THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
If you are in any doubt as to the course of action you should take, please consult your stockbroker, bank manager, solicitor, accountant, bank manager or other professional advisers immediately.

The Circular has been reviewed by M & A Securities Sdn Bhd, as the Adviser and Sponsor to Glostrext Berhad ("**Glostrext**") for the Proposals (as defined herein).

The approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the Proposals (as defined below) shall not be taken to indicate that Bursa Securities recommends the Proposals. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

GLOSTREXT®

GLOSTREXT BERHAD
(Registration No. 202201005343 (1451040-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

(I) PROPOSED ACQUISITION OF 3,500,000 ORDINARY SHARES REPRESENTING 70.0% EQUITY INTEREST IN POWERTECS SYSTEM SDN BHD ("POWERTECS") FROM CHEN SONG WIE AND NG CHUEE CHOO FOR A PURCHASE CONSIDERATION OF RM4,200,000 TO BE SATISFIED VIA A COMBINATION OF CASH AND ISSUANCE OF NEW ORDINARY SHARES IN GLOSTREXT ("PROPOSED ACQUISITION"); AND

(II) PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF GLOSTREXT AND ITS SUBSIDIARIES TO INCLUDE TRADING OF ELECTRICAL APPLIANCES, GENERATORS, ALTERNATORS AND OTHER RELATED PRODUCTS ("PROPOSED DIVERSIFICATION")

(COLLECTIVELY, REFERRED TO AS "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

M & A SECURITIES SDN BHD
(Registration No. 197301001503 (15017-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") in respect of the Proposals to be held at No. 11A, Jalan Apollo U5/194, Bandar Pinggiran Subang, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 8 January 2025 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM, the Administrative Guide for the EGM and the Proxy Form are enclosed together with this Circular.

If you decide to appoint a proxy or proxies for the EGM, you must complete, sign and return the Proxy Form and deposit it at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Proxy Form shall be treated as invalid. You can also have the option to lodge the proxy appointment electronically via TIIH Online at https://tiih.online before the Proxy Form lodgement cut-off time as mentioned below. For further information on the electronic lodgement of Proxy Form, kindly refer to the Administrative Guide for the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Monday, 6 January 2025, 10.00 a.m.
Date and time of EGM	:	Wednesday, 8 January 2025, 10.00 a.m. or at any adjournment thereof

This Circular is dated 23 December 2024

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

"5D-VWAP"	:	5 days volume weighted average market price
"Act"	:	Companies Act 2016
"Announcements"	:	Announcements dated 11 October 2024 and 11 November 2024 pursuant to the Proposals
"Board"	:	Board of Directors of the Company
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"Buyout"	:	Acquisition of the remaining 49.0% equity interest in PESB by Powertecs from Sin Chee Choong (20.0%), Lai Siak Chin (10.0%) and Quek Lay Cheng (19.0%) in accordance to the terms of the Proposed Acquisition
"Cash Consideration"	:	(a) RM126,000 which is equivalent to 3.0% of the Purchase Consideration is to be paid as earnest deposit to the Vendors' solicitors as stakeholders upon the execution of the Term Sheet and the same shall be released to the Vendors within three (3) Business Days from the Unconditional Date subject to the fulfilment or waiver of all Conditions Precedent set out in the SSA, if so required. The Vendors shall refund or cause the Vendors' solicitors to refund the same to Glostrext if the Conditions Precedent set out in the SSA are not fulfilled; (b) RM294,000 which is equivalent to 7.0% of the Purchase Consideration is to be paid to the Vendors' solicitors as stakeholder upon execution of the SSA. The Vendors' solicitors are authorised to release the same, free of interest to the Vendors subject to the fulfilment or waiver of all Conditions Precedent set out in the SSA, if so required; and (c) RM1,680,000 which is equivalent to 40.0% of the Purchase Consideration is to be settled in cash on the Completion Date
"Circular"	:	This circular to our shareholders dated 23 December 2024 in relation to the Proposals
"Completion Date"	:	14 days after the Unconditional Date or such other date the Parties otherwise agree in writing

"Conditional Period"	:	A period within 3 months from the date of the SSA or such other date the Parties may mutually agree in writing
"Conditions Precedent"	:	The conditions precedent to the SSA as set out in Section 1 of Appendix I
"Consideration Shares"	:	A total of 10,000,000 new Glostrext Shares to be allotted and issued to the Vendor at an issue price of RM0.21 per Glostrext Share
"Director(s)"	:	Director of the Company which shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, and includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Acquisition were agreed upon, a director of the Company, its subsidiary or holding company or a Chief Executive of the Company, its subsidiary or holding company
"EGM"	:	Extraordinary general meeting
"EPS"	:	Earnings per share
"FYE"	:	Financial year ended
"GDP"	:	Gross domestic product
"Glostrext" or "Company"	:	Glostrext Berhad (Registration No. 202201005343 (1451040-T))
"Glostrext Group" or "Group"	:	Glostrext and its subsidiaries, collectively
"Glostrext Share(s)" or "Share(s)"	:	Ordinary share(s) in the capital of Glostrext
"Government"	:	Government of Malaysia
"GP"	:	Gross profit
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"LAT"	:	Loss after taxation
"LBT"	:	Loss before taxation
"LPD"	:	6 December 2024, being the latest practicable date prior to the printing of this Circular
"LTD"	:	10 October 2024, being the last trading day immediately prior to the signing of the Term Sheet

"Major shareholder(s)"	:	A person, who has or had an interest or interests in 1 or more voting shares in the Company and the number or aggregate number of those shares, is: (i) 10.0% of more of the total number of voting shares in the Company; or (ii) 5.0% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. Major shareholder also includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Acquisition were agreed upon, a major shareholder of the Company, its subsidiary or holding company. For the purpose of this definition, "interest" shall have the meaning as "interest in shares" given in Section 8 of the Act
"M&A Securities" or "Adviser"	:	M & A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
"NA"	:	Net assets
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PESB"	:	Powertecs Electric Sdn Bhd (Registration No. 199601042513 (414866-T), a 51.0% owned subsidiary of Powertecs
"Powertecs"	:	Powertecs System Sdn Bhd (Registration No. 198401010902 (123442-P)
"Powertecs Group"	:	Powertecs and PESB, collectively
"Powertecs Share(s)"	:	Ordinary share(s) in the capital of Powertecs
"Proposals"	:	Proposed Acquisition and Proposed Diversification, collectively
"Proposed Acquisition"	:	Proposed acquisition by Glostrext of the Sale Shares from the Vendors at the Purchase Consideration
"Proposed Diversification"	:	Proposed diversification of the existing principal activities of Glostrext Group to include the trading of electrical appliances, generators, alternators and other related products
"Purchase Consideration"	:	RM4,200,000, being the purchase consideration for the Proposed Acquisition to be satisfied via a Cash Consideration and the issuance of Consideration Shares
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively

"Sale Shares"	:	3,500,000 ordinary shares representing 70.0% equity interest in Powertecs to be sold by the Vendors to Glostrext pursuant to the Proposed Acquisition
"SSA"	:	Conditional shares sale agreement dated 11 November 2024 entered into between Glostrext and the Vendors in relation to the Proposed Acquisition
"Term Sheet"	:	Conditional term sheet dated 11 October 2024 entered into between Glostrext and the Vendors in relation to the Proposed Acquisition
"Unconditional Date"	:	The date on which the last Conditions Precedent is fulfilled, obtained or waived (as the case may be) within the Conditional Period
"UPS"	:	Uninterruptible power supply
"Vendor(s)"	:	Chen Song Wie and Ng Chuee Choo

All references to our "Company", "Glostrext", "we", us" and "our" in this Circular are to Glostrext, references to our "Group" or "Glostrext Group" are to our Company and its subsidiaries. All references to "you" in this Circular are made to the shareholders of our company.

Any reference in this Circular to any statues, rules, regulations or rules of the stock exchange is a reference to such statues, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE SALIENT INFORMATION OF THE PROPOSALS. THE SHAREHOLDERS OF GLOSTREXT ARE ADVISED TO READ THE CIRCULAR AND ITS APPENDICES FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSALS BEFORE VOTING AT THE EGM

Our Board is recommending the shareholders of Glostrext to vote **IN FAVOUR** of the resolutions in relation to the Proposals to be tabled at the forthcoming EGM to be convened.

Key information	Description	Reference to Circular
Summary of the Proposals	**1. Proposed Acquisition** The Proposed Acquisition involves the acquisition by Glostrext of the Sale Shares, representing 70.0% equity interest in Powertecs from the Vendors for the Purchase Consideration, subject to the terms and conditions of the SSA. The Purchase Consideration of RM4,200,000 is to be satisfied by Glostrext via a combination of Cash Consideration of RM2,100,000 and issuance of 10,000,000 Consideration Shares at an issue price of RM0.21 each to Chen Song Wie. The issue price of the Consideration Shares of RM0.21 each represents: (i) A premium of 0.1% to the 5D-VWAP of Glostrext Shares of RM0.2098 up to and including LTD; and (ii) A premium of 1.2% to the 5D-VWAP of Glostrext Shares of RM0.2074 up to and including LPD.	**Section 2.1**
	2. Proposed Diversification In order to reduce our Group's dependency on our existing business and expand our earning base, our Group intends to diversify our existing business to include the trading of electrical appliances, generators, alternators and other related products. Our Board anticipates the Proposed Acquisition may potentially contribute 25.0% or more of the net profits of our Group and/or result in a diversion of more than 25.0% of the NA of our Group. Hence, our Board proposes to seek the approval from shareholders for the Proposed Diversification pursuant to Rule 10.13(1) of the Listing Requirements.	**Section 2.2**

Key information	Description	Reference to Circular
Rationale	Our Board expects the Proposals to contribute positively to our Group based on the key rationale as set out below: (i) It will enable our Group to venture into the trading business to provide additional income stream and profit avenue to our Group; (ii) It will enable our Group to reduce our reliance on our existing business and diversify into other industries with growth prospects; (iii) It will enable our Group to utilise the technical expertise and resources of Powertecs Group to assist in growth of our existing business; and (iv) The favourable outlook of Powertecs Group. Separately, the issuance of Consideration Shares as part settlement of the Purchase Consideration will enable our Group to conserve our cash resources.	**Section 3**
Risk factors	The potential risk factors of the Proposals are as follows: (i) The completion of the Proposed Acquisition is conditional upon the fulfilment of all the Conditions Precedent of the SSA; (ii) There is no guarantee that the anticipated benefits from the Proposed Acquisition will be realised or that we will be able to generate sufficient returns from the Proposed Acquisition to offset our cost of investment; (iii) The continued success of Powertecs is dependent on the experience, commitment and efforts of the key management of Powertecs. The loss of services of any of the key management of Powertecs without any suitable and timely replacement may adversely affect the continued ability of Powertecs to operate and compete successfully; and (iv) Our Group will face new challenges and risks arising from the Proposed Diversification. Although the Proposals are expected to contribute positively to our Group's earnings in the long term, there is no assurance that the anticipated benefits from the Proposals will be realised or that the enlarged Glostrext Group will be able to generate sufficient returns to offset the costs associated with the Proposals	**Section 5**

Key information	Description	Reference to Circular
Approvals required	The Proposals are subject to the following: (i) approval-in-principle of Bursa Securities for the listing of and quotation for the Consideration Shares on the ACE Market of Bursa Securities, which was obtained on 9 December 2024; (ii) approval of the shareholders of Glostrext at the EGM to be convened; and (iii) any other relevant authorities and/or parties, if required.	**Section 8**

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GLOSTREXT BERHAD
(Registration No. 202201005343 (1451040-T))
(Incorporated in Malaysia)

Registered Office:
Unit 30-01, Level 30 Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

23 December 2024

Board of Directors:
Ding Lien Bing *(Independent Non-Executive Chairman)*
Ir Dr Lee Sieng Kai *(Managing Director)*
Tan Ah Huat *(Executive Director)*
Aniza Binti Md Din *(Executive Director / Chief Financial Officer)*
Christopher Koh Swee Kiat *(Independent Non-Executive Director)*
Ir N Vasanthamala A/P S Navaratnam *(Independent Non-Executive Director)*
Dr Haslinah Binti Muhamad *(Independent Non-Executive Director)*
Lee Ming Jean *(Alternate Director to Ir Dr Lee Sieng Kai)*

To: The shareholders of our Company

Dear Shareholders,

(I) PROPOSED ACQUISITION; AND
(II) PROPOSED DIVERSIFICATION

(COLLECTIVELY REFERRED TO AS "PROPOSALS")

1. INTRODUCTION

On 11 October 2024, M&A Securities, on behalf of our Board, announced that our Company had entered into the conditional Term Sheet with the Vendors for the purpose of the Proposed Acquisition.

In conjunction with the Proposed Acquisition, on 11 October 2024, M&A Securities, on behalf of our Board, announced that our Company intends to diversify our existing principal activities to include the trading of electrical appliances, generators, alternators and other related products.

On 11 November 2024, M&A Securities, on behalf of our Board, announced that, pursuant to the Term Sheet, our Company had entered into the SSA with the Vendors for the purpose of the Proposed Acquisition.

On 10 December 2024, M&A Securities, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 9 December 2024, granted its approval for the listing of and quotation for the Consideration Shares to be issued pursuant to the Proposed Acquisition, subject to the following conditions:

No.	Conditions	Status of compliance
1.	Glostrext and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Acquisition;	To be complied
2.	Glostrext and M&A Securities to inform Bursa Securities upon the completion of the Proposed Acquisition;	To be complied
3.	Glostrext to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition is completed;	To be complied
4.	Compliance by Glostrext with the public shareholding spread upon completion of the Proposed Acquisition. In this connection, M&A Securities is to furnish a schedule containing the information set out in Appendix 8E, Chapter 8 of the Listing Requirements to Bursa Securities, prior to the issuance of the Consideration Shares; and	To be complied
5.	To incorporate Bursa Securities' comments in respect of the draft circular to shareholders.	Complied

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT DETAILS OF THE PROPOSALS, TO SET OUT OUR BOARD'S OPINION AND RECOMMENDATION IN RELATION TO THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR COMPANY'S FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM IS ENCLOSED WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Acquisition

The Proposed Acquisition involves the acquisition by Glostrext of the Sale Shares, representing 70.0% equity interest in Powertecs from the Vendors for the Purchase Consideration, subject to the terms and conditions of SSA.

The Sale Shares to be acquired shall be free from all encumbrances and with all rights and benefits attaching thereto. Upon completion of the Proposed Acquisition, Powertecs will become a 70.0% owned subsidiary of the Company. Accordingly, PESB, subject to Powertecs completing the Buyout, PESB will also become a subsidiary of the Company, with 100.0% indirect interest held through Powertecs.

2.1.1 Mode of settlement of the Purchase Consideration

The Purchase Consideration is to be satisfied by Glostrext in the following manner:

(a) Cash Consideration on the Completion Date; and

(b) RM2,100,000 which is equivalent to 50.0% of the Purchase Consideration is to be settled by issuance of 10,000,000 Consideration Shares to Chen Song Wie on the Completion Date.

Our Company has opted to partly settle the Purchase Consideration via the issuance of Consideration Shares to align our interests with Chen Song Wie who shall retain his 30.0% shareholding in Powertecs; conserve our existing cash for future working capital requirements; and minimise external financing and associated financing cost. The Cash Consideration will be funded via internally generated funds and/or bank borrowings, which will be determined later after taking into consideration our Group's gearing level, interest costs and cash reserves. For information purposes, as at LPD, our Group's bank borrowings amounted to RM5.2 million.

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2.1.2 Basis and justification of the Purchase Consideration

The Purchase Consideration was arrived at based on a "willing buyer-willing seller" basis after taking into consideration the following:

(a) the audited consolidated adjusted NA of Powertecs Group for FYE 31 December 2023, after adjusting for the following items:

(i) write down of obsolete inventories aged more than 5 years of RM31,092;

(ii) impairment of other receivables of RM2,538,669;

(iii) reversal of other receivables wrongly recognised as expenses of RM874,867;

(iv) overprovision of income tax expense of RM181,468; and

(v) reduction in net profits of RM845,671 due to reversal of revenue and cost of sales,

being the results of financial due diligence conducted by our Company's external auditor, Crowe Malaysia PLT;

(b) subsequent adjustments for items to be excluded from the Proposed Acquisition, being:

(i) the disposal of lands and buildings located at the following locations of RM3,155,762;

Type of land and building	Address / Expiry of lease (if any)	Built-up area (square foot)	Age of building (Year)	Encumbrance	Net book value as at 31 December 2023 (RM)
3 (1/2) storey shop office and office lot	No. 3-13, Jalan Desa 2/2, Desa Aman Puri, 52100 Kepong, Kuala Lumpur/ Freehold	5,720	25	Charged in favor of Public Bank Berhad on 11 June 1997	590,762
Two office lots/rooms	No. 3-13A, Jalan Desa 2/2, Desa Aman Puri, 52100 Kepong, Kuala Lumpur/ Freehold	1,463	25	-	85,000

Type of land and building	Address / Expiry of lease (if any)	Built-up area (square foot)	Age of building (Year)	Encumbrance	Net book value as at 31 December 2023 (RM)
Semi-detached house	No. 2, Jalan TR7/1, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor/ Leasehold of 99 years expiring on 25 October 2090	2,880	12	Charged in favor of Public Bank Berhad on 18 November 2011	2,480,000

For avoidance of doubt, the disposal of lands and buildings as mentioned above was mutually agreed by Glostrext and the Vendors to be completed prior to the Completion Date. The lands and buildings were intended for investment and residential purposes not utilised in the business operations of Powertecs, and as such, were excluded from the Proposed Acquisition.

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(ii) the deposits paid of RM7,330 being deposits for water and electricity; and

(iii) repayment of term loan of RM379,367 to be completed prior to the Completion Date;

(c) the rationale of the Proposed Acquisition as set out in Section 3.1; and

(d) the growth potential of Powertecs Group.

For illustrative purposes, Powertecs Group's adjusted consolidated NA as at 31 December 2023 after adjusting for the adjustments as mentioned from (a) to (b) above is as follows:

	RM
Audited consolidated NA of Powertecs Group as at 31 December 2023	11,922,480
Adjustments from financial due diligence:	
Less: write down of obsolete inventories	(31,092)
Less: impairment of other receivables[(1)]	(2,538,669)
Less: reduction in net profits due to reversal of revenue and cost of sales	(845,671)
Add: overprovision of income tax expense	181,468
Add: reversal of other receivables wrongly recognised as expenses[(2)]	874,867
	9,563,383
Items to be excluded from the Proposed Acquisition	
Less: disposal of lands and buildings[(3)]	(3,155,762)
Less: deposits paid [(4)]	(7,330)
Add: repayment of term loan[(5)]	379,367
Adjusted consolidated NA	**6,779,658**

Notes:

(1) From the impairment assessment, a proposed adjustment has been made to impair RM2,538,669 for amounts outstanding from Dynacommunications Sdn Bhd of RM1,491,358 (after offset other payables amounting to RM135,275), Phenomenal UAM Sdn Bhd of RM1,005,000 and Advances Communications Edge Sdn Bhd of RM42,311, as management represented that they are not collectible.

(2) Being the reversal of keyman insurance from Prudential BSN Takaful Berhad which is receivable on its maturity date of 11 September 2029 that was wrongly recognised as an expense.

(3) In conjunction with the Proposed Acquisition, Powertecs will dispose of the lands and buildings located at the premises set out in Section 2.1.2 (b), as stipulated in the Conditions Precedent as set out in Section 1 of Appendix I to Chen Song Wie, and therefore shall be completed prior to the Completion Date.

(4) Being the deposits paid for water and electricity.

(5) Being repayment of term loan by Chen Song Wie in relation to the property located at No. 2, Jalan TR7/1, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor to be disposed by Powertecs. For clarity, the repayment of term loan will be undertaken in Chen Song Wie's personal capacity.

Premised on the above, our Board is of the view that the Purchase Consideration is fair.

2.1.3 Basis of determining the issue price of the Consideration Shares

The issue price of RM0.21 per Consideration Share was determined on a "willing buyer-willing seller" basis between Glostrext and Powertecs, after taking into consideration the historical trading price of Glostrext Shares as detailed below:

	Glostrext Share price	Premium to the Glostrext share price	
	RM	RM	%
Last transacted price as at LTD	0.2100	-	-
5D-VWAP of Glostrext Shares up to and including LTD	0.2098	0.0002	0.1
5D-VWAP of Glostrext Shares up to and including LPD	0.2074	0.0026	1.2

(Source: Bloomberg)

The issue price of RM0.21 per Consideration Share represents a premium of 0.1% to the 5D-VWAP of Glostrext Shares of RM0.2098 up to and including LTD. In addition, the issue price of RM0.21 per Consideration Share represents a premium of 1.2% to the 5D-VWAP of Glostrext Shares of RM0.2074 up to and including LPD.

Our Board is of the view that the issue price of the Consideration Shares is fair and reasonable after taking into consideration the historical market prices of Glostrext Shares as set out above.

2.1.4 Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issue, rank equally in all respects with the then existing Glostrext Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to the shareholders of Glostrext, the entitlement date of which is before the date of allotment and issuance of the Consideration Shares.

Bursa Securities has vide its letter dated 9 December 2024 approved the listing of and quotation for the Consideration Shares on the ACE Market of Bursa Securities.

2.1.5 Background information on Powertecs

Powertecs was incorporated on 17 July 1984 in Malaysia under Companies Act, 1965 as a private limited company under the name Powertecs System Sdn Bhd. Powertecs commenced its business operations in 1987 and the principal place of business of Powertecs is located at No. 12-E, Jalan Teknologi, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor.

Powertecs is principally involved in the trading of electrical appliances, generators, alternators and other related products. Powertecs distributes electrical products manufactured and supplied by Piller Power Singapore Pte Ltd, a leading producer of UPS systems in Europe. UPS systems are required in manufacturing processes in semiconductor and wafer fabrication plants, as well as being used in data centres. Customers in semiconductor industry will purchase UPS systems for its own manufacturing plants. The principal market for Powertecs is in Malaysia which accounted for 100.0% of its total revenue in the past 3 financial years.

As at LPD, the issued share capital of Powertecs is RM5,000,000 comprising 5,000,000 Powertecs Shares.

As at LPD, Powertecs has a 51.0% owned subsidiary, namely PESB. For information purposes, in accordance to the terms of the Proposed Acquisition, Powertecs is to acquire the remaining 49.0% equity interest in PESB from Sin Chee Choong (20.0%), Lai Siak Chin (10.0%) and Quek Lay Cheng (19.0%) which will be completed prior to the Completion Date. The consideration for the Buyout is RM147,000 which will be fully settled in cash and the remaining 49.0% equity interest in PESB shall be transferred to Powertecs.

Upon completion of the Buyout, PESB will become a wholly-owned subsidiary of Powertecs. The details of PESB are set out in Section 2.1.6.

The directors and shareholders of Powertecs and their respective shareholdings in Powertecs as at LPD are as follows:

		Direct		Indirect	
Name	**Nationality**	**No. of Powertecs Shares**	**%**	**No. of Powertecs Shares**	**%**
Directors and shareholders					
Chen Song Wie	Malaysian	4,900,000	98.0	-	-
Ng Chuee Choo	Malaysian	100,000	2.0	-	-
Director					
Lai Siak Chin	Malaysian	-	-	-	-
Total		**5,000,000**	**100.0**	**-**	**-**

The directors and shareholders of Powertecs and their respective shareholdings in Powertecs after the Proposed Acquisition are as follows:

		Direct		Indirect	
Name	**Nationality / Country of incorporation**	**No. of Powertecs Shares**	**%**	**No. of Powertecs Shares**	**%**
Director and shareholder					
Chen Song Wie	Malaysian	1,500,000	30.0	-	-
Director					
Lai Siak Chin	Malaysian	-	-	-	-
Shareholder					
Glostrext	Malaysia	3,500,000	70.0		
Total		**5,000,000**	**100.0**	**-**	**-**

Further details of Powertecs are set out in Appendix II of this Circular.

2.1.6 Background information of PESB

PESB was incorporated on 26 December 1996 in Malaysia under Companies Act, 1965 as a private limited company under the name of Port-A-Cool (M) Sdn Bhd, and assumed its present name, Powertecs Electric Sdn Bhd on 17 August 2000. PESB commenced its business operations in August 2000 and the principal place of business of PESB is located at No. 12-E, Jalan Teknologi, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor.

PESB is principally involved in the trading of electrical appliances, generators, alternators and other related products. PESB distributes Stamford alternators and accessories manufactured and supplied by Cummins Generator Technologies Singapore Pte Ltd, a manufacturer of alternators under the renowned STAMFORD® and AvK® brands. PESB supplies to turbo-generator manufacturers in Malaysia, which is the principal market for PESB, accounting for 100.0% of its total revenue in the past 3 financial years. Steam turbo-generators are widely used in palm oil mills as an alternative source of power generation, converting the waste left after extracting the oil from fresh fruit branches into power. Customers purchasing Stamford alternators include manufacturers of stream turbine generators in Malaysia.

As at LPD, the issued share capital of PESB is RM300,002 comprising 300,002 ordinary shares.

As at LPD, PESB is a 51.0% owned subsidiary of Powertecs. Upon completion of the Buyout, PESB will become a wholly-owned subsidiary of Powertecs.

The directors and shareholders of PESB and their respective shareholdings in PESB as at LPD are as follows:

		Direct		**Indirect**	
Name	**Nationality / Country of incorporation**	**No. of ordinary shares in PESB**	**%**	**No. of ordinary shares in PESB**	**%**
Directors and shareholders					
Chen Song Wie	Malaysian	-	-	(1)153,002	51.0
Sin Chee Choong	Malaysian	60,000	20.0	-	-
Lai Siak Chin	Malaysian	30,000	10.0		
Shareholders					
Powertecs	Malaysia	153,002	51.0	-	-
Quek Lay Cheng	Malaysian	57,000	19.0	-	-
Total		**300,002**	**100.0**	**-**	**-**

Note:

(1) Deemed interest by virtue of his shareholdings in Powertecs pursuant to Section 8(4) of the Act.

The directors and shareholders of PESB and their respective shareholdings in PESB after the Buyout are as follows:

		Direct		**Indirect**	
Name	**Nationality / Country of incorporation**	**No. of ordinary shares in PESB**	**%**	**No. of ordinary shares in PESB**	**%**
Directors and shareholders					
Chen Song Wie	Malaysian	-	-	(1)300,002	100.0
Shareholders					
Powertecs	Malaysia	300,002	100.0	-	-
Total		**300,002**	**100.0**	**-**	**-**

Note:

(1) Deemed interest by virtue of his shareholdings in Powertecs pursuant to Section 8(4) of the Act.

2.1.7 Background information of the Vendors

Chen Song Wie, a Malaysian aged 65, is currently a major shareholder and Managing Director of Powertecs. He is responsible for overseeing the day-to-day operations and strategic management of Powertecs. Chen Song Wie has more than 35 years of experience in the electronic products trading industry.

In 1977, Chen Song Wie completed his secondary school studies in Sekolah Menengah Kebangsaan La Salle. In 1980, he began his career at Kadin-Deutz Sdn Bhd as a sales representative, selling diesel generator sets. In 1987, he left Kadin-Deutz Sdn Bhd and founded Powertecs, he has since served as its Managing Director. Under his leadership, Powertecs had secured the sole distributorship for Piller Power Singapore Pte Ltd in 1991, a leading European manufacturer of uninterruptible power supply systems.

Ng Chuee Choo, a Malaysian aged 60, is currently a shareholder of Powertecs and she is the spouse of Chen Song Wie. In 1984, she began her career in Tele Dynamic Sdn Bhd where she was tasked with finance and administration duties. Subsequently, in 1998, she founded Dynacommunications Sdn Bhd, principally involved in providing dealership services for mobile phones, where she held 6.9% in Dynacommunications Sdn Bhd and she was responsible for sales, administration and finance. From 1995 to 2000, she assisted her spouse, Chen Song Wie with office management and system setups for Powertecs' Group.

As Powertecs became more established, she gradually took a backseat in its operations, allowing the business to grow under Chen Song Wie's leadership.

2.1.8 Assumption of liabilities and estimated financial commitments

Save for the obligations and liabilities of Glostrext in and arising from the Term Sheet and SSA, there are no other liabilities, including contingent liabilities or guarantees to be assumed by Glostrext pursuant to the Proposed Acquisition. The existing liabilities of Powertecs Group will be settled in the ordinary course of business.

2.2 Proposed Diversification

We are principally an investment holding company. Through our subsidiaries, our Group is a geotechnical instrumentation service provider, where we provides piling, structural and geotechnical related services, covering instrumentation, testing and monitoring services to construction projects as well as completed buildings and infrastructure.

Upon completion of the Proposed Acquisition, our Board anticipates that the Proposed Acquisition may potentially contribute 25.0% or more of the net profits of our Group and/or result in a diversion of more than 25.0% of the NA of our Group. According to Rule 10.13(1) of the Listing Requirements, Glostrext must obtain the approval of the shareholders in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:

(a) the diversion of 25.0% or more of the NA of our Group to an operation which differ widely from the operations currently carried on by our Group; or

(b) the contribution from such an operation of 25.0% or more of the net profits of our Group.

In this regard, our Board wishes to obtain the approval of the shareholders for the Proposed Diversification pursuant to the Listing Requirements. If the Proposed Diversification is approved by the shareholders at the forthcoming EGM, our Group will be subjected to new challenges and risks arising from the Proposed Diversification, which are set out in Section 5.

2.3 Key management

Upon completion of the Proposed Acquisition, Chen Song Wie has agreed to remain vide an executive service agreement as Powertecs' Managing Director to spearhead the trading segment of Glostrext for at least 3 years.

Our Board believes that Chen Song Wie has sufficient experience, management skills and attributes to develop and manage our Group's trading segment. The profile of Chen Song Wie is set out in Section 2.1.7.

Given that our Group does not possess the requisite experience or expertise to venture into the business of Powertecs, we will leverage on the experience of Chen Song Wie to spearhead the trading segment. Additionally, our Group will identify several personnel from Glostrext with the relevant experience and skillsets to be integrated into Powertecs to acquire the relevant skillsets from the existing management team.

In the event that Chen Song Wie leaves his position after the expiration of his executive service agreement, our Group will endeavour to retain the other key management. Notwithstanding, we will also integrate the necessary staff from Glostrext into Powertecs upon completion of the Proposed Acquisition to manage its operations and acquire the necessary skillsets during the 3 years of Chen Song Wie's minimum tenure.

Our Group does not plan to hire any additional staff at this juncture, as the existing staff is sufficient for the operations of Powertecs Group. Nevertheless, our Group will recruit other qualified personnel should the business require expansion in the near future.

For information purposes, Powertecs has a total number of 17 staff, which includes 2 staff in sales department, 14 staff from operations department and 1 staff from administrative and finance.

3. RATIONALE OF THE PROPOSALS

3.1 Proposed Acquisition

The Proposed Acquisition represents an opportunity for our Group to reduce our dependency on the existing business and diversify our revenue streams into another viable business. Our Group has identified Powertecs as a viable business to venture in which aligns strategically with our objective, after taking into the following considerations:

(a) venturing into the trading business to provide additional income stream and profit avenue to our Group and in turn, improving our overall profitability;

(b) reducing the reliance on the existing business and diversifying into other industries with growth prospects;

(c) the willingness of the Vendors to accept the Consideration Shares as part settlement for the Purchase Consideration instead of cash; and

(d) favourable outlook and prospects of Powertecs as set out in Section 4.3

As such, the Proposed Acquisition is expected to offer long-term business viability and substantial growth potential, aligning with the strategic objectives of Glostrext. In this respect, the parties to the SSA have agreed for Chen Song Wie to retain 30.0% shareholdings in Powertecs, to also align his interests with those of Powertecs' business and financial performance after the completion of the Proposed Acquisition.

In addition, our Board is of the view that the issuance of Consideration Shares as part settlement of the Purchase Consideration will enable our Group to conserve our cash resources and thereby provide greater flexibility to utilise its cash resources to fund our Group's existing and/or new businesses.

3.2 Proposed Diversification

The Proposed Diversification is aimed at facilitating the Proposed Acquisition.

4. INDUSTRY OVERVIEW AND PROSPECTS

4.1 Overview and outlook of the Malaysian and Singapore economy

Malaysia

Economic growth in Malaysia normalised to 3.7% in 2023, following strong growth of 8.7% recorded in the previous year. Growth moderated amid a challenging external environment, primarily due to slower global trade, the global tech downcycle, geopolitical tensions and tighter monetary policies. On the domestic front, despite the lapse of large policy support provided as the economy started to open up in 2022, the continued recovery in economic activity and labour market conditions supported growth in 2023. In addition, the solid growth performance of the economy is reinforced by a resilient external position.

(Source: Economic and Financial Developments in Malaysia Economy in the Fourth Quarter of 2023, BNM)

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment (M&E), while household spending sustained its expansion amid positive labour market conditions and policy support. In the external sector, exports continued to strengthen on the back of recovering external demand and positive spillovers from the global tech upcycle. Meanwhile, imports also grew at a faster pace, following strong demand for capital and intermediate goods to support rising investments and trade. On the supply side, most sectors remained supportive of growth. In particular, the improvement in the manufacturing sector was driven by export-oriented clusters. However, growth was partly offset by maintenance activities in the mining sector. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024.

During the quarter, both headline and core inflation remained stable at 1.9% (2Q 2024: 1.9%). Higher inflation was observed for diesel (20.1%; 2Q 2024: 5.3%) and vehicle insurance (0.8%; 2Q 2024: -0.1%), which was offset by broader moderation in inflation for food and beverages (1.6%; 2Q 2024: 1.9%), particularly food away from home, cereals, and fresh vegetables. On the whole, the share of Consumer Price Index (CPI) items recording monthly price increases was lower at 38.9% during the quarter (2Q 2024: 49.4%).

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2024, Bank Negara Malaysia)

In 2024, Malaysia's economy is forecast to expand between 4.8% and 5.3%. Growth will be propelled by robust domestic demand and recovery in exports. Consumer spending is expected to remain resilient, supported by improvements in labour market conditions and vibrant tourism-related activities. Investment will be driven by new and ongoing projects by both the private and public sectors, supported by the implementation of key national policies and initiatives, including the National Energy Transition Roadmap and the New Industrial Master Plan 2030.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

For 2025, the economy is projected to grow between 4.5% and 5.5%. On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of information communications & technology related activities. Tourism-related industries, particularly food & beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities. Industries such as the utilities and professional services are anticipated to rise in tandem with the acceleration of information communications & technology development, particularly in data centres. The manufacturing sector is projected to expand further attributed to better performance in export-oriented industries, primarily the electrical and electronics segment, as external demand for semiconductors continues to increase. Additionally, the domestic-oriented industries is anticipated to remain favourable in line with higher domestic consumption and investment. The construction sector is expected to rise attributed to growth in all subsectors.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

Singapore

In the fourth quarter of 2023, the Singapore economy grew by 2.2% on a year-on-year basis, accelerating from the 1.0% expansion in the previous quarter. All sectors expanded during the quarter, with the exception of the administrative & support services, food & beverage services, professional services and retail trade sectors. The sectors that contributed the most to growth during the quarter were the finance & insurance, other services and transportation & storage sectors.

For the full year, the Singapore economy grew by 1.1%, easing from the 3.8% expansion in 2022. All sectors except for the manufacturing sector recorded full-year expansions, with the other services, information & communications and transportation & storage sectors contributing the most to GDP growth for the year.

(Source: Economic Survey of Singapore 2023, Ministry of Trade and Industry of Singapore)

In the third quarter of 2024, the Singapore economy grew by 4.1% on a year-on-year basis in the third quarter of 2024, extending the 2.9% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.1%, faster than the 0.4% growth in the second quarter.

The construction sector grew by 3.1% year-on-year in the third quarter, easing from the 4.8% growth in the preceding quarter. Growth during the quarter was on account of an increase in public sector construction output. On a quarter-on-quarter seasonally-adjusted basis, the sector's growth was flat, moderating from the 3.4% growth in the second quarter.

(Source: Performance of the Singapore Economy in 3Q2024, Ministry of Trade and Industry Singapore)

Taking into account the performance of the Singapore economy in the first half of 2024, as well as the latest global and domestic economic situations, Ministry of Trade and Industry of Singapore has narrowed the GDP growth forecast for 2024 to "2.0% to 3.0%", from "1.0% to 3.0%". The Singapore economy grew by 2.9% on a year-on-year basis. The sectors that contributed the most to GDP growth during the quarter were the finance & insurance, wholesale trade and information & communications sectors. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.4%, unchanged from the 0.4% expansion in the preceding quarter.

(Source: Economic Survey of Singapore second quarter of 2024, Ministry of Trade and Industry of Singapore)

Looking ahead to 2025, overall GDP growth in Singapore's key trading partners is expected to ease slightly from 2024's level.

Nonetheless, global economic uncertainties have increased, including uncertainty over the policies of the incoming United States of America administration, with the risks tilted to the downside. First, a further escalation of geopolitical conflicts, including in the Middle East, and trade tensions among major economies could lead to higher oil prices and production costs, as well as greater policy uncertainty. In turn, this could lead to a decline in global investment and trade, and weigh on global growth. Second, disruptions to the global disinflation process could lead to tighter financial conditions for longer and the desynchronisation of monetary policies across economies, potentially triggering latent vulnerabilities in financial systems.

Against this backdrop, the growth outlook of the manufacturing and trade-related services sectors in Singapore remains positive. In particular, the electronics cluster is projected to continue its expansion, supported by strong demand for semiconductor chips in end-markets such as PCs and smartphones amidst the PC refresh cycle and rollout of artificial intelligence (AI)-capable devices. This will have positive spillover effects on the precision engineering cluster and the machinery, equipment & supplies segment of the wholesale trade sector. At the same time, firm order books in the aerospace and marine & offshore engineering segments should drive growth in the transport engineering cluster.

Similarly, outward-oriented services sectors such as the information & communications and finance & insurance sectors are projected to register healthy growth on account of sustained enterprise demand for digital solutions and services and favourable financial conditions amidst global policy rate cuts, respectively. Meanwhile, tourism-related sectors like the accommodation sector will benefit from the continued recovery in industry tourism international visitor arrivals. On the other hand, growth in consumer-facing sectors such as the retail trade and food & beverage services sectors is likely to remain weighed down by increased local outbound travel.

Taking these factors into account, and barring the materialisation of downside risks, the Singapore economy is expected to grow by "1.0 to 3.0%" in 2025.

(Source: Economic Survey of Singapore third quarter of 2024, Ministry of Trade and Industry of Singapore)

4.2 Overview and outlook of the construction industry in Malaysia and Singapore

Malaysia

The construction sector improved steadily by 6.8% in the first half of 2023 mainly driven by the civil engineering and special construction activities subsectors. The civil engineering subsector rebounded, supported by the acceleration of ongoing infrastructure and utilities projects, which include east coast rail link (ECRL) and large scale solar 4 projects. The non-residential buildings and residential buildings subsectors also registered positive growth in line with vibrant economic activities.

The sector is forecast to expand by 5.9% in the second half of the year supported by growth in all subsectors. The residential buildings subsector is anticipated to remain encouraging on the back of Government's initiatives such as i-MILIKI and housing credit guarantee scheme in assisting first-time home buyers, spurring demand for home ownership. Similarly, the non-residential buildings subsector is envisaged to increase, particularly with the realisation of approved private investments. The continuous implementation of strategic infrastructure and utilities projects will further support the civil engineering subsector. For the year, performance of the sector is expected to remain steady and grow by 6.3%.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

The construction sector posted a significant growth of 14.6% in the first half of 2024, driven by expansion in all subsectors. The civil engineering subsector continues its stellar performance, benefitting from the acceleration of ongoing infrastructure projects including the East Coast Rail Link, Rapid Transit system Link between Johor Bahru and Singapore as well as Pan Borneo Highway Sabah. Moreover, residential buildings and non-residential buildings subsectors also contributed to the performance on the back of increasing demand for affordable houses as well as vibrant economic activities, respectively. Meanwhile, the Penang South Reclamation project and the installation of electrical and piping systems supported the specialised construction activities subsector.

The sector is expected to continue its positive momentum in the second half of 2024, with projected double-digit growth of 13.7%. The acceleration of public infrastructure projects towards the final year of the Twelfth Malaysia Plan, 2021 – 2025 will further support the civil engineering subsector. In addition, the construction of data centres mainly in Johor and Selangor as well as industrial buildings is anticipated to further strengthen the non-residential buildings subsector. The residential buildings subsector is projected to grow, supported by increasing demand for affordable houses in line with the Government's initiatives under Budget 2024. This encompases, among others, the implementation of 36 Program Perumahan Rakyat, including 15 existing projects, which will benefit 5,100 residents, 14 Program Rumah Mesra Rakyat to construct 3,500 housing units and new housing MADANI projects. Furthermore, private sector led projects continue to provide additional support to the residential buildings subsector. Overall, the sector is anticipated to grow further by 14.1% in 2024.

The construction sector is forecast to register a growth of 9.4% in 2025, largely driven by the acceleration of strategic infrastructure projects. The sector is expected to benefit particularly from civil engineering activities such as light rail transit 3 phase 2 and Sarawak-Sabah link road phase 2. similarly, the non-residential buildings subsector is projected to expand further, supported by strong demand for industrial facilities from the realisation of approved investments, coupled with the development of new industrial areas such as the Kerian integrated green industrial park (KIGIP) and Johor-Singapore special economic Zone (Js-seZ). Furthermore, the residential buildings subsector is anticipated to expand, driven by sustained demand for affordable housing as underlined by the Ekonomi MADANI framework, alongside new development projects by the private sector.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

Singapore

The construction sector grew by 5.2% year-on-year in the fourth quarter of 2023, faster than the 3.7% expansion in the previous quarter.

For the whole of 2023, the sector expanded by 5.2%, faster than the 4.6% growth in 2022.

(Source: Economic Survey of Singapore 2023, Ministry of Trade and Industry of Singapore)

The construction sector grew by 3.7% year-on-year in the third quarter of 2024, moderating from the 4.8% expansion in the previous quarter.

In the third quarter, nominal certified progress payments, a proxy for construction output, rose by 7.1% year-on- year, easing from the 11.6% increase recorded in the previous quarter.

(Source: Economic Survey of Singapore third quarter of 2024, Ministry of Trade and Industry of Singapore)

The construction industry in Singapore is expected to grow by 3.3% in real terms in 2024, supported by investment in public housing, transport and energy infrastructure, and private residential developments. In the residential sector, these include the Housing and Development Board's (HDB) plan to complete and offer approximately 19,600 Build-To-Order (BTO) flats in 2024. Construction industry growth was relatively robust in the first quarter of the year, with the latest data released by the Department of Statistics (DOS) indicating that the industry grew by 4.1% year-on-year (YoY) in Q1 2024, following Y-o-Y growth of 5.2% in Q4 2023.

As part of its 2024 budget, the government increased its development expenditure for the transport sector by 13.2%, from SGD10.4 billion ($7.6 billion) in 2023 to SGD11.8 billion ($8.6 billion) in 2024. This includes an allocation of SGD2.9 billion ($2.1 billion) for the expansion of the rail network and related projects and SGD1.2 billion ($876 million) for expressway projects. Of the total development expenditure earmarked for the year, SGD5.1 billion ($3.7 billion) was allocated to the Land Transport Authority and SGD247.6 million ($180.8 million) to the Civil Aviation Authority.

(Source: Singapore Construction Market Size, Trends, and Forecasts by Sector - Commercial, Industrial, Infrastructure, Energy and Utilities, Institutional and Residential Market Analysis, 2024-2028, GlobalData)

4.3 Prospects of Powertecs

Our Group is optimistic about Powertecs' growth prospects, driven by the expanding uninterruptible power supply systems market in Malaysia. The industrial sector, particularly electronics and manufacturing, alongside construction and information technology developments, is fuelling demand for reliable power solutions, particularly in sectors that rely on continuous data availability. The rise in data centres underscores this need for backup power and operational continuity, directly aligning with Powertecs' offerings of uninterruptible power supply systems distributed from Piller Power Singapore Pte Ltd.

With the Malaysian uninterruptible power supply systems market projected to grow at a compound annual growth rate of 8.4% from 2023 to 2029, Powertecs stands to benefit significantly from this trend. The Government's commitment to enhancing infrastructure and promoting energy efficiency further bolsters the adoption of dependable power solutions. As a key distributor in this sector, Powertecs is well-positioned to capitalise on the growing market and expand its presence in the industry.

(Source: Malaysia Uninterruptible Power Supply Market Outlook (2023-2029), 6Wresearch)

Our Group intends to identify several personnel from Glostrext to be integrated into Powertecs learn from the existing management and staff of Powertecs. We expect these personnel to acquire the necessary knowledge and skillsets to effectively manage Powertecs within a 3 year timeframe. Currently, no additional financial commitment in this respect has been allocated and will only be determined after the completion of the Acquisition, if required.

Based on the foregoing, the management of our Group is optimistic of Powertecs' growth prospects in the industry.

5. RISK FACTORS

The non-exhaustive risk factors in relation to the Proposals are set out below. There can be no assurance that any changes in relation to the risk factors as described below will not have a material adverse effect on the business, operations and financial performance of our Group.

5.1 Transaction risk

The completion of the Proposed Acquisition is conditional upon the Conditions Precedent being satisfied. There can be no assurance that such Conditions Precedent will be satisfied within the conditional period. In the event that the Conditions Precedent cannot be satisfied or the conditional period is not extended, the SSA will be terminated and the Proposed Acquisition will not be completed.

However, our Group will take and continue to take all reasonable steps to ensure satisfaction and/or waiver, as the case may be, to ensure completion of the Proposed Acquisition.

5.2 Investment risk

The Proposed Acquisition is expected to be beneficial to our Group. However, there is no guarantee that the anticipated benefits from the Proposed Acquisition will be realised or that Glostrext will be able to generate sufficient returns from the Proposed Acquisition to offset the cost of investment.

Nevertheless, our Board endeavours to mitigate such risk by adopting prudent investment strategies and conducting the relevant assessment and review prior to making the investment decision.

5.3 Dependency on key management of Powertecs

The continued success of Powertecs is dependent on the experience, commitment and efforts of the key management of Powertecs. The loss of services of any of the key management of Powertecs without any suitable and timely replacement may adversely affect the continued ability of Powertecs to operate and compete successfully. Although Glostrext plans to introduce the necessary internal precautionary measures to mitigate/limit these risks, there is no assurance that such measures will be sufficient.

In view of our Group's anticipated growth, the enlarged Glostrext Group would require a greater number of experienced personnel to function more effectively and efficiently. The enlarged Glostrext Group would need to retain existing personnel with the relevant experience and/or hire individuals with the necessary expertise in the industry.

To safeguard the continuity of business, Chen Song Wie will enter into an executive service agreement with Powertecs for a minimum term of 3 years prior to the Completion Date. Moving forward, Glostrext will continue to leverage on the experience and expertise of Chen Song Wie and the management of Powertecs to generate positive returns in Powertecs.

Nevertheless, our Group will also endeavor to retain the key management of Powertecs Group to mitigate the aforementioned risk, as well as integrate the necessary staff from Glostrext into Powertecs upon completion of the Proposed Acquisition to manage its operations and acquire the necessary skillsets during the 3 years of Chen Song Wie's minimum tenure, ensuring that there is no disruption to the operations and business of Powertecs.

5.4 Business diversification risk

The Proposed Diversification would result in the diversification of Glostrext's core business to include the trading of electrical appliances, generators, alternators and other related products. Our Group will face new challenges and risks arising from the Proposed Diversification. These include but not limited to, general economic slowdown/downturn in the global and regional economies, unfavourable changes in government policies and regulations, and competition from existing and new companies within the industry.

Although the Proposals are expected to contribute positively to our Group's earnings in the long term, there is no assurance that the anticipated benefits from the Proposals will be realised or that the enlarged Glostrext Group will be able to generate sufficient returns to offset the costs associated with the Proposals. In this regard, our Board has exercised due care in evaluating the potential benefits and risk for the Proposals prior making the investment decision in Powertecs based on the prospects as set out in Section 4.3.

Nevertheless, our Board endeavours to mitigate diversification risk by leveraging on the experience and expertise of the key management personnel, namely Chen Song Wie, in managing the trading segment of our Group's business.

6. EFFECTS OF THE PROPOSALS

The Proposed Diversification will not have any effect on the issued share capital, substantial shareholders' shareholdings, NA and gearing, earnings and convertible securities of our Company/Group, as it will not involve any issuance of new shares. Nevertheless, the effects of the Proposed Acquisition are stipulated below.

6.1 Issued share capital

The pro forma effects of the Proposed Acquisition on our issued share capital are as follows:

	No. of Glostrext Shares	Issued share capital (RM)
Issued share capital as at LPD	407,041,000	48,846,202
To be issued pursuant to the Proposed Acquisition	10,000,000	2,100,000
Enlarged issued share capital	**417,041,000**	**50,946,202**

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6.2 Substantial shareholders' and Directors' shareholdings

The pro forma effects of the Proposed Acquisition on the shareholdings of the substantial shareholders and Directors' are as follows:

	As at LPD				After Proposed Acquisition			
	<-------Direct------>		<-----Indirect----->		<-------Direct------>		<-----Indirect----->	
Substantial shareholders and Directors	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Ir Dr Lee Sieng Kai	185,719,400	45.6	[1]1,000,000	0.2	185,719,400	44.5	[1]1,000,000	0.2
Tan Ah Huat	74,942,400	18.4	-	-	74,942,400	18.0	-	-
Aniza Binti Md Din	2,855,100	0.7	-	-	2,855,100	0.7	-	-
Christopher Koh Swee Kiat	300,000	0.1	-	-	300,000	0.1	-	-
Ding Lien Bing	400,000	0.1	-	-	400,000	0.1	-	-
Lee Ming Jean *(Alternate Director to Ir Dr Lee Sieng Kai)*	1,000,000	0.2	-	-	1,000,000	0.2	-	-
Chen Song Wie	-	-	-	-	10,000,000	2.4	-	-

Note:

[1] Deemed interested in the shares held by his son, Lee Ming Jean pursuant to Section 8 of the Act.

Our Group is expected to comply with the public spread requirement after the completion of the Proposed Acquisition.

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6.3 NA and gearing

The pro forma effects of the Proposed Acquisition on the consolidated NA and gearing of our Group based on its latest audited consolidated financial statements as at 31 March 2024 and assuming that the Proposed Acquisition had been completed on 31 March 2024 is as follows:

	As at 31 March 2024	**After Proposed Acquisition**
	RM'000	**RM'000**
Share capital	48,846	50,946
Foreign exchange translation reserve	1,951	1,951
Restructuring reserve	(27,530)	(27,530)
Retained profits	30,940	(1)30,440
Total equity	**54,207**	**55,807**
Number of shares in issue ('000)	407,041	417,041
NA per ordinary share (RM)	0.13	0.13
Borrowings (RM)	5,563	(2)9,744
Gearing ratio (times)	0.10	0.17

Notes:

(1) After deducting estimated expenses of RM500,000 in relation to the Proposed Acquisition.

(2) Including the borrowings of Powertecs Group (net of repayment of term loan under the terms of the Proposed Acquisition) and assuming that the Cash Consideration will be funded entirely through internally-generated funds.

6.4 Earnings and EPS

The Proposed Acquisition is not expected to have any immediate effect on the earnings of Glostrext Group for FYE 31 March 2025 as it is only expected to be completed in first quarter of 2025. However, the Proposed Acquisition is expected to contribute positively to the future earnings of Glostrext Group.

For illustrative purposes, based on the audited consolidated financial statements of our Company for FYE 31 March 2024 and assuming that the Proposed Acquisition had been effected at the beginning of FYE 31 March 2024, the pro forma effects of the Proposed Acquisition on the consolidated earnings and EPS are as follows:

	Audited FYE 31 March 2024	**After Proposed Acquisition**
	RM'000	**RM'000**
PAT attributable to owners of our Company	1,484	(1)984
Add: Share of profit from Powertecs Group(2)	-	1,275
Pro forma PAT	**1,484**	**2,259**
Number of Glostrext Shares ('000)	407,041	(3)417,041
EPS (sen)(4)	0.36	0.54

Notes:

(1) After deducting the estimated expenses of RM500,000 in relation to the Proposed Acquisition.

(2) Based on the 70.0% equity interest of Powertecs and the latest audited PAT of Powertecs for the FYE 31 December 2023 of RM1,822,109.

(3) After the issuance of Consideration Shares.

(4) Computed based on the pro forma PAT divided by the number of Glostrext Shares in issue.

6.5 Convertible securities

As at LPD, Glostrext does not have any outstanding convertible securities.

6.6 Dividend

We currently do not have a dividend policy. Any dividend payment will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Glostrext Shares as traded on Bursa Securities for the past 12 months from November 2023 to October 2024 are as follows:

	High	**Low**
	RM	**RM**
2023		
November	0.240	0.190
December	0.215	0.180
2024		
January	0.225	0.180
February	0.205	0.190
March	0.200	0.185
April	0.255	0.185
May	0.285	0.220
June	0.255	0.210
July	0.260	0.220
August	0.245	0.195
September	0.225	0.200
October	0.220	0.195
November	0.220	0.195
Last transacted price as at LTD		0.220
Last transacted market price on LPD		0.207

(Source: Bloomberg)

8. APPROVALS REQUIRED/OBTAINED

The Proposals are subject to the following:

(a) approval-in-principle of Bursa Securities, which was obtained on 9 December 2024, for the listing of and quotation for the Consideration Shares on the ACE Market of Bursa Securities;

(b) approval of the shareholders of Glostrext for the Proposals at the forthcoming EGM of our Company; and

(c) any other relevant authorities and/or parties, if required.

The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by Glostrext. The Proposed Acquisition and Proposed Diversification are inter-conditional.

9. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposals pursuant to Rule 10.02(g) of the Listing Requirements is 85.93%, calculated based on the audited net profits of Powertecs Group for FYE 31 December 2023 divided by the audited net profits of Glostrext for FYE 31 March 2024.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board having considered all aspects of the Proposals (including but not limited to the terms of SSA, the rationale and financial effects of the Proposals) is of the opinion that the Proposals are in the best interest of our Company. As such, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of our Company.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors, major shareholders, chief executive of our Company and/or persons connected with them have any interest, direct or indirect, in the Proposals.

12. TENTATIVE TIMETABLE

Barring any unforeseen circumstances and subject to all relevant approvals obtained, the Proposals are expected to be completed by the first quarter of 2025.

The tentative timetable is as follows:

Tentative timeline	Events
8 January 2025	EGM to approve the Proposals
End February 2025	Unconditional Date of the SSA
Early March 2025	Listing of the Consideration Shares / Completion of the SSA

13. OUTSTANDING CORPORATE EXERCISE

Save for the Proposals, there are no other corporate exercise announced but pending implementation.

14. EGM

The Notice of EGM, the Administrative Guide for the EGM and the Form of Proxy are enclosed in this Circular. The EGM will be held at No. 11A, Jalan Apollo U5/194, Bandar Pinggiran Subang, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 8 January 2025 at 10.00 a.m. or at any adjournment thereof for the purpose of considering the Proposals contained herein and if thought fit, passing, with or without modification, the resolution by way of poll to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy(ies) by completing, sign and return the Proxy Form in accordance with the instructions printed therein as soon as possible and in any event, so as to arrive at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronically submitted with via TIIH Online at https://tiih.online, not less than 48 hours before the date and time stipulated for the EGM, or any adjournment thereof.

For further information on the electronic lodgement of Proxy Form, kindly refer to the Administrative Guide for the EGM. The lodging of the Proxy Form will not, however, preclude you from attending and voting at the AGM in person should you subsequently wish to do so.

15. FURTHER INFORMATION

You are advised to refer to the appendix set out in this Circular for further information.

Please refer to the attached appendices for further information.

Yours faithfully,
for and on behalf of the Board of Directors,
GLOSTREXT BERHAD

DING LIEN BING
Independent Non-Executive Chairman

APPENDIX I – SALIENT TERMS OF SSA

1. Conditions precedent

1.1 It is hereby expressly agreed between Glostrext and the Vendors (collectively "**Parties**") hereto that the sale and purchase of the Sale Shares herein shall be subject to and conditional upon the fulfilment of the following conditions precedent being fulfilled within three months from the date of the SSA or on such other date as may be mutually agreed upon in writing between the Parties:

(a) the approval of the Board to purchase the Sale Shares upon terms and conditions set out in the SSA;

(b) the approval of the shareholders of Glostrext at a general meeting convened for the purchase of the Sale Shares upon the terms and conditions in the SSA, if so required;

(c) the approval of the financial institutions which have granted credit facilities to Powertecs, or the Powertecs Group for the sale and transfer of the Sale Shares to Glostrext, if so required;

(d) the notification(s) to, or approval(s) of any other relevant public authorities pursuant to the conditions of licences, permits and approvals granted by the relevant public authorities, if so required;

(e) the approvals of, or notifications to counterparties pursuant to the terms of agreements entered into by Powertecs, if so required;

(f) the completion of the acquisition of the remaining shares in PESB not held by Powertecs, upon such terms and conditions being satisfactory to Glostrext, at its sole and absolute discretion;

(g) the completion of the disposal of the properties set out in the Third Schedule of the SSA ("**the Properties**"), upon such terms and conditions being satisfactory to Glostrext, at its sole and absolute discretion;

(h) the execution of service contract(s) between the Powertecs and Chen Song Wie, upon such terms and conditions being satisfactory to Glostrext, at its sole and absolute discretion; and

(i) the results of a due diligence exercise in respect of Powertecs Group (including, without limitation, the business operations, financial and legal affairs) conducted by Glostrext after the execution of the SSA, being satisfactory to Glostrext at its sole and absolute discretion.

2. Conditions Precedent not fulfilled or pending

2.1 In the event the Conditions Precedent or any of them is not fulfilled or is pending upon the expiration of the Conditional Period or if the Parties had agreed to an extension of time then upon the expiration of such extension, the SSA shall be terminated and the Vendor shall forthwith refund the sum of **RINGGIT MALAYSIA FOUR HUNDRED TWENTY THOUSAND (RM420,000.00)** ("**the Deposit**") free of interest to Glostrext. Upon such refund the SSA shall become null and void and thereafter the Parties hereto shall have no claim whatsoever against the other on any matter in respect of or arising out of the SSA.

2.2 The SSA shall be deemed to be unconditional on the Unconditional Date.

2.3 Glostrext may, at any time by giving notice in writing to the Vendors, waive or modify any of the Conditions Precedent whereupon such Conditions Precedent shall be deemed to be (as applicable) waived or modified as aforesaid and any Conditions Precedent agreed to be waived by the Parties hereto will be deemed as a satisfaction or fulfilment of that Condition Precedent.

3. Conditions Precedent not fulfilled or pending

3.1 The purchase consideration for the Sale Shares shall be **RINGGIT MALAYSIA FOUR MILLION AND TWO HUNDRED THOUSAND (RM4,200,000.00)** only.

3.2 The Parties hereto agree that the Purchase Consideration shall be based on a willing buyer – willing seller basis after taking into consideration, the following:

(a) The adjusted audited consolidated NA of Powertecs Group for FYE 31 December 2023, after adjusting for the following items:

(i) write down of obsolete inventories aged more than five (5) years of RM31,092.00;

(ii) impairment of other receivables of RM2,538,669.00;

(iii) reversal of other receivables wrongly recognised as expenses of RM874,867.00;

(iv) overprovision of income tax expense of RM181,468.00; and

(v) reduction in net profits of RM845,671.00 due to reversal of revenue and cost of sales,

being the results of financial due diligence conducted by Glostrext's external auditor, Crowe Malaysia PLT;

(b) subsequent adjustments for items to be excluded, being:

(i) the disposal of the Properties of RM3,155,762.00;

(ii) the deposits paid of RM7,330.00; and

(iii) the repayment of term loan of RM379,367.00.

4. Payment

4.1 The Purchase Consideration shall be satisfied by Glostrext as follows:

(a) Glostrext has prior to the execution of the SSA paid to Messrs The Law Office of Lee, Advocate and Solicitors ("**Stakeholders**"), **RINGGIT MALAYSIA ONE HUNDRED AND TWENTY SIX THOUSAND (RM126,000.00)** as earnest deposit;

(b) Glostrext shall, upon the execution of the SSA pay the balance deposit to the Stakeholders;

(c) the sum of **RINGGIT MALAYSIA THREE MILLION AND SEVEN HUNDRED EIGHTY THOUSAND (RM3,780,000.00)** as balance purchase consideration shall be satisfied in two (2) tranches as follows:

(i) Glostrext shall pay the sum of **RINGGIT MALAYSIA ONE MILLION AND SIX HUNDRED AND EIGHTY THOUSAND (RM1,680,000.00)** ("**First Tranche Payment**") in cash to the Vendors on or before the Completion Date; and

(ii) the sum of **RINGGIT MALAYSIA TWO MILLION AND ONE HUNDRED THOUSAND (RM2,100,000.00)** ("**Second Tranche Payment**") shall be satisfied by the allotment and issuance of the Consideration Shares to Chen Song Wie.

4.2 The Deposit shall be released by the Stakeholders to the Vendors within three (3) Business Days from the Unconditional Date.

4.3 Business Days shall mean a day other than Saturdays, Sundays and gazetted public holidays, on which commercial banks are generally open for business in Wilayah Persekutuan Kuala Lumpur.

5. Completion

5.1 Glostrext shall as soon as practicable and in any event no later than the Completion Date:

(a) pay the First Tranche Payment in cash to the Vendors; and

(b) procure and cause the relevant number of Considerations Shares to be credited into Chen Song Wie's securities account in accordance with the rules and regulations of Bursa Securities and Bursa Depository Sdn Bhd and the Stakeholders are hereby expressly and irrevocably authorized by the Parties to release the Vendors' documents which have been deposited with the Stakeholders.

6. Default by Glostrext

6.1 In the event that Glostrext shall fail to complete the sale and purchase of the Sale Shares in accordance with the SSA, the Vendors shall, be entitled either to:

(a) the remedy at law for specific performance of the SSA against Glostrext; or

(b) terminate the SSA by giving thirty (30) days' notice in writing to Glostrext and the SSA shall at the expiry of the said notice be terminated and the Deposit shall be absolutely forfeited by the Vendors and the Vendors shall refund free of interest any other sums paid by Glostrext to the Vendors or the Stakeholders in accordance with the provisions of the SSA.

PROVIDED ALWAYS THAT the Vendors shall not be entitled to terminate the SSA if Glostrext shall make good and remedy such breach within the period of the aforesaid thirty (30) days' notice. Upon the termination of the SSA, the Stakeholders are hereby irrevocably authorized by the Parties hereto to return the Vendors' documents which have been deposited with the Stakeholders to the Vendors with the Vendors' interest intact.

7. Default by Vendors

7.1 In the event that the Vendors shall commit any breach of the SSA and/or that any of the representations, warranties or covenants of the Vendors contained in the SSA shall be false, incorrect or misrepresented, Glostrext shall be entitled either to:

(a) the remedy at law for specific performance of the SSA against the Vendors; or

(b) terminate the SSA by giving thirty (30) days' notice in writing to the Vendors and the SSA shall at the expiry of the said thirty (30) days' notice be terminated and the Vendors shall forthwith refund the Deposit free of interest to Glostrext and Glostrext shall be entitled to claim for an amount equivalent to the Deposit as agreed liquidated damages arising out of the termination of the SSA due to the breach of the Vendors.

PROVIDED ALWAYS THAT Glostrext shall not be entitled to terminate the SSA if the Vendors shall make good and remedy such breach within the period of the aforesaid thirty (30) days' notice. Upon the termination of the SSA, the refund of the Deposit free of interest and the payment by the Vendors to Glostrext of an amount equivalent to the Deposit as agreed liquidated damages, the Stakeholders are hereby irrevocably authorized by the Parties hereto to return the Vendors' documents which have been deposited with the Stakeholders to the Vendors with the Vendors' interest intact.

8. Costs

8.1 Glostrext and the Vendors shall pay their own costs incurred incidental to this SSA.

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1. HISTORY AND BUSINESS

Powertecs was incorporated on 17 July 1984 in Malaysia under Companies Act, 1965 as a private limited company under the name Powertecs System Sdn Bhd. Powertecs commenced its business activities in 1987.

Powertecs is principally involved in the trading of electrical appliances, generators, alternators and other related products. Powertecs distributes electrical products manufactured and supplied by Piller Power Singapore Pte Ltd, a leading producer of UPS systems in Europe.

2. SHARE CAPITAL

As at LPD, the issued share capital of Powertecs is RM5,000,000 comprising 5,000,000 Powertecs Shares.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The directors and shareholders of Powertecs and their respective shareholdings in Powertecs as at LPD are as follows:

		Direct		Indirect	
Name	**Nationality**	**No. of Powertecs Shares**	**%**	**No. of Powertecs Shares**	**%**
Directors and shareholders					
Chen Song Wie	Malaysian	4,900,000	98.0	-	-
Ng Chuee Choo	Malaysian	100,000	2.0	-	-
Director					
Lai Siak Chin	Malaysian	-	-	-	-
Total		**5,000,000**	**100.0**	**-**	**-**

4. SUBSIDIARY AND ASSOCIATED COMPANIES

Subsidiary	Date/ Place of incorporation	Effective equity interest (%)	Share capital (RM)	Principal activities
PESB	26 December 1996/ Malaysia	51.0	300,002	Trading of electrical appliances, generators, alternators and other related products

5. MATERIAL CONTRACTS

As at LPD, Powertecs Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years.

6. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at LPD, Powertecs Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Director of Powertecs Group has no knowledge of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of Powertecs Group.

7. TYPE OF ASSETS OWNED

Based on the audited consolidated financial statements as at 31 December 2023, the material type of assets owned by Powertecs Group are as follows:

Material type of assets	**Audited as at 31 December 2023**
	RM'000
Property, plant and equipment	3,491
Inventories	610
Trade receivables	15,674
Other receivables, deposits and prepayments	2,773
Amount due from directors	355
Cash and bank balances	2,549
	25,452

8. MATERIAL COMMITMENTS

As at LPD, there are no material commitments incurred or known to be incurred by Powertecs Group that is likely to have an impact on Powertecs Group's profits or NA upon becoming enforceable.

9. CONTINGENT LIABILITIES

As at LPD, there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have an impact on Powertecs Group's profits or NA.

10. HISTORICAL FINANCIAL INFORMATION OF POWERTECS GROUP

A summary of the audited consolidated financial information of Powertecs Group for FYE 31 December 2020 to 2023 is set out below:

	Audited			
	FYE 2020	**FYE 2021**	**FYE 2022**	**FYE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	9,703	10,069	19,681	57,694
GP	3,009	3,095	4,112	6,230
(LBT)/ PBT	(182)	258	2,193	2,777
(LAT)/ PAT	(262)	180	1,940	1,822
Share capital	1,000	1,000	5,000	5,000
Total equity/ NA	8,961	9,141	11,081	11,922
No. of Powertecs Shares ('000)	1,000	1,000	5,000	5,000
NA per Powertecs Share (sen)	8.96	9.14	2.22	2.38
(Loss)/ Earnings per Powertecs Shares	(0.26)	0.18	0.39	0.36

	Audited			
	FYE 2020	**FYE 2021**	**FYE 2022**	**FYE 2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total borrowings	2,151	1,653	4,125	4,561
Gearing (times)(1)	0.24	0.18	0.37	0.38
Current assets	9,062	8,950	35,517	22,114
Current liabilities	2,824	2,358	26,478	12,600
Current ratio (times)(2)	3.21	3.80	1.34	1.76

Notes:

(1) Computed based on total borrowings over total equity.

(2) Computed based on current assets over current liabilities.

Commentaries

(a) FYE 2023 compared to FYE 2022

Revenue for FYE 2023 increased by RM38.0 million (or 193.1%) to RM57.7 million (FYE 2022: RM19.7 million) mainly due to higher level of construction activities which lead to the increase in demand for the Powertecs Group's services.

PAT for FYE 2023 decreased by RM0.1 million (or 6.1%) to RM1.8 million (FYE 2022: RM1.9 million). The decreased PAT for FYE 2023 was mainly due to a decrease in other operating income by RM1.0 million to RM0.1 million (FYE 2022: RM1.1 million) due to the non-recurrent income of a gain on disposal of property amounting to approximately RM0.9 million in FYE 2022, as well as an increase in finance costs by RM0.2 million to RM0.4 million (FYE 2022: RM0.2 million) and an increase in tax expenses by RM0.7 million to RM1.0 million (FYE 2022: RM0.3 million). However, the decrease in PAT was mitigated by the increase in GP by RM2.1 million to RM6.2 million in FYE 2023 (FYE 2022: RM4.1 million), mainly due to higher value contracts secured. The GP margin decrease from 20.9% to 10.8% mainly due to lower margins for contracts secured from different markets in FYE 2023.

(b) FYE 2022 compared to FYE 2021

Revenue for FYE 2022 increased by RM9.6 million (or 95.5%) to RM19.7 million (FYE 2021: RM10.1 million) mainly due to higher level of construction activities which lead to increase in demand for Powertecs Group's services.

PAT for FYE 2022 increased by RM1.7 million (or 977.8%) to RM1.9 million (FYE 2021: RM0.2 million). The increased PAT for FYE 2022 was mainly due to increase in the GP by RM1.0 million (or 32.9%) to RM4.1 million for FYE 2022 from RM3.1 million for FYE 2021, which is in line with the increase in revenue stated above. The GP margin decrease from 30.8% to 20.9% mainly due to lower margins for the contract secured from different markets in FYE 2022.

(c) FYE 2021 compared to FYE 2020

Revenue for FYE 2021 increased by RM0.4 million (or 3.8%) to RM10.1 million (FYE 2020: RM9.7 million) mainly due to contribution from sales of spare parts and preventative maintenance contracts.

PAT for FYE 2021 increased by RM0.4 million (or 168.7%) to RM0.2 million (FYE 2020: LAT of RM0.3 million). The increased PAT for FYE 2021 was mainly due to decrease in the administrative expenses by RM0.4 million (or 10.9%) to RM2.9 million for FYE 2021 from RM3.3 million for FYE 2020 mainly due to lower utilities, entertainment, travelling expenses as well as reduced staff costs during the COVID-19 pandemic.

11. ACCOUNTING POLICIES AND ACCOUNTING QUALIFICATIONS

Based on Powertecs Group's audited financial statements for the past 4 FYE 31 December 2020 to 31 December 2023:

(a) there were no exceptional or extraordinary items;

(b) there were no accounting policies adopted by Powertecs Group which are peculiar to Powertecs Group due to the nature of its business or the industry it operates in; and

(c) there were no audit qualification for the audited financial statements of Powertecs Group.

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CERTIFIED TRUE COPY
OF THE ORIGINAL

ONG & WONG (AF0241)
Chartered Accountants

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER, 2023

CONTENTS

AU.1206/Edwin(B)

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2023

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 31st December, 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the trading of electrical appliances, generators, alternators and other related products. The principal activities of the subsidiary companies are set out in Note 4 to the financial statements. There have been no significant changes in these activities during the financial year.

RESULTS

	Group RM	Company RM
Total comprehensive income for the year	1,822,109	2,163,539
Attributable to:		
- Owners of the Company	1,489,353	2,163,539
- Non-controlling interest	332,756	-
	1,822,109	2,163,539

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, there was no issue of shares.

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2023

DIRECTORS

The directors in office during the financial year until the date of this report are:

Chen Song Wie
Ng Chuee Choo (f)
Lai Siak Chin (f)

DIRECTORS' INTEREST IN SHARES

According to the Register of Directors' shareholdings, particulars of directors' interests in the shares of the Company and its related corporation at the end of the financial year are as follows:

	Number of Ordinary shares			
	Balance at 1.1.2023	Bought	Sold	Balance at 31.12.2023
Chen Song Wie	4,900,000	-	-	4,900,000
Ng Chuee Choo (f)	100,000	-	-	100,000

By virtue of their interest in the shares in the Company, the directors are deemed to have interests in the shares in the subsidiary companies.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object was to enable 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 amounts of remunerations received and receivable by the directors of the Company during the financial year are disclosed in Note 18 of the financial statements.

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2023

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnity has been given during the financial year, for any person who is or has been the director, officer or auditor of the Company.

OTHER STATUTORY INFORMATION

Before the Statements of Comprehensive Income and Statements of Financial Position of the Group and of the Company were made out, 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 allowance for doubtful debts, and have satisfied themselves that all known bad or doubtful debts had been written off and adequate allowance been made for doubtful debts; and

ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of which were written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent;

ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;

iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and

iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(*Incorporated in Malaysia*)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2023

No contingent liability or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors:

i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

AUDITORS' REMUNERATION

The amount paid or payable to the auditors as remuneration for their service is disclosed in Note 18 of the financial statements.

AUDITORS

The Auditors, ONG & WONG, have indicated their willingness to continue in office.

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

CHEN SONG WIE
Director

NG CHUEE CHOO (F)
Director

Dated: 0 2 MAY 2024
Kuala Lumpur

Company No.
198401010902 (123442-P)

STATEMENT BY DIRECTORS
(Pursuant to Section 251[2] of the Companies Act, 2016)

We, CHEN SONG WIE and NG CHUEE CHOO (F), two of the directors of POWERTECS SYSTEM SDN. BHD., state that, in the opinion of the directors, the accompanying statements of financial position, statements of comprehensive income, statements of changes in equity and statement of cash flows, together with the notes thereto, have been made out in accordance with Malaysian Private Entities Reporting Standard and the Companies Act, 2016 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31st December, 2023 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

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

__________________ Director
CHEN SONG WIE

__________________ Director
NG CHUEE CHOO (F)

Dated: 02 MAY 2024
Kuala Lumpur

STATUTORY DECLARATION
(Pursuant to Section 251[1][b] of the Companies Act, 2016)

I, CHEN SONG WIE, the director primarily responsible for the financial management of POWERTECS SYSTEM SDN. BHD., do solemnly and sincerely declare that the accompanying statements of financial position, statements of comprehensive income, statements of changes in equity and statement of cash flows, together with the notes thereto 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)
in Wilayah Persekutuan)
02 MAY 2024)

CHEN SONG WIE

Before me,

PESURUHJAYA SUMPAH
W804
SHAHRUL HISHAM BIN HALIM
1 Januari 2023
Hingga
31 Disember 2025
MALAYSIA

Unit C-6-1, Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

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ONG & WONG
CHARTERED ACCOUNTANTS
MALAYSIA
(AF 0241)

UNIT C-20-5, Block C, 20th Floor, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POWERTECS SYSTEM SDN. BHD.
(Company No: 198401010902 (123442-P))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Powertecs System Sdn. Bhd., which comprise the statement of financial position as at 31st December, 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 41.

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 31st December, 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard 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. 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.

Branch Office in Kota Kinabalu.

Ong & Wong Chartered Accountants
(AF 0241)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POWERTECS SYSTEM SDN. BHD.
(Company No: 198401010902 (123442-P))
(Incorporated in Malaysia)

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 Directors' 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 Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regards.

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 Malaysian Private Entities Reporting Standard 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 Group's and the Company's ability 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.

Ong & Wong Chartered Accountants
(AF 0241)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POWERTECS SYSTEM SDN. BHD.
(Company No: 198401010902 (123442-P))
(Incorporated in Malaysia)

Auditor's 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 International Standards on Auditing 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 decisions 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POWERTECS SYSTEM SDN. BHD.
(Company No: 198401010902 (123442-P))
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Auditor's Responsibilities for the Audit of the Financial Statements (cont'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 Group's or the Company's ability 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 or the Company to cease to continue as a going concern.

- 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.

- Obtain sufficient appropriate audit evidences 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.

Other Matters

This report for the audited financial statements for the financial year ended 31st December, 2023 is made solely to the members of the Group and 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.

ONG & WONG	ONG KOON LIANG
AF 0241	02909/02/2025 J
Chartered Accountants	Chartered Accountant

Dated: 0 2 MAY 2024
Kuala Lumpur

CERTIFIED TRUE COPY
OF THE ORIGINAL
ONG & WONG (AF0241)
Chartered Accountants

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

		Group		Company	
	Note	**2023 RM**	2022 RM	**2023 RM**	2022 RM
ASSETS					
Non-current assets					
Property, plant & equipment	3	**3,491,292**	3,675,641	**3,234,598**	3,345,605
Investment in subsidiary company	4	**-**	-	**153,002**	153,002
Goodwill	5	**-**	-	**-**	-
		3,491,292	3,675,641	**3,387,600**	3,498,607
Current assets					
Inventories	6	**610,637**	170,293	**63,433**	78,631
Trade receivables	7	**15,673,748**	8,963,733	**13,997,020**	6,486,739
Other receivables, deposits & prepayments	8	**2,772,516**	12,893,138	**2,772,156**	12,892,778
Tax recoverable		**12,917**	272,066	**12,917**	228,773
Amount due from directors	9	**355,320**	485,090	**-**	129,770
Deposits with licensed bank	10	**139,390**	6,679,784	**139,390**	6,679,784
Cash & bank balances		**2,549,216**	6,053,080	**17,026**	3,900,437
		22,113,744	35,517,184	**17,001,942**	30,396,912
TOTAL ASSETS		**25,605,036**	39,192,825	**20,389,542**	33,895,519
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	11	**5,000,000**	5,000,000	**5,000,000**	5,000,000
Retained profit		**4,171,875**	2,682,522	**4,994,426**	2,830,887
		9,171,875	7,682,522	**9,994,426**	7,830,887
Non-controlling interest		**2,750,605**	3,398,339	**-**	-
Total equity		**11,922,480**	11,080,861	**9,994,426**	7,830,887
Non-current liabilities					
Hire purchase payables	12	**95,180**	148,983	**5,520**	27,145
Term loans	13	**984,339**	1,481,497	**984,339**	1,481,497
Deferred taxation	14	**2,854**	3,563	**304**	1,013
		1,082,373	1,634,043	**990,163**	1,509,655

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Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

		Group		Company	
	Note	**2023 RM**	2022 RM	**2023 RM**	2022 RM
Current liabilities					
Trade payables	15	**2,976,579**	3,588,254	**691,514**	819,856
Other payables, deposits received & accruals	16	**5,273,682**	20,395,342	**4,096,341**	20,295,558
Amount due to directors	9	**812,491**	-	**812,491**	-
Amount due to subsidiary company		**-**	-	**355,477**	976,000
Hire purchase payables	12	**53,802**	56,991	**21,625**	26,229
Term loans	13	**496,085**	481,153	**496,085**	481,153
Bank overdrafts (secured)	17	**2,195,420**	1,280,533	**2,195,420**	1,280,533
Bankers' acceptance	17	**736,000**	675,648	**736,000**	675,648
Provision for taxation		**56,124**	-	**-**	-
		12,600,183	26,477,921	**9,404,953**	24,554,977
Total liabilities		**13,682,556**	28,111,964	**10,395,116**	26,064,632
TOTAL EQUITY AND LIABILITIES		**25,605,036**	39,192,825	**20,389,542**	33,895,519

The annexed notes form an integral part of these financial statements.

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Chartered Accountants

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2023

	Note	Group		Company	
		2023	2022	**2023**	2022
		RM	RM	**RM**	RM
Revenue		**57,694,252**	19,681,355	**44,797,308**	9,035,710
Cost of sales		**(51,463,861)**	(15,569,468)	**(39,928,436)**	(5,318,510)
Gross profit		**6,230,391**	4,111,887	**4,868,872**	3,717,200
Other operating income		**49,827**	1,082,892	**1,086,056**	1,055,107
		6,280,218	5,194,779	**5,954,928**	4,772,307
Administrative expenses		**(3,110,843)**	(2,841,935)	**(2,636,134)**	(2,471,609)
Profit from operations		**3,169,375**	2,352,844	**3,318,794**	2,300,698
Finance costs		**(392,520)**	(160,222)	**(386,682)**	(157,372)
Profit before taxation	18	**2,776,855**	2,192,622	**2,932,112**	2,143,326
Taxation	19	**(954,746)**	(252,898)	**(768,573)**	(241,183)
Profit for the year		**1,822,109**	1,939,724	**2,163,539**	1,902,143
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**1,822,109**	1,939,724	**2,163,539**	1,902,143
Profit for the year attributable to:					
- Owners of the Company		**1,489,353**	1,921,309	**2,163,539**	1,902,143
- Non-controlling interest		**332,756**	18,415	**-**	-
		1,822,109	1,939,724	**2,163,539**	1,902,143
Total comprehensive income for the year attributable to:					
- Owners of the Company		**1,489,353**	1,921,309	**2,163,539**	1,902,143
- Non-controlling interest		**332,756**	18,415	**-**	-
		1,822,109	1,939,724	**2,163,539**	1,902,143

The annexed notes form an integral part of these financial statements.

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2023

		<----Attributable to owners of the Company--->				
		Non-distributabl	<-------Distributable------->			
	Note	Share Capital RM	Retained Profit RM	Total RM	Non-controlling Interest RM	Total RM
Group						
At 1st January, 2022		1,000,000	4,761,213	5,761,213	3,379,924	9,141,137
Bonus issue	11	4,000,000	(4,000,000)	-	-	-
Total comprehensive income for the year		-	1,921,309	1,921,309	18,415	1,939,724
At 31st December, 2022		5,000,000	2,682,522	7,682,522	3,398,339	11,080,861
Dividend		-	-	-	(980,490)	(980,490)
Total comprehensive income for the year		-	1,489,353	1,489,353	332,756	1,822,109
At 31st December, 2023		5,000,000	4,171,875	9,171,875	2,750,605	11,922,480
Company						
At 1st January, 2022		1,000,000	4,928,744	5,928,744	-	5,928,744
Bonus issue	11	4,000,000	(4,000,000)	-	-	-
Total comprehensive loss for the year		-	1,902,143	1,902,143	-	1,902,143
At 31st December, 2022		5,000,000	2,830,887	7,830,887	-	7,830,887
Total comprehensive income for the year		-	2,163,539	2,163,539	-	2,163,539
At 31st December, 2023		5,000,000	4,994,426	9,994,426	-	9,994,426

The annexed notes form an integral part of these financial statements.

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**2,776,855**	2,192,622	**2,932,112**	2,143,326
Adjustments for:					
Gain on disposal of property, plant & equipment		-	(961,998)	-	(911,999)
Depreciation of property, plant & equipment		**184,349**	385,539	**111,007**	348,867
Interest expense		**392,520**	160,222	**386,682**	157,372
Interest income		**(31,827)**	(82,894)	**(23,533)**	(81,108)
Operating profit before working capital changes		**3,321,897**	1,693,491	**3,406,268**	1,656,458
(Increase)/decrease in inventories		**(440,344)**	(11,659)	**15,198**	45,231
Decrease/(increase) in receivables		**3,140,377**	(16,705,402)	**2,740,111**	(15,453,535)
(Decrease)/increase in payables		**(14,520,844)**	22,713,098	**(16,135,591)**	20,496,894
Cash (absorbed by)/generated from operations		**(8,498,914)**	7,689,528	**(9,974,014)**	6,745,048
Tax refund		-	232,729	-	232,729
Tax paid		**(640,182)**	(264,442)	**(553,426)**	(221,074)
Interest paid		**(392,520)**	(160,222)	**(386,682)**	(157,372)
Interest received		**31,827**	82,894	**23,533**	81,108
Net cash (used in)/generated from operating activities		**(9,499,789)**	7,580,487	**(10,890,589)**	6,680,439
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant & equipment		-	1,070,000	-	1,020,000
Purchase of property, plant & equipment	A	-	(218,598)	-	(16,890)
Net cash generated from investing activities		-	**851,402**	-	**1,003,110**
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		**(980,490)**	-	-	-
Drawdown of term loan		-	794,000	-	794,000
Drawdown of bankers' acceptance		**60,352**	675,648	**60,352**	675,648
Decrease/(increase) in deposits pledged		**6,540,394**	(6,546,042)	**6,540,394**	(6,546,042)
Repayment of hire purchase		**(56,992)**	(68,500)	**(26,229)**	(56,100)
Repayment of term loans		**(482,226)**	(374,899)	**(482,226)**	(374,899)
Net cash generated from/(used in) financing activities		**5,081,038**	(5,519,793)	**6,092,291**	(5,507,393)
Net (decrease)/increase in cash and cash equivalents		**(4,418,751)**	2,912,096	**(4,798,298)**	2,176,156
Cash and cash equivalents at beginning of year		**4,772,547**	1,860,451	**2,619,904**	443,748
Cash and cash equivalents at end of year	B	**353,796**	4,772,547	**(2,178,394)**	2,619,904

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTE

A. PROPERTY, PLANT & EQUIPMENT

During the financial year, the Group and the Company acquired the property, plant & equipment by:

	Group		Company	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Cash	-	218,598	-	16,890
Hire purchase	-	165,000	-	-
	-	383,598	-	16,890

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Group		Company	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Bank overdrafts (secured)	**(2,195,420)**	(1,280,533)	**(2,195,420)**	(1,280,533)
Deposits with licensed bank	**139,390**	6,679,784	**139,390**	6,679,784
Cash & bank balances	**2,549,216**	6,053,080	**17,026**	3,900,437
	493,186	11,452,331	**(2,039,004)**	9,299,688
Less: Deposits with licensed bank (pledged)	**(139,390)**	(6,679,784)	**(139,390)**	(6,679,784)
	353,796	4,772,547	**(2,178,394)**	2,619,904

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2023

1. GENERAL

The Company is principally engaged in the trading of electrical appliances, generators, alternators and other related products. The principal activities of the subsidiary companies are set out in Note 4 to the financial statements.

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office is located at B-3-13 (Suite B), IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan.

The principal place at which business is carried on is located at No.12-E, Jalan Teknologi, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor.

2. ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of Companies Act, 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis.

b. Use of Estimates and Judgements

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effects on the amounts recognised in the financial statements.

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2023

2. ACCOUNTING POLICIES (CONT'D)

c. Business Combinations and Consolidation

i) Business Combinations

The Group applies the acquisition method to account for all business combinations. If the acquisition of an asset or a group of assets does not constitute a business, it is accounted for as an asset acquisition.

The Group identifies the acquisition date of a business combination as the date on which the Group obtains control of an acquiree. Control is obtained when the group commences to have the power to direct financial and operating policy decisions of the investee so as to obtain benefits from its activities. This may require fulfillment of precedent conditions, such as completion of due diligence audit, and shareholders' approvals if they are specified in a sale and purchase agreement.

As of the acquisition date, the Group recognises, separately from goodwill, the identifiable assets acquired (including identifiable intangible assets), the liabilities assumed (including contingent liabilities) and any non-controlling interest in the acquiree. The identifiable assets acquired and liabilities assumed are measured at their acquisition date fair values, except for those permitted or required to be measured on other bases by MPERS. Non-controlling interest at the acquisition date is measured at its acquisition date share of net assets, excluding goodwill.

The cost of a business combination is measured at fair value, calculated as the sum of the acquisition date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Expenses incurred in connection with a business combination are capitalised in the cost of business combination.

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2023

2. ACCOUNTING POLICIES (CONT'D)

c. Business Combinations and Consolidation (cont'd)

i) Business Combinations (cont'd)

The cost of a business combination is allocated to the share of net assets acquired to determine the initial amount of goodwill on combination. In a business combination achieved in stages (including acquisition of a former associate or a former joint venture), the cost of each exchange transaction is compared with the share of net assets to determine the goodwill of each exchange transaction on a step-by-step basis. Any increase in equity interest in an investee after the acquisition date is accounted as an equity transaction between the parent and the non-controlling interests and the effect is adjusted directly in equity.

If the initial accounting for a business combination is not complete by the end of the reporting period in which the combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends after one year from the acquisition date.

ii) Subsidiaries and Basis of Consolidation

The Group recognises a subsidiary based on the criterion of control. A subsidiary is an entity (including special purpose entities) over which the Group has the power to govern the financial and operating policy decisions of the investee so as to obtain benefits from its activities. In circumstances when the voting rights are not more than half or when voting rights are not the dominant determinant of control, the Group uses judgements to assess whether it has de facto control, control by other arrangements (including control of special purpose entities), or by holding substantive potential voting rights.

The consolidated financial statements are prepared using uniform accounting policies for like transactions, other events and conditions in similar circumstances.

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2023

2. ACCOUNTING POLICIES (CONT'D)

c. Business Combinations and Consolidation (cont'd)

ii) Subsidiaries and Basis of Consolidation (cont'd)

The carrying amount of investment in each subsidiary of a parent in the Group is eliminated against the parent's portion of equity in each subsidiary. The consolidated financial statements combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company and all its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition (which is the date the Group assumes control of an investee) or up to effective date of disposal (which is the date the Group ceases to have control of an investee.).

All intra-group balances and transactions are eliminated in full on consolidation. Unrealised profits or losses arising from intra-group transactions are also eliminated in full on consolidation, except when an unrealized loss is an impairment loss.

When the Group ceases to control a subsidiary, the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date that control is lost is recognised in profit or loss in the statement of comprehensive income as a gain or loss on disposal of the subsidiary. The cumulative amount of any exchange differences that relate to a foreign subsidiary recognised in other comprehensive income is not reclassified to profit or loss on disposal of the subsidiary. If the Group retains an equity interest in the former subsidiary, it is accounted for as a financial asset (provided it does not become an associate or a joint venture). The carrying amount of the investment retained at the date that the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

Any decrease in equity stake in a subsidiary that does not result in a loss of control is accounted for as an equity transaction and the financial effect is adjusted directly in the consolidated statement of changes in equity.

2. ACCOUNTING POLICIES (CONT'D)

d. Intangible Asset

i) Goodwill

Goodwill arises on business combinations and is initially measured at its cost. After initial recognition, the Group measures the goodwill acquired in a business combination at cost less accumulated amortisation and accumulated impairment losses.

Goodwill arises on acquisition of equity-accounted associates and jointly controlled entities is recorded as part of the carrying amount at the date of acquisition. The Group adjusts its share of the associate's and jointly controlled entities' profits or losses after the acquisition to account for amortisation of the goodwill.

ii) Amortisation

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Goodwill 10 years

If there is an indication that there has been a change in the residual value or useful life of an intangible asset since the last annual reporting date, the Group would review its previous estimates and, if current expectations differ, the Group would amend the residual value, amortisation method or useful life.

e. Property, Plant & Equipment and Depreciation

Property, plant & equipment are stated at cost less accumulated depreciation and any impairment losses.

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2. ACCOUNTING POLICIES (CONT'D)

e. Property, Plant & Equipment and Depreciation (cont'd)

Freehold land is not depreciated. Other property, plant & equipment are depreciated on a straight line basis at rates calculated to write off the cost of the assets over their estimated useful lives. The annual rates are:

Buildings	2%
Office equipment	10% - 20%
Furniture & fittings	10%
Motor vehicles	20%
Renovation	10%

Gain or loss arising from disposal of a property, plant & equipment is determined as the difference between the net disposal proceeds and the carrying amount of the property, plant & equipment, and is recognised in the income statement.

f. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on first-in, first-out basis. Cost includes the actual cost of purchases and incidentals in bringing the inventories to their present location and condition.

g. Financial Instruments

i) Initial Recognition and Measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

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2. ACCOUNTING POLICIES (CONT'D)

g. Financial Instruments (cont'd)

i) Initial Recognition and Measurement (cont'd)

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

ii) Subsequent Measurement

Debt instruments that meet the following conditions are measured at amortised cost using the effective interest method:

(a) returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;

(b) there is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current or prior periods; and

(c) prepayment option, if any, is not contingent on future events.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

Investments in shares are measured at cost less impairment, unless the shares are publicly traded or their fair value can otherwise be measured reliably, in which case the investments are measured at fair value with changes in fair value recognised in profit or loss.

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2. ACCOUNTING POLICIES (CONT'D)

g. Financial Instruments (cont'd)

ii) Subsequent Measurement (cont'd)

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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2. ACCOUNTING POLICIES (CONT'D)

h. Leases

i) Finance Leases

Leases of property, plant & equipment are classified as finance lease where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Company.

The Company initially recognises its rights of use and obligations under finance leases as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, determined at the inception of the leases. Any initial direct costs are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method. A finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as an expense in the period in which they are incurred.

The depreciation policy for depreciable leased assets is consistent with that of depreciable assets that are owned. If there is no reasonable certainty that the Company will obtained ownership by the end of the lease term, the leased assets are fully depreciated over the shorter of the lease terms and their useful life. At each reporting date, the Company assesses whether the assets leased under the finance lease are impaired.

ii) Operating Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

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2. ACCOUNTING POLICIES (CONT'D)

i. Borrowing Costs

All borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

j. Revenue

Revenue represents invoiced value of sales less discounts and trade returns.

Rental income is recognised on accrued basis.

k. Employee Benefits

i) Short Term Benefits

Wages, salaries, bonuses and social security contributions ("Socso") are recognised as expenses in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii) Defined Contribution Plans

Obligations for contribution to defined contribution plans such as Employee Provident Fund ("E.P.F.") are recognised as expenses in profit or loss as incurred.

l. Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

2. ACCOUNTING POLICIES (CONT'D)

l. Income Tax (cont'd)

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unabsorbed capital allowances and unabsorbed tax losses can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

m. Foreign Currencies

i) Foreign Currency - Foreign Currency Transactions

Transactions in foreign currencies are initially recognised in the functional currency by applying to the foreign currency amount the spot exchange rates between the functional currency and the foreign currency at the date of the transactions.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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2. ACCOUNTING POLICIES (CONT'D)

m. Foreign Currencies (cont'd)

i) Foreign Currency - Foreign Currency Transactions (cont'd)

Exchange differences are recognised in profit or loss in the period in which they arise except when a gain or loss on a non-monetary item is recognised in other comprehensive income. If so, any exchange differences relating to that gain or loss is recognised in other comprehensive income.

ii) Foreign Currencies - Exchange Differences on Net Investment in Foreign Operations

Exchange differences arising on monetary items that forms part of the Company's net investment in foreign operations are recognised in the profit or loss in the separate financial statements of the Company. In the financial statements, such exchange differences are recognised initially in other comprehensive income and accumulated in equity under the heading of translation reserves. They are not recognised in profit or loss on disposal of the net investment.

iii) Foreign Currencies - Foreign Operations

Assets and liabilities of foreign operations, including goodwill arising on the acquisition and any fair value adjustments, are translated to the presentation currency at the closing rate at the end of the reporting period. Income and expenses are translated at exchange rates at the date of the transactions. All resulting exchange differences are recognised in other comprehensive income and reported as a component of equity. They are not subsequently reclassified to profit or loss.

n. Cash and Cash Equivalents

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisitions, net of bank overdrafts.

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2. ACCOUNTING POLICIES (CONT'D)

o. Equity, Liabilities and Distribution

Equity instruments (other than those issued as part of a business combination or as settlement of an existing financial liability) are measured at the fair value of the cash or other resources received or receivable. The transaction costs of an equity transaction are accounted for as a deduction from equity, net of any income tax effect.

Preference shares that are non-redeemable by the holders or give the issuer the right to redeem the instruments, and the dividend payment at discretion of the issuer, are classified as equity.

Preference shares that provide for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or give the holders the right to require the issuer to redeem the instruments at or after a particular date for a fixed or determinable amount, are classified a financial liability.

On issuing convertible debt or similar compound financial instruments that contain both a liability and an equity component, proceeds are allocated between the liability component and the equity component.

Equity is reduced for the amount of distributions to the holders of equity instruments. Dividends declared are recognised as a liability only after they have been appropriately authorised. For a distribution of non-cash assets to owners, dividend payable is measured at the fair value of the assets to be distributed.

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2. ACCOUNTING POLICIES (CONT'D)

p. Impairment of Non-Financial Assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is charged to profit or loss immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is credited to profit or loss.

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3. PROPERTY, PLANT & EQUIPMENT

	As at 1.1.2023 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2023 RM
Group				
2023				
COST				
Freehold land & buildings	**3,657,003**	**-**	**-**	**3,657,003**
Furniture & fittings	**152,885**	**-**	**-**	**152,885**
Motor vehicles	**2,341,504**	**-**	**-**	**2,341,504**
Office equipment	**201,548**	**-**	**-**	**201,548**
Renovation	**3,229,614**	**-**	**-**	**3,229,614**
	9,582,554	**-**	**-**	**9,582,554**

	As at 1.1.2023 RM	Charge for the year RM	Disposal/ Retirement RM	As at 31.12.2023 RM
ACCUMULATED DEPRECIATION				
Freehold land & buildings	**481,001**	**20,240**	**-**	**501,241**
Furniture & fittings	**152,882**	**-**	**-**	**152,882**
Motor vehicles	**1,860,568**	**159,676**	**-**	**2,020,244**
Office equipment	**182,857**	**4,433**	**-**	**187,290**
Renovation	**3,229,605**	**-**	**-**	**3,229,605**
	5,906,913	**184,349**	**-**	**6,091,262**

	As at 31.12.2023 RM	As at 31.12.2022 RM
NET BOOK VALUE		
Freehold land & buildings	**3,155,762**	3,176,002
Furniture & fittings	**3**	3
Motor vehicles	**321,260**	480,936
Office equipment	**14,258**	18,691
Renovation	**9**	9
	3,491,292	3,675,641

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3. PROPERTY, PLANT & EQUIPMENT (CONT'D)

	As at 1.1.2023 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2023 RM
Company				
2023				
COST				
Freehold land & buildings	**3,657,003**	-	-	**3,657,003**
Furniture & fittings	**152,885**	-	-	**152,885**
Motor vehicles	**1,974,796**	-	-	**1,974,796**
Office equipment	**201,548**	-	-	**201,548**
Renovation	**3,229,614**	-	-	**3,229,614**
	9,215,846	-	-	**9,215,846**

	As at 1.1.2023 RM	Charge for the year RM	Disposal/ Retirement RM	As at 31.12.2023 RM
ACCUMULATED DEPRECIATION				
Freehold land & buildings	**481,001**	**20,240**	-	**501,241**
Furniture & fittings	**152,882**	-	-	**152,882**
Motor vehicles	**1,823,896**	**86,334**	-	**1,910,230**
Office equipment	**182,857**	**4,433**	-	**187,290**
Renovation	**3,229,605**	-	-	**3,229,605**
	5,870,241	**111,007**	-	**5,981,248**

	As at 31.12.2023 RM	As at 31.12.2022 RM
NET BOOK VALUE		
Freehold land & buildings	**3,155,762**	3,176,002
Furniture & fittings	**3**	3
Motor vehicles	**64,566**	150,900
Office equipment	**14,258**	18,691
Renovation	**9**	9
	3,234,598	3,345,605

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3. **PROPERTY, PLANT & EQUIPMENT (CONT'D)**

	Group & Company Net book value 2023 RM	Group & Company Net book value 2022 RM
Motor vehicle registered under director's name	**1**	1
Freehold land & buildings charged to financial institution for banking facilities	**3,070,761**	3,088,502

	Group & Company 2023 RM	Group & Company 2022 RM
Cost - Freehold land & buildings	**2,480,000**	2,480,000
Fair value	**3,700,000**	3,700,000

Included in the freehold land & buildings, one of the property, the fair value is derived based on the revaluation report dated 27th September, 2022 which was conducted by Gan Boon How, a registered valuer of Macreal International Sdn. Bhd.

4. **INVESTMENT IN SUBSIDIARY COMPANY**

	Company 2023 RM	Company 2022 RM
Unquoted shares, at cost	**153,002**	153,002

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4. INVESTMENT IN SUBSIDIARY COMPANY (CONT'D)

The subsidiary company is:

Name of company	Country of incorporation	Principal activity	Equity interest	
			2023	2022
Powertecs Electric Sdn. Bhd.	Malaysia	Trading of electrical appliances, generators, alternators and other related products	**51%**	51%

5. **GOODWILL**

	Group	
	2023 **RM**	2022 RM
Goodwill	**69,192**	69,192
Less: Accumulated amortisation	**(69,192)**	(69,192)
At end of year	**-**	-

6. **INVENTORIES**

	Group		Company	
	2023 **RM**	2022 RM	**2023** **RM**	2022 RM
Inventories	**610,637**	170,293	**63,433**	78,631

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7. TRADE RECEIVABLES

	Group		Company	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Trade receivables	**17,636,511**	8,984,251	**15,959,783**	6,507,257
Less: Allowance for doubtful debts	**(20,518)**	(20,518)	**(20,518)**	(20,518)
	17,615,993	8,963,733	**15,939,265**	6,486,739

The Company's normal trade credit terms of the Group and of the Company are range from 30 to 90 (2022: 30 to 90) days, except for those project receivables which are dependable on the percentages of completion.

8. OTHER RECEIVABLES, DEPOSITS & PREPAYMENTS

	Group		Company	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Other receivables	**2,746,046**	3,049,056	**2,746,046**	3,049,056
Deposits	**25,090**	9,842,066	**25,090**	9,842,066
Prepayments	**1,380**	2,016	**1,020**	1,656
	2,772,516	12,893,138	**2,772,156**	12,892,778

Other receivables of the Group and of the Company are due from corporations in which certain directors have interest. These balances are unsecured, interest free and have no fixed terms of repayment except for an amount of RM Nil (2022: RM303,600) bear interest rate at 8.82% per annum.

9. AMOUNT DUE FROM/ (TO) SUBSIDIARY COMPANY/ DIRECTORS

These balances are unsecured, interest free and have no fixed terms of repayment.

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10. DEPOSITS WITH LICENSED BANK

The weighted average effective interest rate and average maturities of deposits at the reporting date were as follows:

	Group & Company			
	Average Remaining Maturity Days		Weighted Average Effective Interest Rate	
	2023	2022	**2023** **%**	2022 %
Group and Company				
Deposits with licensed banks	**30**	30	**2.40**	1.45 - 2.80

The deposits are pledged as securities for banking facilities utilised by the Group and the Company.

11. SHARE CAPITAL

	Group & Company			
	Number of shares		Amount	
	2023	2022	**2023** **RM**	2022 RM
Issued and fully paid:				
Ordinary shares				
At beginning of the year	**5,000,000**	1,000,000	**5,000,000**	1,000,000
Bonus issue during the year	**-**	4,000,000	**-**	4,000,000
At end of the year	**5,000,000**	5,000,000	**5,000,000**	5,000,000

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12. HIRE PURCHASE PAYABLES

	Group		Company	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Minimum payment	**159,049**	223,566	**27,915**	55,831
Future finance charges on hire purchase	**(10,067)**	(17,592)	**(770)**	(2,457)
Present value of hire purchase payables	**148,982**	205,974	**27,145**	53,374
Current	**53,802**	56,991	**21,625**	26,229
Non-current	**95,180**	148,983	**5,520**	27,145
	148,982	205,974	**27,145**	53,374
Present value of hire purchase payables				
- not later than one year	**53,802**	56,991	**21,625**	26,229
- later than one year and not later than five years	**95,180**	148,983	**5,520**	27,145
	148,982	205,974	**27,145**	53,374

The hire purchase payables of the Group and of the Company bear interest rates ranging from 2.18% to 2.58% (2022: 2.18% to 2.58%) per annum.

13. TERM LOANS

	Group & Company	
	2023	2022
	RM	RM
Term loans	**1,480,424**	1,962,650
Payable within one year	**(496,085)**	(481,153)
At end of year	**984,339**	1,481,497
The breakdown of amount payable after one year is as follows:		
- Between two to five years	**960,557**	1,327,246
- After five years	**23,782**	154,251
	984,339	1,481,497

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13. **TERM LOANS (CONT'D)**

The term loans are secured by:

a) 3rd Party Legal Charge for Fixed Loan Facility of RM2,000,000 over property at No. 2, Jalan TR 7/1, Tropicana Golf & Country Resort, 47410 Petaling Jaya held under HSD97877, PT30063, Mukim Sg. Buloh, Daerah Petaling, Negeri Selangor;

b) a guarantee coverage of up to 80% on the Fixed Loan – Special Relief Facility of RM1,000,000 by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP"); and

c) jointly and severally guaranteed by certain directors of the Group and of the Company.

The term loans of the Group and of the Company bear interest rates ranging from 3.00% to 4.62% (2022: 3.00% to 4.37%) per annum.

14. **DEFERRED TAXATION**

	Group		Company	
	2023 RM	2022 RM	**2023 RM**	2022 RM
At beginning of year	**3,563**	-	**1,013**	-
Transfer to statements of comprehensive income (Note 19)	**(709)**	3,563	**(709)**	1,013
At end of year	**2,854**	3,563	**304**	1,013
The net deferred tax liability is in respect of the following:				
- Temporary difference between book depreciation and capital allowances on property, plant & equipment	**2,854**	3,563	**304**	1,013

15. **TRADE PAYABLES**

The normal trade credit terms granted to the Group and the Company range from 30 to 90 (2022: 30 to 90) days.

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16. OTHER PAYABLES, DEPOSITS RECEIVED & ACCRUALS

	Group		Company	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Other payables	**166,638**	164,262	**158,390**	160,328
Deposits received	**101,210**	20,055,195	**-**	20,023,215
Accruals	**5,005,834**	175,885	**3,937,951**	112,015
	5,273,682	20,395,342	**4,096,341**	20,295,558

Included in other payables of the Group and the Company is an amount of RM23,115 (2022: RM23,115) due to a corporation in which certain directors have interest. These balances are unsecured, interest free and have no fixed terms of repayment.

17. BANKERS' ACCEPTANCE/ BANK OVERDRAFTS (SECURED)

The bankers' acceptance and bank overdrafts are secured by way of:

a) pledge of first party Fixed Deposit Receipt together with Memorandum of Legal Charge over Deposit and Letter of Set-off;

b) fixed and floating charges over the properties of the Company and of the Group; and

c) jointly and severally guaranteed by certain directors of the Company and of the Group.

The bankers' acceptance and bank overdrafts of the Group and of the Company bear interest rates ranging from 6.97% to 8.32% (2022: 6.97 to% to 8.32%) per annum respectively.

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198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2023

18. PROFIT BEFORE TAXATION

	Group		Company	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Profit before taxation is arrived at after charging:				
Auditors' remuneration	**18,000**	17,500	**11,500**	11,500
Depreciation of property, plant & equipment	**184,349**	385,539	**111,007**	348,867
Directors' remuneration				
- Fee	**60,000**	60,000	**36,000**	36,000
- Other emoluments	**599,000**	437,000	**380,000**	218,000
- E.I.S.	**119**	111	**-**	8
- E.P.F.	**70,905**	50,725	**41,760**	23,980
- Socso	**1,783**	919	**743**	20
Finance costs				
- Bankers' acceptance interest	**154,782**	16,093	**154,782**	16,093
- Bank overdraft interest	**162,769**	86,483	**162,769**	86,483
- Hire purchase interest	**7,524**	6,453	**1,686**	3,603
- Term loan interest	**67,445**	51,193	**67,445**	51,193
Loss on foreign exchange				
- Realised	**33,081**	-	**33,081**	-
- Unrealised	**10,804**	-	**-**	-
Rental of office equipment	**1,800**	1,950	**1,800**	1,950
Rental of office	**51,700**	42,800	**51,700**	42,800
Staff costs				
- Salaries	**1,062,560**	1,012,216	**1,062,560**	1,012,216
- Bonus	**63,622**	64,600	**63,622**	64,600
- E.I.S.	**1,468**	1,386	**1,468**	1,386
- E.P.F.	**183,379**	134,269	**183,379**	134,269
- Socso	**12,848**	11,886	**12,848**	11,886

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2023

18. PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
and crediting:				
Dividend income	-	-	**1,020,523**	-
Fixed deposit interest received	**19,854**	58,348	**19,854**	58,348
Gain on disposal of property, plant & equipment	-	961,998	-	911,999
Interest received	**11,973**	24,546	**3,679**	22,760
Management fee received	**18,000**	18,000	**42,000**	42,000
Rental income	-	20,000	-	20,000

19. TAXATION

	Group		Company	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Current year's provision	**915,800**	164,944	**735,800**	158,200
Deferred taxation (Note 14)	**(709)**	3,563	**(709)**	1,013
Real property gains tax	-	82,000	-	82,000
Under/(over)provision in prior years	**39,655**	2,391	**33,482**	(30)
	954,746	252,898	**768,573**	241,183

The applicable tax rate is 24% (2022: 17%) for the year, as enacted by the government.

The effective tax rate is higher than the statutory tax rate due to certain expenses are non-deductible.

The unabsorbed capital allowances and tax losses are available to set off against future income.

Company No.
198401010902 (123442-P)

POWERTECS SYSTEM SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2023

20. **SIGNIFICANT RELATED PARTY TRANSACTION**

(a) Identities of related parties

Parties are considered to be related to the Company if the Company 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 parties.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had following transactions with related parties during the financial year:

	2023	2022
	RM	RM
Other income		
- Dividend income	**1,020,523**	-
- Management fee received	**24,000**	24,000

21. **FINANCIAL INSTRUMENTS**

All the Group's and the Company's financial assets and liabilities are measured at amortised cost at the financial year end.

No financial assets or liabilities are measured at fair value through profit or loss and no financial assets that are equity instrument measured at cost less impairment.

22. **COMPARATIVES**

Certain comparative figures have been restated to conform with current year's presentation.

23. **AUTHORISATION FOR ISSUE**

The financial statements of the Company for the financial year ended 31st December, 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 2th May, 2024.

PILLER
Power Systems

ACTIVE POWER
A Division of Piller Power Systems Inc

POWERTECS SYSTEM

Date 23 December 2024

GLOSTREXT BERHAD
Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Dear Sir / Madam,

(I) PROPOSED ACQUISITION OF 70.0% EQUITY INTEREST IN POWERTECS SYSTEM SDN BHD ("POWERTECS") FROM CHEN SONG WIE AND NG CHUEE CHOO FOR A PURCHASE CONSIDERATION OF RM4,200,000 TO BE SATISFIED VIA A COMBINATION OF CASH AND ISSUANCE OF NEW ORDINARY SHARES IN GLOSTREXT BERHAD ("GLOSTREXT" OR THE "COMPANY") ("PROPOSED ACQUISITION")

(II) PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES TO INCLUDE TRADING OF ELECTRICAL APPLIANCES, GENERATORS, ALTERNATORS AND OTHER RELATED PRODUCTS ("PROPOSED DIVERSIFICATION")

(COLLECTIVELY, REFERRED TO AS "PROPOSALS")

On behalf of the Board of Directors of Powertecs ("**Board**"), I wish to report that, after due enquiries by the Board, during the period from 31 December 2023, being the date which the last audited financial statements of Powertecs have been made up, to this date, being a date not earlier than 14 days before the date of the circular to the shareholders of Glostrext in relation to, among others, the Proposals:

(a) the business of Powertecs and Powertecs Electric Sdn Bhd ("**Powertecs Group**") has, in the opinion of the Board, been satisfactorily maintained;

(b) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of the Powertecs Group which have adversely affected the trading or the value of the assets of the Powertecs Group;

(c) the current assets of the Powertecs Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by the Powertecs Group;

POWERTECS SYSTEM SDN. BHD. ROC: 198401010902 (123442-P)
No 12-E, Jalan Teknologi, PJU 5 Kota Damansara 47810 Petaling Jaya, Selangor.
Tel : 03-6143 7661 Fax: 03-6143 5661

PILLER
Power Systems

ACTIVE POWER
A Division of Piller Power Systems Inc.

POWERTECS
SYSTEM

(e) there has been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in respect of any borrowings by the Powertecs Group since the date of the last audited financial statements of the Powertecs Group; and

(f) there has been no material changes in the published reserves or any unusual factors affecting the profits of the Powertecs Group since the date of the last audited financial statements of the Powertecs Group.

Yours faithfully,
For and on behalf of,
POWERTECS SYSTEM SDN BHD

Chen Song Wie
Managing Director

POWERTECS SYSTEM SDN. BHD. ROC: 198401010902 (123442-P)
No 12-E, Jalan Teknologi, PJU 5 Kota Damansara 47810 Petaling Jaya, Selangor.
Tel : 03-6143 7661 Fax: 03-6143 5661

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and the Directors collectively individually accept full responsibility for the accuracy, completeness and correctness of the information contained in this Circular and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement misleading.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS

Consent

M&A Securities has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

Conflict of interest

M&A Securities has confirmed that there is no conflict of interest that exists or any circumstance which would or is likely to give rise to a possible conflict of interest in relation to its role as the Principal Adviser for the Proposals.

3. MATERIAL LITIGATION

As at LPD, neither Glostrext nor its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and to the best of our Board’s knowledge and belief, our Board is not aware of any proceeding, pending or threatened against the Glostrext Group or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Glostrext Group.

4. MATERIAL COMMITMENTS

As at LPD, there are no material commitments incurred or known to be incurred by our Group that is likely to have an impact on our profits or NA upon becoming enforceable.

5. CONTINGENT LIABILITIES

As at LPD, there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact on the ability of our Group to meet its obligations as and when they fall due.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company 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 during normal business hours (except public holidays) from the date of this Circular up to and including the date of the EGM:

(i) Constitution of our Company and Powertecs;

(ii) Audited consolidated financial statements of Powertecs Group for FYE 31 December 2022 and 2023;

(iii) Audited consolidated financial statements of our Group for FYE 31 March 2023 and 2024 and the latest unaudited consolidated financial statements of our Group for the 3 months financial period ended 30 September 2024;

(iv) Letter of consent and declaration of conflict of interest as referred to in Section 2 of this Appendix; and

(v) The SSA.

GLOSTREXT

GLOSTREXT BERHAD
(Registration No. 202201005343 (1451040-T))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Glostrext Berhad ("**Glostrext**" or the "**Company**") will be held at No. 11A, Jalan Apollo U5/194, Bandar Pinggiran Subang, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 8 January 2025 at 10.00 a.m. or at any adjournment thereof (as the case may be), for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF 3,500,000 ORDINARY SHARES REPRESENTING 70.0% EQUITY INTEREST IN POWERTECS SYSTEM SDN BHD ("POWERTECS") FROM CHEN SONG WIE AND NG CHUEE CHOO FOR A PURCHASE CONSIDERATION OF RM4,200,000 TO BE SATISFIED VIA A COMBINATION OF CASH AND ISSUANCE OF NEW ORDINARY SHARES IN GLOSTREXT ("PROPOSED ACQUISITION")

"**THAT**, subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities and/or persons being obtained, approval be and is hereby given for Glostrext to acquire such number of ordinary shares representing 70.0% equity interest in Powertecs for a purchase consideration of RM4,200,000 to be fully satisfied via cash consideration of RM2,100,000 and allotment and issuance of 10,000,000 new ordinary shares in Glostrext ("**Glostrext Shares**") at an issue price of RM0.21 each to Chen Song Wie, subject to and upon such terms and conditions as set out in the conditional term sheet dated 11 October 2024 ("**Term Sheet**") and share sale agreement ("**SSA**") dated 11 November 2024 entered into between the Company and the Vendors for the Proposed Acquisition.

THAT, approval be and is hereby given to the Directors of the Company to issue and allot 10,000,000 new Glostrext Shares at an issue price of RM0.21 each ("**Consideration Shares**") credited as fully paid-up upon such terms and conditions as set out in the Term Sheet and SSA.

THAT, such Consideration Shares shall, upon issuance and allotment, rank equally in all respects with the existing Glostrext Shares, except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions, which may be declared, made or paid, for which the entitlement date is prior to the date of issuance and allotment of the Consideration Shares.

AND THAT the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Acquisition with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Acquisition."

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF GLOSTREXT AND ITS SUBSIDIARIES TO INCLUDE TRADING OF ELECTRICAL APPLIANCES, GENERATORS, ALTERNATORS AND OTHER RELATED PRODUCTS ("PROPOSED DIVERSIFICATION")

"**THAT**, subject to the passing of Ordinary Resolution 1, the provisions of the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") and the approvals of all relevant authorities (if any), approval be and is hereby given to the Company to diversify the existing principal activities of Glostrext Group to include the trading of electrical appliances, generators, alternators and other related products, which might reasonably be expected to result in:

(i) the diversion of 25% or more of the net assets of the Group to an operation which differs widely from those operations previously carried on by the Group; or

(ii) the contribution from such an operation of 25% or more of the net profits of the Group,

pursuant to Rule 10.13 of the Listing Requirements.

AND THAT the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Diversification with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Diversification."

BY ORDER OF THE BOARD

LAU YEN HOON
SSM PC No. 202008001119 (MAICSA 7061368)

LEE SHIL TENG
SSM PC No. 201908001822 (MAICSA 7070507)

Company Secretaries

Kuala Lumpur
23 December 2024

Notes:

(1) For the purpose of determining who shall be entitled to participate in this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 31 December 2024. Only a member whose name appears on this Record of Depositors shall be entitled to participate in the EGM or appoint a proxy to attend, speak and vote on his/her/its behalf.

(2) A member entitled to attend and vote at the EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate and vote in his/her place.

(3) A member who is entitled to attend and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his/her behalf at the same meeting. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.

*(4) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*

*(5) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*

(6) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.

(7) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:-

(i) In hard copy form

In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.

(ii) By electronic form

The Proxy Form can be electronically lodged with the Company's Share Registrar via TIIH Online at https://tiih.online. Please follow the procedures set out in the Administrative Guide for the EGM.

(8) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or at any adjournment thereof at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

*(9) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:-*

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

(10) Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

(11) Last date and time for lodging the Proxy Form is Monday, 6 January 2025 at 10.00 a.m.

*(12) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:*
(a) Identity card (NRIC) (Malaysian), or
(b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
(c) Passport (Foreigner).

*(13) For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.*

(14) Shareholders are advised to check the Company's website and announcements from time to time for any changes to the administration of the EGM.

(15) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of EGM will be put to vote by poll.

Personal data privacy:
By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company:
(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

GLOSTREXT BERHAD
202201005343 (1451040-T)
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING ("EGM")

Day and Date	:	Wednesday, 8 January 2025
Time	:	10.00 a.m.
Venue	:	No. 11A, Jalan Apollo U5/194, Bandar Pinggiran Subang, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan

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REGISTRATION

The registration counter starts at 9:00 a.m. on Wednesday, 8 January 2025 and will remain opened until the conclusion of the EGM or such time as may be determined by the Chairman of the Meeting.

Shareholders or proxies are requested to produce/show their original MyKAD or Passport (for non-Malaysians) to the registration staff for verification purposes. Please ensure the original MyKAD or Passport is returned to you thereafter.

Please take note that no person will be allowed to register on behalf of another person, even with the original MyKAD or Passport of that person.

Upon verification, shareholders or proxies will also be given the identification wristbands for voting purposes. No person will be allowed to enter the meeting hall without the identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.

CORPORATE MEMBERS

Corporate members who wish to appoint corporate representatives instead of a proxy, must deposit their original or duly certified certificate of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH") on or before the EGM.

Attorneys appointed by power of attorney are required to deposit their power of attorney with TIIH not later than Monday, 6 January 2025 at 10:00 a.m. to attend and vote at the EGM.

PROXY

Only a member whose name appears on the Record of Depositors as at 31 December 2024 shall be entitled to attend and vote or appoint proxy/proxies to attend and vote on his/her behalf at the EGM.

If you are unable to attend the meeting on 8 January 2025, you may appoint the Chairman of the EGM as proxy and indicate the voting instructions in the Proxy Form.

If you wish to personally participate in the EGM yourself, please do not submit any Proxy Form. You will not be allowed to participate in the EGM together with a proxy appointed by you.

Accordingly, the Proxy Form and/or documents relating to the appointment of proxy or authorised representative or attorney for the EGM whether in hard copy form or electronic means shall be deposited or submitted in the following manner not later than Monday, 6 January 2025 at 10.00 a.m.

(i) In hard copy form

By hand or post to the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.

(ii) By electronic form

You may also submit your proxy appointment electronically via TIIH Online website at https://tiih.online. Please do read and follow the procedures below to submit proxy form electronically.

ELECTRONIC LODGEMENT OF PROXY FORM

Procedure	**Action**
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	▪ Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. ▪ If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	▪ After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. ▪ Select the corporate event: "**GLOSTREXT BERHAD EGM 2024 - SUBMISSION OF PROXY FORM**". ▪ Read and agree to the Terms and Conditions and confirm the Declaration. ▪ Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. ▪ Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. ▪ Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. ▪ Review and confirm your proxy(s) appointment. ▪ Print the form of proxy for your record.
ii. Steps for Corporate or Institutional shareholders	
Register as a User with TIIH Online	▪ Access TIIH Online at https://tiih.online. ▪ Under e-Services, the authorised or nominated representative of the corporate or institutional shareholder selects **"Create Account by Representative of Corporate Holder".** ▪ Complete the registration form and upload the required documents. ▪ Registration will be verified, and you will be notified by email within one (1) to two (2) working days. ▪ Proceed to activate your account with the temporary password given in the email and re-set your own password.

	Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.
Proceed with submission of form of proxy	▪ Login to TIIH Online at https://tiih.online. ▪ Select the corporate event: **"GLOSTREXT BERHAD EGM 2024 – SUBMISSION OF PROXY FORM"**. ▪ Agree to the Terms & Conditions and Declaration. ▪ Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. ▪ Prepare the file for the appointment of proxies by inserting the required data. ▪ Login to TIIH Online, select corporate event: **"GLOSTREXT BERHAD EGM 2024 - SUBMISSION OF PROXY FORM"**. ▪ Proceed to upload the duly completed proxy appointment file. ▪ Select "Submit" to complete your submission. ▪ Print the confirmation report of your submission for your record.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose determining who shall be entitled to attend the EGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 31 December 2024 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting.

NO RECORDING OR PHOTOGRAPHY

No recording or photography of the EGM proceedings is allowed without prior written permission of the Company.

POLL VOTING

The voting at the EGM will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed TIIH as Poll Administrator to conduct the poll by way of electronic voting.

Shareholders or proxies or corporate representatives or attorneys can proceed to vote on the resolutions upon the announcement by the Chairman of the meeting.

Upon completion of the voting session for the EGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except public holidays) at:

Tricor Investor & Issuing House Services Sdn Bhd		
Telephone Number	General Line	603-2783 9299
Fax Number	603-2783 9222	
Email	is.enquiry@vistra.com	

GLOSTREXT BERHAD
(Registration No. 202201005343 (1451040-T))
(Incorporated in Malaysia)

PROXY FORM

No. of shares held	CDS Account no.
Telephone no.	Email address

*I/We ______________________ NRIC/Passport no./Registration no. ______________

of ____

being a *member/members of GLOSTREXT BERHAD, hereby appoint:

(1) Name of proxy : ______________ NRIC/ Passport no. : ______________

Address : ____________________________________

____

Email address : ______________ Telephone no. : ______________

(2) Name of proxy : ______________ NRIC/ Passport no. : ______________

Address : ____________________________________

____

Email address : ______________ Telephone no. : ______________

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held at No. 11A, Jalan Apollo U5/194, Bandar Pinggiran Subang, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 8 January 2025 at 10:00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:

Please indicate with a "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit.

No.	**Ordinary Resolution**	**For**	**Against**
1.	Proposed Acquisition		
2.	Proposed Diversification		

Dated this _____ day of _____________ 202__

____
Signature/Seal

** Strike out whichever is not applicable*

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	**Percentage (%)**
Proxy 1		
Proxy 2		
Total		**100**

* *Manner of execution:*
- *(a) If you are an individual member, please sign where indicated.*
- *(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.*
- *(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:*
  - *(i) at least two (2) authorised officers, of whom one shall be a director; or*
  - *(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.*

Notes:

(1) For the purpose of determining who shall be entitled to participate in this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 31 December 2024. Only a member whose name appears on this Record of Depositors shall be entitled to participate in the EGM or appoint a proxy to attend, speak and vote on his/her/its behalf.

(2) A member entitled to attend and vote at the EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate and vote in his/her place.

(3) A member who is entitled to attend and vote at the EGM shall be entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his/her behalf at the same meeting. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.

*(4) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*

*(5) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*

(6) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.

(7) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:-

(i) <u>In hard copy form</u>

In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.

(ii) <u>By electronic form</u>

The Proxy Form can be electronically lodged with the Company's Share Registrar via TIIH Online at https://tiih.online. Please follow the procedures set out in the Administrative Guide for the EGM.

(8) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or at any adjournment thereof at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

*(9) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:-*

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

(10) Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

(11) Last date and time for lodging the Proxy Form is Monday, 6 January 2025 at 10.00 a.m.

*(12) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:*

(a) Identity card (NRIC) (Malaysian), or

(b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or

(c) Passport (Foreigner).

(13) For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the ORIGINAL certificate of appointment of authorised representative executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.

(14) Shareholders are advised to check the Company's website and announcements from time to time for any changes to the administration of the EGM.

(15) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of EGM will be put to vote by poll.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");

(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR OF GLOSTREXT BERHAD
(Registration No. 202201005343 (1451040-T))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South,
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
W.P. Kuala Lumpur, Malaysia

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