Corporate Governance Overview Statement

The Board of Directors ("Board") of Pan Merchant Berhad ("Pan Merchant" or "Company") is pleased to present an overview of the Company's corporate governance practices during the financial year ended 31 December 2025 which was guided by the three (3) key principles of good corporate governance set out in the Malaysian Code on Corporate Governance 2021 ("MCCG"). The Board has taken steps to align its governance framework with both the intended practices and Step-Up recommendations of the MCCG, including measures to reinforce Board independence, strengthen oversight, and enhance transparency. Full details of our application of each MCCG practice are disclosed in our Corporate Governance Report ("CG Report"), which is available on our Company's website at www.pmi-group.com and via the announcement made to Bursa Malaysia Securities Berhad ("Bursa Securities").

This statement is prepared in compliance with Paragraph 15.25 of the ACE Market Listing Requirement ("ACE LR") and it is to be read together with the CG Report.

The Board recognizes the importance of good corporate governance and is committed to ensuring that good corporate governance is practiced throughout our Group to safeguard stakeholders' interests as well as enhance shareholders' value.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Our Board assumes full responsibility for the oversight and overall management of the Group, with the ultimate aim of delivering sustainable value to all stakeholders. To facilitate the effective discharge of its functions and responsibilities, the Board has established an internal governance framework that delegates specific powers to the relevant Board Committees, the Managing Director, Executive Directors, and the Senior Management of the Company and its subsidiaries.

The Board plays an active role in shaping the Group's strategic direction. It reviews, deliberates, and approves the annual business plan as recommended by Senior Management. In fulfilling its fiduciary duties, the Board has direct and unrestricted access to Senior Management, as well as immediate access to all relevant information concerning the Group's business and operations. Senior Management is also invited to attend Board meetings to present updates and reports on matters within their respective areas of responsibility.

The Board ensures that strategic and business plans are aligned with the Group's obligations to stakeholders. It oversees financial and operational performance, legal and ethical compliance, and risk management, while also reviewing the adequacy and integrity of the Group's internal control and management information systems. In addition, the Board ensures the effective implementation of investor relations initiatives and succession planning programme.

To enhance the efficiency and objectivity of its oversight, the Board has established three principal committees: the Audit and Risk Committee, the Nomination Committee, and the Remuneration Committee. These Committees are entrusted with specific mandates as set out in their respective Terms of Reference ("ToR"), enabling them to act on the Board's behalf in designated areas. At each Board meeting, minutes of the Committee meetings are circulated to all Directors, and the respective Committee Chairmen report to the Board on key deliberations, significant matters, and recommendations arising from their meetings.

Company Secretaries

Both Company Secretaries of the Company are qualified to act as company secretary under Section 235(2) of the Companies Act, 2016.

Access to Information and Advice

Our Board have full and unrestricted access to information on our Group's business and affairs to enable them to discharge their duties and responsibilities effectively. All Directors have direct access to the Senior Management and may interact directly with the Management, or request further explanation, information or updates on any areas of our Group's operations or business.

All Directors also have full and unrestricted access to the advice and dedicated support services of our Company Secretaries and may obtain independent professional advice to discharge their duties effectively and to ensure the effective functioning of our Board.

To facilitate productive and meaningful deliberations during Board and/or Board Committee Meetings, the agenda together with comprehensive management reports and proposal papers are furnished to the Directors at least 5 days prior to the Meetings.

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

I. Board Responsibilities (Cont'd)

Board Charter

The Board Charter sets out the roles and responsibilities of our Board and Board Committees and the processes and procedures for convening Board Meetings. It serves as a reference and is the primary induction literature providing prospective and existing Board members and Management with insights into the fiduciary and leadership function of the Directors.

Our Board reviews this charter periodically, at least once a year to ensure it is updated with the latest changes in regulations and best practices and to ensure its effectiveness and relevance to our Boards' objectives.

Code of Ethics and Conduct

Our Company's Code of Conduct and Ethics is to set out those legal and ethical standards of conduct that the Company believes are reasonably designed to deter wrongdoing and to promote the conduct of all Company business in accordance with high standards of integrity and incompliance with all applicable laws and regulations.

Each Employee is responsible and accountable for:

a) Understanding and meeting the standards described in this Code;
b) Keeping herself or himself informed and aware of any updates; and
c) Undertaking the relevant training courses aimed at improving awareness and understanding of the standards referenced in this Code.

Whistleblowing Policy

Pan Merchant has in place a Whistleblowing Policy to foster an environment in which integrity and ethical behaviour are upheld to the highest standards. Our Board acknowledges that misconduct and any illegal or improper actions within our Group are usually known first by people who work in or with our Group. As such, our Board views the whistleblowing policy and procedure as a good early warning system to help our Group detect any wrongdoings and to take corrective actions before the problem escalates.

Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

The Board had adopted the ABAC Policy to incorporate the policies and procedures on anti-corruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within our Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020 and to include the corruption risks in the annual risk assessment of our Group.

Further details pertaining to the respective ToR of our Board Committees, Board Charter, Code of Conduct and Ethics, Whistleblowing Policy and ABAC Policy are available at Pan Merchant' website at www.pmi-group.com

II. Board Composition

Our Board currently comprises ten (10) members, of which we have one (1) Senior Independent Non-Executive Director, five (5) Executive Directors and four (4) Independent Non-Executive Directors. This composition complies with Rule 15.02 of the ACE LR whereby at least 2 Directors or 1/3 of the Board, whichever is higher, shall be Independent Directors. In the event that any vacancy on our Board results in a non-compliance with the above, our Company must fill that vacancy within 3 months.

While the Board does not currently comprise a majority of Independent Directors as recommended under the Malaysian Code on Corporate Governance, the Board is led by an Independent Non-Executive Chairman. The Board is of the view that this leadership structure provides an appropriate balance of power and authority, and ensures effective oversight and objective decision-making.

The Board currently has two (2) female Independent Non-Executive Director and one (1) female Executive Director among the ten (10) Directors on the Board, representing 30% female participation on the Board.

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

II. Board Composition (Cont'd)

The Board acknowledges the importance of diversity, including gender, age, ethnicity and professional background, in enhancing its effectiveness. A Gender Diversity Policy will be progressively implemented as part of the Board's future expansion plans, and suitably qualified female candidates will be considered through a formal and transparent nomination process.

The presence of the five (5) Independent Non-Executive Directors is essential in providing guidance through unbiased, fully balanced and independent views, advice and judgement to many aspects of our Group's strategy to safeguard the interests of minority shareholders and to ensure that high standards of conduct and integrity are maintained by our Group.

Our Board is of the opinion that the interests of shareholders of our Company are fairly represented by the current Board composition and its size constitutes an effective Board of our Company.

Nomination Committee ("NC")

The membership of the NC is as follows:

Chairman:
Datuk Seri Nurmala Binti Abd. Rahim *(Senior Independent Non-Executive Director)*

Members:
Fong Kit Chiu *(Independent Non-Executive Director)*
Datin Ooi Swee Lian *(Independent Non-Executive Director)*
Ir. Viyasan K Krishnan *(Independent Non-Executive Director)*

The NC of Pan Merchant assumes the following core responsibilities:

- to review, consider and recommend to the Board and/or to fill casual vacancies for candidates to be on the Board of the Company and its subsidiaries, including Committees of the Board by not only relying on internal recommendation but also utilising independent external sources to identify suitably qualified candidates based on the Company's Fit and Proper Policy;

- to recommend to the Board in respect of Directors' independence and conflicts of interests, if any, and the steps to be taken to manage potential conflicts of interest;

- to review, consider and recommend to the Board candidates for the positions of Senior Management of the Company based on objective criteria, merit and with due regard for diversity in matters such as skills, experience, age, cultural background and gender based on the Company's Fit and Proper Policy;

- to review the Board composition and determine the mix of gender (at least 30% women directors), skills, experience and other relevant qualities, including core competencies of the whole Board and Senior Management, on an annual basis;

- to provide recommendations to the Board on the Company's gender diversity policies, targets and discuss measures to be taken to meet those targets;

- to establish an effective succession strategy for Senior Management and review succession planning for the Board and Senior Management;

- to assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director and each member of the Board Committees to determine whether such Directors/ Board Committees and its members (as the case may be) have carried out their duties in accordance with the Board Charter and their respective terms of reference;

- to assess the skill gaps and training needs of each Director, review the fulfilment of such training and disclose in the annual report as appropriate;

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

II. Board Composition (Cont'd)

Nomination Committee ("NC") (Cont'd)

- to establish and review the criteria to be used in the recruitment process and annual assessment of the Board, Board Committees and each individual Director, including annual assessment of the independence of Non-Independent Director;

- to consider such other functions as may be agreed to by the NC and/or the Board;

- to review the policy which limits the tenure of each Independent Director to nine (9) years without further extension. Upon completion of the nine (9) years, the extension of tenure of an Independent Director shall be justified and sought during the annual shareholders' meeting through a two-tier voting process. Upon completion of the twelve (12) years, an Independent Director must resign or re-designate as non-Independent Director; and

- to review the board nomination and annual re-election process of each Director and criteria used by the NC in the selection process which shall be contingent on satisfactory evaluation of the Directors' performance and contribution to the Board.

The recommendations of the Nomination Committee are subject to the approval of our Board.

Details of the ToR for NC of Pan Merchant are available at our corporate website at www.pmi-group.com

Appointment of New Directors to the Board

Our Company has in place procedures and criteria for the appointment of new Directors. The NC is to carry out an interview with the candidate prior to his/her appointment as a Director of our Company. All candidates for the appointment are first considered by the NC, who will take into the account the mix of skills, knowledge, expertise, competencies, experience, professionalism, integrity and other relevant qualities required to well manage the business, with the aim of meeting the current and future needs of our Board. The NC also evaluates the candidates' character and ability to commit sufficient time to our Group. Other factors considered for the appointment of Independent Directors include the level of independence of the candidate and the candidates' ability to discharge such responsibilities required of them.

The NC leads the process of identifying candidates and making recommendations on their suitability to be appointed for directorship on our Board and as members to our Board Committees for our Board's approval. Our Board will then, based on the recommendations of the NC, evaluate and decide on the appointment of the proposed candidate(s). Our Company Secretaries will ensure that all appointments are properly conducted and that legal and regulatory obligations are met.

The NC will assess the potential candidate's suitability and the candidates are required to declare and confirm in writing their independence based on the criteria on independence as set out in the ACE LR.

The NC will also review the composition of the respective Board Committees of our Company to ensure they are functioning effectively.

Board Evaluation

The NC has also established a set of quantitative and qualitative performance criteria to evaluate the performance of each member of our Board, each Board Committee and review the performance of our Board as a whole. The criteria for assessment of Directors shall include attendance record, intensity of participation at meetings, quality of interventions and special contributions.

The NC has reviewed the required mix of skills, experience and other qualities of our Board and Board Committees, and agreed that it has the necessary mix of skill, experience and other qualities to serve effectively.

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

II. Board Composition (Cont'd)

Board Evaluation (Cont'd)

Notwithstanding the recommendation of the MCCG, our Company does not practise any form of gender, ethnicity and age group biasness and all candidates shall be given fair and equal treatment. Our Board believes that there is no detriment to our Company in not adopting a formal gender, ethnicity and age group diversity policy as our Company is committed to providing fair and equal opportunities to nurture diversity within our Company. Our Board is of the view that the appointment of any Board member or management should be determined based on objective criteria, merit and with due regard for diversity in skills, experience and other qualities regardless of gender but will nevertheless consider appointing more female directors, where suitable, to be in line with MCCG's recommendation.

Annual Assessment of Independence

The NC plays an important role in assisting our Board to assess the independence of the Non-Executive Directors of our Company on an annual basis. Based on the assessment conducted by the NC, our Board is generally satisfied with the level of independence demonstrated by all the Independent Directors of our Company and their ability to act in the best interest of our Group.

The NC develops the criteria used to assess independence of the Independent Directors, which includes, but are not limited to, the directors' background, family relationships, shareholdings in our Company and related party transactions with our Group (if any).

Time Commitment

The Board meets on a quarterly basis with additional meetings held whenever necessary. The Board met four (4) times during the financial year under review. The attendance record of the Directors at Board meetings is as follows:

	Attendance
Datuk Tan Leh Kiah	4/4
Wong Voon Ten	4/4
Wong Nyeon Thiat	4/4
Wong Voon Yoong	4/4
Wong Voon Shek	3/4
Datuk Seri Nurmala Binti Abd. Rahim	4/4
Datin Ooi Swee Lian	4/4
Fong Kit Chiu	4/4
Ir. Viyasan K Krishnan	4/4

Even though our Company does not set a policy for Directors to notify the Chairman and/or Management prior to accepting new appointments, in line with the ACE LR, a Director of Pan Merchant must not hold directorships in more than 5 Public Listed Companies and must be able to commit sufficient time to the Company. This is to ensure that the Directors are able to commit sufficient time and focus to discharging their roles and responsibilities within our Company adequately.

Our Directors are required to submit an update on their other directorships from time to time for our Company to monitor the number of directorships held by the Directors of Pan Merchant and to notify the Companies Commission of Malaysia accordingly.

To facilitate the Directors' planning, an annual meeting calendar is prepared and circulated to all Directors before the beginning of every calendar year.

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

II. Board Composition (Cont'd)

Continuing Training Programme

Our Directors are mindful that they should continue to attend relevant training programs to enhance their skills and knowledge, as well as to keep abreast with the changing regulatory and corporate governance developments to assist them in discharging their duties as Directors.

The details of trainings attended by our Directors during the financial year are as follows:

Directors	Date	Description
Datuk Tan Leh Kiah	9 – 10 Jun 2025	Mandatory Accreditation Programme Part I
	25 June 2025	Pre-IPO Dialogue
Wong Voon Ten	9 – 10 Jun 2025	Mandatory Accreditation Programme Part I
	25 Jun 2025	Pre-IPO Dialogue
Wong Nyeon Thiat	12 – 13 Feb 2025	Sustainable Manufacturing Maturity Tools and Framework for ESG
	14 Mar 2025	Sustainable Manufacturing Maturity Analysis and Prioritization for ESG
	9 – 10 Jun 2025	Mandatory Accreditation Programme Part I
	25 Jun 2025	Pre-IPO Dialogue
Wong Voon Yoong	9 – 10 Jun 2025	Mandatory Accreditation Programme Part I
	25 Jun 2025	Pre-IPO Dialogue
Wong Voon Shek	12 – 13 Feb 2025	Sustainable Manufacturing Maturity Tools and Framework for ESG
	14 Mar 2025	Sustainable Manufacturing Maturity Analysis and Prioritization for ESG
	9 – 10 Jun 2025	Mandatory Accreditation Programme Part I
	25 Jun 2025	Pre-IPO Dialogue
Lee Cheng Ngee	9 – 10 Jun 2025	Mandatory Accreditation Programme Part I
	24 Oct 2025	Pre-IPO Dialogue
Datuk Seri Nurmala binti Abd Rahim	26 May 2025	CLTC AI for Manufacturing Transformation
	25 Jun 2025	Pre-IPO Dialogue
Datin Ooi Swee Lian	20 Mar 2025	Briefing on Climate Risk-Related Matters, by RMD & PwC
	6 May 2025	Masterclass: Navigating High-Tech Financial Crime: Key Risks and Board Responsibilities, by FIDE Forum
	8 May 2025	Strategies Insights for Board-The Future of Financial Crime Compliance, by Deloitte
	18 Jun 2025	Sasana Symposium, by BNM
	24 Oct 2025	Navigating the sustainability reporting in Malaysia by PWC
	24 Oct 2025	Cyber security incident response by Centurion
	24 Oct 2025	IFRS S1 and IFRS S2 by PWC
Fong Kit Chiu	9 – 10 Jun 2025	Mandatory Accreditation Programme Part I
	25 Jun 2025	Pre-IPO Dialogue
Ir. Viyasan K Krishnan	9 – 10 Jun 2025	Mandatory Accreditation Programme Part I
	25 Jun 2025	Pre-IPO Dialogue

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

III. Remuneration Committee ("RC")

The membership of the RC is as follows:

Chairman:
Datin Ooi Swee Lian *(Independent Non-Executive Director)*

Members:
Datuk Seri Nurmala Binti Abd. Rahim *(Senior Independent Non-Executive Director)*
Fong Kit Chiu *(Independent Non-Executive Director)*
Ir. Viyasan K Krishnan *(Independent Non-Executive Director)*

The Company's remuneration policy for Directors is formulated to attract and retain individuals of the necessary calibre needed to run the business of our Group successfully. The remuneration is structured to link experience, expertise and level of responsibility undertaken by our Directors. The Directors play no part in deciding their own remuneration and shall abstain from discussing or voting on their own remuneration.

The details of the Company's Directors' remuneration comprising remuneration received/receivable from our Company and its subsidiaries during the FY 2025 are as follows:

(a) Company

Name of Directors	Fees (RM)	Salary (RM)	Allowances (RM)	Bonus (RM)	Other Emolument # (RM)	Benefits-in-kind (RM)	Total (RM)
Non-Executive							
Datuk Tan Leh Kiah	88,750	-	1,000	-	-	-	89,750
Datuk Seri Nurmala Binti Abd. Rahim	67,167	-	1,000	-	-	-	68,167
Datin Ooi Swee Lian	67,167	-	1,000	-	-	-	68,167
Fong Kit Chiu	67,167	-	1,000	-	-	-	68,167
Ir. Viyasan K Krishnan	61,000	-	1,000	-	-	-	62,000
Executive							
Wong Voon Ten	-	-	-	-	-	-	-
Wong Nyeon Thiat	-	-	-	-	-	-	-
Wong Voon Yoong	-	-	-	-	-	-	-
Wong Voon Shek	-	-	-	-	-	-	-
Lee Cheng Ngee	-	-	-	-	-	-	-
Received/receivable from the Company	**351,251**	**-**	**5,000**	**-**	**-**	**-**	**356,251**

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

III. Remuneration Committee ("RC") (Cont'd)

(b) Subsidiaries

Name of Directors	Fees (RM)	Salary (RM)	Allowances (RM)	Bonus (RM)	Other Emolument # (RM)	Benefits-in-kind (RM)	Total (RM)
Executive							
Wong Voon Ten	-	552,000	-	103,500	27,113	36,721	719,334
Wong Nyeon Thiat	-	552,000	-	103,500	27,113	11,304	693,917
Wong Voon Yoong	-	552,000	-	103,500	27,113	22,450	705,063
Wong Voon Shek	-	552,000	120,000	103,500	94,855	11,238	881,593
Lee Cheng Ngee	-	552,000	-	103,500	27,113	23,725	706,338
Received/ receivable from the subsidiaries	**-**	**2,760,000**	**120,000**	**517,500**	**203,307**	**105,438**	**3,706,245**
Total Group Remuneration	**351,251**	**2,760,000**	**125,000**	**517,500**	**203,307**	**105,438**	**4,062,496**

Note:
\# Other emoluments include the Employees Provident Fund (EPF), Social Security Organisation (SOCSO) and Employment Insurance System (EIS)

The remuneration of the top 9 Key Senior Management of our Group is as follows:

Range of Remuneration	No. of Key Senior Management
RM250,001 to RM300,000	2
RM300,001 to RM350,000	2
RM350,001 to RM400,000	2
RM400,001 to RM450,000	1
RM450,001 to RM500,000	1
RM500,001 to RM550,000	1

The MCCG recommends that our Company should disclose on a named basis, the detailed remuneration of the top 3 Key Senior Management. Our Board opts not to disclose the top 3 Key Senior Management's remuneration components on a named basis and instead, in bands of RM50,000 as it is imperative for our Company to maintain the privacy and confidentiality of its employees' remuneration. It is also commercially disadvantageous to reveal the remuneration of the Key Senior Management in this competitive environment.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee ("ARMC")

The ARMC wholly comprises 4 Independent Directors. The ARMC is chaired by an Independent Director, Mr. Fong Kit Chiu, who is a member of the Malaysian Institute of Certified Public Accountants ad Malaysian Institute of Accountant, which is in compliance with Rule 15.09(1)(c) of the ACE LR of Bursa Securities.

The composition of ARMC is reviewed by the NC and recommended to our Board for its approval annually. With the view to maintain an independent and effective ARC, the NC ensures that only an Independent Non-Executive Director who is financially literate, possess the appropriate level of expertise and experience, and has strong understanding of our Group's business would be considered for membership in ARMC.

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

I. Audit and Risk Management Committee ("ARMC") (Cont'd)

The roles and responsibilities of the ARMC are spelt out in the Terms of Reference of the ARMC, a copy of which is available on our Company's website at www.pmi-group.com.

II. Risk Management and Internal Control Framework

The Board as a whole are responsible for risk management through the oversight of the ARMC while the Executive Directors together with the senior management team are primarily responsible for managing risks and implementing internal controls in the Group.

Information of the Group's internal control and risk management is presented in the Statement on Risk Management and Internal Control set out on pages 92 to 95 of the Annual Report. The Board has also commented in the said statement that they are satisfied with the effectiveness and adequacy of the existing level of systems of risk management and internal control.

The Internal Audit Function is carried out by Resolve IR Sdn Bhd ("Resolve IR") an outsourced internal audit consulting firm. The internal audit function is headed by a director who is assisted by a manager and supported by an audit executive. The Director in charge is a qualified accountant and a member of the Institute of Internal Auditors Malaysia while the rest of the team members are accounting graduates. The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The Audit Committee will review the engagement between the Group and Resolve IR to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

III. Communication with Stakeholders

The Board maintains an effective communications policy that enables both the Board and the management to communicate effectively with its shareholders, stakeholders and the public. The policy effectively interprets the operations of the Group to the shareholders and accommodates feedback from shareholders, which are factored into the Group's business decision.

The Board communicates information on the operations, activities and performance of the Group to the shareholders, stakeholders and the public through the following:

i. the Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements, and information on the ARMC and Board of Directors;

ii. various announcements made to the Bursa Securities, which include announcements on quarterly results;

iii. the Company website at www.pmi-group.com

iv. engages with research analysts, fund managers, shareholders and media to give them a better understanding of the business conducted by the Group in particular, and of the industry in which the Group's business operates, in general, performance and major developments; and

v. participation in surveys and research conducted by professional organisations as and when such requests arise.

Shareholders and investors are also encouraged to interact and provide feedback to the Chairperson for opinions or concerns. Separately, the Company has also reported its Sustainability Statement on page 38 to 78 of this Annual Report covering the aspects of governance, environment and social responsibility for stakeholders' reference.

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

IV. Conduct of General Meetings

The Annual General Meeting serves as an important means for shareholders communication. Notice of the Annual General Meeting together with the Annual Reports are sent to shareholders 28 days prior to the meeting in line with the best practices as recommended by the MCCG and in accordance with the Company's Constitution and the provision in the Companies Act 2016.

At each Annual General Meeting, the Board presents the progress and performance of the Group's business and encourages participation of shareholders during questions and answers sessions. The Chairman and the Board will respond to all questions raised by the shareholders during the Annual General Meeting.

Shareholders who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on their behalf.

Explanation for each proposed resolution set out in the Notice of AGM will be provided, if needed during AGM to assist shareholders in making their decisions and exercising their voting rights. In line with Paragraph 8.31A(1) of the ACE LR and Clause 71 of the Company's Constitution, all resolutions set out in the Notice of AGM will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM will be announced to Bursa Securities on the same meeting day while the summary of key matters discussed during the AGM will be posted on the Company website.

The statement is made in accordance with a resolution of the Board dated 22 April 2026.

Audit and Risk Management Committee Report

The Board of Directors ("the Board") of Pan Merchant Berhad ("Pan Merchant" or "the Company") is pleased to present the Audit and Risk Management Committee ("ARMC" or "the Committee") Report for the financial year ended 31 December 2025, in compliance with Rule 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The ARMC assists the Board in discharging its oversight responsibilities in relation to financial reporting, internal control systems, risk management framework and audit processes. In fulfilling its fiduciary duties, the ARMC provides independent and objective oversight on the effectiveness of the Group's governance, risk management and internal control systems, as well as maintaining an appropriate relationship with both the internal and external auditors.

COMPOSITION OF ARMC

The ARMC comprises the following members, all of whom are Independent Non-Executive Directors of the Company:-

Name	Designation	Directorship
Fong Kit Chiu	Chairperson	Independent Non-Executive Director
Datuk Seri Nurmala binti Abd Rahim	Member	Senior Independent Non-Executive Director
Datin Ooi Swee Lian	Member	Independent Non-Executive Director
Ir. Viyasan K Krishnan	Member	Independent Non-Executive Director

The Company complies with Rule 15.09 of the ACE Market Listing Requirements of Bursa Securities as well as Practices 9.1 and 9.4 under the Malaysian Code of Corporate Governance.

The Chairperson of ARMC, Mr Fong Kit Chiu, is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. In this respect, the composition of ARMC complies with Rule 15.09(1)(c) of the Listing Requirements of Bursa Securities.

The authorities and duties of the ARMC are governed by the Terms of Reference of the ARMC. The Terms of Reference of the ARMC is available on the Company's website at https://www.pmi-group.com/

MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2025 ("FY 2025"), the ARMC held a total of 3 meetings. The attendance of each member is as follows:

Name	Attendance
Fong Kit Chiu	3/3
Datuk Seri Nurmala binti Abd Rahim	3/3
Datin Ooi Swee Lian	3/3
Ir. Viyasan K Krishnan	3/3

During FY 2025, the representatives from the Sponsor, the External Auditors and Internal Auditors, Executive Directors, and Chief Financial Officer were invited to attend the ARMC meetings to provide clarification and input on matters for the deliberation by the ARMC. These representatives were also invited to facilitate direct communication on matters, which would be brought to the attention of the ARMC.

The Chairperson of the ARMC reported on key issues and matters discussed at the ARMC meeting as well as the ARMC's recommendations, to the Board for consideration after the ARMC meetings. All deliberations during the ARMC meetings were minuted by the Company Secretary.

Audit and Risk Management Committee Report

SUMMARY OF ACTIVITIES OF THE ARMC

The following activities were carried out during the financial year under review:-

1. Financial Reporting
   - Reviewed the unaudited quarterly and annual financial statements prior to submission to the Board;
   - Assessed compliance with applicable accounting standards and regulatory requirements;
   - Reviewed significant accounting policies, judgments and estimates;
   - Considered significant matters, including key audit matters and unusual transactions.

2. External Audit
   - Reviewed the external auditors' audit plan, scope and strategy.
   - Assessed the independence, objectivity and performance of the external auditors.
   - Reviewed and discussed on issues or audit findings raised by external auditors and Management's responses to the same.
   - Met with the external auditors in the absence of Executive Board members and Management at least once a year to facilitate open and honest discussions in relation to financial reporting and auditing process.
   - Recommended the re-appointment of external auditors and audit fees to the Board.

3. Internal Audit
   - Reviewed and approved the internal audit plan to ensure adequate coverage of key risk areas.
   - Reviewed internal audit reports, findings and recommendations.
   - Monitored Management's implementation of corrective actions to address any significant issues identified by internal auditors.
   - Assessed the adequacy of the scope, functions, competency, effectiveness and independence of the internal audit functions.

4. Risk Management and Internal Control
   - Maintained oversight of the Group's internal control systems during the financial year under review;
   - Acknowledged the Enterprise Risk Management framework was established and assessed during the pre-listing phase and continues to support the Group's risk management practices; and
   - Reviewed the Statement on Risk Management and Internal Control prior to recommending it to the Board for approval.

5. Related Party Transactions and Conflict of Interest
   - Reviewed related party transactions and recurrent related party transactions to ensure they were conducted at arm's length and on normal commercial terms;
   - Reviewed any conflict of interest ("COI") or potential COI situations arising within the Group.

INTERNAL AUDIT FUNCTION

The internal audit function plays an important role in assisting the Board, through the ARMC, in providing independent assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control systems.

The Group's internal audit function is outsourced to Resolve IR Sdn. Bhd., an independent external service provider. The internal auditors report directly to the ARMC and are independent of Management, thereby ensuring objectivity and impartiality in the execution of their duties.

The internal audit function adopts a risk-based audit approach in formulating its annual audit plan, which is reviewed and approved by the ARMC to ensure adequate coverage of key risk areas within the Group.

During the financial year, internal audit engagements were carried out in accordance with the approved audit plan. The scope of the internal audit reviews included the evaluation of key operational, financial and compliance controls, as well as the effectiveness of risk management processes.

Internal audit findings and recommendations were presented to the ARMC, and Management was responsible for implementing corrective actions within agreed timelines. Follow-up reviews were conducted to ensure that the agreed corrective actions were effectively implemented.

The ARMC also reviewed the adequacy of the scope, resources and competency of the internal audit function to ensure that it remains effective in discharging its responsibilities.

For the financial year ended 31 December 2025, the total cost incurred for the internal audit function was RM28,000.

Audit and Risk Management Committee Report

Relationship with Auditors

The ARMC maintains a formal and transparent relationship with both the external and internal auditors. The auditors have direct access to the ARMC and are able to communicate freely on matters relating to their audits.

The ARMC meets with the auditors without the presence of Management, where necessary, to ensure independence, objectivity and professionalism.

Evaluation of Auditors

The ARMC has established policies and procedures to assess the suitability, objectivity and independence of the external and internal auditors.

Based on the assessment conducted, the ARMC is satisfied with the performance, independence and effectiveness of the auditors for the financial year under review.

Conflict of Interest

During the financial year under review, there were no conflict of interest or potential conflict of interest situations (excluding related party transactions) which were reviewed by the ARMC.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") of Pan Merchant Berhad and its subsidiaries ("the Group") is pleased to present this Statement on Risk Management and Internal Control ("SORMIC") for the financial year ended 31 December 2025.

This statement has been prepared in compliance with Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and is guided by the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.*

The Statement applies to the Group as a whole and reflects the Board's ongoing review of the adequacy and effectiveness of the Group's risk management and internal control systems.

It outlines the key features of these systems and the processes undertaken by the Board.

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control and for reviewing its adequacy and effectiveness on an ongoing basis. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

For the purpose of this Statement, "Management" refers to the Managing Director, Executive Directors, Chief Financial Officer and key senior management personnel who are responsible for the day-to-day management of the Group's operations, including the identification, assessment, management and monitoring of risks, as well as the implementation and maintenance of internal control systems.

The Board has established a structured risk management and internal control framework to oversee the Group's operations. In this regard, the Board determines the Group's risk appetite and tolerance levels to guide decision making. These parameters are periodically reviewed and communicated to Management to ensure alignment with the Group's strategic objectives. and to ensure that appropriate processes are in place to identify, assess and monitor key risks faced by the Group.

The Board is supported by the Audit and Risk Management Committee ("ARMC"), which operates under clearly defined Terms of Reference and assists the Board in reviewing the adequacy and effectiveness of the Group's risk management framework and internal control systems.

The Board relies on multiple sources of assurance, including reports from Management, internal audit reviews, external audit findings, and updates from the ARMC, to assess the adequacy and effectiveness of the Group's risk management and internal control systems.

The Board is committed to maintaining a robust internal control system and ensures that Management implements appropriate policies, procedures and controls to manage risks within acceptable levels. The Board provides oversight through periodic reviews of reports and updates presented to the ARMC.

The Group promotes a strong control environment supported by ethical values, integrity and a commitment to competence.

The Board, through the ARMC, reviews the Group's risk profile, key risk areas and the effectiveness of the internal control system on a regular basis. This includes reviewing the adequacy of mitigation measures and ensuring that appropriate actions are taken to address identified control weaknesses.

The adequacy and effectiveness of the Group's internal control system are reviewed periodically through internal audit reviews, which adopt a risk-based approach. The internal audit function provides independent assurance to the ARMC and the Board with follow up reviews are conducted to ensure that agreed corrective actions have been implemented.

RISK MANAGEMENT FRAMEWORK

The Group has established an Enterprise Risk Management ("ERM") framework to identify, assess, manage and monitor risks across its operations. The ERM framework is aligned with recognised standards, including the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Enterprise Risk Management Framework and ISO 31000:2018 Risk Management Guidelines.

RISK MANAGEMENT FRAMEWORK (CONT'D)

Risk management is embedded within the Group's organisational culture, business processes, and decision-making activities, and is communicated across all levels of the organisation. Management is responsible for managing risks within their respective areas of responsibility.

The key features of the Group's ERM framework include:

- Identification of risks across strategic, operational, financial and compliance areas;
- Assessment of risks based on likelihood and impact;
- Implementation of appropriate risk mitigation measures and internal controls;
- Maintenance of a risk register with assigned risk owners; and
- Continuous monitoring and reporting of key risks to Management and the ARMC.

Risk identification and assessment are carried out in a structured and systematic manner, with periodic reviews undertaken to identify emerging risks and reassess existing risks in response to changes in the business environment.

Management provides regular and timely reporting of key risks, control issues and mitigation actions to the ARMC and the Board to support effective oversight.

The Board, through the ARMC, oversees the Group's ERM framework and monitors the Group's risk profile against its defined risk appetite and ensures that appropriate actions are taken where risks exceed acceptable levels.

The effectiveness of the Group's risk management processes is monitored through ongoing management reviews, internal audit assessments and structured reporting to the ARMC. Management assesses risk trends and control effectiveness through analysis of operational performance, financial results and key risk exposures, and reports these to the ARMC and the Board.

SUSTAINABILITY AND EMERGING RISKS

The Group recognises the importance of environmental, social and governance ("ESG") factors in sustaining long-term business performance. The Group has established a Sustainability Framework in alignment with Bursa Malaysia's Sustainability Reporting Guide to guide its sustainability initiatives and ensure that ESG considerations are embedded in its business strategies and operations.

Appropriate processes and controls are in place to support the preparation of sustainability-related information, including internal reviews and Management oversight to enhance the reliability of such disclosures.

The Group continuously consider and monitor emerging risks arising from external developments, including geopolitical, economic and environmental factors, and assesses their potential impact on its operations and business strategies. Where relevant, Management evaluates risk scenarios and implements appropriate mitigation measures.

INTERNAL CONTROL SYSTEM

The Group's system of internal control comprises policies, procedures and organisational structures designed to provide reasonable assurance that operations are conducted effectively and efficiently, financial reporting is reliable, assets are safeguarded, and applicable laws and regulations are complied with.

The internal control system is guided by the COSO Internal Control – Integrated Framework. The system covers financial, operational and compliance controls and is embedded within the Group's day-to-day business processes.

Key elements of the Group's internal control system include:

- **Organisational structure and authority limits**
  Clearly defined organisational structure with appropriate levels of responsibility and accountability, supported by delegated authority limits to ensure proper approval and control over key business transactions.

- **Policies and procedures**
  Documented policies and standard operating procedures governing key business processes, including financial management, procurement, and operational activities.

Statement on Risk Management and Internal Control

INTERNAL CONTROL SYSTEM (CONT'D)

Key elements of the Group's internal control system include (Cont'd):

- **Segregation of duties**
  Segregation of duties within key processes to reduce the risk of error, fraud or inappropriate actions.

- **Financial reporting and monitoring**
  Timely preparation and reporting of financial and operational information to facilitate effective monitoring of the Group's performance and decision-making.

- **Information systems and controls**
  Use of established information systems to support business operations, with appropriate access controls and system-based checks to enhance the integrity and reliability of data.

- **Compliance and governance practices**
  Processes to ensure compliance with applicable laws, regulations and internal policies.

The Group maintains effective information and communication processes to ensure that relevant risk management and internal control information is disseminated in a timely manner.

The design and implementation of internal controls take into consideration the nature and level of risks, as well as the cost and benefits considerations, to ensure that they remain proportionate and effective.

The Board, through the ARMC, reviews the adequacy and effectiveness of the Group's internal control system on a periodic basis and ensures that appropriate actions are taken to address identified control weaknesses.

INTERNAL AUDIT FUNCTION

The Board recognises the importance of an effective internal audit function in providing assurance on the adequacy and effectiveness of the Group's risk management and internal control systems.

During the financial year ended 31 December 2025, the Group outsourced its internal audit function to Resolve IR Sdn. Bhd., an independent external service provider. The internal auditors report directly to the ARMC and operate independently of Management. The primary objective is to provide independent assurance to the ARMC and the Board on the adequacy and effectiveness of the Group's governance, risk management and internal control systems, as well as to recommend improvements where necessary.

The internal audit function adopts a risk-based audit approach and carries out audits in accordance with an approved annual audit plan. Internal audit findings and recommendations are presented to the ARMC, and Management is responsible for implementing corrective actions within agreed timelines. Follow-up reviews are conducted to ensure that agreed actions have been effectively implemented.

The ARMC oversees the internal audit function, including reviewing and approving the internal audit plan, assessing the adequacy of the scope, resources and competency, and evaluating Management's responses to audit findings and recommendations.

The internal audit function forms part of the Group's three-lines-of-defence model by providing independent assurance on the adequacy and effectiveness of governance, risk management and internal control systems.

The Board, through the ARMC, considers the results of internal audit reviews as part of its ongoing assessment of the adequacy and effectiveness of the Group's risk management and internal control systems.

Further details of the Internal Audit Function are set out in the Audit Committee Report on pages 89 to 91 of this Annual Report.

For the financial year ended 31 December 2025, the total fees incurred for the internal audit function was RM28,000.

Statement on Risk Management and Internal Control

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report.

The review was conducted in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control* included in the Annual Report, issued by the Malaysian Institute of Accountants.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that would cause them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosure requirements of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*, nor is the Statement inconsistent with their understanding of the processes adopted by the Board and Management.

CONCLUSION

The Board is of the view that the Group's risk management and internal control systems are adequate and effective to safeguard shareholders' investments and the Group's assets for the financial year under review and up to the date of approval of this Statement.

The Board confirms that there were no material losses incurred during the financial year as a result of significant weaknesses in the Group's internal control system.Where control weaknesses were identified, appropriate remedial actions have been taken or are in progress, and these are monitored by the ARMC to ensure timely resolution.

The Board has received assurance from the Managing Director, Executive Directors and Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively, in all material respects.

Recognising that risk management and internal control is an ongoing process, the Board remains committed to continuously reviewing and enhancing the Group's systems to ensure their relevance and effectiveness in supporting the Group's business objectives.

The Board confirms that the Group's risk management and internal control processes were in place for the financial year under review and up to the date of approval of this Statement.

This Statement has been reviewed by the ARMC and approved by the Board on 22 April 2026.

Statement on Directors' Responsibility

The Board of Directors ("Board") of Pan Merchant Berhad is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia ("the Act") and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR").

In preparing the financial statements for the financial year ended 31 December 2025, the Board has:-
- adopted appropriate accounting policies and applied them consistently;
- ensured all applicable accounting standards have been complied with;
- made judgments and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Board is responsible to ensure that the Group and the Company keep proper accounting records, enabling the financial position of the Group and of the Company to be disclosed with reasonable accuracy as well as enabling them to ensure that the financial statements comply with the MFRS Accounting Standards, IFRS Accounting Standards, the Act and the AMLR.

The Board is also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

This statement is made in accordance with the resolution of the Board of Directors dated 22 April 2026.

Additional Compliance Information

1. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING ("IPO")

In conjunction with the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 26 June 2025, the Company issued 232,187,900 new ordinary shares ("Issue Shares") at an issue price of RM0.27 per share, raising a total gross proceed of approximately RM62.69 million ("IPO Proceeds")

Pursuant thereto, the Company was admitted to the Official List of Bursa Securities and the Company's enlarged issued share capital of 916,000,000 shares were listed and quoted on the ACE Market of Bursa Securities on 26 June 2025.

The utilisation of proceeds from the IPO Proceeds of RM62.69 million are as follow:-

	Estimated timeframe for utilisation from date of listing	Propose utilisation		Amount utilised as at 31 December 2025	Balance unutilised
		RM'000	%	RM'000	RM'000
Capital expenditure on manufacturing plants:					
(i) Acquisition of machinery, equipment and tools	Within 36 months	20,000	31.90	(151)	19,849
(ii) Renovation of manufacturing plants	Within 36 months	8,000	12.76	-	8,000
		28,000	44.66	(151)	27,849
Product development	Within 24 months	7,000	11.17	-	7,000
Business expansion	Within 24 months	6,000	9.57	(202)	5,798
Working capital	Within 12 months	14,691	23.43	(6,000)	8,691
Estimated listing expenses	Within 1 month	7,000	11.17	(5,713)	1,287[2]
Total		**62,691**	**100.00**	**(12,066)**	**50,625**

Notes:

[1] The proposed utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus dated 6 June 2025.

[2] The actual amount utilised for listing expenses are final and lower than the estimated amount as at the date of this report. The excess will be used for working capital purposes.

2. AUDIT AND NON-AUDIT FEES

A breakdown of fees for statutory audit and non-audit services payable to the External Auditors for services rendered by them to the Company and its subsidiaries ("the Group") for the financial year ended 31 December 2025 are as follows:

	The Group RM'000	The Company RM'000
Audit fees	256	20
Non-audit fees	5	5
	261	25

3. **MATERIAL CONTRACTS**

There were no material contracts entered by the Group which involved Directors' or major shareholders' interests during the financial year under review.

4. **RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPTs")**

The details of the Shareholders' Mandate for the RRPT are set out in the Circular to Shareholders dated 30 April 2026 which is available on Bursa Securities' website and the Company's website. The details of the transactions with related parties undertaken by the Group during the financial year ended 31 December 2025 are disclosed in Note 34 of the audited financial statements for the financial year ended 31 December 2025.

5. **DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING**

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

(a) **Group Total Income and Total Assets**

	The Group	
	2025 RM'000	**2024 RM'000**
Total income		
Revenue	**126,037**	141,541
Interest income	**1,200**	280
Other income	**1,320**	341
Total	**128,557**	142,162
Total Assets	**179,757**	143,392

(b) **Business Activities**

		The Group	
		2025 RM'000	**2024 RM'000**
Shariah Non-Compliant Activities	**Remarks**		
Interest income	Conventional	**788**	280

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(c) Component of Financial Position

(i) Cash Component

	The Group	
	2025 RM'000	**2024 RM'000**
Islamic Account/Instruments		
Short-term funds	**15,347**	-
Total Cash	**15,347**	-
Conventional Account/Instruments		
Short-term funds	**5,013**	-
Deposits with licensed banks	**30,718**	11,070
Cash at banks (exclude cash in hand)	**23,794**	13,762
Total Cash	**59,525**	24,832

(ii) Debt Component

	The Group	
	2025 RM'000	**2024 RM'000**
Islamic Financing	**-**	-
Conventional Borrowing		
Current		
Bank overdrafts	**873**	397
Banker's acceptances	**10,475**	29,775
Invoice financing	**1,200**	-
Hire purchase payables	**1,087**	1,155
Term loans	**-**	86
Non-Current		
Hire purchase payables	**1,962**	2,879
Total	**15,597**	34,292

Directors' Report

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" section of this report.

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

RESULTS

	The Group RM'000	The Company RM'000
Profit/(Loss) after taxation for the financial year	5,252	(3,672)
Attributable to:-		
Owners of the Company	4,968	(3,672)
Non-controlling interests	284	-
	5,252	(3,672)

DIVIDENDS

On 25 March 2026, the Company declared an interim dividend of 0.20 sen per ordinary share amounting to RM1,832,000 in respect of the current financial year, payable on 30 April 2026, to shareholders whose names appeared in the record of depositors on 10 April 2026. The financial statements for the current financial year do not reflect this interim dividend. Such a dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) the Company increased its issued and paid-up share capital from RM10 to RM129,327,000 by way of:-

  (i) issuance of 683,812,000 new ordinary shares of RM0.10 each for purchase consideration of the acquisition of PMI-Technology Sdn. Bhd.; and

  (ii) issuance of 232,188,000 new ordinary shares at an issue price of RM0.27 each, pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,745,000 were offset against share capital of the Company.

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

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Wong Voon Ten
Wong Nyeon Thiat
Datin Ooi Swee Lian
Datuk Seri Nurmala Binti Abd. Rahim
Datuk Tan Leh Kiah
Fong Kit Chiu
Lee Cheng Ngee
Viyasan K Krishnan
Wong Voon Shek
Wong Voon Yoong

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Lee Han Jun
Lupé, Marcel Nicolaas
Ryan Christopher Boyd
Veldkamp, Rick Sebastiaan
Vreeman, Jasper Johannes

[The rest of this page is intentionally left blank]

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	< -------------------- Number of Ordinary Shares --------------------- >			
	At 1.1.2025	Bought	Sold	At 31.12.2025
The Company				
Direct Interests				
Wong Voon Ten	-	136,762,420	-	136,762,420
Wong Nyeon Thiat	-	51,285,908	-	51,285,908
Datin Ooi Swee Lian	-	100,000	-	100,000
Datuk Tan Leh Kiah	-	1,006,700	-	1,006,700
Fong Kit Chiu	-	100,000	-	100,000
Lee Cheng Ngee	-	136,762,420	-	136,762,420
Viyasan K Krishnan	-	150,000	-	150,000
Wong Voon Shek	-	85,476,512	-	85,476,512
Wong Voon Yoong	-	136,762,420	-	136,762,420
Indirect Interests				
Wong Nyeon Thiat*	-	137,262,420	-	137,262,420
Lee Cheng Ngee*	-	51,785,908	-	51,785,908
Wong Voon Yoong*	-	2,162,500	-	2,162,500

* Deemed interested through his/her spouse's and children's shareholding in the Company.

By virtue of their shareholdings in the Company, certain directors are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	From the Company RM'000	From the Subsidiary RM'000	Total RM'000
Fees	356	-	356
Salaries, bonuses and other benefits	-	3,403	3,403
Contribution to defined contribution benefits	-	198	198
Estimated money value of benefits-in-kind	-	105	105
	356	3,706	4,062

INDEMNITY AND INSURANCE COST

No indemnities were given to, nor insurance effected for the directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2025 %	2024 %	Principal Activities
Subsidiary of the Company				
PMI-Technology Sdn. Bhd.	Malaysia	100	-	Solutions provider of solid liquid filtration equipment, fabrication of steelworks and technical support services
Subsidiaries of PMI-Technology Sdn. Bhd.				
PMI Holding B.V.	Netherlands	100	100	Investment holding
PMI-Technology (SG) Pte Ltd	Singapore	100	100	Trading of filtration equipment
Subsidiary of PMI Holding B.V.				
PMI-Tech Holding B.V.	Netherlands	60.1	60.1	Investment holding
Subsidiaries of PMI-Tech Holding B.V.				
PMI-Tech (Europe) B.V.	Netherlands	100	100	Solutions provider of solid liquid filtration equipment, and technical support services
PMI-Tech (USA) B.V.	Netherlands	100	100	Trading of filtration equipment
Subsidiary of PMI-Tech (USA) B.V.				
PMI-Tech NA, Inc.	United States	70	70	Trading of filtration equipment and technical support

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) In conjunction with the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad, the Company undertook an internal reorganisation to acquire the entire issued share capital of PMI-Technology Sdn. Bhd.

On 2 May 2025, the Company completed the acquisition of the entire issued and paid-up share capital of PMI-Technology Sdn. Bhd. for a total purchase consideration of RM68,381,000 by issuance of 683,812,000 new ordinary shares. In subsequent thereof, PMI-Technology Sdn. Bhd. became a wholly-owned subsidiary of the Company and consolidated under the reorgnisation scheme.

(b) On 26 June 2025, the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad with the public issue of 232,188,000 new ordinary shares at a price of RM0.27 each.

SIGNIFICANT EVENT OCCURRING AFTER THE FINANCIAL YEAR

On 25 March 2026, the Company declared an interim dividend of 0.20 sen per ordinary share amounting to RM1,832,000 in respect of the current financial year, payable on 30 April 2026, to shareholders whose names appeared in the record of depositors on 10 April 2026. The financial statements for the current financial year do not reflect this interim dividend. Such a dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM'000	The Company RM'000
Audit fees	256	20
Non-audit fees	5	5
	261	25

Signed in accordance with a resolution of the directors dated 22 April 2026.

Wong Voon Ten

Wong Nyeon Thiat

Statement By Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Wong Voon Ten and Wong Nyeon Thiat, being two of the directors of Pan Merchant Berhad, state that, in the opinion of the directors, the financial statements set out on pages 112 to 184 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 22 April 2026.

Wong Voon Ten **Wong Nyeon Thiat**

Statutory Declaration

Pursuant to Section 251(1)(B) of the Companies Act 2016

I, Tan Bee Hoi, MIA Membership Number: 52823, being the officer primarily responsible for the financial management of Pan Merchant Berhad, do solemnly and sincerely declare that the financial statements set out on pages 112 to 184 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Bee Hoi, NRIC Number: 860204-56-6330
at Kuala Lumpur
in the Federal Territory
on this

Tan Bee Hoi

Before me

Muhammad Faiz Dharmendra Bin Abdullah
Commissioner for Oaths
No. W737

Independent Auditors' Report

To the Members of Pan Merchant Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Pan Merchant Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and Notes to the Financial Statements, including material accounting policy information, as set out on pages 112 to 184.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

To the Members of Pan Merchant Berhad

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition – Contracts with customers	
Refer to Note 26 to the financial statements, the Group's revenue from contracts with customers contributed 54% of the Group's revenue. The Group recognises contracts with customers revenue in the statements of profit or loss and other comprehensive income by using the input method. The input method is measured by reference the contract progress, determined based on the proportion of contract costs incurred for work performed to date over the estimated total contract costs. We focused on this area as it involved significant estimates and judgements in the following areas: • Determination of stage of completion; and • Extent of contract costs to complete the contract and accordingly the estimation of total budgeted costs.	We performed, amongst others, the following audit procedures: • Tested costs incurred during the year to supporting documentation such as suppliers' invoices and relevant supporting documents; • Tested the estimated costs to complete by agreeing key forecasts costs assumptions to documents such as approved purchase orders, suppliers' invoices and other relevant supporting documents; • Recomputed the stage of completion and checked the revenue recognised with reference to the computation of the stage of completion of the contracts; and • Agreed contract value to signed purchase orders, order confirmations and approved variation orders.
Valuation of inventories	
Refer to Note 8 to the financial statements, the carrying amount of inventories held by the Group is approximately RM20.86 million. We focused on this area as the assessment of net realisable value is an area of significant judgement particularly in relation to the estimation of allowances for obsolete and slow-moving inventories.	We performed, amongst others, the following audit procedures: • Reviewed the costing of inventory; • Reviewed the net realisable value of inventories; and • Evaluated the reasonableness and adequacy of the allowance for obsolete and slow-moving inventories recognised for identified exposures.
Recoverability of trade receivable and contract assets	
Refer to the Notes 9 and 11 to the financial statements, the trade receivables and contract assets of the Group amounted to approximately RM14.32 million and RM16.38 million respectively. We focused on this area as the assessment of impairment losses on trade receivables and contract assets involve significant judgement, particularly in estimating the required allowance based on customers' payment history, credit losses, and default experience.	We performed, amongst others, the following audit procedures: • Reviewed the ageing analysis of trade receivables and tested its reliability; • Reviewed subsequent cash collections for major trade receivables and overdue amounts; • Evaluated the reasonableness and adequacy of the allowance for impairment loss recognised for identified exposures; • Tested the adequacy of the Group's impairment of trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience; and • Engaged with management and reviewed the contracts progress up to date to ascertain if the projects have any potential delays in delivery which may affect the recoverability of the contract assets.

There are no key audit matters to report for the Company.

Independent Auditors' Report

To the Members of Pan Merchant Berhad

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirement

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

Other Matters

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

Crowe Malaysia PLT	**Ho Yen Ling**
201906000005 (LLP0018817-LCA) & AF 1018	03378/06/2026 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur

Statements of Financial Position

As at 31 December 2025

		The Group		The Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	**-**	-	**68,381**	-
Property, plant and equipment	6	**23,591**	24,786	**9**	12
Right-of-use assets	7	**24,193**	25,365	**-**	-
Goodwill		**815**	815	**-**	-
		48,599	50,966	**68,390**	12
CURRENT ASSETS					
Inventories	8	**20,864**	18,035	**-**	-
Trade receivables	9	**14,319**	30,826	**-**	-
Other receivables, deposits and prepayments	10	**3,076**	2,552	**583**	3
Contract assets	11	**16,377**	15,671	**-**	-
Amount owing by a subsidiary	12	**-**	-	**6,129**	-
Amount owing by a related party	13	**2**	156	**-**	-
Short-term investments	14	**20,360**	-	**20,360**	-
Current tax assets		**1,291**	-	**-**	-
Fixed deposits with licensed banks	15	**30,718**	11,070	**20,093**	-
Cash and bank balances		**23,812**	13,777	**10,179**	#
		130,819	92,087	**57,344**	3
Non-current assets held for sale	16	**339**	339	**-**	-
TOTAL ASSETS		**179,757**	143,392	**125,734**	15
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	**129,327**	#	**129,327**	#
Invested equity	18	**-**	14,200	**-**	-
Reserves	19	**7,079**	56,113	**(3,767)**	(95)
Equity attributable to owners of the Company		**136,406**	70,313	**125,560**	(95)
Non-controlling interests		**1,347**	1,763	**-**	-
TOTAL EQUITY		**137,753**	72,076	**125,560**	(95)
NON-CURRENT LIABILITIES					
Lease liabilities	20	**731**	1,120	**-**	-
Borrowings	21	**1,962**	2,879	**-**	-
Deferred tax liabilities	22	**2,624**	3,743	**-**	-
		5,317	7,742	**-**	-

Statements of Financial Position

As at 31 December 2025

		The Group		The Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CURRENT LIABILITIES					
Trade payables	23	**12,482**	13,261	**-**	-
Contract liabilities	11	**1,329**	8,063	**-**	-
Other payables and accruals	24	**6,734**	9,456	**123**	5
Amount owing to related parties	13	**670**	255	**-**	105
Lease liabilities	20	**331**	324	**-**	-
Borrowings	21	**13,635**	31,413	**-**	-
Current tax liabilities		**1,506**	802	**51**	-
		36,687	63,574	**174**	110
TOTAL LIABILITIES		**42,004**	71,316	**174**	110
TOTAL EQUITY AND LIABILITIES		**179,757**	143,392	**125,734**	15

Note:
 # - Amount less than RM1,000.

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2025

		The Group		The Company	
				1.1.2025 to 31.12.2025	18.3.2024 to 31.12.2024
	Note	2025 RM'000	2024 RM'000	RM'000	RM'000
REVENUE	26	**126,037**	141,541	**-**	-
COST OF SALES		**(82,560)**	(91,305)	**-**	-
GROSS PROFIT		**43,477**	50,236	**-**	-
OTHER INCOME		**2,520**	621	**901**	-
		45,997	50,857	**901**	-
ADMINISTRATIVE EXPENSES		**(32,250)**	(30,889)	**(590)**	(86)
OTHER EXPENSES		**(5,767)**	(6,248)	**(3,876)**	(9)
FINANCE COSTS		**(1,137)**	(1,898)	**-**	-
NET REVERSAL OF IMPAIRMENT LOSSES/ (IMPAIRMENT LOSSES) ON FINANCIAL ASSETS	27	**126**	(213)	**-**	-
PROFIT/(LOSS) BEFORE TAXATION	28	**6,969**	11,609	**(3,565)**	(95)
INCOME TAX EXPENSE	29	**(1,717)**	(3,606)	**(107)**	-
PROFIT/(LOSS) AFTER TAXATION		**5,252**	8,003	**(3,672)**	(95)

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2025

	Note	The Group 2025 RM'000	The Group 2024 RM'000	The Company 1.1.2025 to 31.12.2025 RM'000	The Company 18.3.2024 to 31.12.2024 RM'000
PROFIT/(LOSS) AFTER TAXATION (CONT'D)		**5,252**	8,003	**(3,672)**	(95)
OTHER COMPREHENSIVE INCOME/(EXPENSE)	30				
<u>Items that Will be Reclassified subsequently to Profit or Loss</u>					
Foreign currency translation difference		**334**	(357)	**-**	-
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE FINANCIAL YEAR		**5,586**	7,646	**(3,672)**	(95)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		**4,968**	7,678	**(3,672)**	(95)
Non-controlling interests		**284**	325	**-**	-
		5,252	8,003	**(3,672)**	(95)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		**5,242**	7,335	**(3,672)**	(95)
Non-controlling interests		**344**	311	**-**	-
		5,586	7,646	**(3,672)**	(95)
EARNINGS PER SHARE (SEN)	31				
Basic		**0.62**	1.12		
Diluted		**0.62**	1.12		

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2025

		< ------------- Non-distributable			--------------- >	Distributable			
The Group	**Note**	**Share Capital RM'000**	**Invested Equity RM'000**	**Revaluation Reserve RM'000**	**Reorganisation Deficit RM'000**	**Foreign Exchange Translation Reserve RM'000**	**Retained Profits RM'000**	**Attributable to Owners of the Company RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
Balance at 1.1.2024		-	14,200	10,597	-	126	38,055	62,978	1,452	64,430
Profit after taxation for the financial year		-	-	-	-	-	7,678	7,678	325	8,003
Incorporation of the Company		#	-	-	-	-	-	#	-	#
Other comprehensive expense for the financial year:										
- foreign currency translation differences	30	-	-	-	-	(343)	-	(343)	(14)	(357)
Total comprehensive (expense)/income for the financial year		#	-	-	-	(343)	7,678	7,335	311	7,646
Balance at 31.12.2024		#	14,200	10,597	-	(217)	45,733	70,313	1,763	72,076

Note:
 # - Amount less than RM1,000.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2025

		< ------------- Non-distributable			------------- >		Distributable			
The Group	**Note**	**Share Capital RM'000**	**Invested Equity RM'000**	**Revaluation Reserve RM'000**	**Reorganisation Deficit RM'000**	**Foreign Exchange Translation Reserve RM'000**	**Retained Profits RM'000**	**Attributable to Owners of the Company RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
Balance at 1.1.2025		**#**	**14,200**	**10,597**	**-**	**(217)**	**45,733**	**70,313**	**1,763**	**72,076**
Profit after taxation for the financial year		**-**	**-**	**-**	**-**	**-**	**4,968**	**4,968**	**284**	**5,252**
Other comprehensive income for the financial year:										
- foreign currency translation differences	30	**-**	**-**	**-**	**-**	**274**	**-**	**274**	**60**	**334**
Total comprehensive income for the financial year		**-**	**-**	**-**	**-**	**274**	**4,968**	**5,242**	**344**	**5,586**
Balance carried forward		**#**	**14,200**	**10,597**	**-**	**57**	**50,701**	**75,555**	**2,107**	**77,662**

Note:
 # - Amount less than RM1,000.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2025

The Group	Note	Share Capital RM'000	Invested Equity RM'000	Revaluation Reserve RM'000	Reorganisation Deficit RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
			< ------------- Non-distributable			-------------- >	Distributable			
Balance brought forward		**#**	**14,200**	**10,597**	**-**	**57**	**50,701**	**75,555**	**2,107**	**77,662**
Contribution by and distributions to owners of the Company:-										
Effect of group reorganisation exercise	18	**-**	**(14,200)**	**-**	**(54,181)**	**-**	**(95)**	**(68,476)**	**-**	**(68,476)**
Issuance of shares for acquisition of a subsidiary	17	**68,381**	**-**	**-**	**-**	**-**	**-**	**68,381**	**-**	**68,381**
Issuance of shares pursuant to public issue	17	**62,691**	**-**	**-**	**-**	**-**	**-**	**62,691**	**-**	**62,691**
Share issuance expenses pursuant to public issue	17	**(1,745)**	**-**	**-**	**-**	**-**	**-**	**(1,745)**	**-**	**(1,745)**
Dividends by the subsidiary to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(760)**	**(760)**
Total contributions by and distributions to owners		**129,327**	**(14,200)**	**-**	**(54,181)**	**-**	**(95)**	**60,851**	**(760)**	**60,091**
Balance at 31.12.2025		**129,327**	**-**	**10,597**	**(54,181)**	**57**	**50,606**	**136,406**	**1,347**	**137,753**

Note:
 # - Amount less than RM1,000.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2025

The Company	Note	Share Capital RM'000	Accumulated Loss RM'000	Total Equity RM'000
Balance at 18.3.2024 (Date of incorporation)		#	-	#
Loss after taxation/Total comprehensive expenses for the financial period		-	(95)	(95)
Balance at 31.12.2024/1.1.2025		**#**	**(95)**	**(95)**
Loss after taxation/Total comprehensive expenses for the financial year		**-**	**(3,672)**	**(3,672)**
Issuance of shares for acquisition of a subsidiary	17	**68,381**	**-**	**68,381**
Issuance of shares pursuant to public issue	17	**62,691**	**-**	**62,691**
Share issuance expenses for public issue	17	**(1,745)**	**-**	**(1,745)**
Total contributions by and distributions to owners		**129,327**	**-**	**129,327**
Balance at 31.12.2025		**129,327**	**(3,767)**	**125,560**

Note:
 # - Amount less than RM1,000.

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

		The Group		The Company	
	Note	2025 RM'000	2024 RM'000	1.1.2025 to 31.12.2025 RM'000	18.3.2024 to 31.12.2024 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation		**6,969**	11,609	**(3,565)**	(95)
Adjustments for:-					
Depreciation:					
- property, plant and equipment		**2,449**	2,208	**3**	#
- rights-of-use assets		**1,116**	1,114	**-**	-
Interest expense on lease liabilities		**93**	118	**-**	-
Interest expense		**944**	1,724	**-**	-
Net (reversal)/impairment losses of trade receivables		**(126)**	213	**-**	-
Property, plant and equipment written off		**4**	10	**-**	-
Unrealised (gain)/loss on foreign exchange		**(859)**	1,085	**-**	-
Gain on disposal of property, plant and equipment		**(35)**	(100)	**-**	-
Interest income		**(1,200)**	(280)	**(901)**	-
Operating profit/(loss) before working capital changes		**9,355**	17,701	**(4,463)**	(95)

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

		The Group		The Company	
	Note	2025 RM'000	2024 RM'000	1.1.2025 to 31.12.2025 RM'000	18.3.2024 to 31.12.2024 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES (CONT'D)					
Operating profit/(loss) before working capital changes (Cont'd)		**9,355**	17,701	**(4,463)**	(95)
(Increase)/Decrease in inventories		**(2,829)**	1,992	**-**	-
Decrease/(Increase) in trade and other receivables		**16,378**	(2,569)	**(580)**	(3)
(Increase)/Decrease in contract assets		**(609)**	2,520	**-**	-
Increase in amount owing by subsidiary		**-**	-	**(6,129)**	-
Decrease in amount owing by a related party		**154**	8	**-**	-
Increase/(Decrease) in amount owing to related parties		**329**	(3,093)	**(105)**	105
(Decrease)/Increase in trade and other payables		**(3,476)**	2,556	**118**	5
Decrease in contract liabilities		**(6,733)**	(1,843)	**-**	-
CASH FROM/(FOR) OPERATIONS		**12,569**	17,272	**(11,159)**	12
Income tax paid		**(3,423)**	(5,568)	**(56)**	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		**9,146**	11,704	**(11,215)**	12

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	The Group 2025 RM'000	The Group 2024 RM'000	The Company 1.1.2025 to 31.12.2025 RM'000	The Company 18.3.2024 to 31.12.2024 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Additions to fixed deposits with a tenure of more than 3 months		**(10,000)**	-	**(10,000)**	-
Additions to pledged fixed deposits		**(576)**	(692)	**-**	-
Addition to rights-of-use assets	32(a)	**-**	(240)	**-**	-
Interest income received		**1,200**	280	**901**	-
Proceeds from the disposal of property and equipment		**322**	100	**-**	-
Purchase of property, plant and equipment	32(a)	**(1,057)**	(2,188)	**-**	(12)
Purchase of short-term investments		**(20,360)**	-	**(20,360)**	-
NET CASH FOR INVESTING ACTIVITIES		**(30,471)**	(2,740)	**(29,459)**	(12)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid by a subsidiary to non-controlling interest		**(760)**	-	**-**	-
Interest paid		**(1,037)**	(1,842)	**-**	-
Net (repayment)/drawdown of bankers' acceptances	32(b)	**(19,300)**	3,021	**-**	-
Payment of share issuance expenses	17	**(1,745)**	-	**(1,745)**	-
Proceeds from issuance of ordinary shares	17	**62,691**	#	**62,691**	#
Proceed from/(Net repayment) of invoice financing	32(b)	**1,200**	(1,107)	**-**	-
Repayment of hire purchase payables	32(b)	**(1,465)**	(1,075)	**-**	-
Repayment of lease liabilities	32(b)	**(308)**	(288)	**-**	-
Repayment of term loans	32(b)	**(86)**	(790)	**-**	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		**39,190**	(2,081)	**60,946**	#

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

		The Group		The Company	
				1.1.2025 to 31.12.2025	**18.3.2024 to 31.12.2024**
	Note	**2025 RM'000**	**2024 RM'000**	**RM'000**	**RM'000**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**17,865**	6,883	**20,272**	#
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD		**15,469**	8,668	**#**	-
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		**766**	(82)	**-**	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	32(d)	**34,100**	15,469	**20,272**	#

Note:
 # - Amount less than RM1,000

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office	:	B-25-2, Block B Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	No. 17 & 19, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Company and of the Group are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 April 2026.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standard and/or interpretation (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)
Amendments to MFRS 121: *Lack of Exchangeability*

The adoption of the above accounting standard and/or interpretation (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently evaluating the impact of implementing this new standard.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment and right-of-use assets are based on commercial factors that could change significantly due to technical innovations and competitors' actions in response to market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in expected usage levels and technological development could affect the economic useful lives and residual values of these assets; therefore, future depreciation charges may be revised. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 6 and 7 to the financial statements respectively.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Property, Plant and Equipment and Right-of-use assets under Revaluation

Certain properties of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, size and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amounts of property, plant and equipment and right-of-use assets measured at revaluation as at the reporting date are disclosed in Notes 6 and 7 to the financial statements respectively.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to estimate the expected future cash flows from the cash-generating unit and to choose a suitable discount rate to calculate the present value of those cash flows.

(d) Impairment of Property, Plant and Equipment and Rights-of-use assets

The Group and the Company determine whether an item of its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as the market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 6 and 7 to the financial statements respectively.

(e) Write-down of Inventories

Management periodically reviews damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 8 to the financial statements.

(f) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. If the expectation is different from the estimation, such a difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 9 and 11 to the financial statements respectively.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about the risk of default (probability of default) and the expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables, amount owing by a subsidiary, and amount owing by a related party as at the reporting date are disclosed in Notes 10, 12 and 13 to the financial statements respectively.

(h) Revenue Recognition for Contracts with Customers

The Group recognises contract revenue by reference to the contract progress using the input method, determined based on the proportion of contract costs incurred for work performed to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, costs incurred and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 11 to the financial statements.

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax assets of the Group as at reporting date is RM1,291,000 (2024 - Nil). The carrying amounts of current tax liabilities of the Group and of the Company as at the reporting date are RM1,506,000 (2024 - RM802,000) and RM51,000 (2024 - Nil) respectively.

(j) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances, including past practice and any cost that will be incurred to change the asset if an option to extend is not exercised. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies (Cont'd)

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below (Cont'd):-

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

<u>Financial Assets Through Profit or Loss</u>

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

<u>Financial Assets at Amortised Cost</u>

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without a significant financing component which are measured at the transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

<u>Financial Assets Through Other Comprehensive Income</u>

The Group has elected to designate its equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(b) Financial Liabilities

<u>Financial Liabilities Through Profit or Loss</u>

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

<u>Financial Liabilities at Amortised Cost</u>

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

4.5 BASIS OF COMBINATION

The Company was incorporated as part of reorganisation exercise under the listing scheme for the listing and quotation of its entire issued share capital on the ACE Market of Bursa Securities. The reorganisation will result in the Company becoming the holding company of PMI-Technology Sdn. Bhd.

On 2 May 2025, the Company acquired the entire issued and paid-up share capital of PMI-Technology Sdn. Bhd. and resulting thereof, PMI-Technology Sdn. Bhd. became a wholly-owned subsidiary of the Company.

As the Company did not constitute a business as defined in *MFRS 3 Business Combinations*, the acquisition was accounted for as a capital reorganisation arising from a transaction under common control, as the ultimate controlling shareholder remain unchanged before and after the internal reorganisation. Accordingly, the consolidated financial statements of the Company represent a continuation of the acquired entity, i.e. PMI-Technology Sdn. Bhd. and the results of entity are presented as if reorganisation had occurred from the beginning of the earliest period presented in the financial statements.

In the consolidated financial statements of the Company, the Company incorporated to acquire the assets and liabilities of PMI-Technology Sdn. Bhd. at its pre-internal reorganisation carrying amounts without fair value uplift on the basis that there is no substantive economic change resulting from the internal reorganisation. No new goodwill was recorded. The difference between the shares issued by the Company to acquire PMI-Technology Sdn. Bhd. and the share capital of PMI-Technology Sdn. Bhd. was recorded in the capital reorganisation reserve or reorganisation deficit in equity, as applicable.

4.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and building are stated at revalued amounts based on periodic valuations, at least once in every 3 or 5 years, less subsequent depreciation for the building. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Freehold buildings	2%
Computers and software	20% - 33%
Electrical installation	10%
Furniture and fittings	8%
Motor vehicles	18% - 20%
Office equipment	10% - 33%
Plant and machinery	10% - 20%
Renovation	10%

4.7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Leasehold lands, factory buildings and workers' accommodation are stated at revalued amount less accumulated depreciation and any accumulated impairment workers' accommodation impairment losses recognised after the date of the revaluation.

Leasehold lands, factory buildings and workers' accommodation are stated at revalued amounts based on periodic valuations, at least once in every 3 or 5 years, less subsequent depreciation for building. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Office premises under lease period are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method, and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025 **RM'000**	**2024** **RM'000**
Unquoted shares, at cost:-		
At 18 March 2024 (Date of Incorporation)/1 January 2025	**-**	-
Acquisition during the financial year	**68,381**	-
At 31 December 2024/2025	**68,381**	-

The details of the subsidiaries are as follows:

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2025 %	2024 %	Principal Activities
Subsidiary of the Company				
PMI-Technology Sdn. Bhd.	Malaysia	**100**	-	Solutions provider of solid liquid filtration equipment, fabrication of steelworks and technical support services
Subsidiaries of PMI-Technology Sdn. Bhd.				
PMI Holding B.V. ^	Netherlands	**100**	100	Investment holding
PMI-Technology (SG) Pte Ltd #	Singapore	**100**	100	Trading of filtration equipment
Subsidiary of PMI Holding B.V.				
PMI-Tech Holding B.V. ^	Netherlands	**60.1**	60.1	Investment holding
Subsidiaries of PMI-Tech Holding B.V.				
PMI-Tech (Europe) B.V. ^	Netherlands	**100**	100	Solutions provider of solid liquid filtration equipment, and technical support services
PMI-Tech (USA) B.V. ^	Netherlands	**100**	100	Trading of filtration equipment
Subsidiary of PMI-Tech (USA) B.V.				
PMI-Tech NA, Inc. ^	United States	**70**	70	Trading of filtration equipment and technical support

^ *Not required to be audited under the laws of the country of incorporation.*

\# *The subsidiary was audited by other firms of chartered accountants.*

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) In conjunction with the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad, the Company undertook an internal reorganisation to acquire the entire issued share capital of PMI-Technology Sdn. Bhd.

On 2 May 2025, the Company completed the acquisition of the entire issued and paid-up share capital of PMI-Technology Sdn. Bhd. for a total purchase consideration of RM68,381,000 by issuance of 683,812,000 new ordinary shares as disclosed in Note 17 to the financial statements. In subsequent thereof, PMI-Technology Sdn. Bhd. became a wholly-owned subsidiary of the Company and consolidated under the reorgnisation scheme.

(b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2025	**2024**	**2025**	**2024**
	%	**%**	**RM'000**	**RM'000**
Indirect subsidiary				
PMI-Tech Europe B.V.	**39.90**	39.90	**1,889**	1,990
PMI-Tech NA, Inc.	**57.93**	57.93	**(1,544)**	(1,091)
Other individually immaterial subsidiaries			**1,002**	864
			1,347	1,763

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	PMI-Tech Europe B.V.	
	2025	**2024**
	RM'000	**RM'000**
At 31 December		
Non-current assets	**402**	132
Current assets	**11,581**	11,570
Non-current liabilities	**(216)**	-
Current liabilities	**(7,033)**	(6,713)
Net assets	**4,734**	4,989
Financial Year Ended 31 December		
Revenue	**29,069**	19,752
Profit after taxation for the financial year	**1,570**	1,977
Total comprehensive income	**1,570**	1,977
Total comprehensive income attributable to non-controlling interests	**626**	789
Net cash flows from operating activities	**168**	5,555
Net cash flows for investing activities	**(15)**	(477)
Net cash flows for financing activities	**(2,009)**	(82)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:- (Cont'd)

	PMI-Tech NA, Inc.	
	2025	**2024**
	RM'000	**RM'000**
At 31 December		
Non-current assets	**745**	1,105
Current assets	**2,941**	3,796
Non-current liabilities	**(515)**	(830)
Current liabilities	**(5,836)**	(5,955)
Net liabilities	**(2,665)**	(1,884)
Financial Year Ended 31 December		
Revenue	**13,498**	9,033
Loss after taxation for the financial year	**(1,008)**	(1,069)
Total comprehensive expense	**(1,008)**	(1,069)
Total comprehensive expense attributable to non-controlling interests	**(584)**	(619)
Net cash flows from operating activities	**169**	652
Net cash flows for investing activities	**-**	(98)
Net cash flows for financing activities	**(292)**	(322)

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2025 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation Charges RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2025 RM'000
2025							
Carrying Amount							
Freehold lands	**10,600**	**-**	**-**	**-**	**-**	**-**	**10,600**
Freehold buildings	**2,133**	**-**	**-**	**-**	**(43)**	**-**	**2,090**
Computers and software	**923**	**165**	**(2)**	**(3)**	**(301)**	**11**	**793**
Electrical installation	**541**	**-**	**-**	**-**	**(66)**	**-**	**475**
Furniture and fittings	**242**	**27**	**-**	**-**	**(37)**	**-**	**232**
Motor vehicles	**1,849**	**613**	**(285)**	**-**	**(793)**	**(3)**	**1,381**
Office equipment	**274**	**107**	**-**	**(1)**	**(54)**	**1**	**327**
Plant and machinery	**4,601**	**279**	**-**	**#**	**(663)**	**(1)**	**4,216**
Renovation	**3,623**	**346**	**-**	**-**	**(492)**	**-**	**3,477**
	24,786	**1,537**	**(287)**	**(4)**	**(2,449)**	**8**	**23,591**

Note:
 # - Amount less than RM1,000.

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2024 RM'000	Additions RM'000	Written off RM'000	Depreciation Charges RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2024 RM'000
2024						
Carrying Amount						
Freehold lands	10,600	-	-	-	-	10,600
Freehold buildings	2,072	105	-	(44)	-	2,133
Computers	725	476	(5)	(273)	-	923
Electrical installation	516	85	-	(60)	-	541
Furniture and fittings	240	47	-	(45)	-	242
Motor vehicles	2,024	612	-	(778)	(9)	1,849
Office equipment	251	62	(1)	(46)	8	274
Plant and machinery	2,995	2,142	(4)	(522)	(10)	4,601
Renovation	3,401	662	-	(440)	-	3,623
	22,824	4,191	(10)	(2,208)	(11)	24,786

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM'000	At Valuation RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2025				
Freehold lands	**-**	**10,600**	**-**	**10,600**
Freehold buildings	**-**	**2,177**	**(87)**	**2,090**
Computers	**2,230**	**-**	**(1,437)**	**793**
Electrical installation	**1,605**	**-**	**(1,130)**	**475**
Furniture and fittings	**834**	**-**	**(602)**	**232**
Motor vehicles	**6,509**	**-**	**(5,128)**	**1,381**
Office equipment	**1,215**	**-**	**(888)**	**327**
Plant and machinery	**12,879**	**-**	**(8,663)**	**4,216**
Renovation	**5,357**	**-**	**(1,880)**	**3,477**
	30,629	**12,777**	**(19,815)**	**23,591**
2024				
Freehold lands	-	10,600	-	10,600
Freehold buildings	-	2,177	(44)	2,133
Computers	2,103	-	(1,180)	923
Electrical installation	1,606	-	(1,065)	541
Furniture and fittings	808	-	(566)	242
Motor vehicles	6,971	-	(5,122)	1,849
Office equipment	1,155	-	(881)	274
Plant and machinery	12,632	-	(8,031)	4,601
Renovation	5,018	-	(1,395)	3,623
	30,293	12,777	(18,284)	24,786

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.1.2025 RM'000	Depreciation Charges RM'000	At 31.12.2025 RM'000
2025			
Carrying Amount			
Software	12	(3)	9

	At 18.3.2024 (Date of incorporation) RM'000	Additions RM'000	Depreciation Charges RM'000	At 31.12.2024 RM'000
2024				
Carrying Amount				
Software	-	12	#	12

The Company	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2025			
Software	**12**	**(3)**	**9**
2024			
Software	12	#	12

Note:
 # - Amount less than RM1,000.

(a) The freehold lands and buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) The details of the Group's property carried at fair value are analysed as follows:-

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
2025				
Freehold lands	**-**	**10,600**	**-**	**10,600**
Freehold buildings	**-**	**2,090**	**-**	**2,090**
	-	**12,690**	**-**	**12,690**
2024				
Freehold lands	-	10,600	-	10,600
Freehold buildings	-	2,133	-	2,133
	-	12,733	-	12,733

The level 2 fair values have been determined using the market comparison approach, which reflects recent transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between level 1 and 2 during the financial year.

The fair value measurements of the freehold lands and freehold buildings are based on the highest and best use which does not differ from their actual use.

7. RIGHT-OF-USE ASSETS

The Group	At 1.1.2025 RM'000	Reassessment of Lease Liabilities RM'000	Depreciation Charges RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2025 RM'000
2025					
Carrying Amount					
Leasehold lands	**9,096**	**-**	**(305)**	**-**	**8,791**
Factory buildings	**14,637**	**-**	**(463)**	**-**	**14,174**
Workers' accommodation	**239**	**-**	**(2)**	**-**	**237**
Office premises	**1,393**	**17**	**(346)**	**(73)**	**991**
	25,365	**17**	**(1,116)**	**(73)**	**24,193**

	At 1.1.2024 RM'000	Additions RM'000	Classified As Held for Sale RM'000	Depreciation Charges RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2024 RM'000
2024						
Carrying Amount						
Leasehold lands	9,620	-	(219)	(305)	-	9,096
Factory buildings	15,100	-	-	(463)	-	14,637
Workers' accommodation	120	240	(120)	(1)	-	239
Office premises	1,322	441	-	(345)	(25)	1,393
	26,162	681	(339)	(1,114)	(25)	25,365

7. RIGHT-OF-USE ASSETS (CONT'D)

(a) The Group leases certain pieces of leasehold lands, factory buildings, workers' accommodation and office premises of which the leasing activities are summarised below:-

(i)	Leasehold lands	The Group has entered into 5 (2024 - 5) non-cancellable operating lease agreements for the use of lands, respectively. The leases are for a period of 60 to 99 (2024 - 60 to 99) years with no renewal or purchase option included in the agreements. The leasehold lands cannot be transferred, sub-leased or encumbered without the approval from relevant authority.
(ii)	Factory buildings	The Group has entered into 3 (2024 - 3) non-cancellable operating lease agreements for the use of premises, respectively. The leases are for a period of 60 to 99 (2024 - 60 to 99) years with no renewal or purchase option included in the agreements.
(iii)	Workers' accommodation	The Group has entered into 2 (2024 - 2) non-cancellable operating lease agreements for the use of premises, respectively. The leases are for 99 (2024 - 99) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease the whole or any part of the premises.
(iv)	Office premises	The Group has entered into 2 (2024 - 2) leased office premises for a period of 5 (2024 - 5) years. 1 (2024 -1) lease with renewable option (2024 - renewable option) included in the agreement while 1 (2024 - 1) with no option to renew (2024 - no option to renew).

(b) The Group also has leases with terms of 12 months or less and leased of office premises, workers' accommodation and office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value-assets' recognition exemption for these leases.

(c) Certain leasehold lands and factory buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

7. RIGHT-OF-USE ASSETS (CONT'D)

(d) The details of the Group's rights-of-use assets carried at fair value are analysed as follows:-

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
2025				
Leasehold lands	**-**	**8,791**	**-**	**8,791**
Factory buildings	**-**	**-**	**14,174**	**14,174**
Workers' accommodation	**-**	**237**	**-**	**237**
	-	**9,028**	**14,174**	**23,202**
2024				
Leasehold lands	-	9,096	-	9,096
Factory buildings	-	-	14,637	14,637
Workers' accommodation	-	239	-	239
	-	9,335	14,637	23,972

The level 2 fair values have been determined using the market comparison approach, which reflects recent transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The level 3 fair values have been determined using existing use method which reference the indicative market value of similar properties in the vicinity on a price per square foot basis.

There were no transfers between level 1, 2 and 3 during the financial year.

The fair value measurements of the leasehold lands, factory buildings and workers' accommodation are based on the highest and best use which does not differ from their actual use.

(e) If the leasehold lands, factory buildings and workers' accommodation were measured using the cost model, the carrying amounts would be as follows:-

	The Group	
	2025 RM'000	2024 RM'000
Cost	**15,087**	15,087
Accumulated depreciation	**(4,931)**	(4,614)
	10,156	10,473

8. INVENTORIES

	The Group	
	2025 **RM'000**	**2024** **RM'000**
Raw materials	**13,403**	13,128
Work-in-progress	**4,480**	2,883
Goods-in-transits	**882**	1,812
Finished goods	**2,099**	212
	20,864	18,035
Recognised in profit or loss:-		
Inventories recognised as cost of sales	**68,536**	77,369

9. TRADE RECEIVABLES

	The Group	
	2025 **RM'000**	**2024** **RM'000**
Third parties	**14,684**	31,310
Allowance for impairment losses	**(365)**	(484)
	14,319	30,826

(a) The Group's normal trade credit terms range from 30 to 60 (2024 - 30 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

(b) Included in the Group's trade receivables are retention sums amounting to RM2,732,000 (2024 - RM4,523,000) which are expected to be recovered within 1 year.

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	2025 RM'000	**2024 RM'000**
Other receivables:-		
Third parties	**728**	439
Sales tax recoverable	**495**	78
	1,223	517
Advances to suppliers	**775**	436
Deposits	**180**	176
Prepayments	**898**	1,423
	3,076	2,552

	The Company	
	2025 RM'000	**2024 RM'000**
Other receivables	**339**	-
Deposits	**1**	-
Prepayments	**243**	3
	583	3

The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

11. CONTRACT ASSETS/(LIABILITIES)

	The Company	
	2025 RM'000	**2024 RM'000**
Contract Assets		
Contract assets relating to contracts	**16,377**	15,671
Contract Liabilities		
Contract liabilities relating to contracts	**(1,329)**	(8,063)

(a) The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues invoices in accordance with the contracts with customers.

(b) The contract liabilities primarily relate to advances received from customers for contract services. The amount will be recognised as revenue when the performance obligations are satisfied.

11. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2025 RM'000	**2024 RM'000**
At 1 January	**7,608**	8,285
Performance obligations performed	**67,833**	101,654
Transfer to trade receivables	**(60,393)**	(102,331)
At 31 December	**15,048**	7,608
Represented by:-		
Contract assets	**16,377**	15,671
Contract liabilities	**(1,329)**	(8,063)
	15,048	7,608

12. AMOUNT OWING BY A SUBSIDIARY

	The Company	
	2025 RM'000	**2024 RM'000**
Amount Owing by a Subsidiary		
Non-trade balances	**6,129**	-

The non-trade balances represent unsecured payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

13. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group	
	2025 RM'000	**2024 RM'000**
Amount Owing by a Related Party		
Trade balances	**2**	161
Allowance for impairment losses	**-**	(5)
	2	156

13. AMOUNTS OWING BY/(TO) RELATED PARTIES (CONT'D)

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Amount Owing to Related Parties				
Trade balances	**670**	227	**-**	-
Non-trade balances	**-**	28	**-**	105
	670	255	**-**	105

(a) The amount owing by is trade in nature. The Group's normal trade credit terms range from 30 to 60 (2024 - 30 to 60) days.

(b) The amount owing to is trade in nature. The Group's normal trade credit terms range from 30 to 60 (2024 - 30 to 60) days.

(c) In the previous financial year, the non-trade balances represented unsecured payments made on behalf. The amount owing was repayable on demand and was to be settled in cash.

14. SHORT-TERM INVESTMENTS

	The Group/The Company	
	2025 RM'000	**2024 RM'000**
Fixed income funds, at fair value	**20,360**	-

15. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.10% to 3.75% (2024 - 2.40% to 2.80%) per annum and 2.87% to 3.75% (2024 - Nil) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2024 - 30 to 365) days and 90 to 182 (2024 - Nil) for the Group and the Company respectively.

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period were an amount of RM9,557,000 (2024 - RM8,981,000) which has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

16. NON-CURRENT ASSETS HELD FOR SALE

The Group decided to dispose of two of its workers' accommodations and started to source for potential buyers. Accordingly, the workers' accommodations have been presented in the statements of financial position as "Non-current assets held for sale", measured at its fair value before it was reclassified as held for sale.

17. SHARE CAPITAL

	The Group			
	2025	2024	2025	2024
	Number of Shares			
	'000	'000	RM'000	RM'000
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	#	-	#	-
Incorporation of the Company	-	#	-	#
Issuance of new shares:				
- for acquisition of a subsidiary	683,812	-	68,381	-
- pursuant to public issues	232,188	-	62,691	-
Share issuance expenses	-	-	(1,745)	-
At 31 December	916,000	#	129,327	#

	The Company			
	2025	2024	2025	2024
	Number of Shares			
	'000	'000	RM'000	RM'000
Issued and Fully Paid-Up				
Ordinary Shares				
At 18 March 2024 (Date of Incorporation)/1 January 2025	#	#	#	#
Issuance of new shares:				
- for acquisition of a subsidiary	683,812	-	68,381	-
- pursuant to public issues	232,188	-	62,691	-
Share issuance expenses	-	-	(1,745)	-
At 31 December	916,000	#	129,327	#

Note:
 # - Amount less than RM1,000.

17. SHARE CAPITAL (CONT'D)

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) During the financial year, the Company increased its issued and paid-up share capital from RM10 to RM129,327,000 by way of the issuance of:-

(i) 683,812,000 new ordinary shares of RM0.10 each for purchase consideration of the acquisition of PMI-Technology Sdn. Bhd. as disclosed in Note 5(a) to the financial statements; and

(ii) 232,188,000 new ordinary shares at an issue price of RM0.27 each, pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,745,000 were offset against share capital of the Company.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

18. INVESTED EQUITY

	The Group			
	2025	**2024**	**2025**	**2024**
	Number of Shares			
	'000	**'000**	**RM'000**	**RM'000**
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	**14,200**	14,200	**14,200**	14,200
Effect of group reorganisation exercise	**(14,200)**	-	**(14,200)**	-
At 31 December	**-**	14,200	**-**	14,200

The invested equity at the end of the previous financial year comprise the issued and paid-up ordinary shares of PMI-Technology Sdn. Bhd. During the financial year, the invested equity has been reversed pursuant to the completion of acquisition of PMI-Technology Sdn. Bhd. by the Company.

19. RESERVES

		The Group		The Company	
		2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Retained profits/(Accumulated losses)		**50,606**	45,733	**(3,767)**	(95)
Foreign exchange translation reserve	(a)	**57**	(217)	**-**	-
Revaluation reserve	(b)	**10,597**	10,597	**-**	-
Reorganisation deficit	(c)	**(54,181)**	-	**-**	-
		7,079	56,113	**(3,767)**	(95)

19. RESERVES (CONT'D)

(a) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

(b) Revaluation Reserve

The revaluation reserve represents the increase in the fair value of leasehold lands, factory buildings and workers' accommodation of the Group (net of deferred tax, where applicable) presented under right-of-use assets.

(c) Reorganisation Deficit

The reorganisation deficit arose from the difference between the carrying value of the investment and the nominal value of shares issued of the subsidiary upon group reorganisation exercised.

20. LEASE LIABILITIES

	The Group	
	2025 RM'000	**2024 RM'000**
At 1 January	**1,444**	1,327
Additions	**-**	441
Changes due to lease reassessment	**17**	-
Interest expense recognised in profit or loss	**93**	118
Repayment of principal	**(308)**	(288)
Repayment of interest expense	**(93)**	(118)
Foreign exchange adjustments	**(91)**	(36)
At 31 December	**1,062**	1,444
Analysed by:-		
Current liabilities	**331**	324
Non-current liabilities	**731**	1,120
	1,062	1,444

21. BORROWINGS

		The Group	
		2025 RM'000	**2024 RM'000**
Non-current			
Secured			
Hire purchase payables		**1,962**	2,879
Current			
Secured			
Term loans	(a), (b)	**-**	86
Hire purchase payables		**1,087**	1,155
Bankers' acceptances	(b)	**10,475**	29,775
Invoice financing	(b)	**1,200**	-
Bank overdrafts	(b)	**873**	397
		13,635	31,413
Total		**15,597**	34,292

(a) Details of the repayment terms for term loans are as follows:-

Term loans	Number of Monthly Instalments	Monthly Instalment Amount RM'000	Commencement Date of Repayment	The Group 2025 RM'000	The Group 2024 RM'000
1	144	14	December 2012	**-**	86

(b) Term loans, bankers' acceptances, invoice financing and bank overdrafts

The borrowings of the Group are secured by:-

(i) a corporate guarantee by the Company and a related party, Pan-Merchant Industries Sdn. Bhd.;

(ii) a cash deposit agreement;

(iii) a deed of assignment of contract proceeds;

(iv) a legal charge over the freehold lands and buildings of the Group as disclosed in Note 6 to the financial statements;

(v) a legal charge over leasehold lands and factory buildings of the Group as disclosed in Note 7 to the financial statements;

(vi) a legal charge over the fixed deposits with licensed banks of the Group as disclosed in Note 15 to the financial statements; and

(vii) an assignment of life insurance policy of a director of the Group.

21. BORROWINGS (CONT'D)

(b) Term loans, bankers' acceptances, invoice financing and bank overdrafts (Cont'd)

In connection with certain borrowings, the Group has to comply with the following significant covenants:-

(i) for term loan and short-term borrowings, gearing ratio of not more than 3.0 times for a subsidiary company level and 4.0 times in Group level;

(ii) advances to subsidiaries, directors, shareholders and related party not more than RM10,000,000 for a subsidiary company level and RM13,000,000 for Group level; and

(iii) tangible net worth of not less than RM60,000,000 for Group.

The Group and the subsidiary company have complied with the loan covenants.

(c) The interest rate profile of the borrowings of the Group is summarised below:-

	The Group	
	2025	**2024**
Effective Interest Rate		
Term loans	**-**	5.26%
Hire purchase payables	**3.72% - 7.68%**	3.72% - 7.68%
Bankers' acceptances	**4.44% - 5.17%**	4.80% - 5.14%
Invoice financing	**4.60% - 5.01%**	-
Bank overdrafts	**3.65%**	7.88%

22. DEFERRED TAX LIABILITIES

The Group	At 1.1.2025 RM'000	Recognised In Profit or Loss RM'000	At 31.12.2025 RM'000
2025			
Property, plant and equipment	**396**	**(847)**	**(451)**
Right-of-use assets^	**3,347**	**(272)**	**3,075**
	3,743	**(1,119)**	**2,624**

	At 1.1.2024 RM'000	Recognised In Profit or Loss RM'000	At 31.12.2024 RM'000
2024			
Property, plant and equipment	834	(438)	396
Right-of-use assets^	3,347	-	3,347
	4,181	(438)	3,743

^ *Includes the deferred tax from the revaluation of right-of-use assets.*

23. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 (2024 - 30 to 120) days.

24. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Other payables:-				
Third parties	**1,227**	867	**88**	-
Advances from customers	**2,771**	6,095	**-**	-
	3,998	6,962	**88**	-
Accruals	**2,736**	2,494	**35**	5
	6,734	9,456	**123**	5

25. DERIVATIVE LIABILITY

	Contract/Notional Amount		The Group	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Forward currency contracts	**-**	944	**-**	-

The Group does not apply hedge accounting.

In the previous financial year, forward currency contracts are used to hedge the Group's purchases denominated in Euro ("EUR") for which firm commitments existed at the end of the reporting period. The settlement dates on forward currency contracts of 35 days after the end of the previous reporting period.

26. REVENUE

	The Group	
	2025 RM'000	**2024 RM'000**
Recognised over time		
Contracts with customers	**67,833**	101,654
Recognised at a point in time		
Sales of goods	**57,089**	38,872
Rendering of services	**1,115**	1,015
	58,204	39,887
	126,037	141,541

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 35.2 to the financial statements.

(b) The information about the performance obligations in contracts with customers is summarised below:-

Nature of Goods or Services	Timing and Method of Revenue Recognition	Significant Payment Terms	Variable Considerations	Warranty and Obligation for Returns or Refunds
Contracts with customers	When services are rendered using the cost incurred method.	Based on agreed milestones under the agreement. The credit period is 30 days from the invoice date.	Not applicable.	Assurance warranties of 12-18 months are given to customers.
Sales of spare parts	When goods are delivered and accepted by customers.	Credit period of 30 days from the invoice date.	Not applicable.	Not applicable.
Rendering of inspection and repair services	When services are rendered.	Credit period of 30 days from the invoice date.	Not applicable.	Not applicable.

27. NET REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2025 RM'000	**2024 RM'000**
Impairment losses :		
- trade receivables	**-**	(235)
- related party	**-**	(5)
Reversal of impairment losses:		
- trade receivables	**126**	27
	126	(213)

28. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**1.1.2025 to 31.12.2025 RM'000**	**18.3.2024 to 31.12.2024 RM'000**
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees				
- current financial year	**256**	100	**20**	5
- non-audit fees				
- current financial year	**5**	-	**5**	-
- underprovision in the previous financial year	**-**	110	**-**	-
Directors' remuneration	**3,957**	3,098	**356**	40

28. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2025 RM'000	2024 RM'000	1.1.2025 to 31.12.2025 RM'000	18.3.2024 to 31.12.2024 RM'000
Material Expenses/(Income)				
Depreciation:				
- property, plant and equipment	**2,449**	2,208	**3**	#
- rights-of-use assets	**1,116**	1,114	**-**	-
Lease expenses on short-term leases	**419**	447	**-**	-
Loss/(gain) on foreign exchange:				
- realised	**1,054**	192	**-**	-
- unrealised	**(859)**	1,085	**-**	-
Property, plant and equipment written off	**4**	10	**-**	-
Staff costs (including other key management personnel as disclosed in Note 33):				
- short-term employee benefits	**24,591**	23,489	**24**	-
- contribution to defined contribution benefits	**2,073**	1,866	**-**	-
Interest expenses on financial liabilities that are not at fair value through profit or loss:				
- terms loans	**1**	22	**-**	-
- bank overdraft	**32**	31	**-**	-
- bankers' acceptances	**672**	1,410	**-**	-
- invoice financing	**22**	23	**-**	-
- hire purchase payables	**217**	238	**-**	-
Interest expense on lease liabilities	**93**	118	**-**	-
Gain on disposal of property, plant and equipment	**(35)**	(100)	**-**	-
Total interest income on financial assets measured at amortised cost	**(760)**	(280)	**(461)**	-
Total interest income on financial assets measured at fair value through profit or loss	**(440)**	-	**(440)**	-

29. INCOME TAX EXPENSE

Income Tax Expenses Recognised in Profit or Loss

	The Group		The Company	
	2025 RM'000	2024 RM'000	1.1.2025 to 31.12.2025 RM'000	18.3.2024 to 31.12.2024 RM'000
Current tax expense	**2,291**	3,872	**107**	-
Underprovision in the previous financial year	**545**	172	**-**	-
	2,836	4,044	**107**	-
Deferred tax:				
- origination and reversal of temporary differences	**(351)**	(438)	**-**	-
- overprovision in the previous financial year	**(768)**	-	**-**	-
	1,717	3,606	**107**	-

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	1.1.2025 to 31.12.2025 RM'000	18.3.2024 to 31.12.2024 RM'000
Profit/(Loss) before taxation	**6,969**	11,609	**(3,565)**	(95)
Tax at the statutory tax rate of 24%	**1,673**	2,786	**(856)**	(23)
Tax effects of:-				
Non-taxable income	**(658)**	(24)	**(104)**	-
Non-deductible expenses	**1,268**	1,114	**1,067**	23
Utilisation of tax incentives	**(378)**	(291)	**-**	-
Differential in tax rate of foreign subsidiaries	**35**	(151)	**-**	-
Underprovision of current tax in the previous financial year	**545**	172	**-**	-
Overprovision of deferred taxation in the previous financial year	**(768)**	-	**-**	-
	1,717	3,606	**107**	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

30. OTHER COMPREHENSIVE INCOME/(EXPENSE)

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Items that Will be Reclassified Subsequently to Profit or Loss		
Foreign currency translation:		
- changes during the financial year	**334**	(357)

31. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Profit after taxation attributable to owners of the Company	**4,968**	7,678
Weighted average number of ordinary shares in issue	**800,860^**	683,812*
Basic earnings per share (sen)	**0.62**	1.12

* In determining the weighted average number of ordinary shares issued by the Company, the issuance of shares pursuant to group reorganisation exercise is treated as if it had been in issue since the beginning of the earliest period presented.

^ In determining the weighted average number of ordinary shares issued by the Company, the issuance of shares pursuant to group reorganisation exercise is treated as if it had been in issue since the beginning of the earliest period presented and issuance of new shares pursuant to public issues.

(b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares during the financial year.

32. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Property, Plant and Equipment				
Cost of property, plant and equipment purchased	**1,537**	4,191	**-**	12
Less: Acquired through hire purchase arrangements	**(480)**	(2,003)	**-**	-
	1,057	2,188	**-**	12
Right-of-use Assets				
Cost of right-of-use assets acquired	**-**	681	**-**	-
Less: Additions of new lease liabilities	**-**	(441)	**-**	-
	-	240	**-**	-

32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

The Group	Lease Liabilities RM'000	Term Loans RM'000	Hire Purchase Payables RM'000	Bankers' Acceptances RM'000	Invoice Financing RM'000	Total RM'000
2025						
At 1 January	1,444	86	4,034	29,775	-	35,339
Changes in Financing Cash Flows						
Proceeds from drawdown	-	-	-	46,719	3,055	49,774
Repayment of principal	(308)	(86)	(1,465)	(66,019)	(1,855)	(69,733)
Repayment of interests	(93)	(1)	(217)	(672)	(22)	(1,005)
	(401)	(87)	(1,682)	(19,972)	1,178	(20,964)
Other Changes						
Acquisition of new leases	-	-	480	-	-	480
Reassessments of leases	17	-	-	-	-	17
Interest expense recognised in profit or loss	93	1	217	672	22	1,005
Foreign exchange adjustments	(91)	-	-	-	-	(91)
	19	1	697	672	22	1,411
At 31 December	1,062	-	3,049	10,475	1,200	15,786

32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Lease Liabilities RM'000	Term Loans RM'000	Hire Purchase Payables RM'000	Bankers' Acceptances RM'000	Invoice Financing RM'000	Total RM'000
2024						
At 1 January	1,327	876	3,106	26,754	1,107	33,170
Changes in Financing Cash Flows						
Proceeds from drawdown	-	-	-	79,204	1,249	80,453
Repayment of principal	(288)	(790)	(1,075)	(76,183)	(2,356)	(80,692)
Repayment of interests	(118)	(22)	(238)	(1,410)	(23)	(1,811)
	(406)	(812)	(1,313)	1,611	(1,130)	(2,050)
Other Changes						
Acquisition of new leases	441	-	2,003	-	-	2,444
Interest expense recognised in profit or loss	118	22	238	1,410	23	1,811
Foreign exchange adjustments	(36)	-	-	-	-	(36)
	523	22	2,241	1,410	23	4,219
At 31 December	1,444	86	4,034	29,775	-	35,339

32. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2025 RM'000	**2024 RM'000**
Payment of short-term leases	**419**	447
Interest paid on lease liabilities	**93**	118
Payment of lease liabilities	**308**	288
	820	853

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Fixed deposits with licensed banks	**30,718**	11,070	**20,093**	-
Cash and bank balances	**23,812**	13,777	**10,179**	#
Bank overdrafts	**(873)**	(397)	**-**	-
	53,657	24,450	**30,272**	#
Less: Fixed deposits pledged to licensed banks	**(9,557)**	(8,981)	**-**	-
Fixed deposits with tenures exceeding 3 months	**(10,000)**	-	**(10,000)**	-
	34,100	15,469	**20,272**	#

Note:
 # - Amount less than RM1,000.

33. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	1.1.2025 to 31.12.2025 RM'000	18.3.2024 to 31.12.2024 RM'000
(a) Directors				
Directors of the Company				
Short-term employee benefits:				
- fees	**356**	-	**356**	40
- salaries, bonuses and other benefits	**3,403**	2,890	**-**	-
	3,759	2,890	**356**	40
Contribution to defined contribution benefits	**198**	208	**-**	-
	3,957	3,098	**356**	40
Directors of the Subsidiaries				
Short-term employee benefits	**1,651**	1,139	**-**	-
Contribution to defined contribution benefits	**159**	36	**-**	-
	1,810	1,175	**-**	-
Total directors' remuneration	**5,767**	4,273	**356**	40

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM105,000 and RM105,000 (2024 - Nil) respectively.

	The Group 2025 RM'000
(b) Other Key Management Personnel	
Short-term employee benefits	**2,670**
Contribution to defined contribution benefits	**289**
Total compensation for other key management personnel	**2,959**

34. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group	
	2025 RM'000	**2024 RM'000**
Sales to a related party	**6,238**	4,849
Provision of support services by a related party	**-**	(13)
Purchases from a related party	**(1,098)**	(1,671)
Administration costs charged by related parties	**(37)**	(56)
Labour cost charged by a related party	**-**	(282)
Management fee charged by a related party	**(193)**	(198)
Rental of office charged by a related party	**(106)**	(104)

The significant outstanding balances of the subsidiary and related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the Financial Statements.

35. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

35.1 BUSINESS SEGMENTS

The Group operates predominantly in one business segment i.e. business of solutions provider of solid liquid filtration equipment, fabrication of steelworks and technical support services in Malaysia. Accordingly, the information by business segment is not presented.

35. OPERATING SEGMENTS (CONT'D)

35.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	Revenue	
	2025 RM'000	**2024 RM'000**
The Group		
Europe	**27,266**	17,496
Indonesia	**27,013**	54,217
Malaysia	**26,606**	14,992
Africa	**769**	3,421
America	**23,710**	27,706
Australia	**2,666**	-
Asia (excluding Malaysia and Indonesia)	**18,007**	23,709
	126,037	141,541

The geographical information for non-current assets is not presented as the Group operates primarily in Malaysia during the reporting period.

35.3 MAJOR CUSTOMERS

The following are the major customers with revenue equal to or more than 10% of the Group's revenue respectively:-

	Revenue	
	2025 RM'000	**2024 RM'000**
Customer 1	**26,123**	45,105
Customer 2	*****	22,671
Customer 3	**24,501**	*

* *Less than 10%*

36. CAPITAL COMMITMENT

	The Group	
	2025 **RM'000**	**2024** **RM'000**
Purchase of property, plant and equipment	**1,584**	-

37. CONTINGENT LIABILITIES

	The Group	
	2025 **RM'000**	**2024** **RM'000**
Performance guarantee extended by the subsidiary to third parties	**3,541**	5,385

38. FINANCIAL INSTRUMENTS

The activities of the Group and the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

38.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Indonesian Rupiah ("IDR"), Singapore Dollar ("SGD") and Euro ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	United States Dollar RM'000	Indonesian Rupiah RM'000	Singapore Dollar RM'000	Euro RM'000	Ringgit Malaysia RM'000	Total RM'000
2025						
Financial Assets						
Trade receivables	**1,224**	**-**	**126**	**8,166**	**4,803**	**14,319**
Other receivables	**-**	**-**	**-**	**-**	**728**	**728**
Amount owing by a related party	**-**	**-**	**-**	**2**	**-**	**2**
Short-term investments	**-**	**-**	**-**	**-**	**20,360**	**20,360**
Fixed deposits with licensed banks	**-**	**-**	**-**	**-**	**30,718**	**30,718**
Cash and bank balances	**1,444**	**-**	**186**	**6,904**	**15,278**	**23,812**
	2,668	**-**	**312**	**15,072**	**71,887**	**89,939**

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Indonesian Rupiah RM'000	Singapore Dollar RM'000	Euro RM'000	Ringgit Malaysia RM'000	Total RM'000
2025						
Financial Liabilities						
Trade payables	**387**	**5**	**-**	**3,127**	**8,963**	**12,482**
Other payables and accruals	**1,728**	**-**	**24**	**783**	**4,199**	**6,734**
Amount owing to related parties	**-**	**-**	**-**	**670**	**-**	**670**
Borrowings	**-**	**-**	**-**	**-**	**15,597**	**15,597**
	2,115	**5**	**24**	**4,580**	**28,759**	**35,483**
Net financial assets/(liabilities)	**553**	**(5)**	**288**	**10,492**	**43,128**	**54,456**
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	**696**	**-**	**(61)**	**(8,717)**	**(43,128)**	**(51,210)**
	1,249	**(5)**	**227**	**1,775**	**-**	**3,246**

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Indonesian Rupiah RM'000	Singapore Dollar RM'000	Euro RM'000	Ringgit Malaysia RM'000	Total RM'000
2024						
Financial Assets						
Trade receivables	2,374	-	32	9,930	18,490	30,826
Other receivables	-	-	-	-	439	439
Amount owing by a related party	-	-	-	156	-	156
Fixed deposits with licensed banks	-	-	-	-	11,070	11,070
Cash and bank balances	1,642	-	270	7,395	4,470	13,777
	4,016	-	302	17,481	34,469	56,268

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Indonesian Rupiah RM'000	Singapore Dollar RM'000	Euro RM'000	Ringgit Malaysia RM'000	Total RM'000
2024						
Financial Liabilities						
Trade payables	199	8	-	3,218	9,836	13,261
Other payables and accruals	3,575	-	10	2,754	3,117	9,456
Amount owing to related parties	-	-	-	255	-	255
Borrowings	-	-	-	-	34,292	34,292
	3,774	8	10	6,227	47,245	57,264
Net financial assets/(liabilities)	242	(8)	292	11,254	(12,776)	(996)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	1,237	-	(191)	(6,333)	12,776	7,489
Less: Forward foreign currency contracts (contracted notional principal)	-	-	-	(944)	-	(944)
	1,479	(8)	101	3,977	-	5,549

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2025 RM'000	**2024 RM'000**
Effects on Profit After Taxation		
USD/RM		
- strengthened by 5%	**+47**	+56
- weakened by 5%	**-47**	-56
IDR/RM		
- strengthened by 5%	**#**	#
- weakened by 5%	**#**	#
SGD/RM		
- strengthened by 5%	**+9**	+4
- weakened by 5%	**-9**	-4
EUR/RM		
- strengthened by 5%	**+67**	+151
- weakened by 5%	**-67**	-151

Note:
 # - Amount less than RM1,000.

There is no impact on the Group's equity.

The Company does not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variables rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group is not subject to interest rate risk since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 21 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonable possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

The Company does not have any interest-bearing borrowings and hence, are not exposed to interest rate risk.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 4 (2024 - 2) customers which constituted approximately 71% (2024 - 61%) of its trade receivables and contract assets (including related parties), net of loss allowance.

The Company does not have any significant credit risk related to any individual customer or counterparty.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM 12,547,000 (2024 - Nil), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of the following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:
- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate. The Group and the Company use a more lagging past due criterion for trade receivables when it is more appropriate to reflect their loss patterns.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The expected loss rates are based on the payment profiles of sales over 24 (2024 - 24) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate, Gross Domestic Product (GDP) and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

The Group	Credit Impaired RM'000	Total RM'000
Trade Receivables		
Balance at 1.1.2024	276	276
Additions	235	235
Reversals	(27)	(27)
Foreign exchange adjustments	#	#
Balance at 31.12.2024/1.1.2025	**484**	**484**
Reversals	**(126)**	**(126)**
Foreign exchange adjustments	**7**	**7**
Balance at 31.12.2025	**365**	**365**

Note:
 # - Amount less than RM1,000

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

The Group	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
2025				
Current (not past due)	**8,616**	**-**	**-**	**8,616**
1 to 30 days past due	**1,560**	**-**	**-**	**1,560**
31 to 365 days past due	**3,612**	**-**	**-**	**3,612**
More than 1 year past due	**531**	**-**	**-**	**531**
Credit impaired	**365**	**(365)**	**-**	**-**
Trade receivables	**14,684**	**(365)**	**-**	**14,319**
Contract assets	**16,377**	**-**	**-**	**16,377**
	31,061	**(365)**	**-**	**30,696**
2024				
Current (not past due)	17,428	-	-	17,428
1 to 30 days past due	2,977	-	-	2,977
31 to 365 days past due	10,364	-	-	10,364
More than 1 year past due	57	-	-	57
Credit impaired	484	(484)	-	-
Trade receivables	31,310	(484)	-	30,826
Contract assets	15,671	-	-	15,671
	46,981	(484)	-	46,497

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowances for impairment losses.

Other Receivables

The Group and the Company apply the 3-stage general approach to measure expected credit losses for its other receivables, amount owing by subsidiaries, and amounts owing by related parties.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit losses are recognised on other receivables as they are negligible.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks to be of low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company also applies the 3-stage general approach (see information in other receivables above) to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures expected credit losses on an individual basis, which aligns with its credit risk management practices on the inter-company balances.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The Company uses 3 categories to reflect its credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Company considers loans and advances to subsidiaries to be of low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. This is because the Company is able to determine the timing of payments and the loans and advances are to be in default when the subsidiaries are unable to pay when demanded.

For loans and advances that are not repayable on demand, impairment losses are measured using techniques similar to those for estimating impairment losses of other receivables, as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiary are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:
- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties to which the financial guarantee contracts were issued. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period:-

The Group	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000
2025						
Non-derivative Financial Liabilities						
Trade payables	-	12,482	12,482	12,482	-	-
Other payables and accruals	-	6,734	6,734	6,734	-	-
Amount owing to related parties	-	670	670	670	-	-
Bankers' acceptances	4.44 - 5.17	10,475	10,475	10,475	-	-
Invoice financing	4.60 - 5.01	1,200	1,200	1,200	-	-
Bank overdrafts	3.65	873	873	873	-	-
Hire purchases payables	3.72 - 7.68	3,049	3,331	1,237	2,094	-
Lease liabilities	4.16 - 8.50	1,062	1,184	397	787	-
		36,545	36,949	34,068	2,881	-

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period (Cont'd):-

The Group	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000
2024						
Non-derivative Financial Liabilities						
Trade payables	-	13,261	13,261	13,261	-	-
Other payables and accruals	-	9,456	9,456	9,456	-	-
Amount owing to related parties	-	255	255	255	-	-
Bankers' acceptances	4.80 - 5.14	29,775	29,775	29,775	-	-
Bank overdrafts	7.88	397	397	397	-	-
Term loans	5.26	86	87	87	-	-
Hire purchases payables	3.72 - 7.68	4,034	4,509	1,373	3,136	-
Lease liabilities	4.16 - 8.50	1,444	1,670	420	1,250	-
		58,708	59,410	55,024	4,386	-

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period (Cont'd):-

The Company	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000
2025						
Non-derivative Financial Liabilities						
Other payables and accruals	-	123	123	123	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiary*	-	12,547	12,547	12,547	-	-
		12,670	12,670	12,670	-	-

* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not material.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period (Cont'd):-

The Company	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000
2024						
Non-derivative Financial Liabilities						
Other payables and accruals	-	5	5	5	-	-
Amount owing to related parties	-	105	105	105	-	-
		110	110	110	-	-

38. FINANCIAL INSTRUMENTS (CONT'D)

38.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group include within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period are as follows:-

	The Group	
	2025 RM'000	**2024 RM'000**
Borrowings	**15,597**	34,292
Less: Cash and cash equivalents	**(34,100)**	(15,469)
Net debt	**(18,503)**	18,823
Total equity	**137,753**	72,076
Debt-to-equity ratio	*	0.26

There were no changes in the approach to capital management during the financial year.

* Not applicable as the Group's cash and cash equivalents exceed its borrowings.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Financial Asset				
Fair Value Through Profit or Loss				
Short-term investments	**20,360**	-	**20,360**	-
Amortised cost				
Trade receivables	**14,319**	30,826	**-**	-
Other receivables	**728**	439	**339**	-
Amount owing by a subsidiary	**-**	-	**6,129**	-
Amount owing by a related party	**2**	156	**-**	-
Fixed deposits with licensed banks	**30,718**	11,070	**20,093**	-
Cash and bank balances	**23,812**	13,777	**10,179**	#
	69,579	56,268	**36,740**	#
Financial Liability				
Amortised cost				
Trade payables	**12,482**	13,261	**-**	-
Other payables and accruals	**6,734**	9,456	**123**	5
Amount owing to related parties	**670**	255	**-**	105
Bankers' acceptances	**10,475**	29,775	**-**	-
Invoice financing	**1,200**	-	**-**	-
Bank overdraft	**873**	397	**-**	-
Term loans	**-**	86	**-**	-
Hire purchase payables	**3,049**	4,034	**-**	-
	35,483	57,264	**123**	110

38. FINANCIAL INSTRUMENTS (CONT'D)

38.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**1.1.2025 to 31.12.2025 RM'000**	**18.3.2024 to 31.12.2024 RM'000**
Financial Assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss by:				
- mandatorily required by MFRS 9	**(440)**	-	**(440)**	-
Amortised Cost				
Net gain recognised in profit or loss	**(886)**	(67)	**(461)**	-
Financial Liabilities				
Amortised Cost				
Net losses recognised in profit or loss	**944**	1,724	**-**	-

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
2025					
Financial Assets					
Short-term investments					
- fixed income funds	**-**	**20,360**	**-**	**20,360**	**20,360**

The Group	Fair Value of Financial Instruments Not Carried at Fair Value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
2024					
Financial Liability					
Term loans	-	86	-	86	86

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair value of fixed income funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into at the close of business at the end of the reporting period.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

In the previous financial year, the fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

There were no transfer between level 1 to level 2 during the financial year.

39. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

(a) In conjunction with the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad, the Company undertook an internal reorganisation to acquire the entire issued share capital of PMI-Technology Sdn. Bhd.

On 2 May 2025, the Company completed the acquisition of the entire issued and paid-up share capital of PMI-Technology Sdn. Bhd. for a total purchase consideration of RM68,381,000 by issuance of 683,812,000 new ordinary shares. In subsequent thereof, PMI-Technology Sdn. Bhd. became a wholly-owned subsidiary of the Company and consolidated under the reorgnisation scheme.

(b) On 26 June 2025, the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad with the public issue of 232,188,000 new ordinary shares at a price of RM0.27 each.

40. SIGNIFICANT EVENT OCCURRING AFTER THE FINANCIAL YEAR

On 25 March 2026, the Company declared an interim dividend of 0.20 sen per ordinary share amounting to RM1,832,000 in respect of the current financial year, payable on 30 April 2026, to shareholders whose names appeared in the record of depositors on 10 April 2026. The financial statements for the current financial year do not reflect this interim dividend. Such a dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

41. COMPARATIVES FIGURE

(a) The Group

The comparative figures of the Group were presented based on the financial statements of the Company and PMI-Technology Sdn. Bhd., as if the reorganisation had occurred before the start of the earliest period presented.

(b) The Company

The comparative figures of the Company covered for the financial period from 18 March 2024 (date of incorporation) to 31 December 2024. Consequently, the comparative figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and their related notes are not comparable to that for the current 12-month period ended 31 December 2025.

List of Group Properties

Title details/Property address	Description	Existing Use	Tenure and Year of expiry	Age of property (Years)	Land/Gross built-up area	Net Book Value as at 31 December 2025 (RM'000)	Date of last revaluation/ Date of acquisition
Headquarters **Title details:** HS(D) 102262 PT16076, Mukim Damansara Daerah Petaling, Negeri Selangor Darul Ehsan **Property address:** 17, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor	2½-storey semi-detached factory	Headquarters, manufacturing facility, warehouse and storage facility	Freehold	26	**Land area:** 892 sq. m. / 9,601 sq. ft. **Gross built-up area:** 714.50 sq. m./ 7,691 sq. ft.	6,345	30 November 2023
Headquarters **Title details:** HS(D) 102263 PT16077, Mukim Damansara Daerah Petaling, Negeri Selangor Darul Ehsan **Property address:** 19, Jalan Pengacara U1/48, Temasya Industrial Park, 40150 Shah Alam, Selangor	2½-storey semi-detached factory	Head office and manufacturing facility, warehouse and storage facility	Freehold	26	**Land area:** 892 sq. m. / 9,601 sq. ft. **Gross built-up area:** 714.50 sq. m./ 7,691 sq. ft.	6,345	30 November 2023
Jelapang Plant 1 **Title details:** PN 59890, Lot 120056, Mukim Hulu Kinta, Daerah Kinta Negeri Perak Darul Ridzuan **Property address:** No. 3, Hala Jati 10, Taman Meru Industrial Estate, 30020 Jelapang, Ipoh, Perak	An industrial premise comprising a single-storey detached factory annexed with a double-storey office building, single-storey detached factory and other ancillary buildings	Manufacturing facility	Leasehold of 60 years, expiring on 6 September 2043	37	**Land area:** 6,367 sq. m. / 68,534 sq. ft. **Gross built-up area:** 4,265 sq. m. / 45,908 sq. ft.	2,696	31 December 2023

List of Group Properties

Title details/Property address	Description	Existing Use	Tenure and Year of expiry	Age of property (Years)	Land/Gross built-up area	Net Book Value as at 31 December 2025 (RM'000)	Date of last revaluation/ Date of acquisition
Jelapang Plant 2 **Title details:** PN 115323, Lot 198618, Mukim Hulu Kinta, Daerah Kinta Negeri Perak Darul Ridzuan **Property address:** Lot 2, Kawasan Perindustrian Taman Meru 3B, Jalan Jelapang, 30020 Jelapang, Ipoh Perak	An industrial premise comprising a single-storey warehouse, a double-storey office building, and other ancillary buildings	Manufacturing facility	Leasehold of 99 years, expiring on 29 October 2091	30	**Land area:** 5,666 sq. m. / 60,988 sq. ft. **Gross built-up area:** 3,184 sq. m. / 34,272 sq. ft.	5,338	31 December 2023
Lahat Plant **Title details:** H.S.(D) 199747, PT 232222, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak **Property address:** Lot 11004, 4 ¾ Miles, Jalan Lahat, 31500 Lahat, Perak	An industrial premise comprising a single-storey detached factory annexed with a double-storey office, a single-storey warehouse, a two and half storey office building and other ancillary buildings	Manufacturing facility	Leasehold of 60 years, expiring on 29 November 2053	12	**Land area:** 27,755 sq.m. / 298,752 sq. ft. **Gross built-up area:** 13,060 sq.m. / 140,576 sq. ft.	14,930	31 December 2023
Title details: Pajakan Mukim 31297, Lot 38977, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak **Property address:** 88, Jalan Merah 1/4 L, Kampung Baru Bukit Merah, 31500 Lahat, Perak	One single storey terrace house	Workers' accommodation	Leasehold of 99 years, expiring on 12 December 2110	14	Land area: 365 sq. m. / 3,929 sq. ft.	237	9 August 2024

List of Group Properties

Title details/Property address	Description	Existing Use	Tenure and Year of expiry	Age of property (Years)	Land/Gross built-up area	Net Book Value as at 31 December 2025 (RM'000)	Date of last revaluation/ Date of acquisition
Title details: PN 184393, Lot 150235, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak **Property address:** 28, Laluan Jati 3, Taman Seri Meru, 30020 Ipoh, Perak	Double storey low-cost terrace house	Held for sales	Leasehold of 99 years, expiring on 12 October 2086	15	Land area: 89 sq. m. / 958 sq. ft.	170	31 December 2023
Title details: PN 184438, Lot 150263, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak **Property address:** 29, Laluan Jati 3, Taman Seri Meru, 30020 Ipoh, Perak	Double storey low-cost terrace house	Held for sales	Leasehold of 99 years, expiring on 12 October 2086	15	Land area: 89 sq. m. / 958 sq. ft.	170	31 December 2023

Analysis of Shareholdings

As at 31 March 2026

Total Number of Issued Shares	:	916,000,000 Ordinary Shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share
Number of shareholders	:	911

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100	0	0	0.00
100 – 1,000	306	129,500	0.01
1,001 – 10,000	247	1,270,600	0.14
10,001 – 100,000	218	7,988,200	0.87
100,001 – 45,800,000 *	132	327,085,508	35.71
45,800,001 and above **	8	579,526,192	63.27
Total	911	916,000,000	100.00

Notes:
* *Less than 5% of issued shares*
** *5% and above of issued shares*

SHAREHOLDING OF DIRECTORS

	Direct Interest		Indirect Interest	
Name of Directors	**No. of Holders**	**%**	**No. of Shares**	**%**
Datuk Tan Leh Kiah	1,006,700	0.11	-	-
Wong Voon Ten	136,762,420	14.93	-	-
Wong Nyeon Thiat	51,285,908	5.60	137,262,420 (1)	14.98
Wong Voon Yoong	136,762,420	14.93	2,162,500 (1)	0.24
Wong Voon Shek	85,476,512	9.33	-	-
Lee Cheng Ngee	136,762,420	14.93	51,785,908 (1)	5.65
Datin Ooi Swee Lian	100,000	0.01	-	-
Fong Kit Chiu	100,000	0.01	-	-
Ir. Viyasan K Krishnan	150,000	0.02	-	-

Note:
(1) Deemed interested through his/her spouse's spouse's and children's shareholding in the Company pursuant to Section 8 of the Companies Act 2016 ("the Act").

Analysis of Shareholdings

As at 31 March 2026

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

	Direct Interest		Indirect Interest	
Name of Directors	No. of Holders	%	No. of Shares	%
Budhi Sentoso Rachmat	118,762,420	12.97	-	-
Lee Cheng Ngee	136,762,420	14.93	51,785,908 (2)	5.65
Wong Voon Ten	136,762,420	14.93	-	-
Wong Voon Yoong	136,762,420	14.93	2,162,500 (2)	0.24
Wong Voon Shek	85,476,512	9.33	-	-
Wong Nyeon Thiat	51,285,908	5.60	137,262,420 (2)	14.98

Note:
(2) Deemed interested through his/her spouse's and children's shareholding in the Company pursuant to Section 8 of the Companies Act 2016 ("the Act").

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of shareholders	No of shares held	% of Issued Capital
1	BUDHI SENTOSO RACHMAT	118,762,420	12.97
2	LEE CHENG NGEE	81,762,420	8.93
3	WONG VOON TEN	81,762,420	8.93
4	WONG VOON YOONG	81,762,420	8.93
5	ABB NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE CHENG NGEE	55,000,000	6.00
6	ABB NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG VOON YOONG	55,000,000	6.00
7	ABB NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG VOON TEN	55,000,000	6.00
8	WONG VOON SHEK	50,476,512	5.51
9	ABB NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG NYEON THIAT	35,000,000	3.82
10	ABB NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG VOON SHEK	35,000,000	3.82
11	AFFIN HWANG INVESTMENT BANK BERHAD IVT (GAB) GABRIEL LIU SHOU YI	31,974,400	3.49
12	LEONG BUH KWONG	28,000,000	3.06
13	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TANG VEE MUN (DATUK)	22,222,200	2.43
14	YAP KENG FATT	19,131,100	2.09
15	LOH KAM KEONG	19,100,000	2.09
16	CHIEW POH HAR	17,708,000	1.93
17	WONG NYEON THIAT	16,285,908	1.78

Analysis of Shareholdings

As at 31 March 2026

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name of shareholders	No of shares held	% of Issued Capital
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG BUH KWONG (E-SS2)	15,333,300	1.67
19	TAN CHENG CHAI	11,000,000	1.20
20	CHEE TING TUAN	3,703,700	0.40
21	NG KOON FOOK	3,703,700	0.40
22	GAN KOK HWA	3,000,000	0.33
23	YEE BOON YEOW	2,563,600	0.28
24	HOH DING WEI	2,413,000	0.26
25	ONE OCEAN ENVIRONMENT SDN.BHD.	2,222,200	0.24
26	UNG CHIEW HWA	2,000,000	0.22
27	CHEAH SUAN LEE	1,851,800	0.20
28	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR KUMPULAN SENTIASA CEMERLANG SDN BHD (TSTAC/CLNT)	1,800,000	0.20
29	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	1,500,000	0.16
30	LEW YOU SEN	1,500,000	0.16
	TOTAL	**856,539,100**	**93.51**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Second (2nd) Annual General Meeting of the Company will be held at Level 26, Auditorium, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur on Thursday, 4 June 2026 at 10.30 a.m. to transact the following:

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors' Report and the Auditors' Report thereon.	**[Please refer to Note A]**
2.	To approve the payment of Directors' Fees and benefits amounting to RM356,521 in respect of the financial year ended 31 December 2025.	**Resolution 1**
3.	To approve the payment of Directors' Fees and benefits up to an amount not exceeding RM1,000,000 for the financial year ending 31 December 2026 and up to the date of the next Annual General Meeting of the Company.	**Resolution 2**
4.	To re-elect the following Directors, who shall retire by rotation in accordance with Clause 94 of the Company's Constitution and being eligible, offer themselves for re-election:	
	i. Mr. Wong Voon Ten	**Resolution 3**
	ii. Datuk Seri Nurmala binti Abd Rahim	**Resolution 4**
	iii. Mr. Fong Kit Chiu	**Resolution 5**
5.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Board of Directors to fix their remuneration.	**Resolution 6**

As Special Business

6. Ordinary Resolution
Authority to Allot and Issue Shares Pursuant to Sections 75 & 76 of the Companies Act, 2016 ("Act") — **Resolution 7**

"THAT subject to the Act, the Constitution of the Company and the approvals of the Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 & 76 of the Act to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

THAT pursuant to Section 85 of the Act, read together with Clauses 5 and 15 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Act.

7. **Ordinary Resolution**
Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") **Resolution 8**

"THAT subject always to the provisions of the ACE Market Listing Requirements of Bursa Securities and other relevant statutory and/or regulatory requirements, the Company and/or its subsidiaries be authorised, to the fullest extent permitted by law, to enter into and to give effect to the specified the Related Parties as set in Circular to Shareholders dated 30 April 2026 which are necessary for its day-to-day operations in the ordinary course of business, to be entered into by the Company and/or its subsidiaries on the basis that these transactions are entered into on transaction prices and terms which are not more favourable to the specified RRPTs with the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such authority is subject to annual renewal and shall only continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time the authority will lapse unless renewed by a resolution passed at the meeting, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

THAT all RRPTs entered into by the Related Parties from 26 June 2025, being the date of listing of the Company on the ACE Market of Bursa Securities, up to the date of this Ordinary Resolution, particulars which are set out in Section 2.7 of the Circular to Shareholders dated 30 April 2026 be and are hereby approved, confirmed and ratified;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. To transact any other business for which due notice has been given in accordance with the Act and the Company's Constitution.

By Order of the Board

WONG YOUN KIM (f) (MAICSA 7018778) (SSM PC No.: 20190800410)
LEE CHIN WEN (f) (MAICSA 7061168) (SSM PC No.: 202008001901)
Company Secretaries

Selangor Darul Ehsan
30 April 2026

Notes:

1. Depositors whose names appear in the Record of Depositors as at 25 May 2026 shall be regarded as members of the Company entitled to attend, speak and vote at the Annual General Meeting.

2. A member of the Company entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend and vote at the Meeting. A proxy may but need not be a member of the Company.

3. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

Notes: (Cont'd)

4. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the exempt authorised nominee specifies the number of shares to be represented by each proxy.

5. The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

6. The Proxy Form must be deposited at the Registered Office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan not less than Forty-Eight (48) hours before the time for holding the Meeting or any adjournment thereof.

7. Pursuant to Clause 71 of Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Notes:

i. Note A – Audited Financial Statement for the financial year ended 31 December 2025

The Agenda No. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders and hence this agenda item is not put forward for voting.

ii. Resolution 7
Ordinary Resolution – Authority to Allot and Issue Shares Pursuant to Sections 75 & 76 of The Companies Act, 2016 ("Act")

The proposed Ordinary Resolution 7, if passed, will give the Directors of the Company, from the date of this Annual General Meeting, authority to allot and issue not more than ten per centum (10%) of the total issued share capital of the Company pursuant to Sections 75 and 76 of the Act. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

THAT pursuant to Section 85 of the Act, read together with Clauses 5 and 15 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Act.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Act shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Act, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Act and Clauses 5 and 15 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Act.

iii. Resolution 8
Ordinary Resolution – Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (RRPTs)

The proposed Ordinary Resolution 8 if passed, will empower the Company and its subsidiaries ("the Group") to enter into RRPTs which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company.

Further information on the above is set out in the Circular to Shareholders of the Company dated 30 April 2026 which can be downloaded from our Corporate Website at www.pmi-group.com.

Statement Accompanying the Notice of Annual General Meeting

1. The Directors, who are standing for re-election at the 2nd Annual General Meeting in accordance with Clause 94 of the Company's Constitution are as follows:

    i. Mr. Wong Voon Ten
    ii. Datuk Seri Nurmala binti Abd Rahim
    iii. Mr. Fong Kit Chiu

2. The details of the Directors standing for re-election are set out in Profile of the Directors on pages 10, 15 and 17 of the Annual Report.

Administrative Notes

For the Second Annual General Meeting ("2nd AGM")

Date : Thursday, 4 June 2026
Time : 10.30 a.m or at any adjournment thereof
Venue : Level 26, Auditorium, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur

1. ELIGIBILITY TO ATTEND

Only a shareholder whose name appears on the Record of Depositor as at 25 May 2026 of Pan Merchant Berhad ("Pan Merchant" or the "Company") shall be entitled to attend or appoint proxy(ies) to attend, participate, speak (collectively, "participate") and/or vote on his/her behalf.

2. REGISTRATION ON THE DAY OF THE 2ND AGM

Registration will start at 9.00 a.m. at Ground Floor, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur, Malaysia.

The AGM will be held at Level 26, Auditorium, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur, Malaysia.

Members, proxies, attorneys, and corporate representatives are requested to present their original identification papers such as identity card (NRIC) (Malaysian), or police report (for loss of NRIC) or Temporary NRIC (Malaysian), or passport (Foreigner) during registration for verification purpose.

Please take note that no person will be allowed to register on behalf of another person, even with the original identification papers of that person. Upon verification, members, proxies, attorneys, and corporate representatives are required to write their names and sign on the Attendance List placed on the registration table.

Whether you are attending the AGM as a shareholder, proxy(ies), attorney(s) and/or corporate representative(s), you will be registered once and given only one wristband for voting purpose. Please take note that no person will be allowed to enter the AGM Venue without wearing the identification wristband. There will be no replacement in the event that you lose or misplace the identification wristband.

3. APPOINTMENT OF PROXY

Shareholder who is unable to attend the 2nd AGM may appoint the Chairman of the Meeting or any other person(s) as their proxy(ies) and indicate the voting instruction in the Proxy Form.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the 2nd AGM should you subsequently wish to do so. However, if your proxy already registered his/her attendance prior to your good self on the day of the 2nd AGM, you will not be allowed to attend the 2nd AGM together with your appointed proxy(ies).

The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

The Proxy Form must be deposited at the Registered Office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan not later than Tuesday, 2 June 2026 at 10:30a.m.

4. REVOCATION OF PROXY

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to attend, participate, speak and vote at the 2nd AGM yourself, please write in to info@niche.com.my to revoke the earlier appointed proxy 48 hours before the 2nd AGM.

5. POLL VOTING

The voting at the 2nd AGM will be conducted by poll in accordance with Paragraph 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Bina Management (M) Sdn. Bhd. as Poll Administrator to conduct poll voting to verify the results of the poll. The poll procedures will be briefed during the 2nd AGM. Upon completion of the voting session for the 2nd AGM, the Independent Scrutineers will verify the poll results for the announcement by the Chairman, followed by the Chairman's declaration whether the resolutions are carried.

Administrative Notes

For the Second Annual General Meeting ("2nd AGM")

6. MEETING REFRESHMENTS

Light refreshments will be available at the foyer during the poll verification session.

7. NO DOOR GIFTS OR VOUCHERS

There will be no door gifts or vouchers provided to shareholders, proxies and invited guests who attend the 2nd AGM.

8. NO RECORDING OR PHOTOGRAPHY

No recording or photography of the 2nd AGM proceedings is allowed without prior written permission of the Company.

9. ADVANCE SUBMISSION OF QUESTIONS RELATING TO THE AGM AGENDA ITEMS

Shareholders of the Company may submit questions in advance relating to the agenda items of the 2nd AGM to Registered Office of the Company at B-25-2, Block B, Jaya One, No. 72A Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan and/or via email at info@niche.com.my commencing from 1 May 2026, and no later than 10.30 a.m. on 2 June 2026. The Board will endeavour to answer at the AGM the questions received.

10. ENQUIRY

If you have any enquiries prior to the 2nd AGM, please contact the following during office hours from Monday to Friday (9.00 a.m. to 6.00 p.m.):

Company Secretary of Pan Merchant
Niche & Milestones International Sdn Bhd
B-25-2, Block B, Jaya One, No. 72A Jalan Prof Diraja Ungku Aziz,
46200 Petaling Jaya,
Selangor Darul Ehsan

General line: 603-7955 0955
Fax number: 603-7955 0950
Email: info@niche.com.my

The Company may at its discretion make any changes to the above arrangements in the event of unforeseen circumstances.

PAN MERCHANT BERHAD
Registration No.: 202401010821 (1556671-D)
(Incorporated in Malaysia under the Companies Act, 2016)

PROXY FORM

*I/ *We .... NRIC/Company No.: ....
(Full Name in Block Letters)

of ....
(Full Address)

Email Address: .... Mobile No..: ....

being member/members of **PAN MERCHANT BERHAD** hereby appoint:

1) Name of proxy: .... NRIC No.: ....
(Full Name in Block Letters)

Address:.. No. of shares represented:.........................
(Full Address)

Email Address: .... Mobile No.: ....

2) Name of proxy: .... NRIC No.: ....
(Full Name in Block Letters)

Address:.. No. of shares represented:.........................
(Full Address)

Email Address: .... Mobile No.: ....

or, *the Chairman of the Meeting as *my/*our proxy to vote for *me/*us on *my/*our behalf at the Second Annual General Meeting of the Company to be held at at Level 26, Auditorium, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur on Thursday, 4 June 2026 at 10.30 a.m.or at any adjournment thereof in the manner indicated below:

	Resolutions	For	Against
1	To approve the payment of Directors' Fees and benefits for the financial year ended 31 December 2025		
2	To approve the payment of Directors' Fees and benefits for the financial year ending 31 December 2026 and up to the date of the next Annual General Meeting of the Company		
3	To re-elect Mr. Wong Voon Ten as Director		
4	To re-elect Datuk Seri Nurmala binti Abd Rahim as Director		
5	To re-elect Mr. Fong Kit Chiu as Director		
6	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company		
7	Special Business – To approve the authority to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016		
8	Special Business – To approve the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. In the absence of specific directions, your proxy may vote or abstain from voting at his/her discretion.

Signed this........... day of 2026

No. of Shares held	
CDS Account No.	

....
Signature of member(s)

Notes:

(A) *The Agenda item 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.*

1. *Depositors whose names appear in the Record of Depositors as at 25 May 2026 shall be regarded as members of the Company entitled to attend, speak and vote at the Annual General Meeting.*
2. *A member of the Company entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend and vote at the Meeting. A proxy may but need not be a member of the Company.*
3. *Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.*
4. *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the exempt authorised nominee specifies the number of shares to be represented by each proxy.*
5. *The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
6. *The Proxy Form must be deposited at the Registered Office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan not less than Forty-Eight (48) hours before the time for holding the Meeting or any adjournment thereof.*
7. *Pursuant to Clause 71 of Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.*

fold here to seal

STAMP

The Company Secretary of
PAN MERCHANT BERHAD
(Registration No.202401010821 (1556671-D))
B-25-2, Block B, Jaya One,
No. 72A, Jalan Prof Diraja Ungku Aziz, 46200
Petaling Jaya, Selangor Darul Ehsan

fold here to seal

PAN MERCHANT BERHAD
(Registration No.202401010821 (1556671-D))

No. 17 & 19,
Jalan Pengacara U1/48,
Temasya Industrial Park,
40150 Shah Alam,
Selangor Darul Ehsan
Malaysia

E: info@pmi-group.com
T: +603 5569 3993
F: +603 5569 3131

www.pmi-group.com