REPL::ANNUAL GENERAL MEETING::VOLUNTARY

Issuer & Securities

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POWERMATIC DATA SYSTEMS LIMITED

Security

POWERMATIC DATA SYSTEMS LTD - SG1BF0000003 - BCY

Announcement Details

Announcement Title

Annual General Meeting

Date &Time of Broadcast

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Replacement

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Submitted By (Co./ Ind. Name)

Dr Chen Mun

Designation

Executive Chairman and Chief Executive Officer

Financial Year End

31/03/2026

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attachment for response to questions from shareholders.

Event Dates

Meeting Date and Time

23/07/2026 15:00:00

Response Deadline Date

20/07/2026 15:00:00

Event Venue(s)

Place

Venue(s)	Venue details

Meeting Venue	Toa Payoh SAFRA Reef Room, Level 3, 293 Toa Payoh Lorong 6, Singapore 319387

Attachments

PMD-Response to Shareholders Questions FY2026.pdf

Total size =127K MB

Related Announcements

Related Announcements

13/07/2026 18:13:59
08/07/2026 07:32:04

POWERMATIC DATA SYSTEMS LIMITED
(Company Registration No. 198900414E)
(Incorporated in Singapore)

RESPONSE TO QUESTIONS FROM SHAREHOLDERS

The following questions were received from shareholders before the Thirty-Seventh Annual General Meeting to be held on 23 July 2026. The Board of Directors has divided them into three broad categories (Business, Financial and Others) and responded to them accordingly.

Business (Wireless Connectivity and Property Development)

Questions – Wireless Connectivity:

It is good that the company is able to share its roadmap for business development in the next 3 years. Can the company identify who will be delivering these deliverables and what is the measure of success? Are there specific revenue growth targets assigned to key managers of the business units to achieve the top and bottom-line growth for the company?

Revenue as a whole for Asia (ex SG), Europe and US was lower in FY2026 compared to the pre-Covid years and this was specifically driven by revenue attributed to the US. Was the fall in demand in the US weighted towards industry issues such as talent diversion and component shortages or changes and uncertainty in the US trade policies?

The US has rolled out tighter rules for imports on grounds of national security or onshoring. Most recently is the ban on consumer-grade foreign-made routers. Does the Board see material risk that the rules may broaden to the import of other foreign-made connectivity devices or components and, hence, impact business development and resilience in the US for the company?

This DDR and flash memory shortage reminds all of us of the MLCC shortage the company faced post-Covid. Is it worse than before in terms of projects delayed? For increased costs, how are we managing it?

How does edge AI requirements change our traditional WIFI chipsets design? What is the memory and components requirements as compared to before?

Understand WIFI 8 is engineered to solve the heavy two-way traffic between AI agents and Cloud. When do you see the next wave of upgrades to happen?

Responses:

Yes, the Group has performance targets for managing its business units, with emphasis on gross profit margin, acquiring new customers, retaining existing customers, and successful product development. In addition to revenue and profitability, it places equal emphasis on risk management, including credit risk and inventory obsolescence risk.

Between FY2021 and FY2023, during the Covid-19 period, Europe accounted for a significant share of our revenue. This was driven by a series of project-related orders from a European customer, which concluded in FY2024. At the same time, shortages of key raw materials led customers to build up inventory aggressively. After Covid-19, many customers reduced orders as they worked through the inventory they had accumulated.

The surge in AI development has drawn resources, labour, and essential materials—including memory chipsets—away from other parts of the electronics industry. This increased demand has pushed chipset prices higher, making it harder for many customers to incorporate Wi-Fi 7 into their end products.

Europe and North America remain our key markets. As part of our 36-month roadmap, we are working to broaden our reach by expanding both our product offerings and customer base.

The current DDR and flash memory shortage has resulted in higher component prices, which have increased the cost of some of our products. In certain cases, customers have delayed their projects or purchasing decisions as they assess the higher costs or review their budgets.

To manage this, we work closely with our customers to explain the cost increases, plan component purchases early and secure supply where possible. We also work with suppliers to obtain the best pricing and, where appropriate, review product pricing to reflect the higher material costs. While the situation has affected the timing of some projects, we continue to support our customers and minimise the overall impact on the business.

Edge AI applications require significantly higher computing power than traditional Wi-Fi connectivity products. In addition to the Wi-Fi chipset, they require more powerful processors, larger DDR memory, higher-capacity flash storage, AI accelerators and high-speed interfaces to support cameras, sensors and other peripherals.

To address these requirements, we are expanding our product portfolio from Wi-Fi modules to integrated Edge AI platforms that combine AI computing, memory, storage and wireless connectivity. We are also working closely with Qualcomm Technologies to develop products based on their latest AI-enabled processors. These solutions build on our expertise in wireless connectivity and enable us to offer more complete Edge AI platforms to both existing and new customers in markets such as robotics, transportation, industrial automation, kiosks, smart factories and intelligent surveillance.

This strategy enables us to move up the value chain and create new long-term growth opportunities.

The industry is still in the early stages of Wi-Fi 7 adoption, and we expect Wi-Fi 7 deployments to continue growing over the next few years.

Wi-Fi 8 is currently under development and is expected to become commercially available around 2028. Unlike Wi-Fi 7, which focuses on higher speed, Wi-Fi 8 is expected to improve network reliability, lower latency and provide more consistent performance in crowded environments. These improvements will support AI, industrial automation and other applications that require reliable real-time connectivity.

Compex continues to work closely with Qualcomm and our customers to prepare for the next generation of wireless technologies and expects to participate in this upgrade cycle as the market develops.

The recent U.S. restrictions are mainly aimed at certain consumer networking products. Compex is different because we mainly supply wireless modules, embedded boards and OEM/ODM solutions to business and industrial customers, rather than selling consumer networking products under our own brand.

That said, if the U.S. expands these restrictions to cover a wider range of connectivity products or components, it could have some impact on our business. This may result in additional regulatory requirements, higher compliance costs or changes to our supply chain. We will continue to monitor developments closely and take the necessary steps to minimise any impact on the Group.

Over the next 36 months, we will focus on maximising the commercial success of our Wi-Fi 7 product portfolio while investing in the development of next-generation Wi-Fi 8 and AI solutions. Our strategy is to increase market share in enterprise, industrial, AI edge and networking applications, expand our OEM/ODM customer base, and strengthen long-term customer relationships through recurring design wins.

Year 1-2: Accelerate Wi-Fi 7 sales and secure new design wins. Scale production of Wi-Fi 7, expand into new markets, and begin Wi-Fi 8 development with key customers.

Year 2-3: Launch Wi-Fi 8 and AI-related products while maintaining strong Wi-Fi 7 revenue, ensuring a smooth technology transition and continued business growth.

Questions – Property Development:

Are the costs of raw materials (eg steel, cement etc) used in the construction of the Harrison project expense in the income statement or capitalized on the balance sheet?

Revenue booked for 16 units sold FY2026 is $15.572m, using 30% percentage of completion. In page 4 of the Annual Report, is the figure of $31.4m for the next 60% to be booked on TOP? If so, when will the remaining 10% be booked?

Are there reasons for the seeming slowdown in unit sales for the Harrison project?

With the US-Iran war grinding on and feeding into inflationary pressure, is the expected cost for property development still within budget?

For unsold units, can management update on the latest units sales figure as of AGM date and what strategy to rev up sales momentum closer to TOP

Responses:

Development costs, including construction, land, and related costs, are recorded as assets on the balance sheet. During construction, these costs are progressively recognized using the percentage-of-completion method. Revenue is recognized when a sale and purchase agreement is signed with a buyer, and the corresponding development cost of the unit is matched against that revenue. The value of the unsold units (development costs) will be carried on the balance sheet will be adjusted for gains and losses arising from market movements, such gains or losses will be recognized in the income statement. As revenue is recognized, the development cost carried on the balance sheet is reduced accordingly.

The final 10% is billable when the Certificate of Statutory Completion (CSC) is issued. The CSC marks the official, legal completion of the project by the Building and Construction Authority (BCA). This milestone usually 6 to 12 months after the TOP is granted.

The moderation in unit sales for the Harrison food factory project reflects current investor preferences in the industrial property segment. At present, many investors are more focused on B1 industrial properties, which are perceived to deliver stronger and more immediate rental yields. This shift in sentiment has contributed to slower take up of food factory units, even though demand from end users and operators remains steady.

As at the date of this announcement, the development cost is within the budget stated in the circular dated 3 January 2024.

Against a backdrop of global uncertainty, geopolitical tensions, and economic challenges across major European and North Asian markets, Singapore has continued to see rising capital inflows. As funds move away from traditional or previously perceived safe havens and competing financial centres—including Hong Kong, Dubai, Abu Dhabi, and London—Singapore's pool of investible capital has expanded. At the same time, the decline in SORA (Singapore Overnight Rate Average) from its early-2024 peak has encouraged investors to shift funds out of deposits, while lower borrowing costs have further supported investment activity. We believe these factors have become increasingly compelling for investors.

From 31 March 2026 to 23 July 2026, we have sold an additional 1 unit.
As of 23 July 2026, the total number of units sold is 17, representing 40% of the project development.

The Company has deployed structural, performance-based agent incentive tiers to accelerate high-volume agencies focus and prioritize our units over competitive surrounding development.

Financials

Questions:

The company has paid special dividends in 2026 amounting to 25c (10c interim and 15c final special). The company has stated that the 10c special interim dividend declared for 1H2026 I is made from revenue reserves (or retained earnings from prior financial years while 15c special dividend declared in 2H 2026 comprises 10 cents arising from the property redevelopment and 5 cents from prior years' profits. So in summary the company has declared 10c of special dividend from property development while 15c special has been declared from prior year profits. Can the board help shareholders understand its thinking behind both types of special dividends?

Our company declared a dividend of 10cents due to property development. This is not the full eps profit recognized for units sold in FY2025. Any reason to retain the remaining cash?

Is the company committed to paying out the full development profits from the Harrison Food Factory.

Page 58, there was tax expense of $536k under properties segment which works out to 4% of property revenue. Was there any rebates or claims given as this rate is quite low compared to the usual corporate tax rate.

Is the company also committed to paying out excess cash in its balance sheet (after reserving 20.7m ++ for the Harrison Food factory development) and sufficient working capital for its wireless connectivity business?

Response:

The property segment tax expense is deferred tax expense. Upon TOP in FY2027, for tax computation purposes, the land cost at open market valuation will be treated as an expense in the development, resulting in lower taxable profit. The corporate tax rate of 17% will be applied.

Special dividends are defined as payments from earnings generated in prior financial periods which are substantially held in cash. By contrast, ordinary dividends are closely linked to the Group's current profitability.

In paragraph 2.3(b) and (d) of its circular to shareholders dated 3 January 2024, the Company stated its intention to redevelop the investment property to unlock and monetize value and distribute profits to shareholders.

Succession Planning

Identifying a chief executive officer is ongoing however as it is key position, the Company has adopted a cautious approach.

By Order of the Board

Dr Chen Mun
Chairman

17 July 2026