



WTEC GROUP BERHAD

(Registration No. 202401017425 (1563275-K))
(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

Alliance Islamic Bank Berhad ("AIS"), being the Sponsor, was responsible for the admission of WTEC Group Berhad to the ACE Market of Bursa Malaysia Securities Berhad on 29 April 2025. AIS assumes no responsibility for the contents of this unaudited interim consolidated financial report ("interim financial report") for the second quarter ended 30 June 2025.

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2025 Unaudited RM'000	PRECEDING QUARTER 30.06.2024 ⁽²⁾ Unaudited RM'000	CURRENT YEAR-TO-DATE 30.06.2025 Unaudited RM'000	PRECEDING YEAR-TO-DATE 30.06.2024 ⁽²⁾ Unaudited RM'000
Revenue	13,251	N/A	24,414	N/A
Cost of sales	(8,896)	N/A	(16,432)	N/A
Gross profit	4,355	N/A	7,982	N/A
Other income	224	N/A	354	N/A
Selling and distribution expenses	(942)	N/A	(1,807)	N/A
Administrative expenses#	(2,712)	N/A	(4,070)	N/A
Share of results of an associate, net of tax	4	N/A	13	N/A
Profit from operations	929	N/A	2,472	N/A
Finance costs	(39)	N/A	(74)	N/A
Profit before tax ("PBT")	890	N/A	2,398	N/A
Income tax expenses	(559)	N/A	(924)	N/A
Profit after tax ("PAT")	331	N/A	1,474	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income for the financial years/periods	331	N/A	1,474	N/A
Total comprehensive income for the financial years / periods attributable to:				
Owners of the company	331	N/A	1,474	N/A
Basic and diluted earnings per share (sen) ^{(3) (4)}	0.07	N/A	0.35	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 9 April 2025 in relation to its initial public offering ("IPO") ("Prospectus") and the accompanying explanatory notes attached in the interim financial report.
- (2) This is the interim financial report for the second quarter ended 30 June 2025 being announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.
- (3) Computed based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares ("Shares") in issue as at end of the financial period.
- (4) The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.
- N/A Not applicable.
- # Including the expenses incurred for the listing of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities, comprising the public issue of 90,168,000 new Shares in the Company and the offer for sale of 43,200,000 existing Shares in the Company ("Listing") of RM1.27 million in the current quarter ended 30 June 2025 and RM1.42 million for the six (6) months period ended 30 June 2025.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	UNAUDITED 30.06.2025 RM'000	AUDITED 31.12.2024 RM'000
ASSETS		
Non-current assets		
Property, plant, and equipment	16,312	16,926
Right-of-use assets	1,662	1,214
Investment properties	1,924	1,949
Investment in an associate	893	880
Intangible asset	3	-
	20,794	20,969
Current assets		
Inventories	4,165	4,556
Trade receivables	9,886	10,694
Other receivables, deposits and prepayments	1,359	1,364
Fixed deposits with licensed bank	2,714	699
Cash and bank balances	27,811	6,346
	45,935	23,659
TOTAL ASSETS	66,729	44,628
EQUITY AND LIABILITIES		
EQUITY		
Share capital	50,585	1
Invested capital	-	1,000
Merger reserve	(28,237)	-
Retained profits	33,473	31,999
TOTAL EQUITY	55,821	33,000
LIABILITIES		
Non-current liabilities		
Borrowings	279	533
Lease liabilities	996	818
Deferred tax liabilities	976	976
	2,251	2,327
Current liabilities		
Trade payables	3,507	3,384
Other payables, deposits and accruals	3,680	3,774
Borrowings	551	1,237
Lease liabilities	719	444
Current tax liabilities	200	462
	8,657	9,301
TOTAL LIABILITIES	10,908	11,628
TOTAL EQUITY AND LIABILITIES	66,729	44,628
Net assets per share (RM) ⁽²⁾	0.12	0.08

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached in the interim financial report.
- (2) Computed based on total equity attributable to owners of the Company divided by the number of Shares of 480,000,000 units as at 30 June 2025 (389,832,000 units as at 31 December 2024).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾⁽²⁾

	SHARE CAPITAL RM'000	INVESTED CAPITAL RM'000	MERGER RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000
Balance as at 1 January 2025	1	1,000	-	31,999	33,000
Total comprehensive income for the financial period	-	-	-	1,474	1,474
Transaction with owners:					
- Issuance of shares	50,584	(1,000)	(28,237)	-	21,347
Balance as at 30 June 2025 (Unaudited)	50,585	-	(28,237)	33,473	55,821

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached in the interim financial report.
- (2) This is the interim financial report for the second quarter ended 30 June 2025 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

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WTEC GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	CURRENT YEAR- TO-DATE 30.06.2025 Unaudited RM'000	PRECEDING YEAR- TO-DATE 30.06.2024 ⁽²⁾ Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
PBT	2,398	N/A
Adjustments for:		
Amortisation of intangible asset	*	N/A
Depreciation of property, plant and equipment	690	N/A
Depreciation of right-of-use assets	365	N/A
Depreciation of investment properties	25	N/A
Gain on disposal of property, plant and equipment	(22)	N/A
Gain on reassessment of lease	(1)	N/A
Interest expenses	70	N/A
Unrealised loss on foreign exchange	51	N/A
Share of profit of equity accounted associate	(13)	N/A
Interest income	(219)	N/A
Operating profit before working capital changes	<hr/> 3,344	<hr/> N/A
Changes in working capital:		
Inventories	391	N/A
Trade and other receivables	813	N/A
Trade and other payables	29	N/A
Cash from generated operations	<hr/> 4,577	<hr/> N/A
Income tax paid	(1,185)	N/A
Net cash from operating activities	<hr/>3,392	<hr/>N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of intangible asset	(3)	N/A
Interest income received	219	N/A
Purchase of property, plant and equipment	(94)	N/A
Proceeds from disposal of property, plant and equipment	40	N/A
Net cash from investing activities	<hr/>162	<hr/>N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	CURRENT YEAR- TO-DATE 30.06.2025 Unaudited RM'000	PRECEDING YEAR- TO-DATE 30.06.2024 ⁽²⁾ Unaudited RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to pledged fixed deposit	(15)	N/A
Interest paid	(70)	N/A
Proceeds from issuance of Shares	22,542	N/A
Payment of share issue expenses	(1,195)	N/A
Repayment of banker's acceptance	(400)	N/A
Repayment of hire purchase payables	(75)	N/A
Repayment of lease liabilities	(359)	N/A
Repayment of term loans	(466)	N/A
Net cash from financing activities	19,962	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,516	N/A
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(51)	N/A
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	6,346	N/A
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	29,811	N/A
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISSES:		
Cash and bank balances	27,811	N/A
Fixed deposits with licensed bank	2,714	N/A
	30,525	N/A
Less: Fixed deposit pledged with licensed bank	(714)	N/A
	29,811	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached in the interim financial report.
- (2) This is the interim financial report for the second quarter ended 30 June 2025 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding year-to-date as there is no interim financial report prepared for the comparative period concerned.

* Amount is less than RM1,000.

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A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements of WTEC Group Berhad (“**WTEC Group**” or the “**Company**”) and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with the requirements of the MFRS 134 “Interim Financial Reporting” and Appendix 9B of the Listing Requirements.

This is the interim financial report on the Group’s unaudited condensed consolidated interim financial statements for the second quarter ended 30 June 2025 being announced by the Group in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Accountants’ Report as disclosed in the Prospectus, save for the following:

(i) During the current financial period, the Group has adopted the following new accounting standards (including the consequential amendments, if any):

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

(ii) The Group has not applied in advance the following accounting standards (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 period:

MFRS (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
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statement of the Group upon their initial application.

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A3 Auditors' report on preceding annual financial statements

The Company was incorporated on 3 May 2024 as a private limited company and was subsequently converted into a public limited company on 14 August 2024. The audited financial statements of the Group for the financial year ended 31 December 2024 were not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's business operations do not experience any material seasonality effects in the business as the demand for the product and services are not subject to seasonal fluctuations.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows of the Group, that are unusual by reason of their nature, size or incidence for the financial quarter under review.

A6 Material changes in estimates

There were no material changes in estimates which have a material effect on the results for the financial quarter under review.

A7 Debt and equity securities

Save as disclosed in Note B6 below, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial quarter under review.

A8 Dividend paid

There was no dividend paid during the current financial quarter under review.

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A9 Segment information

The segmental reporting of the Group's result for the financial year-to-date is as follows:

BUSINESS SEGMENT	Manufacturing of foam products RM'000	Manufacturing of non-foam products RM'000	Trading RM'000	Total RM'000
<u>Current quarter</u>				
<u>30 June 2025</u>				
Revenue				
Total revenue	9,377	2,366	2,945	14,688
Internal-segment revenue	(1,381)	(56)	-	(1,437)
Revenue from external customer	7,996	2,310	2,945	13,251
Segment profit	2,943	1,159	253	4,355
Other income				224
Selling and distribution expenses				(942)
Administrative expenses				(2,712)
Finance costs				(39)
Share of results of an associate, net of tax				4
Income tax expense				(559)
Profit for the financial period				331
<u>Current year-to-date</u>				
<u>30 June 2025</u>				
Revenue				
Total revenue	18,303	4,492	4,094	26,889
Internal-segment revenue	(2,412)	(63)	-	(2,475)
Revenue from external customer	15,891	4,429	4,094	24,414
Segment profit	5,497	2,133	352	7,982
Other income				354
Selling and distribution expenses				(1,807)
Administrative expenses				(4,070)
Finance costs				(74)
Share of results of an associate, net of tax				13
Income tax expense				(924)
Profit for the financial period				1,474

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

This is the interim financial report for the second quarter ended 30 June 2025 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding year-to-date as there was no interim financial report prepared for the comparative period concerned.

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A10 Valuation of property, plant and equipment, and investment properties

There was no valuation of property, plant and equipment, and investment properties undertaken during the current financial quarter under review.

A11 Significant events subsequent to the end of the interim financial period

Save as disclosed in Note B6 below, there were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A12 Changes in the composition of the Group

Save as disclosed in Note B6 below, there were no changes in the composition of the Group during the current financial quarter under review.

A13 Fair value of financial instruments

There were no gain or loss arising from fair value changes of financial assets and liabilities for the current financial quarter under review.

A14 Capital commitments

The Group has made commitments for the capital expenditures of property, plant and equipment as follow:

	(RM'000)
Contracted for:	
- Purchase of new factory *	15,680

Note:

- * Refer to a two-storey detached factory bearing postal address at Lot 5290, Batu 9, Off Jalan Semenyih, Kajang Jaya Industri, Semenyih, 43500 Selangor ("New Factory") for a total purchase consideration of approximately RM16.00 million. This property is intended to consolidate some of the operations that we currently carry out at our existing operational facilities in to the New Factory.

A15 Contingent assets and contingent liabilities

There were no contingent assets or contingent liabilities as at the end of the financial quarter under review.

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A16 Significant related party transactions

The related party transactions of the Group have been entered into in the normal course of business. Listed below are the significant transactions with related parties of the Group during the current financial quarter under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2025	PRECEDING CORRESPONDING QUARTER 30.06.2024	CURRENT YEAR-TO- DATE 30.06.2025	PRECEDING YEAR-TO- DATE 30.06.2024
		Unaudited RM'000		Unaudited RM'000
Transactions with related companies				
Sales of goods	1	N/A	12	N/A
Purchase of goods	1,768	N/A	3,688	N/A
Rental expenses	6	N/A	12	N/A
Upkeep expenses	6	N/A	14	N/A
Printing and stationery expenses	-	N/A	7	N/A
Purchase of property, plant and equipment	6	N/A	6	N/A

This is the interim financial report for the second quarter ended 30 June 2025 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding year-to-date as there is no interim financial report prepared for the comparative period concerned.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of performance

	INDIVIDUAL QUARTER CURRENT QUARTER 30.06.2025	PRECEDING CORRESPONDING QUARTER 30.06.2024	CUMULATIVE QUARTER CURRENT YEAR-TO-DATE 30.06.2025	CUMULATIVE QUARTER PRECEDING YEAR-TO-DATE 30.06.2024
Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	13,251	N/A	24,414	N/A
Gross profit	4,355	N/A	7,982	N/A
PBT	890	N/A	2,398	N/A
PAT	331	N/A	1,474	N/A
Adjusted PBT ⁽¹⁾	2,161	N/A	3,814	N/A
Adjusted PAT ⁽¹⁾	1,602	N/A	2,890	N/A

Note:

(1) After adjusting for adding back the expenses incurred for the Listing of RM1.27 million in the current quarter ended 30 June 2025 and RM1.42 million for the six (6) months period ended 30 June 2025.

There are no comparative figures for the preceding corresponding quarter and year-to-date results as this is the interim financial report for the second quarter ended 30 June 2025 being announced in compliance with the Listing Requirements.

The Group recorded revenue of RM13.25 million for the current financial quarter ended 30 June 2025, mainly derived from manufacturing activities which contributed RM10.30 million or 77.78% to the Group's total revenue, followed by trading activities of RM2.95 million or 22.22%. For the six (6) months period ended 30 June 2025, the Group recorded revenue of RM24.41 million of which the manufacturing and trading activities contributed 83.23% and 16.77% of the total revenue respectively.

The Group registered gross profit of RM4.36 million with gross profit margin of 32.87%, PBT of RM0.89 million with PBT margin of 6.72% and PAT of RM0.33 million with PAT margin of 2.50%. For the six (6) months period ended 30 June 2025, the Group registered gross profit, PBT and PAT of RM7.98 million, RM2.40 million and RM1.47 million respectively. The gross profit margin, PBT margin and PAT margin for the six (6) months period ended 30 June 2025 are 32.69%, 9.82% and 6.04% respectively.

For reference purposes only, if the one-off listing expenses of RM1.42 million incurred for the listing of the Group in the six (6) months period ended 30 June 2025 had been excluded, the Group would have recorded an adjusted PBT and adjusted PAT of RM3.81 million and RM2.89 million respectively, representing adjusted PBT margin and adjusted PAT margin of 15.62% and 11.84% respectively.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B2 Variation of results against preceding quarter

INDIVIDUAL QUARTER

	CURRENT QUARTER 30.06.2025 Unaudited RM'000	PRECEDING QUARTER 31.03.2025 Unaudited RM'000	Changes RM'000	%
Revenue	13,251	11,163	2,088	18.70
Gross profit	4,355	3,627	728	20.07
PBT	890	1,508	(618)	(40.98)
PAT	331	1,143	(812)	(71.04)
Adjusted PBT	2,161	1,653	508	30.73
Adjusted PAT	1,602	1,288	314	24.38

The Group recorded revenue of RM13.25 million for the current financial quarter ended 30 June 2025 which representing an increase of 18.70% as compared to the revenue of RM11.16 million recorded in the preceding financial quarter. The increase in revenue was mainly attributed by the increase from trading activities which relates to the electronic and electrical ("E&E") industry. E&E industry contributed approximately 34.00% of the total revenue of current financial quarter and presented approximately 27.00% increase in value as compare to preceding quarter. In additions, automotive, construction, medical and personal protective equipment contributed approximately 16.00% of improvement from preceding quarter. The above 4 major segments contributed 82.73% of total revenue of current financial quarter and represented an overall increase of approximately 20.00% from preceding quarter.

For the quarter ended 30 June 2025, the Group reported PBT of RM0.89 million and PAT of RM0.33 million, a decline of RM0.62 million or 40.98% and RM0.81 million or 71.04% respectively compared to the preceding quarter. The reduction was primarily attributable to one-off listing expenses of RM1.27 million incurred during the quarter. Excluding these non-recurring costs, the Group's adjusted PBT and PAT would have been RM2.16 million and RM1.60 million respectively, representing underlying business growth of approximately 30.73% and 24.38% quarter-on-quarter. Management expects margins to normalise from third quarter onward, reflecting the Group's underlying earnings capacity.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3 Prospects

According to Economic and Financial Developments in Malaysia in the second quarter of 2025 issued by Bank Negara Malaysia, Malaysia real Gross Domestic Product (“GDP”) expanded by 4.40% in the second quarter of 2025, with the manufacturing sector growing 3.70%, supported by resilient domestic-oriented subsectors despite temporary disruptions in refined petroleum.

Under New Industrial Master Plan 2030, the automotive sector's total industry volume is projected to reach 1.22 million units by 2030, fuelled by the EV transition and rising demand for advanced components. Similarly, the E&E industry is poised for robust growth, with sustained demand for intermediate products driving exports toward RM495 billion by 2025 and a CAGR of 8.1% in manufacturing equipment through 2030. These trends present opportunity for the Group's foam and non-woven fabric products in automotive interior, electronic insulation, and emerging segments such as construction, medical devices and personal protective equipment.

Aligned with the Prospectus objectives, the Group will expand sales and marketing by acquiring a new factory and investing in advanced machinery improve the production efficiency. The Group had announced that WTEC Sdn Bhd, a wholly-owned subsidiary of the Company had on 20 June 2025, entered into a letter of intent with One Lunar Sdn Bhd, for the proposed acquisition of a property.

Leveraging its competitive edges in quality and innovation, alongside favourable market dynamics, the Board remains optimistic about the outlook for the upcoming financial year, anticipating continued growth in both revenue and earnings.

B4 Profit forecast

The Group did not issue any profit forecast or guarantee during current financial quarter under review.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2025	PRECEDING CORRESPONDING QUARTER 30.06.2024	CURRENT YEAR-TO-DATE 30.06.2025	PRECEDING YEAR-TO-DATE 30.06.2024
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Audited RM'000
In respect of the current period:				
Income tax expense	559	N/A	924	N/A
Total	559	N/A	924	N/A
Effective tax rate (%)	62.81%	N/A	38.53%	N/A

The effective tax rate for the current financial quarter ended 30 June 2025 was higher than the statutory tax rate of 24.00% primarily due to non-deductible listing-related expenses and depreciation. If the one-off expenses for the current financial quarter and six (6) months period ended 30 June 2025 amounted RM1.27 million and RM1.42 million respectively had been excluded, the Group would have recorded an adjusted effective tax rate of 25.87% and 24.23% for the current financial quarter and six (6) months period ended 30 June 2025 respectively.

There are no comparative figures for the preceding corresponding quarter and year-to-date as this is the interim financial report for the second quarter ended 30 June 2025 being announced in compliance with the Listing Requirements.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B6 Status of corporate proposals

Save as disclosed below, there are no other corporate proposal pending completion as at the date of this report:

On 20 June 2025, the Group had announced that WTEC Sdn Bhd, a wholly-owned subsidiary of the Company had, on the even date, entered into a letter of intent with One Lunar Sdn Bhd for the proposed acquisition of a property ("Proposed Acquisition") for a total consideration of RM16.00 million.

The sale and purchase agreement in relation to the property is targeted to be signed by the fourth quarter of 2025, or within 21 days upon fulfilment of the pre-conditions, whichever is earlier. In addition, the Proposed Acquisition is subject to the fulfilment of conditions precedent and the approval of the shareholder.

B7 Utilisation of proceeds raised from public issue

As of 30 June 2025, the gross proceeds from the public issue amounting to RM22,542,000 is intended to be utilised in the following manner:

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Estimated Timeframe For Utilisation (From The Listing Date)
Purchase and renovation of New Factory	9,425	41.81	320	9,105
Purchase of new machinery and equipment	3,000	13.31	595	2,405
Sales and marketing expenses	1,000	4.44	16	984
Working capital	5,117	22.70	3,379	1,738
Estimated Listing expenses	4,000	17.74	4,000	-
	22,542	100.00	8,310	14,232

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus dated 9 April 2025.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B8 Loans and borrowings

The Group's borrowings are as follows:

	PAYABLE WITHIN 12 MONTHS RM'000	PAYABLE AFTER 12 MONTHS RM'000	TOTAL OUTSTANDING RM'000
<u>Borrowings</u>			
Hire purchases	132	-	132
Term loans	419	279	698
	<hr/> 551	<hr/> 279	<hr/> 830

The bank borrowings and other facilities are secured by way of:

- (a) legal charges over freehold land and buildings of a subsidiary;
- (b) joint and several guarantees by certain directors; and
- (c) Credit Guarantee Corporation Berhad.

The bank borrowings and other facilities are denoted in local currency.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B9 Material litigations

As at the date of this report, the Group is not engaged in any material litigation.

B10 Proposed dividend

There was no dividend that has been declared or recommended for payment by the Board during the financial period under review.

B11 Basic and diluted earnings per share

	CURRENT QUARTER 30.06.2025	PRECEDING CORRESPONDING QUARTER 30.06.2024	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
					CURRENT YEAR TO-DATE 30.06.2025	PRECEDING YEAR-TO-DATE 30.06.2024
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	331	N/A			1,474	N/A
Weighted average number of Shares in issue ('000)	457,210	N/A			423,707	N/A
Basic and diluted earnings per share (sen) ⁽¹⁾⁽²⁾	0.07	N/A			0.35	N/A

Notes:

- (1) Computed based on profit attributable to owners of the Company divided by the weighted average number of Shares in issue as at the end of the financial period.
- (2) The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have any convertible option at the end of the reporting period.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B12 Notes to the statement of comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER	PRECEDING CORRESPONDING QUARTER	CURRENT YEAR-TO-DATE	PRECEDING YEAR-TO-DATE
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000

The following amounts have been included in arriving at PBT:

Amortisation of intangible asset	*	N/A	*	N/A
Finance costs	39	N/A	74	N/A
Depreciation on property, plant and equipment	342	N/A	690	N/A
Depreciation on right-of-use assets	190	N/A	365	N/A
Depreciation of investment properties	13	N/A	25	N/A
Equipment rental expenses	3	N/A	6	N/A
Unrealised loss on foreign exchange	32	N/A	51	N/A

and after crediting:

Interest income	171	N/A	219	N/A
Rental income	26	N/A	51	N/A

Notes:

* Amount is less than RM1,000.

By Order of the Board

Date: 27 August 2025