## 8. RISK FACTORS

**NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY OCCUR EITHER INDIVIDUALLY OR IN COMBINATION, AT THE SAME TIME OR AROUND THE SAME TIME) THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE. YOU SHOULD CAREFULLY CONSIDER THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ALONG WITH OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE YOU MAKE YOUR INVESTMENT DECISION. IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

### 8.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

#### 8.1.1 We have to continuously secure new and sizeable projects to sustain our business and financial performance

Our revenue during the Financial Years and Period Under Review was derived from fixed lump-sum contracts, purchase orders, and work orders for projects. These contracts, purchase orders, and work orders are non-recurring in nature. Upon completion based on issuance of the certificate of completion and compliance, certificate of practical completion, handover report signed by the customer, or final payment, the projects are deemed completed.

The sustainability of our business and financial performance depends on our ability to consistently secure new and sizable projects to replenish our order book. As at the LPD, based on the certified progress billings, our unbilled order book stood at RM120.68 million. Barring unforeseen circumstances, the total unbilled order book as at the LPD is envisaged to be billed over the FYE 2025 to FYE 2028.

While we actively pursue new projects through tender and proposal submissions as well as negotiations with prospective customers, there is no assurance that these efforts will be successful. In the event we are unable to continuously secure new projects and replenish our order book, our financial performance will be adversely affected. Additionally, even if we were to secure new contracts, purchase orders or work orders, there is no assurance that we will continue to secure sufficiently sizable projects to sustain our business and financial performance in the future.

#### 8.1.2 The early termination, suspension or material reduction in our scope of work of our projects may adversely affect our financial performance

Our customers may terminate, suspend, or reduce the scope of their contracts, purchase orders, and work orders with us before we complete the scope of work for various reasons, including material non-performance by us, insolvency, changes in customer plans, or our inability to carry out or complete the work. We may suspend or terminate a project if the customer becomes insolvent or defaults on payments to us. In addition, a project may be suspended or terminated by mutual agreement between both parties or for reasons beyond the control of either party such as force majeure events.

In the event there is an early termination or suspension, or material reduction in the scope of work of our contract, purchase order, or work order, we will seek payment from the respective customer for the work that we have already carried out. However, there is no guarantee that the customer will pay to us or we will recover the full amount and this may adversely affect our financial performance. During the Financial Years and Period Under Review and up to the LPD, we have not experienced any early terminations, suspensions, or material reductions in the scope of work for any of our projects. However, there is no assurance that we will not face any early terminations, suspensions, or material reductions in the scope of our work in the future.

## 8. RISK FACTORS *(Cont'd)*

### 8.1.3 Our business and financial performance may be affected if there are delays in implementing and completing our projects

We are required to meet project implementation timelines and milestones for our supply and installation projects involving piping systems for end-user premises, and water supply and sewer infrastructure piping. Any delays in meeting these timelines and milestones may result in adverse consequences, such as delayed revenue recognition and project cost overruns. Additionally, we may face a reduction in our scope of work or the termination of contracts, purchase orders, or work orders during the course of the project, which could negatively impact our financial performance.

Some of our contracts, purchase orders, and work orders include provisions for performance penalties in the form of LAD. We may incur LAD if a project is completed later than the agreed completion or delivery date, or beyond an approved extension of time, and the delay is due to us. While we will seek an extension of time for projects that are likely to experience delays, there is no assurance that the customer will approve such requests. If we are unable to secure an extension, we may be liable for LAD, which could adversely affect our financial performance. Depending on the specific terms of a contract, purchase order, or work order, the penalty may be a fixed amount (up to RM110,000 per day of delay) or a percentage of the total contract value (up to 1.00% of the total contract value per day of delay), or the total LAD liability may be capped as a percentage of the total contract value (ranges between 5.00% and 20.00% of the contract value).

Furthermore, delays in project completion may harm our relationships with customers, potentially damaging our reputation and affecting our ability to secure future projects. This, in turn, would negatively impact our financial performance and profitability.

Delays can arise from various factors, including, among others, issues with progress of other works (such as structural works), site handover, unforeseen site conditions, engineering or safety challenges, on-site accidents, delays in receiving materials, labour shortages or disputes, failures on the part of our subcontractors, or changes in government policies (such as those affecting foreign labour availability).

As at the LPD, we have 18 on-going supply and installation of piping systems for end-user premises projects with a contract value of RM2.00 million and above, and one (1) on-going supply and installation of water supply infrastructure projects with a contract value of RM1.00 million and above. As at the LPD, we have not exceeded the agreed completion date or delivery date, or approved EOT for any of these projects. However, there can be no assurance that these or any other of our projects will not be delayed in the future. Please refer to Sections 6.6.1(h) and 6.6.2(e) of this Prospectus for further details on our on-going projects.

Our business and financial performance has not been affected by project implementation delays and we did not receive any LAD claims from our customers during the Financial Years and Period Under Review up to the LPD, nor have we recognised any costs related to LAD during this period. However, there is no assurance that we will not encounter any project implementation delays that affect our business and financial performance or incur any LAD in the future.

### 8.1.4 We may not be able to sustain the same level of growth rate and financial performance of our business in the future

Our revenue increased from RM21.57 million in FYE 2022 to RM54.67 million in FYE 2024, representing a CAGR of 59.19%, and our PAT increased from RM0.93 million in FYE 2022 to RM9.64 million in FYE 2024, representing a CAGR of 221.37%. Meanwhile, our revenue increased from RM29.91 million in FPE 2024 to RM59.52 million in FPE 2025, which represents an increase of 99.00%. In addition, our PAT margin increased from 4.32% in FYE 2022 to 17.63% in FYE 2024, and 25.50% in FPE 2025.

There can be no assurance that we will be able to achieve similar growth rates and financial performance in the future due to internal and/or external factors. Some of the internal and/or external factors include, among others, intensity of competition, operational or management issues, demand for our services, delays or failures in executing our business strategies and plans effectively, adverse changes in either economic, social, geopolitical conditions and/or regulatory conditions.

## 8. RISK FACTORS *(Cont'd)*

### 8.1.5 We may be subject to the risk of penalties for any shortcomings in the work that are carried out by our subcontractors

While we rely on our in-house personnel for on-site pipe installation works, we also engage subcontractors for specialised tasks, including pipe jacking, hot tapping, civil and structural works, and installation of specialised equipment, electrical and process control systems, dye penetrant testing and radiography testing. Additionally, we may engage subcontractors for pipe installation works when there are conflicting timelines.

During the Financial Years and Period Under Review, the cost of piping installation and other services from subcontractors amounted to 35.52% (RM5.13 million), 29.09% (RM7.02 million) and 32.63% (RM9.66 million) and 47.19% (RM14.12 million) of costs of input materials and services for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, respectively. Please refer to Section 6.12 of this Prospectus for further details on these services.

There is a risk that shortcomings in the work performed by subcontractors, such as failure to meet specifications, delays in completion, or poor performance, could lead to project delays or defects in the work we deliver to our customers. If such issues occur, our customers may take action against us for the non-performance of our subcontractors, including claims for LAD if a project is delayed, or request that we remedy defects during the DLP, depending on the terms of the contract.

We have back-to-back arrangements with some of our subcontractors, ensuring they rectify any technical or other defects related to their scope of work during the DLP at no additional cost to us. In addition, our payment terms with our major sub-contractors include a provision for retention sum (up to a maximum of 5.00% of the total contract sum), whereby we retain a specified percentage of the total contract sum until the end of the DLP. We will only release the retention sum after they have rectified any technical or other defects related to their scope of work. However, there may still be costs incurred to address customer claims or to rectify defects arising from the quality of our subcontractors' work.

We use a formal selection process when we engage subcontractors, which includes an assessment of specified criteria including the quality of past work performed for us (if any), financial, technical, and manpower resources, and compliance with the relevant regulatory requirements. Nevertheless, there can be no guarantee that the work performed by the subcontractors that we engage will not result in costs or claims against us from the customers.

During the Financial Years and Period Under Review and up to the LPD, we have not experienced any claims due to shortcomings in the work performed by our subcontractors. Nevertheless, there is no guarantee that we will not face claims in the future related to the poor or non-performance of our subcontractors.

### 8.1.6 Our financial performance may be affected by project implementation costs increases

Our financial performance may be adversely affected if the costs of executing our supply and installation of piping systems for end-user premises as well as water supply and sewer infrastructure piping projects increase significantly and/or unexpectedly. The costs of implementing a project are not fixed when the contract is executed or the purchase order or work order is issued. This is because the prices of various inputs, including materials, subcontracted services, and labour may be different at the point when they are purchased or engaged, compared to when the project's costs were estimated during the tendering or negotiation stage. Cost increases in purchased materials (such as pipe fittings, pipes, equipment, building materials, and sanitary wares and tanks), subcontractors' charges, direct labour, and project related expenses (such as machinery and equipment rental and overheads) can all contribute to higher project implementation costs. Our profit margin for a project may be adversely affected if we do not account for costs properly when we bid on projects, or if cost increases while we are implementing the project and we cannot pass those cost increases to our customer.

## 8. RISK FACTORS *(Cont'd)*

We have not experienced any cost increases for the implementation of our projects that materially impacted our financial performance, and we have not recorded a gross loss on any of our projects during the Financial Years and Period Under Review and up to the LPD. However, there is no assurance that future increases in project implementation costs will not adversely affect our financial performance or result in gross loss for our projects.

### 8.1.7 We may be subject to defect liability and warranty claims from our customers

Some of our contracts, purchase orders, and work orders for our supply and installation projects include provisions for DLP ranging from 12 to 36 months. The DLP typically begins from a specified date, such as the date of substantial completion, certificate of practical completion, handover, or acceptance of our work, depending on the specific terms of the contract, purchase order, or work order. During the DLP, we are responsible for rectifying any defects that arise due to equipment breakdown or workmanship, at our own expense. We are not responsible for rectifying defects caused by the customer's actions.

Some of the equipment we provide, such as pumps and motors, are provided with warranties. While we typically have back-to-back warranty arrangements with our suppliers for such equipment, there may be instances where the project implementation period extends beyond the warranty period we have with our suppliers, while still falling within the warranty period we offer to our customers. In these cases, the need for repair or replacement of the affected equipment could negatively impact our financial performance.

During the Financial Years and Period Under Review and up to the LPD, we have not received any DLP claims and we have not incurred any material costs to rectify defects related to DLP or warranty claims. However, there is no guarantee that we will not receive DLP or warranty claims in the future.

### 8.1.8 A slowdown in the development of new data centres may affect our financial performance and growth

The supply and installation of piping systems for data centres accounted for 4.78%, 11.12%, 21.32% and 47.47% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, respectively. All of our revenue from data centres alone during the Financial Years and Period Under Review were related to the development of new data centres in Malaysia. As a result, a slowdown in the development of new data centres in Malaysia could affect our financial performance and growth.

Such a slowdown may arise due to factors including, but not limited to, changes in government policies or regulations that negatively impact data centre development, shifts in economic conditions that make Malaysia a less attractive location for data centres, shortages or increased costs of key inputs (such as land, water, electricity, and internet connectivity), changes in the strategies of data centre owners and operators, and shifts in user trends that reduce demand for data centre services.

If there is a slowdown in the development of new data centres, we may face challenges in securing sufficient new projects for data centres, which could affect our financial performance and growth. While we do undertake projects for other types of properties such as industrial, commercial, residential and other properties, there is no assurance that we will be able to secure enough of such projects to offset any downturn in the data centre segment.

## 8. RISK FACTORS *(Cont'd)*

### 8.1.9 We are dependent on our Directors and Key Senior Management

We are dependent on the experience, expertise, technical knowledge, and sales and marketing expertise of our Managing Director, Ai Boon Chen, and our Executive Directors, Ai Sew Fuat and Lim Ay Yum. We are also dependent on our Key Senior Management for the experience, expertise and technical knowledge in their respective areas of responsibility, namely Norliana Binti Nor Ezat, our Finance Manager, Siti Hajar Binti Ismail, our Human Resources Manager, Heng Eik Woei, our Technical Manager, Jenylex Kumil, our Project Director, and Muhammad Amirul Bin Muhammad Amri, our Operations Manager.

If we lose the services of one or more of the Directors or Key Senior Management and are unable to engage a suitable replacement promptly, our day-to-day business operations, our financial performance, and the successful implementation of our business strategies may be adversely affected. Please refer to Sections 5.1.2 and 5.2.8 of this Prospectus for the profiles of our Directors and Key Senior Management, respectively.

### 8.1.10 We may not be able to invoice our customers for the full amount with respect to our contract assets

We recognise revenue based on the percentage of completion method for our supply and installation projects. Accordingly, we are subject to the terms of the respective contracts, purchase orders, or work orders. We submit progress claims and reports to our customers based on the work completed. We are also required to obtain certification of completed work or equivalent from our customers or their representatives before we can issue invoices for progress payments, which are based on the percentage of work certified as completed.

Our contract assets primarily relate to our Group's rights to consideration for work completed but not billed at the reporting date. There is typically a timing difference between the completion of contract work, our submission of payment applications, the certification of work by our customers, and the subsequent issuance of invoices and receipt of payments. Our contract assets amounted to RM3.52 million, RM5.97 million, RM10.95 million and RM14.96 million as of FYE 2022, FYE 2023, FYE 2024 and FPE 2025, respectively.

The value of contract assets may fluctuate from period to period due to the timing difference between the completion of work at each stage or milestone and the corresponding certification by our customers. There is no assurance that we will be able to invoice the full amount of our contract assets, as disagreements may arise with customers regarding the value of work completed, such as work done in relation to variation orders or differences in measurement. For example, although variation orders are agreed upfront, the work to be done is sometimes based on estimates, and the actual work done (such as the length of the pipes installed) may be different from the initial estimate. If we are unable to invoice the full amount, it could materially and adversely affect our financial performance and position.

During the Financial Years and Period Under Review and up to the LPD, we have not had any situations where we were not able to invoice the full amount of our contract assets. However, there can be no assurance that such situations will not occur in the future.

## 8. RISK FACTORS *(Cont'd)*

### 8.1.11 We are exposed to credit risk from customers to whom we have extended credit

We are exposed to credit risks associated with customers to whom we have extended credit. During the Financial Years and Period Under Review, the normal credit terms granted by our Group to our customers was generally cash on delivery (typically for maintenance and repair services for piping system) to 120 days. Other credit terms are assessed and approved on a case-by-case basis. Our trade receivables turnover period for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 was 70 days, 39 days, 51 days and 31 days, respectively, which are in line with our normal credit terms.

We may experience delays in customers paying us due to disagreements about the value of work done (including in relation to variation orders or differences in measurement). If a customer fails to pay within the stipulated credit period, we may need to make allowances for impairment losses on trade receivables or write off bad debts. These actions could adversely impact our financial performance. For the Financial Years and Period Under Review, we recognised net impairment loss on trade receivables amounting to RM0.47 million in FYE 2023, RM0.29 million in FYE 2024 and RM0.18 million in FPE 2025 (which included impairment of the entire trade receivables owing from Billion Wind Sdn Bhd amounting to RM0.17 million. Please refer to Section 13.6 of this Prospectus for further information) and bad debts written off amounting to RM1,740 in FYE 2022.

The abovementioned impairment losses on trade receivables and bad debts written off did not adversely affect our financial performance during the Financial Years and Period Under Review. However, there can be no assurance that such losses will not materially impact our financial performance in the future.

### 8.1.12 We are required to comply with the relevant laws and regulations

We are required to comply with all relevant laws and regulations relating to our operations, including those relating to our project worksites. These laws and regulations govern, among other things, health, safety, and environmental (HSE) laws and regulations governing the health and safety of our employees and subcontractors as well as the potential impact of our operations on the environment. Our installation work at a specific site may be suspended or restricted if an accident injures our workers or subcontractors, if we cause environmental harm, or if we breach applicable HSE laws and regulations. These incidents could also lead to administrative or legal actions being taken against us. During the Financial Years and Period Under Review and up to the LPD, we had a total of four (4) workplace accidents at our project sites. These accidents were not material as the affected workers have recovered fully and returned to work, and the total insurance claims in relation to these accidents amounted to RM0.01 million. Nevertheless, there can be no assurance that workplace accidents, injury to employees or subcontractors, or failure to comply with HSE regulations will not occur in the future.

We are also required to notify and provide information to the authorities, and to collect and pay sales and other taxes. If we do not comply with the laws and regulations, the relevant authorities may take action against us such as issuing compounds or fines, or suspending or declining to renew our licences and registrations. As at the LPD, we are in compliance with the relevant laws and regulations. Nevertheless, there can be no assurance that we will not face instances of any non-compliance with the relevant laws and regulations in the future.

## 8. RISK FACTORS *(Cont'd)*

### 8.1.13 Our growth prospects may be limited if we are unable to effectively implement our business strategies and plans

Our business strategies and plans are focused on leveraging on our core competencies in end-user premises piping systems and water supply and sewer infrastructure piping. These plans include, among other initiatives, establishing the New Head Office and Storage Facility in Johor, establishing the new Central Region Office in Selangor or Negeri Sembilan and the new Northern Region Office in Penang, expanding the SILC Office, developing our existing business activities by purchasing new machinery and equipment, and expanding our workforce. For further details on our business strategies and plans, please refer to Section 6.19 of this Prospectus.

The future growth of our business depends on our ability to implement our strategies and plans effectively and promptly. There is a risk that we may not be able to execute them successfully or on schedule. Furthermore, we cannot guarantee that our business strategies will be commercially successful, nor can we anticipate all the potential business and operational risks associated with them. Factors that could impact on the timing and success of our strategies include, but are not limited to, the inability to secure adequate funding or bank loans, limitations in human resources or experience, economic uncertainties, regulatory changes, and unforeseen delays.

Any delays or failure in executing our strategies and plans could adversely affect our financial performance.

### 8.1.14 Our insurance coverage may not fully cover the losses and liabilities that may arise from our business operations and are subject to renewal

We operate our business at worksites that involve various risks and hazards, including, but not limited to, workplace accidents, fires, floods, and other natural disasters. To mitigate the potential losses and liabilities arising from these risks, we maintain comprehensive insurance coverage, including contractor's all-risk insurance and workmen's compensation.

All of our insurance policies are subject to periodic renewal, which may result in changes to premiums, terms, or claim limits. A significant increase in premiums or a substantial reduction in claim limits could lead to higher costs to maintain the same level of coverage or necessitate a reduction in coverage. In the event that claims exceed the coverage limits of our insurance policies, we may be liable for any shortfall, which could materially and adversely affect our financial position.

During the Financial Years and Period Under Review and up to the LPD, we did not incur any material losses or liabilities that were claimable under our insurance policies.

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## 8. RISK FACTORS *(Cont'd)*

### 8.2 RISKS RELATING TO OUR INDUSTRY

#### 8.2.1 We are subject to the risk of competition from other operators that provide similar services

We face competition from operators that provide similar services, namely supply and installation of piping systems for end-user premises and supply and installation of water supply and sewerage infrastructure. As at 10 December 2025, the number of operators registered by CIDB under the relevant categories was as follows:

- 2,307 contractors are involved in the provision of the internal water plumbing system installation, of which 456 are Grade 7 contractors;
- 400 contractors are involved in the provision of the connection of private sewer to the public sewer infrastructure, of which 135 are Grade 7 contractors;
- 2,668 contractors are involved in the provision of sewerage systems, of which 818 are Grade 7 contractors; and
- 4,314 contractors are involved in the provision of water supply systems, of which 1,136 are Grade 7 contractors.

*(Source: IMR Report)*

The relatively large number of operators registered in these scopes indicates that we face competition in the provision of these services. There can be no assurance that competition in Malaysia from existing operators and from new entrants as well as other countries will not have a material adverse effect on our business and financial performance.

#### 8.2.2 Our business operations may be interrupted by shortages of engineers or labour, or labour disputes

We rely on our in-house engineers to implement our supply and installation of piping systems for end-user premises as well as water supply and sewer infrastructure piping projects. Our engineers are involved in all aspects of project implementation, including design (when it is included in our scope of work), procurement, installation, and testing and commissioning. Project implementation may be disrupted or stopped if we do not have sufficient in-house engineers.

We utilise our in-house construction workers to implement our supply and installation of piping systems for end-user premises as well as water supply and sewer infrastructure piping projects. The implementation of our projects may be disrupted or stopped due to labour shortages or disputes.

Disruption or stoppage of project implementation might lead to missing project milestone or completion deadlines or may prevent us from completing the project altogether. These occurrences could have a negative impact on our reputation and financial performance.

During the Financial Years and Period Under Review and up to the LPD, we have not encountered any shortages of engineers or labour or encounter any labour disputes that may have caused material project implementation delays or prevented us from completing projects, or that have materially disrupted our business operations. However, there can be no assurance that we will not experience shortages of engineers or labour, or labour disputes in the future.

## 8. RISK FACTORS *(Cont'd)*

### 8.2.3 We are exposed to risks related to the construction industry

Our supply and installation of piping systems for end-user premises and supply and installation of water supply and sewerage infrastructure services are mainly for the construction of properties and infrastructure. Consequently, we are exposed to risks related to the construction industry which include, among others, the following:

- lower demand for commercial and industrial properties due to a slowdown in commercial and industrial activities;
- property market overhang whereby a large pool of unsold residential and commercial properties cause developers to slowdown existing projects and delay launches of new projects;
- general economic slowdown leading to lower demand for residential and commercial property investment and purchases;
- shortages of labour and/or increases in labour costs resulting in delays in construction work and/or higher construction costs;
- increases in materials and other project implementation costs may result in lower margins;
- delay, scaling-down, cancelation, or deferment of projects due to unfavourable political, social, economic, and regulatory changes in Malaysia as well as global events.

Unfavourable construction industry performance and events may adversely affect our future financial performance.

### 8.2.4 We are subject to risks related to changes in conditions in Malaysia as well as global events

Changes in the political, social, economic, and regulatory conditions in Malaysia may adversely affect our business operations and financial performance. Some of the examples of changes include but are not limited to, changes in political leadership, geopolitical events, wars, acts of terrorism, riots, economic policies such as expropriation, nationalisation, fiscal and monetary policies such as changes in interest rates, methods of taxation, tax policies, and foreign worker levy, imposition of anti-dumping duties on specified products, changes in international relationships and other matters that may influence consumer and business confidence and spending.

In addition, our business may also be affected by global events such as, among others, geopolitical events, financial crises, trade conflicts and sanctions, and the emergence of new epidemics or pandemics.

In April 2025, the United States government imposed a baseline 10% tariff on most imported goods with higher tariffs for countries with significant trade surpluses. Certain products imported into the United States were exempted from these tariffs. In response to the tariffs imposed by the United States government, some countries such as China increased tariffs on imported goods originating from the United States. In October 2025, the Malaysia government and United States government entered into a reciprocal trade agreement under which most goods are subject to 19% tariff and some specified goods will be exempted from the 19% tariff, such as specified electrical and electronics products, aerospace equipment and parts, and pharmaceutical products. These tariff rates are subject to change. During the Financial Years and Period Under Review, none of our revenue was from the United States. However, we may be indirectly exposed as some of our customers and end-users in Malaysia manufacture products that are ultimately exported to the United States and they may be adversely affected. There can be no assurance that the uncertainty and potential decline in demand for products manufactured in Malaysia caused by the United States tariffs will not cause our customers to cancel, suspend, or reduce the value of their existing contracts with us, and neither can there be any assurance that they will not cause our customers and end users to scale-down, suspend, or cancel future projects.

Therefore, we are subject to changes in political, social, economic, and regulatory conditions in Malaysia, as well as global events, which may be beyond our control. There can be no assurance that such changes and events will not materially affect our business operations and financial performance in the future.

## 8. RISK FACTORS *(Cont'd)*

### 8.3 RISKS RELATING TO INVESTING IN OUR SHARES

#### 8.3.1 There has been no prior market for our Shares

Prior to our Listing, there has been no public market for our Shares. Hence, there is no assurance that upon Listing, an active market for our Shares will develop, or, if developed, that such market can be sustained. There is also no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares.

The IPO Price was determined after taking into consideration various factors including but not limited to our business strategies and our financial and operating history.

There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the ACE Market upon our Listing and the market price of our Shares will not decline below the IPO Price.

#### 8.3.2 Our Share price and trading volume may be volatile

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed Shares.

In addition, the market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

(i) material variations in our financial results and operations;

(ii) success or failure in our management in implementing future plans, business and growth strategies;

(iii) gain or loss of an important business relationship;

(iv) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;

(v) changes in conditions affecting the industry, the prevailing global and local economic conditions or stock market sentiments or other events or factors;

(vi) natural disasters, health epidemics and outbreaks of contagious diseases;

(vii) additions or departures of Key Senior Management;

(viii) fluctuations in stock market prices and volumes;

(ix) involvement in claims, litigation, arbitration or other form of dispute resolution;

(x) changes in government policy, legislation or regulation; and/or

(xi) general operation and business risks.

## 8. RISK FACTORS *(Cont'd)*

### 8.3.3 Our Promoters will be able to exert significant influence over our Company as they will continue to hold majority of our Shares after the IPO

As disclosed in Section 5.1 of this Prospectus, our Promoters will collectively hold in aggregate 72.47% of our enlarged number of issued shares upon Listing. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as having voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations.

For instance, if our Promoters vote in favour of ordinary resolutions which require a simple majority approval, their vote will result in the ordinary resolutions being passed. If our Promoters vote in favour of special resolutions which require a majority of at least 75% shareholders' approval, they will be able to influence the passing and approval of these resolutions at a general meeting. Conversely, if our Promoters vote against such resolutions, such resolutions would not be able to be passed.

### 8.3.4 There may be a potential delay to or cancellation of our Listing

The occurrence of any 1 or more of the following events, which is not exhaustive, may cause a delay in or cancellation of our Listing:

(i) the selected investors fail to subscribe for their portion of our IPO Shares;

(ii) our Sole Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from its obligations thereunder;

(iii) the revocation of approvals from the relevant authorities for the Listing and/or admission for whatever reason; or

(iv) we are unable to meet the public shareholding spread requirement of the Listing Requirements, i.e. at least 25% of our issued share capital for which listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the point of our Listing.

Where prior to the allotment and issuance of our IPO Shares:

(a) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company and the Offerors, shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which our Company and Offerors shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

(b) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the allotment and issuance of our IPO Shares:

(1) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, our Company and Offerors shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or

**8. RISK FACTORS *(Cont'd)***

(2) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:

(a) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or

(b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from the directors.

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## 9. RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to certain exemptions, a "related party transaction" is a transaction entered into by a listed issuer or its subsidiary, which involves the interest, direct or indirect, of a related party. A "related party" is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding six (6) months before the transaction was entered into). "Major shareholder" means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company.

### 9.1 RELATED PARTY TRANSACTIONS

#### 9.1.1 Material related party transactions entered into by our Group

Save for the Acquisition of YPSB and as disclosed below, there are no material related party transactions, existing or proposed, entered or to be entered into by our Group but not yet effected, which involve the interests, direct or indirect, of our Directors, major shareholders and/or persons connected with them for the Financial Years and Period Under Review and up to the date of this Prospectus:

| No. | Transacting parties | Nature of relationship | Nature of transaction | Transaction Value | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | FYE 2022 | FYE 2023 | FYE 2024 | FPE 2025 | From 1 August 2025 to the LPD |
| | | | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 1. | YPSB and Yeo Plumber [1] | Ai Sew Fuat is the past owner of Yeo Plumber.<br><br>He is also our Group's Promoter, substantial shareholder and Executive Director as well as the father of Ai Boon Chen and spouse of Lim Ay Yum. | ▪ Sub-contract fee received from Yeo Plumber [2] | 526<br><br>(2.44% of our Group's revenue) | - | - | - | - |
| | | | ▪ Sub-contract fee paid to Yeo Plumber [2] | 1,024<br><br>(6.53% of our Group's COS) | 1,090<br><br>(4.05% of our Group's COS) | - | - | - |
| | | | ▪ Rental expenses (property) paid to Yeo Plumber [3] | 18<br><br>(1.30% of our Group's PBT) | 18<br><br>(0.31% of our Group's PBT) | 3<br><br>(0.02% of our Group's PBT) | - | - |
| | | | ▪ Rental expenses (machinery) paid to Yeo Plumber [4] | 150<br><br>(0.96% of our Group's COS) | - | - | - | - |

## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

| No. | Transacting parties | Nature of relationship | Nature of transaction | Transaction Value | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | FYE 2022 | FYE 2023 | FYE 2024 | FPE 2025 | From 1 August 2025 to the LPD |
| | | | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 2. | YPSB and Plumb Perfect Sdn Bhd (formerly known as ASF M&E Sdn Bhd) ("**Plumb Perfect**") | Ai Boon Chen and Lim Ay Yum are the directors and shareholders of Plumb Perfect.<br><br>Ai Boon Chen is our Group's Promoter, substantial shareholder and Managing Director as well as the son of Ai Sew Fuat and Lim Ay Yum.<br><br>Lim Ay Yum is our Group's Promoter, substantial shareholder and Executive Director as well as the mother of Ai Boon Chen and the spouse of Ai Sew Fuat. | Sub-contract fee paid to Plumb Perfect [(5)] | 34<br><br>(0.22% of our Group's COS) | 36<br><br>(0.13% of our Group's COS) | 4<br><br>(0.01% of our Group's COS) | - | - |

## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

| No. | Transacting parties | Nature of relationship | Nature of transaction | Transaction Value | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | FYE 2022 | FYE 2023 | FYE 2024 | FPE 2025 | From 1 August 2025 to the LPD |
| | | | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 3. | YPSB and Ai Sew Fuat | Ai Sew Fuat is our Group's Promoter, substantial shareholder and Executive Director as well as the father of Ai Boon Chen and the spouse of Lim Ay Yum. | ▪ Assignment, novation, transfer of the obligations, rights, title, benefits, interests and liabilities under an investment agreement to Ai Sew Fuat [6] | - | - | 2,370<br><br>(16.16% of our Group's NA) | - | - |
| | | | ▪ Rental expenses (property) paid to Ai Sew Fuat [7] | 24<br><br>(1.73% of our Group's PBT) | 38<br><br>(0.66% of our Group's PBT) | 6<br><br>(0.05% of our Group's PBT) | - | - |
| 4. | YPSB and Lim Ay Yum | Lim Ay Yum is our Group's Promoter, substantial shareholder and Executive Director as well as the mother of Ai Boon Chen and the spouse of Ai Sew Fuat. | Rental expenses (property) paid to Lim Ay Yum [8] | - | 7<br><br>(0.12% of our Group's PBT) | 2<br><br>(0.02% of our Group's PBT) | - | - |
| 5. | YPSB and Ai Boon Chen | Ai Boon Chen is our Group's Promoter, substantial shareholder and Managing Director as well as the son of Ai Sew Fuat and Lim Ay Yum. | Disposal of properties to Ai Boon Chen [9] | - | - | 6,570<br><br>(44.80% of our Group's NA) | - | - |

## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

| No. | Transacting parties | Nature of relationship | Nature of transaction | Transaction Value | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | FYE 2022 | FYE 2023 | FYE 2024 | FPE 2025 | From 1 August 2025 to the LPD |
| | | | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 6. | YPSB and Harmony Meadows Sdn Bhd ("**Harmony Meadows**") | Ai Boon Chen, Ai Sew Fuat and Jenylex Kumil are the directors and shareholders of Harmony Meadows.<br><br>Ai Boon Chen is our Group's Promoter, substantial shareholder and Managing Director as well as the son of Ai Sew Fuat and Lim Ay Yum.<br><br>Ai Sew Fuat is our Group's Promoter, substantial shareholder and Executive Director as well as the father of Ai Boon Chen and the spouse of Lim Ay Yum.<br><br>Jenylex Kumil is our Group's Key Senior Management. | ▪ Backcharge of professional fees paid by YPSB on behalf of Harmony Meadows (10) | 14<br><br>(0.09% of our Group's COS) | - | - | - | - |
| | | | ▪ Provision of hostel management services by Harmony Meadows to YPSB (11) | - | - | - | - | (12) 49 |

***Notes:***

*(1) Yeo Plumber had been terminated on 13 June 2025.*

*(2) The supply and installation of internal and external piping services provided under the sub-contract fees were conducted on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties upon taking into account that such transactions were comparable to those generally charged and/or quoted to/by third parties for similar transactions.*

*Yeo Plumber had been terminated on 13 June 2025. In addition, there are no ongoing projects involving YPSB as a sub-contractor. Accordingly, this engagement has ceased and will not continue after our Listing.*

## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

*(3) The first floor of Property 763 was previously sub-tenanted by Yeo Plumber to YPSB for use as an administrative office at a monthly rental of RM1,500. The rental expenses of the property were determined based on the prevailing market rate at the time the tenancy was entered into. The rental rate was established with reference to the market value as at the date of the tenancy, derived from comparable transactions involving similar properties and was therefore conducted on an arm's length basis and on normal commercial terms, and is not more favourable to the related party than those generally available to third parties. The tenancy has since ceased in March 2024, as our Group has subsequently entered into a direct tenancy arrangement with the landlord of Property 763, namely Koh Chong Guan.*

*(4) The rental expenses of the machinery were determined based on the prevailing market rate at the time the rental arrangements were entered into. The rental rate was established with reference to the market value as at the date of the rental, based on comparable transactions involving similar vehicles (i.e. car and lorry). The rental was therefore conducted on an arm's length basis and on normal commercial terms, and is not more favourable to the related party than those generally available to third parties. The rental arrangements have since ceased as at the LPD and will not subsist after our Listing.*

*(5) The piping installation services provided under the sub-contract were conducted on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties upon taking into account that such transactions were comparable to those generally charged and/or quoted to/by third parties for similar transactions.*

*On 25 November 2024, Ai Boon Chen and Lim Ay Yum had disposed of their entire equity interest in Plumb Perfect to a third party at a consideration of RM0.13 million. Accordingly, this engagement has ceased and will not continue after our Listing.*

*(6) On 30 September 2024, YPSB entered into a novation agreement with Ai Sew Fuat to assign, novate, transfer the obligations, rights, title, benefits, interest and liabilities under an investment agreement dated 10 April 2019, initially entered between YPSB and LPY Fortune Sdn Bhd ("**Investment Agreement**") to Ai Sew Fuat at a consideration of RM2.37 million ("**Novation Consideration**").*

*Pursuant to the Investment Agreement, YPSB had invested a sum of RM1.50 million in LPY Fortune Sdn Bhd for its development of a piece of land and the design, erection and completion of building and structures of apartments ("**Investment**"). The Investment was made as part of the Company's capital allocation strategy, utilising available funds to invest in an investment opportunity identified to generate potential returns. As of 30 September 2024, the net present value of the Investment is valued at RM2.37 million.*

*The Novation Consideration was determined based on the present value of the Investment and was therefore conducted at arm's length and on normal commercial terms, ensuring that it is not more favourable to the related parties than those generally available to third parties. This transaction is one-off in nature and as at the LPD, the novation has been completed.*

*As at the LPD, the principal activity of LPY Fortune is that of housing developers and housing contractors. The directors and shareholders of LPY Fortune as well as their respective shareholdings in the company are Lee Pei Yau (70.00%) and Ng Shea Lih (30.00%).*

## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

*(7) The property, located at No. 20, Taman Perindustrian Maju, Jalan Johor, 82000 Pontian, Johor was previously rented for storage purpose at a monthly rental of RM1,200 commencing from January 2022. Another property, located at No.2, Jalan Indah 2/8, Taman Bukit Indah, 79100, Johor Bahru, Johor was previously rented for accommodation purpose at a monthly rental of RM2,000 commencing from August 2022.*

*The rental expenses of the properties were determined based on the prevailing market rate at the time the tenancies were entered into. The rental rates were established with reference to the market value as at the date of the tenancies, derived from comparable transactions involving similar properties and were therefore conducted on an arm's length basis and on normal commercial terms, and are not more favourable to the related party than those generally available to third parties. The tenancies had since ceased in March 2024 and will not subsist after the IPO.*

*(8) The property, located at PTD 6446, Jalan Cahaya 2, Taman Cahaya, Kampung Parit Mesjid, 82000, Pontian, Johor, was previously rented for storage purpose at a monthly rental of RM1,000, commencing from June 2023. The rental expenses of the property were determined based on the prevailing market rate at the time the tenancy was entered into. The rental rate was established with reference to the market value as at the date of the tenancy, derived from comparable transactions involving similar properties and was therefore conducted on an arm's length basis and on normal commercial terms, and is not more favourable to the related party than those generally available to third parties. The tenancy had since ceased in March 2024 and will not subsist after the IPO.*

*(9) On 29 December 2024, YPSB had entered into sale and purchase agreements with Ai Boon Chen to dispose of the following properties:-*

*(i) a piece of agricultural land bearing postal address of Lot 2038, Jalan Parit Semerah, Kampung Parit Semerah, 82000 Pontian, Johor at a consideration of RM0.55 million;*

*(ii) a piece of industrial land bearing postal address of PTD 9330, Jalan Perindustrian 5, Kawasan Perindustrian Pontian, 82000 Pontian, Johor at a consideration of RM1.25 million;*

*(iii) a unit of service apartment bearing postal address of Unit No. 03-08, Block 1 (Regent Court), Prima Regency Service Apartment, Jalan Masai Baru, 81750 Masai, Johor at a consideration of RM0.35 million;*

*(iv) a piece of agricultural land bearing postal address of Lot 2873 (new survey Lot No. 7569), Jalan Parit Haji Adnan, Kampung Parit Haji Adnan, 81500 Pekan Nanas, Johor at a consideration of RM1.20 million;*

*(v) a piece of agricultural land bearing postal address Lot 8058, Jalan Parit Mesjid, Kampung Parit Kassim, 82000 Pontian, Johor at a consideration of RM3.10 million; and*

*(vi) a unit of stratified shop office bearing postal address No. 13-2, Jalan Delima 5, Pusat Perdagangan Pontian, 82000 Pontian, Johor at a consideration of RM0.12 million,*

*(collectively, the properties in items (i) to (vi) shall be referred to as the "**Properties**", and the consideration for their disposal shall be referred to as the "**Disposal Consideration**").*

*The Disposal Consideration was determined based on the current market value as of the date of the sale and purchase agreement. The market value was derived through a comparison of similar properties where transactions have taken place and was therefore conducted at arm's length and on normal commercial terms, ensuring that it is not more favourable to the related parties than those generally available to third parties.*

**9. RELATED PARTY TRANSACTIONS *(Cont'd)***

*The Properties were not used for our Group's operations for the Financial Years and Period Under Review. As such, the disposal of the Properties will not disrupt our Group's business operations. These transactions are one-off in nature and will not subsist after the IPO.*

*The disposal of the property items (i) to (v) was completed on 31 December 2024, while the disposal property item (vi) was completed on 26 November 2025.*

*(10) YPSB had paid certain professional fees on behalf of Harmony Meadows for the progress of the project such as fees incurred for the completion of built drawings and endorsements, inspections by the Pontian Municipal Council, issuance of Certificate of Fitness for Occupation (Form F) and registration of Bumiputera Lots. These fees were backcharged to Harmony Meadows, and such backcharges, without interest, are considered normal practice in commercial projects of this nature. The amount has been fully repaid by Harmony Meadows to YPSB on 29 August 2023.*

*(11) On 1 August 2025, YPSB had entered into a service agreement with Harmony Meadows for the provision of hostel management services for its foreign workers. The hostel provided by Harmony Meadows is located at PTD 9265, Taman Perindustrian Pontian Maju, 82000 Pontian, Johor, and has been certified with the COA.*

*The hostel management service agreement is for a fixed term of two (2) years commencing from 1 August 2025 to 31 July 2027. As at the LPD, a total of 49 foreign workers of our Group are accommodated at the said hostel.*

*The provision of hostel management services is charged at RM200 per person per month. The rate was established with reference to prevailing market rates at the time the arrangement was entered into, based on comparable accommodation services offered by other providers located within the broader vicinity (though not in the immediate area). Taking into account the location of the hostel as well as the facilities and amenities offered, the provision of hostel management services was conducted on an arm's length basis and on normal commercial terms and is not more favourable to the related party than those generally available to third parties. The provision of hostel management services will subsist after the IPO.*

*(12) As at the LPD, we are unable to compute the percentage of the contribution to our Group's PBT as our Group's audited combined financial statements for the period from 1 August 2025 up to the LPD are not available.*

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## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

Our Directors confirm that:

(i) the transactions set out in the table above were transacted on an arm's length basis and based on normal commercial terms which are not unfavourable to our Group and are not detrimental to our minority shareholders; and

(ii) as at the date of this Prospectus, there are no other material related party transactions that have been entered by our Group that involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected with them but not yet effected.

After our Listing, we will be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate.

In the event there are any proposed related party transactions that require prior approval of our shareholders, our Directors, major shareholders and/or persons connected with them who have any direct or indirect interest in the proposed related party transactions shall abstain from deliberation and voting on resolution(s) pertaining to the respective transactions. Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12-month period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities of interests in one corporation/asset or of various parcels of land contiguous to each other.

Upon our Listing, our ARMC will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arm's length basis with our Group and are not to the detriment to our minority shareholders. Our Group will seek such relevant shareholders' approval where required. We will make disclosures in our annual report of the aggregate value of the recurrent related party transactions entered into by us based on the nature of the transactions made, names of the related parties involved and their relationship with our Group during the financial year and in the annual reports for the subsequent financial years.

### 9.1.2 Related party transactions that are unusual in nature or condition

Our Directors have confirmed that there are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which we were a party in respect of the Financial Years and Period Under Review and up to the LPD.

## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

### 9.1.3 Loans and/or financial assistance made to or for the benefit of related parties

There are no outstanding loans and/or financial assistance (including guarantees of any kind) that have been granted by our Company and/or our subsidiaries to or for the benefit of the related parties for the Financial Years and Period Under Review and up to the LPD.

### 9.1.4 Loans and/or financial assistance from related parties to our Group

Save as disclosed below, there are no outstanding loans and/or financial assistance (including guarantees of any kind) received by our Group from any related parties for the Financial Years and Period Under Review and up the LPD:

(i) Advances provided by the related parties to our Group

| No. | Transacting parties | Nature of relationship | Nature of transaction | Outstanding amount as at | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | FYE 2022 RM'000 | FYE 2023 RM'000 | FYE 2024 RM'000 | FPE 2025 RM'000 | LPD RM'000 |
| 1. | YPSB and Ai Boon Chen | Ai Boon Chen is our Group's Promoter, substantial shareholder and Managing Director as well as the son of Ai Sew Fuat and Lim Ay Yum. | Advances from Ai Boon Chen for our Group's working capital purposes | 1 | - | - | - | - |
| 2. | YPSB and Lim Ay Yum | Lim Ay Yum is our Group's Promoter, substantial shareholder and Executive Director as well as the mother of Ai Boon Chen and the spouse of Ai Sew Fuat. | Advances from Lim Ay Yum for our Group's working capital purposes | - | 200 | - | - | - |

The above advances made by the related parties to our Group were not made at arm's length basis as they were unsecured, interest-free and repayable on demand. These advances were fully repaid in the FYE 2024. Moving forward, our Group has put in place strict internal controls and compliance procedures regarding advances, loans, or financial assistance involving related parties. Accordingly, our Group will not obtain any such advances, loans, or financial assistance from related parties unless permitted under applicable laws, regulations (including the Listing Requirements), and subject to review and approval by our ARMC and our Board.

## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

(ii) Financial assistance (including guarantees of any kind)

In addition to the above, our Directors have provided joint and several personal guarantees for the banking facilities extended to our Group ("**Financiers**"). The aggregate amount of banking facilities secured by our Group as at the LPD is approximately RM21.85 million. We have applied to the Financiers to discharge the guarantees by substituting the same with a corporate guarantee from the Company and/or other securities from our Group acceptable to the Financiers. Until such discharge and substitution of guarantees have been implemented by the Financiers, our relevant Directors will continue to guarantee the banking facilities extended to our Group. The details of the banking facilities as at the LPD are as follows:

| **Financiers** | **Types of facility / Purpose** | **Guarantor(s)** | **Total amount (RM'000)** | **Outstanding Amount (RM'000)** |
|---|---|---|---|---|
| Ambank (M) Berhad | Bank guarantee / For issuance to the customer of our Group | Ai Boon Chen [(1)], Ai Sew Fuat [(2)] and Lim Ay Yum [(3)] | 83 | - |
| Maybank Islamic Berhad | Commodity murabahah term financing-i ("**CMTF-i**") and cash line-i ("**CL-i**") / CMTF-i is for the purpose to part finance the purchase of SILC Office and CL-i is for the purpose of working capital | Ai Boon Chen [(1)], Ai Sew Fuat [(2)] and Lim Ay Yum [(3)] | 1,640 | 30 |
| | Bank guarantee-i ("**BG-i**") / For issuance as security deposits in favour of utility providers, customs and excise authorities, and other relevant government or private entities in connection with our Group's business. Further, to support tender submissions and performance bonds required by the Immigration Department, as well as other government and private bodies related to our Group's business | Ai Boon Chen [(1)] and Lim Ay Yum [(3)] | 3,000 | 2,900 |
| | Cash line-i ("**CL-i**") and tradeline-i invoice financing-i ("**IF-i**") / CL-i is for the purpose of working capital requirement and IF-i is for the purpose of importation, local purchases of goods, financing of services related to our Group's business | Ai Boon Chen [(1)] and Lim Ay Yum [(3)] | 3,000 | - |
| CIMB Bank Berhad | Term loan / For working capital requirement | Ai Boon Chen [(1)], Ai Sew Fuat [(2)] and Lim Ay Yum [(3)] | 750 | 109 |
| CIMB Islamic Bank Berhad | Term financing-i / To part finance the purchase of land held under the title HS(M) 3225, PTD 13797, Mukim Rimba Terjun, Daerah Pontian, Negeri Johor. | Ai Boon Chen [(1)], Ai Sew Fuat [(2)] and Lim Ay Yum [(3)] | 1,667 | 1,249 |

## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

| Financiers | Types of facility / Purpose | Guarantor(s) | Total amount (RM'000) | Outstanding Amount (RM'000) |
|---|---|---|---|---|
| RHB Islamic Bank Berhad | Commodity murabahah overdraft-i, Multi tradeline ("**MTL-i**") and PFM bank guarantee-i ("**BG-i**") / Commodity murabahah overdraft-i is for the purpose of working capital, MTL-i is for the purpose to finance our Group's import or purchase transaction and BG-i is for the purpose of issuance of security deposit, tender bonds, performance bonds and other guarantee acceptable to the bank related to our Group's business | Ai Boon Chen [(1)], Ai Sew Fuat [(2)] and Lim Ay Yum [(3)] | 7,000 | 5,006 |
| Public Bank Berhad | Hire purchase | Lim Ay Yum [(3)] | 1,051 | 605 |
| | Hire purchase | Ai Boon Chen [(1)] and Lim Ay Yum [(3)] | 446 | 373 |
| Malayan Banking Berhad | Hire purchase | Lim Ay Yum [(3)] | 1,813 | 1,052 |
| | Hire purchase | Ai Boon Chen [(1)] and Lim Ay Yum [(3)] | 1,072 | 854 |
| Hong Leong Bank Berhad | Hire purchase | Lim Ay Yum [(3)] | 332 | 192 |
| **Total** | | | **21,854** | **12,370** |

***Notes:***

*(1) Ai Boon Chen is our Promoter, substantial shareholder and Managing Director. He is also the son of Ai Sew Fuat and Lim Ay Yum.*

*(2) Ai Sew Fuat is our Promoter, substantial shareholder and Executive Director. He is also the father of Ai Boon Chen and spouse of Lim Ay Yum.*

*(3) Lim Ay Yum is our Promoter, substantial shareholder and Executive Director. She is also the mother of Ai Boon Chen and spouse of Ai Sew Fuat.*

As at the LPD, we have received conditional approvals from the Financiers to discharge the above guarantees provided by our Directors upon the successful Listing by substituting the same with a corporate guarantee from our Company or such other securities acceptable by the Financiers.

## 9. RELATED PARTY TRANSACTIONS *(Cont'd)*

### 9.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

#### 9.2.1 ARMC review

Our ARMC assesses the financial risk and matters relating to related party transactions and conflict of interest situation that may arise within our Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity. Our ARMC maintains and periodically reviews the adequacy of the procedures and processes set by our Group to monitor related party transactions and conflicts of interest. It also sets the procedures and processes to ensure that transactions are carried out in the best interest of our Group on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length and are not to the detriment of the interest of our Group's minority shareholders. Among others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions.

All reviews by our ARMC are reported to our Board for its further action.

#### 9.2.2 Our Group's policy on related party transactions and conflicts of interest

Some of our Directors and/or substantial shareholders are also directors and/or shareholders of related party(ies) to our Group, as disclosed in Section 9.1.1 of this Prospectus. It is the policy of our Group that all related party transactions and conflicts of interest must be immediately and fully disclosed by our interested or conflicted Directors or substantial shareholders to the management for reporting to our ARMC. Any related party transactions must be reviewed by our ARMC to ensure that they are negotiated and agreed upon in the best interest of our Group on an arm's length basis and are based on normal commercial terms not more favourable to the related party than those generally available to third parties and are not detrimental to the interest of our Group's minority shareholders.

In addition, in line with the MCCG, our Directors are required to make an annual disclosure of any related party transactions and conflicts of interest with our Group and our ARMC must carry out an annual assessment of our Directors which include an assessment of such related party transactions and/or conflict of interest. Our ARMC will in turn report to our Board after their evaluation and assessment and make the appropriate recommendations to our Board.

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## 10. CONFLICT OF INTEREST

### 10.1 CONFLICT OF INTEREST

#### 10.1.1 Interest in entities which carry a similar trade as that of our Group or which are the customers or suppliers of our Group

Save as disclosed below, none of our Directors and/or substantial shareholders has any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as our Group or which are customers and/or suppliers of our Group as at the LPD:-

| Name of company | Nature of transaction | Principal activities | Nature of relationship |
|---|---|---|---|
| Harmony Meadows | Provision of hostel management services by Harmony Meadows to YPSB | Investment holdings, including the holding of real estate assets for rental income generation, and the provision of property management and related real estate services (1) | Ai Boon Chen, Ai Sew Fuat and Jenylex Kumil are the directors and shareholders of Harmony Meadows.<br><br>Ai Boon Chen is our Group's Promoter, substantial shareholder and Managing Director as well as the son of Ai Sew Fuat and Lim Ay Yum.<br><br>Ai Sew Fuat is our Group's Promoter, substantial shareholder and Executive Director as well as the father of Ai Boon Chen and the spouse of Lim Ay Yum.<br><br>Jenylex Kumil is our Group's Key Senior Management. |

***Note:***

*(1) Harmony Meadows currently holds three (3) residential properties located in Johor, which forms part of its real estate holdings. The property in respect of which the hostel management services are provided is rented by Harmony Meadows from Ai Sew Fuat. The Group's contractual arrangement is solely with Harmony Meadows under the hostel management service agreement, pursuant to which Harmony Meadows utilises the said property to provide hostel management services to the Group's foreign workers.*

*The Group entered into the hostel management service agreement with Harmony Meadows, and not directly with Mr Ai Sew Fuat, as the arrangement relates to the provision of hostel management services rather than a mere tenancy of the property. The Certificate of Accommodation for the relevant premises is registered in the name of Harmony Meadows, which is the approved centralised accommodation provider responsible for the management and operation of the hostel for foreign workers. Accordingly, Harmony Meadows undertakes the overall management and day-to-day operation of the hostel, including the engagement of operational staff (such as cleaning and maintenance personnel) and the maintenance of the hostel premises and facilities.*

Please refer to Section 9.1.1 of this Prospectus for further details of the material related party transactions between Harmony Meadows and our Group during the Financial Years and Period Under Review and up to the LPD.

Nevertheless, our Board is of the view that any potential conflict of interest situation arising from the transactions between Harmony Meadows and our Group is mitigated, as the transactions were conducted on an arm's length basis and on normal commercial terms. The rate of hostel management services was established with reference to prevailing market rates at the time the arrangement was entered into, based on comparable accommodation services offered by other providers located within the broader vicinity (though not in the immediate area). Taking into account the location of the hostel as well as the facilities and amenities offered, the provision of hostel management services was not more favourable to the related party than those generally available to third parties.

In order to safeguard the interest of our Group and minority shareholders, our ARMC will monitor and review any potential conflict of interest situation and report to our Board for further deliberation and approval. Our Board will disclose such conflict of interest, if any, for resolution as and when they arise.

## 10. CONFLICT OF INTEREST *(Cont'd)*

### 10.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

#### 10.2.1 Principal Adviser, Sponsor, Sole Underwriter and Placement Agent

AIS and/or its related companies ("**Alliance Banking Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking and credit transaction services business. AIS has been engaged as the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent for the Listing of our Company and the Alliance Banking Group may in the future, engage in transactions with and perform services for our Group and/or our Group's affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Alliance Banking Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group, our shareholders, and/or its affiliates and/or any other entity or person, hold long or short positions in securities issued by our Group and/or its affiliates, and may trade or otherwise effect transactions for its own account or account of its other customer in debt or equity securities or loans of any member of our Group and/or its affiliates. This is the result of the businesses of Alliance Banking Group generally acting independently of each other and accordingly, there may be situations where parts of the Alliance Banking Group now have or in the future, may have an interest or take actions that may conflict with the interest of our Group. Nonetheless, Alliance Banking Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

AIS has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent to our Group in relation to the Listing. The Placement Agreement and Underwriting Agreement, of which certain details are set out in Section 4.5.3 and Section 4.6 of this Prospectus, was entered into on arm's length basis and on market terms.

#### 10.2.2 Solicitors

David Lai & Tan has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the solicitors to our Group in relation to our Listing.

#### 10.2.3 Auditors and Reporting Accountants

Grant Thornton Malaysia PLT has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants to our Group in relation to our Listing.

#### 10.2.4 Independent Business and Market Research Consultants

Vital Factor has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the IMR to our Group in relation to our Listing.

## 11. FINANCIAL INFORMATION

### 11.1 HISTORICAL AUDITED COMBINED FINANCIAL INFORMATION

The historical audited combined financial information of our Group for the Financial Years and Period Under Review presented in this section have been extracted from the Accountants' Report set out in Section 12 of this Prospectus, which deals with the audited combined financial statements of our Group for the same Financial Years and Period Under Review.

You should read the historical audited combined financial information below together with:

- Management's Discussion and Analysis of Financial Conditions and Results of Operations set out in Section 11.3 of this Prospectus; and
- Accountants' Report set out in Section 12 of this Prospectus.

The historical audited combined financial information included in this Prospectus does not reflect our Group's result of operations, financial position and cash flows in the future. Moreover, our Group's past operating results are not indicative of our Group's future operation performance.

#### 11.1.1 Historical audited combined statements of profit or loss and other comprehensive income of our Group

| | Audited | | | Unaudited | Audited |
|---|---|---|---|---|---|
| | **FYE 2022 RM'000** | **FYE 2023 RM'000** | **FYE 2024 RM'000** | **FPE 2024 RM'000** | **FPE 2025 RM'000** |
| Revenue | 21,573 | 38,705 | 54,669 | 29,909 | 59,516 |
| Cost of sales | (15,687) | (26,882) | (34,483) | (18,060) | (33,229) |
| **GP** | **5,886** | **11,823** | **20,186** | **11,849** | **26,287** |
| Other operating income | 518 | 703 | 1,527 | 766 | 467 |
| General and administrative expenses | (4,282) | (5,452) | (7,682) | (4,095) | (5,625) |
| Other operating expenses | (251) | (909) | (964) | (382) | (703) |
| **Profit from operations** | **1,871** | **6,165** | **13,067** | **8,138** | **20,426** |
| Finance costs | (486) | (422) | (366) | (206) | (213) |
| **PBT** | **1,385** | **5,743** | **12,701** | **7,932** | **20,213** |
| Income tax expense | (452) | (1,362) | (3,065) | (1,964) | (5,035) |
| **PAT** | **933** | **4,381** | **9,636** | **5,968** | **15,178** |
| EBITDA [(1)] | 2,010 | 6,070 | 12,822 | 7,796 | 20,563 |
| Assumed no. of Shares in issue [(2)] ('000) | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Basic and diluted EPS [(3)] (sen) | 0.09 | 0.44 | 0.96 | 0.60 | 1.52 |
| GP margin [(4)] (%) | 27.28 | 30.55 | 36.92 | 39.62 | 44.17 |
| EBITDA margin [(5)] (%) | 9.32 | 15.68 | 23.45 | 26.07 | 34.55 |
| PBT margin [(6)] (%) | 6.42 | 14.84 | 23.23 | 26.52 | 33.96 |
| PAT margin [(7)] (%) | 4.32 | 11.32 | 17.63 | 19.95 | 25.50 |
| Effective tax rate [(8)] (%) | 32.64 | 23.72 | 24.13 | 24.76 | 24.91 |

## 11. FINANCIAL INFORMATION *(Cont'd)*

***Notes:***

*(1) EBITDA is calculated as follows:*

| | Audited | | | Unaudited | Audited |
|---|---|---|---|---|---|
| | ***FYE 2022 RM'000*** | ***FYE 2023 RM'000*** | ***FYE 2024 RM'000*** | ***FPE 2024 RM'000*** | ***FPE 2025 RM'000*** |
| *PAT* | *933* | *4,381* | *9,636* | *5,968* | *15,178* |
| *Add: Income tax expense* | *452* | *1,362* | *3,065* | *1,964* | *5,035* |
| *Depreciation* | *231* | *416* | *651* | *316* | *519* |
| *Finance costs* | *486* | *422* | *366* | *206* | *213* |
| *Less: Interest income* | *(92)* | *(511)* | *(896)* | *(658)* | *(382)* |
| ***EBITDA*** | ***2,010*** | ***6,070*** | ***12,822*** | ***7,796*** | ***20,563*** |

*(2) Based on assumed number of Shares in issue of 1,000,000,000 after the Public Issue.*

*(3) Based on PAT divided by the assumed number of Shares in issue of 1,000,000,000.*

*(4) GP margin is calculated based on GP divided by revenue.*

*(5) EBITDA margin is calculated based on EBITDA divided by revenue.*

*(6) PBT margin is calculated based on PBT divided by revenue.*

*(7) PAT margin is calculated based on PAT divided by revenue.*

*(8) Effective tax rate is calculated based on income tax expense divided by PBT.*

There was no share of profits of associated companies or joint ventures, and no exceptional or extraordinary items throughout the Financial Years and Period Under Review. The audited financial statements of our Group for the Financial Years and Period Under Review were not subject to any qualification or modification.

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## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.1.2 Historical audited combined statements of financial position of our Group

| | Audited | | | Audited |
|---|---|---|---|---|
| | FYE 2022 RM'000 | FYE 2023 RM'000 | FYE 2024 RM'000 | FPE 2025 RM'000 |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 2,366 | 3,051 | 4,310 | 8,252 |
| Investment properties | 9,054 | 9,051 | 3,086 | - |
| Other receivables | 1,500 | 1,441 | - | - |
| Deferred tax assets | - | 35 | 170 | 67 |
| **Total non-current assets** | **12,920** | **13,578** | **7,566** | **8,319** |
| **Current assets** | | | | |
| Trade receivables | 7,311 | 9,305 | 19,563 | 17,863 |
| Other receivables | 1,542 | 801 | 506 | 1,395 |
| Prepayment | 38 | 10 | 1,146 | 2,046 |
| Contract assets | 3,518 | 5,969 | 10,955 | 14,958 |
| Tax recoverable | 187 | - | - | - |
| Fixed deposits with licensed banks | 6,059 | 8,736 | 9,137 | 30,666 |
| Cash and bank balances | 919 | 1,589 | 1,798 | 4,421 |
| **Total current assets** | **19,574** | **26,410** | **43,105** | **71,349** |
| Non-current asset classified as held for sale | - | - | 103 | 103 |
| **Total assets** | **32,494** | **39,988** | **50,774** | **79,771** |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| Share capital | - | - | - | 1 |
| Invested equity | 1,000 | 1,000 | 1,000 | 1,000 |
| Retained profits | 9,647 | 14,028 | 13,665 | 28,843 |
| **Total equity** | **10,647** | **15,028** | **14,665** | **29,844** |
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Lease liabilities | 45 | 18 | 7 | - |
| Loans and borrowings | 4,534 | 3,567 | 2,949 | 3,407 |
| Deferred tax liabilities | 28 | - | - | - |
| **Total non-current liabilities** | **4,607** | **3,585** | **2,956** | **3,407** |
| **Current liabilities** | | | | |
| Trade payables | 4,524 | 7,609 | 10,361 | 13,097 |
| Other payables | * 9,597 | 1,816 | 1,465 | 2,257 |
| Contract liabilities | 895 | 9,916 | 17,869 | 23,570 |
| Tax payables | - | 1,089 | 1,698 | 4,482 |
| Lease liabilities | 78 | 27 | 30 | 2 |
| Loans and borrowings | 2,146 | 918 | 1,730 | 3,112 |
| **Total current liabilities** | **17,240** | **21,375** | **33,153** | **46,520** |
| **Total liabilities** | **21,847** | **24,960** | **36,109** | **49,927** |
| **Total equity and liabilities** | **32,494** | **39,988** | **50,774** | **79,771** |

***Note:***

* *High other payables in FYE 2022 were mainly due to advances received from Customer A in relation to the Penang Factory Project. This included advance payment from Customer A for the purchase of specialised fixtures and materials for the project before commencement of work as well as downpayments for the project.*

## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.2 CAPITALISATION AND INDEBTEDNESS

The following table sets out our Group's capitalisation and indebtedness:

(i) as at 10 November 2025, after taking into account the Acquisition of YPSB but before the Public Issue and use of proceeds; and

(ii) after adjusting for the proceeds arising from our Public Issue and use of proceeds from the Public Issue.

| | Unaudited as at 10 November 2025 RM'000 | After the Public Issue and use of proceeds RM'000 |
|---|---|---|
| **INDEBTEDNESS** | | |
| **Current** | | |
| Secured and guaranteed: | | |
| • Bankers' acceptance | 2,687 | 2,687 |
| • Hire purchase liabilities | 759 | 759 |
| • Term loans | 227 | 160 |
| Unsecured and unguaranteed: | | |
| • Lease liability | 2 | 2 |
| | **3,675** | **3,608** |
| **Non-current** | | |
| Secured and guaranteed: | | |
| • Hire purchase liabilities | 2,379 | 2,379 |
| • Term loans | 1,186 | 53 |
| | **3,565** | **2,432** |
| **Total Indebtedness** | **7,240** | **6,040** |
| **Total Indebtedness (excluding lease liability)** | **7,238** | **6,038** |
| **CAPITALISATION** | | |
| Shareholders' equity | 26,249 | 82,717 |
| **Total capitalisation and indebtedness** | **33,489** | **88,757** |
| Gearing ratio (times)* | 0.28 | 0.07 |

***Note:***

* *Computed based on total indebtedness (excluding lease liability) divided by our shareholders' equity.*

## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion and analysis should be read together with the Accountants' Report as set out in Section 12 of this Prospectus.

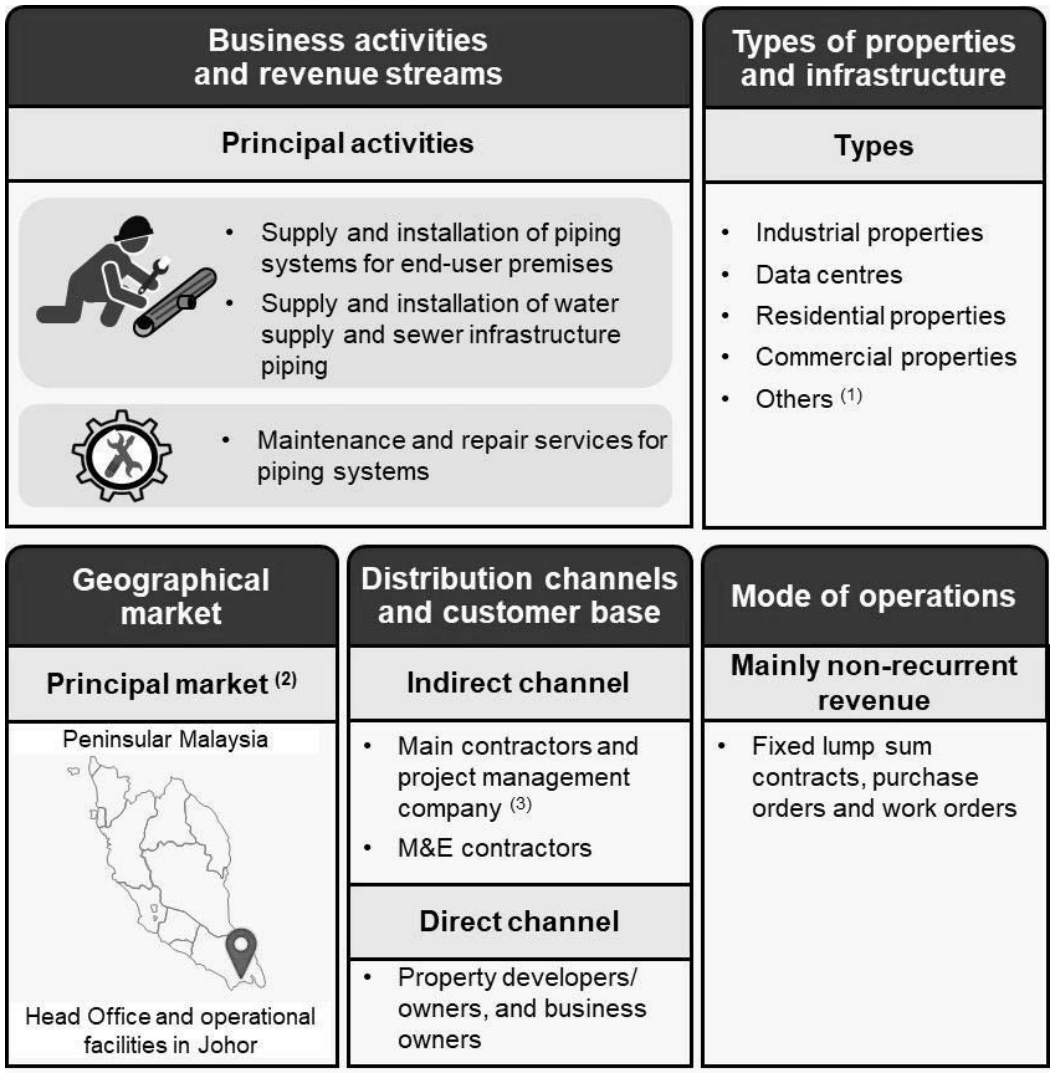
The management's discussion and analysis contain data derived from our audited combined financial statements as well as forward-looking statements that involve risks and uncertainties. The results may differ significantly from those projected in these forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 8 of this Prospectus.

#### 11.3.1 Overview of our operations

**Principal activities**

Our Company through our wholly-owned Subsidiary, YPSB, is principally involved in the supply and installation of piping systems for end-user premises as well as water supply and sewer infrastructure piping. We also provide maintenance and repair of piping systems.

A summary of our business model is set out as follows:



## 11. FINANCIAL INFORMATION *(Cont'd)*

***Notes:***

*(1) Others include water supply and sewer infrastructure, institutional, healthcare, and infrastructure such as power plants and mass transit facilities.*

*(2) During the Financial Years and Period Under Review, we had derived revenue from projects located in Johor, Kedah, Kuala Lumpur, Melaka, Negeri Sembilan, Penang, and Selangor.*

*(3) A main contractor is responsible for delivering the entire project and usually carries out certain portions of the physical construction works. The main contractor will usually engage subcontractors to carry out specific portions of the project. Meanwhile, a project management company focuses mainly on planning, coordination and project management of a construction project including overseeing, among others, consultants, engineers, contractors and suppliers to ensure that project is delivered on time and on budget. They do not carry out any physical construction works.*

Please refer to Section 6.4 of this Prospectus for our Group's detailed business overview.

### 11.3.2 Review of our results of operations

#### (a) Revenue

Our revenue is derived from the following business activities:

(i) Supply and installation of piping systems for end-user premises ("**End-user Premises Piping**")

Our revenue from End-user Premises Piping accounted for RM18.89 million (87.59%), RM32.51 million (84.00%), RM45.89 million (83.95%) and RM38.57 million (64.80%) of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Our supply and installation of piping systems for end-user premises involved the installation of piping networks within industrial, data centre, residential, commercial and other facilities, including healthcare, institutional and infrastructure such as power plants and mass transit facilities. These systems include internal and external piping networks made up of pipes, fittings and related equipment used to transport liquids and slurries such as potable water, sewage, wastewater and rainwater. In some cases, the system also includes an on-site sewage treatment plant. These systems are confined within the boundaries of end-user premises, including buildings, landscaping, structures, facilities and amenities.

(ii) Supply and installation for water supply and sewer infrastructure piping ("**Infrastructure Piping**")

Our revenue from Infrastructure Piping accounted for RM1.03 million (4.77%), RM4.56 million (11.79%), RM7.52 million (13.75%) and RM20.67 million (34.73%) of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

For water mains piping, our role involved the installation of piping networks that transport treated water through the water mains system outside the boundary of end-user premises. We do not carry out works for water treatment plants.

For sewer piping, our role involved the installation of piping networks that carry sewage through the municipal sewer system. We do not carry out works for sewage treatment plants.

**11. FINANCIAL INFORMATION *(Cont'd)***

(iii) Maintenance and repair of piping systems ("**Maintenance and Repair**")

Our revenue from Maintenance and Repair services accounted for RM1.65 million (7.64%), RM1.63 million (4.21%), RM1.26 million (2.30%) and RM0.28 million (0.47%) of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

We provide maintenance and repair services for piping systems installed within end-user premises, as well as water mains and sewer piping. We carry out both preventive maintenance, which is carried out according to schedule to ensure that pipes, fittings, and equipment are functioning properly and prevent them from escalating to breakdown; and corrective maintenance, which is carried out in response to breakdown in a piping system, such as leaks, loss of pressure, broken pipes, or blockages to restore functionality.

Generally, our revenue from both End-user Premises Piping as well as Infrastructure Piping are recognised using the cost-based input method where the progress towards complete satisfaction of a performance obligation is determined by the proportion of costs incurred for work performed to date against the estimated total cost. We recognise a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers, then we recognise a contract liability for the difference.

For Maintenance and Repair services, revenue is recognised at a point in time when the service is rendered, and the customer has accepted the completed work. Unlike installation projects, maintenance and repair services do not involve long-term contracts or progressive cost accumulation. As a result, no contract asset or liability is recorded for this segment. Instead, revenue is recognised when the service is rendered and the customer is billed, typically upon job completion.

For the Financial Years and Period Under Review, our revenue was primarily derived from Malaysia.

Our revenue is mainly driven by the following key factors:

- our ability to secure and execute projects across various types of properties and infrastructure, including industrial, data centre, residential, commercial and others (including water supply and sewer infrastructure, institutional, healthcare, and infrastructure such as power plants and mass transit facilities). Each project is priced based on scope, complexity, technical specifications and compliance requirements;

- competitive bidding from other industry players providing similar services. Our experience, track record and technical expertise play a critical role in securing contracts; and

- project timelines, site readiness, availability of project resources and change in project scope requested by customers during the financial years and periods, which may affect our revenue recognition, project execution and billing schedules.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### (i) Analysis of contribution to revenue by business activities

The breakdown of our Group's revenue by business activities for the Financial Years and Period Under Review is as follows:

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| **Business activities** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** |
| **End-user Premises Piping** | **18,896** | **87.59** | **32,511** | **84.00** | **45,894** | **83.95** | **26,582** | **88.88** | **38,567** | **64.80** |
| *Internal and external piping systems (1)* | *15,922* | *73.80* | *22,803* | *58.92* | *34,763* | *63.59* | *21,400* | *71.55* | *31,624* | *53.13* |
| *Internal piping systems only (2)* | *2,127* | *9.86* | *9,412* | *24.32* | *10,790* | *19.74* | *4,841* | *16.19* | *6,943* | *11.67* |
| *Process piping (3)* | *847* | *3.93* | *296* | *0.76* | *341* | *0.62* | *341* | *1.14* | *-* | *-* |
| **Infrastructure Piping** | **1,028** | **4.77** | **4,563** | **11.79** | **7,515** | **13.75** | **2,543** | **8.50** | **20,667** | **34.73** |
| *Water mains piping* | *830* | *3.85* | *3,764* | *9.73* | *6,975* | *12.76* | *1,991* | *6.65* | *20,667* | *34.73* |
| *Sewer piping* | *198* | *0.92* | *799* | *2.06* | *540* | *0.99* | *552* | *1.85* | *-* | *-* |
| **Maintenance and Repair** | **1,649** | **7.64** | **1,631** | **4.21** | **1,260** | **2.30** | **784** | **2.62** | **282** | **0.47** |
| **Total revenue** | **21,573** | **100.00** | **38,705** | **100.00** | **54,669** | **100.00** | **29,909** | **100.00** | **59,516** | **100.00** |

***Notes:***

*(1) Comprises projects that involve internal piping systems within buildings or structures (such as cold water, hot water, and sanitary drainage piping systems, rainwater downpipes, and rainwater harvesting systems) as well as external piping systems outside of buildings (such as water or sewer pipes within the end-user premises' boundary and piping outside the boundary to connect the end-user premises to nearby water mains or sewer systems).*

*(2) Comprises projects that only involve internal piping systems and do not involve external piping systems.*

*(3) Process piping is installed in some manufacturing facilities and are designed to transport liquids or provide essential services to support manufacturing or processing operations.*

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## 11. FINANCIAL INFORMATION *(Cont'd)*

### (ii) Analysis of contribution to revenue by types of properties and infrastructure

The breakdown of our Group's revenue by types of properties and infrastructure for the Financial Years and Period Under Review is as follows:

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| **Types of properties and infrastructure** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** |
| Industrial properties | 13,769 | 63.83 | 24,348 | 62.91 | 23,335 | 42.68 | 13,740 | 45.94 | 11,316 | 19.01 |
| Data centre | 1,031 | 4.78 | 4,305 | 11.12 | 11,655 | 21.32 | 5,248 | 17.55 | 28,250 | 47.47 |
| Residential properties | 1,207 | 5.59 | 2,195 | 5.67 | 11,068 | 20.25 | 6,177 | 20.65 | 8,652 | 14.54 |
| Commercial properties | 4,167 | 19.32 | 4,416 | 11.41 | 5,315 | 9.72 | 3,415 | 11.42 | 7,712 | 12.96 |
| Others [(1)] | 1,399 | 6.48 | 3,441 | 8.89 | 3,296 | 6.03 | 1,329 | 4.44 | 3,586 | 6.02 |
| **Total revenue** | **21,573** | **100.00** | **38,705** | **100.00** | **54,669** | **100.00** | **29,909** | **100.00** | **59,516** | **100.00** |

***Note:***

*(1) Others include water supply and sewer infrastructure, institutional, healthcare and infrastructure such as power plants and mass transit facilities.*

**Commentary:**

During the Financial Years and Period Under Review, the growth in the financial performance of our Group was primarily driven by the successful involvement in large-scale and high specification projects, such as industrial and data centre projects. In 2022, we secured a major contract, namely Penang Factory Project, which contributed to our Group's revenue significantly. Leveraging on the experience therefrom, we realigned our business focus and was able to secure more large scale and high specification projects during the Financial Years and Period Under Review. In addition, the increase of data centre developments activities in Johor had created additional demand for our Group's services.

Throughout the Financial Years and Period Under Review, we expanded our operational capacity by increasing our workforce to accommodate additional large-scale and high specification projects. The total number of employees of our Group had increased from 66 personnel as at FYE 2022 to 273 personnel as at FPE 2025. The expanded workforce allowed our Group to implement more projects concurrently and thus improving our financial performance during the Financial Years and Period Under Review.

Comparison between FYE 2022 and FYE 2023

For the FYE 2023, our total revenue increased by RM17.13 million or 79.42% to RM38.70 million (FYE 2022: RM21.57 million). The increase in total revenue for the FYE 2023 was mainly due to an increase in revenue from both the End-user Premises Piping and Infrastructure Piping. Such increase was partly mitigated by slight decrease in revenue from the Maintenance and Repair services.

**11. FINANCIAL INFORMATION *(Cont'd)***

*End-user Premises Piping*

Our revenue from the End-user Premises Piping for the FYE 2023 increased by RM13.62 million or 72.10% to RM32.51 million (FYE 2022: RM18.89 million) as a result of the following:

(i) higher revenue from internal and external piping systems works by RM6.88 million or 43.22% to RM22.80 million (FYE 2022: RM15.92 million) mainly due to higher revenue recognised in line with higher level of project progress for the following projects:

  (a) Penang Factory Project which amounted to RM4.32 million;

  (b) Industrial Dairy Factory Project which amounted to RM2.85 million; and

  (c) Selangor Food Manufacturing Facility Project which amounted to RM1.30 million.

  Additionally, the increase was also contributed by the commencement of the new Kedah Factory Project which amounted to RM1.39 million.

(ii) higher revenue from internal piping systems works by RM7.28 million or 341.78% to RM9.41 million (FYE 2022: RM2.13 million) mainly due to higher revenue recognised in line with higher level of project progress for the following projects:

  (a) Penang Factory Project which amounted to RM5.83 million; and

  (b) Precinct 7 Putrajaya Project amounted to RM1.52 million.

The above was partly offset by the lower revenue from process piping works by RM0.54 million or 64.29% to RM0.30 million (FYE 2022: RM0.84 million) mainly due to the completion of the Food Manufacturing Facility Project in the FYE 2022.

*Infrastructure Piping*

Our revenue from the Infrastructure Piping for the FYE 2023 increased by RM3.53 million or 342.72% to RM4.56 million (FYE 2022: RM1.03 million) as a result of the higher revenue from water mains piping works by RM2.93 million or 353.01% to RM3.76 million (FYE 2022: RM0.83 million) mainly due to following:

(a) higher revenue recognition for the Water Mains Rerouting Project which amounted to RM1.85 million in tandem with higher level of project progress; and

(b) commencement of work for the new Johor Water Supply Project which amounted to RM1.70 million.

Additionally, revenue from sewer piping works increased by RM0.60 million or 300.00% to RM0.80 million (FYE 2022: RM0.20 million) mainly due to the commencement of work at the Port Dickson Waste Management Project.

*Maintenance and Repair*

Our revenue from the Maintenance and Repair services for the FYE 2023 decreased by RM0.02 million or 1.21% to RM1.63 million (FYE 2022: RM1.65 million) mainly due to the completion of a maintenance contract of a commercial office tower in Johor in the FYE 2022.

**11. FINANCIAL INFORMATION *(Cont'd)***

*Revenue by types of properties and infrastructure*

For the FYE 2023, the revenue generated from industrial properties increased by RM10.58 million or 76.83% to RM24.35 million (FYE 2022: RM13.77 million). This was mainly attributable to higher industrial factory projects secured and higher level of projects progress as mentioned above.

The revenue generated from data centre increased by RM3.28 million or 318.45% to RM4.31 million (FYE 2022: RM1.03 million). This was mainly due to the commencement of the Johor Water Supply Project and Johor Data Centre 1 Project in line with increase of data centre development activities in Malaysia.

Comparison between FYE 2023 and FYE 2024

For the FYE 2024, our total revenue increased by RM15.97 million or 41.27% to RM54.67 million (FYE 2023: RM38.70 million). The increase in total revenue for the FYE 2024 was mainly due to an increase in revenue from both the End-user Premises Piping and Infrastructure Piping. Such increase was partly mitigated by decrease in revenue from the Maintenance and Repair services.

*End-user Premises Piping*

Our revenue from the End-user Premises Piping for the FYE 2024 increased by RM13.38 million or 41.16% to RM45.89 million (FYE 2023: RM32.51 million) mainly due to the following:

(i) higher revenue from internal and external piping systems works by RM11.96 million or 52.46% to RM34.76 million (FYE 2023: RM22.80 million) mainly due to higher revenue recognised in line with higher level of project progress for the following projects:

  (a) Johor Serviced Apartment 1 Project which amounted to RM6.45 million;

  (b) Johor Apartment Project which amounted to RM2.45 million;

  (c) Melaka Electronics Manufacturing Facility Project which amounted to RM2.43 million;

  (d) Johor Data Centre 1 Project which amounted to RM2.35 million; and

  (e) Johor Data Centre 2 Project which amounted to RM2.96 million.

(ii) higher revenue from internal piping works by RM1.38 million or 14.67% to RM10.79 million (FYE 2023: RM9.41 million) mainly due to higher revenue recognised for the RTS Link Project which amounted to RM1.81 million; and

(iii) higher revenue from process piping works by RM0.04 million or 13.33% to RM0.34 million (FYE 2023: RM0.30 million) due to higher revenue recognised for the process piping works in relation to the Kedah Factory Project.

**11. FINANCIAL INFORMATION *(Cont'd)***

*Infrastructure Piping*

Our revenue from the Infrastructure Piping for the FYE 2024 increased by RM2.96 million or 64.91% to RM7.52 million (FYE 2023: RM4.56 million) mainly due to higher revenue from water mains piping works by RM3.22 million or 85.64% to RM6.98 million (FYE 2023: RM3.76 million) mainly due to the commencement of Johor Data Centre 1 Water Supply Project which amounted to RM3.86 million.

The above was partly mitigated by a lower revenue from sewer piping works by RM0.26 million or 32.50% to RM0.54 million (FYE 2023: RM0.80 million) mainly due to the completion of Port Dickson Waste Management Project in the FYE 2023.

*Maintenance and Repair*

Our revenue from the Maintenance and Repair services for the FYE 2024 decreased by RM0.37 million or 22.70% to RM1.26 million (FYE 2023: RM1.63 million) mainly due to fewer maintenance works carried out as compared to FYE 2023.

*Revenue by types of properties and infrastructure*

For the FYE 2024, the revenue generated from data centre increased by RM7.35 million or 170.53% to RM11.66 million (FYE 2023: RM4.31 million). This was mainly attributable to the higher level of activities for data centre projects in Johor as mentioned above.

The revenue from residential properties increased by RM8.87 million or 403.18% to RM11.07 million (FYE 2023: RM2.20 million) mainly due to the Johor Serviced Apartment 1 Project and Johor Apartment Project in tandem with higher level of project progress.

Comparison between FPE 2024 and FPE 2025

For the FPE 2025, our total revenue increased by RM29.61 million or 99.00% to RM59.52 million (FPE 2024: RM29.91 million). The increase in total revenue for the FPE 2025 was mainly due to an increase in revenue from both the End-user Premises Piping and Infrastructure Piping. Such increase was partly offset by decrease in revenue from the Maintenance and Repair services.

*End-user Premises Piping*

Our revenue from the End-user Premises Piping for the FPE 2025 increased by RM11.99 million or 45.11% to RM38.57 million (FPE 2024: RM26.58 million) mainly due to the following:

(i) higher revenue from internal and external piping systems works by RM10.22 million or 47.76% to RM31.62 million (FPE 2024: RM21.40 million) mainly due to higher revenue recognised in line with higher level of project progress for the following projects:

  (a) Penang Hotel Project which amounted to RM6.77 million;

  (b) Johor Data Centre 1 Project which amounted to RM5.97 million;

  (c) Melaka Electronics Manufacturing Facility Project which amounted to RM5.06 million;

  (d) Penang Factory Project which amounted to RM4.38 million;

  (e) Johor Serviced Apartment 2 Project which amounted to RM3.06 million; and

  (f) Johor Serviced Apartment 4 Project which amounted to RM1.43 million.

**11. FINANCIAL INFORMATION *(Cont'd)***

(ii) higher revenue from internal piping works by RM2.10 million or 43.39% to RM6.94 million (FPE 2024: RM4.84 million) mainly due to higher revenue recognised in line with higher level of project progress for the RTS Link Project and Johor Serviced Apartment 3 Project which amounted to RM2.96 million and RM1.42 million respectively.

The above was partly offset by the completion of the process piping project, namely the Kedah Factory Project in 2024.

*Infrastructure Piping*

Our revenue from the Infrastructure Piping for the FPE 2025 increased by RM18.13 million or 713.78% to RM20.67 million (FPE 2024: RM2.54 million) as a result of the higher revenue from water mains piping works by RM18.68 million or 938.69% to RM20.67 million (FPE 2024: RM1.99 million) which was mainly arising from the following:

(i) higher revenue recognised in line with higher level of project progress for Johor Data Centre 1 Water Supply Project which amounted to RM17.26 million; and

(ii) completion of Johor Data Centre 3 Water Reclamation Project which amounted to RM2.10 million.

The above was partly offset by the completion of the sewer piping projects, namely the yacht manufacturing facility and food manufacturing facility project located in Johor in 2024.

*Maintenance and Repair*

Our revenue from the Maintenance and Repair services for the FPE 2025 decreased by RM0.50 million or 64.10% to RM0.28 million (FPE 2024: RM0.78 million) mainly due to fewer maintenance and repair works carried out as compared to FPE 2024.

*Revenue by types of properties and infrastructure*

For the FPE 2025, the revenue from data centre increased by RM23.00 million or 438.10% to RM28.25 million (FPE 2024: RM5.25 million). This was mainly due to higher level of project progress for Johor Data Centre 1 Project and Johor Data Centre 1 Water Supply Project as well as completion of Johor Data Centre 3 Water Reclamation Project.

The above was partly offset by the decrease in revenue generated from industrial properties by RM2.42 million or 17.61% to RM11.32 million (FPE 2024: RM13.74 million) mainly due to the completion of various industrial projects in 2024, including the Selangor Food Manufacturing Facility Project, Industrial Dairy Factory Project and Kedah Factory Project.

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## 11. FINANCIAL INFORMATION *(Cont'd)*

### (b) Cost of sales, GP and GP margin

Our cost of sales primarily consists of purchased materials, subcontractors' charges, direct labour costs and project-related expenses.

(i) Purchased materials

We are responsible for procuring various materials required to execute our projects. This includes pipe fittings, pipes of various sizes and materials, equipment, building materials such as sand and cement, and sanitary wares and tanks. Our purchased materials are sourced from suppliers, based on the specific requirements, design specifications, and compliance standards of each project.

Our purchased materials were selected based on factors such as quality, technical specifications, cost competitiveness, delivery lead time, and compliance with project-specific requirements. The selection of suppliers also based on several factors such as technical support, warranty coverage and ability to meet regulatory and industry standards.

(ii) Subcontractors' charges

We engage subcontractors to perform installation and construction-related works for our projects under our management and supervision. These installation and construction-related works include piping installation, trenching, civil and structural works and installation of equipment such as specialised storage tanks for data centres, electrical and process control systems. In addition, we also engaged subcontractors to carry out specialised works such as hot-tapping, pipe jacking, dye penetrant testing and radiographic testing.

(iii) Direct labour costs

Direct labour costs comprise salaries, wages and allowances for our on-site personnel, including project managers, engineers, site supervisors and construction workers. These personnel are directly involved in executing and supervising the installation, testing and commissioning of piping systems to ensure project completion according to specifications and within the agreed timelines. Their responsibilities also include monitoring subcontractors' performance, ensuring quality control and coordinating with clients and regulatory authorities.

(iv) Project-related expenses

Project-related expenses include rental and upkeep of machinery and equipment, premium for contractors' all risk and workmen's compensation insurance, site safety expenses and other incidental costs incurred in the course of project execution. These expenses are essential to ensure the safe, efficient and timely delivery of our projects.

The major factors affecting our cost of sales, GP and GP margin include, *inter alia*, the following:

- our ability to procure materials such as pipe fittings, pipes of various sizes and materials, equipment, building materials such as sand and cement, and sanitary wares and tanks at a competitive price;
- our ability to source qualified subcontractors at competitive prices; and
- our ability to manage resources effectively, adhere to project schedules, and control costs while ensuring compliance with customer's specifications and industry regulations.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### (i) Analysis of cost of sales by cost components

The breakdown of our Group's cost of sales by cost components for the Financial Years and Period Under Review is as follows:

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| **Cost components** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** |
| Purchased materials | 9,302 | 59.30 | 17,097 | 63.60 | 19,942 | 57.83 | 9,579 | 53.04 | 15,796 | 47.54 |
| Subcontractors' charges | 5,125 | 32.67 | 7,015 | 26.10 | 9,658 | 28.01 | 5,710 | 31.62 | 14,117 | 42.48 |
| Direct labour costs | 50 | 0.32 | 1,480 | 5.50 | 3,321 | 9.63 | 1,801 | 9.97 | 2,386 | 7.18 |
| Project-related expenses | 1,210 | 7.71 | 1,290 | 4.80 | 1,562 | 4.53 | 970 | 5.37 | 930 | 2.80 |
| **Total cost of sales** | **15,687** | **100.00** | **26,882** | **100.00** | **34,483** | **100.00** | **18,060** | **100.00** | **33,229** | **100.00** |

### (ii) Analysis of cost of sales by business activities

The breakdown of our Group's cost of sales by business activities for the Financial Years and Period Under Review is as follows:

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| **Business activities** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** |
| **End-user Premises Piping** | **14,141** | **90.15** | **22,724** | **84.54** | **29,026** | **84.18** | **15,988** | **88.52** | **22,607** | **68.03** |
| *Internal and external piping systems [(1)]* | *12,011* | *76.57* | *15,230* | *56.66* | *21,740* | *63.05* | *12,852* | *71.16* | *17,171* | *51.67* |
| *Internal piping systems only [(2)]* | *1,659* | *10.58* | *7,285* | *27.10* | *7,107* | *20.61* | *2,960* | *16.39* | *5,436* | *16.36* |
| *Process piping [(3)]* | *471* | *3.00* | *209* | *0.78* | *179* | *0.52* | *176* | *0.97* | - | - |
| **Infrastructure Piping** | **647** | **4.12** | **2,977** | **11.07** | **4,548** | **13.19** | **1,504** | **8.33** | **10,427** | **31.38** |
| *Water mains piping* | *535* | *3.41* | *2,522* | *9.38* | *4,271* | *12.39* | *1,221* | *6.76* | *10,427* | *31.38* |
| *Sewer piping* | *112* | *0.71* | *455* | *1.69* | *277* | *0.80* | *283* | *1.57* | - | - |
| **Maintenance and Repair** | **899** | **5.73** | **1,181** | **4.39** | **909** | **2.63** | **568** | **3.15** | **195** | **0.59** |
| **Total cost of sales** | **15,687** | **100.00** | **26,882** | **100.00** | **34,483** | **100.00** | **18,060** | **100.00** | **33,229** | **100.00** |

***Notes:***

*(1) Comprises projects that involve internal piping systems within buildings or structures (such as cold water, hot water, and sanitary drainage piping systems, rainwater downpipes, and rainwater harvesting systems) as well as external piping systems outside of buildings (such as water or sewer pipes within the end-user premises' boundary and piping outside the boundary to connect the end-user premises to nearby water mains or sewer systems).*

*(2) Comprises projects that only involve internal piping systems and do not involve external piping systems.*

*(3) Process piping is installed in some manufacturing facilities and are designed to transport liquids or provide essential services to support manufacturing or processing operations.*

## 11. FINANCIAL INFORMATION *(Cont'd)*

### (iii) Analysis of cost of sales by types of properties and infrastructure

The breakdown of our Group's cost of sales by types of properties and infrastructure for the Financial Years and Period Under Review is as follows:

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| **Types of properties and infrastructure** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** |
| Industrial properties | 10,303 | 65.68 | 16,585 | 61.70 | 12,935 | 37.51 | 7,535 | 41.72 | 5,101 | 15.35 |
| Data centre | 655 | 4.18 | 2,809 | 10.45 | 7,141 | 20.71 | 2,813 | 15.58 | 14,908 | 44.86 |
| Residential properties | 972 | 6.20 | 1,584 | 5.89 | 8,600 | 24.94 | 4,807 | 26.62 | 5,922 | 17.82 |
| Commercial properties | 2,820 | 17.98 | 3,430 | 12.76 | 3,228 | 9.36 | 1,893 | 10.48 | 4,515 | 13.59 |
| Others [(1)] | 937 | 5.96 | 2,474 | 9.20 | 2,579 | 7.48 | 1,012 | 5.60 | 2,783 | 8.38 |
| **Total cost of sales** | **15,687** | **100.00** | **26,882** | **100.00** | **34,483** | **100.00** | **18,060** | **100.00** | **33,229** | **100.00** |

***Note:***

*(1) Others include water supply and sewer infrastructure, institutional, healthcare and infrastructure such as power plants and mass transit facilities.*

**Commentary:**

Comparison between FYE 2022 and FYE 2023

For the FYE 2023, our cost of sales increased by RM11.19 million or 71.32% to RM26.88 million (FYE 2022: RM15.69 million), which was in tandem with the increase in our revenue growth.

The increase of cost of sales for the FYE 2023 was mainly due to the following:

(i) increase in purchased materials cost by RM7.80 million or 83.87% to RM17.10 million (FYE 2022: RM9.30 million) mainly due to increase in procurement of pipe fittings, pipes, equipment, building materials and sanitary ware and tanks to cater for the project needs as we secured more projects of larger contract size such as the Penang Factory Project and the Water Mains Rerouting Project as well as higher level of project progress during the financial year;

(ii) increase in subcontractors' charges by RM1.89 million or 36.84% to RM7.02 million (FYE 2022: RM5.13 million) mainly because more subcontractors were engaged to perform the installation works for the abovementioned projects in line with the increase in revenue and project progress. For the FYE 2023, total of 59 (FYE 2022: 49) subcontractors were engaged;

(iii) increase in direct labour cost by RM1.43 million or 2,860.00% to RM1.48 million (FYE 2022: RM0.05 million) mainly due to recruitment of additional headcounts for on-site personnel from 20 headcounts in FYE 2022 to 97 headcounts in FYE 2023 to support the implementation of larger scale projects during the financial year; and

(iv) increase in project-related expenses by RM0.08 million or 6.61% to RM1.29 million (FYE 2022: RM1.21 million) mainly due to the increase in rental of machinery such as excavator, backhoe and crane for the execution of our projects as well as increase in the usage of petrol and diesel for our machinery.

**11. FINANCIAL INFORMATION *(Cont'd)***

Comparison between FYE 2023 and FYE 2024

For the FYE 2024, our total cost of sales increased by RM7.60 million or 28.27% to RM34.48 million (FYE 2023: RM26.88 million), which was corresponding with the increase in our revenue.

The increase of cost of sales for the FYE 2024 was mainly due to the following:

(i) increase in purchased materials cost by RM2.84 million or 16.61% to RM19.94 million (FYE 2023: RM17.10 million) due to higher procurement of pipe fittings and pipes mainly for our on-going projects such as Johor Serviced Apartment 1 Project, Johor Apartment Project, Melaka Electronics Manufacturing Facility Project, Johor Data Centre 1 Project and Johor Data Centre 1 Water Supply Project;

(ii) increase in subcontractors' charges by RM2.64 million or 37.61% to RM9.66 million (FYE 2023: RM7.02 million) mainly due to engagement of subcontractors for the construction and installation works for our on-going projects as mentioned in item (i) above, particularly residential projects. For the FYE 2024, total of 60 (FYE 2023: 59) subcontractors were engaged;

(iii) increase in direct labour cost by RM1.84 million or 124.32% to RM3.32 million (FYE 2023: RM1.48 million) mainly due to recruitment of additional headcounts for on-site personnel, rising from 97 headcounts in FYE 2023 to 149 headcounts in FYE 2024, to support the progress of our on-going projects during the financial year as well as the higher wage rates; and

(iv) increase in project-related expenses by RM0.27 million or 20.93% to RM1.56 million (FYE 2023: RM1.29 million) mainly due to the increase in the usage of petrol and diesel for our machinery as well as rental of scissor lift, boom lift and the tender fees.

Comparison between FPE 2024 and FPE 2025

For the FPE 2025, our cost of sales increased by RM15.17 million or 84.00% to RM33.23 million (FPE 2024: RM18.06 million), which was in tandem with the increase in our revenue.

The increase of cost of sales for the FPE 2025 was mainly due to the following:

(i) increase in purchased materials cost by RM6.22 million or 64.93% to RM15.80 million (FPE 2024: RM9.58 million) mainly due to higher procurement for our on-going projects such as Johor Data Centre 1 Project, Johor Data Centre 1 Water Supply Project, Penang Hotel Project, Melaka Electronics Manufacturing Facility Project, Penang Factory Project, RTS Link Project, Johor Serviced Apartment 2 Project and Johor Serviced Apartment 3 Project;

(ii) increase in subcontractors' charges by RM8.41 million or 147.29% to RM14.12 million (FPE 2024: RM5.71 million) mainly due to engagement of subcontractors for the construction and installation works for our on-going projects mainly for Johor Data Centre 1 Water Supply Project, Johor Data Centre 1 Project and Johor Serviced Apartment 2 Project. For the FPE 2025, total of 88 (FPE 2024: 60) subcontractors were engaged;

(iii) increase in direct labour cost by RM0.59 million or 32.78% to RM2.39 million (FPE 2024: RM1.80 million) mainly due to additional headcount for on-site personnel from 151 headcounts in FPE 2024 to 201 headcounts in FPE 2025 as well as the higher wage rates.

However, the increase was partly offset by the decrease in project-related expenses by RM0.04 million or 4.12% to RM0.93 million (FPE 2024: RM0.97 million) mainly due to the decrease in rental of machineries following our purchase of hydraulic excavators and backhoe loaders in 2024.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### (iv) Analysis of GP and GP margin by business activities

The breakdown of our Group's GP and GP margin by business activities for the Financial Years and Period Under Review is as follows:

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| **Business activities** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** |
| **End-user Premises Piping** | **4,755** | **80.79** | **9,787** | **82.78** | **16,868** | **83.56** | **10,594** | **89.41** | **15,960** | **60.72** |
| *Internal and external piping systems (1)* | *3,911* | *66.45* | *7,573* | *64.05* | *13,023* | *64.51* | *8,548* | *72.14* | *14,453* | *54.98* |
| *Internal piping systems only (2)* | *468* | *7.95* | *2,127* | *17.99* | *3,683* | *18.25* | *1,881* | *15.88* | *1,507* | *5.74* |
| *Process piping (3)* | *376* | *6.39* | *87* | *0.74* | *162* | *0.80* | *165* | *1.39* | *-* | *-* |
| **Infrastructure Piping** | **381** | **6.47** | **1,586** | **13.41** | **2,967** | **14.70** | **1,039** | **8.77** | **10,240** | **38.95** |
| *Water mains piping* | *295* | *5.01* | *1,242* | *10.50* | *2,704* | *13.40* | *770* | *6.50* | *10,240* | *38.95* |
| *Sewer piping* | *86* | *1.46* | *344* | *2.91* | *263* | *1.30* | *269* | *2.27* | *-* | *-* |
| **Maintenance and Repair** | **750** | **12.74** | **450** | **3.81** | **351** | **1.74** | **216** | **1.82** | **87** | **0.33** |
| **Total GP** | **5,886** | **100.00** | **11,823** | **100.00** | **20,186** | **100.00** | **11,849** | **100.00** | **26,287** | **100.00** |

| | Audited | | | Unaudited | Audited |
|---|---|---|---|---|---|
| | FYE 2022 | FYE 2023 | FYE 2024 | FPE 2024 | FPE 2025 |
| **GP margin** | **%** | **%** | **%** | **%** | **%** |
| **End-user Premises Piping** | **25.16** | **30.10** | **36.75** | **39.85** | **41.38** |
| *Internal and external piping systems (1)* | *24.56* | *33.21* | *37.46* | *39.94* | *45.70* |
| *Internal piping systems only (2)* | *22.00* | *22.60* | *34.13* | *38.86* | *21.71* |
| *Process piping (3)* | *44.39* | *29.39* | *47.51* | *48.39* | *-* |
| **Infrastructure Piping** | **37.06** | **34.76** | **39.48** | **40.86** | **49.55** |
| *Water mains piping* | *35.54* | *33.00* | *38.77* | *38.67* | *49.55* |
| *Sewer piping* | *43.43* | *43.05* | *48.70* | *48.73* | *-* |
| **Maintenance and Repair** | **45.48** | **27.59** | **27.86** | **27.55** | **30.85** |
| **Overall GP margin** | **27.28** | **30.55** | **36.92** | **39.62** | **44.17** |

***Notes:***

*(1) Comprises projects that involve internal piping systems within buildings or structures (such as cold water, hot water, and sanitary drainage piping systems, rainwater downpipes, and rainwater harvesting systems) as well as external piping systems outside of buildings (such as water or sewer pipes within the end-user premises' boundary and piping outside the boundary to connect the end-user premises to nearby water mains or sewer systems).*

*(2) Comprises projects that only involve internal piping systems and do not involve external piping systems.*

*(3) Process piping is installed in some manufacturing facilities and are designed to transport liquids or provide essential services to support manufacturing or processing operations.*

## 11. FINANCIAL INFORMATION *(Cont'd)*

### (v) Analysis of GP and GP margin by types of properties and infrastructure

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| **Types of properties and infrastructure** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** | **RM'000** | **%** |
| Industrial properties | 3,466 | 58.89 | 7,763 | 65.66 | 10,400 | 51.52 | 6,205 | 52.37 | 6,215 | 23.64 |
| Data centre | 376 | 6.39 | 1,496 | 12.65 | 4,514 | 22.36 | 2,435 | 20.55 | 13,342 | 50.76 |
| Residential properties | 235 | 3.99 | 611 | 5.17 | 2,468 | 12.23 | 1,370 | 11.56 | 2,730 | 10.39 |
| Commercial properties | 1,347 | 22.88 | 986 | 8.34 | 2,087 | 10.34 | 1,522 | 12.84 | 3,197 | 12.16 |
| Others [(1)] | 462 | 7.85 | 967 | 8.18 | 717 | 3.55 | 317 | 2.68 | 803 | 3.05 |
| **Total GP** | **5,886** | **100.00** | **11,823** | **100.00** | **20,186** | **100.00** | **11,849** | **100.00** | **26,287** | **100.00** |

| | Audited | | | Unaudited | Audited |
|---|---|---|---|---|---|
| | FYE 2022 | FYE 2023 | FYE 2024 | FPE 2024 | FPE 2025 |
| **GP margin** | **%** | **%** | **%** | **%** | **%** |
| Industrial properties | 25.17 | 31.88 | 44.57 | 45.16 | 54.92 |
| Data centre | 36.47 | 34.75 | 38.73 | 46.40 | 47.23 |
| Residential properties | 19.47 | 27.84 | 22.30 | 22.18 | 31.55 |
| Commercial properties | 32.33 | 22.33 | 39.27 | 44.57 | 41.45 |
| Others [(1)] | 33.02 | 28.10 | 21.75 | 23.85 | 22.39 |
| **Overall GP margin** | **27.28** | **30.55** | **36.92** | **39.62** | **44.17** |

***Note:***

*(1) Others include water supply and sewer infrastructure, institutional, healthcare and infrastructure such as power plants and mass transit facilities.*

**Commentary:**

During the Financial Years and Period Under Review, the Group's GP margin increased consistently over the years, primarily due to its involvement in large scale and high specification projects, particularly industrial and data centre projects. These types of projects generally involved higher technical requirements and generally shorter completion timelines resulted in higher margins.

The GP proportion of industrial and data centre projects collectively improved from 65.28% in FYE 2022 to 74.40% in FPE 2025 had further increased the Group's overall GP margin over the years.

Comparison between FYE 2022 and FYE 2023

Our overall GP for the FYE 2023 increased by RM5.93 million or 100.68% to RM11.82 million (FYE 2022: RM5.89 million). This was mainly attributable to the increase in GP from the End-user Premises Piping by RM5.03 million or 105.67% to RM9.79 million (FYE 2022: RM4.76 million) and increase in GP from the Infrastructure Piping by RM1.21 million or 318.42% to RM1.59 million (FYE 2022: RM0.38 million) which was corresponding with the increase in the revenue from both segments.

However, the increase in overall GP was partly offset by the decrease in GP from Maintenance and Repair services by RM0.30 million or 40.00% to RM0.45 million (FYE 2022: RM0.75 million) which was in line with the decrease in revenue from the segment.

Correspondingly, our overall GP margin increased from 27.28% in the FYE 2022 to 30.55% in the FYE 2023. This was mainly due to the following:

**11. FINANCIAL INFORMATION *(Cont'd)***

*End-user Premises Piping*

Our GP margin from the End-user Premises Piping increased from 25.16% in the FYE 2022 to 30.10% in the FYE 2023, which was mainly contributed by the following:

(i) increase in GP margin from the internal and external piping systems works from 24.56% in the FYE 2022 to 33.21% in the FYE 2023 which mainly arose from the following:

- commencement of work for the new Kedah Factory Project, which was of higher GP margin due to higher specifications and complexity of work; and
- additional variation orders obtained for the Industrial Warehouse Project and Melaka Office Tower Project which resulted in higher GP margin,

The total GP contributions from the abovementioned projects which were of higher GP margins as compared to other projects in the same segment, thereby, elevated the overall GP margin in internal and external piping systems works for the FYE 2023; and

(ii) increase in GP margin for the internal piping systems works from 22.00% in the FYE 2022 to 22.60% in the FYE 2023 which was mainly due to higher revenue recognised for the Penang Factory Project which was of higher GP margin.

However, the above was partly offset by decrease in GP margin from process piping from 44.39% in the FYE 2022 to 29.39% in the FYE 2023 which was mainly due to the completion of Food Manufacturing Facility Project in the FYE 2022, which was of higher GP margin project. The GP recorded from the Food Manufacturing Facility Project was amounted to RM0.37 million, which contributed to more than 90% of the GP from the process piping for the FYE 2022.

*Infrastructure Piping*

Our GP margin from the Infrastructure Piping decreased from 37.06% in the FYE 2022 to 34.76% in the FYE 2023. This was mainly due to a decrease in GP margin for water mains piping works from 35.54% in the FYE 2022 to 33.00% in the FYE 2023 as a result of the completion of the supply and installation of water supply infrastructure piping and connection to the water mains system for a commercial development project in Plentong, Johor in the FYE 2022, which was of higher GP margin.

*Maintenance and Repair*

Our GP margin from the Maintenance and Repair services decreased from 45.48% in the FYE 2022 to 27.59% in the FYE 2023 mainly due to the completion of a maintenance contract of a commercial office tower in Johor in the FYE 2022, which was of higher GP margin. Subsequently, only general and smaller scale maintenance and repair works were carried out by our Group, which were lower margin in nature.

*GP and GP margin by types of properties and infrastructure*

For the FYE 2023, our overall GP margin from the industrial properties increased from 25.17% in the FYE 2022 to 31.88% in the FYE 2023, mainly due to the Penang Factory Project and Kedah Factory Project, which were of higher GP margin attributable to its higher specifications and complexity of work.

In addition to the above, the improvement in our GP margin was also contributed by higher proportion of GP contribution from the industrial properties and data centre under the End-user Premises Piping and Infrastructure Piping which were generally of higher GP margin at 31.88% and 34.75% respectively for the FYE 2023.

**11. FINANCIAL INFORMATION *(Cont'd)***

Comparison between FYE 2023 and FYE 2024

Our overall GP for the FYE 2024 increased by RM8.37 million or 70.81% to RM20.19 million (FYE 2023: RM11.82 million) which was mainly attributable to an increase in GP from the End-user Premises Piping by RM7.08 million or 72.32% to RM16.87 million (FYE 2023: RM9.79 million) and increase in GP from the Infrastructure Piping by RM1.38 million or 86.79% to RM2.97 million (FYE 2023: RM1.59 million) which was corresponding with the increase in the revenue from both segments.

However, the above was partly offset by a slight decrease in GP from the Maintenance and Repair services by RM0.10 million or 22.22% to RM0.35 million (FYE 2023: RM0.45 million).

Correspondingly, our overall GP margin also increased from 30.55% in FYE 2023 to 36.92% in FYE 2024. This was mainly contributed by the following:

*End-user Premises Piping*

Our GP margin from the End-user Premises Piping increased from 30.10% in the FYE 2023 to 36.75% in the FYE 2024 mainly due to the following:

(i) increase in GP margin for the internal and external piping systems works from 33.21% in the FYE 2023 to 37.46% in the FYE 2024 which was mainly due to the following:

  (a) higher revenue recognised for the Johor Data Centre 1 Project, which was of higher GP margin; and

  (b) project cost savings arising from the utilisation of own machineries to carry out trenching works and more of our own workers for the piping installation works for the Penang Factory Project, resulted in better GP margin. The GP recorded from the Penang Factory Project for the internal and external piping systems works for the FYE 2024 was amounted to RM2.31 million,

(ii) increase in GP margin for the internal piping systems works from 22.60% in the FYE 2023 to 34.13% in the FYE 2024 mainly attributable to the revision in the construction methodology, by replacing sheet piling with a more efficient excavation shoring method, optimising the piping works for our Penang Factory Project. The GP recorded from the Penang Factory Project for the internal piping systems works for the FYE 2024 was amounted to RM2.38 million; and

(iii) increase in GP margin for the process piping works from 29.39% in the FYE 2023 to 47.51% in the FYE 2024 mainly due to the completion of the Kedah Factory Project where lower cost was incurred than budgeted upon finalisation of the project. This was due to the deployment of in-house workers, made available from other earlier completed projects, for the remaining works of the Kedah Factory Project.

*Infrastructure Piping*

Our GP margin from the Infrastructure Piping increased from 34.76% in the FYE 2023 to 39.48% in the FYE 2024 mainly due to the following:

(i) increase in GP margin for the water mains piping works from 33.00% in the FYE 2023 to 38.77% in the FYE 2024 mainly due to the commencement of work for Johor Data Centre 1 Water Supply Project which was of higher GP margin; and

**11. FINANCIAL INFORMATION *(Cont'd)***

(ii) increase in GP margin for the sewer piping works from 43.05% in the FYE 2023 to 48.70% in the FYE 2024 mainly due to high margin projects, namely a yacht manufacturing facility project and a food manufacturing facility project located in Johor. These projects were able to be secured at higher pricing through direct negotiation with an existing customer of our Group as compared to other sewer piping work projects in prior years.

*Maintenance and Repair*

Our GP margin from the Maintenance and Repair services was relatively consistent for the FYE 2023 and FYE 2024 of 27.59% and 27.86%, respectively. During the FYE 2024, only general and smaller scale maintenance and repair works were carried out by our Group, which were lower margin in nature.

*GP and GP margin by types of properties and infrastructure*

The increase in our GP margin was contributed by higher proportion of GP contribution from the data centre projects of 22.36% of our total GP for the FYE 2024 which commanded GP margin of 38.73% for the FYE 2024 (FYE 2023: 34.75%) coupled with the increased in GP margin from 31.88% in the FYE 2023 to 44.57% in the FYE 2024 for the industrial projects which remained as our largest GP contributor, which accounted to 51.52% of our total GP. The increase in GP margin for the industrial projects was mainly due to cost savings achieved through the utilisation of internal resources as well as revision in the construction methodology for the above-mentioned projects.

Comparison between FPE 2024 and FPE 2025

Our overall GP for the FPE 2025 increased by RM14.44 million or 121.86% to RM26.29 million (FPE 2024: RM11.85 million) which was mainly attributable to an increase in GP from the End-user Premises Piping by RM5.37 million or 50.71% to RM15.96 million (FPE 2024: RM10.59 million) and Infrastructure Piping by RM9.20 million or 884.62% to RM10.24 million (FPE 2024: RM1.04 million) which was corresponding with the increase in the revenue from both segments.

However, the above was partly offset by a decrease in GP from the Maintenance and Repair services by RM0.13 million or 59.09% to RM0.09 million (FPE 2024: RM0.22 million).

Correspondingly, our overall GP margin also increased from 39.62% in FPE 2024 to 44.17% in FPE 2025. This was mainly contributed by the following:

*End-user Premises Piping*

Our GP margin from the End-user Premises Piping increased from 39.85% in the FPE 2024 to 41.38% in the FPE 2025 mainly due to the increase in GP margin for the internal and external piping systems works from 39.94% in the FPE 2024 to 45.70% in the FPE 2025 which was arising from higher revenue recognised for the following higher GP margin projects:

(i) completion for the Melaka Electronics Manufacturing Facility Project;

(ii) the Penang Hotel Project, which entailed alterations to an existing building, involving higher-specifications and complexity of piping works;

(iii) the Johor Data Centre 1 Project, whereby additional variation orders were obtained for the project; and

(iv) higher project progress for the Penang Factory Project.

**11. FINANCIAL INFORMATION *(Cont'd)***

However, the above was partly offset by the decrease in GP margin of the following:

(i) decrease in GP margin for the internal piping systems works from 38.86% in the FPE 2024 to 21.71% in the FPE 2025 mainly due to higher GP proportion contribution from RTS Link Project and Johor Serviced Apartment 3 project in the FPE 2025 which was of lower GP margin; and

(ii) the completion of Kedah Factory Project in 2024 for the process piping works.

*Infrastructure Piping*

Our GP margin from the Infrastructure Piping increased from 40.86% in the FPE 2024 to 49.55% in the FPE 2025 mainly due to the increase in GP margin for the water mains piping works from 38.67% in the FPE 2024 to 49.55% in the FPE 2025. This was mainly attributable to the higher revenue recognition from the Johor Data Centre 1 Water Supply Project, which carried a higher GP margin following a revision in the construction methodology that reduced costs as well as the completion of Johor Data Centre 3 Water Reclamation Project, which was of higher GP margin.

However, the above was partly offset by the completion of the yacht manufacturing facility project and a food manufacturing facility project located in Johor in 2024 for the sewer piping works.

*Maintenance and Repair*

Our GP margin from the Maintenance and Repair services were 27.55% and 30.85% for the FPE 2024 and FPE 2025 respectively.

*GP and GP margin by types of properties and infrastructure*

The increase in our GP margin was contributed by the following:

(i) increased in GP margin for the industrial projects from 45.16% in the FPE 2024 to 54.92% in the FPE 2025, mainly due to the completion of Melaka Electronics Manufacturing Facility Project, which was of higher GP margin. Lower cost was incurred than budgeted upon finalisation of the project due to reduction of scope of work, with no change to contract sum; and

(ii) higher proportion of GP contribution from the data centre projects, which represents 50.76% of our total GP for the FPE 2025 (FPE 2024: 20.55%), which commanded higher GP margin as compared to other types of properties.

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## 11. FINANCIAL INFORMATION *(Cont'd)*

### (c) Other operating income

The breakdown of our other operating income for the Financial Years and Period Under Review is as follows:

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Other interest income | 92 | 17.76 | 277 | 39.40 | 293 | 19.19 | 114 | 14.88 | 382 | 81.80 |
| Interest income from investment [(1)] | - | - | 234 | 33.29 | 603 | 39.49 | 544 | 71.02 | - | - |
| Rental income | 52 | 10.04 | 52 | 7.40 | 54 | 3.54 | 31 | 4.05 | 2 | 0.43 |
| Income from sale of oil palm [(2)] | 82 | 15.82 | 50 | 7.11 | 64 | 4.19 | 40 | 5.22 | - | - |
| Subsidy received | 39 | 7.53 | 11 | 1.56 | 9 | 0.59 | 9 | 1.17 | - | - |
| Reversal of impairment loss on trade receivables | 209 | 40.35 | - | - | - | - | - | - | - | - |
| Reimbursement for adjudication cost | 29 | 5.60 | - | - | - | - | - | - | - | - |
| Gain on modification of financial asset | - | - | 32 | 4.55 | - | - | - | - | - | - |
| Gain on disposal of PPE | - | - | - | - | 226 | 14.80 | - | - | 22 | 4.71 |
| Gain on disposal of investment properties | - | - | - | - | 240 | 15.72 | - | - | - | - |
| Gain on early termination of lease | - | - | - | - | 1 | 0.07 | - | - | 1 | 0.21 |
| Miscellaneous income | 15 | 2.90 | 47 | 6.69 | 37 | 2.41 | 28 | 3.66 | 60 | 12.85 |
| **Total** | **518** | **100.00** | **703** | **100.00** | **1,527** | **100.00** | **766** | **100.00** | **467** | **100.00** |

***Notes:***

*(1) In relation to the Investment Agreement, YPSB had invested a sum of RM1.50 million in LPY Fortune for its development of a piece of land and the design, erection and completion of building and structures of apartments. The Investment was recognised as a financial asset as the contractual cash flows represents solely payment of principal and interest. Accordingly, it is measured at amortised cost, with the interest income unwinding over time. Please refer to Section 9.1.1 of this Prospectus for further details.*

*(2) Income generated from the oil palm plantation located on the investment properties of our Group, which had been disposed on 29 December 2024. Please refer to Section 9.1.1 of this Prospectus for further details.*

**Commentary:**

Comparison between FYE 2022 and FYE 2023

For the FYE 2023, our Group recorded an increase in other operating income by RM0.18 million or 34.62% to RM0.70 million (FYE 2022: RM0.52 million). The increase in other operating income was mainly attributable to the higher interest income from investment by RM0.23 million and higher placement of fixed deposits during the FYE 2023.

## 11. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2023 and FYE 2024

For the FYE 2024, our Group recorded an increase in other income by RM0.83 million or 118.57% to RM1.53 million (FYE 2023: RM0.70 million). The increase in other income was mainly due to the following:

(i) higher interest income from investment by RM0.37 million;

(ii) gain on disposal of investment properties of RM0.24 million; and

(iii) gain on disposal of PPE of RM0.23 million.

Comparison between FPE 2024 and FPE 2025

For the FPE 2025, the Group recorded a decrease in other operating income by RM0.30 million or 38.96% to RM0.47 million (FPE 2024: RM0.77 million). The decrease was mainly due to the cessation of income from sale of oil palm as well as interest income from the Investment in the FPE 2025 due to the Novation of Investment Agreement in FYE 2024. Please refer to Section 11.3.11 of the Prospectus for further details.

However, the decrease was partly offset by the increase in other interest income by RM0.27 million due to higher interest income from fixed deposits with licensed banks.

**(d) General and administrative expenses**

The breakdown of our general and administrative expenses for the Financial Years and Period Under Review is as follows:

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Staff costs | 2,442 | 57.03 | 3,317 | 60.84 | 4,188 | 54.52 | 2,380 | 58.12 | 2,989 | 53.14 |
| Directors' remuneration | 491 | 11.47 | 607 | 11.13 | 1,019 | 13.26 | 510 | 12.46 | 847 | 15.06 |
| Legal and professional fees | 100 | 2.34 | 168 | 3.08 | 379 | 4.93 | 194 | 4.74 | 412 | 7.32 |
| Upkeep of PPE | 153 | 3.57 | 382 | 7.01 | 535 | 6.97 | 254 | 6.20 | 371 | 6.60 |
| Rental and utility expenses | 187 | 4.37 | 261 | 4.79 | 282 | 3.67 | 167 | 4.08 | 172 | 3.06 |
| Office expenses | 583 | 13.62 | 342 | 6.27 | 724 | 9.42 | 329 | 8.03 | 432 | 7.68 |
| Transportation expenses | 283 | 6.60 | 334 | 6.13 | 379 | 4.93 | 193 | 4.71 | 264 | 4.69 |
| Others [(1)] | 43 | 1.00 | 41 | 0.75 | 176 | 2.30 | 68 | 1.66 | 138 | 2.45 |
| **Total** | **4,282** | **100.00** | **5,452** | **100.00** | **7,682** | **100.00** | **4,095** | **100.00** | **5,625** | **100.00** |

***Note:***

*(1) Mainly consist of advertisement expenses, bank charges, entertainment expenses, donations and services tax.*

**11. FINANCIAL INFORMATION *(Cont'd)***

**Commentary:**

Comparison between FYE 2022 and FYE 2023

For the FYE 2023, our Group recorded an increase in general and administrative expenses by RM1.17 million or 27.34% to RM5.45 million (FYE 2022: RM4.28 million). The increase in general and administrative expenses was mainly due to the following:

(i) increase in staff costs by RM0.88 million mainly due to the increase in headcounts and revision of staff salary which was aligned with the business growth and expansion;

(ii) increase in directors' remuneration by RM0.12 million mainly due to the increment of directors' salary; and

(iii) increase in upkeep of PPE by RM0.23 million mainly due to the addition of 6 units of motor vehicle for project site staff and 2 units of hydraulic excavator during the FYE 2023.

Comparison between FYE 2023 and FYE 2024

For the FYE 2024, our Group recorded an increase in general and administrative expenses by RM2.23 million or 40.92% to RM7.68 million (FYE 2023: RM5.45 million). The increase in general and administrative expenses was mainly due to the following:

(i) increase in staff cost by RM0.87 million mainly due to the increase in headcounts and revision of staff salary which are aligned with our continuous business growth and expansion;

(ii) increase in directors' remuneration by RM0.41 million mainly due to the increment of directors' salary;

(iii) increase in office expenses by RM0.38 million mainly due to the increase in workers permit and levy charges, addition of new software license fees and corporate social responsibility expenses; and

(iv) increase in upkeep of PPE by RM0.16 million mainly due to the addition of 4 units of motor vehicle for management and project site staff, 4 units of hydraulic excavator and 2 units of backhoe loader during the FYE 2024.

Comparison between FPE 2024 and FPE 2025

For the FPE 2025, our Group recorded an increase in general and administrative expenses by RM1.53 million or 37.32% to RM5.63 million (FPE 2024: RM4.10 million). The increase in general and administrative expenses was mainly due to the following:

(i) increase in staff cost by RM0.61 million mainly due to the increase in headcounts and revision of staff salary to support our business expansion;

(ii) increase in directors' remuneration by RM0.34 million mainly due to the increment of directors' salaries; and

(iii) increase in legal and professional fee by RM0.22 million mainly due to the professional fees incurred for contract administration support services and professional fees in relation to the Listing.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### (e) Other operating expenses

The breakdown of our other operating expenses for the Financial Years and Period Under Review is as follows:

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Depreciation of PPE | 228 | 90.84 | 413 | 45.43 | 648 | 67.22 | 315 | 82.46 | 519 | 73.83 |
| Depreciation of investment properties | 3 | 1.20 | 3 | 0.33 | 3 | 0.31 | 1 | 0.26 | - | - |
| Net changes of impairment loss of trade receivables | - | - | 465 | 51.16 | 292 | 30.29 | 49 | 12.83 | 184 | 26.17 |
| Bad debts written off | 2 | 0.80 | - | - | - | - | - | - | - | - |
| Oil palm site expenses [(1)] | 18 | 7.16 | 28 | 3.08 | 21 | 2.18 | 17 | 4.45 | - | - |
| **Total** | **251** | **100.00** | **909** | **100.00** | **964** | **100.00** | **382** | **100.00** | **703** | **100.00** |

***Note:***

*(1) Expenses in relation to the maintenance of the oil palm plantation located on the investment properties of our Group, which had been disposed on 29 December 2024. Please refer to Section 9.1.1 of this Prospectus for further details.*

**Commentary:**

Comparison between FYE 2022 and FYE 2023

For the FYE 2023, our Group recorded an increase in other operating expenses by RM0.66 million or 264.00% to RM0.91 million (FYE 2022: RM0.25 million). The increase in other operating expenses was mainly due to:

(i) increase in depreciation of PPE by RM0.18 million arising from the new additions of motor vehicles and machineries; and

(ii) higher impairment loss for trade receivables arising from higher general allowance made for expected credit loss in accordance with MFRS 9 after taking into consideration the loss given default and probability of default assigned and are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

Comparison between FYE 2023 and FYE 2024

For the FYE 2024, our Group recorded an increase in other operating expenses by RM0.05 million or 5.49% to RM0.96 million (FYE 2023: RM0.91 million). The increase in other operating expenses was mainly due to the increase in depreciation of PPE by RM0.24 million arising from the new additions of motor vehicles and machineries.

However, the increase in other operating expenses was partly offset by lower impairment loss of trade receivables by RM0.17 million in accordance with MFRS 9.

**11. FINANCIAL INFORMATION *(Cont'd)***

Comparison between FPE 2024 and FPE 2025

For the FPE 2025, our Group recorded an increase in other operating expenses by RM0.32 million or 84.21% to RM0.70 million (FPE 2024: RM0.38 million). The increase in other operating expenses was mainly due to the increase in depreciation of PPE by RM0.20 million arising from the additions of machineries and motor vehicles and higher impairment loss on trade receivables by RM0.13 million in accordance with MFRS 9.

**(f) Finance costs**

The breakdown of our finance costs for the Financial Years and Period Under Review is as follows:

| | Audited | | | | | | Unaudited | | Audited | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FYE 2022 | | FYE 2023 | | FYE 2024 | | FPE 2024 | | FPE 2025 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Bankers' acceptance | 40 | 8.23 | 32 | 7.58 | 29 | 7.92 | 5 | 2.43 | 54 | 25.35 |
| Bank overdraft | 24 | 4.94 | - | - | - | - | - | - | - | - |
| Lease liabilities | 3 | 0.62 | 3 | 0.72 | 3 | 0.82 | 3 | 1.45 | 1 | 0.47 |
| Term loans interest | 409 | 84.16 | 352 | 83.41 | 242 | 66.12 | 156 | 75.73 | 80 | 37.56 |
| Hire purchase interest | 10 | 2.05 | 35 | 8.29 | 92 | 25.14 | 42 | 20.39 | 78 | 36.62 |
| **Total** | **486** | **100.00** | **422** | **100.00** | **366** | **100.00** | **206** | **100.00** | **213** | **100.00** |

**Commentary:**

Comparison between FYE 2022 and FYE 2023

For the FYE 2023, our Group recorded a decrease in finance costs by RM0.07 million or 14.29% to RM0.42 million (FYE 2022: RM0.49 million) which was mainly due to lower term loans outstanding and lower utilisation of bankers' acceptance.

Comparison between FYE 2023 and FYE 2024

For the FYE 2024, our Group recorded a decrease in finance costs by RM0.05 million or 11.90% to RM0.37 million (FYE 2023: RM0.42 million) which was mainly due to lower term loans outstanding and lower utilisation of bankers' acceptance.

Comparison between FPE 2024 and FPE 2025

For the FPE 2025, our Group recorded an increase in finance cost by RM7,000, which was mainly due to the increase in banker's acceptance interest arising from higher utilisation of bankers' acceptance in the FPE 2025.

However, the increase was partly offset by the decrease in term loan interest following the repayment during the FPE 2025.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### (g) Income tax expense

The breakdown of our income tax expenses for the Financial Years and Period Under Review is as follows:

| | Audited | | | Unaudited | Audited |
|---|---|---|---|---|---|
| | FYE 2022 | FYE 2023 | FYE 2024 | FPE 2024 | FPE 2025 |
| Income tax expense (RM'000) | 452 | 1,362 | 3,065 | 1,964 | 5,035 |
| Effective tax rate (%) (1) | 32.64 | 23.72 | 24.13 | 24.76 | 24.91 |
| Statutory tax rate (%) | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 |

***Note:***

*(1) Effective tax rate is calculated based on income tax expense divided by PBT.*

Our effective tax rate for the FYE 2022 was 8.64% higher than the statutory tax rate mainly due to higher non-deductible expenses such as finance cost, professional fee and depreciation of PPE as well as under provision of income tax in prior year.

Our effective tax rate for the FYE 2023 was 0.28% lower than the statutory tax rate mainly due to tax saving on the first tranche of chargeable income of RM0.15 million at tax rate of 15.00% whereby the next RM0.45 million at tax rate of 17% for our Subsidiary, for which the issued share capital is not more than RM2.50 million and lower non-deductible expenses.

Our effective tax rate for the FYE 2024 was 0.13% higher than the statutory tax rate mainly due to under-provision of income tax in prior year.

Our effective rax rate for the FPE 2024 was 0.76% higher than the statutory tax rate mainly due to under provision of income tax in prior year.

Our effective tax rate for the FPE 2025 was 0.91% higher than the statutory tax rate mainly due to higher non-deductible expenses such as impairment loss on trade receivables and finance cost.

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## 11. FINANCIAL INFORMATION *(Cont'd)*

### (h) PBT, PBT margin, PAT and PAT margin

The PBT, PBT margin, PAT and PAT margin of our Group for the Financial Years and Period Under Review are as follows:

| | Audited | | | Unaudited | Audited |
|---|---|---|---|---|---|
| | FYE 2022 | FYE 2023 | FYE 2024 | FPE 2024 | FPE 2025 |
| PBT (RM'000) | 1,385 | 5,743 | 12,701 | 7,932 | 20,213 |
| PAT (RM'000) | 933 | 4,381 | 9,636 | 5,968 | 15,178 |
| PBT margin (%) | 6.42 | 14.84 | 23.23 | 26.52 | 33.96 |
| PAT margin (%) | 4.32 | 11.32 | 17.63 | 19.95 | 25.50 |

**Commentary:**

Comparison between FYE 2022 and FYE 2023

For the FYE 2023, our Group recorded an increase in PBT by RM4.35 million or 312.95% to RM5.74 million (FYE 2022: RM1.39 million) and an increase in PAT by RM3.45 million or 370.97% to RM4.38 million (FYE 2022: RM0.93 million). The increase in both PBT and PAT was mainly due to the higher GP recorded for the FYE 2023 as set out in Section 11.3.2(b) above.

Our PBT margin improved from 6.42% for the FYE 2022 to 14.84% for the FYE 2023. Our PAT margin also improved from 4.32% for the FYE 2022 to 11.32% for the FYE 2023. The improvement in the PBT margin and PAT margin was mainly due to:

(i) higher GP margin recorded for the FYE 2023 as set out in Section 11.3.2(b) above;

(ii) economies of scale achieved through business expansion and growth; and

(iii) lower effective tax rate recorded in FYE 2023 as compared to FYE 2022 as set out in Section 11.3.2(g) above.

Comparison between FYE 2023 and FYE 2024

For the FYE 2024, our Group recorded an increase in PBT by RM6.96 million or 121.25% to RM12.70 million (FYE 2023: RM5.74 million) and an increase in PAT by RM5.26 million or 120.09% to RM9.64 million (FYE 2023: RM4.38 million). The increase in both PBT and PAT was mainly due to the higher GP recorded for the FYE 2024 as set out in Section 11.3.2(b) above.

Our PBT margin improved from 14.84% for the FYE 2023 to 23.23% for the FYE 2024. Our PAT margin also improved from 11.32% for the FYE 2023 to 17.63% for the FYE 2024. The improvement in the PBT margin and PAT margin was mainly due to the higher GP margin recorded for the FYE 2024 as set out in Section 11.3.2(b) above as well as economies of scale achieved through continuous business expansion and growth.

Comparison between FPE 2024 and FPE 2025

For the FPE 2025, our Group recorded an increase in PBT by RM12.28 million or 154.85% to RM20.21 million (FPE 2024: RM7.93 million) and an increase in PAT by RM9.21 million or 154.27% to RM15.18 million (FPE 2024: RM5.97 million). The increase in both PBT and PAT was mainly due to the higher GP recorded for the FPE 2025 as highlighted above in Section 11.3.2(b).

Our PBT margin improved from 26.52% for the FPE 2024 to 33.96% for the FPE 2025. Our PAT margin also improved from 19.95% for the FPE 2024 to 25.50% for the FPE 2025. The improvement in the PBT margin and PAT margin was mainly due to the higher GP margin recorded for the FPE 2025 arising from the projects as highlighted in Section 11.3.2(b) above.

### 11.3.3 Significant factors materially affecting our operations and financial results

Our business operations and financial conditions have been and will continue to be affected by factors including, but not limited to, the following:

**(a) Performance of potable water and sewer piping industry focusing on end-user premises and construction industry**

The performance of potable water and sewer piping industry focusing on end-user premises is closely tied to the construction and infrastructure sectors, particularly the development of industrial, data centre, residential and commercial buildings, as well as water supply and sewer infrastructure projects. As our Group is principally involved in the supply and installation of piping systems for end-user premises and supply and installation of water supply and sewerage infrastructure as well as provision of maintenance and repair services for these systems, the demand for our services is dependent on the overall level of construction activities, government infrastructure initiatives and private sector investments.

The demand for piping system installations is influenced by ongoing infrastructure projects and industrial developments. Government policies supporting water supply network improvements, sewer infrastructure upgrades and industrial expansion may contribute to business growth in the sector. According to IMR Report, in 2026, the construction industry is forecasted to expand by 6.1%, largely driven by the continued expansion in specialised construction, non-residential and residential segments. Between 2025 and 2030, Malaysia's data centre industry is expected to grow at a CAGR of 22.4% to RM59.6 billion by 2030. The Government's commitment to advancing digital infrastructure further enhances the outlook for data centres, creating opportunities for service providers within the industry.

Given our project portfolio for various end-user industries and proven track record in delivering piping systems for various end-user premises and infrastructure projects, we are well-positioned to capitalise on growth opportunities within the industry. However, there is no assurance that our business, operations, and financial performance will remain unaffected by performance in the construction and infrastructure sectors. Please refer to Sections 6.4.2 and 6.4.3 of this Prospectus for further details on our business activities and revenue stream as well as the type of properties and infrastructure.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### (b) Unanticipated increase in project cost and delay in completion

Due to the nature of our business, we are subject to project management risks, including cost risks, schedule risks and operational risks, which would give rise to unanticipated increase in project cost or cost overrun and delay in completion of projects. Such risk can be due to poor project administration in terms of procurement of materials, changes in project cost estimation and budgeting, poor site management in terms of logistics and coordination works and delays in obtaining necessary permits or approvals, as well as factors beyond our control, such as adverse weather conditions, disruptions in power supply at project sites, delays in material and service availability from third parties and availability of financing and accessibility to project sites. Our profitability for a project may be adversely affected if project cost increases and we cannot pass those cost increases to our customer. Hence, there is no assurance that future increases in project implementation costs will not adversely affect our financial performance or result in gross loss for our projects.

In general, we are required to meet project timelines and milestones when we implement installation of piping system for end-user premises, piping of water supply and sewer infrastructure and maintenance and repair services for piping systems. Any delays in achieving the project implementation timeline and milestone may result in delay in revenue recognition and project cost overrun. Further, some of the contracts, purchase orders and work orders for our installation of piping system for end-user premises and piping of water supply and sewer infrastructure include provision for performance penalties in the form of LAD. Any adverse development and management of our projects will result in delay in progress claims, project cost overrun and may also expose us to LAD claim by our customers, which could negatively affect our financial performance. Please refer to Sections 8.1.3 and 8.1.6 of this Prospectus for further details on risk factors relating to the delay in implementing and completing our projects as well as project implementation costs increases.

### (c) Continuity of our order book

Due to our nature of our business which is project-based in nature, our revenue mainly based on fixed lump-sum contracts, purchase orders, or work orders. While we actively secure new projects to sustain our business, there is no assurance of continuity in our order book from one financial year to the next. If we are unable to replenish our order book by securing new contracts, our business growth and financial performance may be adversely affected.

Please refer to Sections 11.6 and 8.1.1 of this Prospectus for further details our order book and the risk factor relating to our ability to continuously secure new and sizeable projects, respectively.

### (d) Potential defect liability claims and warranties and quality of work by subcontractors

As part of our business in piping system installations and maintenance services, we are subject to defect liability claims by our customers. Upon project completion, we typically enter a DLP, which ranges from 12 to 36 months, depending on the contract terms. During this period, we are responsible for rectifying any defects in the installed piping systems. If defects arise due to installation errors, material failures or workmanship issues, we may incur additional costs for repairs.

Additionally, while we engage qualified subcontractors to perform specialised installation works, there is a risk of poor-quality workmanship, non-compliance, or operational delays. If a subcontractor fails to meet the required standards, we may be required to rectify defects at our own cost.

We impose back-to-back warranty obligations on subcontractors and suppliers to ensure accountability. However, in cases where defect claims are not fully covered, we may bear additional rectification costs, which could impact our financial performance. Please refer to Sections 8.1.5 and 8.1.7 of this Prospectus for further details on the risk factors in relation to the risk of penalties for any shortcomings in the work carried out by our subcontractors and defect liability and warranty claims from our customers.

**(e) Competition**

The potable water and sewer piping industry focusing on end-user premises in Malaysia is highly fragmented comprises various industry players, ranging from individual contractors and companies that specialise primarily in the provision of piping systems, to mechanical and electrical companies that offer broader aspects of mechanical, electrical and process utility (including plumbing) (MEP) systems. As a registered contractor with CIDB, we compete with other industry players that offer similar services, namely supply and installation of piping systems for end-user premises and supply and installation of water supply and sewerage infrastructure piping.

Our ability to secure projects is influenced by factors such as our track records, financial and resource capability as well as technical capabilities. We remain focused on leveraging our experience, efficiency and industry certifications to maintain our competitiveness in the market. However, there is no assurance that market competition will not impact our ability to secure new contracts, which could in turn affect our business growth and financial results.

**(f) Impact on interest rate fluctuations**

As at 31 July 2025, our Group's total borrowings of RM6.52 million consist of term loans, hire purchase and bankers' acceptance at interest rates ranging from 3.86% to 11.45% per annum.

Our Group's objective in managing our interest rate is to ensure an acceptable level of risk related to interest rate fluctuations. As at the LPD, our borrowings have fixed and determinable payments. The interest rates for our term loans and one (1) of the finance lease liabilities are based on the prevailing bank's base lending rate or base financing rate plus or minus a margin agreed upon by our bankers when the respective loans and financings were granted.

There is no material impact from the fluctuations in interest rates on our profits for the Financial Years and Period Under Review. However, any hikes in interest rates would raise the cost of borrowings, which may have adverse effect on our financial performance. The sensitivity analysis for interest rate risk is set out in the Accountants' Report under Section 12 of this Prospectus

**(g) Impact of inflation**

Our business, financial condition or results of operations for the Financial Years and Period Under Review were not materially affected by the impact of inflation. Nonetheless, there can be no assurance that future inflation, such as purchased materials cost and subcontractor cost would not have any impact on our business operations and financial performance.

**(h) Impact of government/economic/fiscal/geopolitical events/monetary policies**

Any unfavourable change in government, economic, fiscal, geopolitical events or monetary policies may materially affect our business operations and financial performance. For the Financial Years and Period Under Review, our results were not adversely affected by any unfavourable changes relating to these policies. Nonetheless, there is no assurance that our financial performance will not be adversely affected by the impact of changes in government, economic, fiscal or monetary policies in the future.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.3.4 LIQUIDITY AND CAPITAL RESOURCES

Our operations are funded through cash generated from our operating activities, credit extended by our suppliers, credit facilities granted by financial institutions as well as our existing cash and bank balances.

As at 31 July 2025, our Group has cash and short-term deposits of RM35.09 million, and working capital of RM24.83 million, being the difference between current assets of RM71.35 million and current liabilities of RM46.52 million. Our Group also recorded a net cash from operating activities of RM23.51 million for the FPE 2025.

Based on the above and after taking into consideration of our funding requirements for our committed capital expenditure, existing level of cash and bank balances, expected cash flows to be generated from our operations, the dividend paid in respect of the FYE 2025 as detailed in Section 11.8 of this Prospectus and the estimated net proceeds from the Public Issue, our Board is of the view that we will have sufficient working capital for a period of 12 months from the date of this Prospectus.

**Cash flow**

The table below sets out the summary of our Group's historical audited combined statements of cash flows for the Financial Years and Period Under Review:

| | Audited | | | |
|---|---|---|---|---|
| | **FYE 2022 RM'000** | **FYE 2023 RM'000** | **FYE 2024 RM'000** | **FPE 2025 RM'000** |
| Net cash generated from operating activities | 9,203 | 6,863 | 3,711 | 23,508 |
| Net cash (used in) / generated from investing activities | (682) | (1,225) | 368 | 69 |
| Net cash (used in) / generated from financing activities | (3,986) | (3,405) | (2,977) | 454 |
| **Net increase in cash and cash equivalents** | **4,535** | **2,233** | **1,102** | **24,031** |
| **Cash and cash equivalents at beginning of the financial year/period** | **240** | **4,775** | **7,008** | **8,110** |
| **Cash and cash equivalents at end of the financial year/period** | **4,775** | **7,008** | **8,110** | **32,141** |

**Commentary:**

**Net cash generated from operating activities**

**FYE 2022**

For the FYE 2022, our operating profit before working capital changes were RM1.80 million. After adjusting for the following key items, our net cash generated from operating activities was RM9.20 million:

(i) decrease in inventories of RM0.52 million;

(ii) increase in receivables of RM2.17 million, of which trade receivables increased by RM1.41 million which was in line with higher revenue recorded during the FYE 2022 while other receivables and prepayment increased by RM0.76 million mainly due to the increase in advance payment made to our supplier for the purchase of specialised fixtures in relation to the internal and external piping systems works of the Penang Factory Project;

**11. FINANCIAL INFORMATION *(Cont'd)***

(iii) increase in payables of RM10.21 million, of which trade payables increased by RM1.89 million which was in line with the progress of our projects while other payables increased by RM8.32 million mainly due to the advance payment received from our customers in relation to the Penang Factory Project. This included advance payment from customer for the purchase of specialised fixtures and materials for the project before commencement of work as well as downpayments for the project;

(iv) increase in contract assets of RM0.81 million mainly due to work performed for the internal and external piping systems works of Penang Factory Project and the Industrial Dairy Factory Project pending certification as at the year end;

(v) increase in contract liabilities of RM0.05 million mainly due to higher progress billing than revenue recognised in accordance with the billing milestone for the project in relation to the supply and installation of internal and external piping systems at an industrial solar photovoltaic facility project in Johor; and

(vi) income tax payment of RM0.40 million.

**FYE 2023**

For the FYE 2023, our operating profit before working capital changes were RM6.50 million. After adjusting for the following key items, our net cash generated from operating activities was RM6.86 million:

(i) increase in receivables of RM1.37 million, of which trade receivables increased by RM2.46 million which was in line with higher revenue recorded during the FYE 2023 while other receivables decreased by RM1.09 million mainly due to the decrease in advance payment made to our suppliers during the FYE 2023;

(ii) decrease in payables of RM4.70 million, of which other payables decreased by RM7.78 million mainly due to the decrease in advance payments received in the FYE 2023 following the fulfilment of the contract obligations, i.e. delivering of our work while trade payables increased by RM3.08 million mainly due to the higher purchased materials and subcontractors' charges which was in line with the progress of our projects;

(iii) increase in contract assets of RM2.45 million mainly due to the higher amount of work performed for the internal piping systems works of Penang Factory Project and Selangor Food Manufacturing Facility Project pending certification as at the year end;

(iv) increase in contract liabilities of RM9.02 million mainly due to the higher progress billing than revenue recognised in accordance with the billing milestone for the project involving the internal and external piping systems works of Penang Factory Project; and

(v) net income tax payment of RM0.15 million.

**FYE 2024**

For the FYE 2024, our operating profit before working capital changes were RM12.64 million. After adjusting for the following key items, our net cash generated from operating activities was RM3.71 million:

(i) increase in receivables of RM11.72 million, of which trade receivables increased by RM10.55 million mainly due to the higher revenue achieved for the FYE 2024 and higher billing towards the last quarter of the FYE 2024 while other receivables increased by RM1.17 million mainly due to the prepayment of professional fees in relation to the listing expenses;

**11. FINANCIAL INFORMATION *(Cont'd)***

(ii) increase in payables of RM2.41 million, of which trade payables increased by RM2.76 million mainly due to the higher purchased materials and subcontractors' charges which was in line with the level of activities and progress of our projects while other payables decreased by RM0.35 million mainly due to the repayment made to our related party and Director;

(iii) increase in contract assets of RM4.98 million mainly due to the high amount of work performed for the internal piping systems works of Penang Factory Project and Johor Data Centre 2 Project pending certification as at the year end;

(iv) increase in contract liabilities of RM7.95 million mainly due to the higher progress billing than revenue recognised in accordance with the billing milestone for the project involving the internal and external piping systems works of Penang Factory Project and Johor Data Centre 1 Project; and

(v) income tax payment of RM2.59 million.

**FPE 2025**

For the FPE 2025, our operating profit before working capital changes were RM20.72 million. After adjusting for the following key items, our net cash generated from operating activities was RM23.51 million:

(i) increase in receivables of RM0.30 million, of which trade receivables decreased by RM1.52 million mainly due to timely settlement of outstanding amounts from customers, while other receivables increased by RM1.82 million mainly due to the payment on behalf of our customers for the upfront regulatory expenses and prepayment of professional fees in relation to the listing expenses;

(ii) increase in payables of RM3.54 million, of which trade payables increased by RM2.74 million mainly due to the higher purchased materials and subcontractors' charges which was in line with the level of activities and progress of our projects, while other payables increased by RM0.80 million mainly due to security deposit received from customer to secure a bank guarantee on behalf as a performance bond for the Johor Data Centre 1 Water Supply Project;

(iii) increase in contract assets of RM4.00 million mainly due to the higher amount of internal and external piping systems works performed for the Penang Hotel Project and Johor Serviced Apartment 2 Project, which is currently pending certification as at the period ended;

(iv) increase in contract liabilities of RM5.70 million mainly due to the higher progress billing than revenue recognised in accordance with the billing milestone for the projects involving the internal and external piping systems works of Penang Factory Project, Johor Data Centre 1 Project, Johor Data Centre 1 Water Supply Project and Johor Data Centre 2 Project; and

(v) income tax payment of RM2.15 million.

**Net cash (used in) / generated from investing activities**

**FYE 2022**

Our Group recorded net cash used in investing activities of RM0.68 million for the FYE 2022. This was mainly attributed to the following:

(i) purchase of motor vehicles, plant and machinery and equipment and furniture and fittings of RM0.22 million;

(ii) increase in placement of fixed deposit of RM0.25 million; and

(iii) increase in investment in project development of RM0.30 million pursuant to the Investment Agreement.

However, the above cash outflow was partly offset with the interest received of RM0.09 million.

**11. FINANCIAL INFORMATION *(Cont'd)***

**FYE 2023**

Our Group recorded net cash used in investing activities of RM1.23 million for the FYE 2023. This was mainly attributed to the following:

(i) purchase of motor vehicles, plant and machinery and equipment, furniture and fittings of RM0.39 million; and

(ii) increase in placement of fixed deposit of RM1.12 million.

However, the above cash outflow was partly offset with the interest received of RM0.28 million.

**FYE 2024**

Our Group recorded net cash from investing activities of RM0.37 million for the FYE 2024. This was mainly attributed to the following:

(i) withdrawal of fixed deposit of RM0.95 million;

(ii) interest received of RM0.29 million; and

(iii) proceeds received from disposal of motor vehicle of RM1,000.

However, the above cash inflow was partly offset with the following:

(a) purchase of motor vehicles, plant and machinery and equipment, furniture and fittings of RM0.41 million; and

(b) increase in placement of fixed deposit of RM0.46 million.

**FPE 2025**

Our Group recorded net cash from investing activities of RM0.07 million for the FPE 2025. This was mainly attributed to the following:

(i) interest received of RM0.38 million; and

(ii) proceeds received from disposal of motor vehicle of RM0.03 million.

However, the above cash inflow was partly offset by the following:

(a) purchase of motor vehicles, plant and machinery and equipment, furniture and fittings of RM0.25 million; and

(b) increase in placement of fixed deposits of RM0.09 million.

**Net cash (used in) / generated from financing activities**

**FYE 2022**

Our Group recorded net cash used in financing activities of RM3.99 million for the FYE 2022 mainly due to:

(i) dividend payment of RM2.00 million;

(ii) interest expenses of RM0.49 million; and

(iii) repayment of lease liabilities, term loans, bankers' acceptance and hire purchase liabilities of RM4.17 million.

However, the outflow was partly offset by the drawdown of bankers' acceptance of RM2.67 million.

**11. FINANCIAL INFORMATION *(Cont'd)***

**FYE 2023**

Our Group recorded net cash used in financing activities of RM3.40 million for the FYE 2023 mainly due to:

(i) interest expenses of RM0.42 million; and

(ii) repayment of lease liabilities, term loans, bankers' acceptance and hire purchase liabilities of RM5.92 million.

However, the outflow was partly offset by the drawdown of bankers' acceptance of RM2.94 million.

**FYE 2024**

Our Group recorded net cash used in financing activities of RM2.98 million for the FYE 2024 mainly due to the following:

(i) dividend payment of RM1.18 million;

(ii) interest expenses of RM0.37 million; and

(iii) repayment of lease liabilities, term loans, bankers' acceptance and hire purchase liabilities of RM8.99 million.

However, the outflow was partly offset by the drawdown of bankers' acceptance of RM7.56 million.

**FPE 2025**

Our Group recorded net cash from financing activities of RM0.45 million for the FPE 2025 mainly due to the drawdown of bankers' acceptance of RM9.35 million and proceeds received from issuance of shares of RM1,000.

However, the above cash inflow was partly offset with the following:

(i) interest expenses of RM0.22 million; and

(ii) repayment of lease liabilities, term loans, bankers' acceptance and hire purchase liabilities of RM8.68 million.

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## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.3.5 Borrowings

As at 31 July 2025, our total outstanding borrowings (bank borrowings excluding lease liabilities arising from right-of-use assets) stood at RM6.52 million, which can be analysed further as follows:

| Type of bank borrowings | Tenure | Effective interest rates (per annum) | Payable within 12 months (RM'000) | Payable after 12 months (RM'000) | Total (RM'000) |
|---|---|---|---|---|---|
| Term loans | 5 to 20 years | 4.10% to 11.45% | 301 | 1,200 | 1,501 |
| Bankers' acceptance | Up to 120 days | 4.86% to 5.34% | 2,140 | - | 2,140 |
| Hire purchase liabilities | 5 to 6 years | 3.86% to 6.72% | 671 | 2,207 | 2,878 |
| | | **Total borrowings** | **3,112** | **3,407** | **6,519** |
| Gearing ratio as at 31 July 2025 (times) * | | | | | 0.22 |

***Note:***

* *Computed based on total outstanding borrowings (bank borrowings excluding lease liabilities arising from right-of-use assets) over our pro forma shareholders' equity (after the Acquisition of YPSB but before the Public Issue and use of proceeds) as at 31 July 2025 of RM29.84 million.*

As at the LPD, all our bank borrowings are secured, interest bearing and denominated in RM. Our bank borrowings are secured by charge over freehold land, buildings, fixed deposits with licensed banks and joint and several guarantee by our Directors. We have not defaulted on any payment of either principal sum and/or interest in relation to our borrowings during the Financial Years and Period Under Review and up to the LPD. We also do not encounter any seasonality in our borrowings trend and there is no restriction on our committed borrowing facilities.

As at the LPD, we have not breached any terms and conditions or covenants associated with our credit arrangements or bank borrowings, which can materially affect our business operations, financial position or results of operations or the investment by holders of securities in our Group.

### 11.3.6 Type of financial instruments used

As at the LPD, save as disclosed in Section 11.3.5 of this Prospectus, we do not use any other financial instruments.

For clarity purposes, the financial instruments of our Group which are used in the ordinary course of business, from an accounting perspective, may include financial assets such as cash and cash equivalents, and trade and other receivables, as well as financial liabilities such as borrowings, lease obligations and trade and other payables. These are shown in the combined statements of financial position of our Group.

As at the LPD, we do not use any financial instrument for hedging purposes.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.3.7 Treasury policies and objectives

We finance our operations through internally generated funds as well as external sources of funds, such as shareholders' funds, credit term from suppliers and subcontractors as well as short-term and long-term bank borrowings.

The primary objective of our financial management and treasury policies is to maintain sufficient working capital at all times and ensure our ability to support and grow our business in order to maximise shareholders' value. We review and manage our capital structure to maintain its debt-to-equity ratio at an optimal level based on the business requirements and prevailing economic conditions.

Our Group has not entered into any interest rate swap to hedge against fluctuations in interest rates. Our Group manages its exposure to interest rate movements by maintaining a combination of both fixed-rate and floating-rate borrowings.

### 11.3.8 Material commitment

As at the LPD, save as disclosed below, our Board, after having made all reasonable enquiries, confirm that there is no other material commitment which upon becoming enforceable, may have a material impact on the financial position of our Group.

| | **RM'000** |
|---|---|
| Investment properties [(1)] | 1,074 |
| **Total** | **1,074** |

***Note:***

*(1) Comprises the proposed acquisition of two (2) units of residential properties. The acquisition is expected to be settled by cash in accordance with the payment schedule set out in the respective sale and purchase agreements.*

### 11.3.9 Material contingent liabilities

As at the LPD, our Board is not aware of any contingent liabilities, which upon becoming enforceable may have a material impact on the financial performance and position of our Group.

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## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.3.10 Material capital expenditures

Our Group's material capital expenditure for the Financial Years and Period Under Review and up to the LPD are as follows:

| | Audited | | | | Unaudited |
|---|---|---|---|---|---|
| **Capital expenditures** | **FYE 2022 RM'000** | **FYE 2023 RM'000** | **FYE 2024 RM'000** | **FPE 2025 RM'000** | **1 August 2025 up to the LPD RM'000** |
| Plant and machinery | - | 633 | 1,127 | - | 359 |
| Motor vehicles | - | 391 | 748 | 1,257 | - |
| **Total** | **-** | **1,024** | **1,875** | **1,257** | **359** |

Our material capital expenditures were primarily funded via a combination of bank borrowings and/or internally generated funds.

**FYE 2023**

For the FYE 2023, our capital expenditures mainly related to the following:

(i) purchase of plant and machinery amounting to RM0.63 million mainly comprising of 2 units of hydraulic excavator; and

(ii) purchase of 6 units of motor vehicles amounting to RM0.39 million for our project site staff.

**FYE 2024**

For the FYE 2024, our capital expenditures mainly related to the following:

(i) purchase of plant and machinery amounting to RM1.13 million mainly comprising of 4 units of hydraulic excavator and 2 units of backhoe loaders; and

(ii) purchase of 4 units of motor vehicles amounting to RM0.75 million for our management and project site staff.

**FPE 2025**

For the FPE 2025, our capital expenditures of RM1.26 million are for the purchase of seven (7) units of motor vehicles for our management and project site staff.

**1 August 2025 up to LPD**

For the period from 1 August 2025 up to the LPD, our capital expenditures of RM0.36 million are for the purchase of two (2) units of backhoe loaders.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.3.11 Material capital divestitures

Our Group's material capital divestitures for the Financial Years and Period Under Review and up to the LPD are as follows:

| | Audited | | | | Unaudited |
|---|---|---|---|---|---|
| **Divestitures** | **FYE 2022 RM'000** | **FYE 2023 RM'000** | **FYE 2024 RM'000** | **FPE 2025 RM'000** | **1 August 2025 up to the LPD RM'000** |
| Disposal of investment properties | - | - | 6,220 | - | - |
| Disposal of building | - | - | 350 | - | - |
| Novation of Investment Agreement | - | - | 2,370 | - | - |
| **Total** | **-** | **-** | **8,940** | **-** | **-** |

For the FYE 2024, our material capital divestitures are as following:

(i) disposal of five (5) units of investment properties, including agricultural lands, industrial land and a unit of stratified shop office, amounted to RM6.22 million to our Managing Director;

(ii) disposal of a unit of serviced apartment amounted to RM0.35 million to our Managing Director; and

(iii) assignment, novation, transference of the obligations, rights, title, benefits, interest and liabilities in relation to an investment in the development of a piece of land to one of our Executive Directors at a consideration of RM2.37 million.

Please refer to Sections 9.1.1 and 11.8 of this Prospectus for further details of the divestitures above.

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## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.4 KEY FINANCIAL RATIOS

The key financial ratios of our Group are as follows:

| | Audited | | | |
|---|---|---|---|---|
| | **FYE 2022** | **FYE 2023** | **FYE 2024** | **FPE 2025** |
| Trade receivables turnover period (days) [(1)] | 70 | 39 | 51 | 31 |
| Trade payables turnover period (days) [(2)] | 81 | 81 | 93 | 72 |
| Current ratio (times) [(3)] | 1.14 | 1.24 | 1.30 | 1.53 |
| Gearing ratio (times) [(4)] | 0.63 | 0.30 | 0.32 | 0.22 |

***Notes:***

*(1) Computed based on average trade receivables for the respective financial years/period (excluding retention sums) over revenue for the respective financial years/period multiplied by 365/212 days for each financial years/period.*

*(2) Computed based on average trade payables for the respective financial years/period (excluding retention sums) over cost of sales for the respective financial years/period multiplied by 365/212 days for each financial years/period.*

*(3) Computed based on current assets over current liabilities as at the end of each financial year/period.*

*(4) Computed based on total loans and borrowings (excluding lease liabilities) over total equity as at the end of each financial years/period.*

#### 11.4.1 Trade receivables

A summary of our trade receivables for the Financial Years and Period Under Review is set out below:

| | Audited | | | |
|---|---|---|---|---|
| | **FYE 2022 RM'000** | **FYE 2023 RM'000** | **FYE 2024 RM'000** | **FPE 2025 RM'000** |
| Revenue | 21,573 | 38,705 | 54,669 | 59,516 |
| Average trade receivables | 4,120 | 4,124 | 7,661 | 8,578 |
| **Trade receivables turnover period (days) [(1)]** | **70** | **39** | **51** | **31** |

***Note:***

*(1) Computed based on average trade receivables for the respective financial years/period (excluding retention sums) over revenue for the respective financial years/period multiplied by 365/212 days for each financial years/period.*

The normal credit period granted by our Group to our customers was generally on terms ranging from 15 days to 90 days for the FYE 2022, 30 days to 120 days for the FYE 2023 and FYE 2024 and cash on delivery to 120 days for the FPE 2025, from the date of progress billings depending on the terms of the contracts. Other credit terms to our customers are assessed and approved on a case-by-case basis after taking into consideration various factors such as the business relationship with our customers, the customers' payment history and creditworthiness as well as transaction volume while new customers are subject to our credit verification and assessment process. The longer credit terms for the FYE 2023, FYE 2024 and FPE 2025 (as compared to FYE 2022) is due to our Group undertake large-scale and high specification projects during FYE 2023, FYE 2024 and FPE 2025.

**11. FINANCIAL INFORMATION *(Cont'd)***

Our trade receivable turnover period for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 was 70 days, 39 days, 51 days and 31 days, respectively. The lower trade receivable turnover period for the FYE 2023 (as compared to the FYE 2022) was mainly due to better collection during the FYE 2023, while the higher trade receivable turnover period for the FYE 2024 (as compared to the FYE 2023) was mainly due to the higher progress billings made in November and December 2024. The lower trade receivables turnover period for the FPE 2025 (as compared to the FYE 2024) was mainly due to better collection during the FPE 2025.

The ageing analysis of our trade receivables as at 31 July 2025 and the subsequent collections up to the LPD are set out below:

| | Within credit period | <---------Exceed credit period by---------> | | | | Total |
|---|---|---|---|---|---|---|
| | | 1 – 30 days | 31 – 60 days | 61 – 90 days | > 90 days | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Trade receivables | 14,934 | 1,379 | 393 | 225 | 1,874 | 18,805 |
| Less: Retention sum | (11,707) | - | (42) | - | (200) | (11,949) |
| | 3,227 | 1,379 | 351 | 225 | 1,674 | 6,856 |
| Less: Impairment losses | (78) | (11) | (6) | (6) | (841) | (942) |
| **Net trade receivables** | **3,149** | **1,368** | **345** | **219** | **833** | **5,914** |
| % of total net trade receivables | 53.25 | 23.13 | 5.83 | 3.70 | 14.09 | 100.00 |
| Subsequent collections up to the LPD | 3,149 | 8 | 307 | 13 | 833 | 4,310 |
| **Outstanding net trade receivables** | **-** | **1,360** | **38** | **206** | **-** | **1,604** |

The retention sum of RM11.95 million as at 31 July 2025 will be released to us in accordance to the terms of the respective contracts.

Our total net trade receivables stood at RM5.91 million as at 31 July 2025, out of which RM2.77 million or approximately 46.75% exceeded the normal credit term. Up to the LPD, we have collected RM4.31 million, representing about 72.88% of the total net trade receivables as at 31 July 2025.

Appropriate debts recovery process has been carried out by the project management and finance team to minimize the likelihood of these outstanding trade receivables turning into bad debts. Our Directors are of the view that the remaining trade receivables are recoverable and no further provision for impairment is required after taking into consideration of our relationship with these customers as well as our efforts to improve collection and implement various credit control measures to reduce exposure of credit risk to our Group.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.4.2 Trade payables

A summary of our trade payables for the Financial Years and Period Under Review is set out below:

| | Audited | | | |
|---|---|---|---|---|
| | **FYE 2022 RM'000** | **FYE 2023 RM'000** | **FYE 2024 RM'000** | **FPE 2025 RM'000** |
| Cost of sales | 15,687 | 26,882 | 34,483 | 33,229 |
| Average trade payables | 3,477 | 5,938 | 8,823 | 11,221 |
| **Trade payables turnover period (days) [(1)]** | **81** | **81** | **93** | **72** |

***Note:***

*(1) Computed based on average trade payables for the respective financial years/period (excluding retention sums) over cost of sales for the respective financial years/period multiplied by 365/212 days for each financial years/period.*

The normal payment period granted to us by our trade payable ranges from 30 days to 120 days for the FYE 2022, cash on delivery to 120 days for the FYE 2023, cash on delivery to 135 days for the FYE 2024 and cash on delivery to 150 days for the FPE 2025. Our trade payables turnover period for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 were 81 days, 81 days, 93 days and 72 days, respectively, which is within the payment period granted to us. We have not experienced any disruptions in supplies from our subcontractors and suppliers for the Financial Years and Period Under Review.

The ageing analysis of our trade payables as at 31 July 2025 and the subsequent payments up to the LPD are set out below:

| | **Within credit period** | **<---------Exceed credit period by---------->** | | | | |
|---|---|---|---|---|---|---|
| | | **1 – 30 days** | **31 – 60 days** | **61 – 90 days** | **> 90 days** | **Total** |
| | **RM'000** | **RM'000** | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| Trade payables | 6,686 | 2,728 | 1,258 | 890 | 1,535 | 13,097 |
| Less: Retention sum | (788) | (24) | - | - | (35) | (847) |
| **Net trade payables** | **5,898** | **2,704** | **1,258** | **890** | **1,500** | **12,250** |
| % of total net trade payables | 48.15 | 22.07 | 10.27 | 7.27 | 12.24 | 100.00 |
| Subsequent payments up to the LPD | 3,525 | 2,612 | 1,227 | 820 | 1,338 | 9,522 |
| **Outstanding net trade payables** | **2,373** | **92** | **31** | **70** | **162** | **2,728** |

Up to the LPD we have settled RM9.52 million or 77.73% of the total net trade payables which were outstanding as at 31 July 2025.

There was no matter in dispute with respect to trade payables, as well as no legal action initiated by any of our suppliers and/or subcontractors to demand for payment for the Financial Years and Period Under Review.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.4.3 Current ratio

A summary of our current ratio for the Financial Years and Period Under Review is set out below:

| | Audited | | | |
|---|---|---|---|---|
| | **FYE 2022 RM'000** | **FYE 2023 RM'000** | **FYE 2024 RM'000** | **FPE 2025 RM'000** |
| Current assets | 19,574 | 26,410 | 43,105 | 71,349 |
| Current liabilities | 17,240 | 21,375 | 33,153 | 46,520 |
| **Current ratio (times)** | **1.14** | **1.24** | **1.30** | **1.53** |

Current ratio measures the liquidity position of our Group to meet our short-term obligations. The liquidity position of our Group has been manageable as reflected in the current ratio for the Financial Years and Period Under Review.

Our current ratio has increased from 1.14 times as at 31 December 2022 to 1.24 times as at 31 December 2023. This was mainly attributable to the following:

(i) increase in contract asset mainly due to higher amount of work performed for the internal piping systems works of Penang Factory Project and Selangor Food Manufacturing Facility Project pending certification as at the year end; and

(ii) increase in fixed deposit with licensed banks due to higher internally generated funds contributed by our business growth in the FYE 2023.

Our current ratio has increased from 1.24 times as at 31 December 2023 to 1.30 times as at 31 December 2024. This was mainly attributable to the increase in trade receivables arising from higher revenue recorded for the FYE 2024.

Our current ratio has increased from 1.30 times as at 31 December 2024 to 1.53 times as at 31 July 2025. This was mainly attributable to the increase in fixed deposit with licensed bank due to internally generated funds contributed by our business growth in the FPE 2025.

### 11.4.4 Gearing ratio

A summary of our gearing ratio for the Financial Years and Period Under Review is set out below:

| | Audited | | | |
|---|---|---|---|---|
| | **FYE 2022 RM'000** | **FYE 2023 RM'000** | **FYE 2024 RM'000** | **FPE 2025 RM'000** |
| Total loans and borrowings | 6,680 | 4,485 | 4,679 | 6,519 |
| Shareholders' equity | 10,647 | 15,028 | 14,665 | 29,844 |
| **Gearing ratio (times)** | **0.63** | **0.30** | **0.32** | **0.22** |

Our gearing ratio has decreased from 0.63 times as at 31 December 2022 to 0.30 times as at 31 December 2023 mainly due to the repayment of term loans and bankers' acceptance in the FYE 2023 as well as improvement in our shareholders' equity.

Our gearing ratio increased slightly from 0.30 times as at 31 December 2023 to 0.32 times as at 31 December 2024 mainly due to the increase in the hire purchase liabilities arising from addition of motor vehicles, hydraulic excavators and backhoe loaders to support our business expansion during the FYE 2024.

Our gearing ratio decreased from 0.32 times as at 31 December 2024 to 0.22 times as at 31 July 2025 mainly due to the increase in the shareholders' equity arising from the improvement in the financial performance for the FPE 2025.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.5 TREND INFORMATION

As at the LPD, to the best of the knowledge and belief of our Board, the financial conditions and operations of our Group have not been and are not expected to be affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in this section and in Sections 6 and 8 of this Prospectus;

(b) material commitment for capital expenditure save as disclosed in Section 11.3.8 of this Prospectus;

(c) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save for those that had been disclosed in this section and in Sections 6 and 8 of this Prospectus;

(d) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our revenue and/or profits, save for those that had been discussed in this section and in Sections 6 and 8 of this Prospectus.

(e) known circumstances, trends, demands, commitments, events or uncertainties that are reasonably likely to make the historical financial statements not indicative of the future financial performance and position, save for those that had been disclosed in this section and in Sections 6 and 8 of this Prospectus.

### 11.6 ORDER BOOK

As at the LPD, based on the certified progress billings, our unbilled order book stood at RM120.68 million, which is summarised as follows:

| **Business activities** | **RM'000** |
|---|---|
| End-user Premises Piping | 117,472 |
| Infrastructure Piping | 3,210 |
| **Total** | **120,682** |

The above unbilled order book is expected to be billed in the following financial years:

| | **RM'000** |
|---|---|
| FYE 2025 (from LPD up to 31 December 2025) | 14,215 |
| FYE 2026 | 65,967 |
| FYE 2027 | 32,071 |
| FYE 2028 | 8,429 |
| **Total** | **120,682** |

There may be variations from the amount awarded as compared to the final works to be performed resulting from, among others, changes in project requirements, which may take place during the implementation of the project. Barring unforeseen circumstances, the total unbilled order book as at the LPD is envisaged to be billed over the FYE 2025 to FYE 2028.

## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.7 SIGNIFICANT CHANGES

There are no significant changes that have occurred, which may have a material effect on our financial position and results subsequent to the FPE 2025 and up to the LPD.

### 11.8 DIVIDEND POLICY

It is our Directors' policy to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group.

As at the LPD, our Company has no intention to declare further dividends prior to the Listing. The dividends declared and paid for the Financial Years and Period Under Review and up to the LPD are as follows:

| | FYE 2022 | FYE 2023 | FYE 2024 | FPE 2025 | 1 August 2025 up to the LPD |
|---|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Dividends declared [1] | 2,000 | - | 10,000 | - | 12,000 |
| Dividends paid [2] | 2,000 | - | [3] 10,000 | - | 12,000 |

***Notes:***

*(1) Dividends declared in respect of the financial years/period.*

*(2) Dividends paid during the respective financial years/period.*

*(3) The dividend paid during the FYE 2024 amounted to RM10.00 million, of which RM8.82 million was offset with proceeds receivables from disposal of PPE, investment properties and novation of the Investment Agreement to one of our Executive Directors. Please refer to Section 9.1.1 of this Prospectus for further information.*

Notwithstanding the above, our Group presently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business. Our Directors will take into consideration, among others, the following factors when recommending dividends for approval by our shareholders or when declaring any dividends:

(i) the availability of adequate reserves and cash flows. As an investment holding company, our income, and therefore our ability to pay dividends, depends on the dividends or other distributions received from our subsidiary;

(ii) our operating cash flow requirements and financing commitments;

(iii) our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans;

(iv) our Company is solvent as the Act requires;

(v) any material impact of tax laws and other regulatory requirements; and

(vi) prior written consent from financial institutions, where required.

However, investors should note that the intention to recommend dividends should not be treated as a legal obligation on our Company to do so. The level of dividends should also not be treated as an indication of our Company's future dividend policy. There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. In determining dividends in respect of subsequent financial years, consideration will be given to maximising shareholders' value. There is no dividend restriction being imposed on our Group currently.

In addition, our ability to declare and pay interim dividends as well as to recommend final dividends are subject to the discretion of our Board. We will also need to obtain our shareholders' approval for any final dividend for the year.

No inference should or can be made from any of the statements above as to our actual future profitability and our ability to pay dividends in the future.

**11. FINANCIAL INFORMATION *(Cont'd)***

**11.9 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION**

**ISF GROUP BERHAD**
**(Registration No.: 202501012740 (1614154-H))**
(Incorporated in Malaysia)

**PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025**

**GRANT THORNTON MALAYSIA PLT**

**CHARTERED ACCOUNTANTS**

**Member Firm of Grant Thornton International Ltd**

Grant Thornton

**REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025**
(Prepared for inclusion in the Prospectus)

**Grant Thornton Malaysia PLT**
Suite 28.01, 28th Floor
Menara Zurich
No. 15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru, Johor
Malaysia

**T** +607 332 8335

Date: 10 December 2025

The Board of Directors
**ISF Group Berhad**
763, Taman Anggerik,
Jalan Parit Mesjid,
82000 Pontian, Johor.

Dear Sirs,

**ISF GROUP BERHAD ("ISF" OR "THE COMPANY")**
**REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025**

We have completed our assurance engagement to report on the compilation of the Pro Forma Combined Statements of Financial Position of the Company, namely ISF Group Berhad, and its combining entity (collectively known as the "ISF Group" or "the Group") as at 31 July 2025, together with the notes and assumptions thereto (which we have stamped for the purpose of identification), which have been compiled and prepared by the Directors of the Company for inclusion in the prospectus of the Company ("Prospectus") in connection with the initial public offering ("IPO") and the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Combined Statements of Financial Position are described in the notes to the Pro Forma Combined Statements of Financial Position. The Pro Forma Combined Statements of Financial Position is prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Combined Statements of Financial Position as at 31 July 2025 have been compiled by the Directors of the Company to illustrate the effects of the IPO and Listing on the financial position of the Group had the IPO and Listing have been implemented and completed on 31 July 2025. As part of this process, information about the Group's Combined Statements of Financial Position have been extracted by the Directors of the Company from the Group's audited combined financial statements for the financial period ended 31 July 2025, on which was reported by us to the Directors of ISF Group on 10 December 2025 without any modification.



Audit | Tax | Advisory

**Chartered Accountants**
Grant Thornton Malaysia PLT (201906003682 (LLP0022494-LCA) & AF 0737) is a Limited Liability Partnership and is a member firm of Grant Thornton International Ltd (GTIL), a private company limited by guarantee, incorporated in England and Wales.

Grant Thornton Malaysia PLT was registered on 1 January 2020 and with effect from that date, Grant Thornton Malaysia (AF 0737), a conventional partnership was converted to a Limited Liability Partnership.

**grantthornton.com.my**

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**Directors' Responsibilities for the Pro Forma Combined Statements of Financial Position**

The Directors of the Company are responsible for compiling the Pro Forma Combined Statements of Financial Position as at 31 July 2025 on the basis set out in the notes to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

**Our Independence and Quality Control**

We are independent 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 of 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.

Our firm applies International Standard on Quality Management ("ISQM") 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our Responsibilities**

Our responsibility is to express an opinion about whether the Pro Forma Combined Statements of Financial Position have been properly compiled, in all material respect, by the Directors on the basis set out in the notes to the Pro Forma Combined Statements of Financial Position.

We conducted our engagement in accordance with *International Standard on Assurance Engagements ("ISAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus"*, issued by International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Combined Statements of Financial Position on the basis set out in the notes to the Pro Forma Combined Statements of Financial Position.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Combined Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Combined Statements of Financial Position.

The purpose of the Pro Forma Combined Statements of Financial Position included in the Prospectus is solely to illustrate the impact as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

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**Our Responsibilities (Cont'd)**

A reasonable assurance engagement to report on whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis set out in the notes to the Pro Forma Combined Statements of Financial Position, involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Combined Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions enumerated in the notes thereto, and to obtain sufficient appropriate evidence about whether:-

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Combined Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Combined Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Combined Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis set out in the notes to the Pro Forma Combined Statements of Financial Position and in accordance with requirements of the Prospectus Guidelines.

**Other Matter**

This letter has been prepared at your request for inclusion in the Prospectus in connection with the IPO and Listing. It is not intended to be used for any other purposes. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

WONG WEN TAK
(NO: 03043/04/2027 J)
CHARTERED ACCOUNTANT

Johor Bahru
10 December 2025

## 11. FINANCIAL INFORMATION *(Cont'd)*

**ISF GROUP BERHAD**
**PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025**

| | Note | As at 31 July 2025 | Adjustments for Material Subsequent Events | Pro Forma I | Adjustments for Public Issue | Pro Forma II | Adjustments for Utilisation of Proceeds | Pro Forma III |
|---|---|---|---|---|---|---|---|---|
| | | RM | RM | RM | RM | RM | RM | RM |
| **ASSETS** | | | | | | | | |
| **Non-current assets** | | | | | | | | |
| Property, plant and equipment | | 8,251,483 | | 8,251,483 | | 8,251,483 | | 8,251,483 |
| Deferred tax assets | | 67,131 | | 67,131 | | 67,131 | | 67,131 |
| **Total non-current assets** | | 8,318,614 | | 8,318,614 | | 8,318,614 | | 8,318,614 |
| **Current assets** | | | | | | | | |
| Trade receivables | | 17,862,685 | | 17,862,685 | | 17,862,685 | | 17,862,685 |
| Other receivables | 5.1 | 1,395,468 | | 1,395,468 | | 1,395,468 | (496,731) | 898,737 |
| Prepayment | 5.2 | 2,046,339 | | 2,046,339 | | 2,046,339 | (1,678,075) | 368,264 |
| Contract assets | | 14,958,158 | | 14,958,158 | | 14,958,158 | | 14,958,158 |
| Fixed deposits with licensed banks | 5.3 | 30,666,144 | (12,000,000) | 18,666,144 | | 18,666,144 | | 18,666,144 |
| Cash and bank balances | 5.4 | 4,421,254 | | 4,421,254 | 61,148,670 | 65,569,924 | (4,276,925) | 61,292,999 |
| **Total current assets** | | 71,350,048 | | 59,350,048 | | 120,498,718 | | 114,046,987 |
| Non-current asset classified as held for sale | | 102,828 | | 102,828 | | 102,828 | | 102,828 |
| **Total assets** | | 79,771,490 | | 67,771,490 | | 128,920,160 | | 122,468,429 |
| **EQUITY AND LIABILITIES** | | | | | | | | |
| **EQUITY** | | | | | | | | |
| **Equity attributable to owners of Company** | | | | | | | | |
| Share capital | 5.5 | 1,000 | 14,664,600 | 14,665,600 | 61,148,670 | 75,814,270 | (1,904,338) | 73,909,932 |
| Invested equity | 5.6 | 1,000,000 | (1,000,000) | - | | - | | - |
| Merger deficit | | - | (13,664,600) | (13,664,600) | | (13,664,600) | | (13,664,600) |
| Retained profits | 5.7 | 28,843,102 | (12,000,000) | 16,843,102 | | 16,843,102 | (2,776,482) | 14,066,620 |
| **Total equity** | | 29,844,102 | | 17,844,102 | | 78,992,772 | | 74,311,952 |

GRANT THORNTON MALAYSIA PLT ★ FOR IDENTIFICATION PURPOSES ONLY

## 11. FINANCIAL INFORMATION *(Cont'd)*

**ISF GROUP BERHAD**
**PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025 (CONT'D)**

| | Note | As at 31 July 2025 RM | Adjustments for Material Subsequent Events RM | Pro Forma I RM | Adjustments for Public Issue RM | Pro Forma II RM | Adjustments for Utilisation of Proceeds RM | Pro Forma III RM |
|---|---|---|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES (CONT'D)** | | | | | | | | |
| **LIABILITIES** | | | | | | | | |
| **Non-current liability** | | | | | | | | |
| Loans and borrowings | 5.8 | 3,406,514 | | 3,406,514 | | 3,406,514 | (1,129,449) | 2,277,065 |
| **Total non-current liability** | | 3,406,514 | | 3,406,514 | | 3,406,514 | | 2,277,065 |
| **Current liabilities** | | | | | | | | |
| Trade payables | | 13,097,086 | | 13,097,086 | | 13,097,086 | | 13,097,086 |
| Other payables | 5.9 | 2,256,729 | | 2,256,729 | | 2,256,729 | (570,911) | 1,685,818 |
| Contract liabilities | | 23,570,545 | | 23,570,545 | | 23,570,545 | | 23,570,545 |
| Tax payables | | 4,482,548 | | 4,482,548 | | 4,482,548 | | 4,482,548 |
| Lease liabilities | | 1,641 | | 1,641 | | 1,641 | | 1,641 |
| Loans and borrowings | 5.8 | 3,112,325 | | 3,112,325 | | 3,112,325 | (70,551) | 3,041,774 |
| **Total current liabilities** | | 46,520,874 | | 46,520,874 | | 46,520,874 | | 45,879,412 |
| **Total liabilities** | | 49,927,388 | | 49,927,388 | | 49,927,388 | | 48,156,477 |
| **Total equity and liabilities** | | 79,771,490 | | 67,771,490 | | 128,920,160 | | 122,468,429 |
| Issued ordinary share capital (Unit) | 5.5 | 1,000 | 814,700,000 | 814,701,000 | 185,299,000 | 1,000,000,000 | | 1,000,000,000 |
| Net assets per share (RM) | | 29,844.10 | | 0.02 | | 0.08 | | 0.07 |
| Borrowings | | 6,518,839 | | 6,518,839 | | 6,518,839 | (1,200,000) | 5,318,839 |
| Gearing ratio (times) [(1)] | | 0.22 | | 0.37 | | 0.08 | | 0.07 |

Note:
(1) Computed based on total borrowings excluding lease liabilities arising from right-of-use assets divided by total equity.

GRANT THORNTON MALAYSIA PLT ★ FOR IDENTIFICATION PURPOSES ONLY

## ISF GROUP BERHAD

## NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025

1. **Introduction**

The Pro Forma Combined Statements of Financial Position of ISF Group Berhad ("ISF" or "the Company") and its combining entity (collectively referred to as "ISF Group" or "the Group") as at 31 July 2025 together with the notes thereon, for which the Board of Directors of the Company are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus in connection with the IPO and Listing and should not be relied upon for any other purposes.

The applicable criteria in the preparation of the Pro Forma Combined Statements of Financial Position are in accordance with Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Combined Statements of Financial Position together with the related notes thereon, have been prepared solely to illustrate the impact of events and transactions set out in Note 3 to the Pro Forma Combined Statements of Financial Position had the events occurred or transactions been undertaken on 31 July 2025. The Pro Forma Combined Statements of Financial Position are not necessarily indicative of the financial positions that would have been attained had the Listing actually occurred at the respective dates, nor do they predict the Group's financial position.

2. **Basis of Preparation**

The Pro Forma Combined Statements of Financial Position of the Group is prepared based on the audited combined financial statements of the Group for the financial period ended 31 July 2025, which was prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and IFRS Accounting Standards, and in a manner consistent with the format of the financial statements and accounting policies of the Group.

The combined financial statements used in the preparation of these Pro Forma Combined Statements of Financial Position were not subject to any audit qualification or emphasis of matters.

Merger method of accounting

A business combination involving entities under common control occurs when all the combining entities or subsidiaries are ultimately controlled by the same party or parties, both before and after combination, and that such control is not transitory. Subsidiaries acquired which have met the criteria for pooling-of interests are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the business combination has been effected throughout the current period and previous financial years. The assets combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the differences between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserves or merger deficit.

The identifiable assets and liabilities of all commonly controlled entities are accounted for at their historical costs.

GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

**ISF GROUP BERHAD**

**NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025 (CONT'D)**

3. **Listing Scheme**

In conjunction with, and as an integral part of the Listing, ISF Group has implemented and intends to undertake, amongst others, the following plans as part of the overall listing scheme:-

3.1 **Material Subsequent Events**

(i) Dividend Declaration

In respect of the financial year ending 31 December 2025, the combining entity, Yeo Plumber Sdn. Bhd. ("YPSB") declared a first interim single tier dividend of RM12.00 per ordinary share totalling RM12,000,000 on 1 October 2025. The dividend was paid on 2 October 2025, 6 October 2025 and 8 October 2025, and was funded via internally generated funds.

(ii) Acquisition of YPSB

On 28 May 2025, the Company entered into a conditional share sale agreement to acquire the entire share capital of YPSB of RM1,000,000 comprising 1,000,000 ordinary shares from the vendors of YPSB for total purchase consideration of RM14,664,600 which has been fully satisfied via issuance of 814,700,000 new ordinary shares in the Company at an issue price of RM0.018 per share, to the vendors on 13 November 2025. The purchase consideration of YPSB was arrived at on a "willing-buyer willing-seller basis", after taking into consideration the audited net assets position of YPSB as at 31 December 2024 of RM14,664,611.

3.2 **Initial Public Offering ("IPO")**

ISF will undertake an IPO comprising the Public Issue of 185,299,000 Issue Shares and Offer for Sale of 90,000,000 Offer Shares, at RM0.33 per Shares, as follows:-

(i) Public Issue

A total of 185,299,000 new ordinary shares in ISF ("Issue Shares"), representing approximately 18.53% of the enlarged issued share capital of the Company will be issued at an issue price of RM0.33 per Share to raise gross proceeds of RM61,148,670. The 185,299,000 Issue Shares will be allocated in the following manner:-

(a) 50,000,000 Issue Shares, representing approximately 5.00% of the enlarged number of issued Shares, will be made available for application by Malaysian Public through a balloting process, of which at least 50% is to be set aside strictly for Bumiputera investors;

(b) 15,000,000 Issue Shares, representing approximately 1.50% of the enlarged number of issued Shares, will be made available for the application by the Eligible Persons;

(c) 85,299,000 Issue Shares, representing approximately 8.53% of the enlarged number of issued Shares, will be made available by way of private placement to selected investors; and

(d) 35,000,000 Issue Shares, representing approximately 3.50% of the enlarged number of issued Shares, will be made available by way of private placement to selected Bumiputera investors approved by Ministry of Investment, Trade and Industry of Malaysia.

GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

**ISF GROUP BERHAD**

**NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025 (CONT'D)**

3. **Listing Scheme (Cont'd)**

3.2 **Initial Public Offering ("IPO") (Cont'd)**

ISF will undertake an IPO comprising the Public Issue of 185,299,000 Issue Shares and Offer for Sale of 90,000,000 Offer Shares, at RM0.33 per Shares, as follows (cont'd):-

(ii) Offer for Sale

The offer for sale of 90,000,000 existing ordinary shares in the Company ("Offer Shares") by the existing shareholders, representing 9.00% of the enlarged issued share capital of the Company, at an offer price of RM0.33 per Offer Share, by way of private placement to selected Bumiputera investors approved by Ministry of Investment, Trade and Industry of Malaysia.

The Offer for Sale does not have any impact on the Pro Forma Combined Statements of Financial Position as at 31 July 2025.

3.3 **Listing**

The admission of the Company to the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") and the listing and quotation of the entire enlarged issued share capital of RM75,814,270, comprising 1,000,000,000 Shares, on the ACE Market of Bursa Securities.

4. **Pro Forma Adjustments**

4.1 **Pro Forma I**

Pro Forma I incorporates the effects of the material subsequent events as set out in Note 3.1 to the Pro Forma Combined Statements of Financial Position.

4.2 **Pro Forma II**

Pro Forma II incorporates the effects of Pro Forma I, and the Public Issue as set out in Note 3.2 to the Pro Forma Combined Statements of Financial Position.

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GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

**ISF GROUP BERHAD**

**NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025 (CONT'D)**

4. **Pro Forma Adjustments (Cont'd)**

4.3 **Pro Forma III**

Pro Forma III incorporates the effects of Proforma II and the utilisation of proceeds from the Public Issue. The proceeds from the Public Issue will be utilised as follows:-

| **Details of use of proceeds** | **Estimated timeframe for use from the date of Listing** | **RM'000** |
|---|---|---|
| Capital expenditure [(i)] | | |
| - Establish and expand operational facilities | Within 36 months | 11,350 |
| - Develop the existing business activities | Within 24 months | 2,050 |
| Expand workforce | Within 24 months | 1,850 |
| Working capital | Within 24 months | 39,899 |
| Loan repayments [(ii)] | Within 6 months | 1,200 |
| Estimated listing expenses [(iii)] | Within 3 months | 4,800 |
| **Total estimated proceeds** | | **61,149** |

Notes:-

Capital expenditure

(i) As at 9 December 2025, being the latest practicable date ("LPD") of the Prospectus, the Group has yet to enter into any contractual binding arrangements or issue any purchase orders in relation to the planned capital expenditure. Accordingly, the use of proceeds earmarked for capital expenditure is not reflected in the Pro Forma Combined Statements of Financial Position and will remain in the cash and bank balances.

Loan repayments

(ii) RM1,200,000 has been earmarked for the purpose of repayment of existing term loans. For the purpose of presentation of the Pro Forma Combined Statements of Financial Position, the pro forma adjustments only reflect the amounts earmarked for the repayment of term loans amounting to RM1,200,000, of which RM1,129,449 and RM70,551 is adjusted under non-current liability and current liabilities, respectively.

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GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

**ISF GROUP BERHAD**

**NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025 (CONT'D)**

4. **Pro Forma Adjustments (Cont'd)**

4.3 **Pro Forma III (Cont'd)**

Notes (Cont'd):-

Estimated listing expenses

(iii) The estimated listing expenses comprise the followings:-

| | Amount RM'000 |
|---|---|
| Professional fees | 2,750 |
| Underwriting, placement and brokerage fees | 1,574 |
| Fees to authorities | 86 |
| Printing, advertising fees and contingencies | 390 |
| **Total** | 4,800 |

The total estimated listing expenses to be borne by the Company is estimated to be RM4,800,000. As at 31 July 2025, RM119,180 has been incurred and charged to the profit or loss account.

For the remaining estimated listing expenses of RM4,680,820, RM1,678,075 has been recognised as prepayment and RM496,731 has been recognised as deferred expenses. Upon completion of the IPO and listing, RM1,904,338 which is expected to be directly attributable to the Public Issue will be set-off against the equity and RM2,776,482 is expected to be charged to the profit or loss account. The apportionment is disclosed in Notes 5.5 and 5.7 respectively.

If the actual listing expenses are higher than budgeted, the deficit will be funded by the amount allocated for working capital purposes. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

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GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

**ISF GROUP BERHAD**

**NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025 (CONT'D)**

5. **Effects on the Pro Forma Combined Statements of Financial Position**

5.1 **Other Receivables**

The movements of other receivables are as follows:-

| | Amount RM |
|---|---|
| As at 31 July 2025 and as per Pro Forma I and II | 1,395,468 |
| Pursuant to Use of Proceeds from the Public Issue | |
| - Deferred expenses relating to listing expenses charge to share capital and retained earnings (Note 4.3(iii)) | (496,731) |
| As per Pro Forma III | 898,737 |

5.2 **Prepayment**

The movements of prepayment are as follows:-

| | Amount RM |
|---|---|
| As at 31 July 2025 and as per Pro Forma I and II | 2,046,339 |
| Pursuant to Use of Proceeds from the Public Issue | |
| - Prepayment relating to listing expenses charge to share capital and retained earnings (Note 4.3(iii)) | (1,678,075) |
| As per Pro Forma III | 368,264 |

5.3 **Fixed Deposits with Licensed Banks**

The movements of fixed deposits with licensed banks are as follows:-

| | Amount RM |
|---|---|
| As at 31 July 2025 | 30,666,144 |
| Dividend paid (Note 4.1) | (12,000,000) |
| As per Pro Forma I, II and III | 18,666,144 |

GRANT THORNTON MALAYSIA PLT
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**ISF GROUP BERHAD**

**NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025 (CONT'D)**

5. **Effects on the Pro Forma Combined Statements of Financial Position (Cont'd)**

5.4 **Cash and Bank Balances**

The movements of cash and bank balances are as follows:-

| | Amount RM |
|---|---|
| As at 31 July 2025 and as per Pro Forma I | 4,421,254 |
| Pursuant to Public Issue (Note 4.2) | 61,148,670 |
| As per Pro Forma II | 65,569,924 |
| Pursuant to Use of Proceeds from the Public Issue | |
| - Estimated listing expenses (Note 4.3(iii)) | (3,076,925) |
| - Repayment of loans and borrowings (Note 4.3(ii)) | (1,200,000) |
| As per Pro Forma III | 61,292,999 |

5.5 **Share Capital**

The movements of the share capital are as follows:-

| | No. of Shares Unit | Amount RM |
|---|---|---|
| As at 31 July 2025 | 1,000 | 1,000 |
| Acquisition of YPSB (Note 4.1) | 814,700,000 | 14,664,600 |
| As per Pro Forma I | 814,701,000 | 14,665,600 |
| Pursuant to Public Issue (Note 4.2) | 185,299,000 | 61,148,670 |
| As per Pro Forma II | 1,000,000,000 | 75,814,270 |
| Pursuant to Use of Proceeds from the Public Issue | | |
| - Portion of estimated listing expenses set-off against share capital (Note 4.3(iii)) | - | (1,904,338) |
| As per Pro Forma III | 1,000,000,000 | 73,909,932 |

5.6 **Invested Equity**

The movements of the invested equity are as follows:-

| | No. of Shares Unit | Amount RM |
|---|---|---|
| As at 31 July 2025 | 1,000,000 | 1,000,000 |
| Acquisition of YPSB (Note 4.1) | (1,000,000) | (1,000,000) |
| As per Pro Forma I, II and III | - | - |

GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

**ISF GROUP BERHAD**

**NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2025 (CONT'D)**

5. **Effects on the Pro Forma Combined Statements of Financial Position (Cont'd)**

5.7 **Retained Profits**

The movements of the retained profits are as follows:-

| | Amount<br>RM |
|---|---|
| As at 31 July 2025 | 28,843,102 |
| Dividend paid (Note 4.1) | (12,000,000) |
| As per Pro Forma I and Pro Forma II | 16,843,102 |
| Pursuant to Use of Proceeds from the Public Issue | |
| - Portion of estimated listing expenses set-off against profit or loss (Note 4.3(iii)) | (2,776,482) |
| As per Pro Forma III | 14,066,620 |

5.8 **Loans and Borrowings**

The movements of the loans and borrowings are as follows:-

| | Non-current<br>RM | Current<br>RM | Amount<br>RM |
|---|---|---|---|
| As at 31 July 2025 and as per Pro Forma I and II | 3,406,514 | 3,112,325 | 6,518,839 |
| Pursuant to Use of Proceeds from the Public Issue | | | |
| - Repayment of loans and borrowings (Note 4.3(ii)) | (1,129,449) | (70,551) | (1,200,000) |
| As per Pro Forma III | 2,277,065 | 3,041,774 | 5,318,839 |

5.9 **Other Payables**

The movements of the other payables are as follows:-

| | Amount<br>RM |
|---|---|
| As at 31 July 2025 and as per Pro Forma I and II | 2,256,729 |
| Pursuant to Use of Proceeds from the Public Issue | |
| - Payment of listing expenses (Note 4.3(iii)) | (570,911) |
| As per Pro Forma III | 1,685,818 |

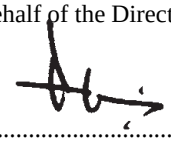
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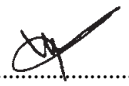
**11. FINANCIAL INFORMATION *(Cont'd)***

# APPROVAL BY BOARD OF DIRECTORS

The Pro Forma Combined Statements of Financial Position have been approved for issue in accordance with a resolution of the Board of Directors of ISF Group Berhad on 10 December 2025.

Signed on behalf of the Directors,





..... .....

AI BOON CHEN LIM AY YUM

Johor Bahru
10 December 2025

**ISF Group Berhad**
**(Registration No: 202501012740 (1614154-H))**
(Incorporated in Malaysia)

# ACCOUNTANTS' REPORT
# FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2022, 31 DECEMBER 2023, 31 DECEMBER 2024 AND FINANCIAL PERIOD ENDED 31 JULY 2025

**GRANT THORNTON MALAYSIA PLT**

**CHARTERED ACCOUNTANTS**

**Member Firm of Grant Thornton International Ltd.**

Grant Thornton

Date: 10 December 2025

**The Board of Directors**
**ISF Group Berhad**
763, Taman Anggerik,
Jalan Parit Mesjid,
82000 Pontian,
Johor.

**Grant Thornton Malaysia PLT**
Suite 28.01, 28th Floor
Menara Zurich
No. 15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru, Johor
Malaysia

T +607 332 8335

Dear Sirs,

**Reporting Accountants' Opinion On The Financial Information Contained In The Accountants' Report of ISF Group Berhad ("the Company")**

*Opinion*

We have audited the accompanying combined financial statements ("Financial Information") of the Company and of its subsidiary, namely Yeo Plumber Sdn. Bhd. (collectively known as "the Group") which comprises the combined statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 July 2025, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and financial period ended 31 July 2025 and material accounting policy information and other explanatory notes, as set out on pages 4 to 69. The Financial Information of the Group has been prepared for inclusion in the prospectus of the Company in connection with the listing and quotation of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). This report is prepared for the purpose of complying with Chapter 10, Part II Division 1, Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia ("SC") and for no other purposes.

In our opinion, the accompanying Financial Information give a true and fair view of the combined financial position of the Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 July 2025, and of their combined financial performance and their combined cash flows for the financial years/period ended in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards.

*Basis for Opinion*

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

*Independence and Other Ethical Responsibilities*

We are independent of the Group 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.



Chartered Accountants
Grant Thornton Malaysia PLT (201906003682 (LLP0022494-LCA) & AF 0737) is a Limited Liability Partnership and is a member firm of Grant Thornton International Ltd (GTIL), a private company limited by guarantee, incorporated in England and Wales.

Grant Thornton Malaysia PLT was registered on 1 January 2020 and with effect from that date, Grant Thornton Malaysia (AF 0737), a conventional partnership was converted to a Limited Liability Partnership.

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*Directors' Responsibility for the Financial Information*

The Directors of the Company are responsible for the preparation of the Financial Information of the Group that give a true and fair view in accordance with the Malaysian Financial Reporting Standards and IFRS Accounting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of Financial Information of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Information of the Group, the Directors are responsible for assessing the Group'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 cease operations, or have no realistic alternative but to do so.

*Reporting Accountants' Responsibility for the Audit of the Financial Information*

Our objectives are to obtain reasonable assurance about whether the Financial Information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 Information.

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 Information of the Group, 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 internal control.

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

- 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the Financial Information of the Group 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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*Reporting Accountants' Responsibility for the Audit of the Financial Information (cont'd)*

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 (cont'd):-

- Evaluate the overall presentation, structure and content of the Financial Information of the Group, including the disclosures, and whether the Financial Information of the Group represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the Financial Information of the Group or business units within the Group as a basis for forming an opinion on the Financial Information of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicated 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.

*Restriction on Distribution and Use*

This report is made solely to comply the Prospectus Guidelines – Equity issued by the SC, ACE Market Listing Requirements issued by Bursa Securities and for inclusion in the prospectus of the Company in relation to the listing and quotation of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

WONG WEN TAK
(NO: 03043/04/2027(J))
CHARTERED ACCOUNTANT

JOHOR BAHRU
10 DECEMBER 2025

**ISF Group Berhad**
**(Registration No. 202501012740 (1614154-H))**
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION**
**AS AT 31 JULY 2025, 31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

| | Note | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 3 | 8,251,483 | 4,310,576 | 3,050,744 | 2,365,690 |
| Investment properties | 4 | - | 3,085,940 | 9,051,572 | 9,054,143 |
| Other receivables | 5 | - | - | 1,440,819 | 1,500,000 |
| Deferred tax assets | 6 | 67,131 | 169,869 | 35,329 | - |
| **Total non-current assets** | | 8,318,614 | 7,566,385 | 13,578,464 | 12,919,833 |
| **Current assets** | | | | | |
| Trade receivables | 7 | 17,862,685 | 19,562,865 | 9,305,050 | 7,310,837 |
| Other receivables | 5 | 1,395,468 | 506,178 | 801,412 | 1,542,303 |
| Prepayment | | 2,046,339 | 1,146,450 | 9,503 | 37,636 |
| Contract assets | 8 | 14,958,158 | 10,954,613 | 5,969,257 | 3,518,393 |
| Tax recoverable | | - | - | - | 186,481 |
| Fixed deposits with licensed banks | 9 | 30,666,144 | 9,136,511 | 8,735,760 | 6,059,091 |
| Cash and bank balances | 10 | 4,421,254 | 1,798,379 | 1,588,862 | 919,334 |
| Total current assets | | 71,350,048 | 43,104,996 | 26,409,844 | 19,574,075 |
| Non-current asset classified as held for sale | 11 | 102,828 | 102,828 | - | - |
| **Total assets** | | 79,771,490 | 50,774,209 | 39,988,308 | 32,493,908 |
| **EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| Share capital | 12 | 1,000 | - | - | - |
| Invested equity | 12 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Retained profits | | 28,843,102 | 13,664,611 | 14,028,523 | 9,647,152 |
| **Total equity** | | 29,844,102 | 14,664,611 | 15,028,523 | 10,647,152 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Lease liabilities | 13 | - | 6,809 | 18,069 | 45,185 |
| Loans and borrowings | 14 | 3,406,514 | 2,949,471 | 3,566,843 | 4,533,690 |
| Deferred tax liabilities | 6 | - | - | - | 28,270 |
| **Total non-current liabilities** | | 3,406,514 | 2,956,280 | 3,584,912 | 4,607,145 |
| **Current liabilities** | | | | | |
| Trade payables | 15 | 13,097,086 | 10,360,922 | 7,608,900 | 4,524,079 |
| Other payables | 16 | 2,256,729 | 1,464,806 | 1,816,053 | 9,597,140 |
| Contract liabilities | 8 | 23,570,545 | 17,869,433 | 9,916,501 | 894,459 |
| Tax payables | | 4,482,548 | 1,697,832 | 1,088,721 | - |
| Lease liabilities | 13 | 1,641 | 29,881 | 27,116 | 78,358 |
| Loans and borrowings | 14 | 3,112,325 | 1,730,444 | 917,582 | 2,145,575 |
| **Total current liabilities** | | 46,520,874 | 33,153,318 | 21,374,873 | 17,239,611 |
| **Total liabilities** | | 49,927,388 | 36,109,598 | 24,959,785 | 21,846,756 |
| **Total equity and liabilities** | | 79,771,490 | 50,774,209 | 39,988,308 | 32,493,908 |

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

**ISF Group Berhad**
**(Registration No. 202501012740 (1614154-H))**
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 JULY 2025 AND FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

| | Note | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|---|
| Revenue | 17 | 59,515,528 | 29,909,007 | 54,669,618 | 38,704,710 | 21,573,348 |
| Cost of sales | | (33,228,915) | (18,059,651) | (34,483,421) | (26,881,533) | (15,686,917) |
| **Gross profit** | | 26,286,613 | 11,849,356 | 20,186,197 | 11,823,177 | 5,886,431 |
| Other operating income | | 467,731 | 766,225 | 1,526,971 | 703,270 | 518,411 |
| General and administrative expenses | | (5,625,265) | (4,095,808) | (7,681,728) | (5,452,184) | (4,282,105) |
| Other operating expenses | | (703,246) | (381,642) | (963,968) | (909,525) | (251,734) |
| **Operating profit** | | 20,425,833 | 8,138,131 | 13,067,472 | 6,164,738 | 1,871,003 |
| Finance costs | | (213,159) | (206,431) | (366,374) | (421,757) | (486,212) |
| **Profit before tax** | 18 | 20,212,674 | 7,931,700 | 12,701,098 | 5,742,981 | 1,384,791 |
| Income tax expense | 19 | (5,034,183) | (1,963,494) | (3,065,010) | (1,361,610) | (451,978) |
| **Profit for the financial period/years, representing total comprehensive income for the period/years** | | 15,178,491 | 5,968,206 | 9,636,088 | 4,381,371 | 932,813 |
| **Earnings per share** | | | | | | |
| - Basic (RM) | 21 | 15.16 | 5.97 | 9.64 | 4.38 | 0.93 |
| - Diluted (RM) | 21 | 15.16 | 5.97 | 9.64 | 4.38 | 0.93 |

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

**ISF Group Berhad**
**(Registration No. 202501012740 (1614154-H))**
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY**
**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2025 AND FOR THE**
**FINANCIAL YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

| | | ← Attributable to owners → | | | |
|---|---|---|---|---|---|
| | Note | Share capital RM | Invested equity RM | Retained profits RM | Total equity RM |
| **Audited** | | | | | |
| Balance at 1 January 2022 | | - | 1,000,000 | 10,714,339 | 11,714,339 |
| Profit and total comprehensive income for the year | | - | - | 932,813 | 932,813 |
| **Transaction with owners:-** | | | | | |
| Dividends | 22 | - | - | (2,000,000) | (2,000,000) |
| Balance at 31 December 2022/1 January 2023 | | - | 1,000,000 | 9,647,152 | 10,647,152 |
| Profit and total comprehensive income for the year | | - | - | 4,381,371 | 4,381,371 |
| Balance at 31 December 2023/1 January 2024 | | - | 1,000,000 | 14,028,523 | 15,028,523 |
| Profit and total comprehensive income for the year | | - | - | 9,636,088 | 9,636,088 |
| **Transaction with owners:-** | | | | | |
| Dividends | 22 | - | - | (10,000,000) | (10,000,000) |
| Balance at 31 December 2024/1 January 2025 | | - | 1,000,000 | 13,664,611 | 14,664,611 |
| **Transaction with owners:-** | | | | | |
| Issuance of ordinary shares | | 1,000 | - | - | 1,000 |
| Profit and total comprehensive income for the period | | - | - | 15,178,491 | 15,178,491 |
| Balance at 31 July 2025 | | 1,000 | 1,000,000 | 28,843,102 | 29,844,102 |
| **Unaudited** | | | | | |
| Balance at 1 January 2024 | | - | 1,000,000 | 14,028,523 | 15,028,523 |
| Profit and total comprehensive income for the period | | - | - | 5,968,206 | 5,968,206 |
| Balance at 31 July 2024 | | - | 1,000,000 | 19,996,729 | 20,996,729 |

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

## 12. ACCOUNTANTS' REPORT *(Cont'd)*

**ISF Group Berhad**
**(Registration No. 202501012740 (1614154-H))**
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS**
**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2025 AND FOR THE**
**FINANCIAL YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

| | Note | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | |
| Profit before tax | | 20,212,674 | 7,931,700 | 12,701,098 | 5,742,981 | 1,384,791 |
| **Adjustments for:-** | | | | | | |
| Bad debt written off | | - | - | - | - | 1,740 |
| Depreciation of property, plant and equipment | | 519,123 | 314,971 | 648,174 | 413,313 | 227,722 |
| Depreciation of investment properties | | - | 1,499 | 2,571 | 2,571 | 2,571 |
| Gain on disposal of property, plant and equipment | | (22,399) | - | (226,297) | - | - |
| Gain on disposal of investment properties | | - | - | (239,767) | - | - |
| Gain on early termination of lease | | (1,338) | (456) | (456) | - | - |
| Gain on modification of financial asset | | - | - | - | (31,892) | - |
| Interest expenses | | 213,159 | 206,431 | 366,374 | 421,757 | 486,212 |
| Interest income from investment | | - | (544,436) | (603,578) | (234,081) | - |
| Net changes in impairment loss on trade receivables | | 184,123 | 48,563 | 292,279 | 465,354 | (208,489) |
| Other interest income | | (381,875) | (113,770) | (292,594) | (276,749) | (91,886) |
| Reversal of provision for future project losses | | - | (8,550) | (8,550) | - | - |
| Operating profit before changes in working capital | | 20,723,467 | 7,835,952 | 12,639,254 | 6,503,254 | 1,802,661 |
| Changes in working capital:- | | | | | | |
| Inventories | | - | - | - | - | 515,108 |
| Receivables | | (299,358) | (9,483,098) | (11,716,962) | (1,365,389) | (2,165,489) |
| Payables | | 3,533,440 | 728,011 | 2,411,482 | (4,696,266) | 10,208,548 |
| Contract assets | | (4,003,545) | (4,761,806) | (4,985,356) | (2,450,864) | (809,955) |
| Contract liabilities | | 5,701,112 | 5,433,005 | 7,952,932 | 9,022,042 | 52,957 |
| Cash generated from/(used in) operations | | 25,655,116 | (247,936) | 6,301,350 | 7,012,777 | 9,603,830 |
| Tax paid | | (2,146,729) | (251,161) | (2,590,438) | (347,675) | (400,290) |
| Tax refunded | | - | - | - | 197,668 | - |
| Net cash generated from/(used in) operating activities | | 23,508,387 | (499,097) | 3,710,912 | 6,862,770 | 9,203,540 |
| **INVESTING ACTIVITIES** | | | | | | |
| Acquisition of property, plant and equipment | **A** | (249,792) | (252,767) | (417,050) | (388,767) | (224,083) |
| Interest received | | 381,875 | 113,770 | 292,594 | 276,749 | 91,886 |
| Investment in project development | **5** | - | - | - | - | (300,000) |
| Placement of fixed deposits | | (95,000) | (456,500) | (456,500) | (1,113,313) | (250,200) |
| Proceeds from disposal of property, plant and equipment | | 32,000 | - | 1,000 | - | - |
| Withdrawal of fixed deposits | | - | 1,033,295 | 948,463 | - | - |
| Net cash generated from/(used in) investing activities | | 69,083 | 437,798 | 368,507 | (1,225,331) | (682,397) |
| **FINANCING ACTIVITIES** | | | | | | |
| Dividends paid | **D** | - | - | (1,180,449) | - | (2,000,000) |
| Issuance of shares | | 1,000 | - | - | - | - |
| Interest paid | | (213,159) | (206,431) | (366,374) | (421,757) | (486,212) |
| Repayment of principal portion of lease liabilities | **B** | (18,110) | (55,263) | (78,298) | (78,358) | (39,885) |
| Proceeds from loans and borrowings | **E** | 9,346,994 | 3,419,788 | 7,563,088 | 2,940,745 | 2,667,376 |
| Repayment of loans and borrowings | **E** | (8,662,923) | (4,091,090) | (8,915,155) | (5,845,185) | (4,126,857) |
| Net cash generated from/(used in) financing activities | | 453,802 | (932,996) | (2,977,188) | (3,404,555) | (3,985,578) |
| **CASH AND CASH EQUIVALENTS** | | | | | | |
| Net changes | | 24,031,272 | (994,295) | 1,102,231 | 2,232,884 | 4,535,565 |
| At beginning of financial period/year | | 8,110,403 | 7,008,172 | 7,008,172 | 4,775,288 | 239,723 |
| At end of financial period/year | **C** | 32,141,675 | 6,013,877 | 8,110,403 | 7,008,172 | 4,775,288 |

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

**ISF Group Berhad**
**(Registration No. 202501012740 (1614154-H))**
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS (CONT'D)**
**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2025 AND FOR THE**
**FINANCIAL YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

**NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS**

**A. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT**

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Aggregate cost of property, plant and equipment acquired | 1,399,292 | 1,329,527 | 2,057,810 | 1,098,367 | 490,403 |
| Amount financed under hire purchase | (1,149,500) | (981,400) | (1,545,400) | (709,600) | (195,000) |
| Addition through increase in lease liabilities | - | (95,360) | (95,360) | - | (71,320) |
| Amount discharged by cash | 249,792 | 252,767 | 417,050 | 388,767 | 224,083 |

**B. CASH OUTFLOWS FOR LEASES AS A LESSEE**

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Included in net cash generated from/(used in) operating activities:- | | | | | |
| Payment relating to short-term leases | 399,430 | 570,572 | 870,137 | 965,448 | 868,497 |
| Included in net cash generated from/(used in) financing activities:- | | | | | |
| Payment of leases liabilities – principal portion | 18,110 | 55,263 | 78,298 | 78,358 | 39,885 |
| Interest paid in relation of lease liabilities | 680 | 2,927 | 3,542 | 3,242 | 3,215 |
| | 418,220 | 628,762 | 951,977 | 1,047,048 | 911,597 |

**C. CASH AND CASH EQUIVALENTS**

| | 31.7.2025 Audited RM | 31.7.2024 Unaudited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Cash and bank balances | 4,421,254 | 733,877 | 1,798,379 | 1,588,862 | 919,334 |
| Fixed deposits with licensed banks | 30,666,144 | 8,019,655 | 9,136,511 | 8,735,760 | 6,059,091 |
| | 35,087,398 | 8,753,532 | 10,934,890 | 10,324,622 | 6,978,425 |
| Less: Fixed deposits pledged to licensed banks | (2,945,723) | (2,739,655) | (2,824,487) | (3,316,450) | (2,203,137) |
| | 32,141,675 | 6,013,877 | 8,110,403 | 7,008,172 | 4,775,288 |

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

**ISF Group Berhad**
**(Registration No. 202501012740 (1614154-H))**
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS (CONT'D)**
**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2025 AND FOR THE**
**FINANCIAL YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

**NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS (CONT'D)**

**D. DIVIDENDS**

Dividends paid to owners of the Group during the financial year ended 31 December 2024 are used to offset the proceeds from disposal of property, plant and equipment, investment properties and novation of agreement.

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Proceeds receivable from disposal of property, plant and equipment | - | - | 351,000 | - | - |
| Proceeds receivable from disposal of investment properties | - | - | 6,100,000 | - | - |
| Proceeds receivable from novation of agreement | - | - | 2,369,551 | - | - |
| Total proceeds receivable | - | - | 8,820,551 | - | - |
| Offsetting with dividends declared and payable | - | - | (8,819,551) | - | - |
| Net proceeds received | - | - | 1,000 | - | - |
| Total dividends declared and payable during the year | - | - | 10,000,000 | - | 2,000,000 |
| Offsetting with proceeds receivable from disposal of property, plant and equipment, investment properties and novation of agreement | - | - | (8,819,551) | - | - |
| Total dividends paid during the year | - | - | 1,180,449 | - | 2,000,000 |

**ISF Group Berhad**
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**COMBINED STATEMENTS OF CASH FLOWS (CONT'D)**
**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2025 AND FOR THE**
**FINANCIAL YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

**NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS (CONT'D)**

**E. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

| | | Loans and borrowings | | | |
|---|---|---|---|---|---|
| | Lease liabilities | Term loans | Bankers' acceptance | Hire purchase liabilities | Total |
| | RM | RM | RM | RM | RM |
| **Audited** | | | | | |
| At 1 January 2022 | 92,108 | 6,841,511 | 983,970 | 118,265 | 8,035,854 |
| Acquisition of property, plant and equipment | 71,320 | - | - | 195,000 | 266,320 |
| Additions | - | - | 2,667,376 | - | 2,667,376 |
| Repayments | (39,885) | (1,332,360) | (2,732,728) | (61,769) | (4,166,742) |
| At 31 December 2022/1 January 2023 | 123,543 | 5,509,151 | 918,618 | 251,496 | 6,802,808 |
| Acquisition of property, plant and equipment | - | - | - | 709,600 | 709,600 |
| Additions | - | - | 2,940,745 | - | 2,940,745 |
| Repayments | (78,358) | (1,860,272) | (3,859,363) | (125,550) | (5,923,543) |
| At 31 December 2023/1 January 2024 | 45,185 | 3,648,879 | - | 835,546 | 4,529,610 |
| Acquisition of property, plant and equipment | 95,360 | - | - | 1,545,400 | 1,640,760 |
| Additions | - | - | 7,563,088 | - | 7,563,088 |
| Interest payable | - | - | 2,157 | - | 2,157 |
| Early termination of lease | (25,557) | - | - | - | (25,557) |
| Repayments | (78,298) | (1,684,790) | (6,888,236) | (342,129) | (8,993,453) |
| At 31 December 2024/1 January 2025 | 36,690 | 1,964,089 | 677,009 | 2,038,817 | 4,716,605 |
| Acquisition of property, plant and equipment | - | - | - | 1,149,500 | 1,149,500 |
| Additions | - | - | 9,346,994 | - | 9,346,994 |
| Interest payable | - | - | 5,353 | - | 5,353 |
| Early termination of lease | (16,939) | - | - | - | (16,939) |
| Repayments | (18,110) | (462,715) | (7,889,052) | (311,156) | (8,681,033) |
| At 31 July 2025 | 1,641 | 1,501,374 | 2,140,304 | 2,877,161 | 6,520,480 |
| **Unaudited** | | | | | |
| At 1 January 2024 | 45,185 | 3,648,879 | - | 835,546 | 4,529,610 |
| Acquisition of property, plant and equipment | 95,360 | - | - | 981,400 | 1,076,760 |
| Additions | - | - | 3,419,788 | - | 3,419,788 |
| Early termination of lease | (25,557) | - | - | - | (25,557) |
| Repayments | (55,263) | (824,137) | (3,118,896) | (148,057) | (4,146,353) |
| At 31 July 2024 | 59,725 | 2,824,742 | 300,892 | 1,668,889 | 4,854,248 |

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

**ISF GROUP BERHAD**
**(Registration No. 202501012740 (1614154-H))**
(Incorporated in Malaysia)

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

## 1. GENERAL INFORMATION

### 1.1 Introduction

This report has been prepared solely to comply with Chapter 10, Part II Division 1, Equity of the Prospectus Guidelines as issued by the SC and for inclusion in the prospectus of ISF Group Berhad ("the Company") in connection with the listing and quotation of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities ("Listing") ("Prospectus") and should not be relied upon for any other purposes.

### 1.2 Background

ISF Group Sdn Bhd was incorporated in Malaysia under the Companies Act 2016 as a private limited company on 25 March 2025. On 4 June 2025, ISF Group Sdn Bhd was converted to a public limited company and assumed its current name of ISF Group Berhad. The registered office and principal place of business of the Company are as follow:-

| | | |
|---|---|---|
| Registered office | : | Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor. |
| Principal place of business | : | 763, Taman Anggerik, Jalan Parit Mesjid, 82000 Pontian, Johor. |

The principal activities of the Company and its subsidiary, namely Yeo Plumber Sdn. Bhd. are disclosed in Note 1.3 to the Combined Financial Statements.

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**ISF GROUP BERHAD**
**(Registration No. 202501012740 (1614154-H))**
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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 1. GENERAL INFORMATION (CONT'D)

### 1.3 Principal activities

The Company's principal activity is that of investment holding while its subsidiary, Yeo Plumber Sdn. Bhd., is principally involved in the business of supply and installation of piping systems for end-user premises as well as piping for water supply and sewer infrastructure and maintenance and repair of piping systems.

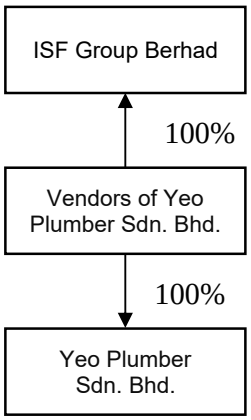
### 1.4 Reorganisation

The Company was incorporated for the purpose of a re-organisation exercise to rationalise and streamline the business operations and corporate structure, which involve the acquisition of the entire equity interest in Yeo Plumber Sdn. Bhd. by the Company from the vendors of Yeo Plumber Sdn. Bhd. for a total purchase consideration of RM14,664,600, which the purchase consideration will be satisfied entirely by the issuance of 814,700,000 new ordinary shares of the Company at an issue price of RM0.018 per share ("the Acquisition"). The purchase consideration of RM14,664,600 was arrived at a willing-buyer willing-seller basis and after taking into account the audited net assets of Yeo Plumber Sdn. Bhd. as at 31 December 2024 of RM14,664,611.

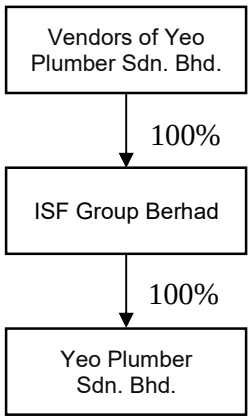
On 28 May 2025, the Company entered into a conditional share sales agreement with the vendors of Yeo Plumber Sdn. Bhd. for the Acquisition. The acquisition was completed on 13 November 2025.

The group structure before and after the Acquisition are as follows:-

**Before the Acquisition**




**After the Acquisition**



**ISF GROUP BERHAD**
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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 2. BASIS OF PREPARATION

The combined financial statements of the Group for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and financial period ended 31 July 2025, have been prepared in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards and in compliance with Chapter 10, Part II Division 1, Equity of the Prospectus Guidelines as issued by the SC.

The combined financial statements consist of financial statements of the combining entities as disclosed in Note 1.4 to the Combined Financial Statements, which were under common control throughout the reporting period/years by virtue of common controlling shareholders.

The combined financial statements have been prepared using financial information obtained from the records of the combining entities during the reporting period/years.

The financial information as presented in the combined financial statements reflects the business combinations under common control for the purpose of the Listing.

The combined financial statements of the Group for the relevant period were prepared in a manner similar to the merger method, as if the entities within the Group were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of entities within the Group, if later. Such manner of presentation reflects the economic substance of the companies, which are under common control throughout the relevant period.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of common controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

### 2.1 Statement of compliance

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

**ISF GROUP BERHAD**
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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 2. BASIS OF PREPARATION (CONT'D)

### 2.2 Basis of measurement

The combined financial statements of the Group is prepared under the historical cost convention, unless as otherwise indicated in the notes to the combined financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial assets takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the combined financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
Level 3 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 2. BASIS OF PREPARATION (CONT'D)

### 2.2 Basis of measurement (cont'd)

For assets and liabilities that are recognised in the combined financial statements on a recurring basis, the Group determines whether transfer have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period/year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

### 2.3 Functional and presentation currency

The combined financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional currency and all values are rounded to the nearest RM except when otherwise stated.

### 2.4 MFRSs

#### 2.4.1 Adoption of new or amendments to MFRSs

The Group has applied the following amendments to published standards approved by the Malaysian Accounting Standards Board ("MASB") for the first time for the financial period beginning on 1 January 2025:-

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

The adoption of the above amendments to published standards did not have any material impact on the combined financial statements of the Group since it is not applicable to the Group's operation.

#### 2.4.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's combined financial statements are disclosed below. The Group intends to adopt these new and amended standards, if applicable, when they become effective in the respective financial period.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 2. BASIS OF PREPARATION (CONT'D)

### 2.4 MFRSs (cont'd)

### 2.4.2 Standards issued but not yet effective (cont'd)

Effective for financial period beginning on or after 1 January 2026

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)
- Amendments that are part of Annual Improvements—Volume 11:
  - Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
  - Amendments to MFRS 7 Financial Instruments: Disclosures
  - Amendments to MFRS 9 Financial Instruments
  - Amendments to MFRS 10 Consolidated Financial Statements
  - Amendments to MFRS 107 Statement of Cash Flows
- Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)

Effective for financial period beginning on or after 1 January 2027

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments effective for a date yet to be confirmed

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

* Not applicable to the Group's operations

The initial application of the accounting standards and amendments are not expected to have any material financial impacts to the combined financial statements of the Group upon their first adoption, except for:-

*MFRS 18 – Presentation and Disclosure in Financial Statements*

On 14 June 2024, MASB issued new standard MFRS 18 which replaces MFRS 101, MFRS 18 continues the general requirements from MFRS 101, enhancing guidance for grouping information through aggregation and disaggregation across all primary financial statements and notes. The standard provides structured summaries of assets, liabilities, equity, income, expenses, and cash flows.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 2. BASIS OF PREPARATION (CONT'D)

### 2.4 MFRSs (cont'd)

#### 2.4.2 Standards issued but not yet effective (cont'd)

The initial application of the accounting standards and amendments are not expected to have any material financial impacts to the combined financial statements of the Group upon their first adoption, except for (cont'd):-

*MFRS 18 – Presentation and Disclosure in Financial Statements (cont'd)*

In the statement of profit or loss, MFRS 18 introduces two new defined subtotals: operating profit and profit before financing and income taxes. Additionally, it categorises income and expenses into operating, investing, financing, income taxes, and discontinued operations.

Limited changes are introduced to specific requirements for the statement of cash flows and the statement of financial position. There are no changes to the specific requirements for the statement of comprehensive income and the statement of changes in equity.

The notes to the financial statements will include material information that supplements the primary financial statements, with new and amended disclosures such as management-defined performance measures and specified expenses by nature. Other disclosures carried forward from MFRS 101 include material accounting policies, sources of estimation uncertainty, capital management and debts covenants. The information presented in the primary financial statement and notes will be clearly linked to ensure consistency and transparency.

MFRS 18 must be applied retrospectively and are applicable for annual period beginning on or after 1 January 2027 with earlier application permitted.

The Group is currently assessing the impact of the MFRSs to determine the impact they will have on the Group's financial statements' disclosures.

### 2.5 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the combined financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from judgements, estimates and assumptions made by the management, and will seldom equal the estimated results.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 2. BASIS OF PREPARATION (CONT'D)

### 2.5 Significant accounting estimates and judgements (cont'd)

#### 2.5.1 Depreciation of property, plant and equipment and investment properties

The costs of an item of the property, plant and equipment and investment properties are depreciated using the straight-line method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment and investment properties may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment or investment properties.

#### 2.5.2 Measurement of income tax expenses

Estimates are required in determining the Group's provision for current and deferred taxes because the ultimate tax liability for the Group is uncertain. When the final outcome of the taxes payable is determined by the tax authorities, the amounts might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will adjust for the differences as over- or under-provision of current or deferred taxes in the current period in which those differences arise.

#### 2.5.3 Impairment of financial assets

The Group recognises impairment losses for financial assets measured at amortised cost using the expected credit loss model. Individually significant financial assets measured at amortised cost are tested for impairment separately by estimating the cash flows expected to be recoverable. All other financial assets measured at amortised cost are categorised into credit risk classes and tested for impairment collectively, using the Group's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual losses may be different from the allowances made and these may affect the Group's financial position and results.

#### 2.5.4 Revenue recognition

For construction revenue where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the development construction to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the construction work. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the construction work.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 2. BASIS OF PREPARATION (CONT'D)

### 2.5 Significant accounting estimates and judgements (cont'd)

#### 2.5.4 Revenue recognition (cont'd)

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs. In making the judgement, the Group evaluates based on past experience of completed projects and recently obtained quotations.

Significant judgement is also involved in variable consideration arising from variation orders and liquidated ascertained damages ("LAD").

Revenue from variation orders are included only when it is highly probable that the revenue will not be reversed. There is a risk that the actual payment of variation orders may differ from the estimated amount.

LAD are penalties for not achieving defined milestones on time and are deducted from the consideration. LAD is assessed based on experience from similar LAD situations and also status of negotiations with customers as well as depends on assessment of client relationship. Significant judgement is required to determine whether LAD is probable when the project does not meet the defined milestone.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 3. PROPERTY, PLANT AND EQUIPMENT

| | Freehold land RM | Buildings RM | Equipment, furniture and fittings RM | Motor vehicles RM | Plant and machinery RM | Renovation RM | Leased buildings RM | Total RM |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| At 1 January 2022 | - | 1,705,803 | 219,885 | 745,260 | 293,511 | 4,710 | 182,327 | 3,151,496 |
| Additions | - | - | 83,425 | 226,080 | 109,578 | - | 71,320 | 490,403 |
| At 31 December 2022/1 January 2023 | - | 1,705,803 | 303,310 | 971,340 | 403,089 | 4,710 | 253,647 | 3,641,899 |
| Additions | - | - | 74,200 | 391,259 | 632,908 | - | - | 1,098,367 |
| At 31 December 2023/1 January 2024 | - | 1,705,803 | 377,510 | 1,362,599 | 1,035,997 | 4,710 | 253,647 | 4,740,266 |
| Additions | - | - | 87,373 | 748,458 | 1,126,619 | - | 95,360 | 2,057,810 |
| Disposals | - | (181,072) | (7,263) | (12,000) | - | - | - | (200,335) |
| Written off | - | - | - | (34,000) | - | - | - | (34,000) |
| Full settlement of lease liabilities | - | - | - | - | - | - | (135,003) | (135,003) |
| Early termination of lease liabilities | - | - | - | - | - | - | (46,258) | (46,258) |
| At 31 December 2024/1 January 2025 | - | 1,524,731 | 457,620 | 2,065,057 | 2,162,616 | 4,710 | 167,746 | 6,382,480 |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

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

| | Freehold land RM | Buildings RM | Equipment, furniture and fittings RM | Motor vehicles RM | Plant and machinery RM | Renovation RM | Leased buildings RM | Total RM |
|---|---|---|---|---|---|---|---|---|
| **Cost (cont'd)** | | | | | | | | |
| At 31 December 2024/1 January 2025 | - | 1,524,731 | 457,620 | 2,065,057 | 2,162,616 | 4,710 | 167,746 | 6,382,480 |
| Additions | - | - | 81,453 | 1,256,984 | 60,855 | - | - | 1,399,292 |
| Disposals | - | - | - | (72,010) | - | - | - | (72,010) |
| Reclassification from investment properties | 3,085,940 | - | - | - | - | - | - | 3,085,940 |
| Full settlement of lease liabilities | - | - | - | - | - | - | (13,771) | (13,771) |
| Early termination of lease liabilities | - | - | - | - | - | - | (132,868) | (132,868) |
| At 31 July 2025 | 3,085,940 | 1,524,731 | 539,073 | 3,250,031 | 2,223,471 | 4,710 | 21,107 | 10,649,063 |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

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

| | Freehold land RM | Buildings RM | Equipment, furniture and fittings RM | Motor vehicles RM | Plant and machinery RM | Renovation RM | Leased buildings RM | Total RM |
|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation** | | | | | | | | |
| At 1 January 2022 | - | 149,161 | 110,702 | 584,715 | 109,050 | 2,354 | 92,505 | 1,048,487 |
| Charge for the year | - | 24,062 | 28,355 | 73,293 | 62,269 | 471 | 39,272 | 227,722 |
| At 31 December 2022/1 January 2023 | - | 173,223 | 139,057 | 658,008 | 171,319 | 2,825 | 131,777 | 1,276,209 |
| Charge for the year | - | 24,067 | 41,524 | 142,943 | 127,711 | 471 | 76,597 | 413,313 |
| At 31 December 2023/1 January 2024 | - | 197,290 | 180,581 | 800,951 | 299,030 | 3,296 | 208,374 | 1,689,522 |
| Charge for the year | - | (29,853) | 50,343 | 275,665 | 273,385 | 471 | 78,163 | 648,174 |
| Disposals | - | (57,820) | (7,262) | (12,000) | - | - | - | (77,082) |
| Written off | - | - | - | (32,550) | - | - | - | (32,550) |
| Full settlement of lease liabilities | - | - | - | - | - | - | (135,003) | (135,003) |
| Early termination of lease liabilities | - | - | - | - | - | - | (21,157) | (21,157) |
| At 31 December 2024/1 January 2025 | - | 109,617 | 223,662 | 1,032,066 | 572,415 | 3,767 | 130,377 | 2,071,904 |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

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

| | Freehold land RM | Buildings RM | Equipment, furniture and fittings RM | Motor vehicles RM | Plant and machinery RM | Renovation RM | Leased buildings RM | Total RM |
|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation (cont'd)** | | | | | | | | |
| At 31 December 2024/1 January 2025 | - | 109,617 | 223,662 | 1,032,066 | 572,415 | 3,767 | 130,377 | 2,071,904 |
| Charge for the period | - | 7,994 | 38,897 | 235,755 | 218,329 | 276 | 17,872 | 519,123 |
| Disposals | - | - | - | (62,409) | - | - | - | (62,409) |
| Full settlement of lease liabilities | - | - | - | - | - | - | (13,771) | (13,771) |
| Early termination of lease liabilities | - | - | - | - | - | - | (117,267) | (117,267) |
| At 31 July 2025 | - | 117,611 | 262,559 | 1,205,412 | 790,744 | 4,043 | 17,211 | 2,397,580 |
| **Net carrying amount** | | | | | | | | |
| 31 December 2022 | - | 1,532,580 | 164,253 | 313,332 | 231,770 | 1,885 | 121,870 | 2,365,690 |
| 31 December 2023 | - | 1,508,513 | 196,929 | 561,648 | 736,967 | 1,414 | 45,273 | 3,050,744 |
| 31 December 2024 | - | 1,415,114 | 233,958 | 1,032,991 | 1,590,201 | 943 | 37,369 | 4,310,576 |
| 31 July 2025 | 3,085,940 | 1,407,120 | 276,514 | 2,044,619 | 1,432,727 | 667 | 3,896 | 8,251,483 |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### 3.1 Security

The following net carrying amount of assets are subject to registered charges to secure borrowings granted to the Group (see Note 14):-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Freehold land | 3,085,940 | - | - | - |
| Buildings | 1,407,120 | 1,415,114 | 1,381,639 | 1,402,085 |
| | 4,493,060 | 1,415,114 | 1,381,639 | 1,402,085 |

As at 31 July 2025, the net carrying amount of the property, plant and equipment under hire purchase arrangements in the Group is RM3,157,597 (31.12.2024: RM2,326,158, 31.12.2023: RM977,390 and 31.12.2022: RM283,728).

### 3.2 Right-of-use assets

Included in the property, plant and equipment are right-of-use assets as follows:-

| Net carrying amount | Leased buildings RM |
|---|---|
| At 1 January 2022 | 89,822 |
| Addition | 71,320 |
| Depreciation charges | (39,272) |
| At 31 December 2022/1 January 2023 | 121,870 |
| Depreciation charges | (76,597) |
| At 31 December 2023/1 January 2024 | 45,273 |
| Addition | 95,360 |
| Early termination of lease | (25,101) |
| Depreciation charges | (78,163) |
| At 31 December 2024/1 January 2025 | 37,369 |
| Early termination of lease | (15,601) |
| Depreciation charges | (17,872) |
| At 31 July 2025 | 3,896 |

Leased buildings relate to rental of building premises. Refer to Note 13 to the Combined Financial Statements for more information.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### 3.2 Right-of-use assets (cont'd)

The Group has chosen to disclose right-of-use assets with property, plant and equipment. In addition, the Group has assessed assets acquired under hire purchase to be owned by the Group at inception and therefore not classified as right-of-use assets, in line with prevailing practice. The corresponding hire purchase liabilities are thus presented under loans and borrowings instead of lease liabilities.

**Material accounting policy information**

(a) Recognition and measurement

Property, plant and equipment are recognised as an asset when, and only when, it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably. Property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment from the date that they are available for use. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Freehold land is not depreciated.

The estimated useful lives and annual rates of depreciation for the current and comparative periods are as follows:-

| | |
|---|---|
| Buildings | 1.34 - 2 % |
| Equipment, furniture and fittings | 10 - 20 % |
| Motor vehicles | 20 % |
| Plant and machinery | 10 - 20 % |
| Renovation | 10 % |
| Leased buildings | 1- 3 years |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 4. INVESTMENT PROPERTIES

| | Freehold land RM | Building RM | Total RM |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2022/31 December 2022/ 1 January 2023/31 December 2023/ 1 January 2024 | 8,946,173 | 128,536 | 9,074,709 |
| Disposal | (5,860,233) | - | (5,860,233) |
| Transfer to non-current asset classified as held for sale | - | (128,536) | (128,536) |
| At 31 December 2024/1 January 2025 | 3,085,940 | - | 3,085,940 |
| Transfer to property, plant and equipment | (3,085,940) | - | (3,085,940) |
| At 31 July 2025 | - | - | - |
| **Accumulated depreciation** | | | |
| At 1 January 2022 | - | 17,995 | 17,995 |
| Charge for the year | - | 2,571 | 2,571 |
| At 31 December 2022/1 January 2023 | - | 20,566 | 20,566 |
| Charge for the year | - | 2,571 | 2,571 |
| At 31 December 2023/1 January 2024 | - | 23,137 | 23,137 |
| Charge for the year | - | 2,571 | 2,571 |
| Transfer to non-current asset classified as held for sale | - | (25,708) | (25,708) |
| At 31 December 2024/1 January 2025/ 31 July 2025 | - | - | - |
| **Net carrying amount** | | | |
| 31 December 2022 | 8,946,173 | 107,970 | 9,054,143 |
| 31 December 2023 | 8,946,173 | 105,399 | 9,051,572 |
| 31 December 2024 | 3,085,940 | - | 3,085,940 |
| 31 July 2025 | - | - | - |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 4. INVESTMENT PROPERTIES (CONT'D)

**Fair value information**

Fair value of investment properties are categorised as follows:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Freehold land | - | 3,086,000 | 9,350,000 | 9,414,000 |
| Building | - | - | 130,000 | 198,000 |
| | - | 3,086,000 | 9,480,000 | 9,612,000 |

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Level 3 fair values of the freehold land and building are estimated by Directors by making reference to the asking price of comparable properties in close proximity while also taking into consideration of the differences in key attributes such as property location, land area and present market demand. The significant unobservable inputs include adjustments to price per square feet at comparable properties.

**Security**

The following net carrying amount of assets are subject to registered charges to secure borrowings granted to the Group (see Note 14):-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Freehold land | - | 3,085,940 | 6,175,073 | 6,175,073 |

**Group as a lessor**

The Group had entered into operating leases on its freehold land and shop office. These leases had terms of 2 to 3 years, 2 years and 2 years in the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022, respectively. Rental income recognised by the Group during the period ended 31 July 2024 was RM30,700 (31.12.2024: RM54,200, 31.12.2023: RM51,600 and 31.12.2022: RM51,600).

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## 4. INVESTMENT PROPERTIES (CONT'D)

**Group as a lessor (cont'd)**

No rental income was recognised during the financial period ended 31 July 2025 since the shop office was disposed off and the freehold land was transferred to property, plant and equipment.

Future minimum rentals receivable under non-cancellable operating leases as at period/year end are as follows:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Within 1 year | - | - | 51,600 | 51,600 |
| After 1 year but not more than 5 years | - | - | 17,200 | 68,800 |
| At end of financial period/year | - | - | 68,800 | 120,400 |

The following are recognised in profit or loss in respect of investment properties:-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Rental income | - | 30,700 | 54,200 | 51,600 | 51,600 |
| Direct operating expenses | | | | | |
| - Income generating investment properties | - | 2,102 | 2,305 | 1,900 | 1,805 |
| - Non-income generating investment properties | - | 3,437 | 3,437 | 3,842 | 3,672 |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 4. INVESTMENT PROPERTIES (CONT'D)

**Material accounting policy information**

(a) Recognition and measurement

Investment properties are stated at cost less accumulated depreciation and impairment losses.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of the investment properties from the date they are available for use. The annual rate of depreciation for the comparative periods for building is 2%. Freehold land is not depreciated.

## 5. OTHER RECEIVABLES

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Non-current | | | | |
| Third party | - | - | 1,440,819 | 1,500,000 |
| Current | | | | |
| Third parties | 275,998 | 123,177 | 392,338 | 48,335 |
| Deposits | 348,490 | 161,808 | 137,490 | 103,208 |
| Deferred expenses | 496,731 | - | - | - |
| Advance payment to third parties | 274,249 | 221,193 | 271,584 | 1,390,760 |
| | 1,395,468 | 506,178 | 801,412 | 1,542,303 |
| Total other receivables | 1,395,468 | 506,178 | 2,242,231 | 3,042,303 |

**Non-current receivable - Amount due from a third party**

On 10 April 2019, the Group had entered into an agreement with a developer to fund the development of building apartments (the "Development"). The Group had invested in the Development for a total consideration of RM1,500,000 payable according to the milestones determined by the developer, subject to terms and conditions contained in the agreement. The Development was expected to be completed within three (3) years from the date of the approval of the land conversion, layout plan and building plans by the relevant authorities.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 5. OTHER RECEIVABLES (CONT'D)

**Non-current receivable - Amount due from a third party (cont'd)**

In consideration for the investment, the Group would receive an investment profit of RM600,000 and interest of RM11,250 per month for a period of three (3) years calculated on the basis of 9% of return on investment commencing upon receipt of the Certificate of Completion and Compliance ("CCC"). The investment amount was expected to be repaid in full after three (3) years of interest repayments.

In year 2022, the Group had paid the final tranche of the investment amounting RM300,000 to the developer upon Architect's Certificate certifying that 30% of the development has been completed.

In year 2023, the Group received a notice of extension from the developer, with the new completion date set on 15 July 2024. The management expected to receive the investment profit by the end of 2024. The modification of the future cash flows as a result of the extension had been recognised as a modification gain in the profit or loss.

As at 30 September 2024, the Group novated the agreement to a shareholder at its carrying amount of RM2,369,551. The carrying amount reflects the asset's amortised cost, which represents the present value of the remaining expected cash inflows discounted at the effective interest rate. The novation was effected without any gain or loss, and the amount had been offset against the dividend declared and paid to the shareholder during the financial year ended 31 December 2024.

## 6. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) are attributable to the following:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| At beginning of financial period/year | 169,869 | 35,329 | (28,270) | 27,497 |
| Recognised in profit or loss (Note 19) | (102,738) | 134,540 | 63,599 | (55,767) |
| At end of financial period/year | 67,131 | 169,869 | 35,329 | (28,270) |

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## 6. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The balances in the deferred tax assets/(liabilities) are made up of temporary differences arising from:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Allowance for impairment losses on trade receivables | 152,554 | 181,831 | 111,685 | - |
| Interest income from investment | - | - | (56,179) | - |
| Carrying amount of qualifying property, plant and equipment in excess of their tax base | (85,423) | (11,962) | (20,177) | (28,270) |
| | 67,131 | 169,869 | 35,329 | (28,270) |

**Material accounting policy information**

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reversed, based on the laws that have been enacted or substantively enacted by the reporting date.

## 7. TRADE RECEIVABLES

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| **Trade receivables** | | | | |
| Related party | - | - | - | 8,649 |
| Third parties | 6,854,684 | 11,998,245 | 4,545,749 | 4,158,215 |
| Retention sums | 11,949,757 | 8,322,253 | 5,224,655 | 3,143,973 |
| | 18,804,441 | 20,320,498 | 9,770,404 | 7,310,837 |
| Less: Allowance for impairment losses | (941,756) | (757,633) | (465,354) | - |
| | 17,862,685 | 19,562,865 | 9,305,050 | 7,310,837 |

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## 7. TRADE RECEIVABLES (CONT'D)

**Trade receivables**

Trade receivables are non-interest bearing and are generally on terms of cash on delivery to 120 days (31.12.2024: 30 to 120 days, 31.12.2023: 30 to 120 days and 31.12.2022: 15 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original certified or invoiced amounts which represent their fair value on initial recognition.

**Related party**

Related party refers to a company in which certain directors have substantial financial interests.

**Allowance for impairment losses**

The movement in the allowance for impairment losses of trade receivables during the period/year are as follows:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| At beginning of financial period/year | 757,633 | 465,354 | - | 208,489 |
| Net changes in impairment loss on trade receivables | 184,123 | 292,279 | 465,354 | (208,489) |
| At end of financial period/year | 941,756 | 757,633 | 465,354 | - |

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

An impairment analysis is performed at each reporting date using a provision of matrix to measure expected credit losses ("ECL"). Information regarding the Group's exposure to the credit risk and ECLs for trade receivables is disclosed in Note 23.2.2 to the Combined Financial Statements.

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## 8. CONTRACT ASSETS/(LIABILITIES)

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Contract assets | 14,958,158 | 10,954,613 | 5,969,257 | 3,518,393 |
| Contract liabilities | (23,570,545) | (17,869,433) | (9,916,501) | (894,459) |
| Net | (8,612,387) | (6,914,820) | (3,947,244) | 2,623,934 |
| At beginning of financial period/year | (6,914,820) | (3,947,244) | 2,623,934 | 1,866,936 |
| Revenue recognised during the period/year (Note 17) | 59,234,109 | 53,409,418 | 37,073,477 | 19,924,584 |
| Progress billing during the period/year | (60,931,676) | (56,376,994) | (43,644,655) | (19,167,586) |
| At end of financial period/year | (8,612,387) | (6,914,820) | (3,947,244) | 2,623,934 |

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's billings in advance at the reporting date. Contract liabilities are reversed and revenue is recognised as work is completed.

**Impairment assessment on contract assets**

Credit risk on contract assets arose from projects undertaken up by the Group. As at end of the reporting period, the maximum exposure to credit risk arising from contract assets is represented by the carrying amount in the combined statements of financial position. Management has taken reasonable steps to ensure the contract assets are not credit impaired.

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## 9. FIXED DEPOSITS WITH LICENSED BANKS

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Fixed deposits with licensed banks:- | | | | |
| - tenure of 3 months or less | 27,720,421 | 6,312,024 | 6,242,673 | 2,465,188 |
| - tenure of more than 3 months | 2,945,723 | 2,824,487 | 2,493,087 | 3,593,903 |
| | 30,666,144 | 9,136,511 | 8,735,760 | 6,059,091 |

Fixed deposits with licensed banks carry interest rates ranging from 2.15% to 4.00% (31.12.2024: 2.45% to 2.90%, 31.12.2023: 2.45% to 4.05% and 31.12.2022: 1.85% to 2.70%) per annum. Included in the fixed deposits is an amount of RM2,945,723 (31.12.2024: RM2,824,487, 31.12.2023: RM3,316,450 and 31.12.2022: RM2,203,137) pledged for banking facilities granted to the Group.

**Material accounting policy information**

Fixed deposits with licensed banks are cash equivalents which have an insignificant risk of changes in fair value and are used by the Group in the management of their short-term commitments rather than for investment.

## 10. CASH AND BANK BALANCES

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Cash on hand | 3,959 | 9,114 | 3,455 | 1,913 |
| Cash at banks | 4,417,295 | 1,789,265 | 1,585,407 | 917,421 |
| | 4,421,254 | 1,798,379 | 1,588,862 | 919,334 |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 11. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

| | Building RM |
|---|---|
| **Net carrying amount** | |
| At 1 January 2022/31 December 2022/1 January 2023 /31 December 2023/1 January 2024 | - |
| Transfer from investment properties | 102,828 |
| At 31 December 2024/1 January 2025/31 July 2025 | 102,828 |

On 29 December 2024, the Group entered into a sale and purchase agreement with one of its directors to dispose of a shop office, for which the disposal is expected to be completed before the end of the next financial year. On this basis, the Group reclassified the shop office on its Combined Statements of Financial Position from "investment properties" to "non-current asset classified as held for sale" at the lower of its net carrying amount and fair value less cost to sell.

The disposal was completed on 26 November 2025.

## 12. SHARE CAPITAL/INVESTED EQUITY

**Share capital**

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Issued and fully paid-up ordinary shares with no par value:- | | | | |
| At beginning of financial period/year | - | - | - | - |
| 1,000 ordinary shares issued during the financial period | 1,000 | - | - | - |
| At end of financial period/year | 1,000 | - | - | - |

On 25 March 2025, ISF Group Berhad was incorporated with a total paid-up share capital of RM1,000 comprising 1,000 ordinary shares. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

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## 12. SHARE CAPITAL /INVESTED EQUITY (CONT'D)

**Invested equity**

| | Number of shares | | | |
|---|---|---|---|---|
| | **31.7.2025 Audited Unit** | **31.12.2024 Audited Unit** | **31.12.2023 Audited Unit** | **31.12.2022 Audited Unit** |
| Issued and fully paid-up ordinary shares with no par value:- | | | | |
| At beginning/end of financial period /year | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |

| | Amount | | | |
|---|---|---|---|---|
| | **31.7.2025 Audited RM** | **31.12.2024 Audited RM** | **31.12.2023 Audited RM** | **31.12.2022 Audited RM** |
| Issued and fully paid-up ordinary shares with no par value:- | | | | |
| At beginning/end of financial period/year | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |

For the purpose of these combined financial statements, the invested equity at the end of the respective financial period/years represented the share capital of Yeo Plumber Sdn. Bhd..

## 13. LEASE LIABILITIES

**Group as lessee**

The Group leased buildings with initial lease terms of 1 to 3 years (31.12.2024: 0.5 to 3 years, 31.12.2023: 1.5 to 3 years and 31.12.2022: 1.5 to 3 years) with extension option of another 3 years (31.12.2024: 1 to 3 years, 31.12.2023: 2 to 3 years and 31.12.2022: 2 to 3 years) at the end of the initial term.

Lease liabilities are presented in the Combined Statements of Financial Position as follows:-

| | **31.7.2025 Audited RM** | **31.12.2024 Audited RM** | **31.12.2023 Audited RM** | **31.12.2022 Audited RM** |
|---|---|---|---|---|
| Current | 1,641 | 29,881 | 27,116 | 78,358 |
| Non-current | - | 6,809 | 18,069 | 45,185 |
| | 1,641 | 36,690 | 45,185 | 123,543 |

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## 13. LEASE LIABILITIES (CONT'D)

**Group as lessee (cont'd)**

Set out below are the carrying amounts of lease liabilities and the movements during the period/year:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| At beginning of financial period/year | 36,690 | 45,185 | 123,543 | 92,108 |
| Addition | - | 95,360 | - | 71,320 |
| Early termination of lease | (16,939) | (25,557) | - | - |
| Accretion of interest | 680 | 3,542 | 3,242 | 3,215 |
| Principal paid | (18,110) | (78,298) | (78,358) | (39,885) |
| Interest paid | (680) | (3,542) | (3,242) | (3,215) |
| At end of the financial period/year | 1,641 | 36,690 | 45,185 | 123,543 |

The maturity analysis of lease liabilities are disclosed in Note 23.2.3 of the Combined Financial Statements.

Lease payments not recognised as liabilities

The Group elected not to recognise lease liabilities for short-term leases (lease with expected lease term of 12 months or less) and for leases where the lease liabilities are not significant. Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liabilities is as follows:-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Lease payments not recognised as liabilities:- | | | | | |
| - Short term leases | 399,430 | 570,572 | 870,137 | 965,448 | 868,497 |

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## 13. LEASE LIABILITIES (CONT'D)

**Group as lessee (cont'd)**

Lease payments not recognised as liabilities (cont'd)

The Group had various lease contracts that are in effect as at reporting period/year that are expensed off rather than capitalised as right-of-use assets with corresponding lease liabilities. The future lease payments for these non-cancellable lease contracts are as follows:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Within one year | 63,880 | 107,500 | 69,010 | 80,175 |
| After 1 year but not more than 5 years | 67,200 | - | - | - |
| | 131,080 | 107,500 | 69,010 | 80,175 |

Amounts recognised in profit and loss

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

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Gain on early termination of lease | (1,338) | (456) | (456) | - | - |
| Depreciation of right-of-use assets | 17,872 | 54,468 | 78,163 | 76,597 | 39,272 |
| Interest expense on lease liabilities | 680 | 2,927 | 3,542 | 3,242 | 3,215 |
| Expenses relating to short-term leases (included in cost of sales) | 303,289 | 478,402 | 705,507 | 788,679 | 745,754 |
| Expenses relating to short-term leases (included in general and administrative expenses) | 96,141 | 92,170 | 164,630 | 176,769 | 122,743 |
| Total amounts recognised in profit or loss | 416,644 | 627,511 | 951,386 | 1,045,287 | 910,984 |

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## 13. LEASE LIABILITIES (CONT'D)

**Group as lessee (cont'd)**

The Group had non-cash additions to right-of-use assets and lease liabilities of RMNil (31.12.2024: RM95,360, 31.12.2023: RMNil and 31.12.2022: RM71,320).

**Material accounting policy information**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right-to-use the underlying assets.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

## 14. LOANS AND BORROWINGS

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Current | | | | |
| Secured:- | | | | |
| Bankers' acceptance | 2,140,304 | 677,009 | - | 918,618 |
| Hire purchase liabilities | 670,552 | 459,000 | 185,996 | 62,467 |
| Term loans | 301,469 | 594,435 | 731,586 | 1,164,490 |
| | 3,112,325 | 1,730,444 | 917,582 | 2,145,575 |
| Non-current | | | | |
| Secured:- | | | | |
| Hire purchase liabilities | 2,206,609 | 1,579,817 | 649,550 | 189,029 |
| Term loans | 1,199,905 | 1,369,654 | 2,917,293 | 4,344,661 |
| | 3,406,514 | 2,949,471 | 3,566,843 | 4,533,690 |
| Total loans and borrowings | 6,518,839 | 4,679,915 | 4,484,425 | 6,679,265 |

The bankers' acceptance are for working capital purpose and bore effective interest ranging from 4.86% to 5.34% (31.12.2024: 4.79% to 5.34%, 31.12.2023: 5.39% to 5.82% and 31.12.2022: 5.40% to 5.61%) per annum.

The term loans bear effective interest rates ranging from 4.10% to 11.45% (31.12.2024: 4.35% to 11.70%, 31.12.2023: 4.35% to 11.70% and 31.12.2022: 4.10% to 11.60%) per annum and repayable on a monthly basis with a maturity between year 2026 to 2037 (31.12.2024: 2025 to 2037, 31.12.2023: 2023 to 2037 and 31.12.2022: 2022 to 2037).

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## 14. LOANS AND BORROWINGS (CONT'D)

**Security**

The bank loans are secured against the Group's properties (see Note 3) and investment properties (see Note 4) and are guaranteed jointly and severally by the directors.

**Hire purchase liabilities**

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Future minimum payments of hire purchase liabilities:- | | | | |
| Payable within one year | 814,011 | 569,832 | 231,411 | 75,888 |
| Payable between two and five years | 2,405,215 | 1,742,806 | 714,559 | 207,793 |
| Less: Future finance charges | (342,065) | (273,821) | (110,424) | (32,185) |
| Carrying amount | 2,877,161 | 2,038,817 | 835,546 | 251,496 |
| Carrying amount of hire purchase liabilities:- | | | | |
| Payable within one year | 670,552 | 459,000 | 185,996 | 62,467 |
| Payable between two and five years | 2,206,609 | 1,579,817 | 649,550 | 189,029 |
| | 2,877,161 | 2,038,817 | 835,546 | 251,496 |

The hire purchase contracts of motor vehicles of the Group generally have a term of 5 to 6 years (31.12.2024: 3 to 6 years, 31.12.2023: 3 to 5 years and 31.12.2022: 3 to 5 years). The hire purchase liabilities bear effective interest rates ranging from 3.86% to 6.72% (31.12.2024: 4.55% to 6.72%, 31.12.2023: 4.68% to 6.64% and 31.12.2022: 4.77% to 6.43%) per annum. Interest rates are either fixed or variable at the inception of hire purchase liabilities arrangements.

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## 15. TRADE PAYABLES

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Related parties | - | - | 59,563 | 100,628 |
| Third parties | 12,249,700 | 10,191,135 | 7,395,571 | 4,319,986 |
| Retention sums | 847,386 | 169,787 | 153,766 | 103,465 |
| | 13,097,086 | 10,360,922 | 7,608,900 | 4,524,079 |

**Trade payables**

These amounts are non-interest bearing. Trade payables are generally on terms of cash on delivery to 150 days (31.12.2024: cash on delivery to 135 days, 31.12.2023: cash on delivery to 120 days and 31.12.2022: 30 to 120 days).

**Related parties**

Related parties refer to a company in which certain directors have substantial financial interests and a sole proprietorship that is related to the Group.

## 16. OTHER PAYABLES

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Related party | - | - | 519,336 | 501,336 |
| Third parties | 768,351 | 430,959 | 447,168 | 202,180 |
| Amount due to a director | - | - | 200,010 | 600 |
| Accruals | 984,378 | 968,657 | 595,279 | 448,551 |
| Advance from customers | - | 54,890 | 45,660 | 8,435,873 |
| Deposit received | 504,000 | 10,300 | 8,600 | 8,600 |
| | 2,256,729 | 1,464,806 | 1,816,053 | 9,597,140 |

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## 16. OTHER PAYABLES (CONT'D)

**Related party**

Related party is a sole proprietorship that is related to the Group. The amount due to a related party is unsecured, interest free and repayable on demand.

**Amount due to a director**

The amount due to a director is unsecured, interest free and repayable on demand.

## 17. REVENUE

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| **Primary geographical market** | | | | | |
| - Malaysia | 59,515,528 | 29,909,007 | 54,669,618 | 38,704,710 | 21,573,348 |
| **Type of services** | | | | | |
| - Construction contracts | 59,234,109 | 29,125,346 | 53,409,418 | 37,073,477 | 19,924,584 |
| - Maintenance and repair services | 281,419 | 783,661 | 1,260,200 | 1,631,233 | 1,648,764 |
| | 59,515,528 | 29,909,007 | 54,669,618 | 38,704,710 | 21,573,348 |
| **Timing of revenue recognition** | | | | | |
| - Transferred over time (Note 8) | 59,234,109 | 29,125,346 | 53,409,418 | 37,073,477 | 19,924,584 |
| - Transferred point in time | 281,419 | 783,661 | 1,260,200 | 1,631,233 | 1,648,764 |
| | 59,515,528 | 29,909,007 | 54,669,618 | 38,704,710 | 21,573,348 |

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## 17. REVENUE (CONT'D)

The remaining performance obligations (unsatisfied or partially unsatisfied) as at reporting periods are, as follows:-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Construction contracts | 114,977,435 | 144,136,003 | 131,128,799 | 94,876,470 | 89,884,839 |

The remaining performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date will be satisfied over the remaining duration of the contracts of 1 to 3 years.

The following information reflects the typical transactions of the Group:-

| | Timing and method of revenue recognition | Variable element in consideration | Warranty |
|---|---|---|---|
| **Construction contracts** | Over time measured by actual cost incurred over the estimated total contract cost. | Variation orders to customers and liquidated ascertained damages. | Defect liability period varying from 12 to 36 months from date of certificate of practical completion. |
| **Maintenance and repair services** | At a point in time when the maintenance and repair services is completed. | Not applicable. | Warranty granted for a maximum 12 months depending on the scope of service, covering workmanship defects only. |

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## 18. PROFIT BEFORE TAX

Profit before tax has been determined after charging/(crediting) amongst other, the following items:-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| **After charging/(crediting):-** | | | | | |
| Auditors' remuneration related to:- | | | | | |
| Grant Thornton Malaysia PLT:- | | | | | |
| - Statutory audit | 35,000 | 35,000 | 60,000 | 53,000 | 43,000 |
| - Assurance related services | 65,000 | - | - | - | - |
| Local affiliate of Grant Thornton Malaysia PLT:- | | | | | |
| - Other service | 59,800 | 13,000 | 13,000 | 17,890 | 15,510 |
| Depreciation of property, plant and equipment | 519,123 | 314,971 | 648,174 | 413,313 | 227,722 |
| Depreciation of investment properties | - | 1,499 | 2,571 | 2,571 | 2,571 |
| Gain on disposal of property, plant and equipment | (22,399) | - | (226,297) | - | - |
| Gain on disposal of investment properties | - | - | (239,767) | - | - |
| Gain on early termination of lease | (1,338) | (456) | (456) | - | - |
| Gain on modification of financial asset | - | - | - | (31,892) | - |

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## 18. PROFIT BEFORE TAX (CONT'D)

Profit before tax has been determined after charging/(crediting) amongst other, the following items (cont'd):-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Government grant – wage subsidies received | - | (8,630) | (8,630) | (10,890) | (38,740) |
| Interest expenses on:- | | | | | |
| - Bankers' acceptance | 54,495 | 5,374 | 29,121 | 31,439 | 40,139 |
| - Bank overdraft | - | 6 | 6 | 24 | 24,044 |
| - Lease liabilities | 680 | 2,927 | 3,542 | 3,242 | 3,215 |
| - Term loans interest | 79,566 | 155,920 | 241,711 | 352,212 | 408,497 |
| - Hire purchase interest | 78,418 | 42,204 | 91,994 | 34,840 | 10,317 |
| Interest income from investment | - | (544,436) | (603,578) | (234,081) | - |
| Lease expenses relating to:- | | | | | |
| - Short term leases | 399,430 | 570,572 | 870,137 | 965,448 | 868,497 |
| Net changes in impairment loss/(reversal of impairment loss) on trade receivables | 184,123 | 48,563 | 292,279 | 465,354 | (208,489) |
| Other interest income | (381,875) | (113,770) | (292,594) | (276,749) | (91,886) |
| Rental income | (2,000) | (30,700) | (54,200) | (51,600) | (51,600) |
| Reversal of provision for future project losses | - | (8,550) | (8,550) | - | - |
| Sales of oil palm fresh fruit bunches | - | (39,770) | (64,447) | (49,575) | (81,727) |
| Sundry income | (60,119) | (19,913) | (28,452) | (48,483) | (45,969) |

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## 19. INCOME TAX EXPENSE

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Current tax expense | | | | | |
| Current period/year | 4,911,424 | 1,903,856 | 3,088,000 | 1,400,000 | 330,000 |
| Prior year | 20,021 | 111,550 | 111,550 | 25,209 | 66,211 |
| | 4,931,445 | 2,015,406 | 3,199,550 | 1,425,209 | 396,211 |
| Deferred tax expense (Note 6) | | | | | |
| Current period/year | 62,192 | 2,885 | (79,743) | (47,364) | 76,185 |
| Prior year | 40,546 | (54,797) | (54,797) | (16,235) | (20,418) |
| | 102,738 | (51,912) | (134,540) | (63,599) | 55,767 |
| | 5,034,183 | 1,963,494 | 3,065,010 | 1,361,610 | 451,978 |

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## 19. INCOME TAX EXPENSE (CONT'D)

The numerical reconciliation between the tax expense at the statutory tax rate and tax expense at the effective tax rate of the Group is as follows:-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Profit before tax | 20,212,674 | 7,931,700 | 12,701,098 | 5,742,981 | 1,384,791 |
| Tax calculated at statutory income tax rate of 24% | 4,851,042 | 1,903,608 | 3,048,264 | 1,378,315 | 332,350 |
| Under provision of current tax in prior year | 20,021 | 111,550 | 111,550 | 25,209 | 66,211 |
| Under/(Over) provision of deferred tax in prior year | 40,546 | (54,797) | (54,797) | (16,235) | (20,418) |
| Non-taxable income | (5,376) | (6,345) | (120,619) | - | - |
| Expenses not deductible for tax purposes | 127,950 | 54,478 | 125,612 | 19,321 | 115,835 |
| Differential between statutory income tax rate and SME tax rate | - | (45,000) | (45,000) | (45,000) | (42,000) |
| Total income tax expense | 5,034,183 | 1,963,494 | 3,065,010 | 1,361,610 | 451,978 |

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## 20. EMPLOYEE BENEFITS EXPENSES

The employee benefits expenses of the Group are as follows:-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| **Directors of the Group** | | | | | |
| - Directors' other emoluments | 750,000 | 450,000 | 900,000 | 540,000 | 440,000 |
| - Directors' defined contribution plans | 87,600 | 54,000 | 108,000 | 64,800 | 49,600 |
| - Directors' social security contributions | 1,630 | 1,109 | 1,998 | 1,902 | 1,620 |
| - Directors' other employee benefits | 7,500 | 4,500 | 9,000 | - | - |
| Total Directors' remuneration | 846,730 | 509,609 | 1,018,998 | 606,702 | 491,220 |
| **Other key senior management of the Group** | | | | | |
| - Wages, salaries and bonus | 524,248 | 413,138 | 729,164 | 527,364 | 454,879 |
| - Defined contribution plans | 49,749 | 53,767 | 95,768 | 76,557 | 51,030 |
| - Social security contributions | 4,141 | 3,689 | 6,573 | 5,976 | 5,031 |
| - Other employee benefits | 72,666 | 38,922 | 114,026 | 87,181 | 68,698 |
| | 650,804 | 509,516 | 945,531 | 697,078 | 579,638 |

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## 20. EMPLOYEE BENEFITS EXPENSES (CONT'D)

The employee benefits expenses of the Group are as follows (cont'd):-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| **Other employees of the Group** | | | | | |
| - Wages, salaries and bonus | 4,131,191 | 3,237,801 | 5,790,287 | 3,367,905 | 1,525,704 |
| - Defined contribution plans | 224,190 | 167,555 | 294,281 | 223,540 | 174,358 |
| - Social security contributions | 80,039 | 45,929 | 95,772 | 51,176 | 26,079 |
| - Other employee benefits | 288,795 | 219,960 | 382,318 | 457,800 | 185,828 |
| | 4,724,215 | 3,671,245 | 6,562,658 | 4,100,421 | 1,911,969 |
| Total employee benefits expenses | 6,221,749 | 4,690,370 | 8,527,187 | 5,404,201 | 2,982,827 |

The estimated monetary value of benefits provided to the Directors of the Group during the financial period/year by way of usage of the Group's assets amounted to RM46,250 (31.7.2024: RM25,000, 31.12.2024: RM25,000, 31.12.2023: RMNil and 31.12.2022: RMNil).

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## 21. EARNINGS PER SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary share outstanding calculated as follows:-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Profit attributable to owners of the Group | 15,178,491 | 5,968,206 | 9,636,088 | 4,381,371 | 932,813 |
| Weighted average number of shares (units) | 1,001,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Basic earnings per share (RM) | 15.16 | 5.97 | 9.64 | 4.38 | 0.93 |

Diluted earnings per share

Diluted earnings per share equals basic earnings per share because there are no potential dilutive instruments in existence at the reporting date.

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## 22. DIVIDENDS

During the financial years, the following dividends have been declared by the Group to the owners of the Group:-

| | **31.12.2024 Audited RM** |
|---|---|
| In respect of the year ended 31 December 2024 | |
| First interim single tier dividend of RM2.50 per ordinary share, totalling RM2,500,000 in respect of the financial year ended 31 December 2024 | 2,500,000 |
| Second interim single tier dividend of RM7.50 per ordinary share, totalling RM7,500,000 in respect of the financial year ended 31 December 2024 | 7,500,000 |
| | 10,000,000 |

| | **31.12.2022 Audited RM** |
|---|---|
| In respect of the year ended 31 December 2022 | |
| Single tier interim dividend of RM2.00 per ordinary share, totalling RM2,000,000 in respect of the financial year ended 31 December 2022 | 2,000,000 |

There were no dividend proposed, declared or paid by the Group during financial year ended 2023 and financial period ended 2025.

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## 23. FINANCIAL INSTRUMENTS

### 23.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost ("AC"):-

| | Carrying Amount RM | AC RM |
|---|---|---|
| **31.7.2025** | | |
| Financial Assets | | |
| Trade receivables | 17,862,685 | 17,862,685 |
| Other receivables | 624,488 | 624,488 |
| Fixed deposits with licensed banks | 30,666,144 | 30,666,144 |
| Cash and bank balances | 4,421,254 | 4,421,254 |
| | 53,574,571 | 53,574,571 |
| Financial Liabilities | | |
| Trade payables | 13,097,086 | 13,097,086 |
| Other payables | 1,743,301 | 1,743,301 |
| Loans and borrowings | 6,518,839 | 6,518,839 |
| | 21,359,226 | 21,359,226 |
| **31.12.2024** | | |
| Financial Assets | | |
| Trade receivables | 19,562,865 | 19,562,865 |
| Other receivables | 284,985 | 284,985 |
| Fixed deposits with licensed banks | 9,136,511 | 9,136,511 |
| Cash and bank balances | 1,798,379 | 1,798,379 |
| | 30,782,740 | 30,782,740 |
| Financial Liabilities | | |
| Trade payables | 10,360,922 | 10,360,922 |
| Other payables | 1,402,299 | 1,402,299 |
| Loans and borrowings | 4,679,915 | 4,679,915 |
| | 16,443,136 | 16,443,136 |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost ("AC") (cont'd):-

| | Carrying Amount RM | AC RM |
|---|---|---|
| **31.12.2023** | | |
| Financial Assets | | |
| Trade receivables | 9,305,050 | 9,305,050 |
| Other receivables | 1,970,647 | 1,970,647 |
| Fixed deposits with licensed banks | 8,735,760 | 8,735,760 |
| Cash and bank balances | 1,588,862 | 1,588,862 |
| | 21,600,319 | 21,600,319 |
| Financial Liabilities | | |
| Trade payables | 7,600,350 | 7,600,350 |
| Other payables | 1,762,776 | 1,762,776 |
| Loans and borrowings | 4,484,425 | 4,484,425 |
| | 13,847,551 | 13,847,551 |
| **31.12.2022** | | |
| Financial Assets | | |
| Trade receivables | 7,310,837 | 7,310,837 |
| Other receivables | 1,651,543 | 1,651,543 |
| Fixed deposits with licensed banks | 6,059,091 | 6,059,091 |
| Cash and bank balances | 919,334 | 919,334 |
| | 15,940,805 | 15,940,805 |
| Financial Liabilities | | |
| Trade payables | 4,515,529 | 4,515,529 |
| Other payables | 1,153,650 | 1,153,650 |
| Loans and borrowings | 6,679,265 | 6,679,265 |
| | 12,348,444 | 12,348,444 |

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## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.1 Categories of financial instruments (cont'd)

**Net Gains/(Losses) arising from financial instruments**

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Financial assets measured at amortised cost | 197,752 | 609,643 | 603,085 | 77,279 | 298,635 |
| Financial liabilities measured at amortised cost | (212,470) | (203,722) | (350,045) | (413,929) | (484,949) |
| | (14,718) | 405,921 | 253,040 | (336,650) | (186,314) |

**Included in gains/(losses) on financial instruments measured at amortised cost are:-**

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Total interest income for financial assets | 381,875 | 658,206 | 896,172 | 510,830 | 91,886 |
| Total interest expenses for financial liabilities | (212,479) | (203,504) | (362,832) | (418,515) | (482,997) |

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## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management

The Group is exposed to various risks in relation to financial instruments. The main types of risks are interest rate risk, credit risk and liquidity risk.

Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's businesses whilst managing its interest rate risk, credit risk and liquidity risk. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

#### 23.2.1 Interest rate risk

The Group's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

The Group actively reviews its debt portfolio, taking into account the nature and requirements of its businesses as well as the current business and economic environment. This strategy allows it to achieve an optimum cost of capital whilst locking in short/long term funding rates for short/long term investments in fixed deposits.

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

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

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## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management (cont'd)

#### 23.2.1 Interest rate risk (cont'd)

*Interest rate sensitivity*

The Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| **Fixed rate instruments** | | | | |
| Financial assets | | | | |
| Fixed deposits with licensed banks | 30,666,144 | 9,136,511 | 8,735,760 | 6,059,091 |
| Other receivables | - | - | 1,765,973 | - |
| | 30,666,144 | 9,136,511 | 10,501,733 | 6,059,091 |
| Financial liabilities | | | | |
| Bankers' acceptance | (2,140,304) | (677,009) | - | (918,618) |
| Hire purchase liabilities | (2,472,161) | (2,038,817) | (835,546) | (251,496) |
| | (4,612,465) | (2,715,826) | (835,546) | (1,170,114) |
| Net financial assets | 26,053,679 | 6,420,685 | 9,666,187 | 4,888,977 |
| **Floating rate instrument** | | | | |
| Financial liabilities | | | | |
| Hire purchase liabilities | (405,000) | - | - | - |
| Term loans | (1,501,374) | (1,964,089) | (3,648,879) | (5,509,151) |
| | (1,906,374) | (1,964,089) | (3,648,879) | (5,509,151) |

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## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management (cont'd)

#### 23.2.1 Interest rate risk (cont'd)

*Interest rate sensitivity* (cont'd)

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis on interest rate is applied on floating rate financial instruments only, as the carrying amount of fixed rate financial instruments are not affected by changes in interest rates.

Assuming all other variables are held constant, a 25 basis points ("bp") increase or decrease in interest rates would have equally decreased or increased the profits of the Group, which illustrated as follows:-

| | Effect on profit | |
|---|---|---|
| | + 25 bp | -25 bp |
| | RM | RM |
| **1.1.2025 to 31.7.2025** | | |
| (Decrease)/Increase in profit for the financial period | (4,766) | 4,766 |
| **1.1.2024 to 31.12.2024** | | |
| (Decrease)/Increase in profit for the financial year | (4,910) | 4,910 |
| **1.1.2023 to 31.12.2023** | | |
| (Decrease)/Increase in profit for the financial year | (9,122) | 9,122 |
| **1.1.2022 to 31.12.2022** | | |
| (Decrease)/Increase in profit for the financial year | (13,773) | 13,773 |

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## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management (cont'd)

#### 23.2.2 Credit risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Group. The Group 's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Classes of financial assets and contract assets:- | | | | |
| Trade receivables | 17,862,685 | 19,562,865 | 9,305,050 | 7,310,837 |
| Other receivables | 624,488 | 284,985 | 1,970,647 | 1,651,543 |
| Contract assets | 14,958,158 | 10,954,613 | 5,969,257 | 3,518,393 |
| Fixed deposits with licensed banks | 30,666,144 | 9,136,511 | 8,735,760 | 6,059,091 |
| Cash and bank balances | 4,421,254 | 1,798,379 | 1,588,862 | 919,334 |
| | 68,532,729 | 41,737,353 | 27,569,576 | 19,459,198 |

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group 's policy is to deal only with creditworthy counterparties. Receivable balances and contract assets are monitored on an ongoing basis.

Deposits, cash and bank balances and other receivables

The Group has credit risk exposure on deposits, cash and bank balances and other receivables. Other receivables are considered to have low risk of default. Deposits, cash and bank balances are place with creditworthy financial institutions. While these financial instruments are subject to the impairment requirement of MFRS 9, and the Group assessed these as having low credit risk at the end of the period/year and the identified impairment loss is negligible.

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## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management (cont'd)

#### 23.2.2 Credit risk (cont'd)

Trade receivables and contract assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss for trade receivables are a reasonable approximation of the expected loss for contract assets.

The Group evaluated the expected credit loss of each customer individually based on their financial information and past trends of payments. Any receivables having significant balances past due more than 270 days, which are deemed to have higher default risk, are monitored individually. Retention sums receivable more than 2 years outstanding from the end of the defect liability period are deemed to be credit impaired. Most of the Group's customers have low risk of default as they have a strong capacity to meet their debts.

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## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management (cont'd)

#### 23.2.2 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The ageing analysis of trade receivables and contract assets of the Group is as follows:-

| | | ←Allowance for impairment losses→ | | | |
|---|---|---|---|---|---|
| | Gross | Expected credit loss (individually impaired) | Expected credit loss (collectively impaired) | Total | Net |
| | RM | RM | RM | RM | RM |
| **31.7.2025** | | | | | |
| Contract assets | 14,958,158 | - | - | - | 14,958,158 |
| Trade receivables:- | | | | | |
| Within terms | 14,934,224 | (70,149) | (7,829) | (77,978) | 14,856,246 |
| Past due 1 to 30 days | 1,378,639 | - | (11,287) | (11,287) | 1,367,352 |
| Past due 31 to 60 days | 392,448 | - | (5,668) | (5,668) | 386,780 |
| Past due 61 to 90 days | 224,514 | - | (6,279) | (6,279) | 218,235 |
| Past due 91 to 120 days | 640,687 | - | (24,542) | (24,542) | 616,145 |
| Past due 121 to 150 days | 71,267 | - | (3,936) | (3,936) | 67,331 |
| Past due 151 to 180 days | 58,831 | - | (4,207) | (4,207) | 54,624 |
| Past due 181 to 210 days | 56,227 | - | (6,562) | (6,562) | 49,665 |
| Past due 211 to 240 days | 74,661 | - | (15,293) | (15,293) | 59,368 |
| Past due 241 to 270 days | 6,880 | - | (1,248) | (1,248) | 5,632 |
| Past due more than 270 days | 966,063 | (168,836) | (615,920) | (784,756) | 181,307 |
| | 18,804,441 | (238,985) | (702,771) | (941,756) | 17,862,685 |

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## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management (cont'd)

#### 23.2.2 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The ageing analysis of trade receivables and contract assets of the Group is as follows (cont'd):-

| | | ←Allowance for impairment losses→ | | | |
|---|---|---|---|---|---|
| | Gross | Expected credit loss (individually impaired) | Expected credit loss (collectively impaired) | Total | Net |
| | RM | RM | RM | RM | RM |
| **31.12.2024** | | | | | |
| Contract assets | 10,954,613 | - | - | - | 10,954,613 |
| Trade receivables:- | | | | | |
| Within terms | 14,026,031 | - | - | - | 14,026,031 |
| Past due 1 to 30 days | 241,019 | - | (4,093) | (4,093) | 236,926 |
| Past due 31 to 60 days | 1,064,828 | - | (4,827) | (4,827) | 1,060,001 |
| Past due 61 to 90 days | 83,765 | - | (11,150) | (11,150) | 72,615 |
| Past due 91 to 120 days | - | - | - | - | - |
| Past due 121 to 150 days | 1,604,315 | - | (38,347) | (38,347) | 1,565,968 |
| Past due 151 to 180 days | 1,018,508 | - | (19,453) | (19,453) | 999,055 |
| Past due 181 to 210 days | 278,386 | - | (47,122) | (47,122) | 231,264 |
| Past due 211 to 240 days | 914,549 | - | (82,438) | (82,438) | 832,111 |
| Past due 241 to 270 days | 465,164 | - | (74,550) | (74,550) | 390,614 |
| Past due more than 270 days | 623,933 | - | (475,653) | (475,653) | 148,280 |
| | 20,320,498 | - | (757,633) | (757,633) | 19,562,865 |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management (cont'd)

#### 23.2.2 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The ageing analysis of trade receivables and contract assets of the Group is as follows (cont'd):-

| | | ← Allowance for impairment losses → | | | |
|---|---|---|---|---|---|
| | Gross | Expected credit loss (individually impaired) | Expected credit loss (collectively impaired) | Total | Net |
| | RM | RM | RM | RM | RM |
| **31.12.2023** | | | | | |
| Contract assets | 5,969,257 | - | - | - | 5,969,257 |
| Trade receivables:- | | | | | |
| Within terms | 6,555,482 | - | (1,219) | (1,219) | 6,554,263 |
| Past due 1 to 30 days | 1,468,019 | - | (1,811) | (1,811) | 1,466,208 |
| Past due 31 to 60 days | 787,901 | - | (3,114) | (3,114) | 784,787 |
| Past due 61 to 90 days | 3,900 | - | (37) | (37) | 3,863 |
| Past due 91 to 120 days | 102,869 | - | (1,827) | (1,827) | 101,042 |
| Past due 121 to 150 days | 11,819 | - | (395) | (395) | 11,424 |
| Past due 151 to 180 days | 49,440 | - | - | - | 49,440 |
| Past due 181 to 210 days | 75,314 | - | (6,654) | (6,654) | 68,660 |
| Past due 211 to 240 days | 20,270 | - | (227) | (227) | 20,043 |
| Past due 241 to 270 days | 116,226 | - | (44,154) | (44,154) | 72,072 |
| Past due more than 270 days | 579,164 | - | (405,916) | (405,916) | 173,248 |
| | 9,770,404 | - | (465,354) | (465,354) | 9,305,050 |

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## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management (cont'd)

#### 23.2.2 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The ageing analysis of trade receivables and contract assets of the Group is as follows (cont'd):-

| | | ← Allowance for impairment losses → | | | |
|---|---|---|---|---|---|
| | Gross | Expected credit loss (individually impaired) | Expected credit loss (collectively impaired) | Total | Net |
| | RM | RM | RM | RM | RM |
| **31.12.2022** | | | | | |
| Contract assets | 3,518,393 | - | - | - | 3,518,393 |
| Trade receivables:- | | | | | |
| Within terms | 5,335,350 | - | - | - | 5,335,350 |
| Past due 1 to 30 days | 1,098,559 | - | - | - | 1,098,559 |
| Past due 31 to 60 days | 147,171 | - | - | - | 147,171 |
| Past due 61 to 90 days | 261,239 | - | - | - | 261,239 |
| Past due 91 to 120 days | 1,603 | - | - | - | 1,603 |
| Past due 121 to 150 days | 29,613 | - | - | - | 29,613 |
| Past due 151 to 180 days | 18,484 | - | - | - | 18,484 |
| Past due 181 to 210 days | 65,691 | - | - | - | 65,691 |
| Past due 211 to 240 days | - | - | - | - | - |
| Past due 241 to 270 days | 1,561 | - | - | - | 1,561 |
| Past due more than 270 days | 351,566 | - | - | - | 351,566 |
| | 7,310,837 | - | - | - | 7,310,837 |

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two (31.12.2024: three, 31.12.2023: five and 31.12.2022: five) customers which constituted approximately 52% (31.12.2024: 64%, 31.12.2023: 49% and 31.12.2022: 50%) of its trade receivables (including related parties) at the end of the reporting period.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management (cont'd)

#### 23.2.3 Liquidity risk

Liquidity risk is the risk arising from the Group not being able to meet its obligations due to shortage of funds.

In managing its exposures to liquidity risk, the Group maintains a level of cash and cash equivalents and bank credit facilities deemed adequate by the management to ensure that it will have sufficient liquidity to meet its liabilities as and when they fall due.

*Maturity analysis*

The following table shows the maturity profile of the Group's financial liabilities and lease liabilities as at the end of the reporting period based on undiscounted contractual payments:-

| | Current | Non-current | |
|---|---|---|---|
| | Less than 1 year | 2 to 5 years | More than 5 years |
| | RM | RM | RM |
| **31.7.2025** | | | |
| *Non-derivative financial liabilities and lease liabilities* | | | |
| Trade payables | 13,097,086 | - | - |
| Other payables | 1,743,301 | - | - |
| Lease liabilities | 1,650 | - | - |
| Loans and borrowings | 3,344,544 | 3,014,383 | 1,089,150 |
| Total undiscounted financial liabilities and lease liabilities | 18,186,581 | 3,014,383 | 1,089,150 |
| **31.12.2024** | | | |
| *Non-derivative financial liabilities and lease liabilities* | | | |
| Trade payables | 10,360,922 | - | - |
| Other payables | 1,402,299 | - | - |
| Lease liabilities | 31,660 | 6,960 | - |
| Loans and borrowings | 1,958,179 | 2,480,202 | 1,218,544 |
| Total undiscounted financial liabilities and lease liabilities | 13,753,060 | 2,487,162 | 1,218,544 |

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 23. FINANCIAL INSTRUMENTS (CONT'D)

### 23.2 Financial risk management (cont'd)

#### 23.2.3 Liquidity risk (cont'd)

*Maturity analysis (cont'd)*

The following table shows the maturity profile of the Group's financial liabilities and lease liabilities as at the end of the reporting period based on undiscounted contractual payments (cont'd):-

| | Current | Non-current | |
|---|---|---|---|
| | Less than 1 year RM | 2 to 5 years RM | More than 5 years RM |
| **31.12.2023** | | | |
| *Non-derivative financial liabilities and lease liabilities* | | | |
| Trade payables | 7,600,350 | - | - |
| Other payables | 1,762,776 | - | - |
| Lease liabilities | 28,200 | 18,700 | - |
| Loans and borrowings | 1,226,644 | 2,638,304 | 1,973,963 |
| Total undiscounted financial liabilities and lease liabilities | 10,617,970 | 2,657,004 | 1,973,963 |
| **31.12.2022** | | | |
| *Non-derivative financial liabilities and lease liabilities* | | | |
| Trade payables | 4,515,529 | - | - |
| Other payables | 1,153,650 | - | - |
| Lease liabilities | 81,600 | 46,900 | - |
| Loans and borrowings | 2,526,764 | 2,942,404 | 3,711,720 |
| Total undiscounted financial liabilities and lease liabilities | 8,277,543 | 2,989,304 | 3,711,720 |

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the financial liabilities at the reporting date.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 24. RELATED PARTIES DISCLOSURES

The related parties transactions during the financial periods/years were as follows:-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| Related parties | | | | | |
| Dividends | - | - | 2,547,250 | - | 90,000 |
| Backcharge of professional fees paid on behalf for | - | - | - | - | 13,649 |
| Novation of agreement | - | - | 2,369,551 | - | - |
| Rental expenses | - | 9,400 | 9,400 | 56,400 | 192,400 |
| Subcontractor services provided by | - | 3,672 | 3,672 | 1,126,296 | 1,058,490 |
| Subcontractor services provided to | - | - | - | - | 526,126 |
| Directors | | | | | |
| Disposal of property, plant and equipment and investment properties | - | - | 6,450,000 | - | - |
| Dividends | - | - | 7,452,750 | - | 1,910,000 |
| Rental expenses | - | - | 2,000 | 7,000 | - |

The outstanding balances arising from related parties transactions as at reporting date are disclosed in Notes 7, 15 and 16 to the Combined Financial Statements.

Related parties refer to:-
(a) a company in which certain directors have substantial financial interests;
(b) a sole proprietorship that is related to the Group; and
(c) a shareholder of the Group.

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## 25. CAPITAL MANAGEMENT OBJECTIVE

The primary capital management objective of the Group is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to sustain future development of the business. There is no change to the objectives in the financial period ended 31 July 2025 and the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022.

The Group manages its capital by regularly monitoring its current and expected liquidity requirement and modify the combination of equity and borrowings from time to time to meet the needs. Shareholders' equity and gearing ratio of the Group are as follows:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Total debts * | 6,518,839 | 4,679,915 | 4,484,425 | 6,679,265 |
| Total equity | 29,844,102 | 14,664,611 | 15,028,523 | 10,647,152 |
| Debt-to-equity ratio | 0.22 | 0.32 | 0.30 | 0.63 |

* Excluding lease liabilities arising from right-of-use assets.

## 26. FAIR VALUE MEASUREMENT

The carrying amounts of financial assets and financial liabilities of the Group as at the reporting date are approximately at their fair values due to their short term nature or they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

**Fair value hierarchy**

As at the reporting date, the Group has not designated any financial instrument at fair value through profit or loss or fair value through other comprehensive income and hence fair value hierarchy is not presented.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 27. CAPITAL COMMITMENTS

The capital expenditure in respect of the following is not provided for in the financial statements:-

| | 31.7.2025 Audited RM | 31.12.2024 Audited RM | 31.12.2023 Audited RM | 31.12.2022 Audited RM |
|---|---|---|---|---|
| Authorised and contracted for:- | | | | |
| - Plant and machinery | 167,000 | - | 250,000 | - |
| - Motor vehicle | 195,763 | - | 40,593 | 116,323 |
| - Investment property | 480,000 | - | - | - |
| | 842,763 | - | 290,593 | 116,323 |

## 28. SIGNIFICANT EVENT DURING THE PERIOD

On 28 May 2025, the Company entered into a Conditional Share Sale Agreement with the vendors of Yeo Plumber Sdn. Bhd. to acquire the entire equity interest in Yeo Plumber Sdn. Bhd. for a total purchase consideration of RM14,664,600, which the purchase consideration was satisfied entirely by the issuance of 814,700,000 new ordinary shares of the Company at an issue price of RM0.018 per share. The transaction was completed on 13 November 2025.

## 29. OPERATING SEGMENTS

The Group primarily operates in Malaysia within the piping industry. The chief operating decision maker regards the Group as a single reportable segment; hence the Group does not present its results by geographical area or product and services segment.

**Information of major customers**

The following is the top major customers with revenue equal or more than 10% of the Group's total revenue:-

| | 1.1.2025 to 31.7.2025 Audited RM | 1.1.2024 to 31.7.2024 Unaudited RM | 1.1.2024 to 31.12.2024 Audited RM | 1.1.2023 to 31.12.2023 Audited RM | 1.1.2022 to 31.12.2022 Audited RM |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Customer A | * | 5,086,075 | 11,236,825 | 10,149,850 | * |
| Customer B | * | 3,531,927 | 6,452,661 | * | * |
| Customer C | 23,235,011 | * | 6,202,266 | * | * |
| Customer F | * | * | * | * | 2,262,535 |
| Customer O | 6,773,678 | * | * | * | * |
| | 30,008,689 | 8,618,002 | 23,891,752 | 10,149,850 | 2,262,535 |

* Revenue is less than 10% of the Group's total revenue.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

## 30. EVENTS AFTER THE REPORTING PERIOD

(a) On 17 October 2025, Yeo Plumber Sdn. Bhd. entered into a sale and purchase agreement for the acquisition of one residential unit for a total consideration of RM594,000. The proposed acquisition is expected to be settled by cash in accordance with the payment schedule stipulated in the sale and purchase agreement.

(b) In respect of the financial year ending 31 December 2025, Yeo Plumber Sdn. Bhd. declared a first interim single tier dividend of RM12.00 per ordinary share totalling RM12,000,000 on 1 October 2025. The dividend was paid on 2 October 2025, 6 October 2025 and 8 October 2025, and was funded via internally generated funds.

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## STATEMENT BY DIRECTORS

We, the undersigned, being the Directors of the Company, do hereby state that, in our opinion, the combined financial statements set out on the pages 4 to 69 are drawn up in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards so as to give a true and fair view of the combined financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 July 2025, and of its combined financial performance and cash flows for the financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024, 31 July 2025.

| | |
|---|---|
| ..... | ..... |
| AI BOON CHEN | LIM AY YUM |

Johor Bahru
10 December 2025

## 13. ADDITIONAL INFORMATION

### 13.1 EXTRACT OF OUR CONSTITUTION

The following provisions are extracted from our Constitution which complies with the Listing Requirements, the Act and the Rules.

The words and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined or the context otherwise requires:

**(i) Remuneration, voting and borrowing powers of Directors**

**(a) Directors' Remuneration**

Clause 101 - Directors' remuneration

Subject to the Act and the Listing Requirements, the fees of the Directors and any benefits payable to the Directors shall from time to time be determined by way of an ordinary resolution of the Company in a general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine and in default of agreement equally, except that if a Director has held office for part only of the period in respect of which such fees are payable, such a Director shall be entitled only to that proportion of the fees as is related to the period during which he has held office PROVIDED ALWAYS that:-

(i) salaries, benefits and other emoluments payable to executive Director(s) pursuant to an employment contract or a contract of service need not be determined by the Company in a general meeting but such salaries may not include a commission on or percentage of turnover;

(ii) fees payable to non-executive Directors shall be a fixed sum and not by way of a commission on or percentage of profits or turnover; and

(iii) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Clause 102 - Reimbursement of expenses

(a) The Directors shall be entitled to be reimbursed for all travelling or expenses as may be incurred in attending meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other things required of him as a Director.

(b) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for any director's fees payable to him from time to time.

**13. ADDITIONAL INFORMATION *(Cont'd)***

Clause 126 (a) – Alternate Directors

A Director may appoint any other person approved by a majority of the Board to act as his alternate provided that any fee paid by the Company to the alternate shall be deducted from that Director's remuneration. The Alternate Director shall not be required to hold any shares in the Company but shall be entitled to receive notices of all meetings and to attend, speak and vote, and be counted for the quorum, and generally to exercise all powers, rights, duties and authorities of the Director appointing him, at any such meeting at which the Director appointing him is not present. For the avoidance of doubt, an Alternate Director may not vote nor attend any meeting at which the Director appointing him is present. Any appointment so made may be revoked at any time by the appointor or by a majority of the Directors, and any appointment or revocation under this Constitution shall be effected by notice in writing to be delivered to the Secretary of the Company. An Alternate Director shall ipso facto cease to be an Alternate Director if his appointor for any reason ceases to be a Director.

Clause 128 - Remuneration of chief executive, executive Director, managing Director

The remuneration of the chief executive, executive Director, managing Director or any person holding an equivalent position, shall, from time to time be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive a pension, gratuity or other benefits upon their retirement.

**(b) Voting and borrowing powers of Directors**

Clause 78 - Chairman's casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

Clause 106 - Directors' borrowing powers

(a) Subject to the Act and the Listing Requirements, the Directors may exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any related party (as defined in Section 7 of the Act):

(i) borrow money;

(ii) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(iii) issue debentures and other securities whether outright or as security;

(iv) lend and advance money or give credit to any person or company;

(v) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; and/or

(vi) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or of any related party (as defined in Section 7 of the Act).

**13. ADDITIONAL INFORMATION *(Cont'd)***

(b) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Clause 120 - Votes by majority and chairman of the meeting to have a casting vote

Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes of the Directors present and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote, except where at the meeting only two (2) Directors form a quorum, the chairman of the meeting at which only such a quorum is present, or only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.

Clause 123 - Restriction on voting

Subject to the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.

Clause 124 - Power to vote

A Director may vote in respect of:-

(i) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company;

(ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security;

(iii) any contract by the Director himself to subscribe for or underwrite shares or debentures of the Company; or

(iv) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as a holder of shares or other securities in that company.

## 13. ADDITIONAL INFORMATION *(Cont'd)*

### (ii) Changes to Share Capital

Clause 6 - Class of shares

The share capital of the Company is its issued share capital. The shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred and/or other special rights, privileges, conditions and/or restrictions as to dividends, capital, voting and/or otherwise.

Clause 7 - Allotment of shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, the Act, any Applicable Laws, and to the provisions of any resolution of the Company, the Board may issue, allot or grant rights to subscribe for or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Board may determine but the Board in making any issue of shares shall comply with the following conditions:-

(i) in the case of shares, other than ordinary shares, no special rights shall be attached until the same has been expressed in this Constitution and in the resolution creating the same;

(ii) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meetings;

(iii) every issue of shares or options to employees and/or Directors of the Company and/or its subsidiaries under an employee share option scheme shall be approved by the Members in general meeting;

(iv) no Director shall participate in a scheme that involves a new issuance of shares or options unless the Members in a general meeting have approved the specific allotment to be made to such Director; and

(v) except in the case of an issue of Securities on a pro-rata basis to all Members, or, pursuant to a back-to-back placement or a Dividend Reinvestment Scheme undertaken in compliance with the Listing Requirements, there shall be no issuance and allotment of Securities to a Director, major shareholder, chief executive or person connected with any Director, major shareholder or chief executive (hereinafter referred to as the "interested Director", "interested major shareholder", "interested chief executive" or "interested person connected with a Director, major shareholder or chief executive" respectively) unless the Members in a general meeting have approved of the specific allotment to be made to such aforesaid interested Director, interested major shareholder, interested chief executive or interested person connected with a Director, major shareholder or chief executive, as the case may be. In this Constitution, "major shareholder", "chief executive", "person connected with any Director, major shareholder or chief executive" and "Dividend Reinvestment Scheme" shall have the meaning ascribed thereto in the Listing Requirements.

Clause 56 - Power to increase capital

The Company in a general meeting may from time to time, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital, voting or otherwise as the general meeting resolving upon such increase may direct.

**13. ADDITIONAL INFORMATION *(Cont'd)***

Clause 57 - Issue of new shares to Members

Subject to any direction to the contrary that may be given by the Company in general meeting and the Listing Requirements, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.

For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable.

In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible securities in proportion to the shareholdings of the existing Members.

Clause 59 - Power to alter capital

Subject to the provisions of this Constitution and the Act, the Company may by ordinary resolution:

(i) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;

(ii) convert all or any of its paid-up shares into stock and reconvert that stock into fully-paid shares;

(iii) subdivide its shares or any of its shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

**13. ADDITIONAL INFORMATION *(Cont'd)***

Clause 60 - Power to reduce capital

The Company may by special resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Act and the Applicable Laws.

Clause 61 - Purchase by the Company of its own shares

The Company may, subject to its obtaining such approval from the relevant authorities (if required) and to its compliance with the Act, the Listing Requirements and the Applicable Laws, purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the Act, the Listing Requirements and all Applicable Laws. The provisions of Clauses 59 and 60 herein above shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers under this Clause. The cancellation of shares purchased shall not be deemed to be a reduction of share capital within the meaning of the Act.

**(iii) Transfer of securities**

Clause 30 - Transfer in writing

Subject to this Constitution, the Central Depositories Act and the Rules, any Member may transfer all or any of his Securities (except those Deposited Securities which are for the time being designated as securities in suspense) by an instrument in writing in the form prescribed and approved by the Exchange upon which the Company is listed on the Exchange. The instrument shall have been executed by or on behalf of the transferor and the transferee, and the transferor shall remain the holder of the Securities transferred until the transfer is registered and the name of the transferee is entered in the Record of Depositors.

Clause 31 - Transfers of Securities

The transfer of any Deposited Securities shall be made by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Securities.

Clause 32 - No restriction on the transfer of fully paid Securities

Subject to this Constitution, the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid Securities except where required by law.

Clause 33 (a) - Refusal to register

The Central Depository may, in its absolute discretion, refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and/or the Rules.

**13. ADDITIONAL INFORMATION *(Cont'd)***

**(iv) Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**

Clause 8 - Rights of preference shareholders

Subject to the Act, the Listing Requirements and any Applicable laws, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not unless with the consent of the existing preference shareholders at a class of meeting issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have:

(i) the same rights as ordinary shareholders as regards to receiving notices, reports and audited accounts and attending general meetings of the Company; and

(ii) the right to vote at any meeting convened for the purpose of reducing the capital of the Company or on a proposal to wind up or during the winding up of the Company, or sanctioning a sale of the whole of the Company's undertaking, property or business, or where any resolution to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares or part of the dividend is in arrears for more than six (6) months.

Clause 10 - Variation of class rights

Subject to Section 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with:

(i) the consent in writing of the holders of not less than seventy-five per centum (75%) of the total voting rights of the Members in that class; or

(ii) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy at least one-third of the number of the issued shares of the class (excluding any shares of that class held as treasury shares) and that any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one (1) vote for every such share held by him. For adjourned meetings, the quorum is one (1) person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.

Clause 11 - Ranking of class rights

The rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of such shares, as regards participation in the profits or assets of the Company in some or in all respect be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

**13. ADDITIONAL INFORMATION *(Cont'd)***

Clause 147 - Application of profits

The Directors may, if they think fit from time to time, pay to the Members such dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes, the Directors may pay such dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights, as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide, they shall not incur any responsibility to the holders of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be settled by them, any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

Clause 42 - Person entitled may receive dividends etc

Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares as the registered holder would have been entitled to if he had not died or become bankrupt, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.

Clause 54 – Rights of stock holders

The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages with regards to dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, so that none of such rights, privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such rights, privileges or advantages.

Clause 149 - Payment of dividends

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Constitution as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

## 13. ADDITIONAL INFORMATION *(Cont'd)*

### 13.2 SHARE CAPITAL

(i) No Shares will be allotted, issued or offered on the basis of this Prospectus later than six (6) months after the date of the issue of this Prospectus.

(ii) As at the date of this Prospectus, we only have one (1) class of shares, namely ordinary shares, all of which rank equally with one (1) another. There are no special rights attached to our Shares.

(iii) None of our Group's share capital is under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Prospectus.

(iv) Save for the new Shares to be issued under the Pink Form Allocation as disclosed in Section 4.1.2(ii) of this Prospectus,

(a) no person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of our Group; and

(b) there is no scheme involving the directors and employees of our Group.

(v) Save as disclosed in Section 4.1 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Group have been or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, for the Financial Years and Period Under Review and up to the LPD.

(vi) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

### 13.3 LIMITATION ON THE RIGHT TO OWN SECURITIES

There is no limitation on the right to own securities, including limitation on the right of non-residents or foreign shareholders to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

### 13.4 PUBLIC TAKE-OVERS

None of the following has occurred during the last financial year and up to the LPD:

(i) public take-over offers by third parties in respect of our Group's shares; and

(ii) public take-over offers by us in respect of other company's shares.

### 13.5 EXCHANGE CONTROLS

Our Group has not established any other place of business outside Malaysia and is not subject to governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

## 13. ADDITIONAL INFORMATION *(Cont'd)*

### 13.6 MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Saved as disclosed below, as at the LPD, we are not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which may have a material effect on our business or financial position, and our Directors confirm that there are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect our financial position or business:

| | |
|---|---|
| **Suit No.** | WA-24C-31-02/2025 |
| **Court** | High Court of Malaya |
| **Plaintiff** | YPSB |
| **Defendant** | Billion Wind Sdn Bhd ("**BWSB**") |
| **Summary of Litigation/ Proceedings** | Background facts<br><br>YPSB received a letter of award dated 5 December 2022 from BWSB, being appointed as the subcontractor of water reticulation works, sewerage works, cold water and sanitary plumbing works for a new manufacturing building consisting of multi-storey carpark, manufacturing (plating) area and M&E utilities plant on the existing plant at Lot PTD 8135, Mukim Kesang, Daerah Tanggak, Johor for STMicroelectronics Sdn Bhd for a contract sum of RM945,488.00 ("**Original Contract Sum**"). Upon completion of the work by YPSB, YPSB submitted progress claims between 2023 to 2024 for total value of work done amounting to RM1,465,916.00 ("**Total Claims**") to BWSB, which comprises the Original Contract Sum as well as claims for variation orders amounting to RM520,428.00.<br><br>Out of the Total Claims, only RM700,464.86 was certified by BWSB ("**Certified Value of Work Done**"). As such, based on the Malaysian Financial Reporting Standards, our Group has only recognised the Certified Value of Work Done for BWSB up to date.<br><br>In 2023 and 2024, YPSB received total progress payments for the Certified Value of Work Done amounting to RM482,848.16 from BWSB. On 25 July 2024, YPSB served a payment claim on BWSB for a total amount of RM934,286.64, which comprises:<br><br>(i) the outstanding Certified Value of Work Done amounting to RM168,835.50 after netting off the payment received, retention sum as well as backcharges; and<br><br>(ii) the balance uncertified value of work done amounting to RM765,451.14.<br><br>Further on 12 August 2024, YPSB served a notice of adjudication ("**Adjudication**") on BWSB wherein YPSB sought the following reliefs:<br><br>(a) payment of the unpaid sum of RM934,286.64;<br><br>(b) interest of 5% shall be claimed on the outstanding payment to be calculated from the date when payment falls due;<br><br>(c) cost of preparation of the claim of RM65,000.00; and<br><br>(d) all other cost arising from the Adjudication proceedings. |

**13. ADDITIONAL INFORMATION *(Cont'd)***

| | |
|---|---|
| | Pursuant to the Adjudication decision dated 29 November 2024 ("**Adjudication Decision**"), BWSB shall pay YPSB immediately the following sums:<br><br>(i) adjudicated amount of RM934,286.64; and<br><br>(ii) adjudication costs of RM87,874.56; and<br><br>BWSB shall pay YPSB interest on the sums calculated at the rate of 5% per annum from the date of due payment until the date of full payment,<br><br>(Collectively, the "**Adjudicated Sum**").<br><br>Subsequently, YPSB filed an application via originating summons dated 14 February 2025 against BWSB to enforce the said Adjudication Decision. |
| **Status / Remarks** | BWSB was in the process of being wound up pursuant to proceedings commenced by a third party by way of petition filed on 10 March 2025, following which a winding-up order was made by the court on 19 June 2025. YPSB is in the midst of communicating with the liquidator in-charge to ascertain whether BWSB's assets are sufficient to satisfy the Adjudicated Sum payable to YPSB, taking into consideration the priority of payments to creditors. |
| **Our Group' view** | As at the LPD, the amount owing by BWSB amounting to RM168,835.50 has been fully impaired in the FPE 2025. After taking into consideration the retention sum and contract liabilities, the net impact to the financial statement for the FPE 2025 is RM129,570.66. Premised on the foregoing, this is not expected to materially or adversely impact on the overall business operations and/or financial condition of our Group. |

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## 13. ADDITIONAL INFORMATION *(Cont'd)*

### 13.7 MATERIAL CONTRACTS

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) during the Financial Years and Period Under Review and up to the date of this Prospectus:

(i) the SSA in relation to the Acquisition of YPSB. Please refer to Section 4.1.1 of this Prospectus for further details;

(ii) an investment agreement between YPSB and LPY Fortune Sdn Bhd dated 10 April 2019 in relation to YPSB's investment in the development of property by LPY Fortune Sdn Bhd ("**Investment Agreement**");

(iii) a novation agreement between YPSB, LPY Fortune Sdn Bhd and Ai Sew Fuat dated 30 September 2024 in relation to the assignment, novation, transfer of the obligations, rights, title, benefits, interests and liabilities under the Investment Agreement to Ai Sew Fuat by YPSB at a consideration of RM2.37 million, which was completed on 30 September 2024. The consideration of RM2.37 million has been offset via dividend entitlements declared by YPSB, comprising Ai Sew Fuat's own entitlement as well as those assigned to him by the other then shareholders of YPSB, namely Ai Boon Chen and Lim Ay Yum. Please refer to Section 11.8 for further information on the dividend declaration;

(iv) sale and purchase agreements entered into between YPSB and Ai Boon Chen in respect of the following transactions:

(a) disposal of a piece of agricultural land bearing postal address of Lot 2038, Jalan Parit Semerah, Kampung Parit Semerah, 82000 Pontian, Johor, with a land area measuring approximately 59,890 sq. ft., to Ai Boon Chen pursuant to a sale and purchase agreement dated 29 December 2024 at consideration of RM0.55 million, which was completed on 31 December 2024;

(b) disposal of a piece of industrial land bearing postal address of PTD 9330, Jalan Perindustrian 5, Kawasan Perindustrian Pontian, 82000 Pontian, Johor, with a land area measuring approximately 28,163 sq. ft. together with a building erected thereon with a built-up area of approximately 15,524 sq. ft., to Ai Boon Chen pursuant to a sale and purchase agreement dated 29 December 2024 at consideration of RM1.25 million, which was completed on 31 December 2024;

(c) disposal of a unit of service apartment bearing postal address of Unit No. 03-08, Block 1 (Regent Court), Prima Regency Service Apartment, Jalan Masai Baru, 81750 Masai, Johor, with a built-up area measuring approximately 1,205 sq. ft., to Ai Boon Chen pursuant to a sale and purchase agreement dated 29 December 2024 at consideration of RM0.35 million, which was completed on 31 December 2024;

(d) disposal of a piece of agricultural land bearing postal address of Lot 2873 (new survey Lot No. 7569), Jalan Parit Haji Adnan, Kampung Parit Haji Adnan, 81500 Pekan Nanas, Johor, with a land area measuring approximately 325,608 sq. ft., to Ai Boon Chen pursuant to a sale and purchase agreement dated 29 December 2024 at consideration of RM1.20 million, which was completed on 31 December 2024;

(e) disposal of a piece of agricultural land bearing postal address Lot 8058, Jalan Parit Mesjid, Kampung Parit Kassim, 82000 Pontian, Johor, with a land area measuring approximately 334,542 sq. ft., to Ai Boon Chen pursuant to a sale and purchase agreement dated 29 December 2024 at consideration of RM3.10 million, which was completed on 31 December 2024; and

**13. ADDITIONAL INFORMATION *(Cont'd)***

(f) disposal of a unit of stratified shop office bearing postal address No. 13-2, Jalan Delima 5, Pusat Perdagangan Pontian, 82000 Pontian, Johor, with a built-up area measuring approximately 1,453 sq. ft., to Ai Boon Chen at consideration of RM120,000, which was completed on 26 November 2025.

The total consideration of RM6.45 million for the abovementioned sale and purchase transactions (in respect of item (a) to item (e)) above has been offset via dividend entitlements declared by YPSB, comprising Ai Boon Chen's own entitlement as well as those assigned to him by the other then shareholders of YPSB, namely Ai Sew Fuat and Lim Ay Yum. Please refer to Section 11.8 for further information on the dividend declaration.

(v) sale and purchase agreement entered between YPSB and Prinsip Alpha Sdn Bhd dated 30 May 2025 in respect of the acquisition of a unit of service apartment identified as Parcel No. B-29-07, Storey No. 29, Building No. B, Land Parcel No. 947 with accessory parcel No. A381 in a housing development known as "Residensi Ponderosa" erected on all that piece of freehold land held under the master title GRN 457227, Lot 181427, Mukim Plentong, District of Johor Bahru, State of Johor, measuring approximately 49.45 sq. m. at the consideration of RM480,000. The consideration is payable by way of progressive payments based on construction milestones. The development is expected to be completed in 2029;

(vi) sale and purchase agreement entered between YPSB and Prinsip Alpha Sdn Bhd dated 17 October 2025 in respect of the acquisition of a unit of service apartment identified as Parcel No. B-29-08, Storey No. 29, Building No. B, Land Parcel No. 948 with accessory parcel No. A247 in a housing development known as "Residensi Ponderosa" erected on all that piece of freehold land held under the master title GRN 457227, Lot 181427, Mukim Plentong, District of Johor Bahru, State of Johor, measuring approximately 63.31 sq. m. at the consideration of RM594,000. The consideration is payable by way of progressive payments based on construction milestones. The development is expected to be completed in 2029;

(vii) the Placement Agreement. Please refer to Section 4.5.3 of this Prospectus for further details; and

(viii) the Underwriting Agreement. Please refer to Section 4.6 of this Prospectus for further details.

**13.8 CONSENTS**

(i) The written consents of our Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, Solicitors to our Company, Share Registrar, Issuing House and Company Secretaries for the inclusion in this Prospectus of their names in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

(ii) The written consent of our Auditors and Reporting Accountants for the inclusion in this Prospectus of their name, the Accountants' Report and the Reporting Accountants' Report on the Pro Forma Combined Statements of Financial Position and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

(iii) The written consent of the IMR for the inclusion in this Prospectus of its name and IMR Report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

## 13. ADDITIONAL INFORMATION *(Cont'd)*

### 13.9 RESPONSIBILITY STATEMENTS

(i) This Prospectus has been seen and approved by our Directors, Promoters and Offerors and they collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

(ii) AIS as the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts relating to our IPO.

### 13.10 DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of six (6) months from the date of this Prospectus:

(i) our Constitution;

(ii) the IMR Report referred to in Section 7 of this Prospectus;

(iii) the Reporting Accountants' Report on the Pro Forma Combined Statements of Financial Position of our Group referred to in Section 11.9 of this Prospectus;

(iv) the Accountants' Report as included in Section 12 of this Prospectus;

(v) the material contracts referred to in Section 13.7 of this Prospectus;

(vi) the letters of consent referred to in Section 13.8 of this Prospectus;

(vii) the cause papers for material ligation referred to in Section 13.6 of this Prospectus;

(viii) the audited financial statements of the Company for the period beginning from 25 March 2025 (being the date of incorporation) to 31 July 2025; and

(ix) the audited financial statements of our subsidiary for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025.

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## 14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

**THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE, FOR FURTHER ENQUIRIES.**

**Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus. Unless the context otherwise requires, words used in the singular include the plural, and vice versa.**

### 14.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD : **10.00 A.M., 8 JANUARY 2026**

CLOSING OF THE APPLICATION PERIOD : **5.00 P.M., 14 JANUARY 2026**

Applications for the IPO Shares will be open and close at the dates stated above.

In the event of any change to the dates stated above, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia, and make an annoucement on Bursa Securities' website.

**Late Applications will not be accepted.**

### 14.2 METHODS OF APPLICATIONS

#### 14.2.1 Application for Our IPO Shares by the Malaysian Public and Eligible Persons

Application must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

| Types of Application and category of investors | Application method |
|---|---|
| Applications by the Malaysian Public: | |
| (a) Individuals | **WHITE** Application Form or Electronic Share Application or Internet Share Application |
| (b) Non-Individuals | **WHITE** Application Form only |
| Applications by the Eligible Persons | **PINK** Application Form only |

## 14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

### 14.2.2 Application by Bumiputera selected investors and selected investors via private placement

| Types of Application | Application method |
|---|---|
| Applications by: | |
| (a) Bumiputera Investors approved by the MITI | MITI will contact the Bumiputera investors directly. They should follow MITI's instructions. |
| (b) Selected investors | The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions. |

Bumiputera investors and selected investors may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

### 14.3 ELIGIBILITY

### 14.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party** CDS accounts will not be accepted for the Applications.

Only **one (1)** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

**MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.**

**AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.**

## 14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

### 14.3.2 Applications by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(i) You must be one (1) of the following:

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) You must not be a director or employee of our Issuing House or an immediate family member of a director or employee of Issuing House; and

(iii) You must submit Applications by using only one (1) of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

### 14.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated Issue Shares. The Eligible Persons must follow the notes and instructions in the said document and where relevant, in this Prospectus.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Issuing House, AIS, participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

## 14.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.33 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 816"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

## 14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one (1) of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

**Tricor Investor & Issuing House Services Sdn Bhd**
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No, 8, Jalan Kerinchi, 59200 Kuala Lumpur

so as to arrive not later than 5:00 p.m. on 14 January 2026 or by such other time and date specified in any change to the date and time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Forms to our Issuing House.

### 14.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only **Malaysian individuals** may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

### 14.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only **Malaysian individuals** may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, Malayan Banking Berhad, Public Bank Berhad, RHB Bank Berhad, CGS International Securities Sdn Bhd, Hong Leong Investment Bank Berhad, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Moomoo Securities Malaysia Sdn Bhd, TA Securities Holdings Berhad and UOB Kay Hian (M) Sdn. Bhd. (formerly known as UOB Kay Hian Securities (M) Sdn Bhd). A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

## 14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

### 14.7 AUTHORITY OF OUR BOARD AND ISSUING HOUSE

The Issuing House on the authority of our Board reserves the right to:

(i) reject Applications which:

(a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

(b) are illegible, incomplete or inaccurate; or

(c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 14.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of our Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

### 14.8 OVER/UNDER SUBSCRIPTION

In the event of over-subscription, our Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by our Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website at http://srmy.vistra.com within one (1) Market Day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest or any share of revenue or benefits arising therefrom) and if such monies are not returned in full within 14 days after our Company becomes liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

In the event of an under-subscription of our IPO Shares, subject to the underwriting arrangements and reallocation as set out in Section 4.1.5 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriters based on the terms of the Underwriting Agreement.

## 14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

### 14.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

#### 14.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House as per items (i) and (ii) above (as the case may be).

(iv) Our Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

#### 14.9.2 For applications by way of Electronic Share Applications and Internet Share Applications

(i) Our Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within two (2) Market Days after the receipt of confirmation from our Issuing House.

(ii) You may check your account on the fifth ($5^{th}$) Market Day from the balloting date.

## 14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by our Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from our Issuing House.

### 14.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

(i) our IPO Shares allotted to you will be credited into your CDS account.

(ii) a notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) in accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our Issue Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Issue Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

### 14.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

| Mode of application | Parties to direct the enquiries |
|---|---|
| Application Form | Issuing House Enquiry Services at telephone no. +603 2783 9299 |
| Electronic Share Application | Participating Financial Institution |
| Internet Share Application | Internet Participating Financial Institution, Participating Securities Firms or Authorised Financial Institution |

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at http://srmy.vistra.com, one (1) Market Day after the balloting date.

You may also check the status of your Application at the above website, five (5) Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.