



## **WTEC GROUP BERHAD**

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

# **UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 fourth quarter ended 31 December 2025.

# WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.12.2025 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 31.12.2024 <sup>(2)</sup> Unaudited RM'000	CURRENT YEAR-TO-DATE 31.12.2025 Unaudited RM'000	PRECEDING YEAR-TO-DATE 31.12.2024 <sup>(2)</sup> Unaudited RM'000
Revenue	12,300	N/A	49,444	N/A
Cost of sales	(8,175)	N/A	(32,986)	N/A
<b>Gross profit</b>	<b>4,125</b>	<b>N/A</b>	<b>16,458</b>	<b>N/A</b>
Other income	280	N/A	912	N/A
Selling and distribution expenses	(928)	N/A	(3,673)	N/A
Administrative expenses	(1,251)	N/A	(6,697) #	N/A
Impairment losses on financial assets	(78)	N/A	(78)	N/A
Share of results of an associate, net of tax	4	N/A	24	N/A
<b>Profit from operations</b>	<b>2,152</b>	<b>N/A</b>	<b>6,946</b>	<b>N/A</b>
Finance costs	(25)	N/A	(132)	N/A
<b>Profit before tax ("PBT")</b>	<b>2,127</b>	<b>N/A</b>	<b>6,814</b>	<b>N/A</b>
Income tax expense	(743)	N/A	(2,229)	N/A
<b>Profit after tax ("PAT")</b>	<b>1,384</b>	<b>N/A</b>	<b>4,585</b>	<b>N/A</b>
Other comprehensive income	-	N/A	-	N/A
<b>Total comprehensive income for the financial years/periods</b>	<b>1,384</b>	<b>N/A</b>	<b>4,585</b>	<b>N/A</b>
<b>Total comprehensive income for the financial years/periods attributable to:</b>				
Owners of the company	1,384	N/A	4,585	N/A
Basic and diluted earnings per share (sen) <sup>(3)</sup> <sup>(4)</sup>	0.29	N/A	1.01	N/A

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(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>

### 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 fourth quarter ended 31 December 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 in the Company ("**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 and the offer for sale of 43,200,000 existing Shares ("**Listing**") of RM1.42 million for the financial year ended 31 December 2025.

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# WTEC GROUP BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>

	UNAUDITED 31.12.2025 RM'000	AUDITED 31.12.2024 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant, and equipment	16,950	16,926
Right-of-use assets	998	1,214
Investment properties	1,899	1,949
Investment in an associate	904	880
Intangible asset	3	-
	<u>20,754</u>	<u>20,969</u>
<b>Current assets</b>		
Inventories	4,666	4,556
Trade receivables	9,047	10,694
Other receivables, deposits and prepayments	1,153	1,364
Fixed deposits with licensed banks	3,699	699
Short-term investments	18,358	-
Cash and bank balances	9,832	6,346
Current tax assets	492	-
	<u>47,247</u>	<u>23,659</u>
<b>TOTAL ASSETS</b>	<u><b>68,001</b></u>	<u><b>44,628</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	50,585	1
Invested capital	-	1,000
Merger reserve	(28,237)	-
Retained profits	36,584	31,999
<b>TOTAL EQUITY</b>	<u><b>58,932</b></u>	<u><b>33,000</b></u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	392	533
Lease liabilities	329	818
Deferred tax liabilities	976	976
	<u>1,697</u>	<u>2,327</u>
<b>Current liabilities</b>		
Trade payables	2,435	3,384
Other payables, deposits and accruals	3,640	3,774
Borrowings	554	1,237
Lease liabilities	697	444
Current tax liabilities	46	462
	<u>7,372</u>	<u>9,301</u>
<b>TOTAL LIABILITIES</b>	<u><b>9,069</b></u>	<u><b>11,628</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>68,001</b></u>	<u><b>44,628</b></u>
Net assets per share (RM) <sup>(2)</sup>	0.12	0.08

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>

### 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 31 December 2025 (389,832,000 units as at 31 December 2024).

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1) (2)</sup>

	SHARE CAPITAL RM'000	INVESTED CAPITAL RM'000	MERGER RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000
<b>Balance as at 1 January 2025</b>	1	1,000	-	31,999	33,000
Total comprehensive income for the financial year	-	-	-	4,585	4,585
Transactions with owners:					
- Issuance of shares for the acquisition of a subsidiary	29,237	(1,000)	(28,237)	-	-
- Issuance of shares for public issue	22,542	-	-	-	22,542
- Share issuance expenses	(1,195)	-	-	-	(1,195)
	50,584	(1,000)	(28,237)	-	21,347
<b>Balance as at 31 December 2025 (Unaudited)</b>	<b>50,585</b>	<b>-</b>	<b>(28,237)</b>	<b>36,584</b>	<b>58,932</b>

### 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 fourth quarter ended 31 December 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 <sup>(1)</sup>

	CURRENT YEAR- TO-DATE 31.12.2025 Unaudited RM'000	PRECEDING YEAR- TO-DATE 31.12.2024 <sup>(2)</sup> Unaudited RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
PBT	6,814	N/A
Adjustments for:		
Amortisation of intangible asset	*	N/A
Depreciation of property, plant and equipment	1,373	N/A
Depreciation of right-of-use assets	735	N/A
Depreciation of investment properties	50	N/A
Fair value loss on short-term investments	3	N/A
Gain on disposal of property, plant and equipment	(56)	N/A
Gain on reassessment/modification of leases	(33)	N/A
Interest expenses	128	N/A
Impairment losses on trade receivables	78	N/A
Unrealised loss on foreign exchange	44	N/A
Share of net profits of equity accounted associate	(24)	N/A
Interest income	(465)	N/A
Operating profit before working capital changes	8,647	N/A
Changes in working capital:		
Inventories	(110)	N/A
Trade and other receivables	1,989	N/A
Trade and other payables	(1,082)	N/A
Cash generated from operations	9,444	N/A
Net income tax paid	(3,137)	N/A
<b>Net cash from operating activities</b>	<b>6,307</b>	<b>N/A</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Addition of intangible asset	(3)	N/A
Interest income received	465	N/A
Purchase of property, plant and equipment	(1,259)	N/A
Purchase of short-term investments	(18,361)	N/A
Proceeds from disposal of property, plant and equipment	111	N/A
Addition of fixed deposit with tenure more than 3 months	(3,000)	N/A
<b>Net cash used in investing activities</b>	<b>(22,047)</b>	<b>N/A</b>

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>

	CURRENT YEAR- TO-DATE 31.12.2025 Unaudited RM'000	PRECEDING YEAR- TO-DATE 31.12.2024 <sup>(2)</sup> Unaudited RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Additions to pledged fixed deposit	-	N/A
Interest paid	(128)	N/A
Proceeds from issuance of shares for public issue	22,542	N/A
Payment of share issuance expenses	(1,195)	N/A
Repayment of banker's acceptance	(400)	N/A
Repayment of hire purchase payables	(168)	N/A
Repayment of lease liabilities	(722)	N/A
Repayment of term loans	(676)	N/A
<b>Net cash from financing activities</b>	<b>19,253</b>	<b>N/A</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,513</b>	<b>N/A</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(27)</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>6,346</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>9,832</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR COMPRISES:</b>		
Cash and bank balances	9,832	N/A
Fixed deposits with licensed banks	3,699	N/A
	13,531	N/A
Less: Fixed deposit pledged with a licensed bank	(699)	N/A
Less: Fixed deposit with tenure more than 3 months	(3,000)	N/A
	<b>9,832</b>	<b>N/A</b>

### 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 fourth quarter ended 31 December 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 fourth quarter ended 31 December 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 and/or interpretations (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 standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group.

- (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:

<b>MFRS (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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

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

### **A2 Significant Accounting Policies (Cont'd)**

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 except as follows:

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 additions, 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 their accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group has yet to be assessed.

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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 A11 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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# WTEC GROUP BERHAD

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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
<b><u>Current quarter</u></b>				
<b><u>31 December 2025</u></b>				
<b>Revenue</b>				
Total revenue	9,248	2,018	2,000	13,266
Internal-segment revenue	(966)	-	-	(966)
Revenue from external customer	8,282	2,018	2,000	12,300
<b>Segment profit</b>	2,965	1,019	141	4,125
Other income				280
Selling and distribution expenses				(928)
Administrative expenses				(1,251)
Impairment losses on financial assets				(78)
Finance costs				(25)
Share of results of an associate, net of tax				4
Income tax expense				(743)
Profit for the financial period				1,384
<b><u>Current year-to-date</u></b>				
<b><u>31 December 2025</u></b>				
<b>Revenue</b>				
Total revenue	37,051	9,134	7,976	54,161
Internal-segment revenue	(4,584)	(127)	(6)	(4,717)
Revenue from external customer	32,467	9,007	7,970	49,444
<b>Segment profit</b>	11,386	4,418	654	16,458
Other income				912
Selling and distribution expenses				(3,673)
Administrative expenses				(6,697)
Impairment losses on financial assets				(78)
Finance costs				(132)
Share of results of an associate, net of tax				24
Income tax expense				(2,229)
Profit for the financial year				4,585

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

### A9 Segment information (cont'd)

This is the interim financial report for the fourth quarter ended 31 December 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.

### 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 Gain or losses arising from financial instruments

	THE GROUP	
	CURRENT YEAR-TO- DATE 31.12.2025 Unaudited RM'000	PRECEDING YEAR-TO- DATE 31.12.2024 Unaudited RM'000
Fair value loss on short-term investments	3	N/A

### A14 Capital commitments

	THE GROUP	
	CURRENT YEAR-TO- DATE 31.12.2025 Unaudited RM'000	PRECEDING YEAR-TO- DATE 31.12.2024 Unaudited RM'000
Purchase of property, plant and equipment	366	N/A

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

### A15 Contingent assets and contingent liabilities

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

### 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 31.12.2025 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 31.12.2024 Unaudited RM'000	CURRENT YEAR-TO- DATE 31.12.2025 Unaudited RM'000	PRECEDING YEAR-TO- DATE 31.12.2024 Unaudited RM'000
<b>Transactions with related companies</b>				
Sales of goods	9	N/A	27	N/A
Purchase of goods	1,804	N/A	7,307	N/A
Rental expenses	6	N/A	24	N/A
Upkeep expenses	4	N/A	20	N/A
Printing and stationery expenses	3	N/A	18	N/A
Purchase of property, plant and equipment	-	N/A	6	N/A

This is the interim financial report for the fourth quarter ended 31 December 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		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.12.2025 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 31.12.2024 Unaudited RM'000	CURRENT YEAR-TO-DATE 31.12.2025 Unaudited RM'000	PRECEDING YEAR-TO-DATE 31.12.2024 Unaudited RM'000
Revenue	12,300	N/A	49,444	N/A
Gross profit	4,125	N/A	16,458	N/A
PBT	2,127	N/A	6,814	N/A
PAT	1,384	N/A	4,585	N/A
Adjusted PBT	2,127	N/A	8,230 <sup>(1)</sup>	N/A
Adjusted PAT	1,384	N/A	6,001 <sup>(1)</sup>	N/A

#### Note:

- (1) After adjusting for adding back the expenses incurred for the Listing of RM1.42 million for financial year ended 31 December 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 fourth quarter ended 31 December 2025 being announced in compliance with the Listing Requirements.

The Group recorded revenue of RM12.30 million for the current financial quarter ended 31 December 2025, mainly derived from manufacturing activities which contributed RM10.30 million or 83.74% to the Group's total revenue, followed by trading activities of RM2.00 million or 16.26%.

For the twelve (12) months year ended 31 December 2025, the Group recorded revenue of RM49.44 million of which the manufacturing and trading activities contributed 83.88% and 16.12% to the total revenue respectively.

During the financial quarter ended 31 December 2025, the Group registered gross profit, PBT and PAT of RM4.13 million, RM2.13 million and RM1.38 million, translating into gross profit margin, PBT margin and PAT margin of 33.54%, 17.29% and 11.25%.

For the twelve (12) months year ended 31 December 2025, the Group registered gross profit, PBT and PAT of RM16.46 million, RM6.81 million and RM4.59 million respectively. The gross profit margin, PBT margin and PAT margin for the financial year ended 31 December 2025 are 33.29%, 13.78% and 9.27% respectively. The Group will continue to improve the margin stability, underpinned by way of disciplined operational efficiency.

For reference purposes only, if excluding the one-off listing expenses of RM1.42 million incurred during the financial year ended 31 December 2025, the Group would have recorded an adjusted PBT of RM8.23 million and adjusted PAT of RM6.00 million, representing adjusted PBT margin and adjusted PAT margin of 16.65% and 12.14% respectively. These adjusted figures provide a clearer reflection of the Group's sustainable operational performance by excluding such one-off items.

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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		Changes	
	CURRENT QUARTER 31.12.2025 Unaudited RM'000	PRECEDING QUARTER 30.09.2025 Unaudited RM'000	RM'000	%
Revenue	12,300	12,730	(430)	(3.38)
Gross profit	4,125	4,351	(226)	(5.19)
PBT	2,127	2,289	(162)	(7.08)
PAT	1,384	1,727	(343)	(19.86)

For the current financial quarter ended 31 December 2025, the Group recorded revenue of RM12.30 million representing a decline of 3.38% as compared to the revenue of RM12.73 million recorded in the preceding financial quarter. The decrease was mainly attributed by the decrease of contribution from manufacturing of non-foam products which relates to the automotive industry.

Despite the decline of revenue from manufacturing of non-foam products, automotive and E&E industries have contributed an increase in the manufacturing of foam products which had partial off-set the lower revenue contributed by construction as well as medical and personal protective equipment from preceding quarter. Collectively, the above 4 major industries contributed 83.73% of the Group's total revenue of current financial quarter.

For the quarter ended 31 December 2025, the Group recorded PBT of RM2.13 million and PAT of RM1.38 million, representing a decrease of RM0.16 million or 7.08% and RM0.34 million or 19.86% respectively as compared to the preceding quarter. The decrease in PBT was in line with the decrease in revenue, while the decline in PAT was also due to the increase of non-deductible expenses respectively.

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# WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))

(Incorporated in Malaysia)

## **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 fourth quarter of 2025 issued by Bank Negara Malaysia, Malaysia real Gross Domestic Product (“GDP”) expanded by 6.30% in the fourth quarter of 2025, with the manufacturing sector growing by 6.10%, supported by stronger output in E&E following higher demand from the global technology expansion as well as higher production of consumer-related goods.

For 2026, Malaysia’s economy is projected to expand between 4.0% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System (SSPA), continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026. In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing sectors will remain key drivers of growth. (Source: Economic Outlook 2026, Ministry of Finance Malaysia)

Under New Industrial Master Plan 2030, the automotive sector’s total industry volume is projected to reach 1.22 million units by 2030, driven by the growing demand of EVs amid a shift in consumer preferences towards environmentally friendly transportation. Growth is also expected in the after sales market, particularly in the expansion of the market for spare parts, repairs and maintenance services. As part of the strategies of NIMP 2030, the automotive industry will prioritise improving the competitiveness of the value chain by producing high-quality products that meets the standards of both vehicle manufacturers and consumer requirements, as well as encouraging the adoption of environmentally friendly technologies to support the transition towards greener mobility solutions.

Similarly, the E&E industry is poised for continued expansion under the priorities outlined in the 13th Malaysia Plan. Based on Malaysia’s external trade statistics published by DOSM, the E&E sector recorded RM711.61 billion in export revenue as at December 2025, representing an increase of 18.3% compared to 2024.

These favourable industry developments 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’ business plans, the Group is focused on executing its planned capacity expansion, including the acquisition and renovation of a new factory as well as the procurement of additional machinery and equipment. These initiatives are expected to enhance production capacity, improve automation levels, and strengthen operational scalability.

Leveraging its strengths in quality and innovation amid supportive industry conditions, the Board remains confident in the Group’s outlook and expects continued growth in revenue and earnings. As the Group enters its first full financial year post-listing, management is focused on translating its strengthened capital position into scalable, and margin-accretive growth. With a robust balance sheet and stable operational foundation, the Group is well-positioned to capitalize on opportunities across its core industrial segments.

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

### B4 Profit forecast

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

### B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.12.2025 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 31.12.2024 Unaudited RM'000	CURRENT YEAR- TO-DATE 31.12.2025 Unaudited RM'000	PRECEDING YEAR- TO-DATE 31.12.2024 unaudited RM'000
In respect of the current period: Income tax expense	743	N/A	2,229	N/A
<b>Total</b>	<b>743</b>	<b>N/A</b>	<b>2,229</b>	<b>N/A</b>
<b>Effective tax rate (%)</b>	<b>34.94%</b>	<b>N/A</b>	<b>32.71%</b>	<b>N/A</b>

The effective tax rate for the current financial quarter was higher than the statutory tax rate of 24.00% primarily due to certain expenses which are non-tax deductible.

While the effective tax rate for the financial year ended 31 December 2025 was higher than the statutory tax rate of 24.00% primarily due to certain expenses which are non-tax deductible and non-deductible listing related expenses. If the non-deductible listing related expenses amounted to RM1.42 million had been excluded, the Group would have recorded an adjusted effective tax rate of 27.08% for the financial year ended 31 December 2025.

There are no comparative figures for the preceding corresponding quarter and year-to-date as this is the interim financial report for the fourth quarter ended 31 December 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

There were no other corporate proposals announced but not yet completed as at the date of this interim financial report.

### B7 Utilisation of proceeds raised from public issue

As of 31 December 2025, the gross proceeds from the public issue amounting to RM22,542,000 is intended to be utilised in the following manner:

Purposes	RM'000	Proposed Utilisation %	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	-	9,425	Within 24 months
Purchase of new machinery and equipment	3,000	13.31	595	2,405	Within 24 months
Sales and marketing expenses	1,000	4.44	77	923	Within 12 months
Working capital	5,117	22.70	4,671	446	Within 12 months
Estimated listing expenses	4,000	17.74	4,000	-	Within 3 months
	<u>22,542</u>	<u>100.00</u>	<u>9,343</u>	<u>13,199</u>	

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
<b><u>Borrowings</u></b>			
Hire purchases	135	323	458
Term loans	419	69	488
	<u>554</u>	<u>392</u>	<u>946</u>

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

- (a) legal charge over freehold land and building of a subsidiary; and
- (b) corporate guarantee by the Company.

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

### B9 Material litigation

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

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

### B10 Proposed dividend

The Board of Directors has on 23 February 2026 declared an interim single-tier dividend of 0.50 sen per share for the financial year ended 31 December 2025 amounting to RM2,400,000. The dividend will be paid on 27 March 2026 to the shareholders whose names appears in the Record of Depositors at the close of business on 10 March 2026. The declared interim dividend reflects the Board's confidence in the Group's earnings visibility while maintaining sufficient resources to support expansion initiatives.

### B11 Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.12.2025	PRECEDING CORRESPON -DING QUARTER 31.12.2024	CURRENT YEAR TO-DATE 31.12.2025	PRECEDING YEAR-TO- DATE 31.12.2024
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	<u>1,384</u>	<u>N/A</u>	<u>4,585</u>	<u>N/A</u>
Weighted average number of Shares in issue ('000)	<u>480,000</u>	<u>N/A</u>	<u>452,085</u>	<u>N/A</u>
Basic and diluted earnings per share (sen) <sup>(1) (2)</sup>	<u>0.29</u>	<u>N/A</u>	<u>1.01</u>	<u>N/A</u>

#### 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 options at the end of the reporting period.

# WTEC GROUP BERHAD

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## B12 Notes to the statement of comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.12.2025 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 31.12.2024 Unaudited RM'000	CURRENT YEAR-TO- DATE 31.12.2025 Unaudited RM'000	PRECEDING YEAR-TO-DATE 31.12.2024 Unaudited RM'000
The following amounts have been included in arriving at PBT:				
Amortisation of intangible asset	*	N/A	*	N/A
Finance costs	25	N/A	132	N/A
Depreciation on property, plant and equipment	338	N/A	1,373	N/A
Depreciation on right-of-use assets	188	N/A	735	N/A
Depreciation of investment properties	13	N/A	50	N/A
Fair value loss on short-term investments	3	N/A	3	N/A
Impairment losses on trade receivable	78	N/A	78	N/A
Short-term lease	3	N/A	12	N/A
Unrealised loss on foreign exchange	8	N/A	44	N/A
and after crediting:				
Interest income	103	N/A	465	N/A
Rental income	26	N/A	103	N/A

### Notes:

\* Amount is less than RM1,000.

By Order of the Board

Date: 23 February 2026