



WTEC GROUP BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2026

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 first quarter ended 31 March 2026.

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 31.3.2026 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 31.3.2025 Unaudited RM'000	CURRENT YEAR-TO- DATE 31.3.2026 Unaudited RM'000	PRECEDING YEAR-TO- DATE 31.3.2025 Unaudited RM'000
Revenue	10,767	11,163	10,767	11,163
Cost of sales	(7,291)	(7,536)	(7,291)	(7,536)
Gross profit	3,476	3,627	3,476	3,627
Other income	259	130	259	130
Selling and distribution expenses	(973)	(865)	(973)	(865)
Administrative expenses	(1,377)	(1,358)	(1,377)	(1,358)
Share of profits of equity accounted associate	8	9	8	9
Profit from operations	1,393	1,543	1,393	1,543
Finance costs	(24)	(35)	(24)	(35)
Profit before taxation ("PBT")	1,369	1,508	1,369	1,508
Income tax expense	(323)	(365)	(323)	(365)
Profit after taxation ("PAT")	1,046	1,143	1,046	1,143
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial periods	1,046	1,143	1,046	1,143
Total comprehensive income for the financial periods attributable to:				
Owners of the Company	1,046	1,143	1,046	1,143
Basic and diluted earnings per share (sen) ⁽²⁾ ⁽³⁾	0.22	0.29	0.22	0.29

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

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 Audited Financial Statements of WTEC Group Berhad ("**WTEC Group**" or the "**Company**") and its subsidiaries (the "**Group**") for the financial year ended ("**FYE**") 31 December 2025 and the accompanying explanatory notes attached in the interim financial report.
- (2) Basic earnings per share for the current financial quarter and financial year-to-date period ended 31 March 2026 are computed based on profit attributable to owners of the Company divided by the number of ordinary shares ("**Shares**") in issue of 480,000,000 units respectively.

For the preceding corresponding quarter and year-to-date period ended 31 March 2025, they are calculated based on the number of Shares in issue of 389,832,000 units respectively which is after the Acquisition (as defined in the Company initial public offering ("**IPO**") ("**Prospectus**") but prior to the IPO of the Company.
- (3) 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.

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	UNAUDITED 31.3.2026 RM'000	AUDITED 31.12.2025 RM'000
ASSETS		
Non-current assets		
Property, plant, and equipment	16,697	16,950
Right-of-use assets	811	998
Investment properties	1,886	1,899
Investment in an associate	912	904
Intangible asset	3	3
	20,309	20,754
Current assets		
Inventories	4,922	4,666
Trade receivables	7,660	9,047
Other receivables, deposits and prepayments	1,070	1,153
Fixed deposit with licensed bank	3,716	3,699
Short-term investments	15,447	18,358
Cash and bank balances	13,432	9,832
Current tax assets	163	492
	46,410	47,247
TOTAL ASSETS	66,719	68,001
EQUITY AND LIABILITIES		
EQUITY		
Share capital	50,585	50,585
Merger deficits	(28,237)	(28,237)
Retained profits	35,230	36,584
TOTAL EQUITY	57,578	58,932
LIABILITIES		
Non-current liabilities		
Loans and borrowings	302	392
Lease liabilities	233	329
Deferred tax liabilities	976	976
	1,511	1,697
Current liabilities		
Trade payables	2,452	2,435
Other payables and accruals	4,062	3,640
Loans and borrowings	482	554
Lease liabilities	607	697
Current tax liabilities	27	46
	7,630	7,372
TOTAL LIABILITIES	9,141	9,069
TOTAL EQUITY AND LIABILITIES	66,719	68,001
Net assets per share (RM) ⁽²⁾	0.12	0.12

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾ (CONT'D)

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 Audited Financial Statements of the Group for the FYE 31 December 2025 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 March 2026 (480,000,000 units at 31 December 2025).

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	SHARE CAPITAL RM'000	INVESTED CAPITAL RM'000	MERGER DEFICITS RM'000	RETAINED PROFITS RM'000	TOTAL EQUITY RM'000
Balance at 1.1.2025	1	1,000	-	31,999	33,000
Total comprehensive income for the financial year	-	-	-	4,585	4,585
- Issuance of new Shares for the acquisition of a subsidiary	29,237	(1,000)	(28,237)	-	-
- Issuance of new Shares for public issue	22,542	-	-	-	22,542
- Share issuance expenses	(1,195)	-	-	-	(1,195)
Total contributions by and distributions to owners	50,584	(1,000)	(28,237)	-	21,347
Balance at 31.12.2025/ 1.1.2026	50,585	-	(28,237)	36,584	58,932
Total comprehensive income for the financial period	-	-	-	1,046	1,046
Distribution to owners: - Dividend paid	-	-	-	(2,400)	(2,400)
Balance at 31.3.2026 (Unaudited)	50,585	-	(28,237)	35,230	57,578

Note:

- (1) The basis of preparation of Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2025 and the accompanying explanatory notes attached in the interim financial report.

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	CURRENT YEAR- TO-DATE 31.3.2026 Unaudited RM'000	PRECEDING YEAR- TO-DATE 31.3.2025 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
PBT	1,369	1,508
Adjustments for:		
Amortisation of intangible asset	*	-
Depreciation of property, plant and equipment ("PPE")	339	348
Depreciation of right-of-use ("ROU") assets	187	175
Depreciation of investment properties ("IP")	13	12
Fair value gain on short-term investments	(1)	-
Interest expense	23	35
Unrealised (gain)/loss on foreign exchange	(109)	19
Share of profits of equity accounted associate	(8)	(9)
Dividend income from short-term investments	(139)	-
Interest income	(93)	(48)
Operating profit before working capital changes	1,581	2,040
Changes in working capital:		
Inventories	(256)	415
Trade and other receivables	1,470	1,857
Trade and other payables	439	(2,188)
Cash from operations	3,234	2,124
Income tax paid	(438)	(619)
Income tax refunded	425	-
Net cash generated from operating activities	3,221	1,505
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Dividend income from short-term investments	139	-
Interest income received	93	48
Proceed from disposal of short-term investments	3,046	-
Purchase of PPE	(86)	(57)
Purchase of short-term investments	(134)	-
Net cash generated from/(used in) investing activities	3,058	(9)

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾ (CONT'D)

	CURRENT YEAR- TO-DATE 31.3.2026 Unaudited RM'000	PRECEDING YEAR- TO-DATE 31.3.2025 Unaudited RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Additions to pledged fixed deposit	(17)	(4)
Dividend paid	(2,400)	-
Interest paid	(23)	(35)
Repayment of hire purchase payables	(57)	(38)
Repayment of lease liabilities	(186)	(157)
Repayment of term loans	(105)	(176)
Net cash used in financing activities	(2,788)	(410)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,491	1,086
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	109	(19)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	9,832	6,346
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	13,432	7,413
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:		
Cash and bank balances	13,432	7,413
Fixed deposits with licensed banks	3,716	703
	17,148	8,116
Less: Fixed deposit pledged with a licensed bank	(716)	(703)
Less: Fixed deposit with tenure more than 3 months	(3,000)	-
	13,432	7,413

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 Audited Financial Statements of the Group for the FYE 31 December 2025 and the accompanying explanatory notes attached in the interim financial report.

* Amount is less than RM1,000.

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

A1 Basis of preparation

The interim financial statement 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” issued by Malaysian Accounting Standards Board (“**MASB**”) and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The significant accounting policies and presentation adopted by the Group in this interim financial report are consistent with those adopted in the Group's Audited Financial Statements for the FYE 31 December 2025, save for the followings:

- (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 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments

Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity

Annual Improvements to MFRS Accounting Standards – Volume 11

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

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 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

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

A2 Significant Accounting Policies (Cont'd)

- (ii) The Group have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the current financial period:- (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 statements of the Group upon their initial application except as follows:-

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 their accompanying notes. The statement of financial position and the statement 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.

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

A3 Auditors' report on preceding annual financial statements

The Audited Financial Statements of the Group for the FYE 31 December 2025 were not subject to any qualification.

A4 Seasonal and 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

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial quarter under review.

A8 Dividend paid

On 23 February 2026, the Company declared an interim dividend of 0.50 sen per ordinary share amounting to RM2,400,000 in respect of the FYE 31 December 2025, paid on 27 March 2026 to shareholders whose names appeared in the record of depositors on 10 March 2026.

Save for the above dividend paid, there were no other dividend paid during the current financial period- to-date.

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

A9 Segment information

The segmental reporting of the Group's result 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 31.3.2026</u>				
Revenue				
Total revenue	8,704	1,335	1,768	11,807
Internal-segment revenue	(1,023)	(16)	(1)	(1,040)
Revenue from external customer	7,681	1,319	1,767	10,767
Segment profit	2,742	623	111	3,476
Other income				259
Selling and distribution expenses				(973)
Administrative expenses				(1,376)
Finance costs				(24)
Share of profits of equity accounted associate				7
Income tax expense				(323)
Profit for the financial period				1,046

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

A9 Segment information (Cont'd)

The segmental reporting of the Group's result is as follows:- (Cont'd)

BUSINESS SEGMENT	Manufacturing of foam products RM'000	Manufacturing of non-foam products RM'000	Trading RM'000	Total RM'000
<u>Preceding corresponding quarter 31.3.2025</u>				
Revenue				
Total revenue	8,926	2,126	1,149	12,201
Internal-segment revenue	(1,031)	(7)	-	(1,038)
Revenue from external customer	7,895	2,119	1,149	11,163
Segment profit	2,554	974	99	3,627
Other income				130
Selling and distribution expenses				(865)
Administrative expenses				(1,358)
Finance costs				(35)
Share of profits of equity accounted associate				9
Income tax expense				(365)
Profit for the financial period				1,143

A10 Valuation of property, plant and equipment

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

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

- (a) On 17 April 2026, the Company had announced that WTEC Sdn. Bhd. ("WTEC"), a wholly-owned subsidiary of the Company had, on the even date, entered into a letter of offer with Athens Park Machineries Sdn. Bhd. ("APMSB") for a proposed acquisition of an industrial building held under HSD 116275, PT28724, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan bearing postal address at No. 13, Jalan 6/9, Seksyen 6, Bandar Rinching, Mukim Semenyih, Daerah Hulu Langat, 43500, Selangor Darul Ehsan ("Property") for a total purchase consideration of RM10.80 million ("Purchase Consideration") ("Proposed Acquisition").

Subsequently, on 14 May 2026, the Company had announced that WTEC had entered into a sale and purchase agreement ("SPA") with APMSB for the Proposed Acquisition.

The Proposed Acquisition is expected to be completed by the third quarter of 2026.

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

A11 Significant events subsequent to the end of the interim financial period (Cont'd)

(b) On 28 April 2026, the Group had announced that to vary and extend the time for the use of IPO proceeds ("**Variation and Extension of Timeframe**") as follows:

- (i) to vary the use of the IPO Proceeds amounting to RM2.00 million, representing approximately 8.87% of the total IPO proceeds, from the unutilised proceeds originally earmarked for the renovation of the Company's new manufacturing facility to be established ("New Factory") to fund the acquisition of the New Factory; and
- (ii) to extend the timeframe for utilisation of the unutilised balance of the IPO Proceeds amounting to RM0.87 million allocated for the sales and marketing expenses and RM0.17 million allocated for the working capital, respectively, by an additional 12 months from 28 April 2026 to 28 April 2027.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review.

A13 Gain or losses arising from financial instruments

	INDIVIDUAL QUARTER	
	CURRENT QUARTER	PRECEDING CORRESPONDING QUARTER
	31.3.2026	31.3.2025
	Unaudited	Unaudited
	RM'000	RM'000
Fair value gain on short-term investments	1	-

A14 Capital commitments

	INDIVIDUAL QUARTER	
	CURRENT QUARTER	PRECEDING CORRESPONDING QUARTER
	31.3.2026	31.3.2025
	Unaudited	Unaudited
	RM'000	RM'000
Purchase of PPE	366	-

A15 Contingent assets and contingent liabilities

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

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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		CUMMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	QUARTER	CORRESPONDING	YEAR-TO-	YEAR-TO-
	31.3.2026	QUARTER	DATE	DATE
	Unaudited	31.3.2025	31.3.2026	31.3.2025
	RM'000	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000
Transactions with related companies				
Sales of goods	2	11	2	11
Purchase of goods	1,823	1,920	1,823	1,920
Lease expenses	6	6	6	6
Upkeep expenses	-	8	-	8
Printing and stationery expenses	10	7	10	7

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

B1 Review of performance

	INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	QUARTER	CORRESPONDING	YEAR-TO-	YEAR-TO-
	31.3.2026	QUARTER	DATE	DATE
	Unaudited	31.3.2025	31.3.2026	31.3.2025
	RM'000	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000
Revenue	10,767	11,163	10,767	11,163
Gross profit	3,476	3,627	3,476	3,627
PBT	1,369	1,508	1,369	1,508
PAT	1,046	1,143	1,046	1,143

For the current financial quarter ended 31 March 2026 (“Q1 2026”), the Group recorded revenue of RM10.77 million representing a decline of 3.55% as compared to RM11.16 million recorded in the preceding corresponding financial quarter ended 31 March 2025 (“Q1 2025”). The decline was mainly attributed by the lower contribution from manufacturing of non-foam products segment, which declined by RM0.80 million from RM2.12 million in Q1 2025 to RM1.32 million in Q1 2026. The decline was partially offset by a higher contribution from trading segment which mainly related to the electrical and electronics (“E&E”) and other manufacturing, which increased by RM0.62 million or 53.79% to RM1.77 million in Q1 2026 as compared to RM1.15 million in Q1 2025.

The Group registered a gross profit of RM3.48 million in Q1 2026 which was broadly in line with RM3.63 million recorded in Q1 2025. Accordingly, the gross profit margin remains consistent at 32.28% as compare to 32.49% in Q1 2025. The Group was able to sustain its gross profit margins through disciplined cost management, efficient sourcing, operational efficiency and a continued emphasis on higher-value customised solutions.

Consequently, the PBT decreased by RM0.14 million or 9.22% to RM1.37 million while the PAT decreased by RM0.10 million or 8.49% to RM1.05 million. This was primarily due to lower revenue and higher selling and distribution expenses recorded in Q1 2026.

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

B2 Comparison with immediate preceding quarter's results

	INDIVIDUAL QUARTER			
	CURRENT QUARTER 31.3.2026 Unaudited RM'000	PRECEDING QUARTER 31.12.2025 Unaudited RM'000	Changes RM'000	%
Revenue	10,767	12,300	(1,533)	(12.46)
Gross profit	3,476	4,125	(649)	(15.73)
PBT	1,369	2,127	(758)	(35.64)
PAT	1,046	1,384	(338)	(24.42)

The Group recorded revenue RM10.77 million in Q1 2026, compared to RM12.30 million in preceding financial quarter ended 31 December 2025 ("Q4 2025"). The decrease was primarily attributable to the moderation in sales following the year-end peak period.

The Group registered gross profit at RM3.48 million in Q1 2026, as compared to RM4.12 million in Q4 2025. The gross profit margin remained healthy at 32.28%, reflecting continued cost discipline and efficient resource management across our operations.

PBT for Q1 2026 amounted to RM1.37 million, while PAT stood at RM1.04 million. The lower PBT and PAT recorded in Q1 2026 were in line with the revenue performance as explained above. During Q1 2026, the Group also incurred higher carriage outward expenses in supporting its ongoing business and customer fulfilment activities. The Group continued to deliver a stable performance, underpinned by prudent expenses control and operational efficiency initiatives implemented during the period.

The Group remains in a strong financial position with consistent profitability, demonstrating the resilience of its business model.

(The rest of this page is intentionally left blank)

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 first quarter of 2026 issued by Bank Negara Malaysia, Malaysia real Gross Domestic Product ("GDP") expanded by 5.40% in the first quarter of 2026, with the manufacturing sector growing 5.90%, supported by strong E&E production following continued demand for AI-related components.

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.

Similarly, the E&E industry is poised for continued expansion under the 13th Malaysia Plan. Based on Malaysia's Trade Performance January-March 2026 issued by the Malaysia External Trade Development Corporation ("MATRADE"), the E&E sector recorded RM203.02 billion in export revenue as at 31 March 2026, a 26.7% increase compared to 2025.

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. On 14 May 2026, WTEC entered into a SPA to acquire an industrial building in Bandar Rinchang, Semenyih, Selangor for a total consideration of RM10.80 million. The acquisition will enable the Group to consolidate its manufacturing operations from multiple facilities into a single integrated location. This is expected to improve operational efficiency, reduce transportation and rental cost, shorten production lead times and may accommodate certain new automated machinery. The acquisition is targeted for completion in the third quarter of 2026.

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. Barring unforeseen circumstances, the Board expects the Group's performance for FY2026 to remain satisfactory.

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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		CUMMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	QUARTER	CORRESPONDING	YEAR-TO-	YEAR-TO-
	31.3.2026	QUARTER	DATE	DATE
	Unaudited	31.3.2025	31.3.2026	31.3.2025
	RM'000	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000
In respect of the current period:-				
Income tax expense	323	365	323	365
Total	323	365	323	365
Effective tax rate (%)	23.59	24.20	23.59	24.20

The effective tax rate for the Q1 2026 was slightly lower than the Malaysia statutory tax rate of 24.00%.

While the effective tax rate for the Q1 2025 was slightly higher than the statutory tax rate of 24.00% mainly due to higher non-deductible expenses related to depreciation

B6 Status of corporate proposals

Save as disclosed in A11, there were no other corporate proposals announced but not yet completed as at the date of this interim financial report.

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

B7 Utilisation of proceeds raise from public issue

As of 31 March 2026, the gross proceeds from the public issue amounting to RM22,542,000 is intended to be utilised in the following manner:

Purpose	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	-	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	134	866	Within 24 months
Working capital	5,117	22.70	4,946	171	Within 24 months
Estimated listing expense	4,000	17.74	4,000	-	Within 3 months
	<u>22,542</u>	<u>100.00</u>	<u>9,675</u>	<u>12,867</u>	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus dated 9 April 2025 and the announcement in relation to the Variation and Extension of Timeframe dated 28 April 2026.

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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>Bank borrowings</u>			
Hire purchase payables	98	302	400
Term loans	384	-	384
	<u>482</u>	<u>302</u>	<u>784</u>

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

- (a) Legal charges over a 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.

B10 Proposed dividend

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

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

B11 Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	QUARTER	CORRESPONDING	YEAR-TO-	YEAR-TO-
	31.3.2026	QUARTER	DATE	DATE
	31.3.2026	31.3.2025	31.3.2026	31.3.2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Net profit for the period attributable to ordinary equity holder of the Company (RM'000)	1,046	1,143	1,046	1,143
Number of Shares in issue ('000)	480,000	389,832	480,000	389,832
Basic and diluted earnings per share (sen) ^{(1) (2)}	0.22	0.29	0.22	0.29

Notes:

- (1) Basic earnings per share for the current financial quarter and financial year-to-date period ended 31 March 2026 are computed based on profit attributable to owners of the Company divided by the number of Shares in issue of 480,000,000 units respectively.

For the preceding corresponding quarter and year-to-date period ended 31 March 2025, they are calculated based on the number of Shares in issue of 389,832,000 units respectively which is after the Acquisition but prior to the IPO of the Company.

- (2) 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

(The rest of this page is intentionally left blank)

WTEC GROUP BERHAD

(Registration No: 202401017425 (1563275-K))
(Incorporated in Malaysia)

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

B12 Notes to the statement of comprehensive income

	INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	QUARTER	CORRESPONDING	YEAR-TO-	YEAR-TO-
	31.3.2026	QUARTER	DATE	DATE
	31.3.2026	31.3.2025	31.3.2026	31.3.2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<u>The following amounts</u>				
<u>have been included</u>				
<u>in arriving at PBT:-</u>				
Amortisation of intangible assets	*	-	*	-
Finance costs	24	35	24	35
Depreciation of PPE	339	348	339	348
Depreciation of ROU assets	187	175	187	175
Depreciation of IP	13	12	13	12
Short-term lease	13	3	13	3
Unrealised loss on foreign exchange	-	19	-	19
<u>and after crediting:-</u>				
Dividend income from short-term investments	139	-	139	-
Fair value gain on short-term investments	1	-	1	-
Interest income	93	48	93	48
Lease income	26	25	26	25
Unrealised gain on foreign exchange	109	-	109	-

Note:

* Amount is less than RM1,000.

By Order of the Board

Date: 25 May 2026