

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0377
COMPANY NAME : Powertechnic Group Berhad
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of Powertech Group Berhad ("Powertech" or "Company") assumes ultimate accountability and responsibility for the stewardship of the Company and its subsidiaries (collectively referred to as the "Group") and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. 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 Malaysian Code on Corporate Governance 2021 ("MCCG").</p> <p>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.</p> <p>The Board's responsibilities in respect of the stewardship of the Group include providing strategic leadership and business direction, development and control of the Group, management oversight, initiatives to embrace the responsibilities listed in the MCCG 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 interests of stakeholders.</p> <p>Powertech'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 Managing Director ("MD") and supported by one (1) Executive Director ("ED") and assisted by a team of senior management of the Group 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</p>

and projections in safeguarding the interests of the shareholders and other stakeholders.

The Board is also assisted by several Board Committees (“Board Committees”), namely Audit and Risk Management Committee (“ARMC”), Nominating Committee (“NC”) and Remuneration Committee (“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 Board Committee reporting to the ARMC) playing 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 as well as effectiveness. The respective Chairman of these 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 these committees, the Board retains ultimate accountability for discharging its duties.

The Board continuously upholds Corporate Governance (“CG”) standards and values in the organisation and strives to lead by example in strengthening its 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 including those reserved for the Board’s approval, and those delegated to the Board Committees, the MD, the ED and the senior management.

The Board Charter as well as the following Policies and TOR of the Board Committees are made available on the Company’s website at <https://powertechnicgroup.com.my/>:

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

	<u>Terms of Reference</u> <ul style="list-style-type: none"> • Audit and Risk Management Committee • Nominating Committee • Remuneration Committee 	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>Powertechnic's Board Chairman is Mr Teh Kee Sin, an Independent Non-Executive Director. His profile is available in the Directors' Profiles of the Annual Report 2025.</p> <p>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.</p> <p>The detailed roles and responsibilities of the Chairman of the Board are clearly specified in the Board Charter, which is made available on the Company's website at https://powertechnicgroup.com.my/.</p> <p>The Chairman, in consultation with the MD and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda and information is provided to Directors on timely basis.</p> <p>The Chairman is responsible for managing the business of the Board to ensure that:</p> <ol style="list-style-type: none"> a) all Directors are properly briefed on issues arising at Board meetings; b) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussions; and c) the issues discussed are forward looking and concentrate on strategy.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by an Independent Non-Executive Chairman, Mr Teh Kee Sin. The MD of the Company is Mr Ivan Na Keh Chai. The position of Chairman of the Board and MD are held by different individuals.</p> <p>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.</p> <p>The positions of the Chairman and the MD are separately held ensuring 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 has developed descriptions for responsibilities of the Board Chairman and MD.</p> <p>The details of these responsibilities are articulated in the Board Charter which is accessible from the Company's website at https://powertechnicgroup.com.my/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: Powertechnic is in compliance with Practice 1.4 of the MCCG whereby the Chairman of the Board, Mr Teh Kee Sin is not a member of the ARMC, NC and RC of Powertechnic.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>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.</p> <p>All Directors also have full and unrestricted access to the advice and services of the Company Secretaries. The Board is regularly updated on new guidelines, directives and new regulatory issues affecting the Group by the Company Secretaries as well as external consultants. The Company Secretaries together with the MD and the ED assist the Chairman of the Board and Chairman of Board Committees to deal with the Board agenda and to provide the relevant information and documents to Directors on a timely basis. The Board is satisfied with the support and performance rendered by the Company Secretaries in assisting the Board to discharge its duties.</p> <p>The Company Secretaries attended all Board and Board Committees meetings and ensure the meetings are properly convened, deliberations and decisions made by the Board are accurately recorded and kept. The Company Secretaries attended relevant development and training programmes to enhance their abilities in discharging their duties and responsibilities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>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.</p> <p>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 meetings. This information was circulated to the Board members at least seven (7) days prior to the Board meetings so as to provide the Directors with relevant and timely information to enable them to deliberate issues raised during Board meetings more effectively whilst highly sensitive corporate proposals are circulated during the meeting. Additionally, the management was also invited to brief and provide additional information or clarification in meetings of the Board and Board Committees.</p> <p>The deliberations and decisions at Board and 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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

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

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The roles and responsibilities of the Board, Chairman of the Board, MD, ED, Group Accountant, the individual Board members, the Board Committees, namely ARMC, NC and RC, are set out in the Board Charter which is accessible through the Company's website https://powertechnicgroup.com.my/.</p> <p>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 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 Chairman of the Board and Board Committees and the individual Directors as well as the independence of the Independent Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Code of Business Conduct & Ethics Policy (“the Code”) which sets out the standards of 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.</p> <p>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.</p> <p>The Board will periodically review the Code which is made available on the Company’s website at https://powertechnicgroup.com.my/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Whistle-Blowing Policy (“WBP”) 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 they have on any suspected misconduct or malpractices without fear of victimisation in a responsible manner rather than avoiding or overlooking such matters.</p> <p>All employees, customers, suppliers and any third parties having any dealings with the Group (collectively referred to as “Stakeholders”) 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.</p> <p>The WBP is made available on the Company’s website at https://powertechnicgroup.com.my/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has primary responsibility for ensuring that the Group commits to and practices the highest standard of CG, which is inculcated and embedded into the Group's organisational culture.</p> <p>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 interests of stakeholders.</p> <p>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.</p> <p>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 the communities in which the Group operates, while addressing relevant environmental, social and governance issues in a responsible and sustainable manner.</p> <p>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</p>

	<p>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. SRMWG is responsible for the day-to-day implementation of the Group’s strategies and plans.</p> <p>The SRMC reports to the ARMC for review and advise before any significant sustainability matters are escalated to the Board.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied																		
Explanation on application of the practice	:	<p>The Board endorses the Sustainability Statement prior to publication of the Annual Report. The Sustainability Statement comprises the Group's sustainability strategies, priorities and targets, and performance are communicated to the internal and external stakeholders as follows:</p> <table border="1"> <thead> <tr> <th>Major stakeholders</th> <th>Communication Channels</th> <th>Engagement Objective(s)</th> </tr> </thead> <tbody> <tr> <td>Shareholders</td> <td> <ul style="list-style-type: none"> Annual Report General Meetings Bursa announcements Company website </td> <td>To provide timely and accurate information for shareholders making informed decisions.</td> </tr> <tr> <td>Employees</td> <td> <ul style="list-style-type: none"> HR engagement meetings Annual performance review Corporate activities </td> <td>To ensure a safe and satisfactory working environment for employees.</td> </tr> <tr> <td>Customers</td> <td> <ul style="list-style-type: none"> Customer satisfaction survey Regular updates and meetings </td> <td>To ensure customer satisfaction and deliver value added solutions that meet customers' needs.</td> </tr> <tr> <td>Suppliers</td> <td> <ul style="list-style-type: none"> Business reviews Purchasing policies and procedures Meetings </td> <td>To ensure a sustainable supply of quality services and materials that meet market demand.</td> </tr> <tr> <td>Government and local authorities</td> <td> <ul style="list-style-type: none"> Seminars, workshops and training sessions Audit and inspections Regulatory requirements reporting </td> <td>To ensure compliance with the relevant laws and regulations and promote accountability.</td> </tr> </tbody> </table> <p>The Board has delegated the driving of the Group's sustainability governance to the SRMC, which is a sub-committee of the ARMC. Under the purview of the SRMC is SRMWG. The SRMC will provides the ARMC with periodic updates based on the sustainability and risk assessment conducted together with recommendations on matters for improvement. In the event of material matters, the ARMC will then instruct the SRMC to escalate such matters to the Board.</p> <p>In conjunction with the periodic updates provided to the ARMC as mentioned above, the MD, ED and heads of department are also to provide the relevant updates to their respective departments in relation to the performance in relation to the sustainability strategies, priorities and targets set.</p>	Major stakeholders	Communication Channels	Engagement Objective(s)	Shareholders	<ul style="list-style-type: none"> Annual Report General Meetings Bursa announcements Company website 	To provide timely and accurate information for shareholders making informed decisions.	Employees	<ul style="list-style-type: none"> HR engagement meetings Annual performance review Corporate activities 	To ensure a safe and satisfactory working environment for employees.	Customers	<ul style="list-style-type: none"> Customer satisfaction survey Regular updates and meetings 	To ensure customer satisfaction and deliver value added solutions that meet customers' needs.	Suppliers	<ul style="list-style-type: none"> Business reviews Purchasing policies and procedures Meetings 	To ensure a sustainable supply of quality services and materials that meet market demand.	Government and local authorities	<ul style="list-style-type: none"> Seminars, workshops and training sessions Audit and inspections Regulatory requirements reporting 	To ensure compliance with the relevant laws and regulations and promote accountability.
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Government and local authorities	<ul style="list-style-type: none"> Seminars, workshops and training sessions Audit and inspections Regulatory requirements reporting 	To ensure compliance with the relevant laws and regulations and promote accountability.																		

	The Board is also guided by the Sustainability Reporting Guide and Toolkits (3 rd edition) issued on 26 September 2022 by Bursa Securities.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>Our Board ensures that it is kept abreast and understands the Group’s sustainability issues through periodic updates by the SRMC and ARMC.</p> <p>During the periodic briefings, the Board is presented with the challenges, risks and opportunities faced in its 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.</p> <p>All members of the Board had/will attend the Mandatory Accreditation Programme II in relation to sustainability training for Directors.</p> <p>The Board also notes 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.</p> <p>Details of the sustainability policies and matters are reported in the Sustainability Statement of the Annual Report 2025.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>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.</p> <p>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.</p> <p>The review of senior management performance is mainly handled by the MD. In addition to operational performance, the senior management will also be evaluated in terms of their ability to identify and implement mitigating actions for the Group's material sustainability risks and opportunities which will be presented to and approved by the ARMC and the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has established the SRMC and SRMWG, whose main function is to drive the sustainability governance for the Group. The SRMC is responsible for the development of strategies suited to the sustainability agendas of the Group as well as to monitor the progress of improving sustainability processes and performances.</p> <p>Our MD has been identified as the key person in charge of the SRMC. His key role as the chairman of the SRMC is to promote the integration of sustainable practices in our Group's day-to-day operations while building long-term value to our stakeholders as mentioned in our Company's vision and mission statements.</p> <p>In formulating and making recommendations on sustainability, the SRMC will be guided by:</p> <ul style="list-style-type: none">i. the Group's vision and mission and the corporate philosophy;ii. the Sustainability Reporting Guide and Toolkits (3rd Edition); andiii. the amendments to the ACE LR on Sustainability Report Statement.

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p><u>Refreshing the Board Composition</u></p> <p>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.</p> <p>In this respect, the Board is mindful that for it to be effective, its composition must include the right group of people, with an appropriate mix of skills, knowledge, experience and independence elements that fit the Company's objectives and strategic goals.</p> <p>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.</p> <p>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.</p> <p>Accordingly, the Board has also adopted the practices for assessing the independence of Independent Directors annually and none of current board member has served more than nine (9) years in Powertechnic.</p> <p><u>Re-election of Directors</u></p> <p>The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors.</p> <p>The Constitution of the Company provides that all Directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of</p>

	<p>the Board shall retire but shall be eligible to offer themselves for re-election at the Annual General Meeting (“AGM”).</p> <p>The Director who is subject to re-election and/or re-appointment at the next AGM have been assessed by the NC before recommendation is made to the Board and shareholders for the re-election and/or re-appointment.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year ended 31 December 2025 ("FYE 2025") under review, the Board of Powertechnic comprised six (6) members comprising:</p> <ul style="list-style-type: none">• Two (2) EDs (including the MD); and• Four (4) INEDs (including the Chairman of the Board). <p>The present 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.</p> <p>All the Directors of the Company do not hold more than five (5) directorships in listed issuers as required under Rule 15.06 of the ACE LR. The profile of each Director is presented in the Directors' Profile section of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>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 report.</p> <p>Nevertheless, the Board has also adopted the best 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. 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.</p> <p>The Board also adopted the concept of independence in tandem with the definition of the Independent Directors under Rule 1.01 and Guidance Note 9 of the ACE LR.</p> <p>In addition, all the Independent Directors are independent from management and have no family or business relationships with the EDs and major shareholders, which would interfere with the execution of their independent judgement.</p> <p>The Independent Directors provide their independent view, unbiased judgment and knowledge to the management as well as safeguarding the interests of the shareholders and do not participate in the day-to-day management of the Group.</p> <p>In February 2026, 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</p>

	<p>will be in a position to continue to carry out their duties and responsibilities as Independent Directors of the Company.</p> <p>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.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>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. The Board had adopted a Diversity Policy which acknowledges the importance of Board and senior management diversity which includes, but is not limited to, skills, experience, age, cultural background and gender.</p> <p>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 NC oversees the selection criteria and recruitment process and recommends to the Board taking into consideration the candidates’:</p> <ul style="list-style-type: none">• skills, knowledge, expertise, competencies and experience;• professionalism;• potential conflict of interests;• time devoted and tenure of office• integrity; and• in the case of candidates for the position of INEDs, the NC should also evaluate the candidates’ ability to discharge such responsibilities / functions as expected from INEDs. <p><u>Appointment to the Board</u></p> <p>The Board has in place a Board’s Procedures for Appointment of Directors which sets out the procedures in respect of new appointments to the Board to ensure that the Board is comprised of Directors who have the necessary skills, competencies, commitment</p>

	<p>and experience to complement the efficiency and effectiveness of the Board as a whole.</p> <p><u>Fit and Proper Person Policy</u></p> <p>In addition, the Board has adopted a Fit and Proper Person Policy to serve as guidance for the appointment, re-election of Directors and the appointment of key management personnel to carry out their responsibilities with full competence, character, diligence, integrity and judgement and taking into consideration the candidates’:</p> <ul style="list-style-type: none"> a) Characters and integrity b) Experience and competence; and c) Time and commitment <p>The main objective of the Fit and Proper Person Policy is to ensure that the Group is led by persons of integrity, credibility and competency as well as to enable the discharge of the responsibilities required of the position in the most effective manner.</p> <p>Powertechnic is led and managed by a diverse, competent and experienced Board 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.</p> <p>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.</p> <p>The Diversity Policy and Fit and Proper Person Policy are made available on the Company’s website at https://powertechnicgroup.com.my/.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
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Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to upholding high standards of governance in respect of new appointments to the Board to ensure 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.</p> <p>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.</p> <p>The Board's NC is entrusted with the responsibility to review, propose and recommend the appointment of potential new Directors and ensure that the composition of the Board is refreshed periodically after taking into consideration the current and future needs of the Company.</p> <p>The NC which is responsible for reviewing the effectiveness of the Board as a whole, the Board Committees, the contributions of the individual Directors and the independence of the Independent Directors, will where appropriate, make its recommendations to the Board on the need to increase the Board size, the composition, the necessary skills, calibre and experience required and where available the potential candidates for appointment.</p> <p>The NC will where practical maintain a database of potential candidates. Potential candidates can be sourced from:</p> <ul style="list-style-type: none">• existing Directors and substantial shareholders of the Company;• existing key senior management employees;• professional bodies and organisations;• business associates and shareholders;

	<ul style="list-style-type: none"> • others independent sources including sourcing from a directors' registry, open advertisements or independent search firms; and • others <p>Upon a decision being made by the Board to appoint Directors:</p> <ol style="list-style-type: none"> a) The NC will identify suitable candidates from its available database or sources maintained taking into consideration the required skills, competencies, experience, Company's Fit and Proper Person Policy, and such other parameters as may be determined by the Board. b) The Chairman of the NC, MD and/or ED will meet with the identified candidates to assess/reassess their suitability for appointment. c) The identified candidate if cleared by the NC will then be recommended to the Board for appointment. d) Prior to their appointment, the identified candidates will be invited to an introductory meeting with the Board, for the Board to assess and evaluate such candidates. e) Subsequent or further meetings with the candidates may be arranged to the satisfaction of the Board, should the need arise. f) The discretion to accept or reject a candidate rest with the Board.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	: Applied
Explanation on application of the practice	<p>The profiles of Directors are published in the Annual Report and on Bursa Securities' website. These include their age, gender, date of appointment, directorate, details of any board committee, directorships in other public companies and listed companies, qualification, working experience, and any conflict of interest as well as their shareholdings in the Company.</p> <p>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.</p> <p>The following Directors will be due for retirement at the 2nd AGM of Powertechnic to be held on 28 May 2026 and being eligible have offered themselves for re-election: -</p> <ol style="list-style-type: none">1. Mr. Ivan Na Keh Chai, retiring under Clause 133;2. Mr. Razi Bin Abdullah, retiring under Clause 133; and3. Ms. Clessense Kho Mei Chee, retiring under Clause 118. <p>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.</p> <p>With regards to the re-election of Mr. Ivan Na Keh Chai, Mr. Razi Bin Abdullah and Ms. Clessense Kho Mei Chee, the following observations were shared by the NC:-</p> <ol style="list-style-type: none">1. Mr. Ivan Na Keh Chai has a 100% attendance record for the Board meetings convened during the FYE 2025 and fulfilled the fit and

	<p>proper person criteria relating to probity, personal integrity, reputation and financial integrity. Based on the evaluation of the performance of individual Director carried out by the NC in all key areas of meeting attendance, time commitment and operational matters as well as the fit and proper assessment in accordance with the Fit and Proper Person Policy, the NC was of the opinion that Mr. Ivan Na Keh Chai has performed and discharged his responsibilities as Director of the Company adequately and satisfactorily as well as contributed positively to the effective functioning and processes of the Board.</p> <p>2. Mr. Razi Bin Abdullah has a 100% attendance record for the Board meetings convened during the FYE 2025 and fulfilled the fit and proper person criteria relating to probity, personal integrity, reputation and financial integrity. Based on the evaluation of the performance of individual Director carried out by the NC in all key areas of meeting attendance, time commitment and operational matters as well as the fit and proper assessment in accordance with the Fit and Proper Person Policy, the NC was of the opinion that Mr. Razi Bin Abdullah has performed and discharged his responsibilities as Director of the Company adequately and satisfactorily as well as contributed positively to the effective functioning and processes of the Board. The NC was also satisfied with his performance as the Chairman of the RC and had concluded that Mr. Razi Bin Abdullah's independence has not been compromised or impaired in any way and was of the opinion that Mr. Razi Bin Abdullah will be in a position to continue to carry out his duties and responsibilities as an Independent Director of the Company.</p> <p>3. Ms. Clessense Kho Mei Chee was appointed to the Board on 25 February 2026 and shall hold office only until the forthcoming 2nd AGM and shall then be eligible for re-election. Ms. Clessense Kho Mei Chee has completed her declarations in accordance to the Fit and Proper Person Policy to affirm that she has fulfilled the fit and proper person criteria relating to her probity, personal integrity, reputation and financial integrity.</p> <p>The Board taking into consideration of the NC's recommendation, resolved to recommend to the shareholders for the re-election of Mr. Ivan Na Keh Chai, Mr. Razi Bin Abdullah and Ms. Clessense Kho Mei Chee at the forthcoming 2nd AGM of the Company.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the NC is Ms. Eileen Su Lee Ming, the Independent Non-Executive Director, and during the FYE 2025, the NC comprised exclusively of INEDs as follows: -</p> <p>Chairman MS. EILEEN SU LEE MING <i>Independent Non-Executive Director</i></p> <p>Members MS. LAW LEE YEN <i>Independent Non-Executive Director</i></p> <p>MR. RAZI BIN ABDULLAH <i>Independent Non-Executive Director</i></p> <p>The primary responsibilities of the NC are set out in detail in its TOR which is available for reference on the Company's website at https://powertechnicgroup.com.my/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to workplace diversity, with a particular focus on supporting the representation of women in the composition of the Board and management of the Company. As such, the Board will establish measurable objectives for the Company.</p> <p>The Board, through NC, will conduct all Board appointment processes in a manner that promotes diversity and in particular, gender diversity. The Board recognises the value of having women members on the Board and senior management level. Where possible, the Board shall ensure that women candidates are recruited as Board members and senior management positions, to meet the objectives of the boardroom diversity as recommended under the MCCG.</p> <p>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.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had adopted a Diversity Policy and is made available on the Company's website at https://powertechnicgroup.com.my/.</p> <p>The Board assisted by its NC and management is responsible for developing strategies to meet the objectives of the Diversity Policy, and monitoring the progress of achieving the objectives through the measures, monitoring, evaluation and reporting mechanisms.</p> <p>The Diversity Policy provides a framework for the Group to achieve:</p> <ul style="list-style-type: none"> a) a diverse and skilled workforce in the Board and senior management, leading to continuous improvement in delivery and achievement of corporate goals; b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all stakeholders; c) an organisational culture that understands and values differences by developing and offering work arrangements that help to meet the needs of a diverse workforce; d) improved employment and career development opportunities for women; e) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and f) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The Board had adopted a formal and objective Process for Assessing the Effectiveness of the Board as a whole, the Board Committees, contribution of each individual Directors and the independence of the Independent Directors on an annual basis. In respect of the FYE 2025, the NC carried out the following activities: <ul style="list-style-type: none">• reviewed the Board’s size, composition and balance and concluded that the Board’s dynamics during the FYE 2025 are healthy and effective. The members of the Board during the FYE 2025 were persons of calibre, character and integrity possessing the appropriate skills, experience and qualities to steer the Company forward.• evaluated and assessed the performance and effectiveness of the Board as a whole, the Board Committees and the performance of each individual Directors in accordance with the process for evaluating and assessment approved and adopted by the Board. The evaluation process amongst others considered whether the Directors had access to all necessary information and appropriate avenues for advice to carry out their responsibilities, whether the Board Committees had met its purpose, whether its composition was appropriate, and whether it had the necessary authority and processes to carry out its functions and fulfil its obligations. The Board was assessed amongst other criteria, in respect of its composition, and whether the Board had the appropriate vision, mission and strategies, whether processes and procedures were adequate and efficient to enable it to carry out its responsibilities. Through this process carried out by way of evaluation questionnaires, the NC concluded that the Board’s dynamics were healthy and effective.

	<ul style="list-style-type: none"> • evaluation and assessment of the performance of Chairman of the Board, the respective Chairman of the ARMC, NC and RC were also conducted during the scheduled meeting of NC. Each Director had abstained in the deliberation of their own evaluation. • proposed the re-election of Directors in accordance to the Company's Constitution. Information of the Directors standing for re-election is outlined in the Profile of Directors covering their age, gender, date of appointment, directorate, details any board committee, directorships in other public companies and listed companies, qualification, working experience, and any conflict of interest as well as their shareholdings in the Company. • reviewed the profile of the Board candidates taking into consideration the qualification, expertise and experience before recommended to the Board for appointment. • evaluated and assessed the independence of the Independent Directors in accordance with the process approved and adopted by the Board. The assessment carried out by the NC apart from looking at the criteria and definition of an Independent Director set out under the ACE LR, also considers: <ul style="list-style-type: none"> ➤ whether the Independent Directors have developed, established or maintained any significant relationship which would impair their independence as an Independent Director with the EDs and Major Shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as INEDs, Chairman or member of the Board Committees; ➤ whether the Independent Directors have engaged in any transactions with the Group; and ➤ whether the Independent Directors have devoted sufficient time commitment and desire to serve. <p>Independence is important and crucial for ensuring objectivity and fairness in the Board's decision-making process.</p> <p>The NC concluded that:</p> <ul style="list-style-type: none"> i) The Board was in a position to draw on the benefits and experience of its Directors in their respective varied business experience. In areas where the Board may not be technically proficient, the Board would be able to garner advice from its consultants in the required field. ii) The Board composition fulfils the requirements of 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.
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	<p>iii) The current Board is sufficiently diverse with:</p> <ul style="list-style-type: none"> • the ages of the Directors ranging between 34 years old to 64 years old; • the Directors coming from different backgrounds, profession and experience; and • gender diverse with three (3) members of the female gender represented in the Board. <p>The NC concluded that the Board’s composition, size, structure and balance is appropriate, complying with all requirements of the ACE LR. The NC is satisfied with the size, structure and board composition, and is of the view that the mix of skills, diversity, competence, knowledge and experience and qualities of the existing and proposed new Board members are appropriate to enable the Board to carry out its responsibilities effectively. The NC is also satisfied that no conflict of interest arises or where it arises, are properly addressed and mitigated to ensure that they would not impair their ability to represent the interest of the Company’s shareholders and stakeholders and to fulfil the responsibilities of a Director.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The RC and 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.</p> <p>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.</p> <p>The Board had formalised and adopted a Remuneration Policy for the Board and senior management to attract and retain the Directors and senior management.</p> <p>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.</p> <p>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 Remuneration Policy shall adhere to the following key principles:-</p> <ul style="list-style-type: none">• the total remuneration shall be set at levels that are competitive with the relevant market and industry.

	<ul style="list-style-type: none"> • the Group’s performance in managing material sustainability risks and opportunities should be taken into consideration; • EDs’ remuneration shall be performance-based; • incentive plans, performance measures and targets shall be aligned with shareholders’ interest in mind; • provide an appropriate level of transparency to ensure the Remuneration Policy underlying the EDs’, INEDs’ and senior management’s remuneration is understood by investors; and • ensure a level of equity and consistency. <p>The Remuneration Policy of Powertechnic is available for reference on the Company’s website at https://powertechnicgroup.com.my/.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The RC comprised exclusively of INEDs as follows: -</p> <p>Chairman MR. RAZI BIN ABDULLAH <i>Independent Non-Executive Director</i></p> <p>Members MS. LAW LEE YEN <i>Independent Non-Executive Director</i></p> <p>MS. EILEEN SU LEE MING <i>Independent Non-Executive Director</i></p> <p>The primary responsibilities of the RC are set out in detail in its TOR which is made available on the Company's website at https://powertechgroup.com.my/.</p> <p>The Board is satisfied that the RC has effectively and efficiently discharged its roles and responsibilities in accordance with its TOR.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	In line with corporate governance best practice, the disclosure of the Directors' remuneration on a named basis for FYE 2025 is set out in the table below:-

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	TEH KEE SIN	Independent Director	54	3	Input info here	Input info here	Input info here	Input info here	Input info here	57	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	IVAN NA KEH CHAI	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	120	420	Input info here	Input info here	Input info here	66.2	606.2
3	CHOO CHEE YONG	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	120	420	Input info here	Input info here	Input info here	66.2	606.2
4	LAW LEE YEN	Independent Director	42	3	Input info here	Input info here	Input info here	Input info here	Input info here	45	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	RAZI BIN ABDULLAH	Independent Director	42	3	Input info here	Input info here	Input info here	Input info here	Input info here	45	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	EILEEN SU LEE MING	Independent Director	42	3	Input info here	Input info here	Input info here	Input info here	Input info here	45	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	In line with corporate governance best practice, the disclosure on a named basis of the remuneration of the Group's top five senior management in bands of RM50,000 for FYE 2025 is set out as follows:	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	CHIN YANJIANG	Group Accountant	100,001-150,000	0-50,000	0-50,000	Choose an item.	0-50,000	150,001-200,000
2	SOO SHEAU WEN	Head of Human Resources and Administration	50,001-100,000	Choose an item.	0-50,000	Choose an item.	0-50,000	100,001-150,000
3	CLESSENSE KHO MEI CHEE	Head of Sales and Marketing	150,001-200,000	0-50,000	0-50,000	Choose an item.	150,001-200,000	350,001-400,000
4	CHOO CHEE SIANG	Technical Manager	50,001-100,000	0-50,000	0-50,000	0-50,000	50,001-100,000	200,001-250,000
5	LEONG CHEE FEI	Project Sales Manager	50,001-100,000	0-50,000	0-50,000	0-50,000	100,001-150,000	200,001-250,000

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's ARMC is chaired by Ms. Law Lee Yen who is a member of Malaysian Institute of Accountants.</p> <p>The Chairman of the Board is Mr. Teh Kee Sin, an INED.</p> <p>As such, the Chairman of the ARMC is distinct from the Chairman of the Board. Having the positions of Board Chairman and Chairman of the ARMC assumed by different individuals allows the Board to objectively review the ARMC's findings and recommendations.</p> <p>The detailed TOR of the ARMC outlining the composition, duties and functions, authority and procedures of the ARMC are made available on the Company's website at https://powertechgroup.com.my/.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>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. None of the members of the Board is a former key audit partner.</p> <p>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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The Board at its meeting held on 25 February 2026, approved the ARMC's recommendation, to re-appoint Ecovis Malaysia PLT as EA of the Company for the financial year ended 31 December 2026, subject to the shareholders' approval to be sought at the forthcoming 2nd AGM.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprised exclusively of INEDs as follows: - Chairman MS. LAW LEE YEN <i>Independent Non-Executive Director</i> Members MR. RAZI BIN ABDULLAH <i>Independent Non-Executive Director</i> MS. EILEEN SU LEE MING <i>Independent Non-Executive Director</i>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The composition of the ARMC is as stated under Practice 9.4 above. Collectively, the ARMC possesses a wide range of necessary skills to discharge its duties. All ARMC members are financially literate, whilst the Chairman of the ARMC and a member of the ARMC are Chartered Accountant by profession and a member of the Malaysian Institute of Accountants (MIA) and thus, fulfilling Rule 15.09(1)(c) of ACE LR, which requires at least one member of the ARMC to be a member of a professional accountancy body.</p> <p>The profiles of all the members of the ARMC are disclosed in the Directors' Profiles of the Annual Report 2025.</p> <p>All members of the ARMC have undertaken continuous professional development. During the reporting year, the ARMC members had attended training courses. Details of their training is disclosed in the Corporate Governance Overview Statement of the Annual Report 2025</p> <p>At the ARMC meeting, the EA had briefed the ARMC on the financial reporting updates which cover new Malaysian Financial Reporting Standards ("MFRSs") adopted by the Group and amendments/improvements to MFRSs that have been issued, but yet to be effective.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>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.</p> <p>The SRMC is chaired by the MD and comprises an ED, the Group Accountant, and an INED. Under the purview of the SRMC is the 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 SRMC reports to the ARMC before matters are escalated to the Board.</p> <p>During the FYE 2025 under review, the SRMC conducted a review and assessment on the Risk Register and Risk Matrix, thereafter presented to the ARMC with the revised Risk Register and Risk Matrix for ARMC's consideration and deliberation. The existing strategic, governance and key operational risks as well as opportunities were reviewed with emerging risks and opportunities assessed and incorporated into the Risk Register and Risk Matrix for ongoing risk and opportunities monitoring and assessment, after taking into consideration the internal audit findings and recommendations. The areas covered by the outsourced internal audit function were summarised in the Audit and Risk Management Committee Report of the Annual Report 2025.</p> <p>The Group's internal audit function has been outsourced to an external consultant which reports directly to the ARMC.</p>

	The Group's internal control and risk management framework is discussed in more detail in the Statement on Risk Management and Internal Control of the Annual Report 2025.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>The Group maintains a Risk Register and Risk Matrix, which support the following risk management process:</p> <ol style="list-style-type: none"> 1. Risk Identification: Departments identify operational, financial and strategic risks within their respective functions and document them in the Group’s Risk Register. 2. Risk Assessment: Identified risks are assessed based on likelihood and potential impact using a standardised Risk Matrix. 3. Risk Mitigation: Appropriate mitigation measures and internal controls are implemented, with designated risk owners responsible for managing each risk. 4. 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. <p>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.</p> <p>The Group’s internal control and risk management framework is discussed in more detail in the Statement on Risk Management and Internal Control of the Annual Report 2025.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>Powertechnic's internal audit function is outsourced to an independent professional services firm, Sterling Business Alignment Consulting Sdn Bhd, to assist the Board and ARMC in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's system on risk management and internal control.</p> <p>The outsourced internal audit function carried out audits in accordance with the Internal Audit Plan approved by the ARMC and Board. The Internal Audit Plan was developed taking into consideration the Group's Risk Register and other risk events identified by the internal audit function relevant to the audit objectives with the input from the management.</p> <p>To support the ARMC in discharging their responsibilities and to uphold the professional firm's independence and objectivity, the outsourced internal audit function reports directly to the ARMC.</p> <p>The management will also update the ARMC on the implementation status of the recommendations under the previous Internal Audit Report at the ARMC meetings.</p> <p>The ARMC will carry out an assessment of the performance of the outsourced internal audit function by considering and reviewing the internal audit function's qualifications and experience, resources availability and competency, independence, scopes and functions of the internal audit function and collaboration with External Auditors.</p> <p>Further details of the internal audit activities are set out in the ARMC Report and Statement on Risk Management and Internal Control of the Company's Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has outsourced its internal audit function to Sterling Business Alignment Consulting Sdn Bhd (“Sterling”), 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.</p> <p>The internal auditor 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.</p> <p>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. Management is responsible for implementing corrective actions where required.</p> <p>The ARMC monitors the progress of corrective actions and ensures that appropriate measures are taken by management to address internal control weaknesses identified during the audit process.</p> <p>The number of staff deployed for each internal audit review ranges from 2 to 4 per visit. The lead internal audit team performing audit for the Group for the year under review consists of:</p> <ol style="list-style-type: none">1. Dr. So Hsien Ying, the Principal Consultant responsible for the internal audit of the Group. She has more than 30 years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review. She is a Doctor in Business Administration (Wales), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), a Certified Internal Control Professional (US), a permanent member of the Internal Control Institute (US), an associate member of The

	<p>Institute of Internal Auditors Malaysia (“IIAM”) and a member of the Malaysian Alliance of Corporate Directors.</p> <p>2. Cheng Chean, a Chartered Member of the Institute of Internal Auditors Malaysia (“CMIIA”) and a Fellow Member of the Chartered Certified Accountant (“FCCA”). He has more than 20 years of hands-on experience in the fields of External Audit, Internal Audit and Internal Control Review.</p> <p>Sterling uses the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system. Sterling performs their work with reference to the principles of the International Professional Practices Framework set by the Institute of Internal Auditors. In light of the introduction of the Global Internal Audit Standards by the IIA, Sterling is in the process of transitioning its practices and methodologies to align, where appropriate, with the new standards. These standards outline the purpose of internal auditing and set expectations regarding ethics, governance, internal audit management, and the performance of internal audit services, including audit planning, execution, documentation, and the communication of findings with key stakeholders.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

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

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of communications with its stakeholders and 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.</p> <p>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) and the Board Corporate Disclosure Policy which the Board adopted:</p> <ul style="list-style-type: none">• 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.

	<p>The detailed Stakeholders Communication Policy and Board Corporate Disclosure Policy are made available on the Company's website at https://powertechnicgroup.com.my/.</p> <p>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.</p> <p>The AGM is the principal forum for dialogue and interaction with shareholders, where 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.</p> <p>The contact information of the investor relation is made available on the Company's website at https://powertechnicgroup.com.my/.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

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

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The notice convening the 2nd AGM to be held on 28 May 2026 was issued on 29 April 2026, giving the shareholders at least 28 clear days' notice (exclude the day of sending the notice and the day of the meeting), well in advance of the 21 days requirement under the Act and the ACE LR, which allows sufficient time for shareholders to understand and consider the proposed resolutions to be tabled at the AGM.</p> <p>In addition, the notice which outlines the 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 AGM. Notification was sent to all members either by way of an e-mail or letter to inform members that the Notice of 2nd AGM, Administrative Guide and Form of Proxy for the 2nd AGM which will be held on 28 May 2026 will be made available on the Company's website at https://powertechnicgroup.com.my/ together with the Annual Report 2025 and Corporate Governance Report.</p> <p>Further, the Company announced the Notice of the 2nd AGM via Bursa Link and published it in a national newspaper.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>Powertechnic was listed on 28 October 2025 and the 2nd AGM is the first AGM after listing of the Company on ACE Market of Bursa Securities.</p> <p>All Directors, including respective Chairman of the Board, ARMC, NC and RC will also endeavour to attend the 2nd AGM to be held on 28 May 2026 to interact directly with the Company's shareholders.</p> <p>The management and the EA or its representative have taken note and scheduled to be present at the 2nd AGM to answer any relevant shareholder's queries.</p> <p>Th 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.</p> <p>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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Powertechnic did not fully adopt remote / online participation capabilities for its AGM for financial year ended 31 December 2024 on 30 June 2025 prior to admission to the Bursa Securities. Powertechnic will be conducting its 2nd AGM on 28 May 2026 by way of physical mode. The venue is at a public place and easily accessible.</p> <p>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.</p> <p>The Board also takes into consideration the joint statements issued by the Securities Commission Malaysia and Bursa Securities dated 30 August 2024 where it was announced that all listed issuers must conduct hybrid or physical general meetings from 1 March 2025.</p> <p>The Board believes that physical meetings provide a better avenue and unique opportunity for direct interaction and engagement between the Company's management, Boards, and shareholders. By organizing physical general meetings, shareholders have the opportunity to personally express their concerns, raise questions, and engage directly with the Directors and senior management. This level of engagement fosters transparency, trust, spontaneous and a sense of involvement among shareholders compare to virtual and hybrid modes.</p> <p>The Company may consider leveraging on technology to facilitate more shareholders' participation at general meetings when it is necessary at an appropriate time in the future.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>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.</p> <p>At the AGM, the MD/ED at the request of the Chairman of the general meeting, will provide shareholders with a concise overview of the Group's financial performance and its long-term strategies. This will allow shareholders to gain insight into the Company's progress and future plans.</p> <p>To enhance shareholder participation, the Chairman of the general meeting will allow shareholders to submit their questions. These questions will be in relation to the resolutions presented at the 2nd AGM, the company's financial performance and prospect.</p> <p>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. This commitment ensures that all shareholders have an opportunity to have their concerns addressed and receive the necessary information to make informed decisions.</p> <p>The responses to the questions will then be published on the Company's website together with the minutes of AGM within 30 business days after the AGM including any questions that had yet to respond at the AGM.</p>
Explanation for departure	:

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Powertechnic was listed on 28 October 2025 and the 2 nd AGM is the first AGM after listing of the Company on ACE Market of Bursa Securities. The Minutes of the 2 nd AGM to be held on 28 May 2026 will be made available on the Company's website within 30 business days after the 2 nd AGM. During the question-and-answer session, the Chairman of the general meeting will invite 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. The summary of key matter discussed, if any, will be published on the Company website in accordance to the requirement of the ACE LR.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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