

**Company No.: 200601012477 (732227-T)**

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF TECHNA-X BERHAD**

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of Techna-X Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period of eighteen (18) months then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 16 to 108.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, 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 period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**Basis for Qualified Opinion**

**1. Assets Classified as Held for Sale – HK Aerospace Beidou New Energy Industry Technology Co. Ltd (“HKAB”) Disposal Group and its associate Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd (“GABNEIT”)**

As disclosed in Note 14 to the financial statements, management has classified HK Aerospace Beidou New Energy Industry Technology Co. Ltd (“HKAB”) and its subsidiaries (the “HKAB Disposal Group”) as held for sale following the execution of a Share Sale Agreement (“SSA”) on 30 December 2025 for the proposed disposal of the Group’s entire equity interest in HKAB for a total consideration of RM45 million. The proposed disposal remains subject to the fulfilment of the remaining conditions precedent.

GABNEIT, an associate within the disposal group, was placed into bankruptcy by the People’s Republic of China court on 26 August 2025, resulting in a loss of significant influence.

We were unable to obtain sufficient appropriate audit evidence regarding the financial information of GABNEIT and the HKAB Disposal Group due to limitations in access to underlying financial records and supporting documentation. Consequently, we were unable to determine whether any adjustments might be necessary in respect of:

- the carrying amounts of assets and liabilities included in the disposal group;
- the classification of the disposal group as held for sale;
- the measurement of the disposal group at fair value less costs to sell;
- the results and cash flows presented as discontinued operations; and
- the related disclosures in the financial statements.

The same limitation applies to the Company’s investment in HKAB.

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**Basis for Qualified Opinion (Continued)**

The corresponding matter was also subject to a similar scope limitation qualification in the prior period ended 30 June 2024 and remains unresolved as at the current reporting date. Accordingly, we were unable to obtain sufficient appropriate audit evidence regarding the opening balances of HKAB and the HKAB Disposal Group. We were therefore unable to determine whether any adjustments to the opening balances were necessary and whether such adjustments would have a consequential effect on the financial position and results for the current period.

**2. Other Receivables**

As disclosed in Note 12 to the financial statements, included therein are outstanding receivables of approximately RM2.6 million subject to legal recovery actions. These circumstances indicate a significant increase in credit risk and potential credit impairment under MFRS 9 Financial Instruments. Certain expected credit loss allowance has been recognised by management in respect of these balances, which we are of the opinion, is inadequate. We were unable to obtain sufficient appropriate audit evidence, including a sufficiently robust expected credit loss assessment and evidence of recoverability, to support the carrying amount of these receivables. We were also unable to perform sufficient alternative audit procedures.

We were therefore unable to determine whether any adjustments are required to the carrying amount of these receivables.

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 qualified 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2(a) in the financial statements, which indicate that the Group and the Company have prepared the financial statements on a going concern basis. The Group and the Company incurred a loss of RM29.3 million and RM57.3 million respectively and a negative operating cash flow of RM2.1 million and RM3.1 million respectively during the financial period. These conditions, together with other matters set out in that note indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

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**INDEPENDENT AUDITORS' REPORT  
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**Key Audit Matters**

Except for the matters described in the *Basis for Qualified Opinion* section and *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

**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 this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable to conclude whether or not that the other information is materially misstated with respect to that matter.

**Responsibilities of the Directors for the Financial Statements**

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

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

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF TECHNA-X BERHAD (CONTINUED)**

**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 scepticism 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.
- 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.

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

- 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 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 Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that:

- (a) the subsidiaries of which we have not acted as auditors, are disclosed in Note 4 to the financial statements.
- (b) in our opinion, we have not obtained all the information and explanations that we required.

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**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.

The financial statements of the Group and of the Company for the financial period ended 30 June 2024 were audited by another firm of chartered accountants, whose report dated 7 November 2024 expressed a qualified opinion in respect of matters relating to the foreign subsidiary and foreign associate and the impairment assessment of goodwill.

**LTTH PLT**  
201906001236 (LLP0020047-LCA) & AF 0071  
Chartered Accountants

Petaling Jaya

Date: 7 May 2026

**LIM LIP CHIN**  
01931/02/2027 J  
Chartered Accountant