaysia's New Industrial Master Plan 2030 ("NIMP 2030") aims to strengthen the country's manufacturing ecosystem and enhance industrial capabilities. Under this plan, the machinery and equipment industry, including lifting and handling equipment, is expected to benefit from stronger industrial development and increased manufacturing value-added over the coming years.

(Sources: Economic and Monetary Review 2025, Bank Negara Malaysia; Quarterly Bulletin, Fourth Quarter 2025, Bank Negara Malaysia; New Industrial Master Plan 2030 (NIMP 2030), Ministry of Investment, Trade and Industry)

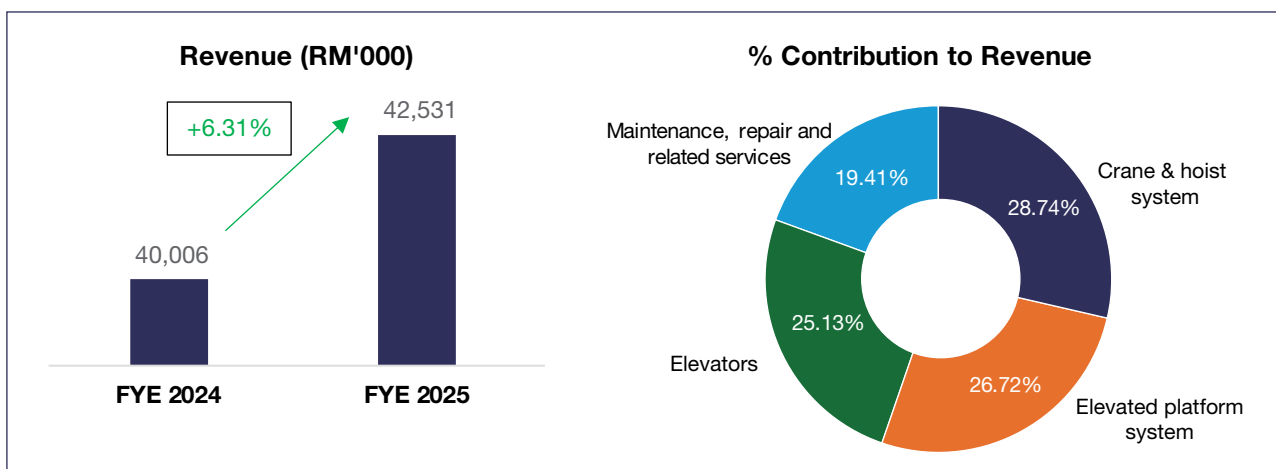
Collectively, these structural developments provide a supportive environment for companies operating within the lifting and handling equipment industry. Against this backdrop, Powertechnic remains well-positioned to benefit from continued growth in industrial activities, ongoing construction activities and evolving demand for efficient solutions for lifting systems.

Financial Performance Review

	FYE 2025 (RM'000)	FYE 2024 (RM'000)	Change (%)
Revenue	42,531	40,006	6.31
Profit Before Tax ("PBT")	5,408	8,925	-39.41
Profit After Tax ("PAT")	3,331	6,283	-46.98

For the FYE 2025, Powertechnic recorded revenue of RM42.53 million, representing an increase of 6.31% compared with RM40.01 million in the previous financial year. The revenue growth was primarily driven by stronger contributions across several of the Group's core product segments, including crane and hoist systems, elevated platform systems, elevators and maintenance, repair and related services.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



Crane and hoist systems remained the largest contributor to the Group's revenue during FYE 2025, accounting for approximately 28.74% of total revenue. Elevated platform systems contributed approximately 26.72%, followed by elevators at 25.13%, while maintenance, repair and related services contributed 19.41% of revenue. This balanced revenue distribution reflects the Group's diversified product offering and ability to serve customers across multiple industry sectors, including manufacturing, construction, commercial facilities, and residential developments.

The Group's diversified revenue streams help provide resilience against cyclical fluctuations in any single product segment while supporting a stable demand base across different end-user markets.

Profitability Performance

For FYE 2025, the Group recorded PBT of RM5.41 million and PAT of RM3.33 million. Although revenue increased during the financial year, the Group's PBT declined compared with FYE 2024. This was primarily due to the absence of certain non-recurring gains recognised in the previous financial year. In FYE 2024, the Group recorded a gain on disposal of a property and an investment property amounting to approximately RM2.82 million, which contributed to higher other income.

Excluding these non-recurring income, the Group's core operating performance remained stable, supported by steady demand across its key lifting systems segment.

The Group continues to focus on maintaining prudent cost management, operational efficiency and pricing strategies in order to sustain profitability while supporting business expansion.

Financial Position and Cash Flow

	FYE 2025 (RM'000)	FYE 2024 (RM'000)	Change (%)
Total Assets	65,531	41,628	57.42
Total Equity	39,123	14,624	167.53
Total Liabilities	26,408	27,004	-2.21
Cash and Bank Balances	19,807	7,775	154.75
Total Borrowings	11,363	12,644	-10.13
Net Assets Per Share (RM)	0.13	0.06	116.67

As at 31 December 2025, the Group recorded total assets of RM65.53 million, compared with RM41.63 million as at 31 December 2024. The increase in total assets was mainly driven by higher trade and other receivables, as well as an increase in contract assets, in line with the expansion of the Group's operations. In addition, cash and bank balances were strengthened following proceeds raised from the Group's IPO during the financial year. Total equity increased significantly to RM39.12 million, compared with RM14.62 million in the previous financial year, primarily attributable to the successful listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad and the issuance of new shares during FYE 2025.

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

Cash Flow Highlights

	FYE 2025 (RM'000)	FYE 2024 (RM'000)
Net Cash (Used in)/Generated from Operating Activities	(4,755)	2,090
Net Cash (Used in)/Generated from Investing Activities	(2,541)	3,319
Net Cash Generated from/(Used in) Financing Activities	18,896	(660)
Net Increase in Cash and Cash Equivalents	11,600	4,749
Cash and Cash Equivalents at Year End	19,743	8,143

The Group maintained a healthy liquidity position with cash and bank balances of approximately RM19.81 million as at the end of FYE 2025. From a cash flow perspective, the Group recorded net cash used in operating activities of RM4.76 million, primarily due to working capital movements during the year, including higher trade receivables and inventory levels associated with ongoing project deliveries. The Group also recorded net cash used in investing activities, mainly attributable to the purchase of property, plant and equipment to support operational expansion. Meanwhile, net cash generated from financing activities amounted to RM18.90 million, largely reflecting proceeds raised from the IPO during the financial year.

Overall, the Group's strengthened balance sheet and improved capital position following the IPO provide a solid financial foundation to support its future expansion plans, including investments in automation, capacity expansion and the establishment of new showrooms and sales offices.

Business Segment Performance

Revenue Contribution by Business Segments

Segment	FYE 2025 Revenue (RM'000)	Contribution (%)
Crane & Hoist Systems	12,222	28.74
Elevated Platform Systems	11,365	26.72
Elevators	10,688	25.13
Maintenance, Repair and Related Services	8,256	19.41
Total Revenue	42,531	100.00

Powertechnic's revenue is generated from several core solution categories within its lifting systems. These include crane and hoist systems, elevated platform systems, elevators as well as maintenance, repair and related services. The Group's diversified product offering allows it to serve customers across multiple industries, including manufacturing, construction, commercial developments and residential applications. This diversified segment mix also provides resilience to the Group's revenue base as demand is not dependent on a single product category.

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

Business Segment	FYE 2025 Revenue	Contribution to Revenue (%)	Description
Crane and Hoist Systems	RM12.22 million	28.74	The largest revenue contributor in FYE 2025. These systems are primarily deployed in industrial and manufacturing environments where lifting systems are required for material handling, production processes and operational efficiency. Demand is closely linked to industrial activity, particularly within manufacturing facilities and construction sector. The Group continues to secure orders from industrial customers requiring customised lifting systems tailored to specific operational requirements and site conditions.
Elevated Platform Systems	RM11.37 million	26.72	Includes dock levellers and other platform solutions used in warehouse, distribution facilities and industrial premises to support efficient loading and unloading operations. The segment recorded steady demand during the year, supported by continued expansion in logistics facilities across Malaysia. Dock levellers in particular have gained strong market acceptance, generating consistent customer enquiries and repeat orders.
Elevators	RM10.69 million	25.13	Comprises freight elevator installations as well as home elevator solutions for residential properties. Demand has been supported by the increasing adoption of vertical mobility solutions in multi-storey residential properties. The Group's ability to customise elevator systems according to building layouts and customer requirements enables it to serve both residential and commercial applications.
Maintenance, Repair and Related Services	RM8.26 million	19.41	Provides recurring revenue through services such as routine inspections, preventive maintenance, repair works and equipment upgrades. This segment strengthens customer retention and ensures lifting systems continue to operate safely and efficiently throughout their lifecycle. The Group continues to expand its service capabilities to enhance recurring income streams and support long-term earnings stability.

Operational and Strategic Developments

2025 marked an important year for Powertechnic, with several key operational and strategic developments that strengthened the Group's foundation for long-term growth.

ACE Market Listing

A major milestone during the financial year was the successful listing of Powertechnic on the ACE Market of Bursa Malaysia Securities Berhad on 28 October 2025. The listing enhanced the Group's corporate profile, strengthened its governance framework and improved transparency in line with public-listed company standards. The Group raised RM22.05 million in gross proceeds from the IPO, which will mainly be utilised to support expansion initiatives including the establishment of new showrooms and sales offices, investment in automated machineries, repayment of borrowings and general working capital requirements.

Expansion of Market Presence

To strengthen the Group's market reach and improve customer engagement, the Group plans to establish new product showrooms and sales offices. These facilities are intended to enhance product visibility, provide customers with better access to the Group's solutions and support sales pipeline development in target areas. The expansion of the Group's physical presence is expected to improve customer accessibility while strengthening brand recognition across the lifting systems market.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Automation and Production Efficiency

The Group is also investing in automation to enhance selected fabrication processes, particularly for elevated platform systems such as dock levellers. The introduction of automated machineries is expected to improve production efficiency, increase fabrication precision and support higher production capacity. These investments are intended to strengthen the Group's operational scalability as demand for lifting systems continues to grow.

Strengthening Marketing Initiatives

During the year, the Group also increased its focus on marketing and brand-building initiatives across both digital and traditional channels. These initiatives aim to improve market awareness of the Group's product offerings and reach potential customers. Through these strategic initiatives, the Group continues to strengthen its operational capabilities while positioning itself to capture growth opportunities in Malaysia's lifting and handling equipment industry.

Key Risks and Mitigation Measures

Like many engineering and equipment solution providers, Powertechnic operates in a business environment that is subject to various operational, industry and market-related risks. The Group continuously monitors these risks and implements appropriate mitigation measures to ensure business continuity and operational resilience.

Key Risks and Mitigation Measures

Key Risk	Description	Mitigation Measures
Project Execution and Delivery Risk	Risks relating to project delays, cost overruns, design errors or scope changes during project execution and installation.	<ul style="list-style-type: none"> Formal approval of engineering designs and drawings prior to execution Standardised design templates and peer reviews Structured change request procedures for scope variations Regular project coordination meetings and schedule monitoring
Supply Chain Disruption Risk	Exposure to fluctuations in raw material prices and potential disruptions in the supply of externally sourced components and imported parts.	<ul style="list-style-type: none"> Early procurement planning and supplier coordination Alternative sourcing and materials evaluation Monitoring supplier lead times and shipment schedules
Economic and Market Risk	Changes in economic conditions, industry demand and competitive pressures may affect project pipeline, pricing and customer spending.	<ul style="list-style-type: none"> Diversification of customer base and industry segments Continuous market monitoring and sales strategy adjustments Maintaining strong service quality and long-term customer relationships
Liquidity Risk	Risk relating to maintaining sufficient working capital to support project execution and operational commitments.	<ul style="list-style-type: none"> Budget monitoring and project cost tracking Cash flow monitoring and financial planning Credit evaluation and monitoring of customer payment behaviour
Human Capital Risk	Availability and retention of skilled personnel to support engineering, installation and project execution activities.	<ul style="list-style-type: none"> Workforce planning and manpower allocation Training and development programmes Use of outsourced manpower during peak periods
Regulatory and Safety Compliance Risk	Risks associated with non-compliance with safety regulations, lifting standards and regulatory inspections.	<ul style="list-style-type: none"> Engineering design compliance with statutory requirements Structured regulatory submission and inspection monitoring Installation quality control and safety procedures

Through continuous monitoring of these risks and the implementation of appropriate mitigation measures, the Group seeks to maintain operational stability while supporting sustainable business growth.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Outlook and Prospects

Looking ahead, Powertechnic remains cautiously optimistic about its growth prospects, supported by the positive outlook for Malaysia's economic and industrial sectors. Malaysia's economy is expected to continue expanding, supported by resilient domestic demand, steady export activity and continued investment in infrastructure and industrial development. Key sectors such as manufacturing, logistics and construction are expected to remain active, driven by both private sector investments and government-led initiatives under national development plans.

The lifting and handling equipment industry is closely linked to these sectors, as industrial facilities, logistics centres and commercial developments increasingly require efficient lifting solutions to support operational productivity and safety standards. As these industries continue to expand, demand for lifting systems such as dock levellers and cranes is expected to remain supportive. Against this backdrop, the Group will continue to focus on strengthening its core business capabilities while pursuing sustainable growth initiatives.

One of the Group's key priorities is to enhance operational efficiency and production capacity through the planned implementation of automated fabrication processes, particularly for elevated platform systems such as dock levellers. Automation is expected to improve production speed, fabrication precision and overall operational scalability as demand grows. The Group also intends to expand its market presence through the establishment of new product showrooms and sales offices, which will provide improved accessibility for customers while enhancing product visibility and customer engagement. These initiatives are expected to support stronger sales conversion and pipeline development in key markets.

In addition, the Group will continue to strengthen its maintenance, repair and related services capabilities, which provide recurring revenue streams and long-term customer relationships. As the installed base of lifting systems expands, servicing activities are expected to play an increasingly important role in supporting earnings stability. The successful listing of Powertechnic on the ACE Market of Bursa Malaysia Securities Berhad in October 2025 has strengthened the Group's capital base and corporate profile. With improved financial resources and governance framework, the Group is well positioned to pursue its strategic initiatives and capture opportunities within Malaysia's lifting and handling equipment industry.

While the Group remains mindful of potential challenges such as fluctuations in raw material costs and evolving market conditions, management remains confident that the Group's diversified product portfolio, engineering capabilities and growing service ecosystem will support its long-term growth. Moving forward, Powertechnic will continue to focus on strengthening its operational capabilities, expanding its market reach and delivering reliable lifting systems that support the productivity and safety needs of its customers.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Powertechnic Group Berhad (“Powertechnic” or “the Company”) is committed to ensure that the highest standards of corporate governance (“CG”) is observed and practiced throughout the Company and its subsidiaries (“the Group”) as a fundamental part of discharging its duties and responsibilities in order to achieve the Group’s long-term objectives, protect and enhance shareholder’s value and safeguard the interests of stakeholders.

This CG Overview Statement is prepared in compliance with Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”) which provides shareholders and investors with an overview of the Company’s application of the following three (3) Principles set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”) throughout the financial year ended 31 December 2025 (“FYE 2025”):

- (a) Principle A: Board Leadership and Effectiveness;
- (b) Principle B: Effective Audit and Risk Management; and
- (c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Overview Statement should be read together with the Corporate Governance Report 2025 (“CG Report”) of the Company which provides the details on how the Company has applied each CG Practice. The CG Report is available on the Company’s website at <https://powertechnicgroup.com.my/> as well as an announcement on Bursa Securities website. Other than Practice 13.3 of the MCCG where the Company did not fully adopt remote / online participation capabilities for its 1st Annual General Meeting (“AGM”) on 30 June 2025 prior to admission to Bursa Securities, the Board is of the view that Powertechnic has complied with the recommendations of MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Roles and Responsibilities of the Board

The roles and responsibilities of the Board, Chairman of the Board, Managing Director (“MD”), Executive Director (“ED”), Group Accountant, the individual Board members, the Board Committees, namely Audit and Risk Management Committee (“ARMC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”) (collectively “Board Committees”), are set out in the Board Charter.

It is the primary governance responsibilities of the Board to lead and control the Group. The Board takes full responsibility for the oversight and overall performance of the Group and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, ensuring that the necessary resources are in place for the Group to meet its objectives and deliver sustainable performance. The Board is entrusted with the responsibility in leading and directing the Group towards achieving its strategic goals and realising long-term shareholders’ values. The powers and duties of the Directors are as set out in the Constitution of the Company and as prescribed under Subdivision 3 of Division 2 of the Companies Act 2016 (“the Act”) including those expounded under Guidance 1.1 of the MCCG. The Board and its Directors are also guided by the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by the Securities Commission Malaysia on 30 July 2020 and revised on 12 April 2021.

Powertechnic’s Board is led by an Independent Non-Executive Chairman. The day-to-day management of the Group is carried out and overseen by the MD and supported by one (1) ED and assisted by a team of senior management for making and implementing operational and corporate decisions. The Independent Non-Executive Directors (“INEDs”) ensure corporate accountability by providing unbiased and independent views, advice and judgement and challenging the management’s assumptions and projections in safeguarding the interests of the shareholders and other stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Roles and Responsibilities of the Board (Cont'd)

The Board is assisted by the Board Committees, namely ARMC, NC and RC to assist in the execution of Board functions. The ARMC and the Board are further assisted by the Sustainability and Risk Management Committee ("SRMC") (a management level committee reporting to the ARMC), which plays a pivotal oversight function as delegated by the Board. These committees ensure greater focus, objectivity and independence in the deliberation of specific Board agendas. All Board Committees have written Terms of Reference ("TOR") which are available for reference on the Company's website. These committees were established in order to enhance business and operational efficiency and effectiveness. The respective Chairmen of the Board Committees would report to the Board during the Board meetings on significant and salient matters deliberated by the Board Committees. Although the Board may delegate powers and responsibilities to the Board Committees, the Board retains ultimate accountability for the discharge of its duties.

The Board continuously upholds CG standards and values in the organisation and strives to lead by example in strengthening competitiveness and instil investor confidence in the Group. In discharging its duties and responsibilities, the applicable CG practices and guidance are embedded in the TOR of the respective Board Committees, the Company's policies and the Board Charter, which clearly delineate relevant matters reserved for the Board's approval and those delegated to the Board Committees, the MD, the ED and the senior management.

The Board Charter serves as guidance to assist all Board members and outlines what is expected from them in terms of their commitment, roles and responsibilities in discharging their fiduciary duties and fulfilling their responsibilities as Board members. It serves as a reference and primary induction literature in providing the Board members with insight into the function of the Board of the Company. Board specific reserved matters covering areas such as strategy and business planning, finance and controls, people, compliance, support and assurance and others are entrenched in the Company's Board Charter. It also serves as a reference in the annual assessment of the performance of the Board, the Board Committees, the respective Chairmen of the Board and Board Committees and the individual Directors as well as the independence of the Independent Directors.

The Board Charter as well as the following policies and TOR of the Board Committees are made available on the Company's website:

Policies

- Anti-Bribery and Anti-Corruption Policy
- Board Corporate Disclosure Policy
- Board's Procedures for Appointment of Directors
- Code of Business Conduct & Ethics
- Continuing Education Policy
- Diversity Policy
- Dividend Policy
- Fit and Proper Person Policy
- Remuneration Policy
- Stakeholder Communications Policy
- Sustainability Policy
- Whistle-Blowing Policy

Terms of Reference

- Audit and Risk Management Committee
- Nominating Committee
- Remuneration Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Roles and Responsibilities of the Board (Cont'd)

These policies and TOR will be reviewed and revised as and when appropriate.

The roles of the Chairman of the Board and the MD are distinct and separated to ensure a balance of power, accountability and clear division of roles and responsibilities between the Board and the management of the Group's business and operations. The Board is headed by Mr Teh Kee Sin, who is the Independent Non-Executive Chairman, while the MD is Mr Ivan Na Keh Chai. The Board has developed descriptions for responsibilities of both the Chairman of the Board and the MD.

The details of these responsibilities are articulated in the Board Charter which is made available on the Company's website.

The Chairman of the Board is responsible for providing leadership, ensuring good governance, overseeing the orderly conduct of the Board and ensuring the effectiveness of all aspects of its role. The Chairman of the Board represents the Board to the shareholders and facilitates the Board meetings, ensuring that no Board member dominates the discussion, appropriate discussion takes place, relevant opinions among Board members are expressed and decisions arrived after due consideration.

The Board has delegated to the MD and ED, the authority and responsibility for implementing the Company's policies, strategies and decisions adopted by the Board. The MD and ED are the conduit between the Board and the management in ensuring success of the Company's governance and management functions. The MD and ED have the executive responsibility for the day-to-day operations of the Company's business.

The Board is supported by two (2) External Company Secretaries, both qualified to act as Company Secretary under Section 235 of the Act and also registered as holders of the Practising Certificate issued by Companies Commission of Malaysia. Both Company Secretaries are Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries provide the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's Constitution, Company's policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislation. All Directors also have full and unrestricted access to the advice and services of the Company Secretaries. The Board is satisfied with the support and performance rendered by the Company Secretaries in assisting the Board to discharge its duties.

The Board recognises that the timeliness and quality of the information supplied affect the effectiveness of the Board to oversee the conduct of the business and to evaluate the management performance of the Group. To facilitate this, a corporate calendar of all scheduled meetings and planned events for the forthcoming financial year is typically furnished to all the Directors and the management by the Company Secretaries before the start of the financial year, to assist the Directors in scheduling and meeting their time commitments.

In reviewing and analysing the quarterly interim financial results, the Board was provided with relevant supporting information and data on operational, financial and corporate issues as well as minutes of meetings of the various Board Committees prior to the meetings to enable Directors to obtain further explanations and/or clarifications, if necessary, in order to ensure the effectiveness of the proceeding of the meetings.

The deliberations and decisions at the Board and the Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The Company Secretaries will circulate the draft minutes of meetings for the Board and Board Committee's review in a timely manner.

The Board has adopted a Code of Business Conduct & Ethics Policy ("the Code") which sets out the standards of CG, ethical behaviour and values expected of Directors and employees and serves as a guide and reference in the course of the performance of their responsibilities. The Board aims to ensure that all Directors and employees act with the utmost integrity and objectivity, striving to enhance the reputation and performance of the Company at all times. The Board has implemented appropriate processes and systems to support, promote and ensure its compliance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Roles and Responsibilities of the Board (Cont'd)

The Board has adopted a Whistle-Blowing Policy which sets out the disclosure procedures and protection for whistle blowers to meet the Group's ethical obligations. Employees and stakeholders are encouraged to raise any serious concerns on any suspected misconduct or malpractices without fear of victimisation in a responsible manner rather than avoiding or overlooking such matters. All employees, customers, suppliers and any third parties having any dealings with the Group are encouraged to raise genuine concerns and/or wrongdoings within the Group in matters of financial reporting, compliance and other malpractices at the earliest opportunity and through the prescribed channels, without the fear of harassment, victimisation or discrimination.

The Board is also responsible for ensuring the continuing success of the Group. The Board shall provide strategic leadership and business direction, management oversight as well as integration of sustainability consideration in the Group's corporate strategy, governance and decision-making, in order to achieve the Group's long-term objectives, enhance shareholders' value and safeguard the stakeholders' interests. The Board together with the management, takes responsibility for the Group's sustainability governance, including setting the Group's sustainability strategies, priorities and targets, and ensuring that the Group's current standing and the responses to sustainability matters remain relevant, taking into consideration sustainability risks including climate-related risks and opportunities.

Accordingly, the Board had adopted a Sustainability Policy. The objective of the Sustainability Policy is to recognise sustainability as an integral component of the Company's corporate values. The Company is committed to improving the social, environmental and economic impact for all stakeholders including the Group's employees and communities in which the Group operates, while addressing relevant environmental, social and governance issues in a responsible and sustainable manner.

The Board had also established the SRMC, a management level committee with its own TOR. The SRMC is chaired by the MD and comprises an ED, the Group Accountant, and an INED. INED participates in an oversight capacity without involvement in operational decision-making. Under the purview of the SRMC is the Sustainability and Risk Management Working Group ("SRMWG"), represented by members from various departments such as accounts, sales, operations, human resources and administration, procurement, design, production, inventory, project, safety and marketing. The SRMWG is responsible for the day-to-day implementation of the Group's strategies and plans.

The SRMC reports to the ARMC for review and advise before any significant sustainability matters are escalated to the Board. During the periodic briefings, the Board is presented with the challenges, risks and opportunities relating to sustainability issues which are highlighted by the respective departments. With the briefings, the Board is able to better assess and form the Group's direction in relation to its sustainability strategies and policies.

The Board is guided by the Sustainability Reporting Guide and Toolkits (3rd edition) issued on 26 September 2022 by Bursa Securities and noted the key amendments to the ACE LR to align the sustainability reporting framework with the National Sustainability Reporting Framework launched by the Ministry of Finance on 24 September 2024 and will be taking the appropriate actions required to comply with the requirements going forward.

The Remuneration Policy of Powertechnic takes into consideration the Group's performance in managing material sustainability risks and opportunities. The remuneration and incentives for the INEDs should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed. The Board effectiveness evaluation when assessing the performance of the Board as a whole had also included assessment on the Board's corporate governance and sustainability performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION

Powertechnic is led and managed by a diverse, competent and experienced Board of Directors with a mix of suitably qualified and experienced individuals. This enables the Board to carry out its responsibilities effectively and ensures accountability. In areas where the Board may not possess the required expertise, the Board would be able to garner advice from its consultants in the required field.

The Board acknowledges the importance of diversity among its Board members, to ensure a well-balanced range of profiles, including age, ethnicity, gender, ability to provide the necessary range of perspectives, experiences and expertise required to achieve effective board stewardship. Accordingly, the Board had adopted a Diversity Policy which acknowledges the importance of the Board and senior management diversity which includes, but not limited to, skills, experience, age, cultural background and gender. The current Board is drawn from different ethnic, cultural and socio-economic background, with ages ranging from 34 to 64 years old to ensure that different viewpoints are considered in the decision making process.

During the FYE 2025 under review, the Board of Powertechnic comprised six (6) members, comprising two (2) EDs (including the MD) and four (4) INEDs (including the Chairman of the Board). This composition is in compliance with Rule 15.02(1)(a) of the ACE LR which require at least two (2) directors or at least one third (1/3) of the Board members, whichever is higher, to be independent directors. The composition also fulfils the recommendation of the MCCG that at least half of the Board members be independent directors.

The detail of the attendance record of the Directors at Board and the Board Committee meetings during the FYE 2025 is set out below:-

Name of Director	Attendance			
	Board	ARMC	NC	RC
Mr. Teh Kee Sin <i>Independent Non-Executive Chairman</i>	3/3	-	-	-
Mr. Ivan Na Keh Chai <i>Managing Director</i>	3/3	-	-	-
Mr. Choo Chee Yong <i>Executive Director</i>	3/3	-	-	-
Ms. Law Lee Yen <i>Independent Non-Executive Director</i>	3/3	2/2	1/1	1/1
Mr. Razi Bin Abdullah <i>Independent Non-Executive Director</i>	3/3	2/2	1/1	1/1
Ms. Eileen Su Lee Ming <i>Independent Non-Executive Director</i>	3/3	2/2	1/1	1/1

The Directors were encouraged to attend relevant training programmes/seminars/briefings to further enhance their skills and knowledge in the latest statutory and regulatory requirements as well as to keep abreast with the business development to assist them in discharging their duties as Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Details of the Directors' attendance of training programs/seminars/workshops/briefing during FYE 2025 are as follows: -

Date	Topic/ Organising Entity	Directors Attended
23 & 24 April 2025	Mandatory Accreditation Programme by Bursa Securities	Mr. Teh Kee Sin Mr. Ivan Na Keh Chai Mr. Choo Chee Yong Mr. Razi Bin Abdullah Ms. Eileen Su Lee Ming
2 & 3 September 2025	Digital Transformation Through Robotic Process Automation and Artificial Intelligence	Ms. Law Lee Yen
9 September 2025	Taxability and deductibility of interest – latest updates	Ms. Law Lee Yen
11 September 2025	Taxation of Property Developers and Contracts of MIA webinar series	Ms. Law Lee Yen
2 October 2025	SST: New Service Tax Scope for Construction Industry of MIA webinar series	Ms. Law Lee Yen
6 & 7 October 2025	Preparation and Presentation of Consolidated Financial Statements of MIA webinar series	Ms. Law Lee Yen
14 October 2025	Seminar Percukaaian Kebangsaan 2025	Ms. Law Lee Yen
11 November 2025	Understanding Malaysian Recent Tax Developments	Ms. Law Lee Yen
3 December 2025	Strengthening Board Oversight on Human Rights and Anti-Money Laundering	Ms. Law Lee Yen

Other Directors did not attend formal training programmes during the year but remained updated through internal briefing by the Professional Company Secretary. The NC is responsible to assist the Board (among other things) in the development and implementation of the policies on the nomination and appointment of Directors and Board Committee members, to achieve long-term sustainability of the Company, in accordance with the TOR of the NC.

The NC is responsible for assessing and recommending suitable candidates for directorship to the Board, leveraging on several sources such as recommendation from existing Board members, senior management, substantial shareholders, business associates and referrals from third party consultants and independent sources such as professional bodies and organisation to gain access to a wide pool of potential candidates. The Board has established procedures for the appointment of Directors which sets out the process for new appointments to ensure that the Board comprises Directors with the necessary skills, competencies, commitment and experience to complement the efficiency and effectiveness of the Board as a whole.

In upholding the high standards of governance in respect of new appointments to the Board, the Board ensures that the Directors of the Company conform with the Company's Fit and Proper Person Policy and that the Directors of the Company are comprised of those, who have the necessary skills, competencies, commitment, character, integrity and experience to complement the efficiency and effectiveness of the Board as a whole. The Board's Fit and Proper Person Policy and procedures for appointments to the Board are viewed as a vital component of the governance process in determining the composition, size, balance, competencies and ultimately the quality and integrity of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

The Board has also adopted the practices for assessing the independence of Independent Directors annually and the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. As the INEDs were appointed to the Board of Powertechnic on 21 November 2024 and Powertechnic was listed on 28 October 2025, none of the Independent Directors has served a cumulative term of more than nine (9) years in the Company as at the date of this Statement. When the Board retains an Independent Director, who has served in that capacity for more than nine (9) years, the Board would justify its decision and seek shareholders' approval.

The Board through the NC conducted the annual assessment of the Board as a whole, the Board Committees, the individual Directors and the independence of the Independent Directors by way of peer assessment in the form of evaluation questionnaire, completed by the Directors. All four (4) Independent Directors had also confirmed their continuing independence and their ability to continue acting as an Independent Director to the NC. Through the assessment, the Board concluded that the independence of all four (4) Independent Directors has not been compromised or impaired in any way and were of the opinion that all four (4) Independent Directors will be in a position to continue to carry out their duties and responsibilities as Independent Directors of the Company. The Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company. The Independent Directors constitute at least half of the current Board structure.

During the FYE 2025 under review, two (2) members of the Board are of the female gender, which represents 33.33% of the Board's composition. Subsequent to FYE 2025, the Board comprises seven (7) members, three (3) members of the Board are of the female gender, which represents 42.85% of the Board's composition. The Board composition is in compliance with Rule 15.02(1)(b) of the ACE LR which requires at least one (1) woman director on the Board, as well as Practice 5.9 of the MCCG which recommends that the Board comprises at least 30% women directors. Besides, the senior management team excluding EDs also includes one woman out of the two members.

Clause 133 of the Company's Constitution provides that all Directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire but shall be eligible to offer themselves for re-election at the AGM. Whereas Clause 118 of the Company's Constitution provides that any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next AGM and shall then be eligible for re-election.

The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors. The Director who is subject to re-election and/or re-appointment at the next AGM shall be assessed by the NC before recommendation is made to the Board and shareholders for the re-election and/or reappointment.

At the forthcoming 2nd AGM, Mr. Ivan Na Keh Chai and Mr. Razi Bin Abdullah are due to retire by rotation under Clause 133 of the Company's Constitution. Mr. Ivan Na Keh Chai and Mr. Razi Bin Abdullah being eligible have offered themselves for re-election. Following the NC's review on the performance of Mr. Ivan Na Keh Chai and Mr. Razi Bin Abdullah, and having noted their significant and valuable contributions to the Board, the NC had recommended their re-election to the Board. The Board had concurred with such recommendation and is recommending that shareholders re-elect Mr. Ivan Na Keh Chai and Mr. Razi Bin Abdullah at the forthcoming 2nd AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Pursuant to Clause 118 of the Company's Constitution, Ms. Clessense Kho Mei Chee who was appointed as an ED on 25 February 2026 is subject to retirement at the forthcoming 2nd AGM. The NC had recommended her re-election to the Board. The Board had also concurred with such recommendation and are recommending that shareholders re-elect Ms. Clessense Kho Mei Chee at the forthcoming 2nd AGM.

The Directors subject to retirement have completed their respective declarations in accordance to the Fit and Proper Person Policy to affirm that they have fulfilled the fit and proper person criteria relating to their probity, personal integrity, reputation and financial integrity.

In compliance with the provision of Rule 15.08A(3) of the ACE LR, the activities of the NC for the FYE 2025 are set out in Practices 5.3, 5.5, 5.6, 5.7 and 6.1 of the CG Report.

III. REMUNERATION

The RC and the Board are mindful of the need to remunerate and retain its Directors and senior management to ensure that their commitment remains intact and therefore their remuneration package is directly linked to their performance, service, seniority, experience and scope of responsibilities.

The RC is responsible to establish, recommend and constantly review a formal and transparent remuneration policy framework and terms of employment for the Board to attract and retain Directors and senior management which is aligned with the business strategy and long-term objectives of the Group taking into consideration that the remuneration of the Directors and senior management should reflect the responsibilities, expertise and complexity of the Company's activities.

The Board had formalised and adopted a Remuneration Policy to attract and retain the Directors and senior management. In the case of EDs and senior management, the components of the remuneration package are linked to corporate and individual performance. For INEDs, the level of remuneration is reflective of their experience and level of responsibilities. The Remuneration Policy is designed with the aim to support the Company's key strategies and create a strong performance-oriented environment, and be able to attract, motivate and retain talent.

The RC had reviewed the Directors' fees and benefits as well as the senior management's remuneration for FYE 2024, FYE 2025 and proposed remuneration budget for financial year ending 2026 and recommended to the Board for approval.

The disclosure of the Directors' remuneration on a named basis for FYE 2025 are set out in Practice 8.1 of the CG Report.

The disclosure of the top five senior management's remuneration on a named basis in bands of RM50,000 received for FYE 2025 are set out in Practice 8.2 of the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC of Powertechnic comprises entirely INEDs. The Chairman of the ARMC, Ms. Law Lee Yen is a member of the Malaysian Institute of Accountants. The Chairman of the ARMC is not the Chairman of the Board.

The ARMC is authorised by the Board to investigate any activity within its TOR. It shall have full and unrestricted access to any information pertaining to the Company and the Group and is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the ARMC.

The detailed TOR of the ARMC outlining the composition, duties and functions, authority and procedures of the ARMC are published and available on the Company's website.

The independence, objectivity and integrity of the members of the ARMC are the key requirements which the Board recognises as essential for an effective and independent ARMC. As a measure to safeguard the independence and objectivity of the audit process, the ARMC has incorporated a policy stipulated that no former key audit partner of the external audit firm and/or affiliate firm (including those providing advisory services, tax consulting, etc) of the Group shall be appointed as a member of the ARMC before observing a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

The ARMC has adopted a procedure to assess the suitability, objectivity and independence of the External Auditors ("EA"). In assessing the suitability, objectivity, and independence of the EA, the ARMC would consider the information presented in the Annual Transparency Report of the audit firm.

The ARMC carried out an assessment of the performance and suitability of Ecovis Malaysia PLT, based on an assessment questionnaire which took into consideration assessment criteria such as the quality of services which covered the understanding of the business operations, audit management team continuity, make recommendations to help/improve business/processes, deliver effective presentation and reports, achieve expectation of the Company, improvement compared to previous year performance, meeting deadlines and relationship with the management and other parties.

Ecovis Malaysia PLT were also requested to furnish a declaration of their independence to the Company as part of these procedures. Ecovis Malaysia PLT had indicated their willingness to seek re-appointment as the Company's EA for the financial year ending 31 December 2026.

The ARMC is satisfied with the independence, performance and suitability of Ecovis Malaysia PLT based on the assessment and is recommending to the Board and shareholders for approval for the re-appointment of Ecovis Malaysia PLT as EA for the financial year ending 31 December 2026. The Board had considered and recommended the re-appointment of EA for the shareholders' approval at the forthcoming 2nd AGM.

The assessment of performance of ARMC is conducted annually. The NC evaluated and assessed the performance and effectiveness of the ARMC. The NC had concurred that the ARMC and its members have carried out their duties in accordance with their TOR. The Chairman of the NC led the NC in evaluating the performance of the Chairman of the ARMC and presented its assessment and recommendations to the Board.

Further information on the summary of activities of the ARMC are set out in the Audit and Risk Management Committee Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board affirms its overall responsibility for maintaining a sound governance, risk management and internal control systems and for reviewing their adequacy and effectiveness so as to provide assurance on the achievement of the Group's mission, vision, core values, strategies and business objectives as well as to safeguard all its stakeholders' interests and protecting the Group's assets.

The Board delegates the duty of identification, assessment and management of key business risks to SRMC while the ARMC is delegated with board oversight function whereby ARMC is assigned with the duty to review and to provide assurance to the Board on the adequacy and effectiveness of risk management and internal control system of the Group respectively.

The Group's internal audit function has been outsourced to an external consultant which reports directly to the ARMC. The annual audit plan was approved by the ARMC on 28 November 2025.

Further details pertaining to the review on the Group's risk management and internal control system and its effectiveness are set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

I. COMMUNICATION WITH STAKEHOLDERS

Powertechnic is committed to upholding high standards of transparency and promoting investor confidence through the provision of comprehensive, accurate and quality information on a timely and consistent basis.

The Board had in place the Stakeholder Communication Policy which sets out the aims and practices of the Company in respect of communicating with its shareholders (both current and prospective). The Board had also in place the Board Corporate Disclosure Policy which is intended:

- to promote and elevate a high standard of integrity and transparency through timely comprehensive, accurate, quality and full disclosure;
- to promote and maintain market integrity and investor confidence;
- to exercise due diligence to ensure the veracity of the information being disseminated is factual, accurate, clear, timely and comprehensive;
- to build good relationships with all stakeholders based on transparency, openness, trust and confidence;
- to have in place efficient procedures in managing and documenting information, which promotes accountability for the disclosure and dissemination of material information;
- to enable shareholders and stakeholders to have access to the Group's business information including financial reporting and other corporate reporting disclosure;
- to ensure that the Company makes timely and accurate disclosure of all material information to the public; and
- to ensure a credible and responsible market in which participants conduct themselves with the highest standards of due diligence and investors have access to timely and accurate information to facilitate the evaluation of securities.

The detailed Stakeholders Communication Policy and Board Corporate Disclosure Policy are made available on the Company's website.

Shareholders will receive regular communication from the Company through the release of quarterly reports to Bursa Securities and Annual Reports. In addition, the Company will communicate other information to the shareholders by way of announcement to Bursa Securities as and when necessary. Furthermore, the Company has established its corporate website as a channel of communication with its stakeholders, where relevant information such as Directors' profiles, Company's policies, financial highlights and announcements made to Bursa Securities are accessible by the public at all times. Information on the Company's website is being updated from time to time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. CONDUCT OF GENERAL MEETINGS

The Board recognises the importance of communications with its shareholders and will take additional measures to encourage shareholders' participation at general meetings as recommended under the MCCG.

The notice of the 2nd AGM is dispatched at least 28 days prior to the date of the 2nd AGM, well in advance of the 21 days requirement under the Act and ACE LR, which allows sufficient time for the shareholders to consider the proposed resolutions to be tabled at the 2nd AGM. The notice of the 2nd AGM which outlines the proposed resolutions to be tabled during the meeting is accompanied with relevant explanatory notes to provide clarity on the matters that will be decided at the 2nd AGM. The notice of the 2nd AGM was sent to all members either by way of an e-mail or letter and is also made available on the Company's website.

The Chairman of the general meeting will highlight to shareholders and proxy holders in relation to their right to speak up at general meetings, explain the conduct of poll voting for all resolutions tabled and provide a review of the Group's performance. The Chairman of the general meeting will open the floor to the shareholders to raise questions related to the Company's financial statements and any other items on the meeting's agenda, before putting the resolutions to vote. Moreover, the Chairman of the general meeting ensures that sufficient time is allocated during the AGM for meaningful discussions and addressing the questions raised by shareholders.

The Chairman of the general meeting plays a crucial role in facilitating effective communication and encouraging constructive feedback from shareholders during general meetings. These meetings serve as valuable opportunities for shareholders to engage with the Company. This commitment ensures that all shareholders have an opportunity to have their concerns addressed and receive the necessary information to make informed decisions.

To ensure effective participation of and engagement with shareholders, all Directors including members of ARMC, NC and RC will also endeavour to attend the 2nd AGM to be held on 28 May 2026 to interact with the Company's shareholders. In the event the shareholders are unable to attend the general meetings personally, such shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. The presence of all Directors presented opportunities for the shareholders to engage with each Director and also allow the shareholders to raise questions and concerns directly to the Directors.

The summary of key matter discussed and responses to the questions will then be published on the Company's website together with the minutes of the AGM within 30 business days after the date of the AGM.

This statement was approved by the Board on 8 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM THE LISTING EXERCISE

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 28 October 2025 (“Listing”). In conjunction with the Listing, the Company undertook a public issue of 63,000,000 new ordinary shares at an issue price of RM0.35 per share, raising gross proceeds of RM22,050,000 (“IPO Proceeds”).

The status of the utilisation of the IPO Proceeds as at 30 March 2026 is as follows:

Utilisation of proceeds	Proposed utilisation	Actual utilisation	Deviation	Unutilised amount	Estimated timeframe for utilisation from the date of Listing ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000	
Set up new product showrooms and sales offices with storage space and marketing expenses	4,500	2,233	-	2,267	Within 18 months
Capital expenditure mainly for automated machines	3,800	1,101	-	2,699	Within 18 months
Repayment of bank borrowings	2,800	2,800	-	-	Within 12 months
General working capital	6,650	6,519	-	131	Within 24 months
Listing expenses	4,300	4,300	-	-	Within 3 months
Total	22,050	16,953	-	5,097	

Note:

(1) The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 6 October 2025.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/ payable to the External Auditors by the Group and the Company for the financial year ended 31 December 2025 (“FYE 2025”) are as follows:

	The Group RM	The Company RM
Audit fee	170,000	30,000
Non-Audit fees*	10,000	10,000
Total	180,000	40,000

Note:

* Non-audit fees comprised professional fees paid for the review of Annual Report and Statement on Risk Management and Internal Control.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

3. MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) either subsisting as at the financial year end or entered into since the end of the previous financial year by the Company and/ or its subsidiaries involving the interest of the directors, chief executive and major shareholders.

4. EMPLOYEE SHARE SCHEME

The Company did not establish any Employee Share Scheme during FYE 2025.

5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

There were no RRPT entered by the Group during the FYE 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

1. COMPOSITION AND ATTENDANCE

The Audit and Risk Management Committee (“ARMC”) was established on 27 November 2024. The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors and one of whom is a member of the Malaysian Institute of Accountants (MIA). No alternate director is appointed as a member of the ARMC. This meets the requirements of Rules 15.09(1)(a),(b),(c)(i) and 15.09(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”). The ARMC meets the requirement under Step Up Practice 9.4 of the Malaysian Code on Corporate Governance 2021 (“MCCG”) whereby the committee comprises solely of Independent Non-Executive Directors.

In line with Practice 9.1 of MCCG, the ARMC is chaired by an Independent Non-Executive Director who is not the Chairman of the Board of Directors. The Chairman of the Board of Directors is not a member of the ARMC in line with Practice 1.4 of MCCG.

All members of the ARMC are required to be financially literate and appropriately qualified with sound knowledge and experience in accounting, business, and financial management. The details of attendance of each member at ARMC meetings held during the financial year ended 31 December 2025 (“FYE 2025”) are as follows:

Composition of Committee	No. of ARMC meetings attended during FYE 2025
Ms. Law Lee Yen (Chairman, Independent Non-Executive Director)	2/2
Mr. Razi Bin Abdullah (Member, Independent Non-Executive Director)	2/2
Ms. Eileen Su Lee Ming (Member, Independent Non-Executive Director)	2/2

The Board through the Nominating Committee assesses the performance of the ARMC and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the ARMC and its members have been able to discharge their functions, duties and responsibilities effectively and efficiently in accordance with the Terms of Reference of the ARMC.

2. SECRETARY

The secretary(ies) to the ARMC are the Company Secretary(ies) of the Company.

3. TERMS OF REFERENCE

The detailed Terms of Reference of the ARMC outlining the composition, duties and functions, authority and procedures of the ARMC are published and available on the Company’s website at <https://powertechgroup.com.my/corporate-governance>.

The ARMC’s Terms of Reference was adopted by the Board on 27 November 2024 in accordance with the requirement of Rule 15.11 of the ACE LR. Under the enhanced requirement of Rule 15.12(1)(g)(ii), the ARMC is required amongst others to review significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions and how these matters are addressed.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

4. MEETINGS

The ARMC shall meet at least four (4) times a year. The Chairman of the ARMC may call at any time for any additional meetings at the Chairman's discretion and the External Auditors ("EA") may request a meeting if they consider that one is necessary. The Company was listed on the ACE Market of Bursa Securities on 28 October 2025. The ARMC had convened a total of two (2) meetings during the FYE 2025. The meetings were conducted with the quorum of minimum two (2) members.

The agenda for meetings, the relevant reports and papers were furnished to ARMC members by the Secretary after consultation with the ARMC Chairman in advance to facilitate effective deliberation and decision making at the respective meetings. The meetings were appropriately structured through the use of agendas and committee papers containing information relevant to the matters for deliberation, which were distributed to members with sufficient notification.

All issues were adequately deliberated during ARMC meetings before arriving at any decisions, conclusions or recommendations and brought to the attention of the Board. The minutes of these deliberations and its resultant decisions, conclusions or recommendations at each ARMC meeting were properly recorded by the Company Secretary and subsequently accelerated to the Board for review and notation.

During its scheduled quarterly meetings, the ARMC reviewed the risk management and internal control processes (with the assistance of its outsourced Internal Audit Function), the interim and year-end financial reports, the internal and external audit plans and reports, conflict of interest ("COI") situations, related party transaction, recurrent related party transaction, awareness of any incidences of fraud, risk management update report and all other areas within the scope of responsibilities of the ARMC under its Terms of Reference.

The Group Accountant was invited to attend the ARMC meetings to facilitate direct communication and interaction as well as provide clarifications on audit, financial and operational issues. The Group Accountant had briefed the ARMC on specific issues and areas arising from the quarterly and audit reports. The EA of the Company represented by their Engagement Partner and Audit Manager of the engagement attended ARMC meetings to present their External Audit Planning Memorandum, External Auditors' Report and Transparency Report. Similarly, the representatives of the outsourced Internal Audit Function attended the ARMC meetings to table their respective Internal Audit Report.

5. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the FYE 2025, the ARMC in discharging its duties and functions had carried out the following activities:

a) Financial Reporting

The ARMC reviewed the audited financial statements ("AFS") for the financial year ended 31 December 2024 and quarterly interim financial reports for the 3rd and 4th quarters of FYE 2025 at its meetings held on 29 April 2025, 28 November 2025 and 25 February 2026 respectively before recommending them for the Board's consideration and approval for release to the public. In reviewing these financial statements and financial reports, the ARMC ensured the AFS was prepared in compliance with the Malaysian Financial Reporting Standard ("MFRS") and the requirements of the Companies Act, 2016 while the quarterly interim financial reports were prepared in accordance with the MFRS, Rule 9.22 and Appendix 9B of the ACE LR.

b) Reports from EA

- On 28 November 2025, the ARMC had reviewed with the EA their scope of work and audit plan as provided in their External Audit Planning Memorandum for the FYE 2025 prior to the commencement of audit. The ARMC also had reviewed the EA's remuneration and made recommendation to the Board for acceptance.
- On 25 February 2026, the ARMC had conducted a private session meeting with the EA without the presence of the executive board members and management personnel of the Company. The ARMC had the opportunity to assess the co-operation extended by the Management to the EA, their attitude and readiness to provide documentation and explanations, as well as the adequacy of resources of the Group's finance department.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

5. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

b) Reports from EA (Cont'd)

- There were no areas of major concern raised by EA that warranted escalation to the Board. The EA were also informed by the ARMC that should there be any significant incidents or matters detected in the course of their audits or reviews which warrant their knowledge or intervention, it shall be reported to the ARMC accordingly. At the same time, EA had the opportunity to obtain feedback from the ARMC on their perspectives on the areas of major concerns, which they would like the EA to look into.
- On 8 April 2026, the ARMC had deliberated and reviewed the EA's audit findings and recommendations and the audit report, including management's response in relation to the audit findings of the Group for the FYE 2025. The review was to ensure that the AFS were prepared in accordance with the provision of the Companies Act, 2016 and the applicable approved accounting standards.
- Obtained confirmation and declaration from EA that they were independent and would be independent throughout their engagement. EA confirmed that they were and had been independent throughout the conduct of the audit engagement in accordance with the By-Laws (On professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code").
- On 8 April 2026, Ecovis Malaysia PLT had indicated their willingness to continue in office for the next financial year ending 31 December 2026 and for re-appointment at the forthcoming Annual General Meeting.
- Reviewed other significant matters and unusual events or transactions highlighted by the EA as well as how these significant matters were addressed.

c) Reports from Internal Auditors ("IA")

- On 28 November 2025, the ARMC reviewed the Internal Audit Plan for the FYE 2025 and financial year ending 31 December 2026 proposed by the outsourced internal audit function to ensure key business risk and processes identified in the Registry of Risk were adequately identified and covered in the Internal Audit Plan before recommendation to the Board for approval.
- On 25 February 2026, the ARMC had reviewed and discussed the Internal Audit Report with the recommendations made by the IA on the areas of improvement. The report contained the audit findings, possible risks or implications, risk rating, audit recommendations provided by the IA and management action plans in addressing and resolving the audit findings. The areas covered encompassed Safety, Health and Environment Management for Powertech Handling Equipment (M) Sdn Bhd, Powertech Marketing Sdn Bhd and Powertech Resources Sdn Bhd.
- On 25 February 2026, the ARMC had conducted a private session meeting with the IA without the presence of the executive board members and management personnel of the Company. The ARMC had the opportunity to assess the co-operation extended by the Management to the IA.
- Reviewed and assessed the adequacy of the competency and effectiveness of the systems of Risk Management and Internal Control and the efficiency of the Group's operations in particular those relating to areas of significant risks.

d) Overall Governance Practices in the Group

- Reviewed the disclosures made in respect of the financial reports and Annual Report of the Company in line with the ACE LR, principles of the MCCG, other applicable laws, rules, directives and guidelines.
- Reviewed the Statement of Risk Management and Internal Control, Corporate Governance Overview Statement, Corporate Governance Report, Sustainability Statement and Audit and Risk Management Committee Report together with the IA and EA.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

5. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

d) Overall Governance Practices in the Group (Cont'd)

- Reviewed the Director's Responsibility Statement, Other Compliance Information and Other Governance Disclosure and Financial indicators.
- Considered and reviewed any COI/ potential COI situations and related party transaction in order to ensure that they were not detrimental to the interests of the minority shareholders.
- Inquired on awareness of any incidences or suspicion of fraud that may have come to the ARMC's attention.
- Reviewed the budget for the financial year ending 31 December 2026 prepared by the management and ensured that the assumptions and estimates were reasonable and prudent.

e) COI or Potential COI

In overseeing and discharging its responsibilities in reviewing situations of COI and potential COI involving the Directors and Key Senior Management, the ARMC:

- Reviewed and recommended the adoption of Conflict of Interest Policy in line with the amendments to the ACE LR.
- Reviewed and kept itself abreast on all the status of existing COI (if any) and potential COI involving the Directors and Key Senior Management by way of review of existing declaration/disclosure from all Directors and Key Senior Management in respect of their involvement in other companies/ business carrying on similar business/trades as the Group.
- Where applicable, recommended to the Board the measures to be taken to resolve, eliminate or mitigate any such COI or potential COI situations.

During the FYE 2025, there was no COI or potential COI situation involving the Directors and Key Senior Management of the Group identified and disclosed to the ARMC.

f) Assurance from the Managing Director and Chief Financial Officer on Group's Risk Management and Internal Control

Received assurance from the Managing Director and Chief Financial Officer (who was promoted in April 2026) that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects before recommending the Statement on Risk Management and Internal Control to the Board of Directors.

The Managing Director and Chief Financial Officer assured that: -

- Appropriate accounting policies had been adopted and applied consistently.
- The going concern basis applied in the Annual Consolidated Financial Statements was appropriate.
- Prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs.
- Adequate controls and processes were in place for effective and efficient financial reporting and relevant disclosures under MFRS and ACE LR.
- The Annual Consolidated Financial Statements and the Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

6. INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to an independent professional services firm, Sterling Business Alignment Consulting Sdn Bhd, who, through the ARMC, provides the Board with much of the assurance it requires in respect of the adequacy and effectiveness of the Group's system on the risk management and internal control. To uphold the professional firm's independence and objectivity, the outsourced internal audit function reports directly to the ARMC. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review and approval by the ARMC for its reporting to the Board for ultimate approval.

During the FYE 2025, the outsourced internal audit function carried out audits in accordance with the Internal Audit Plan approved by the ARMC and the Board. The Internal Audit Plan was developed taking into consideration the Group's Registry of Risk and other risk events identified by the internal audit function relevant to the audit objectives with the input from the Management. The outsourced internal audit function had presented their audit reports for the ARMC's review on the Group's Safety, Health and Environment Management on 25 February 2026.

a) Main responsibilities of the IA

- Assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control system.
- Perform any ad hoc appraisals, inspections, investigations, examinations, review requests of the ARMC or senior management as appropriate.
- Provide recommendations to strengthen the internal control procedures.

b) Activities of Internal Audit Function

- Before the commencement of the internal audit reviews, an internal audit plan is produced and presented to the ARMC for approval. This internal audit plan is developed taking into consideration existing and emergent key business risks identified by the Management as well as the Board's and Key Senior Management's concerns. Upon approval, internal audit reviews are carried out in accordance with this approved internal audit plan and thereafter tabled quarterly for ARMC to review the internal audit report and the progress of internal audit plan. This review is to ensure that the audit direction remains relevant and in line with the ARMC's expectations.
- Prior to the presentation of internal audit report and findings to the ARMC, comments and responses from the management are obtained for the internal audit findings raised and incorporated into the internal audit report.
- Follow-up reviews are carried out with the Management to ascertain the status of implementation of the agreed management action plans. The results of the follow-up reviews are reported to the ARMC at regular intervals. The ARMC in turn reviews the effectiveness of the system of internal controls in operations and reports the results thereon to the Board.
- Ascertain the extent of compliance with established policies, procedures, plans, laws and regulations.
- The IA had attended one (1) ARMC meeting and had one (1) private session meeting with the ARMC without the presence of the executive board members and management personnel of the Company during the FYE 2025.

The first internal audit report following the Company's listing on 28 October 2025 was presented to the ARMC for review on 25 February 2026. Therefore, the Company did not incur any cost for the outsourced internal audit function in respect of the FYE 2025.

Further details on IA function and internal audit activities are disclosed in the Statement on Risk Management and Internal Control available on pages 43 to 47 of this Annual Report.

This statement was approved by the ARMC on 8 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Powertechnic Group Berhad (“Powertechnic” or “the Company”) and its subsidiaries (“the Group”) is pleased to present its Statement on Risk Management and Internal Control (“SORMIC”) for the financial year ended 31 December 2025 (“FYE 2025”).

This SORMIC has been prepared in accordance with and in compliance with the following:

- **Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (SORMIC Guide 2025)** issued by Bursa Malaysia Securities Berhad.
- **Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“ACE LR”)**, to be read together with the **Guidance Note 11 of the ACE LR**, including any amendments or updates issued from time to time.
- **Malaysian Code on Corporate Governance 2021**, particularly the principles and practices relating to the establishment of an effective risk management and internal control framework and meaningful disclosures to enable stakeholders to assess its effectiveness.

Powertechnic was listed on the ACE Market of Bursa Malaysia Securities Berhad on 28 October 2025. As part of the Group’s governance journey as a newly listed corporation, the Board remains committed to maintaining and continuously enhancing a robust risk governance culture, with clear accountability across the Group, to support sustainable growth and resilience.

The statement below outlines the nature and scope of the Group’s risk management and internal control systems during the financial year under review, including the governance structure, key risk areas, internal control processes, and the Board’s ongoing oversight and review of effectiveness.

BOARD RESPONSIBILITY

The Board of Powertechnic recognises the importance of maintaining a sound system of risk management and internal control to safeguard shareholders’ investment, protect the Group’s assets and ensure the achievement of the Group’s strategic objectives.

The Board acknowledges its overall responsibility for establishing and maintaining an effective risk management and internal control framework within the Group. This includes reviewing the adequacy and effectiveness of the Group’s risk management practices and internal control systems on an ongoing basis.

The Board confirms that the Group has implemented a structured framework for identifying, evaluating and managing risks across its operations.

However, the Board recognises that risk management and internal control systems are designed to manage rather than eliminate risks and therefore provide reasonable, but not absolute, assurance against material misstatement, fraud or loss.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK GOVERNANCE STRUCTURE

The Group maintains a structured governance framework to oversee risk management and internal control practices.

Governance Level	Key Responsibilities
Board of Directors	Provides overall oversight of the Group's risk management and internal control framework. The Board sets the tone for risk governance, approves key policies, and ensures that appropriate systems are in place to identify, evaluate and manage significant risks faced by the Group.
Audit and Risk Management Committee (ARMC)	Assists the Board in overseeing the adequacy and effectiveness of the Group's risk management and internal control systems. The ARMC reviews key risk reports, internal audit findings, internal control weaknesses and ensures appropriate corrective actions are implemented by the management.
Sustainability and Risk Management Committee (SRMC)	Responsible for coordinating risk management activities at the management level. The SRMC maintains the Group's Risk Register and Risk Matrix, facilitates risk identification across departments, monitors mitigation measures and consolidates risk reports for review by the ARMC and the Board.
Management / Departments	Responsible for identifying, managing and monitoring risks within their respective functions. Each department acts as a risk owner and implements internal controls, operational procedures and mitigation measures to ensure risks are managed within acceptable levels.
Internal Audit	Provides independent assurance on the adequacy and effectiveness of the Group's risk management and internal control systems. Internal audit performs risk-based audits, reports its findings to the ARMC and monitors management's implementation of corrective actions.

RISK MANAGEMENT FRAMEWORK

The Group has adopted a structured risk management framework aligned with internationally recognised practices such as the COSO Enterprise Risk Management framework and ISO 31000 principles. Risk management is embedded within the Group's strategic and operational processes and is coordinated by the SRMC with participation from all functional departments.

The Group maintains a Risk Register and Risk Matrix, which support the following risk management process:

- Risk Identification:** Departments identify operational, financial and strategic risks within their respective functions and document them in the Group's Risk Register.
- Risk Assessment:** Identified risks are assessed based on likelihood and potential impact using a standardised Risk Matrix.
- Risk Mitigation:** Appropriate mitigation measures and internal controls are implemented, with designated risk owners responsible for managing each risk.
- Risk Monitoring and Reporting:** Key risks and mitigation measures are periodically reviewed by the SRMC and reported to the ARMC and the Board, where necessary.

The Board oversees the Group's overall risk exposure to ensure risks are managed within acceptable parameters and aligned with the Group's strategic objectives.

Based on the Group's risk identification and assessment process, the following represent the key risks currently monitored by the management together with the corresponding mitigation measures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Key Risk Areas and Mitigation Measures

Key Risk Area	Description	Mitigation Measures
Project Execution and Delivery Risk	Risks relating to project delays, cost overruns, design errors or scope changes during project execution and installation.	<ul style="list-style-type: none"> • Formal approval of engineering designs and drawings prior to execution • Standardised design templates and peer reviews • Structured change request procedures for scope variations • Regular project coordination meetings and schedule monitoring
Supply Chain Disruption Risk	Exposure to fluctuations in raw material prices and potential disruptions in the supply of externally sourced components and imported parts.	<ul style="list-style-type: none"> • Early procurement planning and supplier coordination • Alternative sourcing and materials evaluation • Monitoring supplier lead times and shipment schedules
Economic and Market Risk	Changes in economic conditions, industry demand and competitive pressures may affect project pipeline, pricing and customer spending.	<ul style="list-style-type: none"> • Diversification of customer base and industry segments • Continuous market monitoring and sales strategy adjustments • Maintaining strong service quality and long-term customer relationships
Liquidity Risk	Risk relating to maintaining sufficient working capital to support project execution and operational commitments.	<ul style="list-style-type: none"> • Budget monitoring and project cost tracking • Cash flow monitoring and financial planning • Credit evaluation and monitoring of customer payment behaviour
Human Capital Risk	Availability and retention of skilled personnel to support engineering, installation and project execution activities.	<ul style="list-style-type: none"> • Workforce planning and manpower allocation • Training and development programmes • Use of outsourced manpower during peak periods
Regulatory and Safety Compliance Risk	Risks associated with non-compliance with safety regulations, lifting standards and regulatory inspections.	<ul style="list-style-type: none"> • Engineering design compliance with statutory requirements • Structured regulatory submission and inspection monitoring • Installation quality control and safety procedures

INTERNAL CONTROL SYSTEM

The Group has established internal control procedures to support the orderly and efficient conduct of its business operations. These controls are designed to safeguard the Group's assets, ensure the reliability of financial reporting, and facilitate compliance with applicable laws and regulations. The internal control system operates within the Group's governance framework, where oversight is provided by the Board through the ARMC, supported by the SRMC at the management level. Internal controls are embedded within the Group's operational processes and supported by documented policies, standard operating procedures, and defined approval limits. Key operational activities such as engineering design approvals, procurement processes, project execution, and regulatory submissions are subject to structured review and authorisation procedures. The Board delegates the day-to-day management of the Group's operations to the Managing Director, Executive Directors and the management team, who monitor operational and financial performance through periodic management reports and regular management meetings involving the Heads of Departments. These monitoring processes enable the management to review project execution progress, operational performance, and key business matters, while significant risks and mitigation measures identified are escalated through the SRMC and subsequently reported to the ARMC and the Board where necessary. Financial discipline is reinforced through budget monitoring, project cost tracking, and periodic financial reporting, which enable the management to identify potential operational or financial issues in a timely manner. Governance and internal control were enhanced, including the formal establishment of the SRMC, strengthening of internal policies and procedures, enhancement of financial monitoring practices and the introduction of structured compliance monitoring mechanisms.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL SYSTEM (CONT'D)

Limitations of Internal Control

The Board recognises that any system of internal control has inherent limitations and can only provide reasonable, but not absolute, assurance against material misstatement, fraud or loss. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. Accordingly, the Board continues to review and enhance the Group's risk management and internal control processes to ensure they remain appropriate and effective in supporting the Group's business operations.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to Sterling Business Alignment Consulting Sdn Bhd, an independent professional consulting firm, which provides objective and independent assurance on the adequacy and effectiveness of the Group's risk management and internal control systems.

The internal audit function reports functionally to the ARMC, thereby maintaining independence from operational management. The internal auditors conduct risk-based internal audit reviews in accordance with an annual internal audit plan approved by the ARMC.

The scope of internal audit reviews includes the evaluation of internal control effectiveness, compliance with established policies and procedures, operational efficiency, and governance practices. Audit findings, recommendations, and management responses are presented to the ARMC for review. The management is responsible for implementing corrective actions where required.

The ARMC monitors the progress of corrective actions and ensures that appropriate measures are taken by the management to address internal control weaknesses identified during the audit process.

The first internal audit report following the Company's listing on 28 October 2025 was presented to the ARMC for review on 25 February 2026. Therefore, the Company did not incur any cost for the outsourced internal audit function in respect of the FYE 2025.

OTHER KEY ELEMENTS OF THE GROUP'S SYSTEM OF INTERNAL CONTROL

In addition to the risk management framework and internal control processes described above, the other key elements of the Group's system of internal control are as follows:

- The Group promotes a strong control culture through the commitment of the Board, the management and the employees towards maintaining sound governance and internal control practices.
- Certain responsibilities of the Board are delegated to Board Committees, including the ARMC, which operate under clearly defined terms of reference.
- Each department is assigned risk ownership and is responsible for identifying, monitoring, and managing risks within its operational areas.
- Key operational and financial matters are reviewed during regular management meetings involving Heads of Departments.
- Project execution activities are supported by structured procedures, including engineering design approvals, procurement coordination, and installation quality control.
- Compliance with regulatory and safety requirements is monitored through engineering verification processes, regulatory submission procedures and operational safety controls.
- Proposals for material capital expenditure and significant investments are subject to formal approval procedures before being presented to the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The external auditors have reviewed this Statement on Risk Management and Internal Control in accordance with the scope set out in Audit and Assurance Practice Guide (“AAPG”) 3, issued by the Malaysian Institute of Accountants (“MIA”), for inclusion in the Annual Report of the Group for the FYE 2025.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement has not been prepared, in all material respects, in accordance with the disclosure requirements of the ACE LR, or that the statement is factually inaccurate.

The external auditors’ review was performed solely for the purpose of assisting the Board in complying with the ACE LR. Accordingly, the external auditors do not assume responsibility to any party other than the Board of Directors in respect of this review.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control systems, nor does it require them to consider whether this statement covers all risks and controls within the Group.

CONCLUSION

The Board has received assurance from the Managing Director and the Chief Financial Officer (who was promoted from the Group Accountant in April 2026) that the Group’s risk management and internal control systems are operating adequately and effectively, in all material respects, based on the framework established within the Group. The Board is satisfied that for the FYE 2025, there were no material losses, contingencies, or uncertainties arising from weaknesses in the system of internal control. The Board is of the view that the Group’s risk management and internal control systems are adequate and effective in safeguarding the shareholders’ interests, protecting the Group’s assets, and supporting the achievement of the Group’s strategic and operational objectives. The Board and the management will continue to take proactive measures to strengthen and enhance the Group’s control environment and governance practices as the Group continues to grow as a newly listed corporation.

This statement was approved by the Board on 8 April 2026.

SUSTAINABILITY STATEMENT

About this Statement

Powertechnic Group Berhad (“Powertechnic” or “the Company”) and its subsidiaries (“the Group”) is pleased to present this Sustainability Statement, outlining the Group’s approach to managing material economic, environmental, social and governance matters that are material to its operations and stakeholders.

This Statement reflects the Group’s commitment to integrating sustainable practices into its business activities, with a focus on operational efficiency, workplace safety, product reliability and responsible governance. It also highlights the initial steps the Group has taken to strengthen its sustainability practices and disclosures as part of its ongoing sustainability journey.



Building a Sustainable Foundation

As a provider of lifting systems solutions, including engineering design, fabrication, installation, and maintenance, Powertechnic operates in a sector where safety, compliance, and operational discipline are critical. The Group recognises that sustainability is closely linked to how effectively it manages its operations, delivers reliable solutions and safeguards its workforce.

In line with this, the Group has begun to formalise its sustainability approach by identifying key sustainability priorities relevant to its business, establishing governance oversight, and enhancing its internal processes to support sustainability reporting.

This Sustainability Statement represents an important step in the Group’s sustainability journey, providing a structured overview of its sustainability practices while laying the foundation for further improvements in governance, performance tracking, and disclosures.

Our Sustainability Journey

The Group acknowledges that sustainability is an evolving process. As such, its current practices represent an initial stage of development, with ongoing efforts to enhance its sustainability framework in a practical and disciplined manner.

Moving forward, Powertechnic will continue to strengthen its sustainability governance, refine its material sustainability matters, and improve the consistency and depth of its data collection and reporting processes. The Group remains committed to progressively integrating sustainability considerations into its business operations in support of long-term resilience and value creation.

SUSTAINABILITY STATEMENT (CONT'D)

Reporting Scope and Boundary

This Sustainability Statement covers the financial year from 1 January 2025 to 31 December 2025 ("FYE 2025"). It includes the Group's principal business activities in Malaysia, encompassing engineering design, fabrication, installation, and maintenance of lifting systems.

The scope of this Statement covers the Group's operational activities that have a material impact on its sustainability performance.

Reporting Framework

This Sustainability Statement is prepared in accordance with the sustainability reporting requirements of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("ACE LR"), with reference to the Sustainability Reporting Guide and Toolkits (3rd edition) issued on 26 September 2022 by Bursa Securities and other relevant guidance materials issued by Bursa Securities.

The Group has also taken into consideration relevant sustainability frameworks and emerging regulatory developments, including Malaysia's National Sustainability Reporting Framework ("NSRF"), in guiding its disclosures and future reporting direction.

Data Integrity and Continuous Improvement

The data presented in this Sustainability Statement has been compiled based on information available from the Group's internal records and reviewed by the respective responsible functions.

As the Group continues to enhance its sustainability practices, it will progressively strengthen its data collection processes, improve the accuracy and consistency of its disclosures and expand the scope of its reporting over time.

Assurance

This Report has not been subjected to internal review by the Internal Auditors, nor independently assured for the financial year under review. Nevertheless, reasonable efforts have been undertaken to ensure that the sustainability data disclosed in this Annual Report is accurate and complete, and the Group will continue to strengthen its data collection and management processes to improve data quality and integrity.

Sustainability Framework

Powertechnic's sustainability framework is designed to integrate sustainability considerations into the Group's governance, operations and decision-making processes in a structured and practical manner. The framework reflects how the Group identifies, manages and monitors sustainability-related matters across its business activities, while aligning with stakeholder expectations and operational priorities.

At the core of the framework are four key sustainability pillars, which represent the Group's primary areas of impact:

- **Operational Excellence & Product Quality**
- **Environmental Responsibility & Resource Efficiency**
- **People, Safety & Workforce Development**
- **Governance, Ethics & Compliance**

These pillars guide the Group's sustainability approach across its value chain, from engineering design and fabrication to installation, maintenance and corporate functions.

SUSTAINABILITY STATEMENT (CONT'D)

Framework Structure

The Group's sustainability framework is built on five key components, with the four sustainability pillars embedded across each stage:



Sustainability Pillars Embedded Across All Stages

Operational Excellence & Product Quality	Environmental Responsibility & Resource Efficiency	People, Safety & Workforce Development	Governance, Ethics & Compliance
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SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Pillar	Category	Key Material Matters
Operational Excellence & Product Quality	Economic / Business Sustainability	Governance, Ethics & Compliance
		Operational efficiency and cost discipline
		Customer satisfaction and service responsiveness
Environmental Responsibility & Resource Efficiency	Environmental	Energy consumption
		Fuel usage and emissions from operations
		Waste and material management
People, Safety & Workforce Development	Social	Workplace safety and health
		Talent development and retention
		Diversity and employee well-being
		Customer safety and responsible usage
Governance, Ethics & Compliance	Governance	Regulatory compliance
		Ethical business conduct
		Data protection and accountability
		Internal controls and risk management

Sustainability Governance

The Board of Directors ("Board") has overall responsibility for overseeing the Group's sustainability direction, including the identification of material sustainability matters, the approval of relevant strategies, and the monitoring of sustainability performance.

In line with the Group's current stage of sustainability development, sustainability oversight is integrated within the existing governance and management structure, with responsibilities shared across the Board, management and operational functions.

The governance structure is supported by management-level oversight and operational execution:

- **Board of Directors**

Provides overall oversight on sustainability matters, ensuring alignment with the Group's strategic objectives, risk management framework and regulatory requirements.

- **Management**

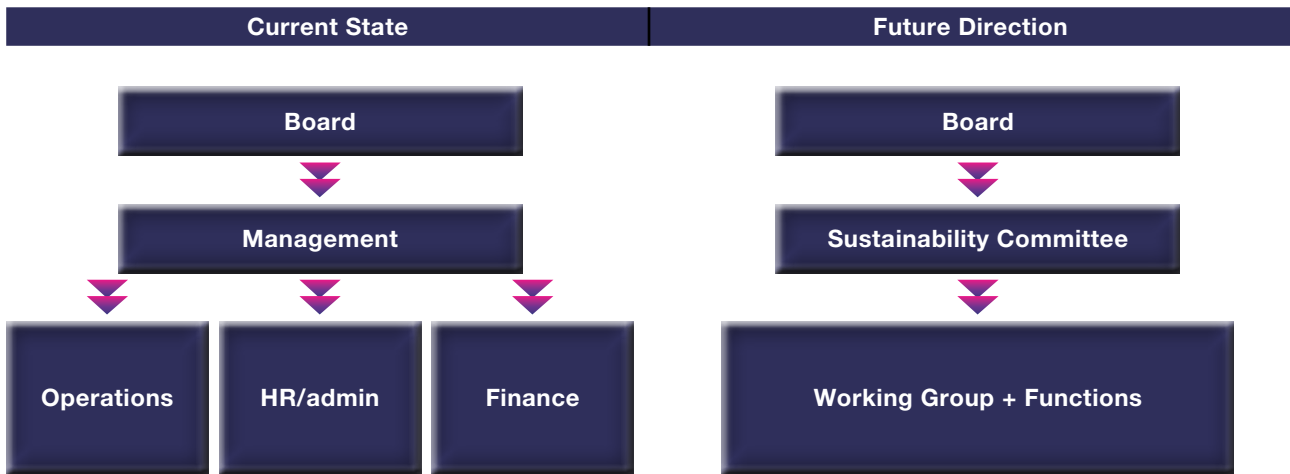
Oversees the implementation of sustainability-related initiatives, monitors progress and facilitates the integration of sustainability considerations into business operations and decision-making processes.

- **Operational Functions**

Responsible for executing sustainability-related initiatives, including data collection, performance monitoring and implementation across key areas such as operations, human resources and compliance.

Sustainability matters are periodically reviewed and reported to the Board to support effective oversight and decision-making.

SUSTAINABILITY STATEMENT (CONT'D)



The Group recognises that sustainability governance will continue to evolve over time. As sustainability practices and reporting requirements develop, the Group will progressively formalise its governance structure, strengthen internal coordination, and enhance accountability mechanisms where appropriate.

Stakeholder Engagement

The Group recognises that effective stakeholder engagement is essential to understanding expectations, managing risks and identifying opportunities for improvement. As part of its sustainability approach, Powertechnic engages with its stakeholders on an ongoing basis to ensure that its business practices remain responsive, responsible and aligned with stakeholder interests.







Given the nature of the Group's operations, stakeholder engagement is embedded within day-to-day business activities, including project execution, operational coordination and regulatory interactions. These engagements provide valuable insights into areas such as product quality, workplace safety, service reliability, compliance requirements and employee well-being.

The Group adopts a practical approach to stakeholder engagement, focusing on maintaining open communication channels, addressing feedback in a timely manner and incorporating relevant input into its decision-making processes. Stakeholder feedback also plays an important role in identifying and prioritising the Group's material sustainability matters.

As the Group continues to enhance its sustainability framework, it will progressively strengthen its stakeholder engagement processes, including improving the structure, documentation and consistency of engagements across different stakeholder groups.

SUSTAINABILITY STATEMENT (CONT'D)

Key Stakeholder Groups and Engagement Approach

Stakeholder Group	Engagement Approach	Key Areas of Interest	Our Approach
Shareholders / Investors 	Annual reports, general meetings, corporate announcements	Financial performance, governance, risk management, long-term growth	Ensure timely and transparent disclosures, maintain clear communication on business performance and strategic direction
Employees 	Internal communication, training programmes, performance evaluations, day-to-day interaction	Workplace safety, career development, fair employment, well-being	Promote a safe working environment, provide training and development opportunities, and foster employee engagement
Customers 	Project discussions, service engagement, feedback channels, after-sales support	Product quality, reliability, compliance, service responsiveness	Deliver reliable and compliant solutions, maintain quality standards and provide responsive support
Suppliers / Subcontractors 	Procurement processes, operational coordination, contract engagement	Fair dealings, timely payments, quality expectations	Maintain fair and transparent procurement practices and ensure alignment on quality and delivery standards
Regulators 	Compliance reporting, inspections, licensing and regulatory interactions	Legal compliance, safety standards, operational requirements	Ensure adherence to applicable laws and regulations and maintain compliance with relevant standards
Communities 	Employment opportunities, local engagement through operations	Economic contribution, environmental and social impact	Conduct operations responsibly and contribute to local employment where possible

Material Sustainability Matters

The Group has identified its material sustainability matters through internal materiality assessments, taking into account its business activities, operational impacts, and stakeholder expectations. Material sustainability matters were identified using the Group's internal risk assessment framework, where risks are evaluated and prioritised based on a standardised impact and likelihood matrix derived from the Group's Risk Register.

These matters are reviewed periodically to ensure their continued relevance.

Economic / Business Sustainability

- Product quality and reliability
- Operational efficiency and cost discipline
- Customer satisfaction and service responsiveness

SUSTAINABILITY STATEMENT (CONT'D)

Environmental

- Energy consumption
- Fuel usage and emissions from operations
- Waste and material management

Social

- Workplace safety and health
- Talent development and retention
- Diversity and employee well-being
- Customer safety

Governance

- Regulatory compliance
- Ethical business conduct
- Internal controls and risk management
- Data protection

The Group prioritises these areas as they have the most significant impact on its operations and long-term sustainability.

Managing Sustainability at Powertechnic

Economic / Business Sustainability

Product Quality and Reliability

Powertechnic's ability to deliver consistent financial performance is closely linked to the reliability and quality of its lifting systems. For FYE 2025, the Group recorded revenue of RM42.53 million, reflecting continued demand across its core segments, including crane and hoist systems, elevated platform systems, elevators and maintenance, repair and related services.

The Group maintains a disciplined approach to engineering design, fabrication and installation, ensuring compliance with regulatory standards and technical specifications. Quality assurance processes are embedded throughout the project lifecycle, from design validation to final installation, reducing the risk of defects and rework. This structured approach supports consistent delivery standards and reinforces the reliability of the Group's solutions across diverse customer applications.

Furthermore, maintenance, repair, and related services contributed to the Group's revenue. These services encompass routine inspections and preventive maintenance to optimise performance and extend system operational life as well as repair services to restore system functionality, thereby reinforcing customer confidence and strengthening long-term business continuity.

SUSTAINABILITY STATEMENT (CONT'D)

Operational Efficiency

Operational efficiency remains a key driver of the Group's financial sustainability. In FYE 2025, Powertechnic achieved a gross profit of RM19.42 million, compared with RM19.03 million in the previous financial year. Gross profit margin decreased to 45.65% in FYE 2025 from 47.57% mainly attributable to a lower contribution from higher-margin, customised projects and systems with higher specification requirements recognised during the financial year.

The Group continues to focus on improving execution efficiency through better project coordination, resource planning, and workflow management. Revenue growth of 6.31% year-on-year was supported by stronger contributions across multiple business segments, reflecting improved operational throughput and project delivery capabilities.

At the same time, the Group is progressively investing in automation and process improvements, as outlined in its post-IPO plans, to enhance fabrication precision, increase scalability and reduce reliance on manual processes. These initiatives are expected to improve cost discipline, minimise operational inefficiencies and support sustainable margin performance over time.

While profit before tax declined to RM5.41 million, this was largely due to the absence of one-off gains in the previous year rather than core operational weakness, indicating that the Group's underlying operational performance remains resilient.

Customer Satisfaction and Service Responsiveness

Customer satisfaction is a central component of Powertechnic's business model, supported by its integrated approach spanning design, supply, installation and after-sales service.

The Group's diversified revenue base, with contributions from crane and hoist systems (28.74%), elevated platform systems (26.72%), elevators (25.13%), and maintenance, repair and related services (19.41%), reflects its ability to serve a broad range of customer needs across industries. This diversification enhances service reliability and reduces dependency on any single segment.

Service delivery is strengthened through close coordination with customers at every stage of the project lifecycle, including requirement alignment, design approvals, installation standards and post-installation support. The Group also maintains ongoing engagement through maintenance, repair and related services, ensuring continued system performance and responsiveness to customer needs.

In addition, structured project execution and quality control processes help minimise delays and improve delivery timelines. However, timing differences in project delivery may affect revenue recognition, in view of the Group's 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.

Over the longer term, these disciplined practices support consistent service quality and reinforce customer confidence.

SUSTAINABILITY STATEMENT (CONT'D)

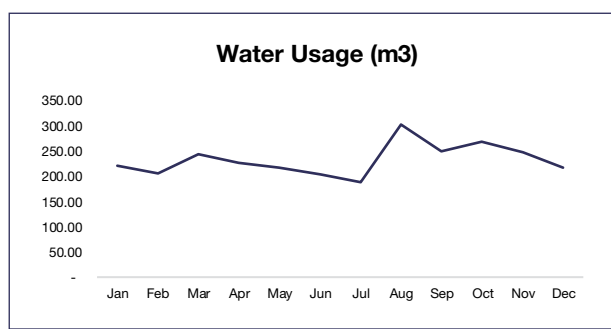
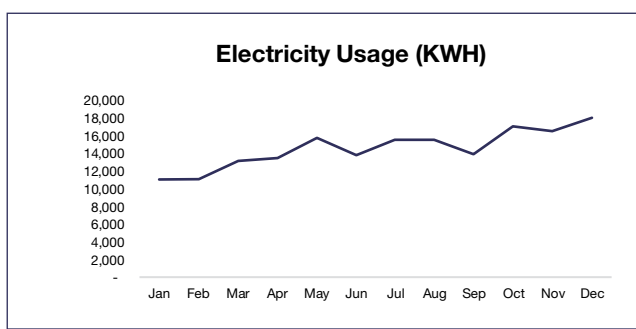
Environmental

The Group's environmental impact is primarily driven by its core operational activities, namely fabrication in the factory, transportation, and maintenance and service operations. These activities represent the key areas where environmental considerations intersect most directly with the Group's business, particularly through **energy consumption, fuel use, and emissions, as well as the management of materials and waste.**

Energy Consumption

Energy consumption within the Group is primarily attributable to electricity use in its fabrication facilities, where engineering, cutting, welding, and assembly processes are carried out.

During FYE 2025, the Group recorded total electricity consumption of 174,738 kWh, while water usage amounted to 2,784.3 m³.



Electricity is essential for supporting fabrication processes, while water is used for general operational purposes. The Group recognises that fabrication activities are inherently energy-intensive, as they involve the use of machinery, tools and equipment that require a consistent power supply. As such, efforts are focused on improving energy efficiency through better operational planning and disciplined execution.

Key initiatives include:

- Optimising production scheduling to reduce idle machine time
- Enhancing coordination across fabrication processes to improve workflow efficiency
- Promoting operational discipline in electricity usage across workshops and facilities

In addition, the Group's approach to customised engineering design contributes indirectly to energy efficiency by ensuring that lifting systems are tailored to customers' actual operational requirements. This helps reduce unnecessary energy consumption during the product's usage phase, while improving durability and reducing lifecycle impact.

Fuel Usage and Emissions from Operations

Fuel consumption is primarily associated with the Group's transportation, logistics, and maintenance, repair and related service activities.

During FYE 2025, the Group recorded:

- **Petrol usage:** 46,837.53 litres
- **Diesel usage:** 27,747.61 litres

Based on standard emission factors of 2.348 kg CO₂ per litre for petrol and 2.689 kg CO₂ per litre for diesel, the Group's fuel consumption resulted in estimated Scope 1 greenhouse gas emissions of approximately 184.58 tonnes of carbon dioxide equivalent (tCO₂e).

SUSTAINABILITY STATEMENT (CONT'D)

Electricity consumption contributed an additional 135.25 tCO₂e under Scope 2 emissions, based on an emission factor of 0.774 kg CO₂ per kWh. The emission factor is based on the Grid Emission Factor for Peninsular Malaysia published by the Energy Commission Malaysia in 2022, and is consistent with the Capital Markets Malaysia SEDG GHG Emissions Calculator guidance. In total, the Group recorded approximately 319.83 tCO₂e of Scope 1 and Scope 2 emissions for the financial year.

Scope	Source	Emissions (tCO ₂ e)
Scope 1	Petrol + Diesel (fuel usage)	184.58
Scope 2	Electricity	135.25
Total (Scope 1 + 2)	—	319.83

Fuel usage is driven by:

- Delivery of equipment, parts and materials
- Travel to project and customer sites
- Maintenance, repair and related servicing activities

To manage fuel consumption and emissions, the Group focuses on:

- Improving route planning and job scheduling to reduce unnecessary travel
- Strengthening coordination to minimise repeat site visits
- Enhancing planning and execution to improve operational efficiency

The Group will continue to strengthen its emissions tracking framework and improve data visibility over time.

Waste and Material Management

The Group's fabrication activities involve the use of various industrial and hazardous materials, which form a key component of its environmental footprint.

Based on internal procurement tracking, the Group monitored its environmentally related material usage through operational metrics during FYE 2025. These materials include paints, coatings, solvents, lubricants, industrial gases and batteries, all of which require proper handling and control.

In FYE2025, the Group recorded a total usage of 14,885.16 litres of hazardous materials, 15,780.79 kg of industrial gases, and 239.55 kg of waste-related materials, reflecting the scale of operational inputs and associated environmental management requirements.

Category	Total Used	Key Components	Environmental, social and governance ("ESG") Interpretation
Hazardous Materials	14,885.16 litre	Paints, chemicals, solvents, lubricants	Core operational inputs requiring controlled handling
Energy & Emissions (Proxy)	15,780.79 kg	Industrial gases (CO ₂ , oxygen, acetylene)	Indicator of operational energy intensity
Waste / Hazardous Waste	239.55 kg	Batteries and disposal-related items	Reflects waste handling and recycling practices

SUSTAINABILITY STATEMENT (CONT'D)

The main categories of materials used are as follows:

Material Category	Key Examples	Environmental Consideration
Paints and coatings	Industrial paints, primers, coatings	Chemical handling, storage and waste control
Solvents and chemicals	Thinners, coolants, industrial chemicals	Volatile organic compound (VOC) emissions and controlled usage
Oils and lubricants	Hydraulic oil, engine oil, grease	Spill prevention and disposal
Batteries	Lead-acid and equipment batteries	Hazardous waste and recycling
Industrial gases	Oxygen, acetylene, carbon dioxide	Fabrication-related usage

The use of these materials is closely linked to fabrication processes, where improper handling could result in waste, environmental contamination or inefficiencies.

To address this, the Group implements several measures to improve resource efficiency and minimise waste:

1) Improving Fabrication Precision

The Group enhances fabrication accuracy through automation and improved process control, reducing errors, rework, and unnecessary material waste.

2) Strengthening Material and Inventory Control

The Group improves resource management through:

- Monitoring inventory levels and ageing
- Conducting stock reconciliations
- Aligning purchases with actual operational needs
- Maintaining organised storage systems

These controls help reduce excess purchases, prevent stock losses and improve utilisation of materials.

3) Enhancing Design and Installation Coordination

Better coordination across design and installation stages helps reduce environmental impact by:

- Ensuring clear design scope and proper approvals
- Strengthening revision control
- Conducting site readiness checks
- Performing quality checks during installation

This reduces rework, avoids unnecessary site visits, lowers fuel consumption and minimises waste generation. In addition, the Group manages hazardous waste such as batteries through appropriate handling and disposal practices, including trade-in arrangements where applicable, supporting responsible waste management.

SUSTAINABILITY STATEMENT (CONT'D)

Social

Powertechnic recognises that its people, customers and workplace practices form the foundation of its long-term sustainability. The Group continues to strengthen its approach across workplace safety, talent development, employee well-being, and customer safety to ensure responsible and sustainable operations.

Workplace Safety and Health

The Group places strong emphasis on maintaining a safe working environment across workshops, project sites and installation activities. Safety practices are embedded throughout the operational workflow, from design and planning to on-site execution.

Safety is reinforced through strict adherence to regulatory requirements, including compliance with Department of Occupational Safety and Health Malaysia ("JKKP") standards and ongoing monitoring of equipment certifications. Prior to project execution, site readiness assessments are conducted in coordination with project stakeholders to ensure safe working conditions. During installation, quality control checks and clearly communicated technical standards guide execution and minimise operational risks.

In addition, the Group actively manages workforce fatigue and workplace organisation by monitoring manpower allocation, overtime levels and ensuring adequate workspace and material arrangement to support safe production flow.

Safety Performance Indicators (FYE 2025):

- **Total workplace accidents:** 0 case
- **Lost Time Injury Frequency Rate (LTIFR):** 0.00
- **Fatalities:** 0 cases

This reflects the Group's continued focus on proactive risk management, safety compliance and operational discipline.

Talent Development and Retention

Powertechnic continues to invest in building a skilled and resilient workforce to support its operational and technical capabilities.

The Group provides structured training and upskilling programmes for engineers and technicians, including certification management for critical roles such as welders. Technical competencies are reinforced through adherence to approved procedures and continuous feedback loops, where quality findings are used to drive corrective actions and targeted retraining.

Category	No. of Trainings	Estimated Total Spend (RM)
HRD Corp Claimable Courses	26	~88,575
External / Non-Claimable Trainings	9	~26,254
Total	35	~114,829

Workforce planning and succession strategies are also in place to ensure continuity in key roles and address future capability requirements. The Group complements these efforts with practical retention initiatives, including attendance incentives, recognition programmes, and workload management to maintain a sustainable working environment. These initiatives support not only workforce competency, but also long-term employee engagement and retention in a competitive labour market.

SUSTAINABILITY STATEMENT (CONT'D)

Diversity and Employee Well-Being

Powertechnic values diversity and inclusivity as part of its workforce strategy, recognising that a balanced and stable workforce contributes to stronger operational performance.

As at FYE 2025, the Group employs a total workforce of 125 employees, comprising a diverse mix of ethnic backgrounds:

- **Malay:** 57 employees (45.60%)
- **Chinese:** 40 employees (32.00%)
- **Others:** 21 employees (16.80%)
- **Indian:** 7 employees (5.60%)

In terms of gender diversity, the workforce comprises:

- **Male:** 83 employees (66.40%)
- **Female:** 42 employees (33.60%)

The Group maintains a predominantly local workforce, with 90.40% local employees and 9.60% foreign workers, primarily supporting non-executive operational roles.

At the Board level, gender diversity is also reflected for the financial year, with 2 female directors out of 6 members (33.33%), demonstrating a balanced leadership composition. The Board also reflects a mix of experience levels, with representation across key age groups, supporting effective governance and decision-making.

Age Group	Executive	Non-executive
< 20 years	-	-
20-29 years	-	-
30-39 years	-	-
40-49 years	1	2
50-59 years	1	-
60 years and above	-	2
Grand Total	2	4

In addition, the Group supports employee well-being through practical measures such as monitoring overtime, managing workload distribution, and maintaining a structured and organised working environment to reduce fatigue and improve overall productivity.

Customer Safety

Powertechnic is committed to ensuring that its products and services are delivered with a strong focus on safety and reliability.

Customer engagement begins at the design stage, where requirements are clearly defined and design specifications are aligned and formally approved prior to execution. Throughout the project lifecycle, the Group maintains close coordination with customers to ensure installation standards are properly communicated and adhered to.

To promote safe and responsible equipment use, the Group provides clear product usage instructions and safety warnings, and maintains proper documentation of equipment certifications. Pre-installation checks and readiness assessments are also conducted to ensure safe deployment at customer sites.

Quality control processes are embedded across operations to ensure installations meet required standards, reducing the risk of defects and enhancing customer safety.

SUSTAINABILITY STATEMENT (CONT'D)

Governance

Powertechnic is committed to maintaining high standards of governance to support transparency, accountability and sustainable business operations. Governance considerations are embedded into the Group's decision-making processes through structured compliance, ethical conduct, internal controls and responsible data management.

Regulatory Compliance

The Group places strong emphasis on ensuring compliance with applicable laws, regulations and industry standards across its operations.

Compliance is embedded through structured processes, including maintaining a compliance calendar and checklist covering statutory, tax, and listing requirements. The Group actively monitors regulatory developments, including JKPP requirements and Bursa Malaysia listing obligations, to ensure timely submissions and adherence.

This commitment is further supported by the Group's overarching governance framework, which emphasises compliance with applicable laws and regulations as a core principle of its operations. Operationally, compliance is reinforced through systematic tracking of regulatory filings, certification records and approvals, as well as periodic reviews and engagement with external professional advisers where required.

Compliance Performance Indicators (FYE 2025):

- **Regulatory non-compliance incidents:** 0 cases
- **Late statutory or regulatory submissions:** 0 cases
- **Material fines or penalties:** Nil

Ethical Business Conduct

The Group is committed to maintaining high standards of integrity and accountability in all business dealings.

This is supported by established governance practices, including anti-bribery and anti-corruption policies, as well as whistleblowing mechanisms that enable employees and stakeholders to report concerns in a confidential and structured manner. These frameworks promote transparency, accountability and responsible business conduct across the organisation.

Supplier and partner selection is guided by principles of transparency, quality, reliability, compliance and cost-effectiveness. Procurement processes are formalised with clear roles, approval controls, and documented workflows, supported by quotation comparisons, specification evaluation, and delivery performance monitoring.

Ethics and Conduct Indicators (FYE 2025):

- **Reported cases of bribery or corruption:** 0 cases
- **Whistleblowing cases received:** 0 cases / No material cases
- **Confirmed breaches of code of conduct:** 0 cases

Internal Controls and Risk Management

The Group integrates risk management and internal controls into its core operations to support financial discipline and operational resilience.

Internal control systems are established to safeguard assets and ensure proper financial reporting, supported by segregation of duties, clearly defined approval limits, documented standard operating procedures ("SOPs"), and periodic internal reviews and audits.

Key risks including safety, environmental compliance, operational efficiency, workforce sustainability and supply chain disruption, are identified and managed as part of the Group's business planning and decision-making processes. This includes structured budgeting, monitoring of fixed-cost commitments, and regular performance reviews across business units.

SUSTAINABILITY STATEMENT (CONT'D)

Internal Control Indicators (FYE 2025):

- **Material internal control weaknesses identified:** None / No significant findings
- **Fraud incidents reported:** 0 cases
- **Significant audit findings:** None / No material findings

Data Protection

The Group recognises the importance of safeguarding business and customer information and incorporates data protection measures into its governance framework.

Data is managed through structured processes, including controlled access, proper documentation and secure record-keeping practices. Responsibilities for data handling are clearly defined, with approval controls and oversight mechanisms to ensure accountability.

These measures form part of the Group's broader governance practices and support responsible management of sensitive information.

Data Protection Indicators (FYE 2025):

- **Data breaches or leakage incidents:** 0 cases
- **Cybersecurity incidents with material impact:** 0 cases
- **Customer data complaints:** 0 cases

Forward ESG Integration

Powertechnic adopts a pragmatic and business-aligned approach to sustainability, focusing on initiatives that enhance operational resilience, improve cost efficiency and strengthen stakeholder confidence over the long term.

Looking ahead, the Group's ESG priorities are centred on integrating sustainability into core business functions, including operations, compliance, workforce development and governance. These priorities are designed not only to address environmental and social considerations, but also to support long-term value creation and business stability.

Key ESG Priorities

Management will focus on strengthening sustainability across four key areas:

ESG Pillar	Focus Area	Key Initiatives	Expected Outcome
Environmental	Energy & Emissions	EV adoption, solar installation	Lower emissions, reduced energy costs
Social	Safety & Workforce	Safety controls, training, workload management	Reduced incidents, higher productivity
Governance	Compliance & Controls	Compliance tracking, SOPs, audits	Reduced regulatory risk, stronger accountability
Operational	Efficiency	Procurement discipline, planning improvements	Lower costs, improved margins

The Group will continue to integrate sustainability into its business operations, supporting long-term resilience and value creation.

SUSTAINABILITY STATEMENT (CONT'D)

POWERTECHNIC GROUP BERHAD BMLR Transition Period

Date & Time: 2026-04-23_11:42:18
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Economic	Revenue (Product Quality & Reliability)	MYR	42.53 million	Sustain growth across core segments	No assurance
Economic	Recurring service contribution (Product Quality & Reliability)	Percent	19.41%	Increase recurring income share	No assurance
Economic	Revenue growth (year-on year) (Operational Efficiency)	Percent	6.31%	Maintain steady growth	No assurance
Economic	Gross profit (Operational Efficiency)	MYR	19.42 million	Improve margins via efficiency	No assurance
Economic	Profit before tax (Operational Efficiency)	MYR	5.41 million	Strengthen core profitability	No assurance
Economic	Revenue diversification (Customer Satisfaction & Service Responsiveness)	Percent	Crane and Hoist Systems (28.74%), Elevated Platform Systems (26.72%), Elevators (25.13%), Maintenance, Repair and Related Services (19.41%)	Maintain balanced revenue mix	No assurance
Environment	Electricity usage (Energy Consumption)	kWh	174,738	Improve energy efficiency	No assurance
Environment	Water usage (Energy Consumption)	m ³	2,784.3	Reduce consumption intensity	No assurance
Environment	Scope 2 emissions (Energy Consumption)	tCO ₂ e	135.25	Lower via efficiency / renewables	No assurance
Environment	Petrol usage (litres) (Fuel Usage & Emissions from Operations)	Liters	46,837.53	Optimise logistics planning	No assurance
Environment	Diesel usage (litres) (Fuel Usage & Emissions from Operations)	Liters	2774.761	Reduce fuel intensity	No assurance
Environment	Scope 1 emissions (Fuel Usage & Emissions from Operations)	tCO ₂ e	184.58	Lower through operational efficiency	No assurance
Environment	Total emissions (Scope 1 + 2) (Fuel Usage & Emissions from Operations)	tCO ₂ e	319.63	Track & reduce emissions over time	No assurance

SUSTAINABILITY STATEMENT

(CONT'D)

Date & Time: 2026-04-23_11:42:18
FYE 31/12/2025

POWERTECHNIC GROUP BERHAD

BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Environment	Hazardous materials used (Waste & Material Management)	Litres	14,885.16	Improve handling & reduce wastage	No assurance
Environment	Energy & Emissions (Waste & Material Management)	KG	15,780.79	Improve process efficiency	No assurance
Environment	Waste/ Hazardous waste (Waste & Material Management)	KG	239.55	Strengthen recycling & disposal	No assurance
Social	Total accidents (Workplace Safety & Health)	Numbers	0	Minor injury at customer's location	No assurance
Social	LTI/FR (Workplace Safety & Health)	Hours	0	Sustain strong safety performance	No assurance
Social	Fatalities (Workplace Safety & Health)	Numbers	0	Zero tolerance for fatalities	No assurance
Social	Workforce size (Talent Development & Retention)	Numbers	125	Build skilled workforce	No assurance
Social	Training programmes (Talent Development & Retention)	Numbers	35	Expand structured training	No assurance
Social	Gender diversity (Diversity & Employee Well-Being)	Percent	Male 66.40%, Female 33.60%	Improve gender balance	No assurance
Social	Workforce nationality (Diversity & Employee Well-Being)	Percent	90.40% local	Maintain strong local workforce	No assurance
Social	Ethnic diversity (Diversity & Employee Well-Being)	Percent	Malay 45.60%, Chinese 32.00%, Others 16.80%, Indian 5.60%	Promote inclusivity	No assurance
Social	Board diversity (Diversity & Employee Well-Being)	Percent	33.33% female	Maintain balanced leadership	No assurance
Governance	Corruption cases (Ethical Business Conduct)	Number	0	Maintain ethical culture	No assurance
Governance	Whistleblowing cases (Ethical Business Conduct)	Number	0	Strengthen reporting framework	No assurance

SUSTAINABILITY STATEMENT (CONT'D)

POWERTECHNIC GROUP BERHAD BMLR Transition Period

Date & Time: 2026-04-23_11:42:18
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Governance	Code of conduct breaches (Ethical Business Conduct)	Number	0	Zero tolerance policy	No assurance
Governance	Material control weaknesses (Internal Controls & Risk Management)	Number	0	Strengthen control framework	No assurance
Governance	Fraud incidents (Internal Controls & Risk Management)	Number	0	Maintain zero fraud	No assurance
Governance	Significant Audit findings (Internal Controls & Risk Management)	Number	0	Continuous improvement	No assurance
Governance	Data breaches (Data Protection)	Number	0	Strengthen cybersecurity	No assurance
Governance	Cybersecurity incidents (Data Protection)	Number	0	Maintain data security	No assurance

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year, and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2025, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that the applicable accounting standards approved by the Malaysian Accounting Standards Board and provisions of the Act have been complied with; and
- prepared the financial statements on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act and applicable accounting standards approved by the Malaysian Accounting Standards Board.

The Directors are further responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

This statement was approved by the Board on 8 April 2026.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors hereby submit their reports and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

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

Results

	Group RM	Company RM
Net profit/(loss) for the financial year	3,331,445	(1,850,537)

In the opinion of the Board of Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Reserves and provisions

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

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any final dividend in respect of the current financial year.

Directors

The Directors of the Company who served during the financial year up to the date of this report are:

Ivan Na Keh Chai*
 Choo Chee Yong*
 Teh Kee Sin
 Law Lee Yen
 Razi Bin Abdullah
 Eileen Su Lee Ming
 Clessense Kho Mei Chee* (Appointed on 25 February 2026)

* Directors of the Company and subsidiaries.

Directors of subsidiaries

The following is a list of Directors of the subsidiaries (other than those named above) in office during the financial year up to the date of this report:

Choo Chee Siang

DIRECTORS' REPORT

(CONT'D)

Directors' benefits

Since the end of the previous financial year, no Directors has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors, or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or its related corporations with the Directors or with a firm of which the Directors is a member, or with a company in which the Directors has a substantial financial interest, except as disclosed in Note 30.2 to the financial statements.

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, being arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

Directors' remuneration

Directors' remuneration paid to or receivable by Directors from the Group and the Company in respect of the financial year is as follows:

	Group RM	Company RM
Fees	192,000	192,000
Salaries, bonuses and allowances	1,401,144	-
Defined contribution plan	167,436	-
Social security contribution	3,750	-
Employee insurance scheme contribution	429	-
	1,764,759	192,000

Directors' interests

According to Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 ("the Act"), none of the Directors in office at the end of the financial year had any interest in the shares of the Company and its related corporations during the financial year, except as follows:

	Number of ordinary shares			As at 31.12.2025
	As at 01.01.2025	Bought	Sold	
Interest in the Company:				
<u>Direct interest:</u>				
Ivan Na Keh Chai	118,757,500	-	(10,500,000)	108,257,500
Choo Chee Yong	118,757,500	-	(10,500,000)	108,257,500
Choo Chee Siang	6,548,000	240,000	-	6,788,000
Clessense Kho Mei Chee	3,274,000	550,000	-	3,824,000
Teh Kee Sin	-	400,000	-	400,000
Razi bin Abdullah	-	350,000	-	350,000
Eileen Su Lee Ming	-	350,000	-	350,000

By virtue of the above Directors' interest in shares of the Company, the above Directors are deemed interested in the ordinary shares of the subsidiaries to the extent that the Company has interest.

DIRECTORS' REPORT

(CONT'D)

Issue of shares and debentures

During the financial year, the Company issued 63,000,000 new ordinary shares at an issue price of RM0.35 per ordinary share for a total consideration of RM22,050,000 pursuant to the initial public offering.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issues of debentures by the Company during the financial year.

Options granted over unissued shares

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

Other statutory information

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts has been written off and that adequate allowance for doubtful debts had been made; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (i) which would render the amount written off for bad debts and the amount of the allowance for doubtful debts made in the financial statements of the Group and of the Company inadequate to any material extent;
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
- (iii) not otherwise dealt with in the report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading; and
- (iv) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person other than those disclosed in the financial statements; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year other than those disclosed in the financial statements.

In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the year of twelve months after the end of the financial year which will or may affect the ability of the Company to meet their obligations as and when they fall due.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

Significant events

Details of significant events are disclosed in Note 33 to the financial statements.

Indemnity and insurance for Directors, officers or auditors

No indemnity has been given to or insurance effected for the Directors, officers and auditors of the Company pursuant to Section 289 of the Companies Act 2016.

To the extent permitted by the Act, the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year end.

Auditors

The auditors, Ecovis Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration for the financial year is RM180,000 and RM40,000 for the Group and the Company respectively.

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

Ivan Na Keh Chai
Director
8 April 2026

Choo Chee Yong
Director

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Ivan Na Keh Chai and Choo Chee Yong, being two of the Directors of Powertechnic Group Berhad, state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

Ivan Na Keh Chai
Director
8 April 2026

Choo Chee Yong
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 251 (1) OF THE COMPANIES ACT 2016

I, Chin Yanjiang, being the Officer primarily responsible for the financial management of Powertechnic Group Berhad, do solemnly and sincerely declare that the accompanying financial statements are to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed at Kulai in the state
of Johor on 8 April 2026

Chin Yanjiang
(MIA NO: 49257)

Before me,

Commissioner for Oaths
DR. AIDILADHA B. SULAIMAN
J244

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Assets					
Non-current assets					
Property, plant and equipment	5	11,363,474	8,310,303	-	-
Investment properties	6	7,111,197	7,119,717	-	-
Investment in subsidiaries	7	-	-	12,366,800	12,366,800
Deferred tax assets	8	205,586	148,444	-	-
		18,680,257	15,578,464	12,366,800	12,366,800
Current assets					
Inventories	9	4,146,244	3,270,615	-	-
Trade and other receivables	10	20,624,595	14,156,523	2,191,353	151,984
Contract assets	11	2,064,295	347,835	-	-
Tax recoverable		207,854	-	8,857	-
Deposits with a licensed bank	12	-	500,000	-	-
Cash at bank	13	19,807,429	7,774,795	14,895,809	302
		46,850,417	26,049,768	17,096,019	152,286
Total assets		65,530,674	41,628,232	29,462,819	12,519,086
Equity and liabilities					
Equity					
Share capital	15	33,534,830	12,367,800	33,534,830	12,367,800
Retained earnings/(Accumulated losses)		17,503,474	14,172,029	(4,164,713)	(2,314,176)
		51,038,304	26,539,829	29,370,117	10,053,624
Reorganisation reserve	16	(11,915,800)	(11,915,800)	-	-
Total equity		39,122,504	14,624,029	29,370,117	10,053,624
Non-current liabilities					
Loan and borrowings	17	9,625,770	10,684,814	-	-
Lease liabilities	18	1,775,419	1,071,280	-	-
Deferred income	19	118,966	146,228	-	-
		11,520,155	11,902,322	-	-
Current liabilities					
Trade and other payables	20	5,415,326	7,301,288	92,702	2,465,462
Contract liabilities	11	7,519,792	5,443,663	-	-
Loan and borrowings	17	1,061,811	1,040,586	-	-
Lease liabilities	18	863,824	641,541	-	-
Deferred income	19	27,262	29,417	-	-
Tax payable		-	645,386	-	-
		14,888,015	15,101,881	92,702	2,465,462
Total liabilities		26,408,170	27,004,203	92,702	2,465,462
Total equity and liabilities		65,530,674	41,628,232	29,462,819	12,519,086

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	42,530,968	40,006,405	-	-
Cost of sales		(23,115,194)	(20,976,342)	-	-
Gross profit		19,415,774	19,030,063	-	-
Other income	22	441,129	3,232,280	63,092	2
Administrative expenses		(11,566,655)	(10,892,980)	(1,898,486)	(2,292,588)
Sales and marketing expenses		(1,754,614)	(1,570,484)	-	-
Impairment loss on financial assets		(496,299)	(158,244)	-	-
Profit/(Loss) from operation	23	6,039,335	9,640,635	(1,835,394)	(2,292,586)
Finance costs	25	(631,689)	(716,076)	-	-
Profit/(Loss) before tax		5,407,646	8,924,559	(1,835,394)	(2,292,586)
Tax expense	26	(2,076,201)	(2,641,262)	(15,143)	-
Net profit/(loss)/total comprehensive income/(loss) for the financial year		3,331,445	6,283,297	(1,850,537)	(2,292,586)
Earnings per share (sen)					
Basic	27	1.29	23.00		
Diluted	27	1.29	23.00		

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Non-distributable			Distributable	Total
		Share capital RM	Invested equity RM	Reorganisation reserve RM		
Group						
At 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
Transactions with owners:						
- Issuance of shares pursuant to acquisition of subsidiary company	15	12,366,800	-	-	-	12,366,800
- Issuance of ordinary shares		-	(451,000)	(11,915,800)	-	(12,366,800)
- Dividends	28	-	-	-	(1,870,000)	(1,870,000)
At 31 December 2024/1 January 2025		12,367,800	-	(11,915,800)	14,172,029	14,624,029
Net profit/Total comprehensive income for the financial year		-	-	-	3,331,445	3,331,445
Transactions with owners:						
- Issuance of shares pursuant to initial public offering	15	22,050,000	-	-	-	22,050,000
- Share issuance costs		(882,970)	-	-	-	(882,970)
At 31 December 2025		33,534,830	-	(11,915,800)	17,503,474	39,122,504

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital RM	Accumulated losses RM	Total equity RM
Company				
At 1 January 2024		1,000	(21,590)	(20,590)
Net loss/Total comprehensive loss for the financial year		-	(2,292,586)	(2,292,586)
<u>Transactions with owners:</u>				
- Issuance of shares pursuant to acquisition of subsidiaries	15	12,366,800	-	12,366,800
At 31 December 2024/ 1 January 2025		12,367,800	(2,314,176)	10,053,624
Net loss/Total comprehensive loss for the financial year		-	(1,850,537)	(1,850,537)
<u>Transactions with owners:</u>				
- Issuance of shares pursuant to initial public offering	15	22,050,000	-	22,050,000
- Share issuance costs		(882,970)	-	(882,970)
At 31 December 2025		33,534,830	(4,164,713)	29,370,117

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from/(for) operating activities					
Profit/(Loss) before tax		5,407,646	8,924,559	(1,835,394)	(2,292,586)
Adjustments for:					
Amortisation of government grants	19	(29,417)	(29,418)	-	-
Bad debts written off		85,000	-	-	-
Depreciation of investment properties	6	8,520	14,820	-	-
Depreciation of property, plant and equipment	5	1,089,281	984,407	-	-
Property, plant and equipment written off	5	1,153	-	-	-
Distribution income from cash management fund at FVTPL	22	(4,139)	(4,246)	-	-
Finance costs	25	631,689	716,076	-	-
Interest income	22	(64,000)	(51,549)	(35,592)	-
Gain on disposal of investment property	22	-	(2,696,300)	-	-
Gain on disposal of property, plant and equipment	22	(467)	(126,180)	-	-
Gain on early termination of lease	5	(2,877)	(208)	-	-
Impairment loss on financial assets	10	496,299	158,244	-	-
Inventories written down	9	60,244	-	-	-
Provision of warranty	20	53,246	73,172	-	-
Unrealised loss on foreign exchange, net		2,360	9,105	-	-
Operating profit/(loss) before changes in working capital					
		7,734,538	7,972,482	(1,870,986)	(2,292,586)
Changes in working capital:					
Inventories		(935,873)	765,510	-	-
Trade and other receivables		(7,051,731)	(6,480,290)	(2,039,369)	(51,984)
Trade and other payables		(1,939,208)	2,891,499	(2,372,760)	2,344,411
Contract assets/(liabilities)		359,669	(1,061,586)	-	-
Cash flows (used in)/generated from operations					
		(1,832,605)	4,087,615	(6,283,115)	(159)
Interest received		64,000	51,549	35,592	-
Tax paid, net		(2,986,583)	(2,049,398)	(24,000)	-
Net cash (used in)/generated from operating activities					
		(4,755,188)	2,089,766	(6,271,523)	(159)

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from/(for) investing activities					
Distribution income received		4,139	4,246	-	-
Purchase of property, plant and equipment (b)		(2,564,598)	(570,226)	-	-
Proceeds from disposal of investment property		-	3,380,000	-	-
Proceeds from disposal of property, plant and equipment		19,100	505,000	-	-
Proceeds from disposal of other investment		-	-	-	-
Net cash (used in)/generated from investing activities		(2,541,359)	3,319,020	-	-
Cash flows from/(for) financing activities					
Dividends paid		-	(1,870,000)	-	-
Finance costs paid (c)		(631,689)	(716,076)	-	-
Increase in pledged deposits		-	1,080,000	-	-
Proceeds from issuance of shares		22,050,000	-	21,167,030	-
Share issuance costs (Repayment)/Drawdown of loan and borrowings, net (c)		(882,970)	1,581,410	-	-
Repayment of lease liabilities (c)		(1,037,810)	(603,631)	-	-
Withdrawal/(Placement) in restricted cash at bank		67,037	(132,037)	-	-
Net cash generated from/(used in) financing activities		18,896,227	(660,334)	21,167,030	-
Net increase/(decrease) in cash and cash equivalents		11,599,680	4,748,452	14,895,507	(159)
Cash and cash equivalents at beginning of the year		8,142,749	3,394,297	302	461
Cash and cash equivalents at end of the year (a)		19,742,429	8,142,749	14,895,809	302

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Notes:**(a) Cash and cash equivalents**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances (Note 13)	19,807,429	7,774,795	14,895,809	302
Deposits with a licensed bank (Note 12)	-	500,000	-	-
	19,807,429	8,274,795	14,895,809	302
<u>Less:</u>				
Bank overdraft (Note 17)	-	(9)	-	-
Restricted cash at bank	(65,000)	(132,037)	-	-
	19,742,429	8,142,749	14,895,809	302

(b) Purchase of property, plant and equipment

	Group	
	2025 RM	2024 RM
Purchase of property, plant and equipment	4,388,064	1,287,361
Financed by way of lease arrangements	(1,823,466)	(717,135)
Cash payments	2,564,598	570,226

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(c) Changes in financial liabilities arising from financing activities

	At beginning of the year RM	Movements				At end of the year RM
		Cash flows Principal movement RM	Interest paid RM	Interest cost RM	Non-cash changes New leases RM	
Group						
2025						
Loan and borrowings	11,725,391	(1,037,810)	(551,955)	551,955	-	10,687,581
Lease liabilities	1,712,821	(668,341)	(78,111)	78,111	1,823,466	(228,703)
	13,438,212	(1,706,151)	(630,066)	630,066	1,823,466	13,326,824
2024						
Loan and borrowings	10,143,981	1,581,410	(626,402)	626,402	-	11,725,391
Lease liabilities	1,608,502	(603,631)	(89,674)	89,674	717,135	(9,185)
	11,752,483	977,779	(716,076)	716,076	717,135	13,438,212

The notes to the financial statements form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 8 April 2026.

2. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except otherwise stated in Note 3 to the financial statements.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (“RM”), which is the functional currency of the Group and of the Company.

The preparation of financial statements in conformity with MFRS and IFRS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from reported amounts. The areas involving significant judgement and estimation uncertainty to the financial statements are disclosed in Note 4 to the financial statements.

2.1 Amendments to MFRS that are effective and have been adopted in the current financial year

The following are amendments to MFRS that are effective and have been adopted by the Group and the Company:

- Amendments to MFRS 121, ‘The Effects of Changes in Foreign Exchange Rates’ – Lack of Exchangeability

The adoption of the above amendments to MFRS did not result in significant effect on the financial statements of the Group and the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Basis of preparation (Cont'd)

2.2 MFRS and amendments to MFRS that have been issued, but not yet adopted

The following are MFRS and amendments to MFRS that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

- (i) Effective for annual periods 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 annual periods beginning on or after 1 January 2027
 - MFRS 18, 'Presentation and Disclosure in Financial Statements'
 - MFRS 19, 'Subsidiaries without Public Accountability: Disclosures'
 - Amendments to MFRS 19, 'Subsidiaries without Public Accountability: Disclosures'
 - Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' - Translation to a Hyperinflationary Presentation Currency
- (iii) Deferred to a date to be determined by the MASB
 - Amendments to MFRS 10, 'Consolidated Financial Statements' and MFRS 128, 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned MFRS and amendments to MFRS where applicable to the Group and the Company, from the beginning of the financial year where they become effective.

The abovementioned MFRS and amendments to MFRS are expected to have no significant impact on the financial statements of the Group and the Company upon its initial application except for the changes in presentation and disclosures of financial information arising from the adoption of the following:

MFRS 18, 'Presentation and Disclosure in Financial Statements'

MFRS 18 will replace MFRS 101, 'Presentation of Financial Statements'. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107, 'Statement of Cash Flows' and some requirements of MFRS 101 have been moved to MFRS 108, 'Basis of Preparation of Financial Statements'.

MFRS 18 additional requirements are as follows:

- (i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotal which are to be presented in the statement of profit or loss and other comprehensive income, while the net profit or loss remains unchanged.

Statement of profit or loss and other comprehensive income to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Basis of preparation (Cont'd)

2.2 MFRS and amendments to MFRSs that have been issued, but not yet adopted (Cont'd)

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

MFRS 18 additional requirements are as follows: (Cont'd)

(ii) Statement of Cash Flows

The standard modified the starting point for calculating cash flows from operations using the indirect method, shifting from 'profit or loss' to 'operating profit or loss'. It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures ("MPMs")

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The Group and the Company are assessing the impact of initial application of MFRS 18, particularly with respect to the structure of the statements of profit or loss and other comprehensive income, the statements of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

3. Material accounting policy information

The Group and the Company apply the accounting policies set out below consistently throughout the periods presented in these financial statements, unless otherwise stated.

3.1 Subsidiaries and basis of consolidation

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees. Potential voting rights are considered when assessing control only when such rights are substantive.

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of investment includes transaction costs.

On the disposal of the investment in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.1 Subsidiaries and basis of consolidation (Cont'd)

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business combination under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method of accounting. The assets and liabilities of the entities are reflected at their carrying amounts reported in the consolidated financial statements of the Group. Any difference between the consideration paid and the share capital and capital reserves of the "acquired" entity is reflected within equity as reorganisation reserve or deficit. The statements of profit or loss and other comprehensive income reflects the results of the entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

Entities under common control are entities, which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the consolidated financial statements from the day that control commences until the date that control ceases.

3.2 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.

3.3 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 property, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.3 Property, plant and equipment (Cont'd)

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. Capital work-in-progress are not depreciated as the assets are not available for use. 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.

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 3.14 to the 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 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 in which they are incurred.

3.4 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 Company is reviewed, and adjusted prospectively if appropriate, if there is an indication of a change since the last reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.4 Investment properties

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.

3.5 Financial assets

(i) Initial recognition and subsequent measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become 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 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 and the Company.

The Group and the Company determine 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.

(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 and the Company do not have any financial assets measured at FVTOCI or FVTPL.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.5 Financial assets (Cont'd)

(i) Initial recognition and subsequent measurement (Cont'd)

The Group and the Company determine 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 (cont'd)

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 and the Company do 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 and the Company'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.

(iii) Impairment of financial assets

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use historical experience and other supportive information to assess deterioration in credit quality of a financial asset. The Group and the Company assess 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 and the Company consider 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 the Company and all the cash flows that the Group and the Company expect 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.5 Financial assets (Cont'd)

(iii) Impairment of financial assets (Cont'd)

The Group and the Company measure 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 and the Company shall measure the allowance for impairment for that financial asset at an amount based on the profitability 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 and the Company. If, in a subsequent year the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company 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 estimated credit loss ("ECL") to 12-months ECL.

3.6 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 expenses.

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.

3.7 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 and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.7 Financial liabilities (Cont'd)

(i) Initial recognition and subsequent measurement (Cont'd)

(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 and the Company 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 and the Company do not have any financial liabilities at FVTPL at reporting date.

(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 and the Company have 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.

3.8 Impairment of non-financial assets

The Group and the Company assess 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 and the Company make 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.8 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.

3.9 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.

3.10 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.

3.11 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.12 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.

3.13 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.

3.14 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.14 Leases (Cont'd)

(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 recognised over the lease term on the same basis as rental income.

3.15 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 is 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 leased terms.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.16 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 statement 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 (if any) 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.

3.17 Employee benefits

(i) Short-term benefits

Wages, salaries, paid annual leave, bonuses and social security contributions ("Soso") are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised 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 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 and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Group and the Company 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.

3.18 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 and the Company incurred in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.19 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 tax is 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.

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 reverse 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 taxes laws that have been enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Material accounting policy information (Cont'd)

3.20 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.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair values are categorised into different level 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 Company 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 and the Company recognise transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.21 Current versus non-current classification

Assets and liabilities in statement 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. 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.

3.22 Earnings per share ("EPS")

The Group presents basic and diluted earnings per share 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. Significant accounting estimates and judgements

The preparation of 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 financial statements other than those disclosed below:

(a) 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.

(b) 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:

- (i) periods covered by an option to extend the leases; and
- (ii) 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 Company 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.

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. Significant accounting estimates and judgements (Cont'd)

(d) Impairment of financial assets

The Group and the Company 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 and the Company 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 and of the Company's financial assets at the reporting date is disclosed in Note 31.1 of the financial statements.

(e) Measurement of income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company 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.

(f) 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.

(g) Revenue recognition

The Group recognises revenue from larger provision of lifting system and elevators contract in profit or loss by using the percentage-of-completion method. The stage of completion is determined by the proportion that 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 determine 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. Property, plant and equipment

Group Cost	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	Capital work in progress RM	Total RM
At 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	-	974,802	31,500	418,296	-	1,823,466	1,140,000	4,388,064
Derecognition upon early termination of lease	-	-	-	-	-	(613,099)	-	(613,099)
Disposals	-	-	(26,000)	-	-	-	-	(26,000)
Written off	-	-	-	(1,687)	-	-	-	(1,687)
At 31 December 2025	900,000	6,353,101	799,777	2,399,516	1,594,410	3,929,726	1,140,000	17,116,530

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. Property, plant and equipment (cont'd)

Group	Freehold lands RM	Freehold buildings and renovation RM	Factory equipment RM	Office furniture and fittings RM	Motor vehicles RM	Right-of-use assets RM	Capital work in progress RM	Total RM
Accumulated depreciation								
At 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 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 year	-	149,180	69,265	200,375	131,915	538,546	-	1,089,281
Derecognition upon termination of lease	-	-	-	-	-	(387,273)	-	(387,273)
Disposals	-	-	(7,367)	-	-	-	-	(7,367)
Written off	-	-	-	(534)	-	-	-	(534)
At 31 December 2025	-	1,663,105	573,006	1,287,163	1,359,053	870,729	-	5,753,056
Net carrying amounts								
At 31 December 2025	900,000	4,689,996	226,771	1,112,353	235,357	3,058,997	1,140,000	11,363,474
At 31 December 2024	900,000	3,864,374	283,169	895,585	367,272	1,999,903	-	8,310,303

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. Property, plant and equipment (Cont'd)

(a) Assets pledged as securities

The carrying amounts of freehold lands and buildings of the Company represent assets being pledged as securities to secure banking facilities as disclosed in Note 17 to the financial statements.

(b) Right-of-use assets

The company 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
Group			
Cost			
At 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
Additions	1,823,466	-	1,823,466
Derecognition upon early termination of lease	(613,099)	-	(613,099)
At 31 December 2025	2,448,602	1,481,124	3,929,726
Accumulated depreciation			
At 1 January 2024	117,340	277,298	394,638
Charge for 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 for the year	433,201	105,345	538,546
Derecognition upon early termination of lease	(387,273)	-	(387,273)
At 31 December 2025	506,284	364,445	870,729
Net carrying amounts			
At 31 December 2025	1,942,318	1,116,679	3,058,997
At 31 December 2024	777,879	1,222,024	1,999,903

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. Property, plant and equipment (Cont'd)

(c) Assets fully depreciated

Included in property, plant and equipment of the Company are fully depreciated property, plant and equipment, at cost as follows:

	Group	
	2025 RM	2024 RM
Freehold buildings and renovation	258,482	229,882
Factory equipment	453,366	107,796
Office equipment, furniture and fittings	389,213	387,457
Motor vehicles	1,076,968	510,449

6. Investment properties

	Freehold lands RM	Freehold buildings RM	Total RM
Group			
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 31 December 2024/31 December 2025	6,736,317	426,000	7,162,317
Accumulated depreciation			
At 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 year	-	8,520	8,520
At 31 December 2025	-	51,120	51,120
Net carrying amounts			
At 31 December 2025	6,736,317	374,880	7,111,197
At 31 December 2024	6,736,317	383,400	7,119,717

(a) Lease arrangement

At reporting date, the investment properties are leased to third parties with a non-cancellable period of one to three years (2024: one to three years) respectively. No contingent rent was charged.

The rental income recognised in profit or loss of the Group during the financial year are RM169,800 (2024: RM161,800).

(b) Assets pledge as securities

The carrying amount of freehold land and buildings of the Group pledge as security to secure banking facilities of the Group as disclosed in Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. Investment properties (Cont'd)

(c) Fair value of investment properties

At 31 December 2025, the fair value of the investment properties of approximately RM7,940,900 was estimated by the Directors as at the end of the reporting year 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.

7. Investment in subsidiaries

	Company	
	2025 RM	2024 RM
Investment in unquoted shares in Malaysia, at cost	12,366,800	12,366,800

Details of subsidiaries of the Company incorporated in Malaysia are as follows:

Name of subsidiaries	Effective equity interest		Principal activities
	2025 %	2024 %	
Powertech Handling Equipment (M) Sdn. Bhd. ("PHEM") [^]	100	100	Provision of lifting systems, and maintenance and repair services.
Powertech Marketing Sdn. Bhd. ("PMSB") [^]	100	100	Provision of elevators, and maintenance and repair services.
Powertech Resources Sdn. Bhd. ("PRSB") [^]	100	100	Supply of parts and consumables, and procurement.

[^] The above subsidiaries are audited by ECOVIS Malaysia PLT.

8. Deferred tax assets/(liabilities)

	Property, plant and equipment and lease liabilities RM	Contract Trade Receivables RM	assets and liabilities RM	Others RM	Total RM
Group					
At 1 January 2024	(277,496)	74,507	497,474	22,602	317,087
Recognised in profit or loss (Note 26)	(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 (Note 26)	(9,844)	112,271	(58,064)	12,779	57,142
At 31 December 2025	(354,179)	224,672	282,150	52,943	205,586

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. Inventories

	Group	
	2025 RM	2024 RM
<u>At cost:</u>		
Raw material and components	2,746,214	2,444,988
Work in progress	1,192,140	605,795
Finished goods	48,080	219,832
	3,986,434	3,270,615
<u>At net reliable value:</u>		
Raw material and components	159,810	-
	4,146,244	3,270,615
<u>Recognised in profit or loss:</u>		
Inventories recognised in cost of sales	13,727,794	14,457,795
Inventories written down	60,244	-

10. Trade and other receivables

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables					
Third parties	(a)	18,269,139	12,837,275	-	-
Retention sum	(b)	861,593	753,229	-	-
		19,130,732	13,590,504	-	-
Less: Accumulated Impairment loss	(c)	(964,994)	(468,695)	-	-
		18,165,738	13,121,809	-	-
Other receivables					
Third parties		47,061	424,741	-	-
Amount due from subsidiaries	(d)	-	-	2,134,111	-
Deposits		352,124	150,163	-	-
Prepayments		2,059,672	459,810	57,242	151,984
		2,458,857	1,034,714	2,191,353	151,984
Total trade and other receivables		20,624,595	14,156,523	2,191,353	151,984

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10. Trade and other receivables (Cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (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 expiring 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
Group			
At 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 year	197,819	298,480	496,299
At 31 December 2025	289,884	675,110	964,994

(d) Amount due from subsidiaries

Amount due from subsidiaries are unsecured, interest-free and repayable on demand in cash and cash equivalents.

11. Contract assets/(liabilities)

	2025 RM	Group 2024 RM
At 1 January	(5,095,828)	(6,157,414)
Revenue recognised during the year	36,522,506	35,362,320
Progress billing issued during the year	(36,882,175)	(34,300,734)
At 31 December	(5,455,497)	(5,095,828)
Represented by:		
Contract assets	2,064,295	347,835
Contract liabilities	(7,519,792)	(5,443,663)
	(5,455,497)	(5,095,828)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. Contract assets/(liabilities) (Cont'd)

(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 issue 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 Company 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.

12. Deposits with a licensed bank

Deposits with a licensed bank comprise of fixed deposits and short-term deposits.

The Company did not have any fixed deposits at the end of the financial year. In the previous financial year, the fixed deposits with a licensed bank earned interest rates of 3.85% per annum with a tenure of 1 month.

13. Cash and bank balances

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<u>At amortised cost:</u>					
Cash in hand		29,092	35,895	-	-
Cash at bank	(a)	19,599,336	7,564,038	14,895,809	302
		19,628,428	7,599,933	14,895,809	302
<u>At fair value through profit or loss:</u>					
Cash management funds	(b)	179,001	174,862	-	-
		19,807,429	7,774,795	14,895,809	302

(a) Cash at bank

Included in cash at bank is an amount of RM65,000 (2024: RM132,037) being cash collateral pledged with licensed banks as security for bank guarantees as disclosed in Note 29 to the 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 fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. Non-current assets held for sale

	2025 RM	Group 2024 RM
At 1 January	-	-
Reclassified from property, plant and equipment (Note 5)	-	325,253
Reclassified from investment properties (Note 6)	-	683,700
Disposals	-	(1,008,953)
At 31 December	-	-

The carrying amount of assets held for sale is the same as its carrying amount before it was being reclassified to current asset. The details of the assets are as follows:

- (i) 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.
- (ii) 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 total consideration of RM3,380,000 and was completed on 26 September 2024.

15. Share capital

	Group and Company			
	No. of shares		Amount(RM)	
	2025	2024	2025	2024
Issued and fully paid up:				
At the beginning of the financial year	247,337,000	1,000	12,367,800	1,000
Issuance of shares pursuant to acquisition of subsidiaries	-	247,336,000	-	12,366,800
Issuance of shares pursuant to initial public offering	63,000,000	-	22,050,000	-
Share issuance costs	-	-	(882,970)	-
At the end of the financial year	310,337,000	247,337,000	33,534,830	12,367,800

During the financial year, the Company issued 63,000,000 new ordinary shares at an issue price of RM0.35 per ordinary share for a consideration of RM22,050,000 pursuant to initial public offering.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. 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.

17. Loan and borrowings

	2025	Group
	RM	2024
		RM
Current		
<u>Secured:-</u>		
- Bank overdraft	-	9
- Term loan I	251,773	226,992
- Term loan II	177,631	166,219
- Term loan III	168,496	209,583
- Term loan IV	11,959	11,806
- Term loan V	291,653	280,236
- Term loan VI	160,299	145,741
	1,061,811	1,040,586
Non-current		
<u>Secured:-</u>		
- Term loan I	2,970,853	3,212,111
- Term loan II	2,978,983	3,156,580
- Term loan III	-	172,234
- Term loan IV	184,998	197,048
- Term loan V	837,158	1,128,811
- Term loan VI	2,653,778	2,818,030
	9,625,770	10,684,814
<u>Maturity of borrowings:</u>		
- not later than one year	1,061,811	1,040,586
- later than one year and not later than five years	3,534,810	3,767,792
- later than five years	6,090,960	6,917,022
	10,687,581	11,725,400

(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 5 to the 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. 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

- (i) 1st party 1st legal charge over a freehold land as disclosed in Note 6 to the financial statements; and
- (ii) Joint and several guarantee by two of the Directors of the Group, Mr. Choo and Mr. Ivan.

Term loan II bear 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 III

- (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-it for RM800,000; and
- (iv) Joint and several guarantee by two of the Directors of the Group, Mr. Choo and Mr. Ivan.

Term loan III bears interest at fixed rate of 3.50% per annum and repayable by monthly instalments of RM18,511 over 60 months.

Term loan IV

- (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 6 to the financial statements; and
- (iii) 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 2.25% per annum and repayable by monthly instalments of RM1,580 over 240 months, with adjustments to the last instalment.

Term loan V

- (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 V bears interest at fixed rate of 4.00% per annum and repayable by monthly instalments of RM27,625 over 60 months.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. 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 VI

- (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 5 to the financial statements; and
- (iii) Joint and several guarantee by two of the Directors of the Group, Mr. Choo and Mr. Ivan.

Term loan VI 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.

(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.

18. Lease liabilities

	2025 RM	Group 2024 RM
At 1 January	1,712,821	1,608,502
New lease liabilities during the year	1,823,466	717,135
Derecognition upon early termination	(228,703)	(9,185)
Lease interest	78,111	89,674
<u>Lease payments:</u>		
- principal	(668,341)	(603,631)
- interest	(78,111)	(89,674)
At 31 December	2,639,243	1,712,821
<u>Minimum lease payments:</u>		
- not later than one year	956,949	710,652
- later than one year and not later than five years	1,883,347	1,135,251
Less: future finance charges	2,840,296 (201,053)	1,845,903 (133,082)
Present value of lease liabilities	2,639,243	1,712,821
Represented by:		
<u>Current</u>		
- not later than one year	863,824	641,541
<u>Non-current</u>		
- later than one year and not later than five years	1,775,419	1,071,280
Present value of lease liabilities	2,639,243	1,712,821

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. Lease liabilities (Cont'd)

The carrying amounts of right-of-use assets of the Group under lease arrangement are disclosed in Note 5(b) to the financial statements.

The lease liabilities bear interest at the end of the reporting period ranging from 2.27% to 4.40% (2024: 2.27% to 4.40%) per annum.

The following are the amounts recognised in profit or loss in retention to leases as a lessee:

	2025 RM	Group 2024 RM
Depreciation of right-of-use assets	538,546	469,603
Lease liabilities interest	78,111	89,674
Expenses related to short-term lease and low value assets	66,520	5,696
	683,177	564,973

Total cash outflows for leases as a lessee of the Group amounted to RM812,972 (2024: RM699,001), including expenses relating to short-term lease and low value assets.

19. Deferred income

	2025 RM	Group 2024 RM
At 1 January	175,645	205,063
Release to profit or loss	(29,417)	(29,418)
At 31 December	146,228	175,645
Represented by:		
Current	27,262	29,417
Non-current	118,966	146,228
	146,228	175,645

Government grants related to assets

Government grants have been received for purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached these grants.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20. Trade and other payables

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Trade payables					
Third parties	(a)	3,501,031	4,221,706	-	-
Other payables					
Third parties		1,006,333	1,115,860	8,437	336,482
Amount due to a subsidiary	(b)	-	-	36,365	1,516,730
Accruals		599,117	1,731,373	47,900	612,250
Deposits received		88,250	65,000	-	-
Provision for warranty	(c)	220,595	167,349	-	-
		1,914,295	3,079,582	92,702	2,465,462
Total trade and other payables		5,415,326	7,301,288	92,702	2,465,462

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Company is 30 days to 90 days(2024: 30 days to 90 days).

(b) Amount due to a subsidiary

Amount due to a subsidiary represent non-trade balances, which are unsecured, interest-free and payable on demand in cash and cash equivalents.

(c) Provision for warranty

Movements of provision for warranty during the financial year are as follows:

	Group	
	2025 RM	2024 RM
At 1 January	167,349	94,177
Provision made during the year	53,246	73,172
At 31 December	220,595	167,349

The provision for warranty related mainly to industrial equipment sold. The provision is based on estimates made from historical warranty data associated with similar products and services, generally based on 1% of annual sales of goods hoist and home lift.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. Revenue

	Group	
	2025 RM	2024 RM
Revenue from contract with customers:		
Provision of lifting systems and elevators	42,530,968	40,006,405
Revenue from contract with customers:		
Over time	9,306,352	9,173,243
At a point in time	33,224,616	30,833,162
	42,530,968	40,006,405

22. Other income

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Amortisation of government grant	29,417	29,418	-	-
Distribution income from cash management fund at FVTPL	4,139	4,246	-	-
Interest income	64,000	51,549	35,592	2
Gain on early termination of lease	2,877	208	-	-
Gain on disposal of property, plant and equipment	467	126,180	-	-
Gain on disposal of investment properties	-	2,696,300	-	-
Miscellaneous income	73,493	39,381	27,500	-
Rental income:				
- investment properties	169,800	161,800	-	-
- lorry	96,936	58,548	-	-
- property, plant and equipment	-	64,650	-	-
	441,129	3,232,280	63,092	2

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. Profit from operations

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at profits from operations:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration	180,000	145,000	40,000	10,000
Amortisation of investment properties	8,520	14,820	-	-
Bad debts written off	85,000	-	-	-
Depreciation of property, plant and equipment	1,089,281	984,407	-	-
Employee benefits expense (Note 24)	8,939,353	7,532,360	192,000	19,000
Expense relating to short-term lease	66,520	5,696	-	-
Impairment loss on financial assets (Note 10(c))	496,299	158,244	-	-
Property, plant and equipment written off	1,153	-	-	-
Loss on foreign exchange:				
- realised	67,194	12,518	-	-
- unrealised	2,360	9,105	-	-

24. Employee benefits expenses

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fees	192,000	19,000	192,000	19,000
Salaries, bonuses and allowances	7,646,276	6,582,916	-	-
Defined contribution plan	885,567	772,809	-	-
Social security contribution	97,787	81,651	-	-
Employee insurance scheme contribution	10,213	8,683	-	-
Other staff related costs	107,510	67,301	-	-
	8,939,353	7,532,360	192,000	19,000

Included in the employee benefits expenses of the Group and of the Company are amounts of RM1,764,759 and RM192,000 (2024: RM1,406,510 and RM19,000) being Directors' remuneration incurred during the financial year. The details are disclosed in Note 30.2 to the financial statements.

25. Finance costs

	Group	
	2025 RM	2024 RM
Interest expenses on:		
- bank guarantees	1,623	-
- lease liabilities	78,111	89,674
- term loans	551,955	626,402
	631,689	716,076

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26. Tax expense

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Income tax</u>				
- current	2,146,772	2,350,188	15,143	-
- over provision in prior years	(13,429)	(99,303)	-	-
	2,133,343	2,250,885	15,143	-
<u>Real property gain tax</u>				
- disposal of freehold lands and buildings	-	221,734	-	-
<u>Deferred tax</u>				
- current	(93,483)	(112,820)	-	-
- under provision in prior years	36,341	281,463	-	-
	(57,142)	168,643	-	-
	2,076,201	2,641,262	15,143	-

The reconciliation between tax expenses applicable to profit/(loss) before tax at the statutory tax rate to tax expense at the effective rate of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before tax	5,407,646	8,924,559	(1,835,394)	(2,292,586)
Malaysia statutory tax rate (24%)	1,297,835	2,141,894	(440,495)	(550,221)
<u>Tax effect in respect of:</u>				
Non-taxable income	(66,223)	(100,452)	-	-
Non-deductible expenses	821,677	1,006,135	455,638	550,221
Differential in tax rate for:				
- small and medium companies in Malaysia	-	(132,000)	-	-
- real property gain tax	-	(456,475)	-	-
(Over)/Under provision in prior years:				
- income tax	(13,429)	(99,303)	-	-
- deferred tax	36,341	281,463	-	-
	2,076,201	2,641,262	15,143	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. Earnings per share

27.1 Basic

	2025 RM	Group 2024 RM
Net profit for the financial year attributable to owners of the Group	3,331,445	6,283,297
Weighted average number of ordinary shares (unit)	258,556,178	27,433,967
Basic and diluted EPS (sen)	1.29	23

27.2 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.

28. Dividends

	2025 RM	Group 2024 RM
Single tier interim dividends in respect of FYE 31 December 2024 declared by:		
- PHEM	-	1,000,000
- PRSB	-	870,000
	-	1,870,000

The above amounts of dividends were declared and paid by the subsidiaries prior to the acquisition by the Company to its existing shareholders.

29. Bank guarantees

	2025 RM	Group 2024 RM
Bank guarantees issued to customers	65,000	132,037

The Group has assessed the bank guarantee contract and determined that the guarantee is not likely to be called upon by the bank.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. Related party disclosures

30.1 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transaction between the Group and the Company and its related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Transactions with subsidiaries				
<u>Non-trade in nature</u>				
Backcharge of expenses	-	-	2,832,885	1,265,239

30.2 Compensation of key management personnel

The remuneration of Directors and other key management personnel of the Group and the Company for the reporting years are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors				
Fees	192,000	19,000	192,000	19,000
Salaries, bonuses and allowances	1,401,144	1,236,188	-	-
Defined contribution plan	167,436	147,671	-	-
Social security contribution	3,750	3,276	-	-
Employee insurance scheme contribution	429	375	-	-
	1,764,759	1,406,510	192,000	19,000
Other key management personnel				
Salaries, bonuses and allowances	285,364	476,674	-	-
Defined contribution plan	33,605	55,813	-	-
Social security contribution	2,500	3,277	-	-
Employee insurance scheme contribution	286	375	-	-
	321,755	536,139	-	-
	2,086,514	1,942,649	192,000	19,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Financial instruments

31.1 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 significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets				
<u>At amortised cost:</u>				
Trade and other receivables ^	18,564,923	13,696,713	2,134,111	-
Contract assets	2,064,295	347,835	-	-
Deposits with a licensed bank	-	500,000	-	-
Cash and bank balances	19,628,428	7,599,933	14,895,809	302
	40,257,646	22,144,481	17,029,920	302
<u>At fair value through profit or loss:</u>				
Cash and bank balances				
- cash management funds	179,001	174,862	-	-
	40,436,647	22,319,343	17,029,920	302
Financial liabilities				
<u>At amortised cost:</u>				
Trade and other payables *	5,194,731	7,133,939	92,702	2,465,462
Contract liabilities	7,519,792	5,443,663	-	-
Loan and borrowings	10,687,581	11,725,400	-	-
Lease liabilities	2,639,243	1,712,821	-	-
	26,041,347	26,015,823	92,702	2,465,462

^ Excluded prepayments.

* Excluded provision for warranty.

31.2 Net gain or loss on financial instruments

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Net gain/(losses) on:				
Financial assets measured at amortised cost	(519,659)	(115,800)	35,592	2
Financial assets measured at fair value through profit or loss	4,139	4,246	-	-
Financial liabilities measured at amortised cost	(631,689)	(716,076)	-	-
	(1,147,209)	(827,630)	35,592	2

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (Cont'd)

31.3 Fair value of financial instruments

All financial assets and financial liabilities (except the Group's lease liabilities disclosed elsewhere), are carried at the amounts approximating their fair values on the statement of financial position of the Company due to the relatively short-term maturity of these financial instruments and the Company 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.

31.4 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 RM	Level 2 RM	Level 3 RM
Group			
<u>At fair value through profit or loss</u>			
2025			
Cash management funds	179,001	-	-
2024			
Cash management funds	174,862	-	-

The Company does not have any financial instruments carried at fair value other than the above.

Fair value of financial instruments that are not measured at fair value in the statements of financial position at end of the reporting period (but fair value disclosures are required) are as follows:

	Fair value of financial instruments carried at fair value		
	Level 1 RM	Level 2 RM	Level 3 RM
Group			
<u>At amortised cost</u>			
2025			
Lease liabilities	-	2,802,525	-
2024			
Lease liabilities	-	1,744,114	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (Cont'd)

31.5 Financial risk management, objectives and policies

The Group and the Company are 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 and the Company's overall financial risk management objective is to optimise value for its shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors review and agree policies and procedure for the management of these risks, which are executed by the Group's and the Company's senior management.

The following sections provide details regarding the Group's and the Company'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 Company 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:

	EUR RM	USD RM	SGD RM	CNY RM	Total RM
Group					
2025					
<u>Financial assets</u>					
Trade receivables	-	-	631,956	-	631,956
Cash and bank balances	10,833	-	88	33,404	44,325
	10,833	-	632,044	33,404	676,281
Net exposure	10,833	-	632,044	33,404	676,281
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (Cont'd)

31.5 Financial risk management, objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and of the Company's profit after tax to a 10% fluctuation in the foreign currency exchange rates against the respective functional currencies of the Company, with all other variables held constant.

	Group	
	2025	2024
	Increase/ (Decrease)	Increase/ (Decrease)
	RM	RM
Effects on profit after tax		
EUR		
- strengthens by 10%	823	2,957
- weakens by 10%	(823)	(2,957)
USD		
- strengthens by 10%	-	(24)
- weakens by 10%	-	24
SGD		
- strengthens by 10%	48,035	3,169
- weakens by 10%	(48,035)	(3,169)
CNY		
- strengthens by 10%	2,539	-
- weakens by 10%	(2,539)	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (Cont'd)

31.5 Financial risk management, objectives and policies (Cont'd)

(a) Market risk (Cont'd)

(ii) Interest rate risk

The interest rate 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:

	Group	
	2025	2024
Fixed rate instruments		
Financial assets		
Deposits with a licensed bank	-	500,000
<hr/>		
<i>Financial liabilities</i>		
Lease liabilities	2,639,243	1,712,821
Loan and borrowings	1,297,307	1,790,864
	3,936,550	3,503,685
<hr/>		
Floating rate instruments		
Financial liabilities		
Loan and borrowings	9,390,274	9,934,536

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 the end of the reporting years would have decreased in profit after tax by RM71,366(2024: RM75,502). A 100 basis points weakening would have an equal but opposite effect on the profit after tax. This assumes that all other variables remain constant.

(b) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, contract assets, amount owing from related parties and bank balances. The Group's and the Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company'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 and the Company'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 of the Group are represented by the carrying amounts in the consolidated statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (Cont'd)

31.5 Financial risk management, objectives and policies (Cont'd)

(b) Credit risk (Cont'd)

(i) Trade receivables and contract assets (Cont'd)

In determining the recoverability of these receivables and contract assets, the Group consider any changes in the credit quality of the receivables and contract assets from the date that 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 two customers (2024: Nil) which constituted 24% (2024: Nil) of its trade receivables as at the end of each reporting years.

Ageing analysis of 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
Group				
2025				
<u>Trade receivables:</u>				
Neither past due nor impaired	1.57	4,810,274	(75,468)	4,734,806
Past due but not impaired:				
- 0 - 30 days	1.11	1,569,022	(17,448)	1,551,574
- 31 - 60 days	0.54	907,311	(4,935)	902,376
- 61 - 90 days	0.45	870,959	(3,886)	867,073
- > 90 days	1.83	10,298,056	(188,147)	10,109,909
		13,645,348	(214,416)	13,430,932
Individually credit impaired		18,455,622 675,110	(289,884) (675,110)	18,165,738 -
		19,130,732	(964,994)	18,165,738
<u>Contract assets:</u>				
Neither past due nor impaired		2,064,295	-	2,064,295
		21,195,027	(964,994)	20,230,033

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (Cont'd)

31.5 Financial risk management, objectives and policies (Cont'd)

(b) Credit risk (Cont'd)

(i) Trade receivables and contract assets (Cont'd)

Ageing analysis of 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
Group				
2024				
<u>Trade receivables:</u>				
Neither past due nor impaired	0.05	7,431,997	(3,699)	7,428,298
Past due but not impaired:				
- 0 - 30 days	0.54	2,385,394	(12,992)	2,372,402
- 31 - 60 days	0.15	1,089,565	(1,663)	1,087,902
- 61 - 90 days	0.06	521,580	(312)	521,268
- > 90 days	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
Individually credit impaired		376,630	(376,630)	-
		13,590,504	(468,695)	13,121,809
<u>Contract assets:</u>				
Neither past due nor impaired		347,835	-	347,835
		13,938,339	(468,695)	13,469,644

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 at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (Cont'd)

31.5 Financial risk management, objectives and policies (Cont'd)

(b) Credit risk (Cont'd)

(ii) *Other receivables and other financial assets*

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from 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 and the Company consider 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 and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable 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 and the Company.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables, borrowings and lease liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use 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 and the Company's finances 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (Cont'd)
31.5 Financial risk management, objectives and policies (Cont'd)

(c) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at end of the reporting period based on undiscounted contractual payments:

	Weighted average effective interest rate RM	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
Group						
2025						
Trade and other payables		5,194,731	5,194,731	5,194,731	-	-
Contract liabilities		7,519,792	7,519,792	7,519,792	-	-
Loan and borrowings	4.36%	10,687,581	13,702,600	1,538,604	6,064,393	6,099,603
Lease liabilities	3.38%	2,639,243	2,840,296	956,949	1,883,347	-
		26,041,347	29,257,419	15,210,076	7,947,740	6,099,603
Bank guarantee [^]		65,000	65,000	65,000	-	-
Company						
2025						
Trade and other payables		92,702	92,702	92,702	-	-

[^] This has been included for illustration purpose only as the related bank guarantee have not crystallised as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (Cont'd)
31.5 Financial risk management, objectives and policies (Cont'd)

(c) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at end of the reporting period based on undiscounted contractual payments: (Cont'd)

	Weighted average effective interest rate RM	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
Group						
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	-	-
Company						
2024						
Trade and other payables		2,465,462	2,465,462	2,465,462	-	-

[^] This has been included for illustration purpose only as the related bank guarantee have not crystallised as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. Capital management

The primary objective of the Group's and of the Company'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 and the Company manage its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to 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 and the Company monitor capital using the net gearing ratio, which is net debt divided by total capital plus net debt. The Group's and the Company'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 year, the Group's and the Company's gearing ratio are as follow:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Bank borrowings	10,687,581	11,725,400	-	-
Lease liabilities *	675,320	918,678	-	-
	11,362,901	12,644,078	-	-
Net assets	39,122,504	14,624,029	29,370,117	10,053,624
Gearing ratio	0.29	0.86	N/A	N/A

*Excluded lease liabilities for right-of-use assets arising from rental of properties.

33. Significant events

Other than those disclosed elsewhere in the financial statements, the Group has the following significant events:

During the financial year, the Company undertook the Initial Public Offering ("IPO") at an issue price of RM0.35 per share, comprising:

- (i) Public issue of 63,000,000 new ordinary shares in the Company in the following manner:
 - 15,600,000 new Shares available for application by the Malaysian Public;
 - 10,000,000 new Shares available for application by the eligible Directors, employees, and persons who have contributed to the success of the Group;
 - 19,600,000 new Shares available by way of private placement to selected investors;
 - 17,800,000 new Shares 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 Shares by way of private placement to selected Bumiputera investors approved by MITI.

Pursuant thereto, the Company's entire enlarged share capital was listed and quoted on the ACE Market of Bursa Securities on 28 October 2025.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POWERTECHNIC GROUP BERHAD

(INCORPORATED IN MALAYSIA) REGISTRATION NO. 202101015445 (1415745-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Powertechnic Group Berhad (“the Company”) and its subsidiaries (“the Group”), which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies information as set out on pages 73 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (“IESBA Code”), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Group

1. Recoverability of trade receivables (Refer to Note 10 to the financial statements)

As at 31 December 2025, the Group recorded trade receivables of RM18,165,738, which represents approximate 28% of the Group’s total assets.

The Group assessed on a forward-looking basis the expected credit loss (“ECL”) associated with its trade receivables using the simplified approach. The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management based on the Group’s past history, existing market conditions as well as forward-looking information.

We determined this to be a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to credit risks exposure in assessing the recoverability of trade receivables.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF POWERTECHNIC GROUP BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA) REGISTRATION NO. 202101015445 (1415745-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

1. Recoverability of trade receivables (Refer to Note 10 to the financial statements) (Cont'd)

Our audit response:

We performed, among others, the following audit procedures:

- Reviewed ageing reports and reperforming management's assessment of impairment losses using the expected credit loss model;
- Requested and obtained confirmation from selected trade receivables on outstanding balances as at the reporting date;
- Traced subsequent collection and performed alternative procedures to confirm existence and accuracy of trade receivables; and
- Reviewed managements' assessment on the ECL of trade receivables with reference to historical payment records and credit history of the Group's customer.

Company

We have determined that there are no key audit matters to be communicated in our report which arose from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report and the remaining parts of the annual report which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company do not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to date of our auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and take appropriate action in accordance with approved standards on auditing in Malaysia and ISAs.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POWERTECHNIC GROUP BERHAD (CONT'D) (INCORPORATED IN MALAYSIA) REGISTRATION NO. 202101015445 (1415745-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole that free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and 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 basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (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 and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF POWERTECHNIC GROUP BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA) REGISTRATION NO. 202101015445 (1415745-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

CHUA KAH CHUN
02696/09/2027 J
Chartered Accountant

Kuala Lumpur
8 April 2026

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		42,530,968	40,006,405
Other income		377,129	3,180,731
Interest/Finance income		64,000	51,549
Total		42,972,097	43,238,685
Total Assets		65,530,674	41,628,232

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest income		25,143	51,549
Dividend income received from conventional instruments		4,139	4,246
Total		29,282	55,795

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank		18,064,390	7,074,116
Other cash equivalents	Cash in hand	29,092	35,895
Total Cash		18,093,482	7,110,011
Conventional Account/Instruments			
Cash at bank		1,534,946	489,922
Unit trust funds		179,001	174,862
Total Cash		1,713,947	664,785

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

(CONT'D)

(c) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Term loans		1,049,852	1,028,771
Non-Current			
Term loans		9,440,772	10,487,766
Total Financing		10,490,624	11,516,537

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Term loans		11,959	11,806
Hire purchase payables		340,900	243,358
Bank overdrafts		-	9
Non-Current			
Term loans		184,998	197,048
Hire purchase payables		334,420	675,320
Total Debt		872,277	1,127,541

LIST OF PROPERTIES

Location	Tenure	Description of property	Approximate land area/ built-up area (sq. ft.)	Existing use	Registered Owner	Date of Acquisition or Revaluation (if any)	Approximate Age of Building	Carrying amount as at 31 December 2025 (RM'000)
No. 28, Jalan I-Park 1/3, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000 Kulai, Johor	Freehold	1 ½ storey detached factory	43,560/ 25,661.16	Manufacturing facilities and office	Powertechnic Handling Equipment (M) Sdn Bhd	2014	11 years	4,320
PTD 108444, Jalan Seroja 28, Bandar Indahpura, 81000 Kulai, Johor	Freehold	Empty land rented to I-Jaya Management Sdn Bhd	100,188/	Investment/ Leased out	Powertechnic Handling Equipment (M) Sdn Bhd	2015	N/A	6,736
34-16, Blok A, Pangsapuri Molek, Persiaran Bumi Hijau, Taman Molek, 81100 Johor Bahru, Johor	Freehold	Service apartment	132,110.7 273,831.73 ⁽¹⁾ / 640	Investment/ Leased out	Powertechnic Handling Equipment (M) Sdn Bhd	2020	7 years	375

Note:

(1) For avoidance of doubt, the land area represents the entire land of the "Pangsapuri Molek" (Molek Regency Service Apartment).

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL AS AT 30 MARCH 2026

The total number of issued shares of the Company stands at 310,337,000 ordinary shares, with voting rights of one vote per ordinary share.

DISTRIBUTION OF SHAREHOLDERS ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 30 MARCH 2026

Size of Share Holdings	No. of Holders	% of Holders	No. of Shares	% of Shares
1 to 99	0	0.00	0	0.00
100 to 1,000	282	15.55	151,000	0.05
1,001 to 10,000	810	44.68	4,113,800	1.32
10,001 to 100,000	576	31.77	22,424,200	7.23
100,001 to 15,516,849 (*)	143	7.89	67,133,000	21.63
15,516,850 and above (**)	2	0.11	216,515,000	69.77
TOTAL	1,813	100.00	310,337,000	100.00

* Less than 5% of Issued Shares

** 5% and above of Issued Shares

LIST OF 30 LARGEST SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 30 MARCH 2026

No.	Name of shareholders	No. of shares held	%
1	CHOO CHEE YONG	108,257,500	34.88
2	IVAN NA KEH CHAI	108,257,500	34.88
3	CHOO CHEE SIANG	6,548,000	2.11
4	HONG LEE STEEL ENGINEERING SDN BHD	4,630,100	1.49
5	MHMS ASSET SDN. BHD.	4,000,000	1.29
6	CLESSENSE KHO MEI CHEE	3,274,000	1.06
7	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KEE TECK (E-TJJ)	2,704,400	0.87
8	TAY AH HENG	2,000,000	0.64
9	THE ONE MANUFACTURING SDN BHD	2,000,000	0.64
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH CHIN SING (E-JBU/MSG)	1,570,000	0.51
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEK SHEON SENG (E-TSA/MSI)	1,452,400	0.47
12	ONG SOOI ZHENG	1,249,200	0.40
13	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG WEI HANG	1,028,800	0.33
14	PHANG SUN WAH	900,000	0.29
15	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY HONG SING	800,000	0.26
16	LAW AH TIEN	776,200	0.25
17	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE HAN PING	732,500	0.24
18	CHIN JIT SHUN	700,000	0.23

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name of shareholders	No. of shares held	%
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR KONG CHONG SANG (E-TSA)	657,000	0.21
20	HON KA CHOON	586,800	0.19
21	HEE CHOOI KEONG	558,900	0.18
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR CHUA KENG HUAT (E-JAH)	557,000	0.18
23	CHUA KENG HUAT	550,000	0.18
24	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEGGED SECURITIES ACCOUNT FOR CLESSENSE KHO MEI CHEE	550,000	0.18
25	CHONG SAY WOON	530,000	0.17
26	ZAKARIYA BIN MAT	504,000	0.16
27	YASRAN BIN HAJI HUSSAIN	502,500	0.16
28	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEGGED SECURITIES ACCOUNT FOR CHIN WAI HON (MY3984)	500,000	0.16
29	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEGGED SECURITIES ACCOUNT FOR SOO SHEAU WEN	500,000	0.16
30	PANG MEI MEI	500,000	0.16
TOTAL		257,376,800	82.93

SUBSTANTIAL SHAREHOLDERS AS AT 30 MARCH 2026

(As per Register of Substantial Shareholders)

No.	Name of shareholders	Direct Interest	No. of shares held		%
			%	Deemed Interest	
1	IVAN NA KEH CHAI	108,257,500	34.88	-	-
2	CHOO CHEE YONG	108,257,500	34.88	-	-

DIRECTORS' SHAREHOLDINGS AS AT 30 MARCH 2026

(As per Register of Directors' Shareholdings)

No.	Name of Director	Direct Interest	No. of shares held		%
			%	Deemed Interest	
1.	IVAN NA KEH CHAI	108,257,500	34.88	-	-
2.	CHOO CHEE YONG	108,257,500	34.88	-	-
3.	CLESSENSE KHO MEI CHEE	3,824,000	1.23	-	-
4.	TEH KEE SIN	400,000	0.13	-	-
5.	LAW LEE YEN	-	-	-	-
6.	RAZI BIN ABDULLAH	350,000	0.11	-	-
7.	EILEEN SU LEE MING	350,000	0.11	-	-

NOTICE OF 2ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2nd Annual General Meeting of POWERTECHNIC GROUP BERHAD will be held via physical mode at the Maharani Hall (Level 1), Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor, on Thursday, the 28th day of May, 2026 at 9.30 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. *(See Explanatory Note 1)*
2. To re-elect the following Directors retiring by rotation pursuant to Clause 133 of the Company's Constitution.
 - i) Mr. Ivan Na Keh Chai ORDINARY RESOLUTION 1
 - ii) Mr. Razi Bin Abdullah ORDINARY RESOLUTION 2
3. To re-elect Ms. Clessense Kho Mei Chee, a Director retiring pursuant to Clause 118 of the Company's Constitution. ORDINARY RESOLUTION 3
4. To approve the payment of Directors' fees of RM180,000.00 for the financial year ending 31 December 2026. ORDINARY RESOLUTION 4
(See Explanatory Note 2)
5. To approve the payment of Directors' benefits amounting to RM30,000.00 for the period from 1 January 2026 until the date of the next Annual General Meeting. ORDINARY RESOLUTION 5
(See Explanatory Note 2)
6. To re-appoint Ecovis Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. ORDINARY RESOLUTION 6

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions :-

7. **ORDINARY RESOLUTION**
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 ORDINARY RESOLUTION 7
(See Explanatory Note 3)

"THAT subject always to the Companies Act, 2016, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**ACE LR**"), the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016 to allot and issue new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company ("**General Mandate**")."

NOTICE OF 2ND ANNUAL GENERAL MEETING (CONT'D)

8. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act, 2016.

BY ORDER OF THE BOARD

JOY LIM XIE RU YI (MAICSA 7065780) SSM Practising Certificate No. 201908004060
IRENE JUAY YEE LUAN (MAICSA 7057249) SSM Practising Certificate No. 202008001193
Secretaries

Date: 29 April 2026

NOTES:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting, or by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting. Kindly refer to the Administrative Guide for the 2nd Annual General Meeting on the procedures for electronic lodgement.
6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 May 2026, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

EXPLANATORY NOTES:

Ordinary Business:-

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2025

This Agenda is meant for discussion only as the provision for Section 248(2) and Section 340(1) of the Companies Act, 2016 do not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Items 4 and 5 of the Agenda - Proposed Directors' fees and Directors' benefits

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Proposed Ordinary Resolution 4, if passed, will authorise the payment of Directors' fees payable to the members of the Board, Board of subsidiaries and Board Committees for the financial year ending 31 December 2026.

NOTICE OF 2ND ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES: (CONT'D)

Ordinary Business:- (Cont'd)

2. Items 4 and 5 of the Agenda - Proposed Directors' fees and Directors' benefits (Cont'd)

The Proposed Ordinary Resolution 5, if passed, will authorise and approve of the payment of Directors' benefits comprised of allowances payable to the members of the Board and Board Committees pursuant to the requirements of Section 230 of the Companies Act, 2016 for the period from 1 January 2026 until the date of the next Annual General Meeting.

In the event that the proposed Directors' fees and benefits payable during the above period exceed the estimated amount sought at the 2nd Annual General Meeting, approval will be sought at the next Annual General Meeting for additional Directors' fees and benefits payable to meet the shortfall, prior to the payment being made.

Statement Regarding Effect of Resolutions under Special Business

3. Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016.

The Proposed Ordinary Resolution 7 proposed in Agenda 7, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being.

This is a new general mandate upon the listing of the Company on the ACE Market of Bursa Securities. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate, if passed, will enable the Directors to take swift action in case of a need to allot and issue new shares and provide flexibility to the Company to raise additional funds expeditiously and efficiently to meet its funding requirements including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, operational expenditures, acquisition(s) and/or for issuance of shares as a form of settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

Voting by Poll

Pursuant to Rule 8.31A of Bursa Malaysia Securities Berhad's ACE Market Listing Requirements, all resolutions set out in this Notice are to be voted by poll.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. The details of individuals who are standing for election as directors: -

There is no person seeking election as director of the Company at this 2nd Annual General Meeting.

2. A statement relating to general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad: -

The Proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being.

This is a new general mandate upon the listing of the Company on the ACE Market of Bursa Securities. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate, if passed, will enable the Directors to take swift action in case of a need to allot and issue new shares and provide flexibility to the Company to raise additional funds expeditiously and efficiently to meet its funding requirements including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, operational expenditures, acquisition(s) and/or for issuance of shares as a form of settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.



FORM OF PROXY

No. of Shares Held	CDS Account No.

POWERTECHNIC GROUP BERHAD

Registration No: 202101015445 (1415745-D).
(Incorporated in Malaysia)

I/We _____ (NRIC No./Co. No. _____)

of (full address) _____

being a member / members of POWERTECHNIC GROUP BERHAD, hereby appoint:

Name of Proxy (Full Name)	NRIC No. / Passport No.	Proportion of shareholdings to be represented	
		No. of shares	%
Address			
Email Address:		Mobile Phone No.:	

and

Name of Proxy (Full Name)	NRIC No. / Passport No.	Proportion of shareholdings to be represented	
		No. of shares	%
Address			
Email Address:		Mobile Phone No.:	

*or failing him/her, the Chairman of the meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the 2nd Annual General Meeting of the Company to be held on Thursday, the 28th day of May, 2026 at 9.30 a.m. at Maharani Hall (Level 1), Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor and at every adjournment thereof to vote as indicated below in respect of the following Resolutions:-

ORDINARY BUSINESS		FOR	AGAINST
Ordinary Resolution 1	Re-election of Mr. Ivan Na Keh Chai		
Ordinary Resolution 2	Re-election of Mr. Razi Bin Abdullah		
Ordinary Resolution 3	Re-election of Ms. Clessense Kho Mei Chee		
Ordinary Resolution 4	Approval of Directors' fees		
Ordinary Resolution 5	Approval of Directors' benefits		
Ordinary Resolution 6	Re-appointment of Ecovis Malaysia PLT as Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 7	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		

(Please indicate with a "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

* delete where applicable.

Signed this _____ day of _____ 2026

.....
*Signature/Common Seal of member(s)

NOTES:

- A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
- A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
- A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
- Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting, or by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting. Kindly refer to the Administrative Guide for the 2nd Annual General Meeting on the procedures for electronic lodgement.
- An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 May 2026, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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AFFIX
STAMP

The Share Registrar
POWERTECHNIC GROUP BERHAD
c/o Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor

Please fold here



28, Jalan I-Park 1/3, Kawasan Perindustrian I-Park,
Bandar Indahpura, 81000 Kulai, Johor.

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Mobile: +6012- 219 7517

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