PAN MERCHANT BERHAD

Registration No.: 202401010821 (1556671-D)
(Incorporated in Malaysia)

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2026

PAN MERCHANT BERHAD

Registration No.: 202401010821 (1556671-D)
(Incorporated in Malaysia)

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Second Quarter ended 30 June 2026 [1]

	Note	Individual quarter ended 30 June Unaudited		Cumulative quarter ended 30 June Unaudited	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue		24,783	29,278	40,769	56,623
Cost of sales		(16,582)	(19,605)	(27,211)	(36,124)
Gross profit		8,201	9,673	13,558	20,499
Other income		1,177	187	1,697	926
		9,378	9,860	15,255	21,425
Administrative expenses		(7,859)	(7,211)	(18,295)	(17,043)
Other expenses		(1,042)	(1,700)	(1,369)	(2,200)
Profit/(Loss) from operations		477	949	(4,409)	2,182
Finance costs		(285)	(333)	(562)	(555)
Reversal of impairment losses on financial assets		60	-	60	-
Profit/(Loss) before taxation	B12	252	616	(4,911)	1,627
Income tax expense	B5	(90)	(290)	(40)	(402)
Profit after taxation ("PAT")/ (Loss after taxation) ("LAT")		162	326	(4,951)	1,225
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
- Foreign currency translation difference		11	289	(189)	472
Total comprehensive income/(expenses) for the financial period		173	615	(5,140)	1,697
Profit/(Loss) after taxation attributable to:-					
Owners of the Company		(577)	231	(5,697)	513
Non-controlling interests		739	95	746	712
		162	326	(4,951)	1,225
Total comprehensive (expenses)/ income attributable to:-					
Owners of the Company		(561)	473	(5,872)	922
Non-controlling interests		734	142	732	775
		173	615	(5,140)	1,697
Earnings per ordinary share ("EPS") (sen)	B11				
Basic		(0.06)	0.03	(0.62)	0.07
Diluted [2]		(0.06)	0.03	(0.62)	0.07

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Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Second Quarter ended 30 June 2026 (Cont'd) [(1)]

Notes:

(1) The basis of the preparation of the Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2025 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

(2) Basic and diluted earnings per share ("EPS") is calculated based on the number of ordinary shares referred to in Note B11. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review.

PAN MERCHANT BERHAD

Registration No.: 202401010821 (1556671-D)
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Unaudited Consolidated Statement of Financial Position as at 30 June 2026 (1)

	Note	Unaudited As at 30 June 2026 RM'000	Audited As at 31 December 2025 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		23,012	23,591
Right-of-use assets		23,649	24,193
Goodwill		815	815
Total non-current assets		**47,476**	**48,599**
Current assets			
Inventories		20,026	20,864
Trade receivables		14,751	14,319
Other receivables, deposits and prepayments		5,090	3,076
Contract assets		13,031	16,377
Amount owing by a related party		-	2
Short-term investments		26,110	20,360
Current tax assets		2,986	1,291
Fixed deposits with licensed banks		30,346	30,718
Cash and bank balances		10,900	23,812
Total current assets		**123,240**	**130,819**
Non-current assets held for sale		339	339
Total assets		**171,055**	**179,757**
EQUITY AND LIABILITIES			
Share capital		129,327	129,327
Reserves		(625)	7,079
Equity attributable to owners of the Company		128,702	136,406
Non-controlling interests		2,079	1,347
Total equity		**130,781**	**137,753**
Non-current liabilities			
Lease liabilities		561	731
Borrowings	B8	1,531	1,962
Deferred tax liabilities		2,501	2,624
Total non-current liabilities		**4,593**	**5,317**

PAN MERCHANT BERHAD

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Unaudited Consolidated Statement of Financial Position as at 30 June 2026 (Cont'd)[1]

	Note	Unaudited As at 30 June 2026 RM'000	Audited As at 31 December 2025 RM'000
Current liabilities			
Trade payables		9,932	12,482
Other payables and accruals		5,359	6,734
Contract liabilities		3,452	1,329
Amount owing to related parties		457	670
Lease liabilities		346	331
Borrowings	B8	16,076	13,635
Current tax liabilities		59	1,506
Total current liabilities		**35,681**	**36,687**
Total liabilities		**40,274**	**42,004**
Total equity and liabilities		**171,055**	**179,757**
Net assets per ordinary share (sen)		14.05 [2]	14.89 [2]

Notes:

[1] *The basis of the preparation of the Unaudited Consolidated Statement of Position is disclosed in Note A1 and should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2025 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.*

[2] *Net assets per ordinary share attributable to the owners of the Company is computed based on equity attributable to owners of the Company divided by the Company's total number of issued ordinary shares of 916,000,000 ordinary shares ("Shares").*

PAN MERCHANT BERHAD

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Unaudited Consolidated Statement of Changes in Equity for the Second Quarter ended 30 June 2026 [1]

	<---------- Non-distributable ---------->					*Distributable*			
	Share Capital RM'000	**Invested Equity RM'000**	**Reorganisation Deficit RM'000**	**Revaluation Reserve RM'000**	**Foreign Exchange Translation Reserve RM'000**	**Retained Profits RM'000**	**Attributable to Owners of the Company RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
Balance 1 January 2025	* [2]	**14,200**	**-**	**10,597**	**(217)**	**45,733**	**70,313**	**1,763**	**72,076**
Profit after taxation for the financial year	-	-	-	-	-	4,968	4,968	284	5,252
Other comprehensive income for the financial year:									
- foreign currency translation differences	-	-	-	-	274	-	274	60	334
Total comprehensive income for the financial year	-	-	-	-	274	4,968	5,242	344	5,586
Contribution by and distribution to owners of the Company:									
Effect of group reorganisation exercise	-	(14,200)	(54,181)	-	-	(95)	(68,476)	-	(68,476)
Issuance of shares for acquisition of a subsidiary	68,381	-	-	-	-	-	68,381	-	68,381
Pursuant to public issue:									
- Issuance of shares	62,691	-	-	-	-	-	62,691	-	62,691
- Share issuance expenses	(1,745)	-	-	-	-	-	(1,745)	-	(1,745)
Dividends by the subsidiary to non-controlling interests	-	-	-	-	-	-	-	(760)	(760)
Total transactions with owners	129,327	(14,200)	(54,181)	-	-	(95)	60,851	(760)	60,091
Balance at 31 December 2025/ Balance carried forward	**129,327**	**-**	**(54,181)**	**10,597**	**57**	**50,606**	**136,406**	**1,347**	**137,753**

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Unaudited Consolidated Statement of Changes in Equity for the Second Quarter ended 30 June 2026 [1] (Cont'd)

	<---------- Non-distributable ---------->					*Distributable*			
	Share Capital RM'000	**Invested Equity RM'000**	**Reorganisation Deficit RM'000**	**Revaluation Reserve RM'000**	**Foreign Exchange Translation Reserve RM'000**	**Retained Profits RM'000**	**Attributable to Owners of the Company RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
Balance brought forward/ Balance at 1 January 2026	**129,327**	**-**	**(54,181)**	**10,597**	**57**	**50,606**	**136,406**	**1,347**	**137,753**
Loss after taxation for the financial period	-	-	-	-	-	(5,697)	(5,697)	746	(4,951)
Other comprehensive expenses for the financial period:									
- foreign currency translation differences	-	-	-	-	(175)	-	(175)	(14)	(189)
Total comprehensive expenses for the financial loss	-	-	-	-	(175)	(5,697)	(5,872)	732	(5,140)
Distribution to the owners of the Company:									
- Dividends	-	-	-	-	-	(1,832)	(1,832)	-	(1,832)
Balance at 30 June 2026	**129,327**	**-**	**(54,181)**	**10,597**	**(118)**	**43,077**	**128,702**	**2,079**	**130,781**

Notes:

[1] *The basis of the preparation of the Unaudited Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2025 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.*

[2] *Represents less than RM1,000.*

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Unaudited Consolidated Statement of Cash Flows for the Second Quarter ended 30 June 2026 [1]

	Current Period-to-date ended 30 June 2026 Unaudited RM'000	Preceding Period-to-date ended 30 June 2025 Unaudited RM'000
Cash flows (for)/from operating activities		
(Loss)/Profit before taxation	(4,911)	1,627
Adjustments for:		
Depreciation of property, plant and equipment	1,123	1,209
Depreciation of right-of-use assets	550	561
Interest expenses	431	460
Interest on lease liabilities	36	57
Reversal of impairment losses of trade receivables	(60)	-
Equipment written off	1	* [2]
Fair value gain on short-term investment	(425)	-
Interest income	(471)	(140)
Gain on disposal of equipment	-	* [2]
Unrealised gain on foreign exchange	(825)	(634)
Operating (loss)/profit before working capital changes	**(4,551)**	**3,140**
Decrease/(Increase) in inventories	838	(56)
(Increase)/Decrease in trade and other receivables	(2,274)	9,804
Decrease/(Increase) in contract assets	3,346	(722)
Decrease/(Increase) in amount owing by related party	2	(1,173)
Decrease in trade and other payables	(3,939)	(749)
Increase/(Decrease) in contract liabilities	2,123	(4,073)
Decrease in amount owing to related parties	(236)	(161)
Cash (for)/from operations	**(4,691)**	**6,010**
Tax paid	(3,108)	(1,350)
Net cash (for)/from operating activities	**(7,799)**	**4,660**
Cash flows for investing activities		
Additions of pledged fixed deposits	(550)	(221)
Purchase of short-term investments	(5,325)	-
Purchase of plant and equipment	(410)	(315)
Interest received	471	140
Net cash for investing activities	**(5,814)**	**(396)**

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Unaudited Consolidated Statement of Cash Flows for the Second Quarter ended 30 June 2026 (Cont'd) [1]

	Current Period-to-date ended 30 June 2026 Unaudited RM'000	Preceding Period-to-date ended 30 June 2025 Unaudited RM'000
Cash flows (for)/from financing activities		
Proceeds from issuance of shares	-	62,691
Payment of shares issuance expenses	-	(615)
Dividend paid	(1,832)	-
Interest paid	(467)	(517)
Net repayment of bankers' acceptance	(2,660)	(11,097)
Net drawdown of invoice financing	5,628	-
Net repayment of hire purchase	(570)	(571)
Repayment of lease liabilities	(164)	(140)
Net repayment of term loan	-	(83)
Net cash (for)/from financing activities	**(65)**	**49,668**
Net (decrease)/increase in cash and cash equivalents	**(13,678)**	**53,932**
Cash and cash equivalents at the beginning of financial period	34,100	15,469
Effects on foreign exchange translation	368	1,207
Cash and cash equivalents at the end of financial period	**20,790**	**70,608**

(i) Cash and cash equivalents

Cash and cash equivalents included in the unaudited consolidated statement of cash flows comprise the following unaudited consolidated statement of financial position amounts:

	Current Period-to-date ended 30 June 2026 Unaudited RM'000	Preceding Period-to-date ended 30 June 2025 Unaudited RM'000
Cash and bank balances	10,900	71,036
Fixed deposits with licensed banks	30,346	10,257
Bank overdrafts	(348)	(1,483)
	40,898	79,810
Less: Fixed deposits with a tenure of more than 3 months	(10,189)	-
Less: Fixed deposits pledged to licensed banks	(9,919)	(9,202)
	20,790	**70,608**

PAN MERCHANT BERHAD

Registration No.: 202401010821 (1556671-D)
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Unaudited Consolidated Statement of Cash Flows for the Second Quarter ended 30 June 2026 (Cont'd) [1]

Notes:

[1] *The basis of the preparation of the Unaudited Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2025 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.*

[2] *Represents less than RM1,000.*

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134: INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report of Pan Merchant Berhad and its subsidiaries (collectively, the “Group”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements.

This interim financial report should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2025 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Group’s audited financial statements for the financial year ended 31 December 2025 except for the adoption of the following amendments/improvements to MFRSs, which are applicable during the current financial period.

MFRS and/or IC intepretations (including the Consequential Amendments)

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

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

Annual Improvements to MFRS Accounting Standards - Volume 11

The adoption of the above accounting standard and/or interpretation (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group.

As at the date of authorisation of this interim financial report, the following accounting standards and/or interpretations (including the consequential amendments, if any) were issued but not yet effective and have not been adopted by the Group:

MFRS and/or IC intepretations (including the Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134: INTERIM FINANCIAL REPORTING

A2. Significant Accounting Policies (Cont'd)

The initial application of the above accounting standards and/or interpretations (including the consequential amendments, if any) is not expected to have any material impact to the consolidated financial statements of the Group except as follows:

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group is currently evaluating the impact of implementing this new standard.

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2025.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical trend.

A5. Material Unusual Items

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

A6. Material Changes in Accounting Estimates

There were no material changes in accounting estimates that have a material effect on the Group in the current financial quarter under review.

A7. Debt and Equity Securities

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

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134: INTERIM FINANCIAL REPORTING

A8. Dividend Paid

On 25 March 2026, the Board of Directors declared an interim single-tier dividend of 0.20 sen per ordinary share in respect of the financial year ended 31 December 2025. It was paid on 30 April 2026 to shareholders whose name appeared in the Record of Depositors of the Company at the close of business on 10 April 2026.

Save as disclosed above, there was no dividend paid during the current financial quarter under review.

A9. Segmental Reporting

The Group operates predominantly in the business of solutions provider of solid-liquid filtration equipment, fabrication of steel works and technical support services.

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	Unaudited		Unaudited	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Business segments				
Filtration solutions:				
- Filter presses	6,357	4,780	7,060	6,854
- Hermetic filters	7,836	14,433	18,532	30,729
	14,193	19,213	25,592	37,583
Steel works	1,747	5,002	2,482	6,556
Technical support services	8,843	5,063	12,695	12,484
	24,783	29,278	40,769	56,623

The geographical segments of the Group's revenue are as follows:

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	Unaudited		Unaudited	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Geographical segments				
Africa	1,409	16	2,430	35
America	4,456	8,679	7,146	15,951
Asia (excluding Malaysia and Indonesia) [(1)]	3,330	2,384	6,707	4,222
Europe	2,533	7,440	3,380	13,364
Indonesia	9,529	8,226	12,935	12,421
Malaysia	3,526	2,533	8,171	10,630
	24,783	29,278	40,769	56,623

Note:
(1) *Comprising Southeast Asia (excluding Malaysia and Indonesia), China, Bangladesh and South Korea.*

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134: INTERIM FINANCIAL REPORTING

A10. Material Event Subsequent to the End of the Reporting Period

There were no material event subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A11. Changes in the Composition of the Group

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

A12. Contingent Assets and Contingent Liabilities

There were no contingent assets and contingent liabilities as at the date of this consolidated interim financial report.

A13. Material Capital Commitments

Save as disclosed below, our Group does not have any other material capital commitments:

	Unaudited As at 30 June 2026 RM'000	Audited As at 31 December 2025 RM'000
Purchase of machinery, equipment and tools	953	1,584
Renovation	182	-
Total	**1,135**	**1,584**

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134: INTERIM FINANCIAL REPORTING

A14. Related Party Transactions

Saved as disclosed below, there were no other significant related party transactions during the current financial quarter.

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	Unaudited		Unaudited	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Transactions with:				
Sales to a related party	1,954	1,626	3,198	3,385
Provision of labour services charged by a related paty	(202)	(300)	(296)	(588)
Administration costs charged by a related party	(5)	(4)	(10)	(10)
Management fee charged by a related party	(47)	(49)	(93)	(96)
Rental of office, manufacturing facility and warehouse charged by a related party	(26)	(26)	(53)	(52)
Provision of support services charged by a related paty	(106)	-	(106)	-

A15. Fair Value Information

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current financial quarter.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of financial performance

a) Review for the current financial quarter against preceding corresponding financial

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	Unaudited		Unaudited	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue	24,783	29,278	40,769	56,623
Profit before taxation ("PBT")/ (Loss before taxation) ("LBT")	252	616	(4,911)	1,627

Individual quarter ended 30 June 2025 ("Q2 FY2026") vs 30 June 2025 ("Q2 FY2025")

The Group recorded a revenue of RM24.78 million for Q2 FY2026, representing a decrease of RM4.50 million or 15.4% as compared to RM29.28 million for Q2 FY2025. The decrease was mainly due to drop in sales of hermetic filters and steel works, but there was however an increase sales in technical support.

The Group recorded PBT of RM0.25 million for Q2 FY2026, representing a decrease of RM0.37 million as compared to RM0.62 million for Q2 FY2025. The decrease was mainly due to overall drop in revenue.

Cumulative 6-months ended 30 June 2025 vs 30 June 2025

The Group recorded a revenue of RM40.80 million and a LBT of RM4.91 million for the current financial period ended 30 June 2026, compared to a revenue of RM56.62 million and PBT of RM1.63 million in the corresponding quarter ended 30 June 2025.

The decrease in revenue of RM15.85 million or 28.0% was attributable to lower revenue contribution from the hermetic filters segment from the Americas and Europe.

The ongoing geopolitical tensions led to customers' caution on capital expenditure decisions and slower sales activities during the period. The Group's revenue was also affected by the weakening of the USD and Euro against the Group's reporting currency, which resulted in lower translated revenue contribution from export sales.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B2. Performance Comparison with Immediate Preceding Quarter's results

Review of financial performance for current quarter ended 30 June 2026 ("Q2 FY2026") and immediate preceding quarter ended 31 March 2026 ("Q1 FY2026")

	Q2 FY2026 RM'000	Q1 FY2026 RM'000	Changes RM'000	%
Revenue	24,783	15,986	8,797	55.0
PBT/(LBT)	252	(5,163)	5,415	(104.9)
PBT/(LBT) margin	1.0%	-32.3%		

The Group recorded a revenue of RM24.78 million in Q2 FY2026, compared to RM15.99 million in Q1 FY2026, representing an increase of RM8.80 million or 55.0%. The increase was mainly attributable to demand for filter presses and sales of replacement parts.

The Group recorded a PBT of RM0.25 million in Q2 FY2026, compared to a LBT of RM5.16 million in Q1 FY2026. The better performance was mainly due to gross profit contribution arising from the increase in revenue of RM8.80 million. In addition, the Group's financial performance in Q1 is generally lower as production output was lower due to shorter working days.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3. Prospects of the Group

The Group remains cautiously optimistic on its business outlook amidst the prevailing geopolitical uncertainties, global trade tensions and prudent capital expenditure spending environment. Despite ongoing market volatility, the Group continues to demonstrate resilience through its diversified exposure across various end-user industries and geographical markets.

The Group's filtration solutions continue to serve a broad range of industries, namely the renewable energy, edible oil, food processing and water and wastewater treatment sectors. The Group believes that the increasing focus on sustainable energy, environmental compliance and infrastructure development will continue to support long-term demand for filtration solutions, particularly the water and wastewater treatment sectors.

The Group is actively pursuing its global sales and marketing initiatives through its subsidiaries and representative offices in Malaysia, the Netherlands, the United States and Singapore to further expand its customer base and strengthen market penetration. These regional platforms are expected to enhance the Group's ability to provide on-the-ground technical support, faster response times and improved customer engagement for both new projects and after-sales services.

In addition, the Group continues to focus on operational efficiency, disciplined cost management and strengthening its technical and engineering capabilities to improve competitiveness and support future growth. The Group's established reputation, internationally recognised certifications and long-standing customer relationships continue to position the Group favourably within the global solid-liquid filtration industry.

Moving forward, the Group will continue to pursue opportunities in higher growth industries and geographically diversified markets while maintaining prudent financial management to navigate the evolving business environment.

As at 17 Aug 2026, the Group's revenue pipeline continues to remain robust, providing a solid foundation for continued growth. The Group's order book stood at approximately RM78.43 million consisting of orders for filtration equipment, replacement parts and steel works which are expected to be recognised within the next 12 months.

B4. Profit forecast

The Group did not issue any profit forecast or profit estimation in any announcement or public document.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B5. Income tax expense

Income tax expense comprises the following:

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	Unaudited		Unaudited	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Recognised in profit or loss				
Current tax expense:				
- for the financial period	163	290	163	402
Deferred tax:				
- origination of temporary differences	(73)	-	(123)	-
Income tax expenses [(1)]	90	290	40	402
Effective tax rate	35.7%	47.1%	0.8%	24.7%
Statutory tax rate	24.0%	24.0%	24.0%	24.0%

Note:
[(1)] Income tax expense is recognised based on management's best estimate.

The effective tax rate for the individual quarter under review was 35.7%, higher than the statutory tax rate of 24%. This was mainly attributable to non-deductible expenses and timing differences.

The effective tax rate for the period ended 30 June 2026 was 0.8% despite the Group recording a LBT due to certain profitable companies within the Group that remained subject to income tax.

B6. Status of Corporate Proposals

There were no corporate proposals announced as at the date of this interim financial report.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B7. Utilisation of Proceeds

The utilisation of proceeds from the IPO of RM62.69 million are intended to be utilised in the following manner:

	Estimated timeframe for utilisation from date of listing	Proposed utilisation RM'000	%	Amount utilised as at 30 June 2026 RM'000	Reallocation RM'000	Balance unutilised RM'000	Deviation RM'000	%
Capital expenditure on manufacturing plants:								
(i) Acquisition of machinery, equipment and tools	Within 36 months	20,000	31.90	(2,331)	-	17,669	-	-
(ii) Renovation of manufacturing plants	Within 36 months	8,000	12.76	-	-	8,000	-	-
		28,000	44.66	(2,331)	-	25,669	-	-
Product development	Within 24 months	7,000	11.17	-	-	7,000	-	-
Business expansion	Within 24 months	6,000	9.57	(614)	-	5,386	-	-
Working capital	Within 12 months	14,691	23.43	(10,000)	1,287 (2)	5,978	-	-
Estimated listing expenses	Within 1 month	7,000	11.17	(5,713)	(1,287) (2)	-	-	-
Total		**62,691**	**100.00**	**(18,658)**	**-**	**44,033**	**-**	**-**

Notes:

(1) The proposed utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus.

(2) The actual amount utilised for listing expenses amounted to RM5.71 million only. As stated in Section 4.7.5 of the Prospectus of the Company any excess will be used for working capital purposes.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B8. Borrowings

The details of the Group's borrowings are as follows:-

	Unaudited As at 30 June 2026 RM'000	Audited As at 31 December 2025 RM'000
Non-current		
Hire Purchase	1,531	1,962
	1,531	1,962
Current		
Bank Overdrafts	348	873
Banker's acceptances	7,815	10,475
Invoice financing	6,828	1,200
Hire purchases payables	1,085	1,087
	16,076	13,635

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material litigation

There were no material litigations by or against the Group as at the date of this interim financial report.

B10. Dividends

No dividend has been declared or recommended for payment by the Board during the financial period under review.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11. Earnings per share

The basic and diluted EPS of the Group for the current financial quarter and period are as follows:-

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	Unaudited		Unaudited	
	2026	2025	2026	2025
(Loss)/Profit for the financial period attributable to owners of the Company (RM'000)	(577)	231	(5,697)	513
Based on weighted average number of ordinary shares ('000)	916,000	696,570 [1]	916,000	690,226 [1]
Basic and diluted EPS (sen) [2]	(0.06)	0.03	(0.62)	0.07

Notes:

[1] Based on the weighted average number of issued share capital of 683,812,100 ordinary shares after the completion of acquisition of PMI-Technology Sdn Bhd but before the Group's initial public offering and 916,000,000 ordinary shares after the completion of the initial public offering.

[2] The diluted earnings per share is equal to the basic earnings per share because there were no issuance of ordinary shares or convertibles ordinary shares during the financial period.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B12. Profit before taxation

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	Unaudited		Unaudited	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(Loss)/Profit before taxation is arrived at after charging/ (crediting):-				
Depreciation:				
- property, plant and equipment	562	607	1,123	1,209
- right-of-use assets	275	280	550	561
Directors' remuneration	913	823	2,368	2,133
Equipment written off	1	* (1)	1	* (1)
Staff costs:				
- defined contribution benefits	465	435	1,205	1,079
- others	5,532	5,665	13,974	13,288
Interest expense on financial liabilities that are not fair value through profit or loss:				
- term loan	-	-	-	1
- bank overdrafts	5	11	15	17
- bankers' acceptances	129	216	229	317
- invoice financing	65	5	92	7
- hire purchase payables	44	57	95	118
Interest on lease liabilities	18	31	36	57
Reversal of impairment loss on trade receivables	(60)	-	(60)	-
Lease expenses:				
- short-term expenses	52	61	111	235
(Gain)/Loss on foreign exchange:				
- realised	(6)	162	290	208
- unrealised	(187)	144	(825)	(634)
Fair value gain on short-term investment	(212)	-	(425)	-
Gain on disposal of equipment	-	* (1)	-	* (1)
Total interest income on financial assets measured at amortised cost	(235)	(67)	(471)	(140)

The Group did not report any provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments, impairment of assets and gain or loss on derivatives for the current financial quarter under review.

Note:
(1) *Represents less than RM1,000*

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B13. Derivative Financial Instruments

	Contract/Notional Amount		Fair Value	
	Unaudited 30 June 2026 RM'000	Audited 31 December 2025 RM'000	Unaudited 30 June 2026 RM'000	Audited 31 December 2025 RM'000
Derivative liability:				
Forward currency contracts	6,426	-	6,351	-

Forward currency contract is used to hedge the Group's sales denominated in EURO for which firm commitments existed at the end of the financial year 2025. The settlement date of the forward currency contracts are 4 to 6 months after the end of the financial year.

B14. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors of the Company pursuant to a resolution passed by the Board of Directors on 26 August 2026.