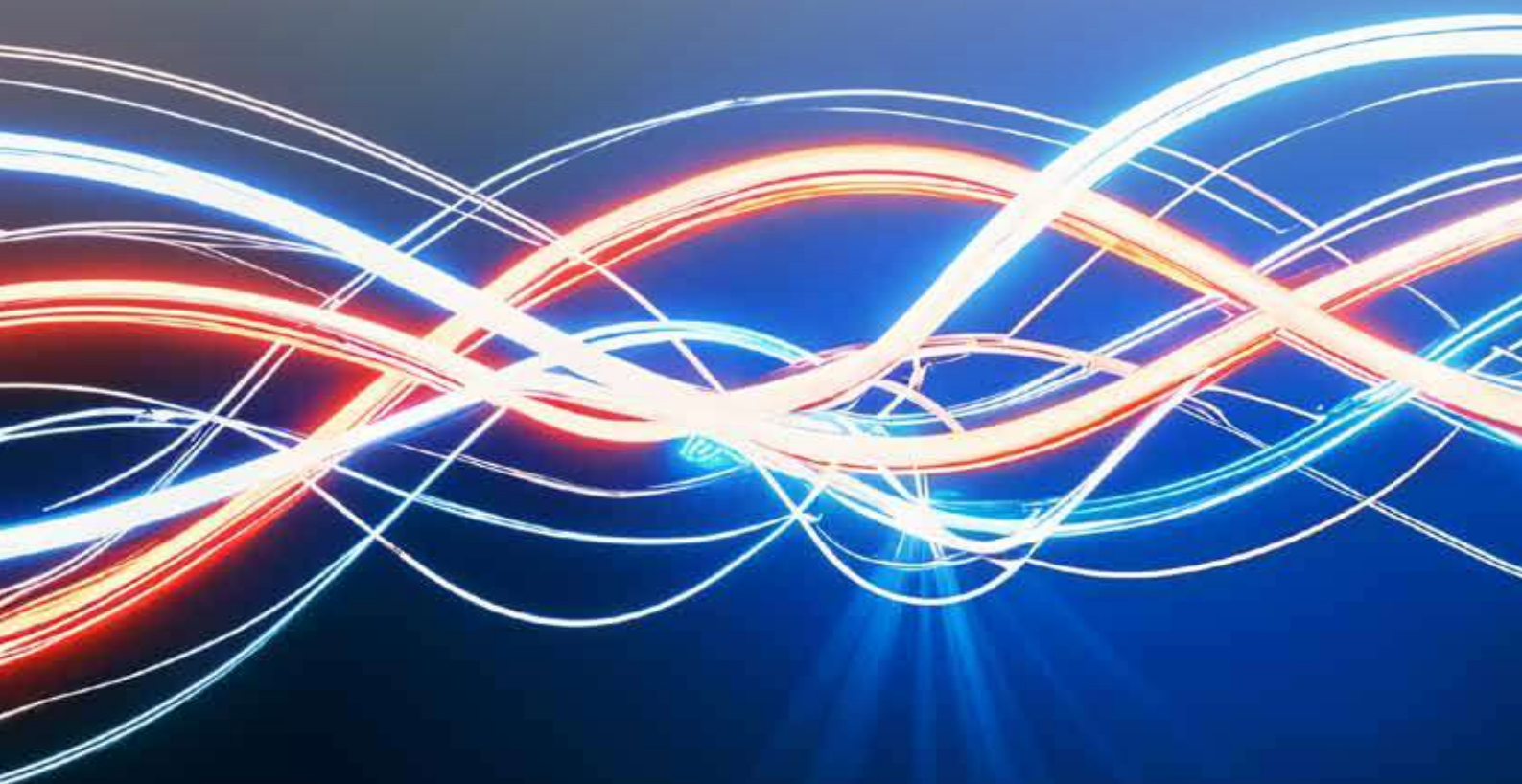




POWERWELL®

POWERWELL HOLDINGS BERHAD

200101009151 (544907-X)



**ANNUAL REPORT
2025**



POWERWELL®

VISION



BE A GLOBAL LEADER

We aspire to lead as a world-class manufacturer of electrical distribution systems, distinguished by state-of-the-art innovation adhering to international standards.

QUALITY POLICY

Excellence in Every Product

Dedicated to the pursuit of excellence, we prioritize ensuring that our products consistently meet and exceed the highest quality standards in the market. Our ultimate goal is to achieve total customer satisfaction.

MISSION



FOREFRONT IN INNOVATION AND SAFETY

Our commitment is to deliver cutting-edge industry innovations that strictly adhere to international safety standards and requirements to achieve total customer satisfaction.

CORPORATE OBJECTIVE

Innovating Solutions

We proactively observe market trends, continuously innovating to meet the evolving demands of our customers, ensuring customer satisfaction with our products.

ABOUT US

Powerwell Holdings Berhad ("Powerwell" or "the Company") was incorporated in 2001 as a private limited company under the name of Powerwell Holdings Sdn Bhd. Powerwell and its subsidiaries ("Powerwell Group" or "the Group") are principally involved in the design, manufacturing and trading of electrical power distribution products, property investment and management. Powerwell's products comprise low voltage ("LV") switchboards, medium voltage ("MV") switchgears and related products. Subsequently in 2018, the Company was converted into a public limited company to facilitate its listing and assumed its present name of Powerwell Holdings Berhad.

At Powerwell, we believe in '*Empowering Possibilities*' – the potential action and realisation to create marvels that benefit our everyday life. Powerwell was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 22 January 2020.

CONTENTS

CORPORATE OVERVIEW

- 01 About Us
- 02 Global Market Presence
- 03 Financial Highlights
- 04 Corporate Information
- 05 Corporate Structure
- 06 Corporate Milestones
- 07 Accreditations

LEADERSHIP PROFILE

- 08 Profile of Directors
- 14 Profile of Key Senior Management

STRATEGIC PERFORMANCE

- 17 Management Discussion and Analysis
- 29 Sustainability Statement
- 58 Group Highlights

ACCOUNTABILITY

- 63 Corporate Governance Overview Statement
- 74 Statement on Risk Management and Internal Control
- 79 Statement on Directors' Responsibility
- 80 Audit and Risk Management Committee Report
- 83 Additional Information

FINANCIAL STATEMENTS

- 85 Directors' Report
- 90 Statement by Directors
- 90 Statutory Declaration
- 91 Independent Auditors' Report
- 96 Statements of Financial Position
- 98 Statements of Profit or Loss and Other Comprehensive Income
- 100 Statements of Changes in Equity
- 102 Statements of Cash Flows
- 105 Notes to the Financial Statements

ADDITIONAL INFORMATION

- 154 List of Properties
- 155 Analysis of Shareholdings
- 157 Notice of Twentieth Annual General Meeting
- 161 Statement Accompanying Notice of Twentieth Annual General Meeting

Proxy Form



This Annual Report can also be downloaded as a PDF file or viewed in an interactive format at www.powerwell.com.my or by scanning the QR code with your smart device.

GLOBAL MARKET PRESENCE



1 MALAYSIA

Headquarter

- Powerwell Holdings Berhad

Subsidiaries

- Powerwell Sdn Bhd
- Kejuruteraan Powerwell Sdn Bhd
- Powerwell International Sdn Bhd
- Powerwell Marketing Sdn Bhd
- Powerhouse Field Sdn Bhd
- DB Power Sdn Bhd
- Firerex Technology Sdn Bhd
- Brandrich Fire Solutions Sdn Bhd

Branch

- Kejuruteraan Powerwell Sdn Bhd (Powerwell Southern Region, Johor)
- Powerwell International Sdn Bhd (Powerwell Northern Region, Penang)

2 INDONESIA

Subsidiary

- PT. Powerwell Listrik Indonesia

Distributors

- PT Duta Fuji Electric
- PT Duta Listrik Graha Prima

3 PAKISTAN

Distributor

- Computer Marketing Co. (PVT.) Ltd.

4 THAILAND

Distributor

- Worldwide Procurement Technology Co. Ltd

5 BANGLADESH

Distributor

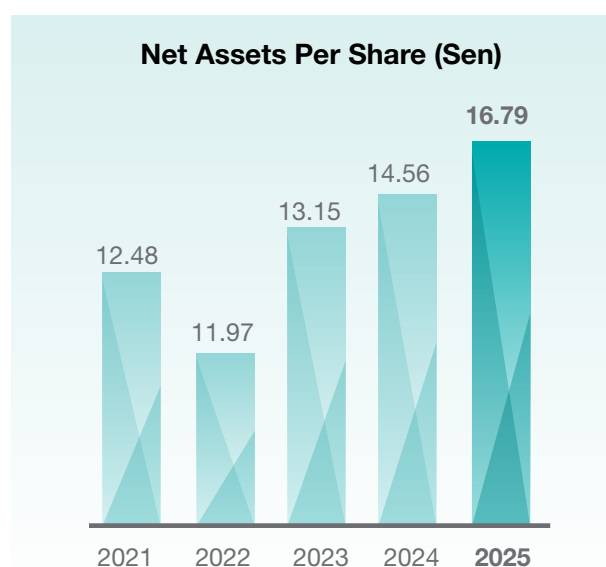
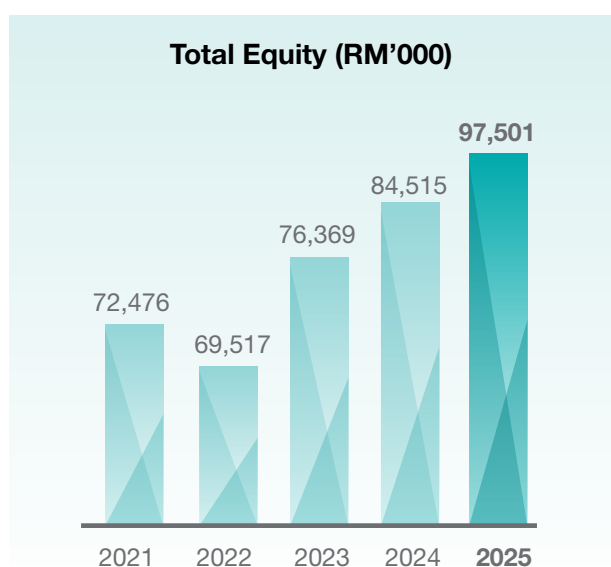
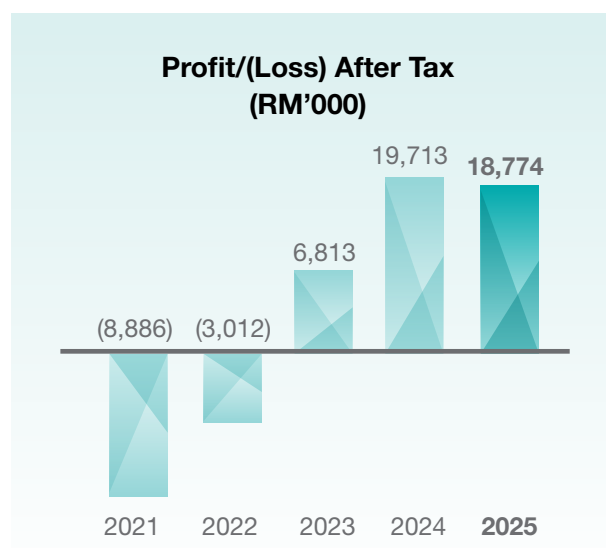
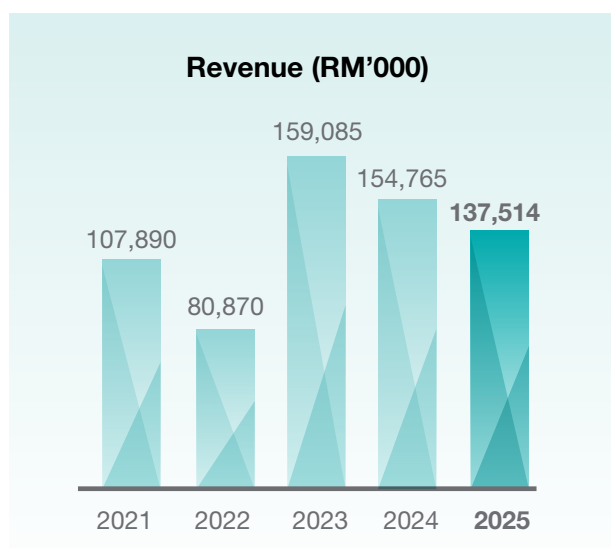
- Industrial Engineering Solutions Ltd

FINANCIAL HIGHLIGHTS

Financial Year		2021*	2022	2023	2024	2025
Revenue	(RM'000)	107,890	80,870	159,085	154,765	137,514
Profit/(Loss) After Tax	(RM'000)	(8,886)	(3,012)	6,813	19,713	18,774
Total Equity	(RM'000)	72,476	69,517	76,369	84,515	97,501
Net Assets Per Share	(Sen)	12.48	11.97	13.15	14.56	16.79

Notes:-

* The financial year end of the Group has been changed from 31 December to 31 March in year 2021. Accordingly, the Group's financial statements for financial year 2021 cover a 15-month period.



CORPORATE INFORMATION

BOARD OF DIRECTORS

TANG YUEN KIN

Independent Non-Executive Chairman

WONG YOKE YEN

Managing Director

SOH WEI WEI

Executive Director

DR. TOU TECK YONG

Senior Independent Non-Executive
Director

**SELMA ENOLIL BINTI
MUSTAPHA KHALIL**

Independent Non-Executive Director

CHONG GUANG WEI

Non-Independent Non-Executive Director

**AUDIT AND RISK
MANAGEMENT COMMITTEE****Chairman**

Selma Enolil Binti Mustapha Khalil

Member

Tang Yuen Kin
Dr. Tou Teck Yong

NOMINATION COMMITTEE**Chairman**

Dr. Tou Teck Yong

Member

Tang Yuen Kin
Selma Enolil Binti Mustapha Khalil

REMUNERATION COMMITTEE**Chairman**

Dr. Tou Teck Yong

Member

Tang Yuen Kin
Selma Enolil Binti Mustapha Khalil

COMPANY SECRETARIES

Tan Fong Shian @ Lim Fong Shian
(SSM PC No. 201908004045)
(MAICSA 7023187)

Tan Kok Siong
(SSM PC No. 202008001592)
(LS0009932)

REGISTERED OFFICE

Unit 30-1, Level 30,
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Email: info@vistra.com
Tel: 03-2783 9191
Fax: 03-2783 9111

BUSINESS OFFICE

1B, Jalan Anggerik Mokara 31/48
Seksyen 31
Kota Kemuning, 40460 Shah Alam
Selangor
Tel : 03-5521 3333
Fax: 03-5122 2933
Website: www.powerwell.com.my

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
[Registration No. 197101000970
(11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Email: is.enquiry@my.tricorglobal.com
Tel : 03-2783 9299
Fax: 03-2783 9222

AUDITORS

BDO PLT
201906000013
(LLP0018825-LCA & AF 0206)
Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: 03-2616 2888
Fax: 03-2016 3190 / 3191

PRINCIPAL BANKERS

- HSBC Bank Malaysia Berhad
- AmBank (M) Berhad
- UOB Bank Berhad
- OCBC Al-Amin Bank Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name: PWRWELL
Stock Code: 0217



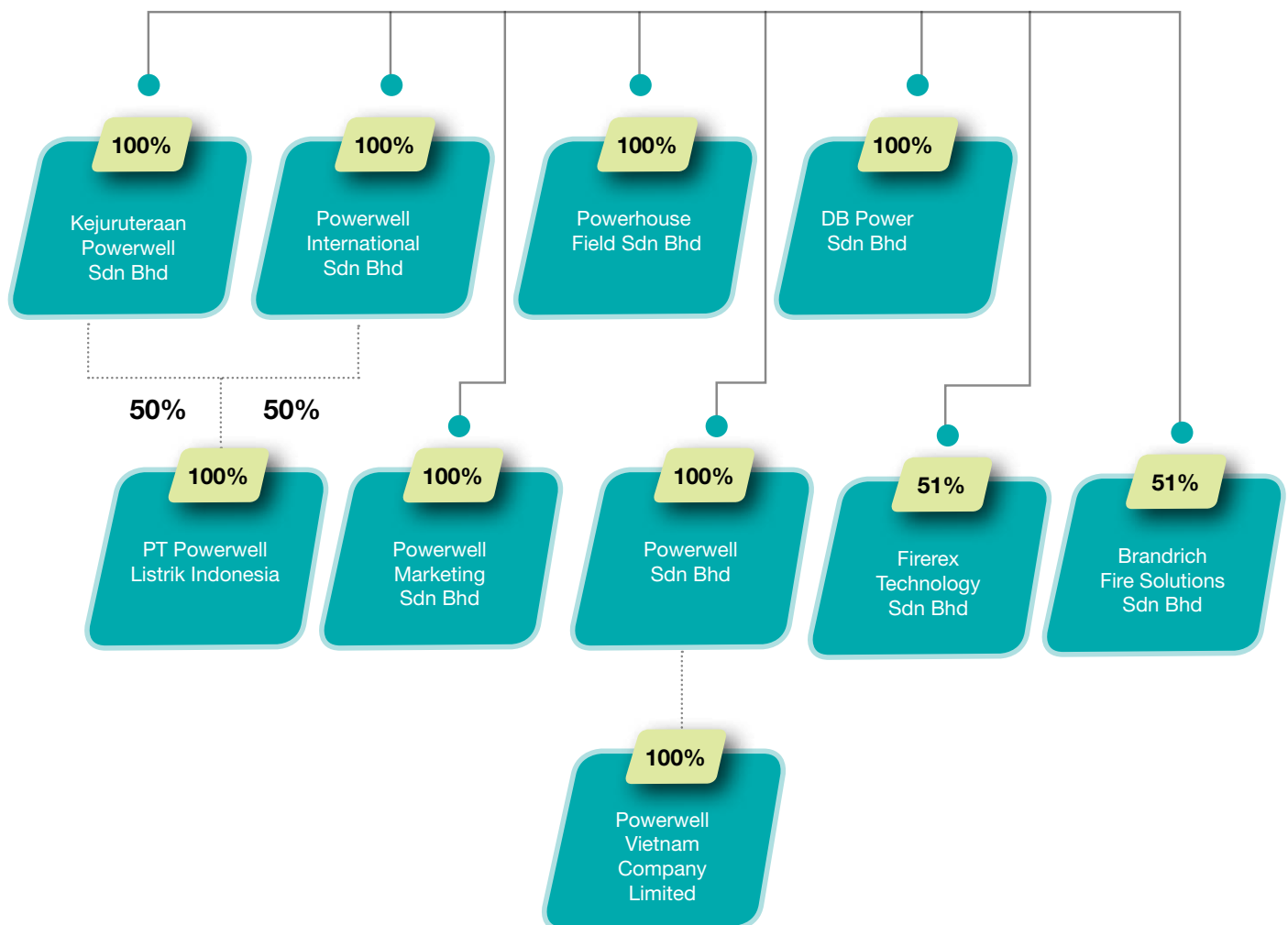
CORPORATE STRUCTURE



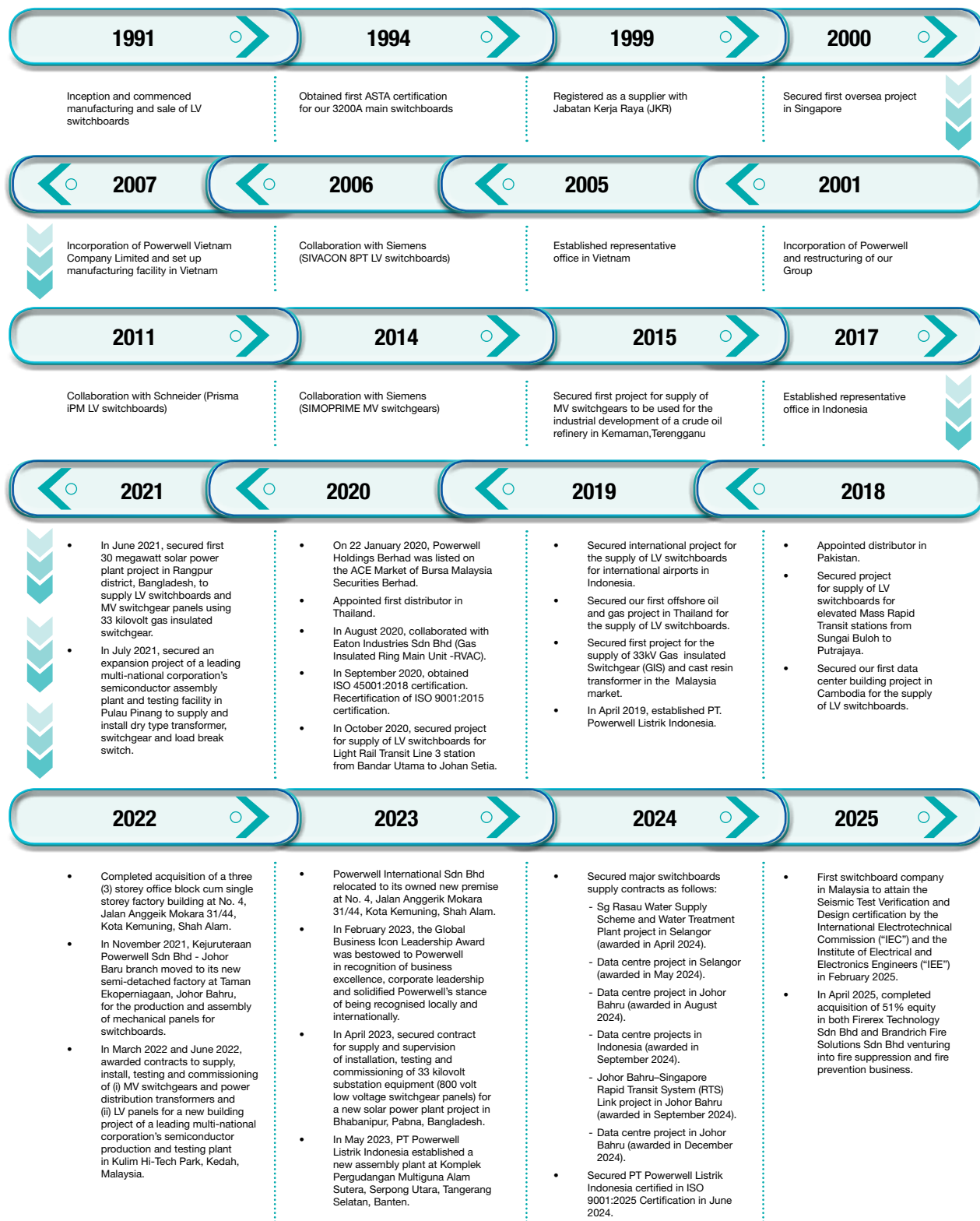
POWERWELL®

POWERWELL HOLDINGS BERHAD

200101009151 (544907-X)



CORPORATE MILESTONES



ACCREDITATIONS



SIRIM is Malaysia's leading organisation that offers industrial development quality standardization services and developing new standards to support product innovation. This enable SIRIM to support businesses in providing quality products and services, whilst safeguarding consumer interests and the environment.

- IEC 60529 (Outdoor Enclosure-IP55) (January 2002)
- IEC 60529 (Indoor Enclosure-IP 41) (August 2014)
- IEC 61000-6-4 & IEC 61000-6-2 (EMC Immunity & Emission Test) (December 2015)
- IEC 61439-3 (Consumer Distribution Board) (May 2018)



- ISO 9001:2015
Kejuruteraan Powerwell Sdn Bhd (September 2023)
- ISO 9001:2015
Powerwell Sdn Bhd (September 2023)

- ISO 9001:2015
Powerwell International Sdn Bhd (September 2023)
- ISO 9001: 2015
PT Powerwell Listrik Indonesia (June 2024)



- ISO 45001:2018
Kejuruteraan Powerwell Sdn Bhd (September 2023)
- ISO 45001:2018
Powerwell Sdn Bhd (September 2023)

- ISO 45001:2018
Powerwell International Sdn Bhd (September 2023)



ASTA or 'Association of Short-Circuit Authorities' in full, is an international benchmarking standards that awards its ASTA certificates and endorsed reports that are only available through testing at 'recognized' testing facilities that have been rigorously assessed by ASTA.

ASTA Certificates are the only certificates that are signed by an ASTA Observer who is technically responsible to ASTA for the performance and reporting of the tests and not to the testing station.

The Group's ASTA Certificates are available at <https://www.powerwell.com.my/about/accreditations/iec-certifications/>



- International Electrotechnical Commission IEC60068 - Seismic Test Verification
- Institute of Electrical and Electronics Engineers IEEE 693:2018 - Seismic Design

PROFILE OF DIRECTORS

TANG YUEN KIN

Independent Non-Executive Chairman

Nationality



Gender



Age

53

Mr Tang Yuen Kin ("Mr Tang") is our Independent Non-Executive Chairman and was appointed to the Board on 7 January 2019. Mr Tang is a member of our Audit and Risk Management Committee, Nomination Committee as well as Remuneration Committee.

Mr Tang graduated with a Bachelor of Accounting with First Class Honours from University of Malaya, Malaysia in 1995. In 2000, he earned a Master of Business Administration (Banking & Finance) from Nanyang Technological University, Singapore. He also obtained a Master of Law Executive (Business Law) from International Islamic University, Malaysia in 2006. He has been a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants since 2000 and 2015 respectively.

Over the span of more than 26 years, he has gained vast experience in the areas of audit, accounting and finance, corporate finance and corporate planning, having worked in, among others, Price Waterhouse (now

known as PricewaterhouseCoopers PLT), Securities Commission Malaysia, KPMG Corporate Advisory Sdn Bhd, AmInvestment Bank Berhad, Alliance Investment Bank Berhad and Sasbadi Holdings Berhad. Mr Tang is presently the group chief financial officer of Dancomech Holdings Berhad.

Mr Tang currently sits on the board of directors of both Sasbadi Holdings Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and Wellspire Holdings Berhad, which is listed on the ACE Market of Bursa Securities as an Independent Non-Executive Director. He also sits on the board of Farmiera Berhad as an Independent Non-Executive Chairman, a public company.

He has no family relationship with any Director and/or major shareholder of the Company.

Profile of Directors (Cont'd)

WONG YOKE YEN

Managing Director

Nationality



Gender



Age

59

Ms Wong Yoke Yen ("Ms Wong") has been a cornerstone of Powerwell since her appointment to the Board on 30 August 2018. Ms Wong is our Managing Director since 11 November 2024. She was previously our Executive Director (Finance & Admin). With an impressive career spanning decades, she brings a depth of experience and expertise that has significantly contributed to Powerwell Group's growth and success. Ms Wong obtained her London Chamber of Commerce & Industry (LCCI) qualification from the Regent School of Economics in 1984, marking the beginning of her illustrious career.

Ms Wong started her professional journey as a bank teller with Public Bank Berhad, where she adeptly managed customer enquiries and financial transactions. Her career trajectory took a significant turn in 1990 when she joined NEC Sales (Malaysia) Sdn Bhd as an accounting clerk, eventually rising to the position of senior accounts assistant. This role honed her skills in financial management and accounting, laying a solid foundation for her future endeavours.

In 1993, Ms Wong joined Powerwell Group as an account officer, handling tender enquiries and client quotations. Her exceptional performance and dedication saw her climb the ranks to Administration Manager and, subsequently, Finance Director. In these roles, she managed office administration, finance, and human resources, playing a pivotal role in Powerwell Group's ISO 9001 certification process. Ms Wong's responsibilities have expanded significantly over the years, now encompassing the oversight of pre- and post-project commercial discussions, including extensive review and negotiation of commercial contracts.

As Executive Director (Administration) in 2018, Ms Wong took on comprehensive responsibilities in strategic financial planning, budget monitoring, and financial reporting. Her role further includes active involvement in materials planning, ensuring the efficient allocation and utilisation of resources to support Powerwell Group's operational needs. She oversees day-to-day operations, including finance, collections, payments, and human resources, as well as managing Powerwell's operations in Indonesia.

Externally, Ms Wong is the key liaison with bankers and government authorities, ensuring compliance and fostering strong relationships that support the company's growth. Her strategic vision and leadership have been instrumental in navigating Powerwell Group through various financial landscapes, ensuring stability and growth.

In March 2023, Ms Wong was featured in The Edge (Options) Malaysia, a leading business and financial publication, for her significant role in Powerwell's listing on Bursa Securities. This recognition underscores her dedication and expertise, which have been vital to maintaining Powerwell's financial health and administrative efficiency.

Ms Wong does not hold any directorships in other public companies or listed corporations. She has no family relationship with any other director or major shareholder of the company.

Profile of Directors (Cont'd)

SOH WEI WEI

Executive Director

Nationality  Gender  Age 43

Mr Soh Wei Wei ("Mr Soh"), appointed to the Board on 11 July 2024, is the Executive Director at Powerwell. With a robust career spanning over 16 years in sales and marketing, Mr Soh has been instrumental in driving Powerwell Group's growth and expanding its market presence. He holds a Diploma in Computer Studies from Sunway College, earned in 2005, which provided him with a strong foundation in analytical and strategic thinking.

Mr Soh's journey with Powerwell Group began in 2006 as a marketing executive. His exceptional skills and dedication quickly propelled him through the ranks. As Assistant Marketing Manager, he played a crucial role in developing and implementing marketing strategies. His innovative approach and leadership were further recognised with his promotions to Marketing Manager and Senior Sales and Marketing Manager. In these roles, he oversaw the execution of strategic marketing plans, managed marketing budgets, and ensured seamless sales and marketing operations across Powerwell's projects.

In 2012, Mr Soh was entrusted with the position of Sales and Marketing Director, where he focused on expanding Powerwell's market presence in Malaysia and the Indochina region. He established and led a dedicated marketing team, driving significant growth in these markets. His efforts have been critical in securing key projects and strengthening Powerwell's market position.



As Executive Director, Mr Soh continues to lead Powerwell's sales and marketing initiatives with a strategic and customer-focused approach. His expertise in market strategy, customer relationship management, and business development has been vital in achieving the Group's sales targets and expanding its global footprint.

Mr Soh does not hold any directorships in other public companies or listed corporations. He has no family relationship with any director or major shareholder of the company.

Profile of Directors (Cont'd)

SELMA ENOLIL BINTI MUSTAPHA KHALIL

Independent Non-Executive Director

Nationality  Gender  Age 54

Puan Selma Enolil Binti Mustapha Khalil (“Puan Selma”) is our Independent Non-Executive Director and was appointed to the Board on 7 January 2019. Puan Selma is the Chairman of our Audit and Risk Management Committee. She is also a member of our Nomination Committee and Remuneration Committee. Puan Selma graduated from University of Wales, Aberystwyth with a Bachelor of Laws in 1994 and obtained her certificate in legal practice in 1995. Puan Selma was called to the Malaysian Bar as an advocate and solicitor in 1996.

Puan Selma started her career as an advocate and solicitor with Messrs Abu Talib Shahrom & Zahari in 1997. In 1998, she joined TNB Remaco Sdn Bhd as a legal executive. Puan Selma left TNB Remaco Sdn Bhd in 2000 and resumed practising law as an advocate and solicitor with Messrs Raslan Loong in 2000. She left Messrs Raslan Loong in 2003. In the same year, she cofounded Messrs Enolil Loo, of which she is currently a partner.

Puan Selma presently sits on the board of directors of Selangor Dredging Berhad, Techbond Group Berhad and Life Water Berhad, as an Independent Non-Executive Director, and Unique Fire Holdings Berhad (“UFHB”) as an Independent Non-Executive Chairperson, all are companies listed on the Main Market of Bursa Securities.

Puan Selma has no family relationship with any Director and/or major shareholder of the Company. Puan Selma does not have any other conflict of interest except which may arise by virtue of her being a Director of UFHB. She will recuse herself from participating in any discussion on matters involving the interests of UFHB and will abstain from deliberation and voting on such matters at the Board and Board Committee meetings of the Company.

Profile of Directors (Cont'd)

DR TOU TECK YONG

Senior Independent Non-Executive Director

Nationality  Gender  Age 67

Dr Tou Teck Yong ("Dr Tou") is our Senior Independent Non-Executive Director and was appointed to the Board on 7 January 2019. Dr Tou is the Chairman of our Nomination Committee as well as Remuneration Committee. He is also a member of our Audit and Risk Management Committee. Dr Tou obtained a Bachelor of Science (Physics) degree and a Doctor of Philosophy ("PhD") in physics from the University of Malaya, Malaysia ("UM") in 1982 and 1987 respectively. Dr Tou has been a fellow of the Academy of Science Malaysia and the Institute of Physics Malaysia since 2005.

Upon completion of his PhD in 1987, Dr Tou worked as a full-time physics researcher at the Australian National University, Canberra, Australia. In 1989, Dr Tou returned to UM to work as a research fellow. Dr Tou continued his career as a physics lecturer at UM in 1991. In 1999, he left UM and joined Multimedia University ("MMU") as a professor in the Faculty of Engineering, where he taught at both undergraduate and postgraduate levels in the field of electronic engineering. Dr Tou was also involved

in the administration of the R&D division of MMU, where he acted as the director between year 2001 to 2007 and vice president between year 2008 to 2013 respectively. Dr Tou resigned as a professor in MMU in 2018.

Dr Tou currently acts as an adjunct professor for MMU in Cyberjaya. His role is to provide advice to students and act as student mentor. Dr Tou has been on board of trustees of Top Glove Foundation since 2008, where he has been involved in overseeing and monitoring the charity foundation's activities. He has been the R&D advisor for Top Glove Corporation since 2013, where he provides advice and guidance in relation to the R&D plans of Top Glove Corporation and its group of companies.

Dr Tou does not hold any directorship in any other public companies and listed corporations and has no family relationship with any Director and/or major shareholder of the Company.

Profile of Directors (Cont'd)

CHONG GUANG WEI

Non-Independent Non-Executive Director

Nationality  Gender  Age 32

Mr Chong Guang Wei ("Mr Chong"), appointed to the Board on 11 November 2024 as a Non-Independent Non-Executive Director of the Company. Mr Chong began his career as an Equity Analyst at AmlInvestment Bank Berhad, where he conducted comprehensive primary research on publicly listed companies and formulated investment recommendations to institutional clients. Mr Chong specialised in covering the technology and manufacturing sectors.

In 2018, Mr Chong joined Kenanga Investment Bank Berhad as a Senior Equity Analyst. Within the same year, he was promoted to Assistant Vice President. During this period, he expanded his expertise to the building materials sector. In 2019, Mr Chong joined Principal Asset Management Berhad as a Senior Analyst. With his extensive investment knowledge, he was soon promoted to Portfolio Manager, where he took on the challenge of managing high-value portfolios. The ranking of the portfolios under his management improved significantly, further cementing his reputation in the industry.

In 2023, Mr Chong transitioned to an executive leadership role, taking on the position of Executive Director of Delloyd Industries (M) Sdn Bhd, Delloyd Electronics (M) Sdn Bhd, Delloyd R&D (M) Sdn Bhd, and Wemaz Auto Technology (M) Sdn Bhd, which are collectively one of the nation's largest automotive components manufacturers. In this capacity, Mr Chong leverages his investment expertise to identify merger and acquisition opportunities, manages access to capital markets, and contributes to forming the group's strategic direction.

Mr Chong does not hold any directorship in any other public companies and listed corporations and he has no family relationship with any Director and/or major shareholder of the Company.

ADDITIONAL INFORMATION

Save as disclosed above, none of the Directors has any:

- conflict of interest or potential conflict of interest (including competing business) with the company or its subsidiaries;
- conviction for offences within the past five (5) years; and
- public sanction or penalty imposed by the relevant regulatory bodies on him or her during the financial year ended 31 March 2025, which require disclosure pursuant to paragraph 3(h) of Appendix 9C of the ACE Market Listing Requirements of Bursa Securities.

PROFILE OF KEY SENIOR MANAGEMENT

HOH MOON HENG

Technical Director

Aged 56

Male

Malaysia

Mr Hoh Moon Heng ("Mr Hoh") graduated from Institut Teknologi Jaya with a part-time diploma course in electrical and electronic engineering in 1993.

Mr Hoh has over 30 years of experience in supervising and overseeing switchboard manufacturing projects. He joined our Group in 1997 as a project manager where he was responsible for overseeing project execution and production of our Group. He also supervises switchboard manufacturing projects, including monitoring the design of LV switchboards to ensure that the products are in compliance with the ISO 9001.

In 2010, Mr Hoh was promoted to the position of Project Director. As a Project Director, he is responsible for overseeing the project and production activities of our Group, including quality assurance, quality control,

and achieving our Group's objectives and targets. He also assists the Managing Director to monitor the standardisation of switchboards, ensuring project costs are within allocated budgets, dealing with customers' complaints arising from any quality defects and monitoring work progress. He also assists the Managing Director to drive the expansion of our Group's business in the local market.

In September 2023, Mr Hoh was redesignated as the Technical Director. In this role, Mr Hoh is responsible for providing strategic direction and guidance to the technical teams, ensuring high standards of technical quality for our Group's products, and ensuring compliance with regulatory requirements and industry standards.

IR LEONG YEK LOONG

Regional Sales and Marketing Director

Aged 52

Male

Malaysia

Ir Leong Yek Loong ("Ir Leong") graduated from Staffordshire University, United Kingdom with a Bachelor of Electrical Engineering in 1996. He then obtained his Master of Business Administration from the University of Southern Queensland, Australia in 2010. He has been a member of the Board of Engineers since 2004.

Ir Leong has over 25 years of experience in the electrical engineering industry. He joined our Group in 2005 as a senior manager where he was responsible for the after-sales division of our Group, including upgrading, modifying and replacing existing low voltage ("LV") switchboards and medium voltage ("MV") switchgears. He was also responsible for troubleshooting LV switchboard issues and conducts monthly maintenance on LV switchboards, MV switchgears, generator sets and transformers.

Ir Leong has been invited to be a speaker and has conducted various seminars on IEC 61439, a LV Switchgear and Control Gear Assembly & Type Test Certificate Design

Verification Assessment standard to the Institute of Engineers Malaysia and Jabatan Kerja Raya (JKR) in Malaysia. Similar seminars were also conducted in countries like Indonesia, Philippines, Vietnam and others since 2016.

Since 2014, Ir Leong has been promoted to Regional Sales and Marketing Director and he has been pivotal in ensure growth in our overseas market. He is also President Director of PT Powerwell Listrik Indonesia since 2020 to oversee our Group business expansion in Indonesia. In 2025, Ir Leong was entrusted with leading the Group's newly established business segment in fire suppression and fire prevention systems. Under his leadership, the new division is poised to grow strategically and serve as a catalyst for the Group's broader expansion into complementary products within the mechanical and electrical segment.

Profile of Key Senior Management (Cont'd)

LEOW MEN KEN

Business Director

Aged 49

Male

Malaysia

Mr Leow Men Ken ("Mr Leow") holds a Bachelor of Engineering (Hons) in Electronics and Electrical Engineering from the University of Sunderland, United Kingdom, as well as Bachelor's degree in Technology Management from the University of Ballarat, Australia (now known as Federation University Australia).

Mr Leow has over 20 years of experience in the electrical power distribution industry, specializing in medium voltage (MV) switchgears, power transformers, and low voltage (LV) switchboards. He joined the Group in 2018 as General Manager, where he led the technical engineering and sales operations for LV switchgears and MV Switchgear licensed equipment. His extensive background in technical

engineering and sales, gained through prior roles at leading multinational corporations such as Schneider Electric Malaysia and SIEMENS Malaysia, has significantly contributed to the Group's success in driving product portfolio and market expansion.

In 2023, Mr Leow was promoted to the role of Business Director, where he now oversees the overall business operations of Powerwell International Sdn Bhd, focusing on international markets. His leadership continues to play a key role in the Group's growth, innovation, and strategic direction.

ANG AUN LEONG

Business Director

Aged 43

Male

Malaysia

Mr Ang Aun Leong ("Mr Ang") holds a Bachelor of Arts (Hons) in Marketing from the University of Hertfordshire, United Kingdom. He joined the Powerwell Group in 2006 as a Sales and Marketing Executive and has since played a pivotal role in driving the Group's growth and expanding its market footprint.

Throughout his career, Mr Ang has taken on roles of increasing responsibility, contributing significantly to the development of strategic marketing plans, brand positioning, and market expansion initiatives. His efforts have been instrumental in enhancing Powerwell's brand visibility and competitive positioning.

In 2023, Mr Ang was appointed Senior Marketing Manager, where he led key brand initiatives, product campaigns, and the overall marketing function. In 2025, Mr Ang was promoted to Business Director, where he now leads the overall business operations of Kejuteraan Powerwell Sdn Bhd, with a focus on strengthening the Group's presence in the domestic Malaysian market. His leadership and deep industry knowledge are expected to further drive operational excellence and strategic growth in the local market.

Profile of Key Senior Management (Cont'd)

TAN YEE SIN

Chief Financial Officer

Aged 32

Male

Malaysia

Mr Tan Yee Sin ("Mr Tan") graduated from Sunway University with a Bachelor of Science in Accounting and Finance in 2014. Mr Tan qualified as a Chartered Accountant under Malaysian Institute of Accountants and is a member of Certified Practising Accountant of Australia.

Prior to joining Powerwell Holdings Berhad, he served as the Chief Financial Officer of a private company since 2023 and he was primarily responsible for cashflow management, corporate planning, financial reporting, investment planning, treasury management and debt-capital structuring.

Mr Tan began his career in 2015 at a boutique advisory firm specializing in recovery and advisory work. In 2017, he joined Ernst & Young where he was involved in corporate

restructuring, deal & financial advisory and rescue & rehabilitation work across various industries. In 2020, Mr Tan joined the Wholesale Credit Division of Hong Leong Bank Berhad, focusing on corporate lending, financial review and credit risk management.

Mr Tan joined our Group in November 2024 and he is primarily responsible in overseeing the accounting and finance functions. His responsibilities encompass taxation, internal controls procedures, and compliance with Bursa Securities reporting requirements. Additionally, he assists the Managing Director with all aspects of financial, legal, treasury, regulatory and other matters of the Group. Mr Tan is also responsible for reporting the Group's financial performance and accounts to the Board, ensuring timely financial reporting.

ADDITIONAL INFORMATION

None of the Key Senior Management has any:

- directorship in public companies and listed corporations;
- family relations with any Director and/or major shareholder of the Company;
- conflict of interest with the Company; conviction for offences within the past five (5) years; and
- public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2025, which require disclosure pursuant to paragraph 3(h) of Appendix 9C of the ACE Market Listing Requirements of Bursa Securities.

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Esteemed Shareholders,

It is my pleasure to share with you the annual report and audited financial statements of Powerwell Holdings Berhad (“Powerwell” or the “Group”) for the financial year ended 31 March 2025 (“FY2025”) on behalf of the Board of Directors (the “Board”).

FY2025 was a demanding year as the global economy grappled with persistent issues. High interest rates, a result of inflation control efforts, dampened spending and economic activity. While the US Federal Reserve’s rate cuts in late 2024 initially benefited businesses, these gains were offset by the new US administration’s tariffs, export controls, and supply chain restrictions in 2025, creating further uncertainty in the global economy.

Powerwell dug deep and navigated through the challenges by leveraging our prudent management, vast experience, established track record, and healthy balance sheet. The Group delivered a commendable set of results in the financial year under review, achieving a revenue of RM137.5 million and a profit after tax and non-controlling interest (“PATNCI” or “net profit”) of RM18.8 million. We continued to reward shareholders with dividends this year, having commenced in the previous financial year. For FY2025, Powerwell declared a dividend of 1.0 sen per share, amounting to RM5.8 million. This represented a dividend payout of 31% based on FY2025 net profit.

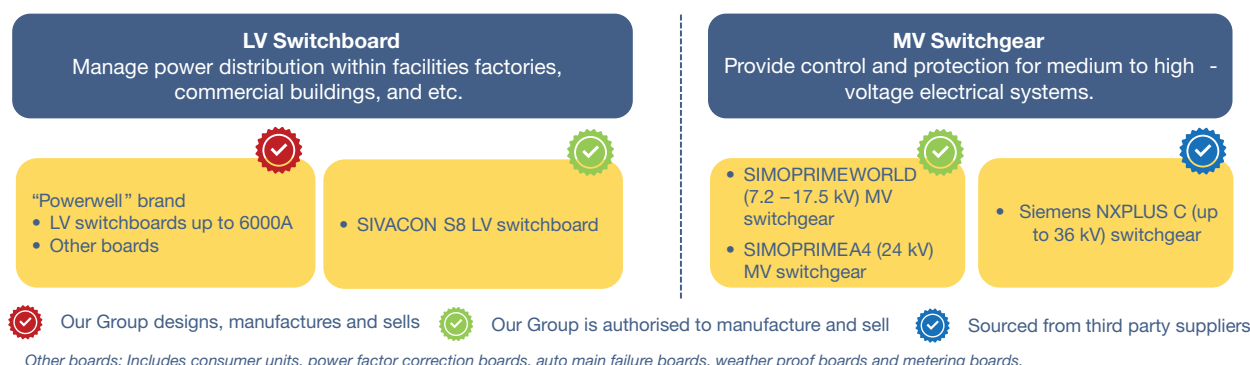


BUSINESS OVERVIEW

Powerwell is a leading homegrown power distribution specialist manufacturing low voltage (“LV”) and medium voltage (“MV”) electrical distribution equipment. The Group manufactures and customises LV switchboards and MV switchgears. It has more than 30 years of industry experience with established track record and deep technical expertise, supported by its in-house research and development (“R&D”) team.

Listed on the ACE Market of Bursa Malaysia Securities Berhad since 2020, the Group’s headquarter and manufacturing facilities are located in Shah Alam, Selangor, with assembly plants in Johor and Indonesia. The Group also has branch offices in Johor and Penang to support the sales and marketing team as well as providing after-sales services.

The Group provides highly customised power distribution solutions specialising in LV switchboards and MV switchgears.



Management Discussion and Analysis (Cont'd)

We design and manufacture fully type-tested LV switchboards under our own “Powerwell” brand. Apart from that, we are also a licensee of our technology partner Siemens AG, a German multinational technology conglomerate. Under this arrangement, we are authorised to manufacture and distribute Siemens advanced Low Voltage SIVACON S8 switchboards and cutting-edge Medium Voltage SIMOPRIME switchgears, including a localised adaptation of the 33kV gas insulated NXPLUS C switchgear.



The Group has completed projects in more than 10 countries and has formed partnerships with five non-exclusive distributors in key regions, including two in Indonesia and one each in Bangladesh, Thailand, and Pakistan. We serve diverse sectors, including:

Commercial Developments Industrial Developments Residential and Mixed Developments



Hotel



Data Centres



High Rise Residential Buildings



Shopping Malls



Factories



Mixed Developments



Office Towers



Oil & Gas Refineries

Infrastructure



Airports



Seaports



MRT



Renewable Energy



Water Treatment Plant

Management Discussion and Analysis (Cont'd)



Certifications & Accreditations







As a key player in the electricity distribution chain, certifications and accreditations are vital, confirming that our products and services meet internationally recognised standards, ensuring quality and reliability, while also guaranteeing compliance with industry regulations and standards. These certifications and accreditations, combined with our highly customised solutions, equip us with strong competitive advantages, enabling us to be the leader in our field.

We hold multiple certifications and accreditations from SIRIM Berhad ("SIRIM"), Jabatan Kerja Raya Malaysia ("JKR"), Suruhanjaya Tenaga Malaysia ("ST"), the Construction Industry Development Board ("CIDB") of Malaysia, the International Organisation for Standardisation ("ISO"), the Association of Short-

Circuit Testing Authorities ("ASTA"), and ("KEMA") Seismic Test Verification and Design complying to International Electrotechnical Commission ("IEC") and the Institute of Electrical and Electronics Engineers ("IEEE").

Certifications & Accreditations	Descriptions
<p>Siemens Technology Partners</p> 	<ul style="list-style-type: none"> • Authorised to manufacture and sell • Siemens SIVACON S8 Licensee - LV Switchgear & MCC • Siemens SIMOPRIME Licensee up to 24kV Medium Voltage Switchgear • Siemens 33kV gas-insulated NXPLUS C Value Added Reseller
<p>Powerwell Switchboard ASTA TYPE TESTED complying to IEC Standard</p> 	<ul style="list-style-type: none"> • Globally recognised certification for electrical equipment • 7 ASTA Full Type Tested Certificate • IEC61439 ranging from 1250A to 6000A • IEC61641 for Arc Fault Containment Test

Management Discussion and Analysis (Cont'd)

Certifications & Accreditations	Descriptions
<p>Powerwell Switchboard KEMA Seismic Test Certification to IEC & IEEE Standard</p> 	<ul style="list-style-type: none"> • International Electrotechnical Commission IEC60068 - Seismic Test Verification • Institute of Electrical and Electronics Engineers IEEE 693:2018 – Seismic Design • One of the first in Malaysia to obtain such certifications
<p>Malaysia Authorities</p> 	<ul style="list-style-type: none"> • Jabatan Kerja Raya • Suruhanjaya Tenaga • Construction Industry Development Board (“CIDB”) Grade 7 contractor
<p>ISO Certificate</p> 	<ul style="list-style-type: none"> • ISO 9001 : 2005 Quality Management System • ISO 45001 : 2018 Occupational Health & Safety Management System
<p>SIRIM</p> 	<ul style="list-style-type: none"> • EMC accordance with IEC61000 • IP55 IEC60529 • IP41 IEC60529 • BDO Type Test accordance with IEC61439-3

BUSINESS & OPERATIONAL REVIEW

In 2024, the global economy began to stabilise following a period marked by inflationary pressures and tight monetary policies. While this offered some respite, businesses quickly faced a new array of challenges. Geopolitical tensions—such as the ongoing Russia-Ukraine conflict and the intensifying United States (“US”)-China trade dispute—continued to disrupt global supply chains and complicate operating environments.

As 2025 commenced, major policy shifts reshaped the global trade landscape, ushering in fresh uncertainty. The new US administration implemented several rounds of tariffs on key trading partners, further dampening already subdued economic momentum. These measures amplified trade policy uncertainty, sending ripples through global markets and weighing on overall business sentiment.

According to the International Monetary Fund (“IMF”), global economic growth remained steady at 3.2%, mirroring 2023’s performance. Inflationary pressures eased as major central banks introduced interest rate cuts towards the end of the year. However, trade disruptions and energy price volatility presented setbacks for businesses and governments worldwide.

Domestically, Malaysia’s economy demonstrated resilience amid global uncertainties, recording 5.1% gross domestic product (“GDP”) growth in 2024 based on statistics from Bank Negara Malaysia (“BNM”). This was supported by strong domestic demand and a rebound in exports.

Management Discussion and Analysis (Cont'd)

It was certainly a demanding year for us at Powerwell as we had to manoeuvre past the market uncertainties and business operating landscape. The Group adapted to the situation and continued to leverage our prudent management to weather through the challenges. At the same time, we are pleased to share that we have secured several projects in the financial year under review, including a few data centre jobs. This enhanced our order book to RM116.0 million as at 31 March 2025, giving us clear earnings visibility.



Outstanding Order Book
as at 31 March 2025

RM116.0
MILLION

Some of the Projects Secured in FY2025

May 2024
Supply of low voltage switchboards for a data centre project in Selangor from a leading multinational technology corporation specialising in data centres

RM57.6 million

September 2024
Supply of low voltage electrical switchboards and associated equipment components for the Rapid Transit System ("RTS") Link project

RM9.8 million

December 2024
Supply of low voltage switchboards for a data centre project in Malaysia from a leading international contractor

RM27.0 million

April 2024
Supply of low voltage switchboards for Sg. Rasau water treatment plant project in Selangor

RM22.0 million

August 2024
Supply of low voltage switchboards for a data centre project in Malaysia from a leading international contractor

RM14.8 million

September 2024
Supply of low voltage switchboards for data centre projects in Indonesia

RM13.3 million



In the financial year under review, the Group also achieved a new key milestone, having secured the International Electrotechnical Commission ("IEC") IEC60068 - Seismic Test Verification and Institute of Electrical and Electronics Engineers ("IEEE") IEEE693:2018 - Seismic Design, are both standards that ensure the reliability of electrical equipment in challenging environments. IEC 60068 covers environmental testing for durability, including exposure to temperature, humidity, vibration, and corrosion whereas IEEE 693:2018 specifically focuses on the seismic performance of industrial control equipment, ensuring that it remains functional during and after seismic events. These are internationally recognised certifications, and we are proud to be among the first companies in Malaysia to achieve this distinction.



Management Discussion and Analysis (Cont'd)

FINANCIAL REVIEW

Revenue

For FY2025, the Group reported a revenue of RM137.5 million vis-à-vis RM154.8 million a year ago. This was chiefly attributed to lower contribution from overseas, following the completion of the solar power plant project in Bangladesh in FY2024. On a much brighter note, revenue contribution from Malaysia jumped 39.2% year-on-year (“YoY”) to RM135.7 million in the financial year under review from RM97.5 million in the previous year. The double-digit growth from Malaysia was driven by higher project deliveries.

In terms of revenue breakdown by geographical markets, Malaysia contributed 98.7%, or RM135.7 million to FY2025 total turnover with the remainder 1.3% or RM1.8 million from overseas.



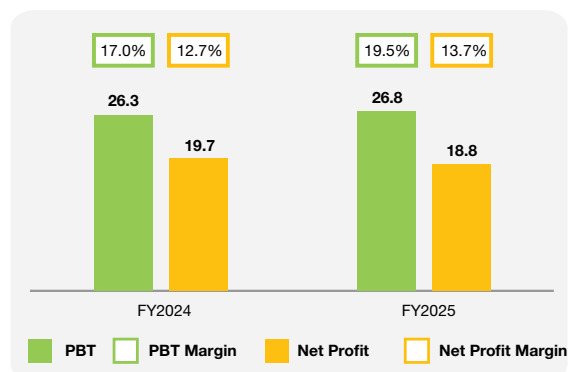
Gross profit (“GP”) & GP margin (%)

Powerwell’s GP for the financial year under review remained broadly stable on a YoY basis at RM45.6 million versus RM46.0 million. However, GP margin rose to 33.2% for FY2025, compared to 29.7% in the prior year. This increase was predominantly owing to a more favourable project mix, with more high-tech and complex jobs.

Profit before tax (“PBT”) & profit after tax and non-controlling interest (“PATNCI” or “net profit”)

At the PBT level, we are pleased to have delivered successive record-high PBT performance. The Group registered a PBT of RM26.8 million for FY2025, up from RM26.3 million a year ago, stemming from better cost efficiencies and higher other income. This translated to a PBT margin of 19.5% in the financial year under review, an improvement from 17.0% in FY2024.

Sequentially, the Group’s net profit came in at RM18.8 million for FY2025 vis-à-vis RM19.7 million last year. The effective tax rate was higher than the statutory tax rate in the financial year under review due to non-deductible expenses. Net profit margin continued to be healthy at 13.7% in FY2025 versus 12.7% a year ago.



Capital Structure & Capital Resources

As of 31 March 2025, the Group’s total assets rose to RM182.2 million from RM165.4 million at the end of FY2024. This was primarily due to a rise in trade and other receivables and inventories. Total cash and cash equivalents amounted to RM50.2 million at the close of the financial year under review, compared to RM70.9 million in the previous year. This was chiefly attributed to the dividends paid amounting to RM13.9 million in FY2025.

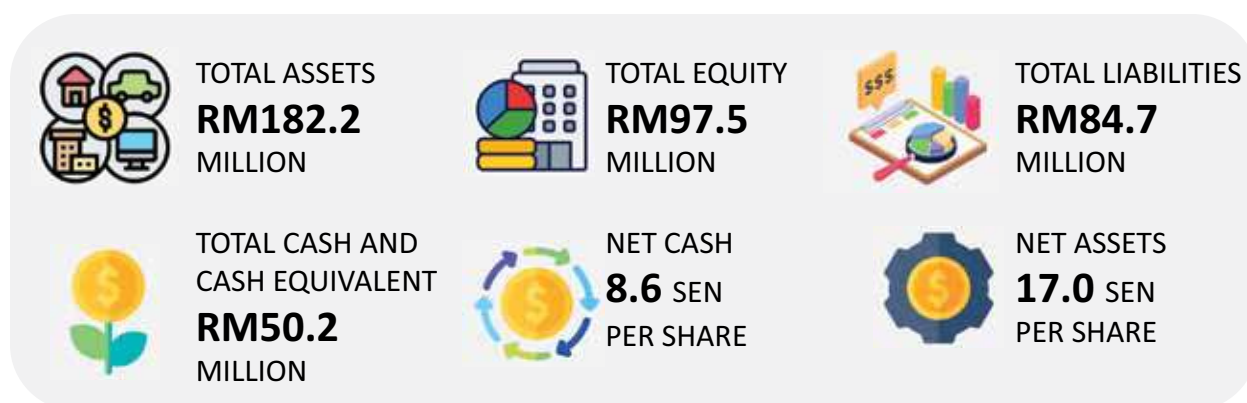
Meanwhile, total equity increased to RM97.5 million as of end-FY2025 from RM84.5 million as of 31 March 2024 on the back of higher retained earnings. On the other hand, total liabilities as at the end of FY2025 remained broadly stable YoY at RM84.7 million versus RM80.9 million in the preceding year. Total borrowings including lease liabilities as of 31 March 2025 were at RM17.2 million, compared to RM13.4 million last year.

Management Discussion and Analysis (Cont'd)

Net Gearing, Net Cash Per Share & Net Assets Per Share

As of end-FY2025, the Group continued to be in a net cash position with net cash per share of 8.6 sen. Powerwell has been in a net cash position every year since our listing in 2020. Our net assets per share improved to 17.0 sen as of 31 March 2025 versus 15.0 sen in the previous year.

Balance Sheet Highlights as of 31 March 2025



ANTICIPATED OR KNOWN RISKS

Operational Risk

The smooth and efficient operations of our production are crucial to our business, as any disruptions or unplanned shutdowns at our manufacturing facilities can have detrimental effects on our performance. In mitigation, the Group has proactively secured adequate insurance policies that offer comprehensive coverage against fire, burglary, and personal accidents for our facilities and workers. However, it is crucial to acknowledge that certain external business risks lie beyond our control. These include natural disasters, pandemics, civil unrest, and general strikes, all of which have the capacity to substantially and adversely affect our operations.

Supply Chain Disruptions

Like many other businesses, we are susceptible to the risk of interruptions to our supply chain, which could disrupt our operations and adversely impact our financial performance. The Group manages this risk by keeping in constant contact with our suppliers to monitor the possibility of supply disruptions and paying close attention to our inventory management. These measures, coupled with our long-standing supplier relationships, enhance our ability to navigate potential disruptions effectively. Additionally, we are actively identifying and assessing alternative materials to replace primary materials, particularly in the event of supply disruptions. This proactive approach safeguards continuous production and reduces the risk of operational delays caused by material shortages.

Management Discussion and Analysis (Cont'd)

Competition for Skilled Workers

The manufacturing of switchboards and switchgears is highly customised and demands skilled workers with strong technical expertise, requiring extensive training. However, retention of skilled workers is a perennial issue within the industry. This scarcity poses a risk to our production and operational efficiency, potentially impacting our financial performance. To address this, we have implemented a range of measures, such as initiatives to attract new workers, offering competitive compensation to retain existing staff, and providing thorough on-the-job training. Additionally, we prioritise maintaining open communication with our employees to quickly resolve any concerns.

In addition, the Group actively collaborates with local universities such as Tunku Abdul Rahman University and Universiti Tenaga Nasional to equip students with in-demand, industry-relevant skills for the power sector through structured internship programmes. These initiatives not only contribute to talent development but also enable the Group to identify and recruit high-potential candidates upon their graduation.

Political, Economic & Regulatory Risks

As a business operating both locally and internationally, we are subject to the legal and policy frameworks of the countries in which we operate. Changes in regulations—such as those related to minimum wage, export tariffs, or currency exchange—may impact our operations. The Group is committed to full compliance with all relevant laws and regulations. Moreover, we proactively engage with regulatory bodies and industry associations to stay informed of potential policy changes and share our insights. With nearly 40 years of business experience, we are confident in our ability to navigate and adapt to evolving regulatory landscapes.

OUTLOOK & PROSPECTS

The global business environment, already strained by weakened consumer sentiment, persistent inflationary pressures, and geopolitical tensions, faced further challenges and heightened volatility following a series of announcements in early April 2025. These announcements introduced revised tariff measures, which were imposed on several trading nations, including Malaysia.

The new tariff regulations have further complicated the international trade landscape, intensifying the already uncertain economic conditions. Consequently, businesses worldwide, including those in Malaysia, must navigate a more challenging environment, adjusting their strategies to mitigate the impact of these trade barriers while remaining adaptable to shifts in global markets. Separately, the Iran-Israel war also added to the global ambiguities.

With that, the International Monetary Fund (“IMF”) projects a modest global Gross Domestic Product (“GDP”) growth of 2.8% in 2025. Meanwhile, IMF has lowered its estimate of Malaysia’s GDP growth for 2025 to 4.1% from 4.7% previously, underpinned by broader regional slowdown in economic growth. As a result, we continue to adopt a cautious approach in light of the prevailing market uncertainties.

For us at Powerwell, we continue to be upbeat about our prospects while staying attuned to the global economic landscape and the evolving business environment. We see ample opportunities to capitalise on, given our leading position and track record in the power distribution industry—particularly in the data centre, large-scale infrastructure, semiconductor, renewable energy, and high-end manufacturing segments. The Group is laser-focused on our 5-pillar growth strategies to seize these promising opportunities ahead.

Management Discussion and Analysis (Cont'd)



Capitalising On the Data Centre Boom

Looking ahead, Powerwell continues to ride the data centre boom in both Malaysia and Indonesia. In Malaysia, a strong pipeline of data centres is poised to drive growth in the local market. According to Arizton Advisory & Intelligence, a global market intelligence firm, our nation's data centre market is projected to surge to USD13.57 billion in 2030 from USD4.04 billion in 2024, reflecting a robust compound annual growth rate ("CAGR") of 22.4%. Similarly, the data centre electricity usage in Malaysia is estimated to reach 20.9 gigawatts ("GW") in 2040 from 485 megawatts ("MW") in 2025, a CAGR of 28.5% based on statistics by the Ministry of Energy Transition and Water Transformation (PETRA).



Management Discussion and Analysis (Cont'd)

This positive outlook is mirrored in Indonesia, where the data centre market size is forecast to grow to USD3.79 billion by 2030, up from USD2.39 billion in 2024, translating to a CAGR of 7.9%, according to Arizton Advisory & Intelligence. In terms of capacity, global market research consulting firm Mordor Intelligence expects data centre capacity to reach 2.11 GW in 2030, up from 972 MW in 2025, representing a CAGR of 16.7%. The more favourable cost structures in Malaysia and Indonesia, compared to developed markets such as the US, Singapore, and Japan, have also contributed to the market's growth.

These trends bode well for us, as we have successfully delivered numerous data centre projects for multinational corporations. We continue to leverage our proven track record and our position as the leading LV switchboard provider to secure further projects.

Eyeing Opportunities in the Infrastructure Space

Apart from the data centre market, Powerwell also continues to explore opportunities in the infrastructure sector. The Group has an established track record in this space, having completed significant projects in both Malaysia and Indonesia. These include Keretapi Tanah Melayu Berhad ("KTMB") electrified double tracking project, Mass Rapid Transit projects, Light Rail Transit ("LRT") Projects, Jakarta LRT project as well as several airport projects in Indonesia. With the expected gradual rollout of major public infrastructure projects in the second half of 2025, such as the Penang LRT and the Johor Bahru–Singapore Rapid Transit System ("RTS"), we are well-positioned to capitalise on these opportunities.



Harnessing Bangladesh's Renewable Energy Ambitions

Shifting focus to the renewable energy sector, there is significant growth potential for renewable energy, particularly solar power, in Bangladesh. The government aims to increase the share of renewable energy from 4.5% in 2024 to 15% by 2030 and 40% by 2041, according to the US International Trade Administration. Focusing on solar power, it will be the primary driver of renewable energy, with an estimated growth to 2,277 MW in 2030 from 1,268 MW in 2024, representing a CAGR of 10.3%. Powerwell has established a presence of over 15 years in the country, built a solid track record and a strong network with local partners. We have completed 100 MW of solar projects, and our team is actively tendering for additional projects.

Expanding Capacity & Capabilities to Capture Exciting Opportunities

Given the exciting opportunities outlined above, we are expanding our assembly lines by optimising the existing floor space at our Kota Kemuning, Shah Alam, facility. This expansion is expected to increase our current capacity by 20%, with minimal capital expenditure required. The Group is actively working on this initiative and anticipates its completion in FY2026.

Expanding Assembly Lines by Optimising Existing Floor Space



Strengthening Our Position Along the Value Chain via M&A

Following the close of FY2025, the Group completed the acquisition of a 51% stake respectively in Firerex Technology Sdn Bhd (“**Firerex**”) and Brandrich Fire Solutions Sdn Bhd (“**Brandrich**”) in April 2025, for a total of RM4.2 million in cash (“**Acquisitions**”). Firerex and Brandrich specialise in fire suppression and prevention solutions, serving key sectors such as semiconductor plants, data centres, oil and gas, power distribution, commercial and residential projects, hospitals, and industrial applications.

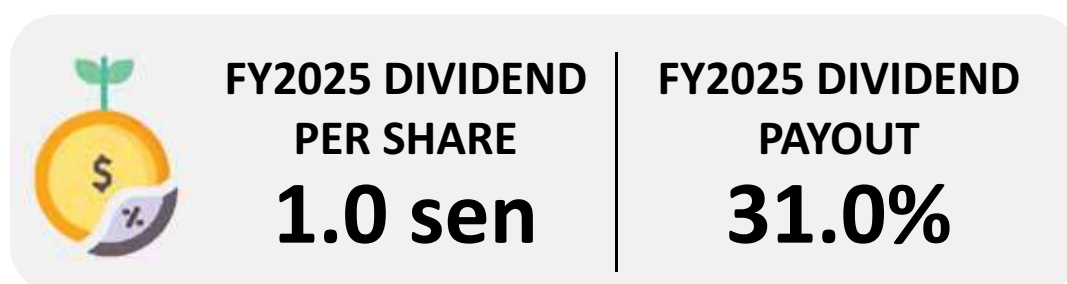
More excitingly, the Acquisitions come with a profit guarantee by the vendors that both companies shall achieve a profit after tax (“**PAT**”) of at least RM1.2 million per annum for two years from 1 April 2024 to 31 March 2026. This translates to a price-to-earnings (“**PE**”) multiple of 6.9 times, based on the combined valuation of Firerex and Brandrich totalling RM8.3 million. These Acquisitions are not only earnings accretive but also broaden our capabilities and offerings, strengthening our position along the value chain. By leveraging Powerwell’s strong local and international client base, the Group expects to unlock cross-selling opportunities that will drive business growth and support broader expansion efforts.

Moving forward, as part of our pillars of growth, we continue to explore further mergers and acquisitions (“**M&A**”) opportunities to elevate our market position and solidify our position in the value chain.

All in all, the Group’s outlook is promising as we head into the new financial year (“**FY2026**”) underpinned by the aforementioned factors as well as our healthy order book of RM116 million as of end-FY2025. Separately, the establishment of the Johor-Singapore Special Economic Zone (“**JS-SEZ**”) presents new growth opportunities for Powerwell in the longer term.

DIVIDENDS

We continued to reward shareholders with dividends this year, building on the initiative we began in the previous financial year. For FY2025, the Board declared a dividend of 1.0 sen per share, totalling RM5.8 million. This translates to a dividend payout ratio of 31% based on FY2025 net profit.



The Board prioritises responsible financial management, ensuring adequate reserves to support future growth while balancing shareholder returns with strategic investments. In this regard, the Board aims to provide a consistent dividend stream, considering factors such as operating cash flow, financial obligations, and planned capital expenditure.

Management Discussion and Analysis (Cont'd)

APPRECIATION

In closing, I would like to extend my heartfelt gratitude to the team at Powerwell for an exceptional display of grit, adaptability and competency this year, especially during these challenging times. Thanks to all your efforts, we managed to deliver a commendable set of results.

To our valued shareholders, clients, distributors, suppliers, consultants, bankers, business partners, and regulatory authorities, I express my deep appreciation for your continued support, which has been instrumental towards our success, and we look to continue strengthening these relationships.

In addition, we would like to take this opportunity to express profound gratitude to Powerwell's co-founder, Mr. Tham Kien Wai, who retired from his role as Managing Director from the Board in November 2024, for his immense efforts and contributions to the Group. His vision and passion were instrumental in helping Powerwell grow into what it is today. His presence and legacy will always be felt at Powerwell.

As part of our succession planning, I have stepped up to assume the role of Managing Director, having previously served as Executive Director. With over 30 years of experience with the Group, I am deeply familiar with every aspect of our business and operations. I am pleased to share that the leadership transition has been smooth, and I look forward to building on the strong foundation laid to steer Powerwell into its next phase of growth.

Next, I wish to welcome Mr. Chong Guang Wei (Lavis), who joined the Board as Non-Independent Non-Executive Director. He brings with him a wealth of experience across various fields, including capital markets, investments, fund management, mergers and acquisitions, as well as corporate strategy, which has been contributing positively to the Group. At the same time, we are delighted to have Mr. Tan Yee Sin as our new Chief Financial Officer, taking over from Ms. Soh Siew Kek, who retired last year.

Last but not least, I would like to acknowledge my fellow Board members for their unwavering support and wise counsel throughout the year. It has truly been a pleasure to work alongside each of you, and I hope we will continue this successful collaboration—empowering more possibilities and bringing Powerwell to greater heights.

Sincerely,
Wong Yoke Yen
Managing Director

SUSTAINABILITY STATEMENT

LEADERSHIP STATEMENT

Dear Stakeholders,

It is with great pride and a strong sense of purpose that I present Powerwell Holdings Berhad (“Group” / “Powerwell”)’s inaugural Sustainability Statement—a significant milestone that signals the beginning of a new chapter in our journey as a responsible and forward-looking organisation.

As our first formal sustainability report, this statement represents more than a commitment to transparency; it reflects our aspiration to embed sustainability into the core of our business strategy and operations. We recognise that long-term success today is no longer measured solely by financial performance, but also by the positive impact we create for people, the planet, and society at large.

At Powerwell, we are committed to pursuing a balanced and integrated sustainability agenda—one that aligns with our strategic goals while addressing key Environmental, Social, and Governance (“ESG”) priorities. We firmly believe that sustainability and financial performance are not in conflict but are in fact mutually reinforcing.

The leadership and oversight of our Board of Directors play a pivotal role in guiding our sustainability journey. Their commitment ensures that our initiatives are not only robust, but also seamlessly integrated into our broader corporate direction.

Our efforts are grounded in a materiality-driven approach, focusing on the ESG issues most relevant to our business and stakeholders. As a listed company on Bursa Malaysia, we are fully aligned with regulatory requirements and global best practices, upholding the highest standards of governance, ethics, and accountability.

We also understand that “what gets measured, gets managed.” To that end, we remain committed to monitoring our progress through existing processes and are continuously exploring ways to enhance transparency and accountability in the future.

Equally important is our commitment to fostering inclusive and responsible practices across our entire value chain. We believe in empowering our people, partners, and communities to join us in building a more sustainable future.

This first report is just the beginning. It marks a meaningful step toward creating a more resilient, responsible, and sustainable Powerwell. I would like to express my heartfelt thanks to our dedicated team, board members, and valued partners whose contributions have been vital to our progress.

Together, we will continue to evolve, adapt, and lead with purpose.

Wong Yoke Yen

Managing Director, Powerwell Holdings Berhad

Sustainability Statement (Cont'd)



ABOUT POWERWELL'S SUSTAINABILITY STATEMENT

The Board of Directors ("BOD") of Powerwell is pleased to present its annual Sustainability Statement ("the Statement"), which provides comprehensive overview of the Group's sustainability performance during the period of 1 April 2024 to 31 March 2025 ("FYE 2025").

Powerwell recognises that its responsibility to its stakeholders is to deliver sustainable financial results and uphold good corporate governance.

This Statement covers aspects of the Group's economic, environmental, and social performance and aspects of governance that reflect our commitment to sustainability.

Our principles on sustainable development are ingrained in the policies and procedures of the business within the Group. We actively and continuously review and improve our policies and procedures, integrating our principles in all our operations. In gearing up towards a stronger and more comprehensive sustainability approach, we have developed a sustainability commitment.

Sustainability Statement (Cont'd)

The disclosures in this Statement have been prepared with reference to International Financial Reporting Standards (“IFRS”) which establish Guiding Principles and Content Elements allowing the Group to produce integrated report. We address the disclosures of organisational overview, governance structure, business model, risks and opportunities, strategy, performance, and outlook of the Group. The Statement, which showcases our United Nation Sustainable Development Goals (“UNSDG”) complies with the Sustainability Reporting Guide (“SRG”) as well as toolkit issued by Bursa Securities.



SUSTAINABILITY GOVERNANCE

At Powerwell Holding Berhad, we recognize that robust sustainability governance is essential in building long-term value, enhancing stakeholder confidence, and ensuring resilience in a rapidly evolving business environment. As we publish our first Sustainability Report in the Annual Report for the Financial Year 2025, we are proud to share the foundational steps we have taken to establish a strong ESG framework.

Establishing ESG Oversight and Structure

While we currently do not have a formal ESG Committee in place, plans are underway to establish one in the near future. This dedicated committee will be tasked with driving the Group's sustainability agenda, advising on strategy, and ensuring alignment with evolving stakeholder expectations and regulatory developments. In the interim, sustainability initiatives are being led by cross-functional teams with guidance from senior management.

Our ESG Framework and Materiality

In FYE 2025, we successfully completed our ESG Framework, which includes a Materiality Matrix that maps key ESG topics against their relevance to both stakeholders and business impact. This framework forms the basis of our reporting and strategic focus.

ESG Framework Highlights:

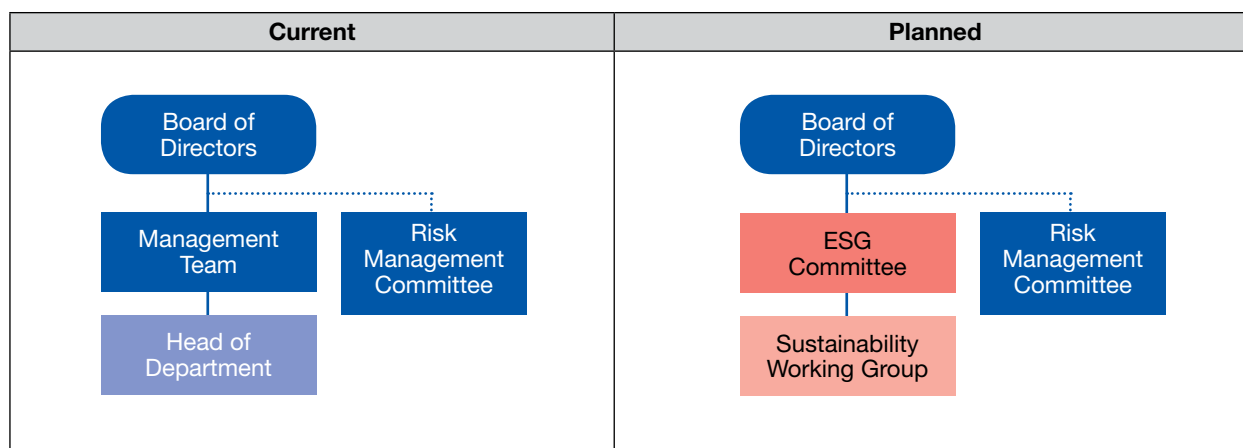
- ESG Framework Completed
- Materiality Assessment Conducted
- ESG Goals & Focus Areas Defined
- Stakeholder Groups Identified

Sustainability Statement (Cont'd)

Governance Oversight

Sustainability governance is currently overseen by the Board of Directors through periodic updates from the management team. The upcoming ESG Committee will report to the Board and ensure strategic ESG initiatives are implemented and monitored effectively.

Governance Structure (Current & Planned State)



Strengthening Data & Systems

We have completed one full year of ESG data collection, providing a strong foundation for tracking progress and setting performance baselines. Our next step is to establish Key Performance Indicators (KPIs) and targets that align with our material ESG areas.

In parallel, we are reviewing and enhancing our existing policies and standard operating procedures to better align with ESG requirements. This ongoing effort ensures that our internal controls and practices support our sustainability ambitions.

Embedding ESG into Business Operations

Some ESG practices have already been embedded into our operations, particularly in areas such as:



- Energy-efficient product design



- Workplace safety and employee engagement



- Waste management

As we move forward, Powerwell aims to cultivate a sustainability-first mindset within the organization that supports responsible growth and positions us to contribute meaningfully to the communities and markets we serve. We aim to expand ESG integration into procurement, innovation, and risk management functions.

STAKEHOLDER ENGAGEMENT






At Powerwell Holding Berhad, we recognise that engaging our stakeholders is essential to building a responsible and resilient business. Understanding the expectations and concerns of those who are impacted by, or have an influence on, our operations enable us to shape a sustainability strategy that is both meaningful and impactful.

In our journey toward enhanced ESG integration, FYE 2025 marked a significant step forward in formalising our stakeholder engagement approach. We conducted a comprehensive stakeholder mapping exercise to identify key internal and external stakeholder groups, including employees, customers, investors, regulators, suppliers, and local communities. Through surveys, interviews, and ongoing dialogue, we have gathered insights into the issues that matter most to our stakeholders. These findings were instrumental in developing our ESG Framework and Materiality Matrix, which define our sustainability priorities and reporting focus areas.



We are committed to strengthening these relationships by fostering open communication, responding to stakeholder concerns, and aligning our business practices with broader societal and environmental goals. As we move forward, regular engagement will remain a cornerstone of our sustainability efforts—ensuring that Powerwell continues to grow in a responsible, inclusive, and forward-looking manner.

Sustainability Statement (Cont'd)

Stakeholder Engagement Overview

Stakeholders	Areas of Interest	Method of Engagement	Frequency
Investors & Shareholders 	<ul style="list-style-type: none"> Business outlook and strategy 	<ul style="list-style-type: none"> Results announcements 	<ul style="list-style-type: none"> Quarterly Annually
	<ul style="list-style-type: none"> Group Financial and operational performance 	<ul style="list-style-type: none"> Interim financial results 	<ul style="list-style-type: none"> Quarterly Annually
	<ul style="list-style-type: none"> ESG practices and commitments 	<ul style="list-style-type: none"> Annual Report Powerwell website 	<ul style="list-style-type: none"> Throughout the year Annually
	<ul style="list-style-type: none"> Company's reputation 	<ul style="list-style-type: none"> Investor Relations portal 	<ul style="list-style-type: none"> As and when required
	<ul style="list-style-type: none"> Risk Management 	<ul style="list-style-type: none"> Annual Report 	<ul style="list-style-type: none"> Annually
Customers 	<ul style="list-style-type: none"> Product and service quality 	<ul style="list-style-type: none"> Customer feedback Customer satisfaction Survey 	<ul style="list-style-type: none"> Throughout the year
	<ul style="list-style-type: none"> HSE practices 	<ul style="list-style-type: none"> Site inspection of the Group's facilities 	<ul style="list-style-type: none"> Throughout the year
	<ul style="list-style-type: none"> ESG practices and commitments 	<ul style="list-style-type: none"> Annual Report Powerwell website 	<ul style="list-style-type: none"> Throughout the year Annually
	<ul style="list-style-type: none"> Competitive pricing 	<ul style="list-style-type: none"> Customer feedback Customer satisfaction survey 	<ul style="list-style-type: none"> Throughout the year
	<ul style="list-style-type: none"> On-time order 	<ul style="list-style-type: none"> Networking sessions In-person engagements 	<ul style="list-style-type: none"> Throughout the year
	<ul style="list-style-type: none"> Customer experience and support 	<ul style="list-style-type: none"> Customer feedback Customer satisfaction Survey 	<ul style="list-style-type: none"> Throughout the year
Employees 	<ul style="list-style-type: none"> Career development and training opportunities 	<ul style="list-style-type: none"> Development and training programs 	<ul style="list-style-type: none"> Ongoing As and when required
	<ul style="list-style-type: none"> Workplace health and safety 	<ul style="list-style-type: none"> Meetings and discussions Employees performance review and feedback 	<ul style="list-style-type: none"> Annually
	<ul style="list-style-type: none"> ESG and Climate Change Awareness Equal opportunity and compensation 	<ul style="list-style-type: none"> Meetings and discussions Employees performance review and feedback assessments 	<ul style="list-style-type: none"> Annually On-going

Sustainability Statement (Cont'd)

Stakeholders	Areas of Interest	Method of Engagement	Frequency
Suppliers & Contractors 	<ul style="list-style-type: none"> Contractual agreements 	<ul style="list-style-type: none"> Supplier audits and site visits 	<ul style="list-style-type: none"> Annually
	<ul style="list-style-type: none"> Favorable payment schedule 	<ul style="list-style-type: none"> Supplier & vendor selection 	<ul style="list-style-type: none"> Ongoing As and when required
	<ul style="list-style-type: none"> Competitive pricing 	<ul style="list-style-type: none"> Supplier & vendor selection 	<ul style="list-style-type: none"> Ongoing As and when required
	<ul style="list-style-type: none"> Sustainable business relationships 	<ul style="list-style-type: none"> Supplier audits and site visits 	<ul style="list-style-type: none"> Annually As and when required
	<ul style="list-style-type: none"> Product and Service quality reliability 	<ul style="list-style-type: none"> Supplier assessment Forum & exhibitions 	<ul style="list-style-type: none"> Annually As and when required
Government Agencies & Local Authorities & Regulators 	<ul style="list-style-type: none"> Legal conformity 	<ul style="list-style-type: none"> Government initiatives 	<ul style="list-style-type: none"> As and when required
	<ul style="list-style-type: none"> Effective corporate governance 	<ul style="list-style-type: none"> Audits and inspections 	<ul style="list-style-type: none"> Annually
	<ul style="list-style-type: none"> Certifications 	<ul style="list-style-type: none"> Audits and inspections 	<ul style="list-style-type: none"> As and when required
	<ul style="list-style-type: none"> Sustainability impacts 	<ul style="list-style-type: none"> Meetings and site visits 	<ul style="list-style-type: none"> Annually
	<ul style="list-style-type: none"> HSE practices 	<ul style="list-style-type: none"> Meetings and site visits 	<ul style="list-style-type: none"> Annually

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT

As part of our commitment to transparent and focused sustainability reporting, Powerwell Holding Berhad undertook its first formal materiality assessment in FYE 2025. This exercise was designed to identify the ESG topics that are most relevant to both our stakeholders and the long-term success of our business.

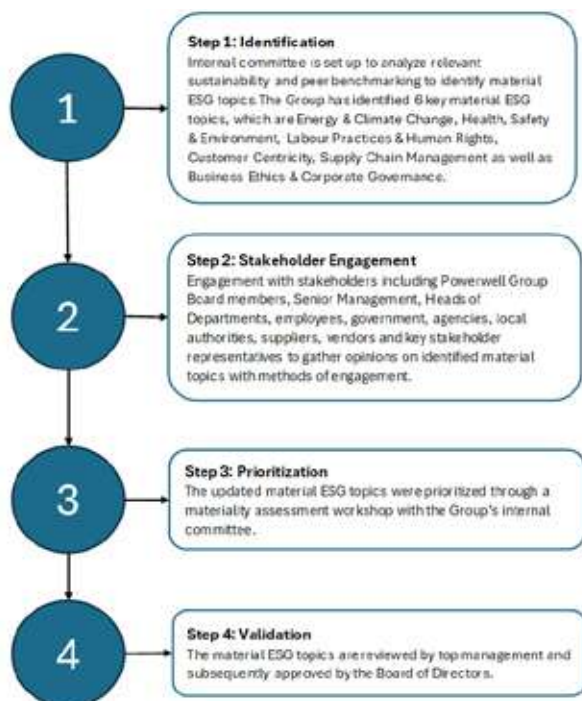
The materiality assessment process involved a comprehensive review of stakeholder expectations, industry trends, global reporting standards, and regulatory developments. Feedback gathered from internal and external stakeholders—including employees, customers, investors, and regulatory bodies—was analysed alongside business risks and strategic priorities.

The result is Powerwell's inaugural Materiality Matrix, which plots ESG issues based on their significance to stakeholders and impact on business operations. This matrix serves as a strategic tool to guide our ESG focus, resource allocation, and reporting efforts.

Our top material topics reflect areas where we have the greatest potential to create positive impact and manage risk effectively. These include energy efficiency and product innovation, employee health and safety, governance and compliance, supply chain responsibility, and environmental stewardship.

We will continue to revisit and update our materiality assessment periodically to reflect evolving expectations, market dynamics, and regulatory changes—ensuring our sustainability strategy remains relevant and responsive.

Materiality Assessment Process of Powerwell Group



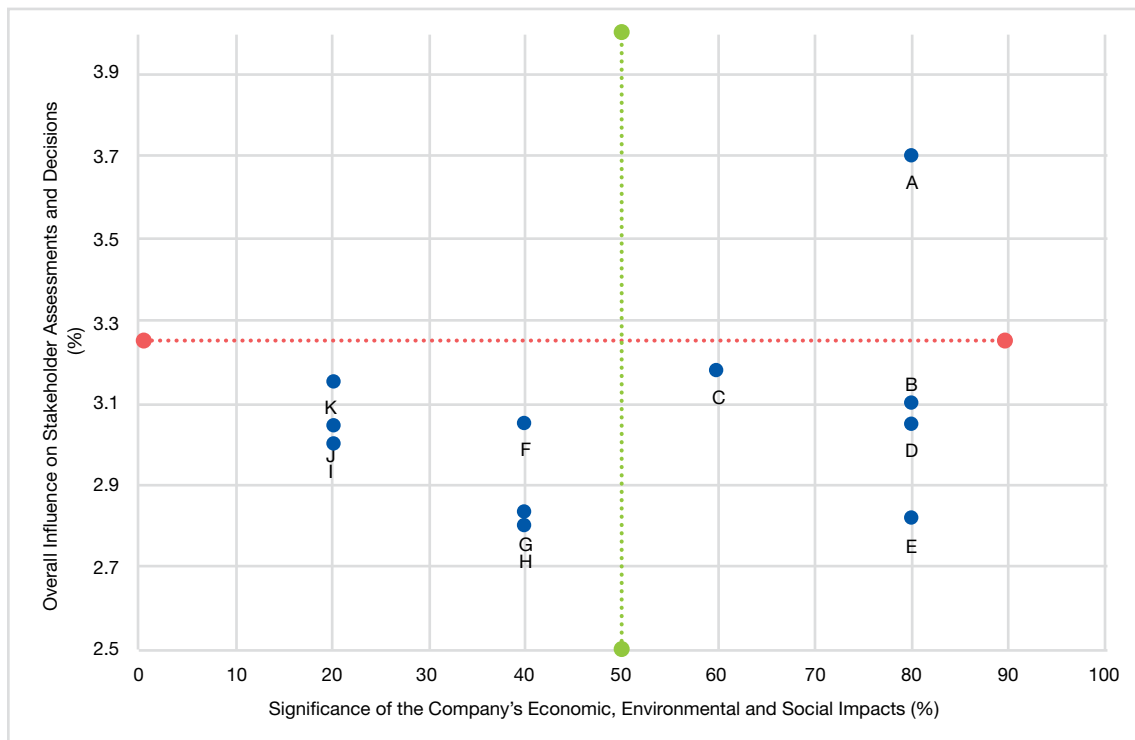
Sustainability Statement (Cont'd)

Materiality Topics

Environmental	Social	Governance
Climate Change Strategy	Health & Safety	Business Ethics & Corporate Governance
Emission Management	Human Capital Management & Labor Practices	Data Management & Security
Water Management	Supply Chain Management	Supply Chain Management
Waste & Resources Management	Community Engagement	Innovation in Operation & Services
	Customer Centric & Engagement	

Materiality Matrix

Based on the ranking given to each of the material topics, a Materiality Matrix is derived as shown below.



Sustainability Statement (Cont'd)

Label	Topic
A	Health & Safety
B	Business Ethics & Corporate Governance
C	Customer Centric & Engagement
D	Human Capital Management & Labor Practices
E	Supply Chain Management
F	Emission Management
G	Innovation in Operation and Services
H	Community Engagement
I	Water Management
J	Waste & Resources Management
K	Data Management & Security

SUSTAINABILITY FRAMEWORK

Powerwell's sustainability framework has been developed to align with our business strategy and is guided by the Group's Vision and Mission. Through our framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively to the local communities where we operate. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters. Accordingly, we have set targets to enable us to accelerate and monitor our sustainability performance. By linking these targets to a performance scorecard, we can track our progress and ensure that we are making continuous improvements towards these targets.

Our Vision:

BE A GLOBAL LEADER

We aspire to lead as a world-class manufacturer of electrical distribution systems, distinguished by state-of-the-art innovation adhering to international standards.

QUALITY POLICY – EXCELLENCE IN EVERY PRODUCT

Dedicated to the pursuit of excellence, we prioritize ensuring that our products consistently meet and exceed the highest quality standards in the market. Our goal is to achieve total customer satisfaction.

Our Mission:

FOREFRONT IN INNOVATION AND SAFETY

Our commitment is to deliver cutting-edge industry innovations that strictly adhere to international safety standards and requirements to achieve total customer satisfaction.

CORPORATE OBJECTIVE – INNOVATING SOLUTIONS

We proactively observe market trends, continuously innovating to meet the evolving demands of our customers, ensuring customer satisfaction with our products.

OUR FOCUS AREAS

ECONOMIC

Create economic and shared value for the mutual benefit of all stakeholders.

1. Contribute to national economic growth through value generated by our operations.

ENVIRONMENT

Commit to environmental conservation by utilising resources wisely and maintaining ecological balance.

1. Climate Change Strategy
2. Emission Management
3. Water Management
4. Waste & Resources Management

SOCIAL

Conduct business with ethics and concern for social responsibility while participating in enhancing society's quality of life.

1. Health & Safety
2. Human Capital Management & Labor Practices
3. Supply Chain Management
4. Community Engagement
5. Customer Centric & Engagement

GOVERNANCE

Ensure fairness, transparency and accountability are upheld in daily business conduct.

1. Business Ethics & Corporate Governance
2. Data Management & Security
3. Supply Chain Management
4. Innovation in Operation &

The sustainability framework is supported by the following pillars of sustainability developed by UNSDG: -



Sustainability Statement (Cont'd)

ECONOMIC PERFORMANCE



Related UNSDGs:



OUR TARGET

Powerwell's financial performance underpins our ability to create enduring value while advancing our sustainability commitments. We are dedicated to fostering job creation and delivering quality employment opportunities, recognising their importance in building economic resilience, enhancing social stability, and supporting the development of local communities. Our core objective is to ensure long-term resilience by maximising asset efficiency and responsibly sharing the value generated with all stakeholders.

OUR APPROACH

Powerwell's approach to sustaining robust economic performance is guided by disciplined execution of our strategic business plan, continuous market intelligence, and prudent financial stewardship. We prioritise maintaining a resilient balance sheet and healthy cash flow, integrating technological innovation to enhance operational efficiency, proactively managing business-relevant risks, and pursuing sustainable market expansion. This strategy reinforces our long-term value creation while aligning with our commitment to responsible and sustainable growth.

ECONOMIC PERFORMANCE

OUR PERFORMANCE

When assessing financial performance, it is vital to consider the economic value a company creates and distributes across its stakeholder ecosystem. At Powerwell, we are committed to generating and sharing economic value through efficient, sustainable, and responsible business practices.

We continually invest in our people, processes, and technology to deliver high-quality, reliable power solutions that meet the evolving needs of our customers. We believe that fair and transparent distribution of economic value is essential to building trust and nurturing long-term relationships with all stakeholders.

Accordingly, we ensure equitable compensation for our employees and suppliers while delivering sustainable returns to our shareholders.

At Powerwell, we recognise that our financial performance extends beyond profitability—it reflects our role in supporting employees, communities, and national development. The following areas highlight our key economic contributions:

- **Employee Wages and Benefits**
We provide competitive salaries and comprehensive benefits that support the well-being of our employees and their families. Fair compensation not only enhances the economic security of our workforce but also contributes to broader community prosperity and social stability.
- **Group Revenues and Profits**
Our revenues and net profits serve as essential indicators of operational efficiency, financial health, and long-term viability. These results reflect our ability to generate value through sound business practices while enabling continued reinvestment and stakeholder returns.
- **Taxes Paid**
We fulfil our fiscal responsibilities by paying taxes on profits, income, and business activities. These payments support critical public services such as education, healthcare, and infrastructure—contributing to national development and societal progress.

Together, these direct economic impacts reflect Powerwell's meaningful contribution to both local and national economies, reinforcing our commitment to responsible corporate citizenship and sustainable value creation.

For the 12-month period of the current financial period, the Group recorded a revenue of RM137.51 million and a profit before taxation of RM26.84 million. There is a decline in revenue for the 12-month period ended 31 March 2025, as compared to the previous year's corresponding period. Despite the decline in revenue, the Group achieved a higher gross profit margin of 33.2% and a higher net profit margin of 13.6% for the 12-month period of the current financial year.

Sustainability Statement (Cont'd)

ENERGY & CLIMATE CHANGE



Related UNSDGs:



At Powerwell, we are committed to addressing the challenges of climate change by actively managing our energy use and reducing greenhouse gas (GHG) emissions across our operations. As a provider of intelligent power distribution and energy efficiency solutions, we recognize our role in enabling a more sustainable and low-carbon future.

We strive to continuously improve energy efficiency within our facilities and product offerings, integrate renewable energy where feasible, and support our clients in achieving their own decarbonization goals. Our approach is guided by industry best practices and aligned with international standards, ensuring we contribute meaningfully to global climate targets.

Through innovation, responsible operations, and stakeholder engagement, we aim to minimize our environmental impact, build climate resilience, and create long-term value for our business and the communities we serve.

OUR APPROACH

Energy Efficiency Improvements

Recognising the inefficiencies in our current energy usage, particularly in lighting and equipment, we are committed to prioritising upgrades that promote energy efficiency:

- **Replacing Light Bulbs with Energy-Efficient LEDs:**
Transitioning from halogen to LED lighting will significantly lower energy consumption and reduce operational costs.
- **Upgrading to energy-saving air conditioning:**
We will replace the old air conditioner with an energy-saving air-conditioner in the office.

Power-Off Policies and Employee Engagement

At Powerwell, cultivating a culture of energy efficiency begins within our own operations. As a company committed to delivering intelligent power distribution and energy management solutions, we recognise the importance of leading by example. To promote responsible energy use across the organisation, we are implementing a range of initiatives focused on operational practices and employee engagement:

- **Power-Off Policies**
We are developing formal guidelines to encourage employees to switch off non-essential equipment—such as computers, printers, and lighting—when not in use. These measures aim to minimise unnecessary energy consumption and support daily energy-saving habits in the workplace.
- **Employee Engagement Programs**
To strengthen awareness and participation, we will roll out targeted campaigns and training sessions that highlight the role of individual actions in contributing to energy efficiency and climate goals. We also plan to introduce team-based incentive programs that recognise and reward departments that achieve measurable energy savings.

These initiatives will be rolled out in phases as part of a structured energy management plan. Progress will be tracked through regular monitoring and reporting mechanisms to ensure transparency, drive improvement, and assess the impact of each initiative.

Through these efforts, Powerwell aims to reduce our environmental footprint, enhance operational efficiency, and support the global transition to a low-carbon economy. These internal initiatives not only reflect our commitment to sustainability but also empower our people to become active contributors to our climate ambitions.

By embedding energy-conscious practices into our workplace culture, Powerwell reaffirms its dedication to building a resilient and environmentally responsible organisation—driving meaningful change within and beyond our business operations.

ELECTRICITY CONSUMPTION FOR SCOPE 2 EMISSIONS

Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling consumed by the organisation. For FYE March 2025, electricity consumption for Powerwell's main operating facilities was recorded with 675,197kWh for FYE 2025.

WATER MANAGEMENT

For FYE March 2025, Powerwell recorded total water consumption of 6,089 megalitres. This consumption underscores the importance of implementing effective water management practices to minimise environmental impact and promote sustainability.

At Powerwell, we recognise that water and energy are essential resources that drive modern industries and societies and are equally critical to the sustainability of our own operations. As a company committed to advancing energy efficiency and smart power distribution solutions, we are dedicated to managing these resources responsibly and effectively.

Our strategy focuses on optimising water and energy usage across our operations through proactive measures and targeted efficiency initiatives. By doing so, we aim not only to reduce operational costs but also to contribute to broader environmental goals.

Efficient resource utilisation is central to our commitment to sustainability. We integrate resource management best practices throughout our business activities, ensuring that responsible consumption is embedded in our daily operations. These efforts reflect our continued dedication to environmental stewardship, operational excellence, and long-term value creation for all stakeholders.

Sustainability Statement (Cont'd)

HEALTH, SAFETY & ENVIRONMENT (HSE)



Related UNSDGs:



We are proud to present Powerwell's first Health, Safety & Environment (HSE) Material Matrix Report—a significant milestone that reinforces our growing commitment to employee well-being, workplace safety, and environmental stewardship.

While our main operating facilities at Kota Kemuning, Shah Alam are certified under ISO 45001, we recognise that certification is only the foundation. This report represents more than compliance—it reflects our dedication to fostering a safe, healthy, and sustainable working environment.

Developed with input from our internal teams and key stakeholders, the report outlines our current HSE performance, long-term aspirations, and a structured roadmap for continuous improvement. It marks a step forward in embedding HSE principles into our culture and operations, as we strive to create lasting value for our people, business, and the environment.

OUR APPROACH

Sustaining ISO 45001 Certification

We are committed to maintaining our ISO 45001 certification to ensure a safe and healthy workplace. Certification under ISO 45001 demonstrates our proactive approach to occupational health and safety (“OHS”) management. It assures stakeholders that we are aligned with international standards in preventing workplace injuries and illnesses by following action:

- Conduct annual audits with external Certification Bodies to sustain ISO 45001 compliance.
- Empower the Safety, Health and Environment (“SHE”) committees to monitor and improve safety practices across departments.
- Implement regular training and refreshers for staff to boost compliance with OHS requirements.
- Continuously review HIRARC (Hazard Identification, Risk Assessment and Risk Control) processes to ensure ongoing risk mitigation.
- Foster a strong safety culture through quarterly SHE meetings and staff engagement.
- Address challenges like staff cooperation through targeted communication and awareness programs.
- Reinforce compliance by establishing a clear reporting and record-keeping system.

Enhancing Personal Protective Equipment (“PPE”) Usage

We recognise that high-quality PPE is essential to safeguarding our employees. By continuously improving PPE standards, we aim to create a safer and more comfortable work environment which minimizes workplace injuries, enhancing employee well-being, and reinforcing a strong safety culture.

- a) Source and approve certified PPE that complies with both national and international safety standards.
- b) Strengthen PPE quality monitoring to ensure consistent compliance across all departments.
- c) Provide comprehensive training to employees on the correct usage, maintenance, and limitations of PPE.
- d) Address cost challenges through strategic sourcing and effective vendor management to maintain a reliable supply of certified PPE.
- e) Prioritise employee comfort and safety to enhance work efficiency and reduce the risk of accidents.
- f) Establish a robust inventory and inspection system to ensure PPE is always available, functional, and fit for use.

Achieving Zero Work Fatality

Zero work fatality is a key indicator of a strong safety culture and operational excellence. It demonstrates our commitment to protecting our employees and strengthening stakeholders’ trust in our organization by:

- a) Conduct regular workplace inspections (“walkabouts”) to identify potential risks and ensure compliance.
- b) Carry out ongoing hazard assessments across all work areas to proactively manage safety concerns.
- c) Enhance staff engagement in health and safety programmes through active participation and feedback.
- d) Strengthen employee ownership of Health & Safety by fostering individual responsibility and awareness.
- e) Promote a proactive reporting culture to identify and address hazards before incidents occur.

Sustainability Statement (Cont'd)

Continuous Compliance with Safety and Health Regulations

Compliance with safety and health regulations ensures legal adherence and the creation of a safe workplace. Maintaining full compliance is critical to protect our workforce and our company's reputation by:

- (a) Address gaps in staff awareness through consistent communication, training, and ongoing education initiatives.
- (b) Strengthen compliance monitoring to uphold the highest health and safety standards across all operations.

Enhancing Environmental Compliance

In response to growing environmental concerns and evolving customer expectations, we are committed to enhancing compliance with environmental regulations. By certifying competent personnel, we aim to strengthen our environmental performance and position ourselves as a responsible and forward-thinking organisation by:

- (a) Bridge knowledge gaps through targeted and role-specific environmental training.
- (b) Strengthen internal capabilities to ensure readiness for external supplier audits.
- (c) Align operational practices with broader industry trends towards greater environmental accountability.

OUR PERFORMANCE

Number of work-related fatalities

Year	No. of work-related fatalities
FYE 2025	0

Lost time incident rate

Year	Lost time incident rate
FYE 2025	0

Number of employees trained on health and safety standards

Year	No. of employees
FYE 2025	37

LABOUR PRACTICE & HUMAN RIGHTS



RELATED UNSDGs:



Powerwell recognizes that our employees are our most valuable asset and essential to driving sustainable growth and long-term success. We are committed to attracting, nurturing, and retaining talent by fostering an inclusive, empowering, and performance-driven work environment.

To support the continuous growth of our people, we invest in targeted training and development programmes that equip our workforce with future-ready skills and knowledge. These initiatives are designed to build capability, enhance engagement, and ensure alignment with our evolving business needs.

As a responsible organisation, Powerwell is firmly committed to respecting and upholding human rights across all areas of our operations. We believe that fair treatment, ethical practices, and a culture of respect not only strengthen employee well-being but also reinforce our reputation as an employer of choice. By embedding these principles into our governance and workplace culture, we aim to create a safe, respectful, and supportive environment for all.

Sustainability Statement (Cont'd)

OUR APPROACH

Strengthening Workplace Safety

Ensuring a safe and secure working environment is fundamental to fostering employee satisfaction, enhancing well-being, and supporting operational efficiency.

- **Updated HSE Policies:**
Regularly review and update HSE policies to meet current standards and address emerging risks.
- **Safety Drills and Audits:**
Conduct periodic fire drills, evacuation exercises, and workplace hazard audits to ensure preparedness for emergencies.
- **Emergency Preparedness Training:**
Provide employees with comprehensive training on hazard identification, emergency response protocols, and first aid.

Supporting Employee Growth and Development

We aim to build a workforce equipped for future challenges by investing in continuous learning and career advancement opportunities.

- **Training and Upskilling Programs:**
Offer regular workshops and certifications on industry-relevant skills and technologies.
- **Career Progression Pathways:**
Define clear and transparent career paths, enabling employees to visualise their growth potential within the organisation.
- **Mentoring Programs:**
Pair employees with experienced mentors who can guide their professional and personal development.

Monitoring and Evaluation

Continuous evaluation will ensure the effectiveness of our initiatives and provide insights into improvement.

- **KPIs Implementation:**
Each department will establish KPIs to monitor and measure the success of labour practices.
- **Policy Revisions:**
Regularly update the employee handbook and related policies based on feedback and data analysis to ensure relevance and effectiveness.

OUR PERFORMANCE

Total hours of training by employee category

Powerwell investing in continuous learning and career advancement opportunities by implementing training programs in FYE2025 and the details of total hours of training and total number of employees benefited are as below.

Employee Category	Total Number of Employees	Total Hours of Training
Management	71	497
Executive	70	490
Non-Executive	18	126
Total	159	1,113

Sustainability Statement (Cont'd)

Training Program

Powerwell continues to foster a learning culture by investing in training programs across the organization throughout FYE 2025. Our employees and future leaders engage in various learning initiatives including training seminars, knowledge-sharing sessions, briefings, webinars and on-the-job training.

Total number of employee turnover by employee category

For FYE 2025, Powerwell recorded a total of 34 employees resigning across different employee categories. This turnover data is essential for evaluating workforce dynamics and identifying areas for improvement in employee retention strategies.

Employee Category	No. of Resigned Employees	% of Resigned Employees
	FYE 2025	FYE 2025
Management	4	1.59%
Executive	15	5.95%
Non-Executive	15	5.95%
Total	34	13.49%

In FYE 2025, a total of 34 employees resigned, representing 13.49% of the total workforce. The resignations were evenly distributed between Executive and Non-Executive levels, each accounting for 44.12% of total resignations. Management-level resignations made up the remaining 11.76%. While the overall turnover rate remains within industry norms, we continue to monitor employee retention closely and are committed to implementing strategies that enhance engagement, satisfaction, and long-term career development.

Total Number of substantiated complaints concerning human rights violations

Powerwell is proud to report that for FYE 2025, there were zero substantiated complaints concerning human rights violations across our operations. This achievement underscores our unwavering commitment to upholding and promoting human rights as a core principle of our business ethics and corporate governance.

Employee Category	Total Number of Complaints concerning Human Rights
Management	0
Executive	0
Non-Executive	0
General Workers	0
Total	0

Sustainability Statement (Cont'd)

Directors by Gender (%) for FYE 2025

Director Category	%
Male	85.71
Female	14.29
Total	100.00

Directors by Age Group (%) for FYE 2025

Director Category	%
Below 30	-
30 – 50	33.33
Above 50	66.67
Total	100.00

Employees by Age Group (%) for FYE 2025

Age Group	% of Hiring		
	Management	Executive	Non-Executive
Below 30	0.79	10.31	26.59
30 – 50	8.73	16.67	28.97
Above 50	3.57	1.59	2.78
Total	13.09	28.57	58.34

Employees by Gender (%) for FYE 2025

Age Group	% of Hiring		
	Management	Executive	Non-Executive
Male	9.52	18.26	55.95
Female	3.57	10.32	2.38
Total	13.09	28.58	58.33

CUSTOMER CENTRICITY



RELATED UNSDGs:



This report outlines the current strategies and initiatives aimed at transforming our approach to Customer Centricity, a key element of our ESG framework. By enhancing after-sales service, empowering customers through education, and investing in innovative, customizable product solutions, we are committed to delivering superior value while building trust and long-term relationships. These initiatives not only improve business performance but also align with ESG principles by promoting transparency, accountability, and stakeholder engagement.

OUR APPROACH

Empowering Customers through Knowledge and Training

Customers currently rely on basic user manuals and limited support from project teams, resulting in an overdependence on technical assistance for routine operations. To implement a structured and scalable training program that empowers customers to operate, maintain, and troubleshoot their systems independently.

Sustainability Statement (Cont'd)

Driving Product Innovation & Customization

Our products designs are relative traditional, limiting the ability to address the rapidly evolving technological expectations.

To develop modular, smart-enabled switchboard systems that offer flexibility and integration with advanced monitoring technologies.

Remote Troubleshooting:

Offering quick, virtual diagnostics to reduce downtime.

On-Site Support:

Deploying service teams for complex issues that require physical resolution.

Service Management System:

Implementing CRM and ticketing tools to ensure visibility, accountability, and follow-through on all service issues.

These initiatives will transform customer service into a strength of the organization, ensuring responsiveness and satisfaction.

Training Modules:

Develop in-depth training materials in various formats (onsite, online, video tutorials).

Engagement Tools:

Encourage customer interaction through live sessions, quizzes, and feedback forms.

Scheduling & Delivery:

Coordinate training at key stages of the customer journey to ensure relevance and retention.

This initiative will reduce long-term support costs and foster customer confidence.

R&D Investment:

Commit resources to the research and development of modular and scalable designs.

Product Piloting:

Collaborate with early adopters to test and refine customizable solutions.

Technology Partnerships:

Integrate with IoT and smart monitoring systems to provide real-time data and insights.

This approach will elevate our product offerings and align them with the future of intelligent energy systems.

These strategies reaffirm Powerwell's commitment to customer-centric growth and responsible business practices. By strengthening service quality, investing in employee training, and driving next-generation product innovation, we are building a foundation for long-term customer relationships, enhanced satisfaction, and continuous improvement. Embedding ESG principles into every customer interaction ensures our impact extends beyond business transactions —cultivating a legacy of trust, high performance, and ethical conduct. As we move forward, our focus remains on aligning our initiatives with stakeholder expectations and global ESG standards, positioning Powerwell as a leader in both service excellence and sustainable innovation.

SUPPLY CHAIN MANAGEMENT

**RELATED UNSDGs:**

Powerwell's ongoing initiatives and forward-looking strategies to strengthen supply chain management through digital transformation, proactive risk mitigation, and sustainable sourcing. Aligned with ESG principles, we are committed to enhancing supply chain transparency, minimizing disruptions, and ensuring long-term business resilience. By integrating these strategies into our operations, Powerwell aims to build a robust, adaptive, and responsible supply chain that delivers consistent value to all stakeholders.

Reduce Supply Chain Disruptions & Lead Time

To develop a more resilient supply chain with alternative suppliers and optimized inventory strategies because lead times for critical components have increased due to global supply chain disruptions and limited supplier base.

- Identify and onboard alternative local and regional suppliers for critical components.
- Establish buffer stock or safety stock policies for high-risk items.
- Strengthen supplier relationships and conduct quarterly performance evaluations.

Sustainability Statement (Cont'd)

As Powerwell strengthens its supply chain strategy, we recognize several key challenges associated with the approach. Maintaining buffer inventory may lead to higher initial holding costs, while qualifying and onboarding new suppliers can be time-consuming and resource intensive. However, these challenges are balanced by significant opportunities. A more resilient supply chain enables improved project delivery timelines and reduces dependency on single-source suppliers, thereby enhancing overall risk mitigation. These strategic enhancements are planned for phased implementation commencing FYE 2026.

Diversity for Supplier in Hand Current State: Powerwell currently depends on a limited number of key suppliers for major components.

To diversify the supplier portfolio by engaging new vendors and mitigating risks associated with over-dependence.

- Perform supplier scouting and registration drives.
- Collaborate with Small and Medium Enterprises and regional suppliers.
- Evaluate new suppliers on quality, cost, and ESG compliance.

As Powerwell continues to diversify its supplier base, we acknowledge the associated challenges, including longer lead times for onboarding new suppliers and variability in supplier performance and capacity. Despite these hurdles, the strategic benefits are compelling. Expanding our supplier network enhances its resilience to global disruptions and provides greater leverage in negotiations, leading to potential cost advantages. These initiatives are being rolled out progressively, commencing FYE 2026.

Optimize Logistics Efficiency & Cost Reduction Current State: Rising logistics costs and inconsistent delivery timelines are affecting project margins.

To optimize transportation modes and routes to reduce costs and improve delivery reliability.

- Partner with reliable logistics providers.
- Adopt route optimization software for planning deliveries.
- Consolidate shipments to reduce handling and freight expenses.

In managing our logistics operations, Powerwell faces challenges such as dependency on external logistics providers and exposure to fluctuating fuel and freight costs. However, these challenges also present opportunities for improvement. By optimizing delivery routes and load planning, we aim to achieve significant cost savings while enhancing overall delivery performance. These logistics enhancements are scheduled for implementation commencing FYE 2026.

Enhance Warehouse & Inventory Management Current State: Manual inventory management is leading to discrepancies and stockouts.

To implement smart inventory systems and streamline warehouse operations.

- Implement warehouse management software (WMS).
- Introduce inventory cycle counting practices.
- Use RFID and barcode systems for accuracy.

As Powerwell advances its inventory management capabilities, we recognize key challenges such as integration with existing ERP systems and the need for comprehensive staff training and change management. Nonetheless, the opportunities are substantial, ranging from reduced stock discrepancies to improved inventory turnover and more efficient space utilization.

These improvements are planned for phased implementation, commencing FYE 2026.

Powerwell's supply chain strategy focuses on digital transformation, supplier diversification, logistics efficiency, and inventory excellence to ensure continuity, efficiency, and resilience. These initiatives reinforce our ESG commitments—responsible governance, environmental sustainability, and inclusive economic growth. By embedding these practices across our supply chain, Powerwell is poised to deliver value while navigating the dynamic challenges of the global business environment.

BUSINESS ETHICS AND CORPORATE GOVERNANCE



RELATED UNSDGs:



Powerwell is committed to upholding high ethical standards as a cornerstone of long-term success. This commitment is demonstrated through the development of internal systems and corporate policies aligned with Bursa Malaysia's MCGG 2021, forming a strong foundation for effective corporate governance across the Group.

OUR APPROACH

Responsible Sourcing and Supplier Integrity

While ethical standards are firmly embedded within our internal operations, a formal mechanism to cascade these expectations to our suppliers and contractors is currently lacking. To address this, we aim to strengthen our ethical governance by integrating the Powerwell Code of Business Ethics into all supplier and contractor engagements, ensuring alignment with our core values across the supply chain.

To reinforce ethical conduct across our supply chain, we will develop and implement a Supplier Code of Ethics that aligns with Powerwell's internal Code of Business Ethics (COBE) and ESG standards. All supplier contracts will include a mandatory compliance clause requiring adherence to ethical practices and anti-bribery measures. As part of the onboarding process, suppliers will be required to sign a declaration confirming their understanding and acceptance of our ethical policies. Additionally, we will provide targeted briefings or training sessions for high-risk vendors and subcontractors to ensure consistent awareness and compliance.

By reinforcing responsible sourcing, Powerwell strengthens its reputation as a trustworthy, values-driven business partner.

Sustainability Statement (Cont'd)

Fostering a Culture of Integrity and Accountability

While ethical policies such as the Code of Business Ethics (COBE) and Anti-Bribery and Corruption (ABC) Policy are in place, employee awareness, ownership, and consistent enforcement vary across departments. To foster a strong culture of integrity, transparency, and accountability, we are committed to building an environment where all employees understand, embrace, and uphold these standards in their daily conduct.

To strengthen ethical awareness and accountability across the organization, Powerwell will implement several key initiatives. Mandatory annual ethical training will be conducted for all employees, including newly hired staff, to ensure a consistent understanding of our ethical standards. Ethical behavior will be integrated into performance evaluations and leadership KPIs to reinforce its importance at all levels. An Integrity Pledge Campaign will be launched, requiring employees and managers to reaffirm their commitment to ethical conduct through an annual sign-off. Additionally, Ethics Ambassadors will be appointed within key departments to promote daily ethical behavior and serve as accessible points of contact for guidance and support.

Through these initiatives, Powerwell aims to cultivate a resilient and transparent workplace grounded in shared ethical values.

Protecting Whistleblowers and Promoting Transparency

While a whistleblower policy is in place at Powerwell, its utilization remains low due to limited awareness and insufficient visibility of reporting mechanisms. To address this, we aim to establish a clear, trusted, and well-publicized whistleblowing channel that encourages employees and stakeholders to report unethical behavior without fear of retaliation. By promoting transparency and trust, we seek to strengthen our overall ethical governance framework.

To enhance the effectiveness of our whistleblowing framework, Powerwell will revamp the existing Whistleblower Policy to ensure greater clarity, accessibility, and alignment with international best practices. An anonymous reporting channel such as a hotline or dedicated email will be established and monitored by an independent panel or external party to ensure impartiality and confidentiality. A “Speak-Up” Campaign will be launched to raise awareness about whistleblower protections and to encourage open, safe reporting. Additionally, whistleblowing cases and their resolutions will be reviewed regularly and reported—while safeguarding identities—as part of our ESG disclosures to promote transparency and accountability.

These efforts aim to build internal confidence and position Powerwell as an organization that values and protects ethical courage.

OUR PERFORMANCE

For FYE2025, Powerwell continued to demonstrate a strong commitment to good corporate governance. Guided by robust internal policies, we ensured full compliance with applicable laws and regulations, with no known or reported incidents of corruption during the period. All existing employees have acknowledged and signed Powerwell’s Whistleblower Policy, and Anti-Bribery and Anti-Corruption (ABAC) Policy.

To support transparency and accountability, Powerwell has established a dedicated whistleblowing channel under the Whistleblower Policy. This allows both employees and external stakeholders to report concerns confidentially via email, telephone, or mail. Our ABAC Policy, and Whistleblower Policy are publicly available on our corporate website, ensuring accessibility for all stakeholders.

FYE	Total No. of Whistleblowing case
2025	0
Total	0

STATEMENT OF ASSURANCE FOR SUSTAINABILITY REPORT FYE 2025

In strengthening the credibility of the Sustainability Statement, selected aspects of this Sustainability Statement have been subjected to an internal review by the company's internal auditors.

INDEPENDENT LIMITED ASSURANCE STATEMENT ON SUBJECT MATTER INFORMATION IN POWERWELL HOLDINGS BERHAD'S SUSTAINABILITY STATEMENT ("FY2025")

To the Board of Directors of Powerwell Holdings Berhad

We, Vaersa Advisory Sdn. Bhd. have been engaged by Powerwell Holdings Berhad ("Powerwell" or the "Group") to perform an independent limited assurance engagement on selected sustainability indicators (hereinafter referred to as the "Subject Matter Information") as reported by Powerwell in its Sustainability Report for FYE2025.

Our Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information contained in the Powerwell's Sustainability Report FYE2025 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Subject Matter Information

In strengthening the credibility of our reporting, this Sustainability Statement has been subjected to independent assurance in accordance with recognised assurance standards for selected indicators and has been approved by the Company's Audit Committee.

Conclusion

In conclusion, based on the procedures performed and evidence gathered, we provide reasonable assurance that the data and disclosures related to ESG performance in the report are fairly stated and in accordance with the applicable reporting standards.

GROUP HIGHLIGHTS



Corporate Social Responsibility Event



Group Highlights (Cont'd)



Townhall 2025



Group Highlights (Cont'd)



Employee Appreciation Session



Group Highlights (Cont'd)



ESG Training Event



Group Highlights (Cont'd)



Engagement with Business Partners



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Powerwell Holdings Berhad ("Powerwell" or "the Company") acknowledges the importance of the principles and practices as set out in the Malaysian Code on Corporate Governance ("MCCG") in managing Powerwell and its subsidiaries' ("the Group") business towards its mission of sustainable growth.

The Board is fully committed to promoting good corporate governance culture within the Group in creating and delivering sustainable venue and long-term success of the Group's businesses.

This Corporate Governance ("CG") Overview statement provides an overview of the CG practices by the Group during the financial year ended ("FYE") 31 March 2025. This CG Overview Statement takes guidance from the key principles laid out in the MCCG and is to be read together with the Corporate Governance Report which is available on the Company's corporate website at www.powerwell.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company, and charting the course of the Group's business operations whilst providing effective oversight of Management's performance, risk assessment and controls over business operations.

The Board is guided by the Company's Board Charter which outlines the roles and responsibilities, operation and processes of the Board. The roles and responsibilities of the Board include, among others, the following:

- overseeing the conduct of the Company and the Group's business to ensure it is being properly managed;
- establishing the corporate vision and mission, as well as the philosophy of the Group, setting goals of the Management and monitoring the performance of the Management;
- identifying principal risks of the Company and the Group and ensuring the implementation of appropriate risk management and internal control systems to address these risks;
- succession planning of the Company;
- reviewing and adopting a strategic plan for the Company and the Group, and subsequently monitoring the implementation of the strategic plan by the Management to ensure sustainable growth of the Company and the Group;
- promoting good corporate governance culture within the Group;
- reviewing the adequacy and integrity of the Company and the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- monitoring the Group's financial performance and operating results.

The Board delegates and confers some of its authorities and discretions to the Independent Non-Executive Chairman, Managing Director, Executive Directors and Management as well as the properly constituted Board Committees comprising exclusively Non-Executive Directors.

The roles of the Chairman of the Board and Managing Director are separated and held individually by two (2) persons. There is a clear division of responsibilities between the Chairman of the Board and the Managing Director to ensure that there is a balance of power and authority. The Chairman who is an Independent Non-Executive Director, Mr Tang Yuen Kin, is responsible for leadership of the Board in ensuring the effectiveness of all aspects of the Board, while the Managing Director position, previously held by Mr Tham Kien Wai and currently Ms Wong Yoke Yen, is responsible for the implementation of the policies laid down and execute the decision-making.

Decisions of the Board are made collectively during Board meetings. In order to ensure that meetings are properly facilitated, and the Board properly led, the Chairman also plays a crucial and pivotal leadership role in ensuring that the Board works effectively.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

The role of Management is to support the Executive Director including Managing Director and implements the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

In general, the Non-Executive Directors are independent from Management. Their roles are to constructively challenge Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Company's business and operations.

Key matters reserved for the Board's approval include the financial statements, annual budget, declaration of dividends, business continuity plan, issuance of new securities, corporate restructuring plan, material acquisition and disposal of assets.

In order to ensure effective discharge of its functions and responsibilities, the Board has delegated certain responsibilities to the Board Committees to assist in carrying out its responsibilities and functions as follows:-

- (a) Audit and Risk Management Committee ("ARMC") – review processes and practices of financial reporting, system of internal controls, related party transactions, conflicts of interest, internal audit as well as external audit process, and ensure implementation of any risk management policies.
- (b) Remuneration Committee – review and assists the Board in determining the policy and structure for remuneration of Directors and key senior management of the Group.
- (c) Nomination Committee – review candidatures for Board appointment and re-appointment as well as annual assessment of the Board, Board Committees and Directors.

The Board is supported by two (2) qualified and experienced Company Secretaries, namely Mr Tan Kok Siong and Ms Tan Fong Shian @ Lim Fong Shian, who are licensed by the Companies Commission of Malaysia and Associate members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), respectively. Both the Company Secretaries are qualified pursuant to the requirements of the Companies Act 2016 ("the Act").

The Board obtains appropriate advice and support from the Company Secretaries on company secretarial matters, compliance with the relevant laws and regulations and adoption of corporate governance best practices. The Company Secretaries ensure that the Board and Board Committees meetings are properly convened and the proceedings are properly recorded. The Company Secretaries also work closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees.

The Board is regularly updated and apprised by the Company Secretaries on changes in the Act, new and/or changes in relevant rules/regulations issued by regulatory authorities.

Supply of, and Access to Information

Every Director has full and unrestricted access to information within the Group. Where required, the Board and its Committees are provided with independent professional advice, the cost of which is borne by the Company. The Board may also seek advice from the Management or request further explanation, information or update on any aspect of the Group's operations or business concerns. The Board is supplied with quality and timely information, which allows it to discharge its responsibilities effectively and efficiently.

The agenda for each meeting together with a set of comprehensive board papers for each agenda item are delivered via email to each Director in advance of meetings, to afford the Board sufficient time to review the matters to be deliberated for effective discussion and decision making during the meeting, and where necessary, to obtain supplementary information before the meeting.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Supply of, and Access to Information (Cont'd)

During FYE 31 March 2025, there were five (5) Board meetings held and the details of Directors' attendance are set out below:

Member	Attendance
Tang Yuen Kin	5/5
Wong Yoke Yen	5/5
Soh Wei Wei (<i>appointed on 11 July 2024</i>)	2/3
Dr Tou Teck Yong	5/5
Selma Enolil Binti Mustapha Khalil	5/5
Chong Guang Wei (<i>appointed on 11 November 2024</i>)	2/2
Tham Kien Wai (<i>retired on 11 November 2024</i>)	2/3

Board Charter

The Board has established a Board Charter to provide clarity and guidance in the roles and responsibilities to the Board members and Management. The Board Charter addresses, among others, objectives, vision and mission, role of the Board, operation and processes of the Board.

The Board Charter serves as a referencing point for Board's activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company. The Board Charter is made publicly available on the Company's website at www.powerwell.com.my in line with Practice 2.1 of the MCCG.

Code of Conduct and Ethics

The Board is committed to adhering to best practices in corporate governance and observing the highest standards of integrity and behaviour in all activities conducted by the Company and the Group, including the interaction with its shareholders, employees, creditors, customers and within the community and environment in which the Company and the Group operate.

The Board has established a Code of Conduct and Ethics for its directors and employees. The Code of Conduct and Ethics spells out certain ethical conduct, principles and standards of good conduct expected of the Directors and employees of the Group at work.

The Code of Conduct and Ethics is made publicly available on the Company's website at www.powerwell.com.my in line with Practice 3.1 of the MCCG and is subject to annual review.

Whistleblowing Policy

The Group has formalised and established a Whistleblowing Policy. This is to provide an avenue for all employees and stakeholders to raise genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal should they act in good faith when reporting such concerns.

The Whistleblowing Policy is subject to periodic assessment and review to ensure that it remains relevant to the Group's changing business circumstances. The Whistleblowing Policy is available on the Company's website at www.powerwell.com.my.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Anti-Bribery and Anti-Corruption Policy

The Group has established and adopted the Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”), guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). The ABAC Policy sets out the parameters to prevent the occurrence of bribery and corrupt practices and to provide information and guidance to all employees, directors and associated third party on how to recognise and deal with bribery and corruption issues. The Group is committed to conducting business dealings in an honest and ethical manner. The ABAC Policy can be viewed on the Company’s website, www.powerwell.com.my.

Sustainability

The Board views the commitment to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Board oversees the Group’s operations by taking into consideration the economic, environmental and social risks and opportunities in setting the strategic direction of the Group and ensuring the integration of sustainability practices into the Group’s operations, policies and procedures.

The Group strives to achieve a sustainable long-term balance between meeting its business goals, preserving the environment to sustain the ecosystem, and improving the welfare of its employees and the communities in which it operates. The Group’s efforts in this regard have been set out in the Sustainability Statement in this Annual Report.

II. BOARD COMPOSITION

The success of the Board in fulfilling its oversight responsibility depends on its size, composition and leadership qualities of its members. Currently, the Board consists of six (6) members, comprising two (2) Executive Directors including the Managing Director, three (3) Independent Non-Executive Directors including the Chairman and Senior Independent Non-Executive Director and one (1) Non-Independent Non-Executive Director.

The Company is in compliance with Rule 15.02 of ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the recommendation of Practice 5.2 of the MCCG whereby half of its Board members are independent directors.

The composition of the Board reflects a diversity of backgrounds, skills and experiences in the areas of business, economics, finance, general management and strategy that contributes effectively in leading and directing the management and affairs of the Group. Given the calibre and integrity of its members and the objectivity and independent judgment brought by the Independent Directors, the Board is of the opinion that its current size and balanced mixed skills composition contribute to an effective Board.

The Board through the Nomination Committee assess the independence of the Independent Directors on an annual basis based on the criteria formulated by the Nomination Committee. This is to mitigate risks arising from conflict of interest or undue influences from interested parties. Based on the assessment in FYE 31 March 2025, the Board reviewed, assessed and was satisfied with the independence demonstrated by all of the Independent Directors, and their ability to act in the best interest of the Company.

The MCCG provides that the tenure of an independent director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders’ approval through a two-tier voting process.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

As the Company was listed on 22 January 2020, none of the Independent Non-Executive Directors had served the Company for a cumulative term of nine (9) years. The Company also did not have a policy which limits the tenure of the Independent Non-Executive Directors to nine (9) years.

Notwithstanding the recommendation of MCCG, the Board is presently of the view that there is no necessity to fix a maximum tenure limit for directors as there are significant advantages to be gained from long service directors who possess in-depth insights to the Group's business and affairs. The ability of a director to serve effectively as an Independent Non-Executive Director is very much dependent on his integrity and objectivity, and may not necessarily has a direct connection to his tenure as an Independent Non-Executive Director.

The Board recognises and embraces the benefits of having a diverse Board and Senior Management, and sees increasing diversity at the Board and Senior Management level as essential elements in maintaining competitive advantages and attainment of strategic objectives. In assessing the suitability of candidates, various criteria will be taken into account including but not limited to mix of skills, knowledge, expertise, independence, experience, professionalism, age, cultural background and gender.

The profiles of the Directors and Senior Management are presented separately in the Annual Report.

The Board is supportive of gender diversity in the boardroom as recommended by the MCCG and the Group has adopted the Diversity Policy to promote diversity in the Board and the workforce of the Group. There are two female directors on the Board out of a total of six Board members, representing a percentage of 33.33% during FYE 31 March 2025. The Managing Director, Ms Wong Yoke Yen and Independent Non-Executive Director, Puan Selma Enolil Binti Mustapha Khalil were both active participants of the Board.

The Group's Diversity Policy is available on the Company's website at www.powerwell.com.my.

Nomination Committee

The Nomination Committee chaired by the Senior Independent Director, has been established with specific terms of reference by the Board, comprising exclusively of Independent Non-Executive Directors, as follows:-

Chairman

Dr Tou Teck Yong – Senior Independent Non-Executive Director

Members

Tang Yuen Kin – Independent Non-Executive Director

Selma Enolil Binti Mustapha Khalil – Independent Non-Executive Director

The Terms of Reference of the Nomination Committee is made publicly available on the Company's website at www.powerwell.com.my in line with Rule 15.08A(2) of AMLR of Bursa Securities.

The Nomination Committee is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Directors should bring to the Board. It assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director, including Non-Executive Directors.

In assessing and evaluating the suitability of candidates for recommendation to the Board for appointment, the Nomination Committee will not be solely relied on recommendations by the Board members, Management or Major Shareholders but also from reliable independent sources such as industry professionals and associations, as well as independent search firms, if needed, to identify suitably qualified candidates for new appointments.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

The final decision on the appointment of a candidate recommended by Nomination Committee rests with the Board or, on the recommendation of the Board, the shareholders in general meeting, as the case may be. The Board is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors.

A summary of the activities carried out by the Nomination Committee during FYE 31 March 2025 is as follows:

- Reviewed the Board's and Board Committees' structure, size, composition and diversity, and was satisfied with the review given the size of the Group and its business operations.
- Reviewed the assessment of performance of the individual Directors, the Board as a whole and the Board Committees, and the independence of the Independent Directors, and was satisfied with the experiences, contributions, competencies and mix of skills of the Directors to enable the Board and the Board Committees to discharge their respective duties and responsibilities effectively, as well as with the independence of the Independent Directors. It was also concurred from the assessment that the Board could work as a team and arrive at consensual decisions.
- Reviewed the term of office and performance of the ARMC and each of its members and was satisfied that the ARMC had carried out its duties in accordance with its Terms of Reference.
- Reviewed and assessed the performance and contributions of the Directors who are subject to retirement by rotation and casual vacancy, and recommended to the Board for the tabling for shareholders' approval of the re-election of the said Directors at the Nineteenth Annual General Meeting ("AGM") of the Company. The assessment took into consideration the appropriate fit and proper criteria, skills, knowledge, competence and experience necessary to meet the needs of the Group.
- Reviewed and recommended to the Board on the appointment of Mr Soh Wei Wei as Executive Director and Mr Chong Guang Wei as Non-Independent Non-Executive Director of the Company.

The Board is satisfied with the level of time committed by the Directors in discharging their respective duties and roles as Directors of the Company. All the Directors of the Company have complied with Rule 15.06 of the AMLR of Bursa Securities on the restriction on the number of directorships held in public listed companies.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

The Directors are encouraged to attend continuing education programmes to upgrade their knowledge and enhance their skills. Details of some of the training programmes, forums, seminars or conferences attended or participated by the Directors for FYE 31 March 2025 are as follows:-

Director	Title of Training Programme/ Forums/ Seminar/Conference	Date
Tang Yuen Kin	<ul style="list-style-type: none"> University of Illinois at Urbana-Champaign, United States of America: Business Administration (Online) – iMBA Program Mandatory Accreditation Programme Part II – Leading for Impact organised by Institute of Corporate Directors Malaysia (“IDCM”) 	Commenced on 17 March 2021 and on-going 22 – 23 January 2025
Wong Yoke Yen	<ul style="list-style-type: none"> E-invoicing Briefing Mastering TCFD Implementation for Resilience and Competitiveness FTSE4Good ESG Ratings for All PLCs Webinar E-Invoicing Implementation and Transformation Strategies HSBC Macro-Economic Outlook 2025 Decoding Malaysia Transfer Pricing Guidelines 2024 & Transfer Pricing Tax Audit Framework 2024 Sustainability & ESG Masterclass BDO Navigating 2024/2025 Transfer Pricing Changes in Malaysia and Singapore 	9 May 2024 14 May 2024 2 September 2024 4 December 2024 20 January 2025 26 February 2025 10, 20 March 2025 and 17 April 2025 13 March 2025
Soh Wei Wei	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I organised by IDCM E-Invoicing Implementation and Transformation Strategies 	16 – 17 October 2024 4 December 2024
Dr Tou Teck Yong	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II – Leading for Impact organised by IDCM Top Glove Annual Leadership Summit 	29 – 30 May 2024 3 August 2024
Selma Enolil Binti Mustapha Khalil	<ul style="list-style-type: none"> E-Invoicing for Law Firms Bursa Malaysia Board Ethics: Growing Concerns from New Technology, Stakeholder Interest & Conflict of Interest Securities Commission and Bursa Malaysia : Engagement with Advisers Introduction to Environmental, Social, and Governance 	29 July 2024 16 October 2024 13 February 2025 19 February 2025
Chong Guang Wei	Mandatory Accreditation Programme Part I organised by IDCM	20 – 21 January 2025

In addition, the Directors’ training also includes briefings by the Company Secretaries and the external auditors from time to time during the Board and ARMC meetings on the relevant updates pertaining to statutory and regulatory requirements.

Corporate Governance Overview Statement (Cont'd)

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

III. REMUNERATION

The present composition of the Remuneration Committee consists of three (3) members, all of whom are Independent Non-Executive Directors as follows:-

Chairman

Dr Tou Teck Yong – Senior Independent Non-Executive Director

Members

Tang Yuen Kin – Independent Non-Executive Director

Selma Enolil Binti Mustapha Khalil – Independent Non-Executive Director

The primary objective of the Remuneration Committee is set the policy framework and to make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Managing Director, Executive Directors and other key senior management with the aim to attract, retain and motivate individuals of the quality required to manage the Company's business and to align the interests of the executive directors with those of the Company's shareholders.

The Terms of Reference of the Remuneration Committee is made publicly available on the Company's website at www.powerwell.com.my in line with Practice 7.2 of the MCGG.

The Remuneration Committee has put in place a Remuneration Framework and Policies for Directors and Senior Management with the objectives of creating a fair and transparent system for determining the appropriate levels of remuneration for both Executive and Non-Executive Directors and senior management, and to ensure that the levels of remuneration are sufficient to attract and retain persons having the right skills, experience, competence and expertise to serve as Executive Directors and senior management in the Group.

In recommending the proposed Directors' fees, the Remuneration Committee takes into consideration the qualification, duty and responsibility, and contribution required from a Director in view of the Group's complexity. The Board then collectively determines the remuneration for the Independent Non-Executive Directors based on the Remuneration Committee's recommendation. All Directors shall abstain from discussion and decisions on their own remuneration.

During FYE 31 March 2025, the Remuneration Committee had undertaken the following:-

- Discussed and deliberated on the remuneration package of Mr Soh Wei Wei, the Executive Director and recommended the same to the Board for approval;
- Discussed and deliberated on the remuneration packages of the Managing Director and Executive Director and recommended the same to the Board for approval;
- Reviewed the remuneration package of the Key Senior Management of the Group; and
- Recommended the proposed Directors' fees and benefits payable to the Non-Executive Directors of the Company.

Corporate Governance Overview Statement (Cont'd)

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

III. REMUNERATION (CONT'D)

The remuneration of the Directors received from the Company and its Group for FYE 31 March 2025 is set out below:-

Director	Fees RM'000	Salaries RM'000	Bonuses RM'000	Benefits in Kind/ Allowance RM'000	Total RM'000
Managing Director and Executive Directors					
Wong Yoke Yen	–	690	144	25	859
Soh Wei Wei (appointed on 11 July 2024)	–	491	154	28	673
Tham Kien Wai (retired on 11 November 2024)	–	600	48	23	671
Non-Executive Directors					
Tang Yuen Kin	64	–	–	5	69
Dr Tou Teck Yong	57	–	–	5	62
Selma Enolil Binti Mustapha Khalil	57	–	–	5	62
Chong Guang Wei (appointed on 11 November 2024)	24	–	–	2	26
Total	202	1,781	346	93	2,422

The Company has also arranged for Directors' and Officers' Liability Insurance to indemnify the Directors and officers of the Group against liabilities incurred by them in the discharge of their duties while holding office as Directors and officers.

With the best interest of the Group in mind, and taking into consideration the sensitivity, privacy, security, issue of staff poaching, the Board has opted not to disclose on a named basis the top five senior management's remuneration in the bands of RM50,000.

The number of top five (5) key senior management whose total remuneration falls within the following bands for FYE 31 March 2025 are as follows:-

Remuneration Bands	No. of Key Senior Management
RM300,001 – RM350,000	2
RM450,001 – RM500,000	1
RM550,001 – RM600,000	1
RM650,001 – RM700,000	1

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC was established in 2019 in order to accurately reflect the powers of oversight over the risk management matters delegated to the ARMC.

The primary objective of the ARMC is to assist the Board to review the adequacy and integrity of the Group's financial administration and reporting, internal control and risk management systems, including the management information system and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The ARMC consists of the following three (3) members, all of whom are Independent Non-Executive Directors:-

Chairman

Selma Enolil Binti Mustapha Khalil – Independent Non-Executive Director

Members

Tang Yuen Kin – Independent Non-Executive Director

Dr Tou Teck Yong – Senior Independent Non-Executive Director

Please refer to the Audit and Risk Management Committee Report contained in the Annual Report for more information on the ARMC.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has authorised the ARMC to review the effectiveness of the internal audit function and to provide oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans of risk management.

Details on the risk management and internal control system of the Group are set out in the Statement on Risk Management and Internal Control of this Annual Report.

The Group has outsourced the internal audit function to a professional service firm, Vaersa Advisory Sdn Bhd, which is independent of the activities and operations of the Group. The outsourced internal auditors report directly to the ARMC.

Details on the internal audit function are set out in the Audit and Risk Management Committee Report and the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. On this basis, the Board will not only comply with the disclosure requirements as stipulated in the AMLR of Bursa Securities, but is also responsible to disclose material information to regulators, shareholders and stakeholders.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

I. ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

The Group also maintains a corporate website, www.powerwell.com.my to disseminate information and enhance its investor relations. All timely disclosures, material information and announcements made to Bursa Securities are published on the website shortly after the same is released by the Company.

The Board recognises the importance of being transparent and accountable to the Company's investors and, as such, has various channels to maintain communication with them. The various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website where shareholders can access pertinent information concerning the Group.

II. CONDUCT OF GENERAL MEETINGS

The Company's AGM serves as a principal forum for communication and dialogue with shareholders. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

The Company will despatch its notice of AGM together with the Annual Report and related documents to shareholders at least twenty-eight (28) days before the meeting to provide the shareholders with sufficient time to prepare and participate in the meeting and to make informed decisions at the meeting. In addition, the notice was published in the national newspaper within the mandatory period as well as through announcement via Bursa Securities and the Group's website.

The Company's Nineteenth AGM, held on 13 September 2024, was conducted entirely via live streaming from the designated Broadcast Venue, leveraging technology to enhance engagement with shareholders, with full attendance of all the Directors of the Company.

The forthcoming Twentieth AGM will be held physically and all the Directors have planned to be present at the AGM. The Company will allocate sufficient time and opportunities during the AGM and any other general meetings for a Question-and-Answer session whereby the Chairman together with the other Board members will be able to answer any questions and possible concerns that the shareholders may have on the Group and its operations.

The Management team and the Group's external auditors as well as the Company's advisers are also available to respond to shareholders' questions during the general meeting as the case may be.

Pursuant to Rule 8.31 of the AMLR of Bursa Securities, the Company shall conduct poll voting for all resolutions set out in the notice of any general meeting and appoint an independent scrutineer to validate the votes cast.

The Minutes of the Nineteenth AGM including the responses to the questions raised were uploaded on the Company's website within 30 business days after the meeting.

COMPLIANCE STATEMENT

The Board is satisfied that throughout FYE 31 March 2025, the Company has applied the principles and recommendations of the corporate governance set out in the MCCG, where necessary and appropriate.

This CG Overview Statement was approved by the Board on 10 July 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Powerwell Holdings Berhad (“Powerwell” or “the Company”) is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal control of Powerwell and its subsidiaries (“the Group”) for the financial year ended (“FYE”) 31 March 2025. This Statement has been prepared in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”).

BOARD RESPONSIBILITY

The Board acknowledges its responsibility and re-affirms its commitment in maintaining a sound system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets as well as for reviewing the adequacy and effectiveness of the system.

Nevertheless, the Board recognises the inherent limitations in any system of risk management and internal control as the system is designed to mitigate and manage rather than to eliminate the risks that may affect the achievement of the Group’s business objectives. Therefore, such a system can only provide reasonable but not absolute assurance against material misstatement of financial information and record, or against financial losses or fraud.

The Group has in place an on-going process to identify, evaluate, monitor and manage any significant risks through the internal control system in order to attain a reasonable assurance that business objectives have been met. The system is regularly reviewed by the Board and subject to continuous improvement.

RISK MANAGEMENT

Risk management is regarded by the Board to be an integral part of business operations. Risk management and internal controls are embedded in the Group’s management system. Key Management staff and Heads of Department are delegated with the responsibility of identifying and managing risks related to their functions/departments.

The Group has, on 22 January 2022, formalised and adopted an Enterprise Risk Management Framework (“ERM Framework”) formulated to assist the Group in managing the various risks faced in its daily business operations. The risk management methodology employed is based on assessment of risk and evaluated in terms of the risk impact on the enterprise and probability of occurrence. The risks are then mapped accordingly for a holistic review.

The Company’s risk management framework is based on the principles and guidelines outlined in the **ISO 31000 Risk Management – Guidelines**, an internationally recognised standard. This framework provides a structured and consistent approach to identifying, assessing, managing, and monitoring key risks that may affect the achievement of the Company’s strategic and operational objectives. It also supports the Board and Management in embedding risk awareness into the corporate culture and decision-making processes.

Risk analysis of the Group is conducted on a regular basis, including constantly reviewing the process in identifying, evaluating and implementing appropriate actions to assess and monitor the impact of the risks on key business areas. Significant risks identified are brought to the attention of the Audit and Risk Management Committee (“ARMC”) at their scheduled meetings.

Statement On Risk Management And Internal Control (Cont'd)

RISK MANAGEMENT (CONT'D)

Some of the key risks identified with relevant mitigations that were tabled during the ARMC meetings are summarized as follows:

Performance Risk

The Group faces performance risk when there is a project delivery delays, which could lead to the imposition of Liquidated Ascertained Damages (LAD) by customers. To mitigate this risk, the Group proactively engages with customers, suppliers, and partners to minimize delays, ensures proper planning and monitoring by the production and project teams.

Competition Risk

The Group operates in a competitive industry where there is pressure from the market players. This competition could potentially impact the Group's market share, pricing power, and profitability. To mitigate this risk, the Group is committed to have proper certifications of the products, continuous innovation enhancing product quality, and expanding its range of solutions to meet evolving customer needs. The Group also focuses on building strong, long-term relationships with customers through reliable delivery, excellent service, and customised offerings, while actively monitoring market trends to stay ahead of competitors.

Cost Overrun Risk

The Group is exposed to the risk of cost overruns arising from unexpected increases in material prices, labour costs, changes in project scope, or unforeseen operational challenges. Such cost escalations could adversely impact project profitability and overall financial performance. To mitigate this risk, the Group implements strict budgetary controls, thorough project planning, and continuous monitoring of project progress and costs. The Group also works closely with suppliers and subcontractors to secure competitive pricing and maintain flexibility to adjust procurement strategies as needed. Regular reviews and risk assessments are conducted to identify potential cost pressures early and implement corrective actions promptly.

INTERNAL CONTROL

Internal controls are important to support the function of the risk management system and the Board and Management of the Group has put in place key internal controls to assure the achievement of the Group's objectives and its operational effectiveness.

The Group continues to enforce its lines of responsibility, reporting and approval authority under its management organisation structure and the standard operating procedures. These controls are reviewed by the Internal Auditors and strengthened by the Management to ensure its effectiveness

In addition, external and relevant professionals would be drawn on to assist and provide advices to the management team when necessary. In order to ensure the objectivity of the review of the risk management and internal control system of the Group, the ARMC is instituted by the Board to undertake this role. This process is regularly reviewed by the ARMC and reported to the Board.

The ARMC assists the Board to review the adequacy and integrity of the internal control system and its compliance with the Group's policies and procedures.

Statement On Risk Management And Internal Control (Cont'd)

KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

To complement and enhance the risk management and internal control system, the Group has put in place the following practices / structures:

- The Group maintains clearly defined and structured lines of reporting and responsibilities including proper segregation of duties, appropriate authority limits, and adequate review and approval procedures.

Formal Standard Operating Policies and Procedures are in place and regularly reviewed and updated to ensure that they continue to support the Group's business activities as the Group continues to grow; Certain subsidiaries within the Group adhere to and apply the International Organization for Standardization ("ISO") Quality Policies and Procedures. In addition, the Group also ensures compliance with the relevant Safety and Health procedures. With such certification, audits are conducted by external parties periodically to ensure compliance with the requirements of the certification.

- Board Committees (i.e. ARMC, Nomination Committee and Remuneration Committee) which undertake their duties and responsibilities according to their delegated functions as set out in their respective Terms of Reference.
- Formalised Code of Conduct and Ethics, Whistleblowing Policy and Anti-Fraud, Bribery and Corruption Policy. For FYE 31 March 2025, there were no concerns raised of any wrongdoing or improper conduct involving the Group or its Directors or employees.
- Regular and comprehensive information provided to the Board, covering financial performance and key business indicators.
- Periodic Board, Board Committee and management meetings being held to deliberate on, among others, financial, operational, risk and compliance matters.
- Outsourced internal audit function which reports to the ARMC.
- Active participation of executive members of the Board in the day-to-day running of the operations.
- Regular management meeting with all key personnel of respective departments to address weaknesses and improve efficiency.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an external professional firm to assist the ARMC and the Board in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The outsourced internal auditors report directly to the ARMC.

During FYE 31 March 2025, the outsourced internal auditors undertook an internal control review covering the following functional areas of Kejuruteraan Powerwell Sdn Bhd and Powerwell International Sdn Bhd:-

- 1) Project Management Review, covering the following scope:
 - Review of Standard Operating Procedure ("SOP")
 - Origination of Contracts – Tendering and Contract Award
 - Project Budgeting and Schedule Planning
 - Project Costing
 - New and Existing Sub-Contractors and Vendors Evaluation
 - Project Progress Tracking
 - Progress Claims Billing
 - Non-Conformance Issues, Corrective Actions and Preventive Actions

Statement On Risk Management And Internal Control (Cont'd)

INTERNAL AUDIT FUNCTION (CONT'D)

2) Inventory Management Review, covering the following scope:

- Review of SOP and Compliance Test
- Requisition to Receiving & Monitoring
- Shipping or Delivery of Finished Goods
- Inventory Transfer
- Stock Level Monitoring/Reorder Level
- Warehouse Security and Access Control
- Slow Moving Stocks and Stock Return
- Stock Write-Off and Provision for Obsolete Stock

The key audit findings together with the recommendations for improvement by the outsourced internal auditors, and management responses were presented and deliberated at the ARMC meetings.

Beside the above, the outsourced internal auditors undertook a review of Enterprise Risk Assessment of the Group whereby the main risks in the following main business areas have been reviewed:-

- Strategic risks
- Human Resources risks
- Operational risks
- Financial risks
- Legal & Regulatory risks
- Information Technology General Control risks

The risk management methodology employed involves the identification and assessment of risks, which are evaluated based on two primary dimensions: the potential impact on the Group's operations and strategic objectives, and the probability of the risk occurrence. To facilitate a comprehensive and structured evaluation, a risk matrix format is adopted where potential risks are ranked as High, Moderately High, Moderate, Moderately Low, or Low. This approach enables the Group to map and prioritise key risks, ensuring a holistic review and effective monitoring of mitigation strategies by Management and the Board.

Upon completion of the risk management assessment performed for FYE 31 March 2025, the risk ratings as compared to FYE 31 March 2024 together with the risk management activities carried out during the assessment were presented and deliberated at the Audit and Risk Management Committee meetings.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance to the Guidelines, the Management is responsible to the Board for identifying risks relevant to the business of the Company's objectives and strategies, implementing and maintaining a sound system of risk management and internal control, and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Company's achievement of its objectives and performance.

In producing this Statement, the Board has received assurance from the Managing Director, Executive Director (Finance & Admin) and the Chief Financial Officer that, to the best of their knowledge, the Group's risk management and internal control system is in place for FYE 31 March 2025 and is operating adequately and effectively, in all material aspects.

Statement On Risk Management And Internal Control (Cont'd)

BOARD ASSURANCE AND LIMITATION

The Board is satisfied that there is ongoing process for identifying, evaluating and managing significant risks faced by the Group and the existing system of risk management and internal control is effective to enable the Group to achieve its business objectives. During FYE 31 March 2025 and up to the date of approval for issuance of this Statement, there were no material losses incurred by the Group arising from weaknesses in its internal control system.

Despite the above, it should be noted that the risk management and internal control system could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the system of risk management and internal control in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the Company's external auditors have reviewed this Statement for inclusion in the Annual Report for FYE 31 March 2025. Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and, Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

This Statement on Risk Management and Internal Control is made by the Board in accordance to its resolution dated 10 July 2025.

STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year under review and their results and cash flows for the financial year then ended. As required by the Act and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia.

In preparing the financial statements of the Group and the Company for the financial year ended 31 March 2025, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been complied with, subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect fraud and other such irregularities.

This statement is made in accordance with the resolution of the Board dated 10 July 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“ARMC”) was established in 2019 with the primary objective to assist the Board of Directors (“the Board”) of Powerwell Holdings Berhad (“Powerwell” or “the Company”) in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting to shareholders and the public, and internal control. *(Note: Powerwell and our subsidiaries are collectively referred to as “the Group” herein).*

The ARMC adopts practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to all the Company’s shareholders.

MEMBERSHIP

The ARMC comprises the following members:

Chairman

Selma Enolil Binti Mustapha Khalil – Independent Non-Executive Director

Members

Tang Yuen Kin – Independent Non-Executive Director

Dr Tou Teck Yong – Senior Independent Non-Executive Director

COMPOSITION

The composition of the ARMC complies with Rule 15.09 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), as follows:

- a) The ARMC presently consists of three (3) members;
- b) All the members of the ARMC are independent non-executive directors; and
- c) Mr Tang Yuen Kin is a member of the Malaysian Institute of Accountants.

TERMS OF REFERENCE

The full Terms of Reference of the ARMC setting out the objective, membership, functions, meeting procedures, authority, duties and responsibilities is made publicly available on the Company’s website at www.powerwell.com.my in line with Rule 15.11 of AMLR of Bursa Securities.

MEETINGS

During the financial year ended 31 March 2025, the ARMC has met five (5) times and the details of attendance of the ARMC members are as follows:

Name	Attendance
Selma Enolil Binti Mustapha Khalil (Chairman)	5/5
Tang Yuen Kin	5/5
Dr Tou Teck Yong	5/5

The agenda for the meetings, together with the relevant papers and reports together with the minutes of the previous ARMC meeting, were distributed to the ARMC members prior to the meetings. The Company Secretary attended all the meetings held during the financial year under review. In addition, the Managing Director, the Executive Director, the Chief Financial Officer, key management personnel, external auditors and outsourced internal auditors also attended the meetings when invited by the ARMC to provide information and present reports during the deliberation of matters pertaining to their respective areas.

Audit And Risk Management Committee Report (Cont'd)

SUMMARY OF WORK OF THE ARMC

During the financial year ended 31 March 2025, the ARMC had, in discharging its functions and duties, carried out amongst others, the following activities:

- a) Reviewed the quarterly unaudited financial results of the Group for announcement to Bursa Securities before recommending them for the Board's approval. The review was to ensure that the unaudited quarterly financial results were prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, International Accounting Standard 34: *Interim Financial Reporting*, and provisions of the AMLR of Bursa Securities.
- b) Reviewed the audited financial statements of the Group and the Company for the financial year ended 31 March 2024 prior to their submission for consideration and approval by the Board. The review was to ensure that the audited financial statements were drawn up in accordance with the requirements of the Companies Act 2016 and the applicable MFRS and International Financial Reporting Standards.
- c) Reviewed the Group's management budget for the financial year ended 31 March 2025 before recommending for the Board's approval and adoption.
- d) Reviewed and discussed with the external auditors, BDO PLT, on the results of the audit, the audit report and the management letter, including management's response, on the financial statements of the Group for the financial year ended 31 March 2024.
- e) Without the presence of Executive Directors and Management, discussed with BDO PLT on any issues, problems and reservations arising from the audit for the financial year ended 31 March 2024, and any other matters that they would want to bring to the attention of the ARMC.
- f) Reviewed the provision of non-assurance services provided by Tricor Services Vietnam Company Limited.
- g) Reviewed and discussed with the external auditors, BDO PLT, on their audit plan for the financial year ended 31 March 2025 covering (i) engagement and reporting responsibilities, (ii) BDO PLT audit approach, (iii) materiality and performance materiality, (iv) areas of significant auditor attention, (v) engagement team, (vi) reporting, deliverables and independence, (vii) assurance updates, (viii) financial reporting updates, (ix) listed issuer updates, (x) Environmental, Social and Governance (ESG) updates, (xi) other updates and (xii) Transparency report, before endorsing and recommending to the Board for adoption.
- h) Reviewed related party transactions, if any, entered into by the Group on a quarterly basis to ensure that the transactions were undertaken on normal commercial terms and not detrimental to the interest of the Company and its minority shareholders.
- i) Reviewed and recommended to the Board for the re-appointment of BDO PLT as the external auditors of the Company for the financial year ended 31 March 2025.
- j) Reviewed the Statement on Risk Management and Internal Control and the ARMC Report prior to recommending the same to the Board for approval to include in the 2024 Annual Report of the Company.
- k) Reviewed and deliberated on the outsourced internal auditors', i.e. Vaersa Advisory Sdn Bhd ("Vaersa Advisory"), reports as detailed in the Internal Audit Function section below, and followed up on the actions taken by Management in addressing the issues and recommendations raised by outsourced internal auditors.
- l) Reviewed, discussed and approved the Internal Audit Plan of the Group prepared by Vaersa Advisory for financial year ended 31 March 2025 and financial year ending 31 March 2026.
- m) Reviewed and evaluated the performance of Vaersa Advisory to ensure that the internal audit function is effective and function independently.

Audit And Risk Management Committee Report (Cont'd)

SUMMARY OF WORK OF THE ARMC (CONT'D)

During the financial year ended 31 March 2025, the ARMC had, in discharging its functions and duties, carried out amongst others, the following activities: (Cont'd)

- n) Reviewed and monitored potential conflict of interest ("COI") and COI situations involving the Directors. Details of potential COI and COI for FYE 31 March 2025, along with the measures taken to address COIs, are as follow:-

Nature of COI	Nature and Extent of Interest	Measures Taken to Address COI
A Director serves on the Board of Directors of Unique Fire Holdings Berhad ("UFHB"), whereby UFHB and its subsidiaries are involved in assembly, manufacturing and distribution of active fire protection systems, equipment and accessories for built environment, as well as the distribution of custom graphics designed fire extinguishers and other active fire protection systems, equipment and accessories plus other related services.	<p>Puan Selma Enolil Binti Mustapha Khalil is the Independent Non-Executive Chairperson of UFHB.</p> <p>Firerex Technology Sdn Bhd and Brandrich Fire Solutions Sdn Bhd, both newly acquired subsidiaries of the Company, specializes in providing fire suppression and fire prevention solutions, including inert gas systems, chemical based systems and foam systems.</p>	<p>Puan Selma Enolil Binti Mustapha Khalil duly recused herself and abstain from both voting and on this transaction.</p> <p>Additionally, she does not participate in or influence any decisions related to the day-to-day operations or transactions entered by the subsidiary companies.</p>

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is outsourced to Vaersa Advisory, an external professional firm which was appointed by the Company on 2 June 2020. Vaersa Advisory is independent of the activities and operations of the Group and reports directly to the ARMC.

During the financial year ended 31 March 2025, Vaersa Advisory has carried out the following work:

- a) Undertook internal control review on the following areas:
- Project Management function of the Company's subsidiaries, Powerwell International Sdn Bhd ("PISB") and Kejuruteraan Powerwell Sdn Bhd ("KEJ"); and
 - Inventory Management function of PISB and KEJ.
 - Review of Enterprise Risk Assessment of the Group.
- b) Presented the report on the internal control reviews highlighting the key audit findings together with the recommendations for improvement as well as management responses and action plans, to the ARMC for deliberation.
- c) Presented the Internal Audit Plan of the Group for financial year ended 31 March 2025 and financial year ending 31 March 2026.

The fees incurred by the Group in relation to the outsourced internal audit function for the financial year ended 31 March 2025 were RM34,000.

ADDITIONAL INFORMATION

1. UTILISATION OF PROCEEDS

No proceeds were raised from any corporate proposals during the financial year ended 31 March 2025.

2. AUDIT FEE AND NON-AUDIT FEE

Details of the audit and non-audit fees incurred by the Company and its subsidiaries for services rendered by the external auditors during the financial year ended 31 March 2025 are set out below:-

	Company RM'000	Group RM'000
Audit services	29	172
Non-audit services	7	7
TOTAL	36	179

3. MATERIAL CONTRACTS INVOLVING DIRECTORS AND/OR MAJOR SHAREHOLDERS

There were no material contracts entered by the Company and/or its subsidiaries involving the interest of Directors' and/or major shareholders either subsisting at the end of the financial year ended 31 March 2025 or entered into since the end of the previous financial year ended 31 March 2024.

4. RECURRENT RELATED PARTY TRANSACTIONS

During the financial year ended 31 March 2025, there were no Recurrent Related Party Transactions of a revenue or trading nature which requires shareholders' mandate.

FINANCIAL STATEMENTS

85	Directors' Report	100	Statements of Changes In Equity
90	Statement by Directors	102	Statements of Cash Flows
90	Statutory Declaration	105	Notes to the Financial Statements
91	Independent Auditors' Report		
96	Statements of Financial Position		
98	Statements of Profit or Loss and Other Comprehensive Income		

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are mainly design, manufacturing and trading of electricity distribution products, property investment and management.

Further details of the subsidiaries are set out in Note 11 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year	18,773,574	9,561,947
Attributable to:		
Owners of the parent	18,773,574	9,561,947

DIVIDEND

Dividends paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	Company RM
Third interim single tier dividend of 1.0 sen per ordinary share in respect of financial year ended 31 March 2024, paid on 30 July 2024	5,805,520

On 27 May 2025, the Board of Directors declared a first interim single tier dividend of 1.0 sen per ordinary share of RM5,805,520 for the financial year ended 31 March 2025, which is to be paid on 29 July 2025 to shareholders of the Company whose names appeared in the Record of Depositors on 30 June 2025. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2026.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

Directors' Report (Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Powerwell Holdings Berhad

Wong Yoke Yen*	
Tang Yuen Kin	
Dr. Tou Teck Yong	
Selma Enolil Binti Mustapha Khalil	
Soh Wei Wei*	(Appointed on 11 July 2024)
Chong Guang Wei	(Appointed on 11 November 2024)
Tham Kien Wai*	(Retired on 11 November 2024)

* These Directors of the Company are also the Directors of certain subsidiaries of the Company.

Subsidiaries of Powerwell Holdings Berhad (excluding those who are listed above)

Pursuant to Section 253(2) of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries during the financial year and up to the date of this report are as follows:

Hoh Moon Heng	
Leong Yek Loong	
Sarah Jane Claresta	
Yee Hee Hoon	(Resigned on 31 July 2024)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	Number of ordinary shares			
	Balance as at 1.4.2024/ date of appointment	Acquired	Disposed	Balance as at 31.3.2025
<u>Direct interests</u>				
Wong Yoke Yen	20,153,810	18,460,387	(10,700,000)	27,914,197
Tang Yuen Kin	100,000	–	–	100,000
Dr. Tou Teck Yong	100,000	–	–	100,000
Selma Enolil Binti Mustapha Khalil	100,000	–	(50,000)	50,000
Soh Wei Wei	–	16,005,095	–	16,005,095
<u>Indirect interests</u>				
Chong Guang Wei	–	29,000,000	–	29,000,000

Directors' Report (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the remuneration received and receivable by certain Directors from the related corporations in their capacity as Directors or Executives of the related corporation.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The remuneration of Directors during the financial year were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company:				
Fees	201,350	168,000	201,350	168,000
Salaries and allowances	1,829,290	1,536,200	17,000	15,000
Defined contribution plans	309,424	258,642	–	–
Other employees' benefits	5,912	4,538	–	–
	2,345,976	1,967,380	218,350	183,000
Benefits-in-kind	76,296	51,950	–	–
	2,422,272	2,019,330	218,350	183,000
Directors of subsidiaries:				
Salaries and allowances	681,174	1,235,542	–	–
Defined contribution plans	110,640	159,896	–	–
Other employees' benefits	1,759	26,699	–	–
	793,573	1,422,137	–	–
Benefits-in-kind	–	21,750	–	–
	793,573	1,443,887	–	–
	3,215,845	3,463,217	218,350	183,000

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for any Directors or officers or auditors of the Group and of the Company during the financial year.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

Directors' Report (Cont'd)

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

1. During the financial year, Powerwell Vietnam Company Limited (PVCL), a wholly-owned subsidiary of the Group through direct interest in Powerwell Sdn Bhd, engaged Vistra Vietnam as its corporate service provider to facilitate the deregistration of the company. As at the date of this report, the deregistration process is still in progress.
2. On 12 March 2025, the Company entered into Shares Sale Agreements to acquire a 51% equity interest in Firerex Technology Sdn Bhd ("FTSB") and Brandrich Fire Solutions Sdn Bhd ("BRSB") for a total consideration of RM4,233,000.

Subsequent to the financial year, the acquisitions were completed on 2 April 2025.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2025 were as follows:

	Group RM	Company RM
Statutory audit	172,016	29,000
Other services	7,000	7,000
	179,016	36,000

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
Wong Yoke Yen
Director

Kuala Lumpur
10 July 2025

.....
Soh Wei Wei
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 96 to 153 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Wong Yoke Yen
Director

Kuala Lumpur
10 July 2025

.....
Soh Wei Wei
Director

STATUTORY DECLARATION

I, Tan Yee Sin (CA 53555), being the officer primarily responsible for the financial management of Powerwell Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 96 to 153 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur)
on 10 July 2025)

Tan Yee Sin
Chief Financial Officer

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POWERWELL HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Powerwell Holdings Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 96 to 153.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

KEY AUDIT MATTERS

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

1. Impairment of trade receivables

As at 31 March 2025, trade receivables of the Group were RM50,283,265 as disclosed in Note 13 to the financial statements.

The Group has further impaired trade receivables during the financial year as disclosed in Note 13 (e) to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Independent Auditors' Report (Cont'd)

KEY AUDIT MATTERS (CONT'D)

1. *Impairment of trade receivables (Cont'd)*

Audit response

Our audit procedures included the following:

- (a) recomputed the probability of default using historical data and forward-looking information adjustment, applied by the Group;
- (b) recomputed the correlation coefficient between forward-looking factors used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group;
- (c) inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and
- (d) assessed the adequacy of credit impaired assessment performed by management on trade receivables who are in significant financial difficulties and have defaulted on payments.

2. *Revenue from sales of electricity distribution products*

Revenue from sales of electricity distribution products during the financial year as disclosed in Note 21 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in contracts with customers and determining whether there is any exposure to liquidated damages arising from delays in delivery of products for a project.

Audit response

Our audit procedures included the following:

- (a) Reviewed the terms and conditions of major transactions to determine the revenue recognised conforms with the Group policies and the requirements of MFRS 15 Revenue from Contracts with Customers;
- (b) Inspected documentation acknowledged by customers to support the delivery of goods and the acceptance by customers;
- (c) Inquired the Group's in-house operational and financial personnel to assess the merits of the extension of time granted by customer for assessing the potential exposure to liquidated damages; and
- (d) Inspected relevant correspondences with a customer in relation to the late delivery of products.

We have determined that there are no key audit matters to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

Independent Auditors' Report (Cont'd)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

Independent Auditors' Report (Cont'd)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Independent Auditors' Report (Cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 11 to the financial statements.

OTHER MATTERS

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

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
10 July 2025

Law Kian Huat

02855/06/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	30,065,567	30,614,958	–	–
Right-of-use assets	7	1,685,012	968,214	–	–
Intangible assets	8	84,376	105,470	–	–
Goodwill	9	–	484,751	–	–
Investment property	10	–	–	–	–
Investments in subsidiaries	11	–	–	25,549,094	25,549,094
Deferred tax assets	18	–	738,487	–	–
		31,834,955	32,911,880	25,549,094	25,549,094
Current assets					
Inventories	12	26,879,306	17,353,682	–	–
Trade and other receivables	13	53,226,987	24,662,942	16,754,610	11,998,861
Current tax assets		2,692,117	2,381,078	115,666	66,819
Short-term funds	14	1,618,977	2,859,484	811,282	2,079,543
Cash and bank balances	15	65,992,786	85,201,002	110,970	7,814,276
		150,410,173	132,458,188	17,792,528	21,959,499
TOTAL ASSETS		182,245,128	165,370,068	43,341,622	47,508,593
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	36,348,121	36,348,121	36,348,121	36,348,121
Retained earnings		60,987,636	48,019,582	6,621,444	2,865,017
Foreign exchange translation reserve	17	164,777	147,099	–	–
TOTAL EQUITY		97,500,534	84,514,802	42,969,565	39,213,138

Statements of Financial Position (Cont'd)

		Group		Company	
Note	2025 RM	2024 RM	2025 RM	2024 RM	
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	846,700	274,960	—	—
Deferred tax liabilities	18	944,113	535,805	—	—
Bank borrowings	20	6,960,056	7,479,483	—	—
		8,750,869	8,290,248	—	—
Current liabilities					
Trade and other payables	19	66,580,187	65,556,785	372,057	8,295,455
Bank borrowings	20	8,913,002	5,000,985	—	—
Current tax liabilities		22,392	1,328,255	—	—
Lease liabilities	7	478,144	678,993	—	—
		75,993,725	72,565,018	372,057	8,295,455
TOTAL LIABILITIES		84,744,594	80,855,266	372,057	8,295,455
TOTAL EQUITY AND LIABILITIES		182,245,128	165,370,068	43,341,622	47,508,593

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	137,513,843	154,764,881	10,251,800	8,593,900
Cost of sales		(91,892,244)	(108,727,253)	–	–
Gross profit		45,621,599	46,037,628	10,251,800	8,593,900
Other income	22	3,776,103	2,096,677	51,275	136,102
Net impairment losses of financial assets	24(b)	(1,971,242)	(2,307,055)	–	–
Administrative and distribution expenses		(18,392,772)	(17,669,037)	(754,675)	(427,852)
Other operating expenses		(1,431,383)	(998,802)	–	(113,910)
Profit from operations		27,602,305	27,159,411	9,548,400	8,188,240
Finance costs	23	(758,920)	(825,723)	–	–
Profit before tax	24(a)	26,843,385	26,333,688	9,548,400	8,188,240
Taxation	25	(8,069,811)	(6,620,392)	13,547	18,407
Profit for the financial year		18,773,574	19,713,296	9,561,947	8,206,647
Other comprehensive income, net of tax effect					
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Foreign currency translation gain		17,678	43,495	–	–
Total comprehensive income for the financial year		18,791,252	19,756,791	9,561,947	8,206,647

Statements of Profit or Loss And Other Comprehensive Income (Cont'd)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Profit attributable to:					
Owners of the parent		18,773,574	19,713,296	9,561,947	8,206,647
Non-controlling interest		–	–	–	–
		18,773,574	19,713,296	9,561,947	8,206,647
Total comprehensive income attributable to:					
Owners of the parent		18,791,252	19,756,791	9,561,947	8,206,647
Non-controlling interest		–	–	–	–
		18,791,252	19,756,791	9,561,947	8,206,647
Earnings per share attributable to owners of the parent (sen):					
- Basic and diluted	26	3.23	3.40		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Group	Attributable to owners of the parent				Non-controlling interest RM	Total equity RM
	Share capital RM	Foreign exchange translation reserve RM	Retained earnings RM	Total equity attributable to owners of the parent RM		
Balance as at 1 April 2023	36,348,121	103,604	39,917,326	76,369,051	-	76,369,051
Profit for the financial year	-	-	19,713,296	19,713,296	-	19,713,296
Other comprehensive income, net of tax	-	43,495	-	43,495	-	43,495
Total comprehensive income	-	43,495	19,713,296	19,756,791	-	19,756,791
Transaction with owners						
Dividends paid	-	-	(11,611,040)	(11,611,040)	-	(11,611,040)
Total transaction with owners	-	-	(11,611,040)	(11,611,040)	-	(11,611,040)
Balance as at 31 March 2024	36,348,121	147,099	48,019,582	84,514,802	-	84,514,802
Balance as at 1 April 2024	36,348,121	147,099	48,019,582	84,514,802	-	84,514,802
Profit for the financial year	-	-	18,773,574	18,773,574	-	18,773,574
Other comprehensive income, net of tax	-	17,678	-	17,678	-	17,678
Total comprehensive income	-	17,678	18,773,574	18,791,252	-	18,791,252
Transaction with owners						
Dividends paid	-	-	(5,805,520)	(5,805,520)	-	(5,805,520)
Total transaction with owners	-	-	(5,805,520)	(5,805,520)	-	(5,805,520)
Balance as at 31 March 2025	36,348,121	164,777	60,987,636	97,500,534	-	97,500,534

Statements of Changes In Equity (Cont'd)

Company	Note	Share capital RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 April 2023		36,348,121	6,269,410	42,617,531
Profit for the financial year		–	8,206,647	8,206,647
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	8,206,647	8,206,647
Transaction with owners				
Dividends paid	27	–	(11,611,040)	(11,611,040)
Total transaction with owners		–	(11,611,040)	(11,611,040)
Balance as at 31 March 2024/1 April 2024		36,348,121	2,865,017	39,213,138
Profit for the financial year		–	9,561,947	9,561,947
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	9,561,947	9,561,947
Transaction with owners				
Dividends paid	27	–	(5,805,520)	(5,805,520)
Total transaction with owners		–	(5,805,520)	(5,805,520)
Balance as at 31 March 2025		36,348,121	6,621,444	42,969,565

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		26,843,385	26,333,688	9,548,400	8,188,240
Adjustments for:					
Depreciation of:					
- property, plant and equipment	6	1,612,169	1,624,382	–	–
- right-of-use assets	7	729,227	774,970	–	–
- investment property		–	28,500	–	–
Amortisation of intangible assets	8	21,094	–	–	–
Dividend income	21	–	–	(10,251,800)	(8,593,900)
Gain on disposal of property, plant and equipment	22	(264,500)	(317,093)	–	–
Gain on disposal of investment property	22	–	(123,084)	–	–
Gain on disposal of right-of-use assets	22	(887,842)	–	–	–
Gain on remeasurement of right-of-use assets	7	(122)	(1,067)	–	–
Impairment losses on:					
- trade receivables	13(e)	6,424,212	4,296,374	–	–
- other receivables	13(f)	–	24,318	–	–
- investments in subsidiaries	11(b)	–	–	–	113,906
- goodwill	9(e)	484,751	–	–	–
Investment income	22	(59,493)	(144,325)	(31,739)	(115,917)
Interest income	22	(1,595,503)	(1,020,332)	(19,536)	(18,937)
Interest expense	23	758,920	825,723	–	–
Net unrealised loss on foreign exchange		853,689	473,517	–	–
Reversal of impairment losses on:					
- trade receivables	13(e)	(4,447,291)	(2,013,637)	–	–
- other receivables	13(f)	(5,679)	–	–	–
Written down value of inventories	12(d)	–	18,557	–	–
Write off of:					
- deposits	24(a)	–	2,050	–	–
- inventories	12(e)	940,751	–	–	–
- property, plant and equipment	24(a)	8,954	49,456	–	–
Operating profit/(loss) before changes in working capital		31,416,722	30,831,997	(754,675)	(426,608)
Changes in working capital:					
Inventories		(10,473,760)	(3,339,672)	–	–
Trade and other receivables		(30,522,611)	25,956,198	(420,120)	4,028,620
Trade and other payables		9,171,343	6,606,060	204,330	25,841
Cash (used in)/from operations		(408,306)	60,054,583	(970,465)	3,627,853
Tax refunded		133,204	66,468	–	1,425
Tax paid		(8,673,336)	(4,874,859)	(35,300)	(49,337)
Net cash (used in)/from operating activities		(8,948,438)	55,246,192	(1,005,765)	3,579,941

Statements of Cash Flows (Cont'd)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Net advances to subsidiaries		–	–	(4,335,629)	(429,330)
Dividend received	21	–	–	10,251,800	8,593,900
Investment income received		59,493	144,325	31,739	115,917
Interest received		1,595,503	1,020,332	19,536	18,937
Net placement of fixed deposits pledged with licensed banks with original maturity of more than three (3) months		(335,615)	(340,407)	–	–
Proceeds from disposal of investment property		–	2,000,000	–	–
Proceeds from disposal of property, plant and equipment		264,500	331,000	–	–
Proceeds from disposal of right-of-use assets		887,842	–	–	–
Purchase of:					
- property, plant and equipment	6	(1,107,770)	(790,738)	–	–
- right-of-use asset		(509,209)	(199,087)	–	–
- intangible assets	8	–	(63,812)	–	–
Net cash from investing activities		854,744	2,101,613	5,967,446	8,299,424
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(708,982)	(783,007)	–	–
Net drawdowns/(repayments) of borrowings		3,392,590	(14,191,751)	–	–
Payments of lease liabilities	7	(615,648)	(730,694)	–	–
Dividend paid		(13,933,248)	(3,483,312)	(13,933,248)	(3,483,312)
Net cash used in financing activities		(11,865,288)	(19,188,764)	(13,933,248)	(3,483,312)
Net (decrease)/increase in cash and cash equivalents		(19,958,982)	38,159,041	(8,971,567)	8,396,053
Effects of exchange rate changes on cash and cash equivalents		(825,356)	(176,370)	–	–
Cash and cash equivalents at beginning of financial year		70,935,879	32,953,208	9,893,819	1,497,766
Cash and cash equivalents at end of financial year	15	50,151,541	70,935,879	922,252	9,893,819

Statements of Cash Flows (Cont'd)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Cash and cash equivalents comprise:					
Short-term funds (Note 14)		1,618,977	2,859,484	811,282	2,079,543
Fixed deposits with licensed banks		36,681,555	34,523,764	–	–
Cash and bank balances		29,311,231	50,677,238	110,970	7,814,276
		67,611,763	88,060,486	922,252	9,893,819
Less:					
Deposits pledged with licensed banks with original maturity of more than three (3) months		(17,460,222)	(17,124,607)	–	–
		50,151,541	70,935,879	922,252	9,893,819

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	Group	
		2025 RM	2024 RM
Bank borrowings			
At 1 April		12,480,468	26,672,219
Cash flows:			
- net drawdowns/(repayments) of borrowings		3,392,590	(14,191,751)
- interest paid		(708,982)	(783,007)
Non-cash flows:			
- interest expense		708,982	783,007
At 31 March	20	15,873,058	12,480,468
Lease liabilities			
At 1 April		953,953	1,029,456
Cash flows:			
- payments of lease liabilities		(615,648)	(730,694)
Non-cash flows:			
- unwinding of interest		49,938	42,716
- additions of lease liabilities		984,603	633,324
- reassessments and remeasurement		(43,515)	(19,577)
- net foreign exchange differences		(4,487)	(1,272)
At 31 March	7	1,324,844	953,953

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

1. CORPORATE INFORMATION

Powerwell Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur.

The principal place of business of the Company is located at No. 1B, Jalan Anggerik Mokara 31/48, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor.

The consolidated financial statements for the financial year ended 31 March 2025 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 10 July 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are mainly design, manufacturing and trading of electricity distribution products, property investment and management. The principal activities and details of the subsidiaries are disclosed in Note 11 to the financial statements.

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

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of the new MFRSs during the financial year. The new MFRSs and amendments to MFRSs adopted during the financial year are disclosed in Note 4.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

Notes to the Financial Statements (Cont'd)

4. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSS

4.1 New MFRSSs adopted during the financial year

The Group and the Company adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangement</i>	1 January 2024

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

4.2 New MFRSSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following Standards and Amendments of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature - dependent Electricity</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards—Volume 11	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1 Critical judgements made in applying accounting policies

There are no critical judgements made by the management in the process of applying the accounting policies of the Group and of the Company that have the most significant effect on the accounts recognised in the financial statements.

Notes to the Financial Statements (Cont'd)

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

5.2 Key sources of estimation uncertainty

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Impairment of trade and other receivables

The impairment allowances for trade and other receivables are based on assumptions about risk of default and expected credit loss rates. The Group adopts judgement in making these assumptions and selecting inputs for computing such impairment losses, broadly based on the available customers' historical data and the existing market conditions, including forward looking estimates as at the end of the reporting period.

(b) Depreciation of property, plant and equipment and right-of-use assets

The Group estimates the useful lives of property, plant and equipment and right-of-use assets at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to changes in the factors mentioned above. Changes in these factors could impact the useful lives and the residual values of these assets; therefore future depreciation charges could be revised.

(c) Determination of the discount rates and lease term for leases

The Group determines the discount rates for leases based on the incremental borrowing rates of the Group. Significant judgements are required to be exercised by management in determining the appropriate discount rate for the respective leases based on prevailing market borrowing rates over similar lease terms, of similar value as the respective right-of-use assets in a similar economic environment.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management is required to exercise significant judgements in considering the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease.

Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

(d) Determination of the exposure to liquidated damages

Management exercised significant judgment in determining that the delay in the delivery and installation of completed panels was not attributable to the Group but rather due to the installation site not being prepared or made available by the customer. This judgment is significant as it would impact the evaluation of potential exposure to liquidated damages.

Notes to the Financial Statements (Cont'd)

6. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Freehold buildings	Furniture and fittings	Office equipment	Office renovation	Machinery	Tools and equipment	Motor vehicles	Total
2025	RM	RM	RM	RM	RM	RM	RM	RM	RM
At cost									
Balance as at 1 April 2024	11,529,520	11,873,750	351,704	2,084,625	1,812,128	10,247,902	627,087	1,509,095	40,035,811
Additions	-	-	12,028	526,605	274,000	158,109	43,401	93,627	1,107,770
Disposals	-	-	-	-	-	-	-	(1,158,733)	(1,158,733)
Written off	-	-	-	(97,695)	-	(5,238)	(2,736)	-	(105,669)
Net exchange differences	-	-	(2,880)	(9,386)	(19,706)	(6,392)	(3,899)	(267)	(42,530)
Balance as at 31 March 2025	11,529,520	11,873,750	360,852	2,504,149	2,066,422	10,394,381	663,853	443,722	39,836,649
Accumulated depreciation									
Balance as at 1 April 2024	-	1,139,340	235,003	1,391,570	522,314	4,249,648	373,883	1,509,095	9,420,853
Charge for the financial year	-	237,475	30,910	258,936	175,580	863,764	43,568	1,936	1,612,169
Disposals	-	-	-	-	-	-	-	(1,158,733)	(1,158,733)
Written off	-	-	-	(91,552)	-	(3,928)	(1,235)	-	(96,715)
Net exchange differences	-	-	(899)	(2,287)	(2,338)	(619)	(327)	(22)	(6,492)
Balance as at 31 March 2025	-	1,376,815	265,014	1,556,667	695,556	5,108,865	415,889	352,276	9,771,082
Net book value as at 31 March 2025	11,529,520	10,496,935	95,838	947,482	1,370,866	5,285,516	247,964	91,446	30,065,567

Notes to the Financial Statements (Cont'd)

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

Group	Freehold land	Freehold buildings	Furniture and fittings	Office equipment	Office renovation	Machinery	Tools and equipment	Motor vehicles	Total
2024	RM	RM	RM	RM	RM	RM	RM	RM	RM
At cost									
Balance as at 1 April 2023	11,529,520	11,873,750	368,728	1,978,407	2,396,235	10,416,559	903,683	2,198,102	41,664,984
Additions	-	-	46,734	138,051	198,841	339,892	67,220	-	790,738
Disposals	-	-	(3,800)	(662)	(5,179)	(405,099)	-	(689,007)	(1,103,747)
Written off	-	-	(59,778)	(30,819)	(775,090)	(102,868)	(343,286)	-	(1,311,841)
Net exchange differences	-	-	(180)	(352)	(2,679)	(582)	(530)	-	(4,323)
Balance as at 31 March 2024	11,529,520	11,873,750	351,704	2,084,625	1,812,128	10,247,902	627,087	1,509,095	40,035,811
Accumulated depreciation									
Balance as at 1 April 2023	-	901,865	252,680	1,190,226	1,129,245	3,818,761	657,925	2,198,102	10,148,804
Charge for the financial year	-	237,475	30,786	230,953	162,301	908,654	54,213	-	1,624,382
Disposals	-	-	(5,273)	(865)	(6,257)	(388,438)	-	(689,007)	(1,089,840)
Written off	-	-	(43,280)	(28,616)	(762,964)	(89,296)	(338,229)	-	(1,262,385)
Net exchange differences	-	-	90	(128)	(11)	(33)	(26)	-	(108)
Balance as at 31 March 2024	-	1,139,340	235,003	1,391,570	522,314	4,249,648	373,883	1,509,095	9,420,853
Net book value as at 31 March 2024	11,529,520	10,734,410	116,701	693,055	1,289,814	5,998,254	253,204	-	30,614,958

Notes to the Financial Statements (Cont'd)

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

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation periods are as follows:

Freehold buildings	50 years
Furniture and fittings	5 to 10 years
Office equipment	5 to 10 years
Office renovation	10 years
Machinery	5 to 10 years
Tools and equipment	5 to 10 years
Motor vehicles	5 years

Freehold land has unlimited useful life and is not depreciated.

- (c) The freehold land and certain buildings have been pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.
- (d) The Group assessed whether there are any indications of impairment of property, plant and equipment and right-of-use assets during the financial year. In doing this, management considered the current environment, taking into consideration performance of Cash Generating Unit ("CGU"). Management considered the loss-making CGU as impairment indications.

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

2025			
Group	Buildings RM	Motor vehicles RM	Total RM
Cost			
Balance as at 1 April 2024	780,766	2,933,009	3,713,775
Additions	361,943	1,131,869	1,493,812
Reassessment and remeasurement	(302,718)	–	(302,718)
Disposals	–	(2,045,597)	(2,045,597)
Net exchange differences	(15,856)	–	(15,856)
Balance as at 31 March 2025	824,135	2,019,281	2,843,416

Notes to the Financial Statements (Cont'd)

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

The Group as lessee (Cont'd)

Right-of-use assets (Cont'd)

2025 (Cont'd)

Group (Cont'd)	Buildings RM	Motor vehicles RM	Total RM
Accumulated depreciation			
Balance as at 1 April 2024	557,089	2,188,472	2,745,561
Charge for the financial year	300,505	428,722	729,227
Reassessment and remeasurement	(259,325)	–	(259,325)
Disposals	–	(2,045,597)	(2,045,597)
Net exchange differences	(11,462)	–	(11,462)
Balance as at 31 March 2025	586,807	571,597	1,158,404
Carrying amount as at 31 March 2025	237,328	1,447,684	1,685,012

2024

Group

Balance as at 1 April 2023	619,241	2,433,921	3,053,162
Additions	333,323	499,088	832,411
Reassessment and remeasurement	(169,307)	–	(169,307)
Net exchange differences	(2,491)	–	(2,491)
Balance as at 31 March 2024	780,766	2,933,009	3,713,775
Accumulated depreciation			
Balance as at 1 April 2023	425,431	1,697,203	2,122,634
Charge for the financial year	283,701	491,269	774,970
Reassessment and remeasurement	(150,797)	–	(150,797)
Net exchange differences	(1,246)	–	(1,246)
Balance as at 31 March 2024	557,089	2,188,472	2,745,561
Carrying amount as at 31 March 2024	223,677	744,537	968,214

Notes to the Financial Statements (Cont'd)

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

The Group as lessee (Cont'd)

Lease liabilities

Group	Buildings RM	Motor vehicles RM	Total RM
2025			
Balance at 1 April 2024	228,493	725,460	953,953
Additions	54,603	930,000	984,603
Foreign exchange differences	(4,487)	–	(4,487)
Reassessment and remeasurement	(43,515)	–	(43,515)
Lease payments	(5,881)	(609,767)	(615,648)
Interest expense	11,079	38,859	49,938
Balance as at 31 March 2025	240,292	1,084,552	1,324,844

2024

Balance at 1 April 2023	197,990	831,466	1,029,456
Additions	333,324	300,000	633,324
Foreign exchange differences	(1,272)	–	(1,272)
Reassessment and remeasurement	(19,577)	–	(19,577)
Lease payments	(294,679)	(436,015)	(730,694)
Interest expense	12,707	30,009	42,716
Balance as at 31 March 2024	228,493	725,460	953,953

	Group 2025 RM	2024 RM
Represented by:		
Current liabilities	478,144	678,993
Non-current liabilities	846,700	274,960
Total lease liabilities	1,324,844	953,953

	Group 2025 RM	2024 RM
Lease liabilities owing to financial institutions	1,084,552	725,460
Lease liabilities owing to non-financial institutions	240,292	228,493
	1,324,844	953,953

Notes to the Financial Statements (Cont'd)

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

The Group as lessee (Cont'd)

- (a) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of lease liabilities.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the right-of-use assets. The principal depreciation periods used are as follows:

Buildings	1 to 3 years
Motor vehicles	5 years

- (b) The Group has a lease of building, machinery and motor vehicles with lease term of 12 months or less, and low-value leases of RM20,000 and below. The Group applies the "short-term lease" and "leases of low-value assets" exemption for these leases.

- (c) The following are the amounts recognised in profit or loss:

	2025 RM	Group 2024 RM
Depreciation charge of right-of-use assets (included in cost of administrative and distribution expenses)	729,227	774,970
Interest expense on lease liabilities (included in finance costs)	49,938	42,716
Expense relating to short-term leases (included in cost of administrative and distribution expenses)	12,841	36,318
Gain on remeasurement of right-of-use assets (included in other income)	(122)	(1,067)
Gain on disposal of right-of-use assets (included in other income)	(887,842)	–
	(95,958)	852,937

- (d) The Group made the following cash outflows for leases as a lessee:

	2025 RM	Group 2024 RM
Included in net cash used in operating activities:		
Payments relating to short-term leases	12,841	36,318
Interest expense on lease liabilities	49,938	42,716
Included in net cash used in financing activities:		
Payment of lease liabilities	615,648	730,694
	678,427	809,728

Notes to the Financial Statements (Cont'd)

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

The Group as lessee (Cont'd)

- (e) The following table sets out the carrying amounts, the incremental borrowing rate and the remaining maturities of the lease liabilities of the Group:

Group 2025	Incremental borrowing rate per annum %	Less than 1 year RM	More than 1 year but less than 5 years RM	Total RM
Fixed rates				
Lease liabilities	1.88 - 4.70	478,144	846,700	1,324,844
<hr/>				
2024				
Fixed rates				
Lease liabilities	1.88 - 4.44	678,993	274,960	953,953

Sensitivity analysis for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rate.

- (f) The impairment assessment on the right-of-use assets is disclosed in Note 6(d) to the financial statements.
- (g) Information on financial risks of lease liabilities is disclosed in Note 33 to the financial statements.

8. INTANGIBLE ASSETS

Group	Computer software RM	Distribution rights Low voltage power RM	Middle voltage power RM	Total RM
Cost				
Balance as at 1 April 2024/31 March 2025	105,470	463,857	514,932	1,084,259
<hr/>				
Balance as at 1 April 2023	41,658	463,857	514,932	1,020,447
Additions	63,812	–	–	63,812
<hr/>				
Balance as at 31 March 2024	105,470	463,857	514,932	1,084,259

Notes to the Financial Statements (Cont'd)

8. INTANGIBLE ASSETS (CONT'D)

Group (Cont'd)	Computer software RM	Distribution rights Low voltage power RM	Middle voltage power RM	Total RM
Accumulated amortisation				
Balance as at 1 April 2023/ 31 March 2024/1 April 2024	–	463,857	514,932	978,789
Amortisation	21,094	–	–	21,094
Balance as at 31 March 2025	21,094	463,857	514,932	999,883
Carrying amount as at 31 March 2024	105,470	–	–	105,470
Carrying amount as at 31 March 2025	84,376	–	–	84,376

- (a) Intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met. Acquired intangible assets that have finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal amortisation periods are as follows:

Distribution rights	5 years
Computer software	5 years

Computer software is not amortised until such time when the asset is available for use.

9. GOODWILL

	Group	
	2025 RM	2024 RM
Cost		
Balance as at 31 March	494,507	494,507
Accumulated impairment losses		
Balance as at 1 April	(9,756)	(9,756)
Impairment for the year	(484,751)	–
Balance as at 31 March	(494,507)	(9,756)
Carrying amount	–	484,751

Notes to the Financial Statements (Cont'd)

9. GOODWILL (CONT'D)

- (a) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.
- (b) After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.
- (c) The carrying amount of goodwill allocated to the Group's cash-generating-unit ("CGU") is solely derived from electrical distribution products segment.
- (d) For the purpose of impairment testing, goodwill is allocated to the subsidiary acquired, which represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

In the previous financial year, the recoverable amount of the subsidiary was determined based on the value-in-use ("VIU") calculation. The VIU was calculated using the pre-tax cash flow projections based on financial budgets approved by management. VIU was determined by discounting the future cash flows to be generated from the continuing use of the CGU under the expected cash flow approach based on the following key assumptions:

- (i) The VIU calculations applied discounted cash flow projections prepared and approved by management, covering a 5-year period.
- (ii) Cash flows were projected based on management's expectations of revenue growth, operating cost and margins based on their recent experience.
- (iii) The forecasted growth rates were based on anticipated growth rates of the CGU obtained from financial budget approved by management.
- (iv) Discount rates used for cash flows discounting purpose was the pre-tax discount rate of 13.3% the Group adjusted for specific risks relating to the CGU after taking into consideration the effect of increasing Overnight Policy Rate ("OPR").

Estimating a value-in-use amount required management to make an estimate of the expected future cash flow from the subsidiary and also to choose a suitable discount rate in order to calculate the present value of those cash flow.

Based on the annual impairment assessment undertaken by the Group, no further impairment loss was required for the carrying amount of the remaining goodwill as at 31 March 2024 as the recoverable amount was in excess of the carrying amount. However, the value-in-use calculation was sensitive to changes in certain key assumptions.

The management believed that a reasonably possible change in the key assumptions on which management had based its determination of the CGU's recoverable amount would not cause the CGU's carrying amount at period end to further exceed its recoverable amount.

- (e) An impairment loss of RM484,751 is recognised during the financial year as the management believe that the recoverable amount would be lower than its carrying amount.

Notes to the Financial Statements (Cont'd)

10. INVESTMENT PROPERTY

	Group	
	2025 RM	2024 RM
Investment property, at cost	–	1,900,000
Add: Addition/Capitalisation	–	8,720
Less: Accumulated depreciation	–	(31,804)
Less: Disposal	–	(1,876,916)
Net carrying amount	–	–

- (a) Investment property was a property which was held to lease to third party. Investment property was initially measured at cost, which included transaction costs. After initial recognition, investment property was stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation was calculated to write off the cost of the investment property to its residual value on a straight line basis over the estimated useful life. The principal depreciation period for the investment property was 50 years.
- (c) In the previous financial year, the Company ceased leasing to third parties and sold the investment property for an amount of RM2,000,000. There were no new investment property acquisitions during the financial year.

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	35,655,481	35,655,481
Less: Accumulated impairment losses	(10,106,387)	(10,106,387)
Net carrying amount	25,549,094	25,549,094

- (a) Details of the subsidiaries are as follows:

Name of company	Country of incorporation and principal place of business	Effective interest in equity held by Group		Principal activities
		2025 %	2024 %	
Kejuruteraan Powerwell Sdn. Bhd. ("KEJ")	Malaysia	100	100	Design, manufacturing and trading of electricity distribution products
Powerwell International Sdn. Bhd. ("PISB")	Malaysia	100	100	Design, manufacturing and trading of electricity distribution products

Notes to the Financial Statements (Cont'd)

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation and principal place of business	Effective interest in equity held by Group		Principal activities
		2025 %	2024 %	
Powerhouse Field Sdn. Bhd.	Malaysia	100	100	Property investment and management
Powerwell Sdn. Bhd. ("PSB")	Malaysia	100	100	Inactive
DB Power Sdn. Bhd.	Malaysia	100	100	Inactive
Powerwell Marketing Sdn. Bhd.	Malaysia	100	100	Inactive
Subsidiary of PSB				
Powerwell Vietnam Company Limited ⁽¹⁾	Vietnam	100	100	Inactive
Joint venture of KEJ and PISB				
PT. Powerwell Listrik Indonesia ⁽¹⁾	Indonesia	100	100	Trading of electricity distribution products

⁽¹⁾ Audited by member firms of BDO International

(b) The Company has assessed whether there are any indications of impairment during the financial year. In doing this, management considered the current environment and the losses of the Cash Generating Units ("CGUs") or certain subsidiaries in the current financial year as impairment indications.

In the previous financial year, impairment losses on investments in subsidiaries of RM113,906 had been recognised within other operating expenses in the statements of profit or loss and other comprehensive income in respect of a subsidiary that was inactive.

Notes to the Financial Statements (Cont'd)

12. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost		
Raw materials	11,165,793	9,159,270
Work-in-progress	14,570,833	4,404,048
Finished goods	1,142,680	3,160,385
	26,879,306	16,723,703
At net realisable value		
Finished goods	–	629,979
	26,879,306	17,353,682

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost is determined on first in, first out basis. Cost of consumables and raw materials comprises all costs of purchase plus the cost of bringing the inventories to their existing location and condition. The cost of work-in-progress and manufactured inventories includes the cost of raw materials, direct labour, other direct costs and a proportion of production overheads based on normal operating capacity of the production facilities.
- (c) During the financial year, the inventories of the Group recognised as cost of sales amounted to RM58,341,104 (2024: RM58,495,559).
- (d) In the previous financial year, the Group recorded a charge to profit or loss pertaining to inventories written down to net realisable value of RM18,557, which was made due to net realisable value of certain inventories were lower than the carrying amount.
- (e) The Group recorded a charge to profit or loss pertaining to inventories written off of RM940,751 (2024: Nil).

Notes to the Financial Statements (Cont'd)

13. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Non-current					
Other receivables	(c)	–	656,467	–	–
Less: Accumulated impairment losses	(f)	–	(656,467)	–	–
		–	–	–	–
Current					
Trade receivables					
Third parties	(b)	58,385,063	30,976,992	–	–
Less: Accumulated impairment losses	(e)	(8,101,798)	(7,105,047)	–	–
		50,283,265	23,871,945	–	–
Other receivables					
Other receivables		197,240	135,051	–	–
Refundable deposits		78,316	80,993	423,300	–
Dividend receivables		–	–	–	–
Amounts owing by subsidiaries	(d)	–	–	16,331,310	11,995,681
		275,556	216,044	16,754,610	11,995,681
Less: Accumulated impairment losses - other receivables	(f)	(24,318)	(30,399)	–	–
		251,238	185,645	16,754,610	11,995,681
Prepayments	(g)	50,534,503 2,692,484	24,057,590 605,352	16,754,610 –	11,995,681 3,180
Total trade and other receivables (current)		53,226,987	24,662,942	16,754,610	11,998,861
Total trade and other receivables (non-current and current)		53,226,987	24,662,942	16,754,610	11,998,861

Notes to the Financial Statements (Cont'd)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Total trade and other receivables, excluding prepayments are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from zero (0) to one hundred twenty (120) days (2024: from zero (0) to one hundred twenty (120) days) from the date of invoice. They are recognised at their original invoices amounts, which represent their fair values on initial recognition.
- (c) In the previous financial year, non-current other receivables of the Group represented advances, which were unsecured, bore interest at 2% per annum and were not repayable within the next twelve (12) months.
- (d) Amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and repayable within the next twelve (12) months in cash and cash equivalents.
- (e) The reconciliation of movements in the impairment losses on trade receivables is as follows:

Group	Lifetime ECL		Total allowance RM
	Not credit impaired RM	Credit impaired RM	
At 1 April 2024	60,241	7,044,806	7,105,047
Charge for the financial year	841,049	5,583,163	6,424,212
Reversal of impairment losses	(54,452)	(4,392,839)	(4,447,291)
Written off	–	(976,308)	(976,308)
Net exchange differences	(3,862)	–	(3,862)
At 31 March 2025	842,976	7,258,822	8,101,798
At 1 April 2023	573,978	4,247,416	4,821,394
Charge for the financial year	–	4,296,374	4,296,374
Reversal of impairment losses	(433,294)	(1,580,343)	(2,013,637)
Written off	(80,443)	80,443	–
Net exchange differences	–	916	916
At 31 March 2024	60,241	7,044,806	7,105,047

Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions of the Group to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the Financial Statements (Cont'd)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) The reconciliation of movements in the impairment losses on trade receivables is as follows: (Cont'd)

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancement held by the Group.

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial period end.

- (f) The reconciliation of movements in the impairment losses on other receivables is as follows:

Group	12-months ECL RM
At 1 April 2024	686,866
Reversal of impairment losses	(5,679)
Written off	(612,992)
Net exchange differences	(43,877)
At 31 March 2025	24,318
At 1 April 2023	652,142
Charge for the financial year	24,318
Net exchange differences	10,406
At 31 March 2024	686,866

Impairment for other receivables, amounts owing by subsidiaries and deposits are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Notes to the Financial Statements (Cont'd)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (f) The reconciliation of movements in the impairment losses on other receivables is as follows: (Cont'd)

The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The probability of non-payment by other receivables, amounts owing by subsidiaries and deposits are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for the other receivables, amounts owing by subsidiaries and deposits.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

- (g) Included in prepayments of the Group are amounts paid in advance to suppliers amounted to RM1,311,651 (2024: RM275,055).
- (h) The following tables provide information about expected credit losses for trade receivables as at the end of the reporting period:

Group	Gross carrying amount RM	Total allowance RM	Balance RM
2025			
Current	24,868,045	(218,611)	24,649,434
Past due:			
1 to 30 days	14,718,375	(346,534)	14,371,841
31 to 60 days	5,753,250	(139,792)	5,613,458
61 to 90 days	751,824	(18,181)	733,643
91 to 180 days	4,603,082	(109,673)	4,493,409
More than 180 days	431,665	(10,185)	421,480
	26,258,196	(624,365)	25,633,831
Credit impaired			
- individually impaired	7,258,822	(7,258,822)	–
	58,385,063	(8,101,798)	50,283,265

Notes to the Financial Statements (Cont'd)

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (h) The following tables provide information about expected credit losses for trade receivables as at the end of the reporting period: (Cont'd)

Group	Gross carrying amount RM	Total allowance RM	Balance RM
2024			
Current	8,017,555	(416)	8,017,139
Past due:			
1 to 30 days	2,067,671	(184)	2,067,487
31 to 60 days	3,640,850	(327)	3,640,523
61 to 90 days	4,776,215	(184)	4,776,031
91 to 180 days	3,955,002	(413)	3,954,589
More than 180 days	1,474,893	(58,717)	1,416,176
	15,914,631	(59,825)	15,854,806
Credit impaired - individually impaired	7,044,806	(7,044,806)	–
	30,976,992	(7,105,047)	23,871,945

- (i) The currency exposure profiles of trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	50,095,088	22,026,512	16,754,610	11,995,681
United States Dollar	115,297	1,877,807	–	–
Indonesian Rupiah	290,648	199,933	–	–
Vietnamese Dong	18,907	(46,662)	–	–
Euro	7,733	–	–	–
Singapore Dollar	6,830	–	–	–
	50,534,503	24,057,590	16,754,610	11,995,681

- (j) No expected credit loss is recognised arising from amounts owing by subsidiaries as the amount was negligible.
- (k) Information on financial risks of trade and other receivables is disclosed in Note 33 to the financial statements.

Notes to the Financial Statements (Cont'd)

14. SHORT-TERM FUNDS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At fair value through profit or loss				
Investments in trust funds in Malaysia	1,618,977	2,859,484	811,282	2,079,543

- (a) Investments in trust funds in Malaysia represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Short-term funds are classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 1 in fair value hierarchy. The short-term funds of the Group and of the Company are denominated in Ringgit Malaysia ("RM").
- (b) The management assessed that the fair value of the short-term funds approximate their carrying amount largely due to the short term maturities of these instruments.
- (c) Information on the financial risks of short-term funds and fair value hierarchy are disclosed in Note 33 to the financial statements.

15. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed deposits with licensed banks	36,681,555	34,523,764	–	–
Cash and bank balances	29,311,231	50,677,238	110,970	7,814,276
As reported in the statements of financial position	65,992,786	85,201,002	110,970	7,814,276

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Fixed deposits with licensed banks of the Group have a maturity period ranging from 30 days to 364 days (2024: 1 day to 364 days).
- (c) Fixed deposits with a licensed bank of the Group amounting to RM17,460,222 (2024: RM17,124,607) have been pledged to a licensed bank for trade financings and bank overdraft granted to the Group as disclosed in Note 20 to the financial statements.
- (d) The interest rate of the placement in money market deposits and fixed deposits with licensed banks as at the end of reporting period per annum are as follows:

	Group	
	2025 %	2024 %
Fixed deposits with licensed banks	2.00 - 3.70	1.14 - 3.70

Notes to the Financial Statements (Cont'd)

15. CASH AND BANK BALANCES (CONT'D)

- (e) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	57,686,982	64,203,168	110,970	7,814,276
United States Dollar	7,567,439	20,096,655	–	–
Philippine Peso	571	622	–	–
Indonesian Rupiah	443,691	423,046	–	–
Singapore Dollar	331	–	–	–
Vietnamese Dong	273,830	477,511	–	–
Euro	14,613	–	–	–
Others	5,329	–	–	–
	65,992,786	85,201,002	110,970	7,814,276

- (f) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Short-term funds (Note 14)	1,618,977	2,859,484	811,282	2,079,543
Fixed deposits with licensed banks	36,681,555	34,523,764	–	–
Cash and bank balances	29,311,231	50,677,238	110,970	7,814,276
Less:				
Deposits pledged with licensed banks with original maturity of more than three (3) months	(17,460,222)	(17,124,607)	–	–
	50,151,541	70,935,879	922,252	9,893,819

- (g) No expected credit loss is recognised arising from the cash and bank balances and fixed deposits with licensed banks because the probability of default by these financial institutions is negligible.
- (h) Information on financial risks of cash and bank balances are disclosed in Note 33 to the financial statements.

Notes to the Financial Statements (Cont'd)

16. SHARE CAPITAL

	Number of shares	Group and Company		2024
		2025	2024	
		RM	Number of shares	RM
Ordinary shares				
Issued and fully paid with no par value				
At 1 April/31 March	580,552,000	36,348,121	580,552,000	36,348,121

Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

17. FOREIGN EXCHANGE TRANSLATION RESERVE

	Group	
	2025 RM	2024 RM
Non-distributable:		
Exchange translation reserve	164,777	147,099

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operation of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

18. DEFERRED TAX (ASSETS)/LIABILITIES

	Group	
	2025 RM	2024 RM
At 1 April	(202,682)	(40,687)
Recognised in profit or loss (Note 25)	1,146,795	(161,995)
At 31 March	944,113	(202,682)
Presented after appropriate offsetting:		
Deferred tax assets, net	–	(738,487)
Deferred tax liabilities, net	944,113	535,805
	944,113	(202,682)

Notes to the Financial Statements (Cont'd)

18. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

- (a) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Group	Balance as at 1.4.2024 RM	Recognised in profit or loss RM	Balance as at 31.03.2025 RM
Deferred tax assets			
Other deductible temporary differences	(738,487)	738,487	–
Offsetting	–	–	–
Deferred tax assets (after offsetting)	(738,487)	738,487	–
Deferred tax liabilities			
Excess of capital allowances over depreciation	535,805	408,308	944,113
Offsetting	–	–	–
Deferred tax liabilities (after offsetting)	535,805	408,308	944,113
<hr/>			
Group	Balance as at 1.4.2023 RM	Recognised in profit or loss RM	Balance as at 31.03.2024 RM
Deferred tax assets			
Other deductible temporary differences	(561,487)	(177,000)	(738,487)
Offsetting	–	–	–
Deferred tax assets (after offsetting)	(561,487)	(177,000)	(738,487)
Deferred tax liabilities			
Excess of capital allowances over depreciation	520,800	15,005	535,805
Offsetting	–	–	–
Deferred tax liabilities (after offsetting)	520,800	15,005	535,805

Notes to the Financial Statements (Cont'd)

18. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

- (b) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2025 RM	2024 RM
Unabsorbed capital allowances	93,851	93,851
Unutilised tax losses		
- Expires by 31 March 2030	36,324	36,324
- Expires by 31 March 2031	31,785	31,785
- Expires by 31 March 2032	34,486	34,486
- Expires by 31 March 2033	18,754	18,754
- Expires by 31 March 2034	18,369	18,369
- Expires by 31 March 2035	127,865	–
Other temporary differences	8,094,012	4,184,807
	8,455,446	4,418,376

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statements of financial position and its tax base.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

The Group has assessed the likelihood of sufficient future profits available to utilise the amounts of deductible temporary differences. Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

Notes to the Financial Statements (Cont'd)

19. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables					
Third parties	(b)	41,774,811	16,190,990	–	–
Other payables					
Other payables		2,346,020	2,091,351	78,097	32,527
Deposits from customers	(c)	7,726,617	8,202,557	–	–
Accruals	(d)	14,730,389	30,834,773	293,960	135,200
Dividend payables	27	–	8,127,728	–	8,127,728
Amounts owing to Directors	(e)	2,350	2,110	–	–
Others		–	107,276	–	–
		24,805,376	49,365,795	372,057	8,295,455
Total trade and other payables		66,580,187	65,556,785	372,057	8,295,455

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group are from zero (0) to one hundred twenty (120) days (2024: from zero (0) to one hundred twenty (120) days) from the date of invoice.
- (c) Deposits from customers represent deposits made by customers for the purchases of electricity distribution product, which have yet to be delivered by the Group at the reporting date. The Group applies the practical expedient in MFRS 15 Revenue from Contracts with Customers on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one (1) year.
- (d) Included in accruals is approximately RM5,618,000 (2024: RM15,017,000) in relation to site management fee accrued for a major local project (2024: an international project).
- (e) Amounts owing to Directors represent advances and payments made on behalf, which are unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalent.
- (f) Financial guarantee contracts issued by the Company are those contracts that require payments to be made to reimburse the holders for losses they incur because the specified debtors fail to make payments when due in accordance with the terms of the debt instruments.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation.

The fair value of financial guarantees is classified as Level 3 in the fair value hierarchy and is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. During the financial year, no financial guarantee contract is recognised at the end of the reporting period as the effects are immaterial to the Company.

Notes to the Financial Statements (Cont'd)

19. TRADE AND OTHER PAYABLES (CONT'D)

- (f) Financial guarantee contracts issued by the Company are those contracts that require payments to be made to reimburse the holders for losses they incur because the specified debtors fail to make payments when due in accordance with the terms of the debt instruments. (Cont'd)

The nominal amounts of financial guarantees provided by the Company are as follows:

	Company	
	2025 RM	2024 RM
Unsecured corporate guarantees given to financial institutions and third parties for facilities granted to certain subsidiaries:		
- Limit of guarantee	86,100,000	86,100,000
Bank facilities granted to subsidiaries	15,648,886	30,266,021

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiaries in respect of the guaranteed bank facilities.

- (g) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	51,983,573	49,637,719	372,057	8,295,455
United States Dollar	11,797,854	15,390,680	–	–
Indonesian Rupiah	2,344,720	407,369	–	–
Vietnamese Dong	195,642	5,473	–	–
Euro	258,398	115,544	–	–
	66,580,187	65,556,785	372,057	8,295,455

- (h) Information on financial risks of trade and other payables is disclosed in Note 33 to the financial statements.

Notes to the Financial Statements (Cont'd)

20. BANK BORROWINGS

	2025 RM	Group 2024 RM
Non-current liabilities		
Secured		
Term loan	6,960,056	7,479,483
Current liabilities		
Secured		
Bank overdraft	760,265	–
Term loan	519,444	496,918
Trade financings	7,633,293	4,504,067
	8,913,002	5,000,985
Total borrowings		
Bank overdraft	760,265	–
Term loan	7,479,500	7,976,401
Trade financings	7,633,293	4,504,067
	15,873,058	12,480,468

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) The term loan is secured as follows:
- (i) First legal charge over a 3-storey office building and freehold land of a subsidiary; and
 - (ii) Corporate guarantee by the Company.
- (c) The trade financings are secured as follows:
- (i) First legal charge over a 3-storey office building with warehouse and freehold land of subsidiaries;
 - (ii) Lien over certain fixed deposit with a licensed bank of a subsidiary as disclosed in Note 15 to the financial statements;
 - (iii) Corporate guarantee by the Company and certain subsidiaries; and
 - (iv) Jointly and severally guaranteed by certain Directors of the Group.

Notes to the Financial Statements (Cont'd)

20. BANK BORROWINGS (CONT'D)

(d) The currency exposure profile of cash and bank balances are as follows:

	2025 RM	Group 2024 RM
Ringgit Malaysia	11,753,220	12,480,468
Euro	4,119,838	–
	15,873,058	12,480,468

(e) Information on financial risks of borrowings is disclosed in Note 33 to the financial statements.

21. REVENUE

	Note	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Revenue from contracts with customers					
Sales of electricity distribution products		136,028,460	152,425,766	–	–
Installation services		1,485,383	2,339,115	–	–
Other revenue					
Dividend income		–	–	10,251,800	8,593,900
		137,513,843	154,764,881	10,251,800	8,593,900
Timing of revenue recognition					
Transferred at a point in time		137,513,843	154,764,881	–	–

(a) Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue from a contract with customers when it satisfies a performance obligation by transferring control of a promised good and service to the customer. Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(i) Sales of electricity distribution products

Revenue from sales of electricity distribution products is recognised at the point in time when the goods have been transferred to the customer and coincide with the delivery of goods and acceptance by customers of the individual contracts.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties). In determining the transaction price for the sale of electricity distribution products, the Group considers the effects of variable consideration the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Notes to the Financial Statements (Cont'd)

21. REVENUE (CONT'D)

- (a) Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue from a contract with customers when it satisfies a performance obligation by transferring control of a promised good and service to the customer. Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers: (Cont'd)

(ii) Installation services

The Group provides installation services that are either sold separately or bundled together with the sale of equipment to a customer. The installation services can be obtained from other providers and do not significantly customise or modify the electricity distribution products.

Contracts for bundled sales of equipment and installation services comprised two performance obligations because the promises to transfer equipment and provide installation services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

The Group recognises revenue from installation services at a point in time when the services have been rendered to the customers and coincide with the delivery of services and acceptance by customers.

- (b) Revenue recognition not in relation to performance obligations is described as follows:

(i) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

- (c) There is no significant financing component in the revenue arising from sales of electricity distribution products rendered as the products are made on the normal credit terms not exceeding twelve (12) months.
- (d) Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclosed in Note 30 to the financial statements, which has been presented based on geographical location from which sale transactions originated.

22. OTHER INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Gain on remeasurement of right-of-use assets	122	1,067	—	—
Gain on disposal of property, plant and equipment	264,500	317,093	—	—
Gain on disposal of right-of-use assets	887,842	—	—	—
Gain on disposal of investment property	—	123,084	—	—
Investment income	59,493	144,325	31,739	115,917
Interest income	1,595,503	1,020,332	19,536	18,937
Late payment interest income	288,145	3,020	—	—
Realised gain on foreign exchange	504,356	—	—	—
Unrealised gain on foreign exchange	330	40,082	—	—
Sales of scrap	—	317,351	—	—
Others	175,812	130,323	—	1,248
	3,776,103	2,096,677	51,275	136,102

- (a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

Notes to the Financial Statements (Cont'd)

23. FINANCE COSTS

	Group	
	2025 RM	2024 RM
Interest expense on:		
- lease liabilities	49,938	42,716
- trade financings	364,827	420,994
- term loan interest	344,155	362,013
	758,920	825,723

24. PROFIT BEFORE TAX

(a) Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Auditors' remuneration:				
Statutory audit				
- BDO PLT				
- current year	150,000	139,000	29,000	27,000
- Member firms of BDO PLT				
- current year	22,016	22,456	-	-
- under provision in prior years	1,556	5,395	-	-
Non-statutory audit				
- current	7,000	7,000	7,000	7,000
Rental of premises	12,841	36,318	-	-
Unrealised loss on foreign exchange	854,019	513,599	-	-
Write off of:				
- deposits	-	2,050	-	-
- inventories	940,751	-	-	-
- property, plant and equipment	8,954	49,456	-	-
Written down value of inventories	-	18,557	-	-

Notes to the Financial Statements (Cont'd)

24. PROFIT BEFORE TAX (CONT'D)

(b) Net impairment losses of financial assets recognised in profit or loss were as follows:

	Group	
	2025 RM	2024 RM
Impairment losses on:		
- trade receivables	6,424,212	4,296,374
- other receivables	–	24,318
	6,424,212	4,320,692
Reversal of impairment losses on:		
- trade receivables	(4,447,291)	(2,013,637)
- other receivables	(5,679)	–
	(4,452,970)	(2,013,637)
Net impairment losses of financial assets	1,971,242	2,307,055

25. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current income tax expense based on profit for the financial year:				
- current year	7,035,764	7,747,405	–	17,659
- over provision in prior years	(112,748)	(965,018)	(13,547)	(36,066)
	6,923,016	6,782,387	(13,547)	(18,407)
Deferred tax (Note 18):				
- relating to origination and reversal of temporary differences	1,022,613	(303,812)	–	–
- under provision in prior years	124,182	141,817	–	–
	1,146,795	(161,995)	–	–
	8,069,811	6,620,392	(13,547)	(18,407)

(a) Malaysian income tax is calculated at the statutory tax rate 24% (2024: 24%) of the estimated taxable profit for the fiscal year.

(b) Tax expense for other taxation authorities is calculated at the rates prevailing in those respective jurisdictions.

Notes to the Financial Statements (Cont'd)

25. TAXATION (CONT'D)

- (c) Numerical reconciliation between the income tax expense and the product of accounting profit multiplied by the applicable statutory income tax rate to profit before tax of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	26,843,385	26,333,688	9,548,400	8,188,240
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	6,442,412	6,320,085	2,291,616	1,965,178
Tax effects in respect of:				
Expenses not deductible for tax purposes	642,644	2,792,094	168,816	115,017
Income not subject to tax	(35,147)	(2,075,112)	(2,460,432)	(2,062,536)
Deferred tax assets not recognised	968,897	372,790	–	–
Effects of different tax rate in foreign jurisdiction	39,571	33,736	–	–
(Over)/Under provision in prior years:				
- income tax expense	(112,748)	(965,018)	(13,547)	(36,066)
- deferred tax	124,182	141,817	–	–
	8,069,811	6,620,392	(13,547)	(18,407)

- (d) Tax on each component of other comprehensive income is as follows:

	Before tax RM	Group Tax effect RM	After tax RM
2025			
Foreign currency translations	17,678	–	17,678
2024			
Foreign currency translations	43,495	–	43,495

Notes to the Financial Statements (Cont'd)

26. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year ended are calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	2025	Group 2024
Profit for the financial year attributable to owners of the parent (RM)	18,773,574	19,713,296
Weighted average number of ordinary shares in issue	580,552,000	580,552,000
Basic earnings per ordinary share (sen)	3.23	3.40

(b) Diluted earnings per ordinary share

The diluted earnings per ordinary share equal basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

27. DIVIDENDS

	Group and Company			
	2025		2024	
	Dividend per share Sen	Amount of dividend RM	Dividend per share Sen	Amount of dividend RM
In respect of the financial year ended 31 March 2024:				
Single tier interim dividend, paid on 09 October 2023	–	–	0.6	3,483,312
Single tier interim dividend, paid on 26 April 2024	–	–	1.4	8,127,728
Single tier interim dividend, paid on 30 July 2024	1.0	5,805,520	–	–
	1.0	5,805,520	2.0	11,611,040

On 27 May 2025, the Board of Directors declared a first interim single tier dividend of 1.0 sen per ordinary share of RM5,805,520 for the financial year ended 31 March 2025, which is to be paid on 29 July 2025 to shareholders of the Company whose names appeared in the Record of Depositors on 30 June 2025. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2026.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

Notes to the Financial Statements (Cont'd)

28. STAFF COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, wages, bonus and allowances	21,146,301	17,620,014	218,350	183,000
Defined contribution plans	1,881,867	1,607,973	–	–
Other employees' benefits	2,042,808	1,211,833	–	–
	25,070,976	20,439,820	218,350	183,000

Staff costs are charged under:

Cost of sales	13,316,638	11,417,766	–	–
Administrative and distribution expenses	11,754,338	9,022,054	218,350	183,000
	25,070,976	20,439,820	218,350	183,000

Included in staff costs of the Group and of the Company are Directors' remuneration as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company:				
Fees	201,350	168,000	201,350	168,000
Salaries and allowances	1,829,290	1,536,200	17,000	15,000
Defined contribution plans	309,424	258,642	–	–
Other employees' benefits	5,912	4,538	–	–
	2,345,976	1,967,380	218,350	183,000
Benefits-in-kind	76,296	51,950	–	–
	2,422,272	2,019,330	218,350	183,000

Directors of subsidiaries:

Salaries and allowances	681,174	1,235,542	–	–
Defined contribution plans	110,640	159,896	–	–
Other employees' benefits	1,759	26,699	–	–
	793,573	1,422,137	–	–
Benefits-in-kind	–	21,750	–	–
	793,573	1,443,887	–	–
	3,215,845	3,463,217	218,350	183,000

Notes to the Financial Statements (Cont'd)

29. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Group has controlling related party relationship with its holding company and direct and indirect subsidiaries.

Related parties of the Group include:

- (i) direct and indirect subsidiaries as disclosed in Note 11 to the financial statements; and
 - (ii) key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group.
- (b) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transaction with subsidiaries during the financial year:

	Company	
	2025 RM	2024 RM
Dividend income from subsidiaries:		
- Kejuruteraan Powerwell Sdn. Bhd.	4,400,000	1,650,000
- Powerhouse Field Sdn. Bhd.	1,231,800	615,900
- Powerwell International Sdn. Bhd.	4,620,000	5,500,000
- Powerwell Sdn. Bhd.	–	828,000
	10,251,800	8,593,900

Information regarding outstanding balance arising from related party transaction as at 31 March 2025 are disclosed in Notes 13 and 19 to the financial statements.

(c) Compensation of key management personnel

The remuneration of Directors and other key management personnel during the financial year were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fees	201,350	168,000	201,350	168,000
Salaries, wages, bonus and allowances	4,505,064	3,982,552	17,000	15,000
Defined contribution plans	625,084	560,645	–	–
Other employees' benefits	24,379	35,834	–	–
	5,355,877	4,747,031	218,350	183,000
Benefits-in-kind	100,246	125,650	–	–
	5,456,123	4,872,681	218,350	183,000

Notes to the Financial Statements (Cont'd)

30. SEGMENTAL INFORMATION

(a) Operating segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely design, manufacturing and trading of electrical distribution products and other related engineering services. The performance of segment is measured based on the internal management report reviewed by chief operating decision maker.

(b) Geographical segments

In determining geographical segments of the Group, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The amount of non-current assets does not include goodwill and deferred tax assets.

	2025 RM	Group 2024 RM
Revenue from customers:		
Malaysia	135,725,830	97,483,600
Bangladesh	–	49,965,475
Indonesia	1,788,013	6,841,939
Others ⁽¹⁾	–	473,867
Total revenue	137,513,843	154,764,881
Non-current assets located:		
Inside Malaysia	31,479,618	31,360,540
Outside Malaysia	355,337	328,102
	31,834,955	31,688,642

⁽¹⁾ Others represent sales to Singapore, Philippines and Australia.

The following are major customers with revenue equal or more than ten percent (10%) of Group revenue:

	2025 RM	Group 2024 RM
Customer A	43,318,413	32,999,604
Customer B	37,317,399	41,903,552

Notes to the Financial Statements (Cont'd)

31. CAPITAL COMMITMENT

	Group	
	2025 RM	2024 RM
Capital expenditure in respect of:		
Purchase of property, plant and equipment		
- approved and contracted for	–	118,628

32. CAPITAL MANAGEMENT

The primary objective of the capital management of the Group and of the Company is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2025 and 31 March 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group regularly reviews the gearing ratio to ensure they are at acceptable levels and within industry norms. Net debts are calculated as total borrowings and lease liabilities owing to financial institutions less short-term funds and cash and bank balances.

Capital represents equity attributable to the owners of the parent. A detailed calculation of the net debt is shown below:

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Bank borrowings	20	15,873,058	12,480,468	—	—
Lease liabilities owing to financial institutions	7	1,084,552	725,460	—	—
Less:					
- Short-term funds	14	1,618,977	2,859,484	811,282	2,079,543
- Cash and bank balances	15	65,992,786	85,201,002	110,970	7,814,276
Net cash		(50,654,153)	(74,854,558)	(922,252)	(9,893,819)
Total capital		97,500,534	84,514,802	42,969,565	39,213,138
Gearing ratio		—*	—*	—#	—#

* The gearing ratio for the Group is not presented as the Group is net cash position.

The gearing ratio for the Company is not presented as the Company does not have borrowings as at the end of each reporting period.

Pursuant to the requirements of Guidance Note No.3 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the share capital of the Company. The Group has complied with this requirement for the financial year ended 31 March 2025.

The Group is not subject to any externally imposed capital requirements.

Notes to the Financial Statements (Cont'd)

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Categories of financial instruments

Group	Amortised cost RM	Fair value through profit or loss RM	Total RM
2025			
Financial assets			
Trade and other receivables, excluding prepayments	50,534,503	–	50,534,503
Short-term funds	–	1,618,977	1,618,977
Cash and bank balances	65,992,786	–	65,992,786
	116,527,289	1,618,977	118,146,266
			Amortised cost RM
Financial liabilities			
Trade and other payables			66,580,187
Bank borrowings			15,873,058
Lease liabilities			1,324,844
			83,778,089
			Amortised cost RM
Group	Amortised cost RM	Fair value through profit or loss RM	Total RM
2024			
Financial assets			
Trade and other receivables, excluding prepayments	24,057,590	–	24,057,590
Short-term funds	–	2,859,484	2,859,484
Cash and bank balances	85,201,002	–	85,201,002
	109,258,592	2,859,484	112,118,076
			Amortised cost RM
Financial liabilities			
Trade and other payables			65,556,785
Bank borrowings			12,480,468
Lease liabilities			953,953
			78,991,206

Notes to the Financial Statements (Cont'd)

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Categories of financial instruments (Cont'd)

Company	Amortised cost RM	Fair value through profit or loss RM	Total RM
2025			
Financial assets			
Other receivables, excluding prepayments	16,754,610	–	16,754,610
Short-term funds	–	811,282	811,282
Cash and bank balances	110,970	–	110,970
	16,865,580	811,282	17,676,862
			Amortised cost RM
Financial liabilities			
Other payables			372,057
Company	Amortised cost RM	Fair value through profit or loss RM	Total RM
2024			
Financial assets			
Other receivables, excluding prepayments	11,995,681	–	11,995,681
Short-term funds	–	2,079,543	2,079,543
Cash and bank balances	7,814,276	–	7,814,276
	19,809,957	2,079,543	21,889,500
			Amortised cost RM
Financial liabilities			
Other payables			8,295,455

Notes to the Financial Statements (Cont'd)

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management

The Group's financial risk management objective is to optimise value creation for the shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group and the Company are exposed mainly to credit risk, liquidity and cash flow risk, foreign currency risk, interest rate risk and market risk. It is, and has been throughout for the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

Information on the management of the related exposures is detailed below.

(i) Credit risk

Credit risk is the risk of financial loss that may arise on outstanding financial instruments should a counter party default on its obligations. The exposure of the Group to credit risk arises principally from cash deposits and trade receivables. In order to manage this risk, it is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. While the primary exposure of the Company is through the amounts owing by subsidiaries. The trading terms of the Group with its customers are mainly on credit. Each customer has a maximum credit limit and the Group seeks to minimise and monitor the credit risk via strictly limiting the associations to business customers with high creditworthiness. Trade receivables are monitored on an ongoing basis through the management reporting procedures of the Group.

Exposure to credit risk

At the end of the reporting period, the maximum exposures to credit risk of the Group and of the Company are represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

As at the end of the reporting period, the Group has significant concentration of credit risk arising from exposure to the amounts due by 7 (2024: 7) major customers representing approximately 85.2% (2024: 54.1%) of the total trade and other receivables. The amounts due and repayment from these customers are closely monitored by the management to ensure that the credit limits and terms agreed with the customers are complied with. The Company has no significant concentration of credit risk except for the amounts owing by subsidiaries.

(ii) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk of inability to meet commitments associated with financial instruments while cash flow risk is the risk of uncertainty of future cash flow amount associated with a monetary financial instrument.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

Notes to the Financial Statements (Cont'd)

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity and cash flow risk (Cont'd)

Prudent liquidity risk management is applied by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining the flexibility in funding by keeping committed credit lines available.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting date based on contractual undiscounted repayments obligation:

Group	Less than 1 year RM	More than 1 year but less than 5 years RM	More than 5 years RM	Total RM
2025				
Lease liabilities	532,109	914,296	–	1,446,405
Trade and other payables	66,580,187	–	–	66,580,187
Bank borrowings	9,234,614	3,364,224	5,326,990	17,925,828
2024				
Lease liabilities	706,254	284,214	–	990,468
Trade and other payables	65,556,785	–	–	65,556,785
Bank borrowings	5,345,123	3,364,224	6,168,019	14,877,366
Company				
2025				
Other payables	372,057	–	–	372,057
Financial guarantees*	15,648,886	–	–	15,648,886
2024				
Other payables	8,295,455	–	–	8,295,455
Financial guarantees*	30,266,021	–	–	30,266,021

* This disclosure represents the maximum liquidity risk exposure.

Notes to the Financial Statements (Cont'd)

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities with the Group in currencies other than their functional currencies.

The major foreign currency giving rise to this risk is primarily the United States Dollar ("USD") for purchase of raw materials.

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Such exposure is also partly mitigated by maintaining part of its cash and cash equivalents in foreign currency account to meet future obligations in foreign currency.

During the financial year, the Group did not enter into any forward currency contract to manage exposures to currency risk for payables, which are denominated in currencies other than the functional currency of the Group.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's profit for the financial year to a reasonably possible change in the USD exchange rate against the Ringgit Malaysia ("RM"), with all other variables held constant. 10% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes outstanding balances denominated in foreign currencies.

Group	Profit for the financial year (Decrease)/Increase		Equity (Decrease)/Increase	
	2025 RM	2024 RM	2025 RM	2024 RM
USD/RM:				
- strengthened by 10% (2024:10%)	(312,749)	500,367	—	—
- weakened by 10% (2024:10%)	312,749	(500,367)	—	—
EUR/RM:				
- strengthened by 10% (2024:10%)	(331,048)	(8,781)	—	—
- weakened by 10% (2024:10%)	331,048	8,781	—	—

The exposures to the other currencies are not significant, hence the effects of the changes in the exchange rates are not explained above.

Notes to the Financial Statements (Cont'd)

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The Group's fixed deposits with licensed banks, bank borrowings and lease liabilities are exposed to a risk of changes in their fair values due to changes in market interest rates. Short-term receivables and payables are not exposed to interest rate risk. The Group does not use derivative financial instruments to hedge its risk.

Exposure to interest rate risk

The following tables set out the carrying amounts, the average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

Group 2025	Note %	Effective interest rate per annum RM	Less than 1 year RM	More than 1 year but less than 5 years RM	More than 5 years RM	Total
Fixed rates						
Fixed deposits with licensed banks	15	2.00 - 3.70	36,681,555	–	–	36,681,555
Lease liabilities	7	1.88 - 4.70*	478,144	846,700	–	1,324,844
Floating rates						
Term loan	20	3.44 - 4.44	519,444	2,324,041	4,636,015	7,479,500
Trade financings	20	4.51 - 4.55	7,633,293	–	–	7,633,293

* Incremental borrowing rates

Group 2024	Note %	Effective interest rate per annum RM	Less than 1 year RM	More than 1 year but less than 5 years RM	More than 5 years RM	Total
Fixed rates						
Fixed deposits with licensed banks	15	1.14 - 3.70	34,523,764	–	–	34,523,764
Lease liabilities	7	1.88 - 4.44*	678,993	274,960	–	953,953
Floating rates						
Term loan	20	3.44 - 4.44	496,918	2,223,296	5,256,187	7,976,401
Trade financings	20	4.52 - 4.59	4,504,067	–	–	4,504,067

* Incremental borrowing rates

Notes to the Financial Statements (Cont'd)

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Interest risk (Cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of reporting period changed by fifty (50) basis points with all other variables held constant:

	Group (Decrease)/Increase	
	2025	2024
	RM	RM
Profit for the financial year		
Floating rates		
Increased by 0.5% (2024: 0.5%)	(57,429)	(47,426)
Decreased by 0.5% (2024: 0.5%)	57,429	47,426

(v) Market risk

Market risk is the risk that the fair value of future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risks arising from short-term funds quoted in Malaysia. These instruments are classified as financial assets designated at fair value through profit or loss.

At the end of each reporting period, the maximum exposure of the Group and of the Company to market risk is represented by the total carrying amount of this financial asset recognised in the statements of financial position, which amounted to RM1,618,977 (2024: RM2,859,484) and RM811,282 (2024: RM2,079,543) respectively. There has been no change to the exposure of the Group and of the Company to market risk or the manner in which the risk is managed and measured.

Sensitivity analysis for market risk

The following table demonstrates the sensitivity of the Group and of the Company to the changes in market quoted prices for short-term funds at the end of the reporting period, with all other variables held constant:

	Group Increase/(Decrease)	
	2025	2024
	RM	RM
Profit for the financial year		
Short-term funds		
- increased by 100 basis points (2024: 100 basis points)	12,304	21,732
- decreased by 100 basis points (2024: 100 basis points)	(12,304)	(21,732)

Notes to the Financial Statements (Cont'd)

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(v) Market risk (Cont'd)

	Company Increase/(Decrease)	
	2025	2024
	RM	RM
Profit for the financial year		
Short-term funds		
- increased by 100 basis points (2024: 100 basis points)	6,166	15,805
- decreased by 100 basis points (2024: 100 basis points)	(6,166)	(15,805)

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and liabilities, such as trade and other receivables, amounts owing by subsidiaries, trade and other payables, bank borrowings and lease liabilities are reasonable approximation of fair value either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of bank borrowings are reasonable approximations of fair values as the current rates offered to the Group approximate to the market rates for similar borrowing of the same remaining maturities.

The carrying amounts of the current portion of lease liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.

- (ii) Lease liabilities are accounted for as long term financial liabilities

The fair values of these financial instruments are estimated based on future contractual cash flows discounted at incremental borrowing rate for similar type of borrowing or leasing arrangements at the end of the reporting period.

- (iii) Financial guarantees

The Company provides corporate guarantees to financial institutions for banking facilities granted to subsidiaries. The fair value of such financial corporate guarantees is negligible as the probability of the subsidiaries defaulting on the banking facilities is remote.

- (iv) Short-term funds

The fair value of short-term funds is determined by reference to the exchange quoted market bid price at the close of the business at the end of each reporting period.

- (v) Non-current other receivables

The fair value of this financial instrument was estimated by discounting the expected future cash flow at market lending rates for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. At the end of the reporting period, this amount was carried at amortised cost and the carrying amount approximates to its fair value.

Notes to the Financial Statements (Cont'd)

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Fair value hierarchy

The following table sets out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2025								
Financial assets								
Fair value through profit or loss								
- Short-term funds	1,618,977	-	-	-	-	-	1,618,977	1,618,977
Financial liabilities								
Amortised cost								
- Lease liabilities	-	-	-	-	1,324,844	-	1,324,844	1,324,844
2024								
Financial assets								
Fair value through profit or loss								
- Short-term funds	2,859,484	-	-	-	-	-	2,859,484	2,859,484
Financial liabilities								
Amortised cost								
- Lease liabilities	-	-	-	-	-	918,818	918,818	953,953

Notes to the Financial Statements (Cont'd)

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Fair value hierarchy (Cont'd)

The following table sets out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. (Cont'd)

Company	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Total RM	
2025								
Financial assets								
Fair value through profit or loss								
- Short-term funds	811,282	-	-	811,282	-	-	811,282	811,282
2024								
Financial assets								
Fair value through profit or loss								
- Short-term funds	2,079,543	-	-	2,079,543	-	-	2,079,543	2,079,543

Notes to the Financial Statements (Cont'd)

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

1. During the financial year, Powerwell Vietnam Company Limited (PVCL), a wholly-owned subsidiary of the Group through direct interest in Powerwell Sdn Bhd, engaged Vistra Vietnam as its corporate service provider to facilitate the deregistration of the company. As at the date of this report, the deregistration process is still in progress.
2. On 12 March 2025, the Company entered into Shares Sale Agreements to acquire a 51% equity interest in Firerex Technology Sdn Bhd ("FTSB") and Brandrich Fire Solutions Sdn Bhd ("BRSB") for a total consideration of RM4,233,000.

Subsequent to the financial year, the acquisitions were completed on 2 April 2025.

LIST OF PROPERTIES

Property	Location of Properties	Description / Existing Use	Approximate Age of Building	Approximate Built-up area (sq. ft)	Tenure (Year)	NBV as at 31 Mar 2025 RM	Date of Acquisition (or CFO / Valuation)
Geran 173922, Lot 121038, Mukim and District of Klang, state of Selangor Darul Ehsan	No. 1B, Jalan Anggerik Mokara 31/48, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan	A 3-storey office block together with a 3-storey manufacturing facility, 1 guard house and 1 refuse chamber	19	60,814.05	Freehold	7,035,407	25 Jan 2007
Geran 138571/M1/5/50, No. Petak 50, Tingkat 5, No. Bangunan M1, Lot No. 125157, Petak Aksesor : Nili in Mukim and District of Klang, State of Selangor Darul Ehsan	13-05-04, Block 13, Pangsapuri Sri Nervilla, No. 4, Jalan Anggerik Nervilla 31/166, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan	Apartment for staff hostel	22	650.00	Freehold	65,275	12 Nov 2017
Geran 138577/M1/4/43, No. Petak 43, Tingkat 4, No. Bangunan M1, Lot No. 125163, Petak Aksesor : Nili in Mukim and District of Klang, State of Selangor Darul Ehsan	22-04-02, Block 22, Pangsapuri Sri Nervilla, No. 4, Jalan Anggerik Nervilla 31/166, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan	Apartment for staff hostel	22	650.00	Freehold	69,712	12 Nov 2017
Geran 138571/M1/4/47, No. Petak 47, Tingkat 4, No. Bangunan M1, Lot No. 125157, Petak Aksesor : Nili in Mukim and District of Klang, State of Selangor Darul Ehsan	13-4-03, Block 13, Pangsapuri Sri Nervilla, No. 4, Jalan Anggerik Nervilla 31/166, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan	Apartment for staff hostel	22	650.00	Freehold	65,275	12 Nov 2017
Geran 138573/M1/4/55, No. Petak 55, Tingkat 4, No. Bangunan M1, Lot No. 125159, Petak Aksesor : Nili in Mukim and District of Klang, State of Selangor Darul Ehsan	15-4-11, Block 15, Pangsapuri Sri Nervilla, No. 4, Jalan Anggerik Nervilla 31/166, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan	Apartment for staff hostel	22	650.00	Freehold	65,275	12 Nov 2017
Geran 99147, Lot 69245, Mukim Klang, Daerah Klang, Negeri Selangor	No. 4, Jalan Anggerik Mokara 31/44, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan	A 3-storey office block cum single storey factory building and a guard house	21	26,999	Freehold	11,682,030	20 May 2021
Geran 584450, Lot 173426, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor	No. 12, Jalan Ekoperniagaan 1/14, Taman Ekoperniagaan, 81100 Johor Bahru, Johor	Semi-detached factory	4	14,399.96	Freehold	3,043,480	9 March 2023

ANALYSIS OF SHAREHOLDING

(AS AT 30 JUNE 2025)

Number of Issues Shares	:	580,552,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 JUNE 2025 (AS PER RECORD OF DEPOSITORS)

Size of Shareholdings	No. of Shareholders	(%)	No. of Shares Held	%
Less than 100	9	0.215%	266	0.000
100 – 1,000	561	13.437%	289,500	0.049
1,001 – 10,000	1,739	41.652%	10,865,800	1.871
10,001 – 100,000	1,522	36.455%	55,639,500	9.583
100,001 – below 5% of issued shares	342	8.191%	342,642,534	59.020
5% and above of issued shares	2	0.047%	171,114,400	29.474
Total:	4,175	100.00	580,552,000	100.00

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2025 (AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS)

No.	Name of Substantial Shareholder	No. of Shares Held (Direct Interest)	%	No. of Shares Held (Indirect Interest)	%
1	United Fam Sdn Bhd	140,777,000	24.249	–	–
2	Apex Salute Sdn Bhd	–	–	140,777,000*	24.249
3	Lao Wai leng**	–	–	140,777,000*	24.249
4	Tee Joe Ee	–	–	140,777,000*	24.249

Note:

* Deemed interest by virtue of their interest in United Fam Sdn Bhd pursuant to Section 8 of Companies Act 2016.

** The English name of the substantial shareholder was changed from “Liu WeiYing” to “Lao Wai leng” following the renewal of his passport in year 2025.

For clarity, there is no change of identity and the shareholder remains the same individual.

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2025 (AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS)

No.	Name of Directors	No. of Shares Held (Direct Interest)	%	No. of Shares Held (Indirect Interest)	%
1	Wong Yoke Yen	27,914,197	4.808	–	–
2	Soh Wei Wei	16,005,095	2.756	–	–
3	Chong Guang Wei	–	–	29,000,000*	4.995
4	Tang Yuen Kin	100,000	0.017	–	–
5	Tou Teck Yong	100,000	0.017	–	–
6	Selma Enolil Binti Mustapha Khalil	50,000	0.008	–	–

Note:

* Deemed interest by virtue of his interest in Taurus Brown Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016

Analysis Of Shareholding (Cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 30 JUNE 2025 (AS PER RECORD OF DEPOSITORS)

No.	Name of Shareholders	No. of Shares Held	%
1	United Fam Sdn Bhd	140,777,000	24.248
2	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian (Hong Kong) Limited (A/C Clients)	30,337,400	5.225
3	Wong Yoke Yen	27,914,197	4.808
4	Tham Kien Wai	22,436,472	3.864
5	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account For Taurus Brown Holdings Sdn Bhd (MY4730)	20,000,000	3.444
6	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 22)	16,848,000	2.902
7	Soh Wei Wei	16,005,095	2.756
8	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ngo Hea Bing (7006847)	10,000,000	1.722
9	Hoh Moon Heng	9,603,094	1.654
10	Taurus Brown Holdings Sdn Bhd	9,000,000	1.550
11	HSBC Nominees (Asing) Sdn Bhd J.P. Morgan Securities PLC	8,596,200	1.480
12	Ang Aun Leong	6,890,638	1.186
13	Leong Yek Loong	6,402,038	1.102
14	Delloyd Ventures Sdn Bhd	6,000,000	1.033
15	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Plasma Capital Sdn Bhd	5,364,000	0.923
16	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chiang Fong Wei (M11)	4,015,000	0.691
17	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Eastspring Investmentsdana Dinamik	3,900,300	0.671
18	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account For Tan Yat Kiang (MY1469)	3,700,000	0.637
19	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Eastspring Investmentssmall-Cap Fund	3,294,900	0.567
20	Fong Siew Chinn	3,291,000	0.566
21	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Principal Lifetime Balanced Income Fund	3,136,500	0.540
22	Moomoo Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Yat Teng	3,091,400	0.532
23	Choo Puy Fun	2,950,300	0.508
24	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Eastspring Investm Ents Islamic Small-Cap Fund	2,570,700	0.442
25	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Yat Teng (M18)	2,500,000	0.430
26	Maybank Nominees (Tempatan) Sdn Bhd Neoh Ang Hing	2,400,000	0.413
27	Foo Lee Ling	2,320,000	0.399
28	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account For Lee Nyuk Heng (MF00595)	2,220,500	0.382
29	Maybank Nominees (Tempatan) Sdn Bhd Exempt An For Tradeview Capital Sdn Bhd	2,210,200	0.380
30	Tan Kim Sun	2,000,000	0.344
Total		379,774,934	65.416

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of Powerwell Holdings Berhad ("the Company") will be held at Danau 1-2, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor on Thursday, 25 September 2025 at 10.00 a.m. or at any adjournment thereof for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2025 and the Reports of Directors and Auditors thereon.
2. To approve the payment of Directors' fees of up to RM200,000.00 and benefits of up to RM20,000.00 to the Non-Executive Directors from 26 September 2025 until the next Annual General Meeting of the Company. **Resolution 1**
3. To re-elect the following Directors who are retiring by rotation pursuant to Rule 131 of the Constitution of the Company:-
 - 3.1 Dr Tou Teck Yong **Resolution 2**
 - 3.2 Puan Selma Enolil Binti Mustapha Khalil **Resolution 3**
4. To re-elect Mr Chong Guang Wei who is retiring by casual vacancy pursuant to Rule 116 of the Constitution of the Company. **Resolution 4**
5. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications:-

6. **AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES** **Resolution 6**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act"), and subject to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby empowered to allot and issue new shares in the Company at any time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue.

THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company."

Notice Of Twentieth Annual General Meeting (Cont'd)

7. **PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED SHARE BUY-BACK")**

Resolution 7

"THAT subject to the provisions of the Act, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of issued ordinary shares in the share capital of the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:-

- (a) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company ("Purchased Shares") at any point in time;
- (b) the maximum amount of funds to be allocated by the Company for the purposes of purchasing the Purchased Shares shall not exceed the aggregate amount of the retained earnings of the Company at the time of purchase;
- (c) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:-
 - (i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless it is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first,

- (d) upon completion of the purchase by the Company of the Purchased Shares, the Directors of the Company be and are hereby empowered to deal with Purchased Shares in the following manner:-
 - (i) cancel the Purchased Shares;
 - (ii) retain the Purchased Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act);
 - (iii) retain part of the Purchased Shares as treasury shares and cancel the remainder;
 - (iv) in any other manner as may be prescribed by the Act, the ACE Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.; or

any combination of the above (i), (ii), (iii) and (iv).

AND THAT the Directors of the Company be and are hereby authorised to take all such steps and to do all acts and things as may be required (including executing all documents) to give full effect to the purchase of the Company's own shares, with full power to assent to any conditions, variations, modifications, and/or amendments in any manner as may be required or permitted by any relevant authorities or as may be deemed necessary by the Board of Directors and in the best interests of the Company."

- 8. To transact any other business which may properly be transacted at an Annual General Meeting for which due notice shall have been given.

Notice Of Twentieth Annual General Meeting (Cont'd)

By Order of the Board
POWERWELL HOLDINGS BERHAD

TAN FONG SHIAN (SSM PC NO. 201908004045) (MAICSA 7023187)
TAN KOK SIONG (SSM PC NO.202008001592) (LS0009932)

Secretaries

Kuala Lumpur
31 July 2025

NOTES:

- (1) A member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. Where a member appoints more than one proxy to attend, speak and vote at the Meeting, such appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- (2) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- (3) Only a depositor whose name appears in the Company's Record of Depositors as at 18 September 2025 shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.
- (4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (5) The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Poll Administrator's at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250, Kuala Lumpur or electronically lodged by email to mega-sharereg@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting.
- (6) The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

Notice Of Twentieth Annual General Meeting (Cont'd)

EXPLANATORY NOTES

1. Resolutions 2 to 4 – Re-election of Directors

The profiles of Dr Tou Teck Yong, Puan Selma Enolil Binti Mustapha Khalil and Mr Chong Guang Wei who are standing for re-election are set out under the profile of directors in the 2025 Annual Report (collectively the “Retiring Directors”).

For the purpose of determining the eligibility of the Directors to stand for re-election at this Twentieth AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nomination Committee (“NC”) has reviewed and assessed the Retiring Directors through the annual assessment and evaluation of the Board.

The NC had recommended the re-election of Retiring Directors based on the following consideration and the Board of Directors endorsed the recommendation of the NC:-

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) met the fit and proper criteria under the Company's Fit & Proper Policy in discharging their roles as directors of the Company;
- (iii) their ability to act in the best interest of the Company in decision-making; and
- (iv) level of independence demonstrated by the independent directors.

2. Resolution 6 – Authority for Directors to Allot and Issue Shares

The proposed Resolution 6, if passed, will renew the authority given to the Directors of the Company to allot and issue new shares in the Company pursuant to Sections 75 and 76 of the Act (“General Mandate”), without first offer to holders of existing issued shares of the Company, provided that the number of shares issued pursuant to this General Mandate, when aggregated with the number of shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. The renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

With the renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment project(s), working capital, repayment of borrowings and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

As at the date of this Notice, the Company did not issue any new shares pursuant to the mandate obtained at the Nineteenth AGM of the Company held on 13 September 2024.

3. Resolution 7 – Proposed Share Buy-Back

The proposed Resolution 7, if passed, will empower the Directors to purchase issued ordinary shares in the Company of not exceeding 10% of the total number of issued shares of the Company through Bursa Securities in accordance with the Act, the provisions of the Constitution of the Company and the requirements of Bursa Securities. This authority unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Details on the proposal contained under Resolution 7 above are set out in the Statement to Shareholders in relation to the Proposed Share Buy-Back dated 31 July 2025.

STATEMENT ACCOMPANYING NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (“20TH AGM”) (PURSUANT TO RULE 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES)

No notice of nomination has been received to date from any member nominating any individual for election as a Director at the 20th AGM of the Company.

Therefore, no individual is standing for election as Director, save for the Directors who are standing for re-election at the forthcoming 20th AGM of the Company.

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FORM OF PROXY

(Before completing this form, please refer to the notes below)

**POWERWELL®****POWERWELL HOLDINGS BERHAD**

Registration No. 200101009151 (544907-X)
(Incorporated in Malaysia)

No. of Shares Held	
CDS Account No.	

I/We _____
(Full Name in Block Letters)

NRIC/Passport /Registration No. _____

of _____
(Full Address)

with email address _____ Mobile No. _____
being a member(s) of **POWERWELL HOLDINGS BERHAD**, hereby appoint:

Name of Proxy (Full name)	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	%
Email address	Mobile No.		

* and/or failing him/her

Name of Proxy (Full name)	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	%
Email address	Mobile No.		

or failing him/her, the CHAIRMAN OF THE MEETING* as my/our proxy to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at Danau 1-2, Kota Permai Golf & Country Club, No.1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor on Thursday, 25 September 2025 at 10.00 a.m. and any adjournment thereof. My/Our proxy/proxies shall vote as indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Approval of the payment of Directors' fees and benefits		
2.	Re-election of Dr Tou Teck Yong as Director		
3.	Re-election of Puan Selma Enolil Binti Mustapha Khalil as Director		
4.	Re-election of Mr Chong Guang Wei as Director		
5.	Re-appointment of BDO PLT as Auditors		
6.	Authority for Directors to allot and issue shares		
7.	Proposed Share Buy-Back		

Please indicate with a "✓" or "X" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he or she thinks fit, or, at his or her discretion, abstain from voting.

Dated this day of 2025

.....
Signature/Common Seal of Member

* Delete the words "the CHAIRMAN OF THE MEETING" if you wish to appoint some other person(s) only to be your proxy/proxies.

Notes:-

- (1) A member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. Where a member appoints more than one proxy to attend, speak and vote at the Meeting, such appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- (2) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- (3) Only a depositor whose name appears in the Company's Record of Depositors as at 18 September 2025 shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.
- (4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (5) The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Poll Administrator's at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250, Kuala Lumpur or electronically lodged by email to mega-sharereg@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting.
- (6) The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.



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AFFIX
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Fold This Flap For Sealing



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