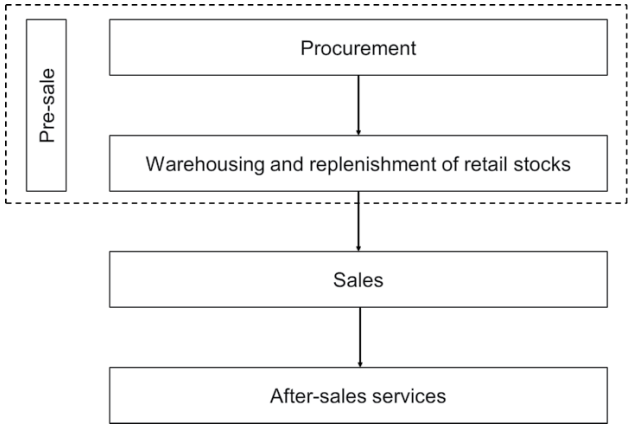
7.4 BUSINESS PROCESS

7.4.1 Retail and trading

The process flow of retail and trading principal activity is as depicted below:



(i) Pre-sale

Procurement

The responsibilities of our procurement/purchasing departments include acquiring new products and replenishing existing stock. To achieve this, they source and evaluate potential suppliers for both new and existing product lines. Additionally, they discuss pricing terms and purchase volumes with these suppliers prior to procurement. Supplier selection is determined by several key factors, including product quality, pricing, lead time, and the availability of after-sales services.

(a) New products

When sourcing for new products or updating our product range, we will actively participate in local and overseas trade shows and exhibitions as well as engage with our suppliers to gain insights into the latest trends. At the same time, our business development ("**BD**") team comprising employees from our sales and marketing department, and our procurement/purchasing departments will conduct secondary research on products on the market, and analyse our Group's sales data. We will monitor the latest market trends, such as the introduction of new product functions, changes in consumer preference, and the trending designs for furniture fit-out and renovations. Once potential new products are identified, our BD team and our procurement/purchasing department will engage with our suppliers to begin sourcing for products that meet our product needs. Subsequently, our suppliers will provide us with samples of these products.

Upon receipt of the samples, the samples are sent to the BD team for trial and testing. The trial and testing process involves inspection of product quality and functionality, as well as trial installation within our retail outlets to determine its practical application. Upon completion of the trial and testing process and confirmation of suitability, our BD team will issue a purchase request to the procurement/purchasing department to order the products.

(b) Existing products

For our retail outlets, our Autocount system (i.e., our accounting software that has stock management function) has been programmed to monitor inventory levels and provide alerts if the stock of a product has gone below the minimum inventory level. For clarity, the minimum inventory level differs for each product stocked. When the stock of a product falls below the minimum inventory level, our Autocount system will notify the person in charge at the retail outlet who will then put in a request with the procurement/purchasing department to place order for the product.

For our trading and value-added business segments, our Autocount system collects sales data which can be analysed to generate stock forecasts for our procurement/purchasing department. Our procurement/purchasing department will then use the stock forecasts as reference to order cost-efficient quantities of products to supply our trading customers. Once purchase quantities are confirmed, the procurement/purchasing department will then issue purchase orders to our suppliers, which may be either local or overseas suppliers.

When we procure our products from overseas suppliers, our products will be shipped by our suppliers in either CIF terms or FOB terms. Under CIF terms, the cost of insurance and shipping will be borne by our supplier. Meanwhile, under FOB terms, the cost of insurance and shipping will be borne by our Group.

The lead time from placing an order to the delivery of the ordered products from our suppliers typically range from 14 to 60 days depending on the type of product. As we carry a large number of SKUs, we generally engage our suppliers to undertake QC inspections to ensure that the products meet our Group's standards. The QC inspection typically includes, amongst others, inspections on the product's functionality and visual inspections of the product's surface and packaging.

Warehousing and replenishment of retail stocks

Upon receiving the products at our warehouse, our warehouse department will perform QC checks according to our QC check forms. The QC checks include, amongst others, inventory count, visual inspection on product packaging, and random sampling tests whereby the products are taken out of the packaging and inspected for defects. If the products received are not in accordance with our purchase order and/or if there are product defects, we will document such issues in the QC check form which is then sent to the procurement/purchasing department. The procurement/purchasing department will then notify our suppliers for replacement of the defected products. Once the products are accepted by our warehouse department, they will be stored and the inventory levels updated in our Autocount system.

When a store manager places a replenishment order, a picking list is generated and our warehouse department will proceed to select the required products and product quantities. An outgoing QC check is conducted to ensure that the picked products match the quantity and type specified in the order list. The products will then be dispatched by our in-house logistics team to the respective retail outlets.

Upon receipt of products, the retail outlet staff will carry out incoming QC checks, namely inventory count and visual inspection, on the products before stocking them. Any defects or discrepancies with the incoming products will be communicated to our procurement/purchasing department.

7. BUSINESS OVERVIEW *(Cont'd)*

(ii) Sales

(a) Retail outlets

The displays in our retail outlets provide our customers with opportunities to observe and interact with our products, which is important especially for our kitchen and home appliances product range.

For smaller products in our retail outlets, our customers will select and purchase the required products on-site. For larger products or products that are not kept in-store, the customer will place an order with us which is then forwarded to our procurement/purchasing department for processing. Subsequently, the customer can select between delivery of products to their specified location or arrange for pick-up from our premises.

(b) Trading and value-added

Aside from our retail outlets, we also receive orders directly from our customers for our trading and value-added segment. We generally do not have outlets for this segment.

For products sold under this segment, our warehouse department is responsible for picking the required products and quantities as well as carrying out outgoing QC checks on the products according to our customers' orders. Subsequently, the customer can select between delivery of products to their specified location or arrange for pick-up from our premises.

(c) E-commerce sites

Similar to the trading and value-added segment, our warehouse department is responsible for picking the required products and quantities as well as carrying out outgoing QC checks on the products according to our customers' orders, then arranging for delivery to customers. Subsequently, the products are delivered by either our in-house logistics fleet or a third-party logistics services provider to our customers.

(iii) After-sales services

Upon receiving the products, our customers will inspect them. If damage, defects, or order discrepancies are identified, customers can contact our customer service team through our general line, email, Telegram channel, or Lazada, Shopee and TikTok Shop chat channels. We will respond within 24 hours of receiving such feedback.

Generally, we offer replacement and return options for purchases made at our retail outlets and online shops. Our replacement and return policy allows our retail and trading customers to replace or return products within 14 days of receipt. For our trading customers, we will provide replacements or allow for returns of the defected, damaged, or incorrect products upon investigation of the cause of such issues.

Our customer service team will be responsible for responding to and rectifying the issues faced by our customers. They will assess the request for product replacements or returns and process them together with our warehouse department.

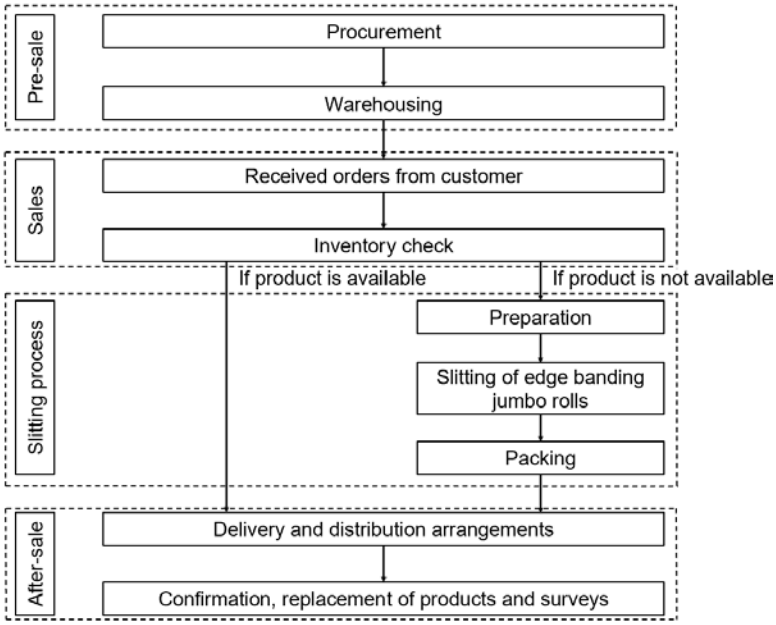
Upon a customer's return visit to our premises, whether for product replacements, returns, or to purchase additional products, we engage with them to survey their satisfaction and collect feedback regarding their prior purchase and service experience. The insights gained from these feedback drive future improvements to our products and services.

7. BUSINESS OVERVIEW *(Cont'd)*

7.4.2 Value-added activities

7.4.2.1 Slitting of edge banding jumbo rolls

The process flow for slitting of edge banding jumbo rolls is as depicted below:



(i) Pre-sale

Procurement

The responsibilities of our procurement/purchasing departments include acquiring new edge banding products and replenishing existing stock. To achieve this, they source and evaluate potential suppliers for both new and existing products. Additionally, they discuss pricing terms and purchase volumes with these suppliers prior to procurement. Supplier selection is determined by several key factors, including product quality, pricing, lead time, and the availability of after-sales services.

(a) New products

When sourcing for new products or updating our product range, we will actively participate in local and overseas trade shows and exhibitions as well as engage with our suppliers to gain insights into the latest trends. At the same time, our BD team, comprising employees from our sales and marketing department, and our procurement/purchasing departments will conduct secondary research on edge banding products on the market and analyse our Group's sales data. We will monitor the latest market trends, such as the introduction of new product designs, as well as changes in consumer preference. Once potential new products are identified, our BD team and our procurement/purchasing department will engage our suppliers to begin sourcing for products that meet our product needs. Subsequently, our suppliers will provide us with samples of the products.

Upon receipt of the samples, the samples are sent to the BD team for trial and testing. The trial and testing process involves inspection of product quality and functionality. Upon completion of the trial and testing process and confirmation of suitability, the products will be added to our product list. Subsequently, the BD team will issue a purchase request to the procurement/purchasing department to procure the products.

(b) Existing products

Our Autocount system collects sales data which can be analysed to generate stock forecasts for our procurement/purchasing department. Our procurement/purchasing department will then use the stock forecasts as reference to order cost-efficient quantities of products to supply our retail outlets and trading customers. Once purchase quantities are confirmed, the procurement/purchasing department will then issue purchase orders to our suppliers, which may be either local or overseas suppliers.

When we procure our products from overseas suppliers, our products will be shipped by our suppliers in either CIF terms or FOB terms. Under CIF terms, the cost of insurance and shipping will be borne by our supplier. Meanwhile, under FOB terms, the cost of insurance and shipping will be borne by our Group.

The lead time from placing an order to the delivery of ordered products from our suppliers typically range from 14 to 60 days. As we have various types of edge banding that we carry, we generally engage our suppliers to undertake QC inspections to ensure that the products meet our Group's standards. The QC inspection typically includes, amongst others, visual inspection on the product's surface, colour of the edge banding, and cutting surface as well as packaging. For clarity, we will undertake QC inspection when the edge banding products arrive at our warehouse, during slitting, and prior to delivery.

Warehousing

Upon receiving the products at our warehouse, our warehouse department will perform QC checks according to our QC check forms. The QC checks include, amongst others, inventory count, visual inspection on product packaging, and random sampling tests whereby the products are taken out of the packaging and inspected for defects. If the products received are not in accordance with our purchase order and/or if there are product defects, we will document such issues in the QC check form which is then sent to the procurement/purchasing department. The procurement/purchasing department will then notify our suppliers for replacement of the defected products. Once the products are accepted by our warehouse department, the products will be stored and the inventory levels updated in our Autocount system.

7. BUSINESS OVERVIEW *(Cont'd)*

(ii) Sales

Receive orders from customer

Upon receiving an inquiry from our customers for edge banding products, we will provide our customer with a list of edge banding products with information on colour, material, and size. Our customers will then confirm their type and width of edge banding they require. The widths of edge banding that we produce typically range from 12mm to 55mm.

Inventory check

Upon receipt of customer orders, we will check if the specific type of edge banding required is available. If the customer orders a product we do not typically stock, we will first procure the specific jumbo edge banding roll. For products we have in stock, we will issue a work order for the slitting of the jumbo edge banding roll.

(iii) Slitting process

Upon receiving a work order, we will prepare the required edge banding jumbo roll. The edge banding jumbo rolls we procure are usually 620mm wide and 400m long (when unrolled). We will then set the required dimensions on the slitting machine, which ranges from 12mm to 55mm based on our customers' needs. The edge banding jumbo roll is loaded onto one end of the slitting machine before being fed through rollers whereby the edges are aligned for slitting. The slitting machine is equipped with multiple blades that simultaneously slit the edge banding jumbo roll into smaller widths. The smaller widths of edge banding are pulled through and coiled into individual rolls. An illustration of the slitting process is shown below.



We will then undertake QC inspection on the surface and width of the edge banding. Generally, a tolerance of one to two mm is provided regarding the width of the edge banding.

The remainder of the jumbo edge banding roll is stored in our storage area while the customers' product is packed, labelled, and stored in the outgoing area pending delivery or collection.

(iv) After-sales services

Delivery and distribution arrangements

We will arrange delivery, either through our in-house logistics fleet or by third-party logistics services providers, of the edge banding for our customers to their specified location. For delivery, we will confirm our customer's details such as location, delivery date and time.

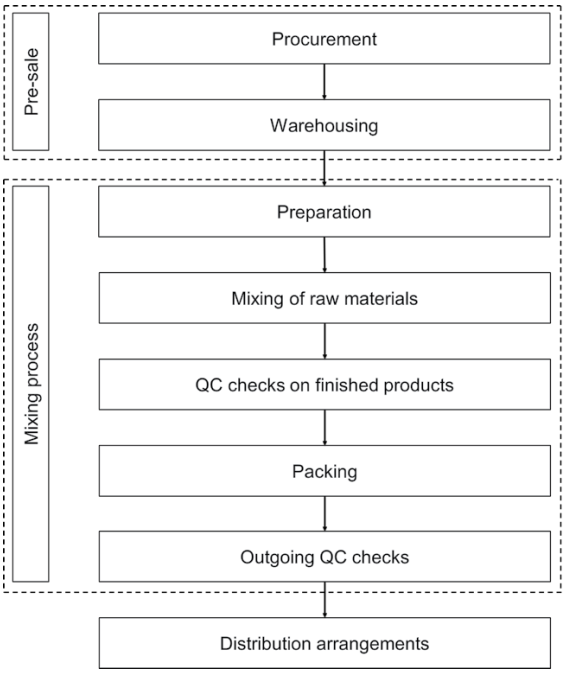
Confirmation, replacement of products and surveys

Upon delivery of products to our customer, they will carry out inspections on their products. If any issues are identified, the customer will notify our employees directly or notify us through our general line. Generally, our replacement and return policy allows our customers to replace or return products within 14 days of receipt. We will provide replacements or allow for returns of the defected, damaged, or incorrect products upon investigation of the cause of such issues.

Upon a customer's return visit to our premises, whether for product replacements, returns, or to purchase additional products, we engage with them to survey their satisfaction and collect feedback regarding their prior purchase and service experience. The insights gained from these feedback drive future improvements to our products and services.

7.4.2.2 Mixing and sale of coatings and solvents

The process flow for mixing and sale of coatings and solvents is as depicted below:



(i) Pre-sale

Procurement

We generally keep stock of raw materials such as additives, resin, and colour pigments as well as labelling and packaging materials such as bottles, tin cans and drums in our warehouse.

Our Autocount system (i.e., our accounting software that has stock management function) has been programmed to monitor inventory level and provide alerts if the stock of a raw material falls below the minimum inventory level, where it will notify our employees who will then put in a request with the procurement/purchasing department to place an order for the raw material.

Warehousing

Upon receiving the raw material at our factory, our team will carry out QC checks according to our QC check forms that comprise stock count and type of raw material. If the raw materials received are not in accordance with our purchase order and/or if there are product defects, we will document such issues in the QC check form which is then sent to the procurement/purchasing department. The procurement/purchasing department will then notify our suppliers for replacement of the defected products. Once the products are accepted by our warehouse department, the products will be stored and the inventory levels updated in our Autocount system.

(ii) Mixing and sale process

Our coating and solvent products are sold at our retail outlets as well as at Best-Can's facility. We mix and maintain a stock of our frequently sold coating and solvent products which we will replenish when the stock goes below the minimum inventory level.

Preparation

Upon receiving a work order for a new batch of coating and solvent products, we will prepare the necessary raw materials based on the type of product that is needed.

Mixing of raw materials

The prepared raw materials are then added into a mixing machine and mixed. This ensures a uniformly blended product.

QC checks on finished products

We will inspect the finished product's properties to ensure that they meet the required standards. For solvents, we check for product clarity, compatibility, drying rate, and dissolvability. For coatings, we check the viscosity, colour, glossiness and adhesion to the surface.

Products that do not pass the QC checks will be reworked. Paints will be mixed into a darker colour while other coatings and solvents will be mixed with additional raw materials to achieve the required standards. Products that pass the QC checks will proceed to be packed.

Packing and storage

The finished products are then packed into various types of containers such as drums, pails, tin cans, and bottles. The containers are then labelled and stored accordingly.

(iii) Delivery

A picking list is generated and we will proceed to select the required products and product quantities. An outgoing QC check is conducted to ensure that the products picked match the quantity and type from the order list.

The outgoing QC checks include, amongst others, inventory count, visual inspection on product packaging, as well as inspection on the weight and volume of the products. The products are then dispatched by our in-house logistics team to our customers in Johor, or to our Lake 6 Premise and Taman Mas Warehouse. For customers that opt to collect their orders from our facility, their orders are stored in the outgoing area pending collection.

Upon receipt of products at our warehouse, our warehouse department will carry out incoming QC checks on the products before storing them or preparing them for onward delivery to the 'Teamstar' retail outlets or customers in the central region.

7.5 COMPETITIVE STRENGTHS

7.5.1 We have a wide range of products

We offer a wide selection of products, ranging from furniture fittings, general hardware, edge banding, and decorative surface products, to kitchen and home appliances as well as coatings and solvents that are sold to retail and trading customers. As at the LPD, we have approximately 27,800 SKUs of products covering both our retail and trading and value-added segments. Additionally, we also sell products under our 11 in-house brands, namely 'Reno', 'Hauss', 'A'Lois', 'E'Lois', 'Bramah', 'team', 'DGTango', 'Eracoat', 'Best-Can', 'Bee's Chem', and 'Bull Chem', all of which have been registered as trademarks with MyIPO.

We believe that by having a wide range of products, we are able to better serve our customers, such as carpenters, contractors, interior designers, and homeowners, as we can provide convenience by offering complementary products to be fitted in homes. Additionally, having a wide range of products allows for more choices for our customers.

We also believe that by having our in-house brands, we will be able to strengthen our market presence and enhance brand recognition among our customers and the general public.

7.5.2 We have an established track record

We have a track record of approximately 30 years in the home improvement industry in Malaysia since the incorporation of Scanteam in 1996 and the separation of its businesses into Best-Can and Teammart, the establishment of Teamstar Solutions, as well as acquisitions of DG Materials and Benova. Starting with furniture fittings, we have since grown to offer products such as kitchen and home appliances, edge banding, as well as coatings and solvents. Our continued presence in the home improvement industry in Malaysia and track record established over the years has enabled us to continue attracting customers and build a loyal customer base.

7.5.3 We are led by an experienced and knowledgeable Key Senior Management team

Our Group is led by Tan Lee Kueng, our founder and our Group CEO, who has approximately 43 years of experience in the home improvement industry in Malaysia. He has played a key role in the growth of our Group since its commencement as a trader of furniture fittings to now having retail presence throughout Peninsular Malaysia. He is supported by the Executive Director of Teamstar and Managing Director of the Teamstar Solutions Group, Ng Choon Tiong who has approximately 33 years of experience in the home improvement industry in Malaysia. They are in turn supported by our COO, Yeoh Chuen Teik, who has approximately 21 years of experience in the home improvement industry in Malaysia, as well as our CFO, Tan Jian Wei, who has approximately six years of experience in financial and accounting functions. Hence, we believe that the experience of our Key Senior Management will allow us to successfully execute our future plans and continuously grow our business operations.

7.5.4 We have an extensive presence throughout Peninsular Malaysia

Since the establishment of our first retail outlet in 2008, we have established a network of retail outlets across Peninsular Malaysia. As at the LPD, we operate 28 'Teamstar' retail outlets and one 'Benova' retail outlet, allowing us to reach a large base of customers across a wide geographical area. Our network of retail outlets also helps to boost the visibility of our brand name and improve accessibility to our products.

Keeping our various 'Teamstar' retail outlets stocked also enables us to purchase products in bulk, thereby spreading our costs over a larger number of outlets, and benefit from economies of scale. This allows us to offer more products at competitive prices to our customers, possibly attracting more customers and gaining further brand recognition.

Aside from our retail outlets, our business activities are supported by two factories and nine warehouses.

As part of our future plans, we intend to continue expanding our network of retail outlets and establish three new warehouses to further increase our reach and product range. Further details of our business strategies and future plans are set out in Section 7.20 of this Prospectus.

7.6 TYPES, SOURCES AND AVAILABILITY OF SUPPLIES

The following are the breakdown of the inputs purchased by our Group for the FYE Under Review and FPE 2025:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Furniture fittings								
- Decorative surface products	20,203	31.07	23,231	30.59	27,666	30.90	18,922	30.03
- Other furniture fittings	19,921	30.63	21,957	28.92	29,958	33.46	21,007	33.34
	40,124	**61.70**	**45,188**	**59.51**	**57,624**	**64.36**	**39,929**	**63.37**
General hardware	12,271	18.87	16,378	21.57	17,504	19.55	13,442	21.34

7. BUSINESS OVERVIEW *(Cont'd)*

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Kitchen and home appliances	3,847	5.92	4,349	5.73	4,712	5.26	3,183	5.05
Raw materials for coatings and solvents								
- Raw materials for solvents	6,713	10.32	8,164	10.75	7,790	8.70	4,175	6.63
- Raw materials for coatings	119	0.18	148	0.19	166	0.19	1,184	1.88
- Other solvents	561	0.86	1	*	10	0.01	127	0.20
	7,393	**11.36**	**8,313**	**10.94**	**7,966**	**8.90**	**5,486**	**8.71**
Packaging materials	1,397	2.15	1,706	2.25	1,732	1.93	963	1.53
Total purchases	**65,032**	**100.00**	**75,934**	**100.00**	**89,538**	**100.00**	**63,003**	**100.00**

Note:

* *Negligible*

Our major purchases are finished goods, comprising furniture fittings, general hardware, and kitchen and home appliances, which contribute to approximately 86.49%, 86.81%, 89.17% and 89.76% of our total purchases for the FYE Under Review and FPE 2025, respectively. Among the finished goods, the furniture fittings product range includes decorative surface products such as edge banding products, HPL, and compact laminates as well as other furniture fittings such as home improvement organisers, general furniture fittings, door accessories and electrical fittings.

Aside from finished goods, we also purchase raw materials for our value-added activity of mixing and sale of coatings and solvents which contributed approximately 11.36%, 10.94%, 8.90% and 8.71% of our total purchases for the FYE Under Review and FPE 2025, respectively. Such raw materials include raw materials for solvents such as toluene, butyl acetate, and butyl cellosolve, raw materials for coatings such as alkyd resin, amino resin, and talc powder, and other solvents. In addition, we also purchase packaging materials for packaging purposes which contributed 2.15%, 2.25%, 1.93% and 1.53% of our total purchases for the FYE Under Review and FPE 2025, respectively.

For the FYE Under Review and FPE 2025, we have not experienced any difficulties in sourcing our key inputs, nor have we experienced interruption in the supply of our key inputs.

7.7 OPERATING CAPACITY, OUTPUT AND STORAGE

7.7.1 Operating capacity and output

Our estimated capacity, actual output, and utilisation rate is based on the capacity of our mixing of coatings and solvents, and slitting of edge banding jumbo rolls.

(i) Mixing of coatings and solvents

We have two mixing stations in our Johor Premise:

(a) Mixer station: Capable of producing up to 1,880 litres per day based on eight operating hours per day. Based on 24 working days per month and 12 months per year, the estimated annual capacity for the mixer station is approximately 541,440 litres per year. As for the FPE 2025, the estimated capacity of the mixer station for a nine-month period is approximately 406,080 litres. The mixers are used to mix coatings including paints.

(b) Tanker station: Capable of producing up to 6,392 litres per day based on eight operating hours per day. Based on 24 working days per month and 12 months per year, the estimated annual capacity for the tanker station is approximately 1,840,896 litres per year. As for the FPE 2025, the estimated capacity of the tanker station for a nine-month period is approximately 1,380,672 litres. The tankers are used to mix solvents such as thinner and turpentine.

Our estimated capacity, actual output, and utilisation rate for the mixing of coatings and solvents for the FYE 2024 and FPE 2025 is as follows:

	Estimated capacity[(1)]	**Actual output[(2)]**	**Utilisation rate**
	litres	**litres**	**%**
FYE 2024	2,382,336	1,949,564	81.83
FPE 2025	1,786,752	1,507,966	84.40

Notes:

(1) Estimated capacity is calculated by adding up the capacity of the mixers and tankers for the respective financial year/period.

(2) The actual output is based on the volume of coatings and solvents produced, which is determined by the number of filled containers of fixed volumes for the respective financial year/period.

The breakdown of the actual output of our products, by coatings and solvents, for the FYE 2024 and FPE 2025 is as follows:

	FYE 2024	
Product category	**Actual output**	**Contribution**
	litres	**%**
Coatings	327,893	16.82
Solvents	1,621,761	83.18
Total	**1,949,654**	**100.00**

	FPE 2025	
Product category	**Actual output**	**Contribution**
	litres	**%**
Coatings	200,681	13.31
Solvents	1,307,285	86.69
Total	**1,507,966**	**100.00**

(ii) Slitting of edge banding jumbo rolls

We undertake the slitting of edge banding jumbo rolls in our Teammart (Puchong) Premise whereby we cut the edge banding jumbo rolls, which are usually 620mm wide and 400m long, into various widths ranging from 12mm to 55mm, depending on our customers' needs.

Our Group's slitting capacity is dependent on the speed of the slitting machines, the time taken to load and unload the slitting machines, and the time taken to secure the individual rolls of edge banding. We can slit approximately 18 edge banding jumbo rolls per day based on eight operating hours per day. Based on 24 working day per month and 12 months per year, the estimated annual capacity is approximately 5,184 edge banding jumbo rolls. As for the FPE 2025, the estimated slitting capacity for a nine-month period is approximately 3,888 edge banding jumbo rolls.

Our estimated capacity, actual output, and utilisation rate for the slitting of edge banding jumbo rolls for the FYE 2024 and FPE 2025 is as follows:

	Estimated capacity	**Actual output**	**Utilisation rate**
	jumbo rolls	**jumbo rolls**	**%**
FYE 2024	5,184	3,592	69.29
FPE 2025	3,888	2,683	69.00

7.7.2 Storage capacity

As at the LPD, we have nine warehouses to support our retail and trading, and value-added operations. The utilisation rates of our warehouses as at 31 December 2024 and 30 September 2025 are as follows:

As at 31 December 2024

Warehouse	Storage area	Capacity[(1)]	Usage[(2)]	Utilisation rate
	sq. ft.			%
Selangor				
Lake 6 Premise[(3)]	6,384	430	346	80.47
Taman Mas Warehouse	2,275	150	65	43.33[(4)]
Sungai Buloh Premise[(3)]	11,760	756	697	92.20
Johor				
Johor Premise[(3)]	26,589	2,380	1,455	61.13
Mount Austin Warehouse	3,120	104	43	41.35[(5)]
Total	**50,128**	**3,820**	**2,606**	**68.22**

As our Group's Teammart (Puchong) Premise and Valdor Warehouse commenced operations in 2025, we did not undertake any warehousing activities at the said premise in FYE 2024.

As at 30 September 2025

Warehouse	Storage area	Capacity[(1)]	Usage[(2)]	Utilisation rate
	sq. ft.			%
Selangor				
Lake 6 Premise[(3)]	6,384	430	418	97.21
Taman Mas Warehouse	2,275	150	70	46.67[(4)]
Sungai Buloh Premise[(3)]	11,760	756	595	78.70
Teammart (Puchong) Premise[(3)]	2,275	150	86	57.33
Johor				
Johor Premise[(3)]	26,589	2,380	1,558	65.46
Mount Austin Warehouse	3,120	104	59	56.73[(5)]
Penang				
Valdor Warehouse	5,640	290	265	91.38
Total	**58,043**	**4,260**	**3,051**	**71.62**

Notes:

(1) Calculated based on the maximum number of pallets which could be stored in our warehouse's storage area.

(2) Calculated based on the actual number of pallets utilised.

(3) The storage area for the Lake 6 Premise, Sungai Buloh Premise, Teammart (Puchong) Premise and Johor Premise only include their respective warehouse area.

(4) Taman Mas Warehouse is used as a transit point to store coatings and solvents produced at the Johor Premise which are then distributed onwards to our Group's 'Teamstar' retail outlets or delivered to our customers.

(5) Mount Austin Warehouse is used as a transit point to store decorative surface products delivered from the Sungai Buloh Premise which are then distributed onwards to our customers.

As our Group's New Teammart (Muar) Premise and Meranti Jaya Warehouse only commenced operations mid-September 2025 and early December 2025, respectively, we did not undertake any warehousing activities at the said premises in FPE 2025.

7.8 SALES AND MARKETING

Our sales and marketing activities is spearheaded by our Executive Directors, Tan Lee Kueng and Ng Choon Tiong, who are supported by 36 employees. They are responsible for carrying out sales and marketing activities, providing after-sales services, as well as serving and attending to enquiries from our existing and potential customers.

The sales and marketing strategies of our Group are as follows:

(i) Direct approach

To reach our target customers for the trading and value-added segment (i.e., interior designers, carpenters, furniture manufacturers and distributors, and hardware stores who may have their own offices, workshops, or factories), our sales and marketing team employs a direct approach by visiting them on-site. Our sales and marketing team will also update our existing customers when we introduce new products and maintain business relationships with our customers to sustain growth in our business.

(ii) Publication of product catalogues

A key sales and marketing tool for our Group is our product catalogue, featuring product pictures and details such as dimensions and material, that allow existing and potential customers to experience realistic colour and design of our product offerings. We review and update our catalogues every one to two years to include the latest designs and new product introductions. We prepare separate catalogues for our distinct business segments.

(iii) Digital marketing

We also undertake digital marketing by maintaining social media accounts on platforms such as Facebook, TikTok, and Instagram. Our products are also marketed and sold on e-commerce sites namely Shopee, Lazada and TikTok Shop.

(iv) Websites

We maintain several websites for our different business activities namely https://www.teamstar.com.my/ (Teamstar Solutions), https://teammart.my/ (Teammart), and https://dgtango-hpl.com/ (DG Materials). These websites provide our existing and potential customers with access to our product information as well as details of our retail outlets. Our customers will also be able to enquire or contact us directly through our websites.

(v) Trade shows and exhibitions

Through our participation in trade shows and exhibitions, we aim to introduce our products and services, enhance our market presence, and build a stronger reputation within the home improvement industry. Through our participation in these events, we are able to identify potential customers, as well as keep abreast with the industry's latest trends. Events in which our Group has participated during the FYE Under Review and FPE 2025 include Archidex, HOMEDEC, BIG HOME Expo, Modern Living Home Expo, and HOMElove Home & Living Expo.

(vi) Loyalty programme

We provide membership loyalty programme for our 'Teamstar' retail customers. The 'Teamstar' loyalty programme is free to sign up and members will be able collect points from their purchases of selected products. Members earn one point per RM1 spent. Points can be redeemed in-store for cash discount once the member has accumulated a minimum of 5,000 points. Members can only redeem the cash discount in multiples of RM50. Member points are valid for 24 months after the date of accumulation. In addition, we give out vouchers and free gifts during promotional campaigns to our active members. As at the LPD, we have 16,659 active members.

7.9 TOP 5 CUSTOMERS

Our customers comprise both retail customers, which are mostly walk-in customers, and trading customers. Due to the nature of our products and services, none of our retail or trading customers contributed more than 2.00% of our total revenue for the FYE Under Review and FPE 2025, and as such, we do not have major customers nor are we dependent on any of our customers.

For the FYE Under Review and FPE 2025, we served a total of 977, 972, 1,246, and 1,318 trading customers, respectively.

7.10 TOP 5 SUPPLIERS

Our top 5 suppliers for the FYE Under Review and FPE 2025 are as follows:

FYE 2022

Supplier	Country	Type of products and services	Length of relationship as at FYE 2022	Purchases	% of our Group's total purchases
			Years	**RM'000**	
Guangzhou G&P New Composite Material Co Ltd	PRC	HPL	2	4,532	6.97
Hangzhou Lin'an Migo Import & Export Co Ltd	PRC	HPL	3	4,520	6.95
Big Tree Resources Sdn Bhd	Malaysia	Furniture fittings	Less than 1 year	4,035	6.20
Dongguan Qiaotou Chuangyi Decoration Material Factory	PRC	Edge banding	11	3,765	5.79
Virgo Laminates Pte Ltd *(formerly known as Virgo Pacific Pte Ltd)* ("**Virgo Laminates**")*	India	HPL	3	2,959	4.55
			Subtotal	**19,811**	**30.46**
			Total Purchases	**65,032**	**100.00**

FYE 2023

Supplier	Country	Type of products and services	Length of relationship as at FYE 2023	Purchases	% of our Group's total purchases
			Years	**RM'000**	
Guangzhou G&P New Composite Material Co Ltd	PRC	HPL	3	6,168	8.12
Big Tree Resources Sdn Bhd	Malaysia	Furniture fittings	1	6,143	8.09
Hangzhou Lin'an Migo Import & Export Co Ltd	PRC	HPL	4	5,218	6.87
Hyshen Link Sdn Bhd	Malaysia	Furniture fittings	1	3,474	4.58
Dongguan Qiaotou Chuangyi Decoration Material Factory	PRC	Edge banding	12	3,433	4.52
			Subtotal	**24,436**	**32.18**
			Total Purchases	**75,934**	**100.00**

FYE 2024

Supplier	Country	Type of products and services	Length of relationship as at FYE 2024	Purchases	% of our Group's total purchases
			Years	**RM'000**	
Hyshen Link Sdn Bhd	Malaysia	Furniture fittings	2	8,258	9.22
Guangzhou G&P New Composite Material Co Ltd	PRC	HPL	4	6,857	7.66
Virgo Laminates*	India	HPL	5	6,070	6.78
Big Tree Resources Sdn Bhd	Malaysia	Furniture fittings	2	4,945	5.52
Dongguan Qiaotou Chuangyi Decoration Material Factory	PRC	Edge banding	13	4,014	4.48
			Subtotal	**30,144**	**33.66**
			Total Purchases	**89,538**	**100.00**

7. BUSINESS OVERVIEW *(Cont'd)*

FPE 2025

Supplier	Country	Type of products and services	Length of relationship as at FPE 2025	Purchases	% of our Group's total purchases
			Years	**RM'000**	
Hyshen Link Sdn Bhd	Malaysia	Furniture fittings	3	6,102	9.69
Guangzhou G&P New Composite Material Co Ltd	PRC	HPL	5	3,972	6.30
Virgo Laminates*	India	HPL	6	3,372	5.35
Dongguan Qiaotou Chuangyi Decoration Material Factory	PRC	Edge banding	14	3,282	5.21
Jiangsu Jiutang New Material Technology Co Ltd	PRC	HPL	3	2,589	4.11
			Subtotal	**19,317**	**30.66**
			Total Purchases	**63,003**	**100.00**

Note:

* *Although Virgo Laminates is located in Singapore, the country of origin of the goods is from India.*

Based on the table above, none of our suppliers contributed more than 10.00% of our total purchases for the FYE Under Review and FPE 2025, and as such, we do not have major suppliers nor are we dependent on any of our suppliers.

For the FYE Under Review and FPE 2025, we sourced products and services from 148, 147, 157, and 152 suppliers, respectively.

7.11 SEASONALITY OF BUSINESS

Our Group usually experiences higher demand for products and services during the period leading up to festive seasons as people commonly undertake renovation or refurbishment projects before these festive celebrations.

7.12 TECHNOLOGY USED

Technology used	Description
Autocount	A business management software that assists our Group in managing accounting functions, managing inventory, support our sales and purchase orders, managing our point-of-sales, as well as e-commerce transactions.

7.13 QUALITY CONTROL

We believe that QC plays an important part in our business as it ensures that the products we source and sell are of quality and meet our required standards.

The QC procedures conducted by our Group for our retail and trading activities are as follows:

Stage	QC activities
Warehousing	Upon receiving products at our warehouse, our warehouse department will carry out QC checks according to our QC check forms. Stock count will be performed to verify the quantity of products as well as visual inspection on packaging to ensure that there are no apparent damage or error on the label. We will also carry out random sampling test to randomly select products and test on their functionality or properties to ensure that there are no defects or discrepancies. If any defects or discrepancies are identified, our warehouse department will document it in the QC check form and forward it to our procurement/purchasing departments for further action.
Delivery to retail outlets and customers	After a delivery order or purchase order is received, a picking list is prepared and provided to our warehouse department for them to pick and pack the necessary products for delivery. They then perform QC inspection on the outgoing items, ensuring that the product quantity and type matches the picking list, and undertaking random sampling checks to check for defects or damages. Defected or damaged products will be replaced for the order, while concurrently reported to our procurement/purchasing departments for further action. Upon receipt of the products at our retail outlets, our employees will undertake incoming QC inspection on the items, ensuring that the product quantity and type matches with the picking list, before stocking them accordingly. If any defects or discrepancies are identified, our employees will document it and report it to our procurement/ purchasing departments for further action.

Stage	QC activities
Product replacement or returns	Generally, we offer replacement and return options for purchases made at our retail outlets and online shops. Our replacement and return policy allows customers to replace or return products within 14 days of receipt. For our trading customers, we provide replacements for the defected, damaged or incorrect products. Our customer service team will be responsible for responding to and rectifying the issues faced by our customers. They will assess the request for product replacements or returns and process them together with our warehouse department. Upon completion of inspection, we will document a goods return note and replacement product will be provided to our customers.

The QC processes for our value-added activities are as follows:

Stage	QC activities
Incoming QC	We inspect the incoming raw materials for the mixing of coatings and solvents, and the jumbo edge banding rolls to check for visible defects, to check that the product design and colour is as ordered, and to check the quantity against the amount we ordered.
In-process QC	**Slitting of edge banding jumbo rolls** We visually inspect the edge banding that have been slit into the required widths to ensure no defects or damages to the surface of the product. We also inspect the width of the edge banding to ensure that the width is according to the customer's requirements. **Mixing of coatings and solvents** After the coatings or solvents are mixed, we undertake inspection of the product's properties. For solvents, we check for product clarity, compatibility, drying rate, and dissolvability. For coatings, we check the viscosity, colour, glossiness, and adhesion to the surface.
Outgoing QC	After a delivery order or purchase order is received, a picking list is prepared and provided to our warehouse department for them to pick and pack the necessary products for delivery. They then perform QC inspection on the outgoing items, ensuring that the product quantity and type matches with the picking list, and undertaking random sampling checks to check for defects or damages. Defected or damaged products will be replaced for the order, while concurrently reported to our procurement/purchasing departments for further action.

7.14 RESEARCH AND DEVELOPMENT

As we primarily source the products that we sell from third-party suppliers, we do not undertake any research and development activities. We also do not undertake research and development for the mixing of coatings and solvents as the formulation were recommended by our raw material suppliers.

7.15 MATERIAL DEPENDENCY

As at the LPD, our Group is not materially dependent on any contracts, arrangements or any matters that could affect our business or profitability.

7.16 MATERIAL MACHINERY AND EQUIPMENT

The material machinery and equipment used and owned by us are as follows:

Machinery and equipment	Description of use	No. of units as at 30 September 2025	Average age of machinery	Age range of machinery/ equipment as at the LPD	Audited NBV as at 30 September 2025
			Years	Years	RM'000
Forklift	Motor-driven truck used for lifting and moving goods.	29	10	0 to 26	138
Slitting machine	Machine used to cut narrower rolls of edge banding from an edge banding jumbo roll.	2	13	12 to 13	-(1)
Mixers	Used to mix and combine different substances into a uniformly blended product.	11	18(2)	1 to 27	-(1)
Tankers	Used to mix and combine different substances into a uniformly blended product. Usually larger in capacity compared to mixers.	4	21(2)	16 to 25	-(1)

Notes:

(1) The machinery or equipment is fully depreciated or its NBV is less than RM500.

(2) Despite the age, these machineries and equipment have been regularly maintained and are in good operational condition. However, in the event of a replacement becomes necessary, the funding for such replacement will be funded through internally generated funds.

7.17 EMPLOYEES

As at 31 December 2024, we had 245 employees, all of whom are Malaysians. As at the LPD, we have a total of 309 employees, all of whom are Malaysians.

The breakdown of our employees as at 31 December 2024 and the LPD are as follows:

	No. of employees	
Category	**As at 31 December 2024**	**As at the LPD**
Management[(1)]	16	16
Sales and marketing	28	36
Administrative[(2)]	23	25
Branch managers	20	25
Service and support[(3)]	158	207
Total	**245**	**309**

Notes:

(1) Comprises Key Senior Management and middle management.

(2) Comprises finance, human resources, administrative, procurement/purchasing, sales coordinator and credit control employees.

(3) Comprises retail assistants, trainees, lorry drivers, store hands, warehouse employees, store manager and technicians.

Our Group employed one contractual employee as at 31 December 2024 and two contractual employees as at the LPD. These contractual employees have reached the retirement age and as such, are engaged on a fixed-term contract basis as store hands. In addition, none of our employees are part of any unions nor are they parties to any collective agreements. Further, we have not encountered any strikes or other disruptions due to labour disputes.

7.18 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Our Group is committed to act responsibly in our business operations and maintain sound ESG practices, and has implemented and committed to the following ESG practices:

(i) Environment

Our Group is committed to minimise any potential negative impact to the environment arising from our business operations and the measures that we have adopted or plan to adopt are as follows:

(a) Energy management

Our Group's energy savings measures to reduce electricity usage involves equipping our operating facilities and retail outlets with LED lights that are more energy efficient and automatic light sensors to control energy usage, educating our employees on energy saving, and putting up notices to remind employees to switch off lights when not in use.

(b) Water management

Our Group's measures to reduce water usage involves educating our employees on saving water, installing dual-flush water closets to reduce water usage, and putting up memos and signs throughout our facility to remind them of our water-saving initiatives.

(c) Management of scheduled wastes

Our Group's mixing of coatings and solvents involves the use of chemicals, leading to generation of scheduled waste which we are committed to managing responsibly. We maintain regular waste disposal through licensed contractors who comply with the relevant regulations. This ensures the safe handling and disposal of scheduled wastes, meeting all regulatory standards.

(ii) Social

Our Group is committed to provide a safe and healthy working environment, maintain good labour practices and foster the welfare and development of local communities.

(a) Employee safety and health

We are aware of the importance of creating a safe and healthy work environment to our employees. As such, we have designed a HSE manual which provide guidelines for relevant inspection and emergency response and appointed HSE coordinators to oversee the health and safety of our employees within our operations. Our department managers will work closely with the HSE coordinators and carry out quarterly meetings to ensure alignment with our Group's HSE policies. We will also carry out hazard identification, risk assessment, and determine control procedures on an annual basis to reassess the possible operational and occupational risks and relevant preventive measures. This demonstrates our commitment to ensuring the safety and protecting the health of our employees as well as continuous improvement in our HSE policies.

(b) Employee growth and career development

We provide in-house and external trainings to enhance the skills and knowledge of our employees to help them gain experience and pursue career development.

(iii) Governance

Our Board is dedicated to maintaining a high corporate governance standard across our Group with the aim of preserving long-term value for stakeholders.

We have established a Whistleblowing Policy to promote ethical work culture as well as transparency, and confidential ways for stakeholders to raise concerns on any unethical practices/malpractices within our Group. The Whistleblowing Policy will be reviewed annually to ensure relevance to our operations. We have also established an Anti-Bribery & Corruption Policy which sets our clear ethical rules for our Directors, employees, and business partners, including customers, suppliers, and anyone we work with. We have also established security policies to protect our customers' personal data when we collect such data through our day-to-day operations.

Our Board consists of two Executive Directors and four Independent Non-Executive Directors where three of our Board members are female. As such, this shows our compliance with the MCCG which requires our Board to have at least half of our Board members to be independent directors and at least 30.00% of our Board members to be women directors.

In addition, the Chairman of our Board is not a member of the ARMC and NRC, and that the positions of the Chairman of our Board and our Group CEO are being held by different persons.

Our Board recognises the fact that our Group's business environment is dynamic and that our Group's ESG practices are to continuously evolve to keep abreast with the challenging business environment. Therefore, our Board will, and when necessary, direct and formulate initiatives and action plans to further elevate our Group's ESG practices.

Moving forward, the ESG practices of our Group will be disclosed via the Sustainability Statement in our annual report which will be prepared in accordance with the standards and requirements set out in the Sustainability Reporting Guide issued by Bursa Securities.

7.19 INTERRUPTIONS TO BUSINESS AND OPERATIONS

We have not experienced any interruptions to our business and operations during the FYE Under Review, FPE 2025 and up to the LPD that had a material adverse impact on our operations and financial performance.

7.20 BUSINESS STRATEGIES AND FUTURE PLANS

7.20.1 Strengthening our market presence and visibility by establishing new retail outlets

Moving forward, we intend to strengthen our market presence by expanding our network of retail outlets in Malaysia, particularly in Johor, Kedah, Pulau Pinang, as well as Sabah and Sarawak, which will mark our entry into East Malaysia. In determining potential locations for new retail outlets, we will undertake internal studies on demographic factors such as proximity to potential customers such as furniture manufacturers, contractors, and carpenters, proximity to residential areas as well as traffic around the area.

We may either establish a new retail outlet or collaborate with similar businesses with existing retail outlets and rebranding them to our 'Teamstar' outlet by way of business collaborations with local partners through the incorporation of a new entity in the region. The local partners will hold interest in the new entity and will assist our Group in managing the retail outlets. Such local partners are expected to have in-depth understanding of local customers as well as experience in the home improvement industry. As such, these local partners will be able to assist our Group in supervising and managing these retail outlets.

We have allocated approximately RM3.71 million or 10.81% of the proceeds from our Public Issue to establish 10 new retail outlets within 36 months of our Listing. Please refer to Section 4.6 of this Prospectus for more information on our use of proceeds.

7.20.2 Establishing new warehouses

As at the LPD, our business is supported by nine warehouses. Kindly refer to Section 7.7 of this Prospectus for details on the utilisation rate of our warehouses.

In line with our plans to expand our product range and to establish new retail outlets, we anticipate that we will require additional storage space to accommodate the increase in product SKUs and inventory.

The utilisation rates of our existing warehouses located in Selangor, namely the Lake 6 Premise and Sungai Buloh Premise, have exceeded 80.00% and we foresee that any further increase in these utilisation rates may constrain our ability to expand our product SKUs and inventory levels.

In view of the above, we intend to allocate approximately RM19.50 million or 56.82% of the proceeds from our Public Issue towards the establishment of new warehouses, namely Warehouse 1, 2 and 3. Please refer to Section 4.6 of this Prospectus for more information on our use of proceeds.

Warehouse 1 and 2

The estimated timeline for the purchase and operation of Warehouse 1 is as follows:

Timeline	Details
T + 1 month	Execution of sale and purchase agreement for the warehouse acquisition
T + 6 months	Completion of the warehouse acquisition and commencement of renovation of the warehouse
T + 9 months	Completion of renovation of the warehouse
T + 10 months	Commencement of operations at the new warehouse

In addition, the estimated timeline for the purchase and operation of Warehouse 2 is as follows:

Timeline	Details
T + 3 months	Identification of a suitable warehouse and negotiations with the vendor of the warehouse
T + 5 months	Execution of sale and purchase agreement for the warehouse acquisition
T + 10 months	Completion of the warehouse acquisition and commencement of renovation of the warehouse
T + 13 months	Completion of renovation of the warehouse
T + 14 months	Commencement of operations at the new warehouse

Note:

** T refers to the date of our Listing.*

Warehouse 3

We expect to identify the required warehouse and commence renovation by the third quarter of 2026 which would take up to three months to complete. We expect to commence operations at the new warehouse by the first quarter of 2027.

7.20.3 Expansion of product range

We also intend to expand our overall product range in our retail outlets throughout Malaysia. As at the LPD, we have approximately 27,800 SKUs of products sold at our retail outlets. We plan to source additional products such as plywood, particleboard, and melamine face chipboard which are base materials and decorative surface products commonly used in the home improvement industry to complement our existing products. We believe that by continuously expanding our product range, we will be able to better serve our customers by reducing their need to visit multiple stores to source for the products that they require.

We intend to fund the expansion of our product range through internally generated funds.

8. INDUSTRY OVERVIEW

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BRAND | FINANCE | MARKET

The Board of Directors
Teamstar Berhad
No. 18, Jalan MJ 17
Lake 6 Entrepreneurs Park
Taman Industri Meranti Jaya
47120 Puchong
Selangor

Date: 13 JAN 2026

Dear Sirs/Madams,

Independent Market Research Report on the Home Improvement Industry in Malaysia ("IMR Report")

Protégé Associates Sdn Bhd ("**Protégé Associates**") has prepared this IMR Report for inclusion in the prospectus of Teamstar Berhad ("**Teamstar**" or the "**Company**") in relation to its listing on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

We have been engaged by the Company to provide independent market research of the abovementioned industry in which Teamstar and its subsidiaries ("**Teamstar Group**" or the "**Group**") operate. The market research process undertaken involved secondary research as well as detailed primary research when required, which involves interviews with the relevant stakeholders of the industry to discuss the state of the industry. Quantitative market information could be sourced from such interviews and therefore, the information is subject to fluctuations due to changes in business, industry and economic conditions.

We have prepared this IMR Report in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of this IMR Report. We believe that this IMR Report presents a balanced view of the industry within the boundaries and limitations of secondary statistics, primary research, and continued industry movements. Our research has been conducted to present an overall view of the industry and may not necessarily reflect the performance of individual companies in this industry. Protégé Associates is not responsible for the decisions and/or actions of the readers of this IMR Report. This IMR Report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this IMR Report.

Thank you.
Yours sincerely,

Seow Cheow Seng
Managing Director

About Protégé Associates Sdn Bhd
Protégé Associates is an independent market research and business consulting company. Our market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, industry trends and the outlook of the industry.

Profile of signing partner, Seow Cheow Seng
Seow Cheow Seng is the Managing Director of Protégé Associates. He has 25 years of experience in market research, having started his career at Frost & Sullivan where he spent 7 years. He has a Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia.

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The research for this IMR Report was completed on December 2025.

For further information, please contact:

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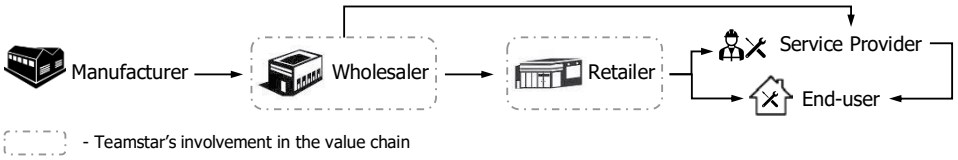
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1.0 Overview of the Home Improvement Industry

Home improvement encompasses all activities related to the repair and maintenance as well as enhancements (e.g. remodelling, renovation and improvement) of residential properties, including both the land and building components. These activities commonly involve home furniture, fittings and fixture, but exclude structural works. The scope includes the manufacturing and distribution (both wholesale and retail) of home improvement products as well as the provision of related services. The figure below illustrates the value chain of the home improvement industry.

Figure 1: Value Chain of the Home Improvement Industry



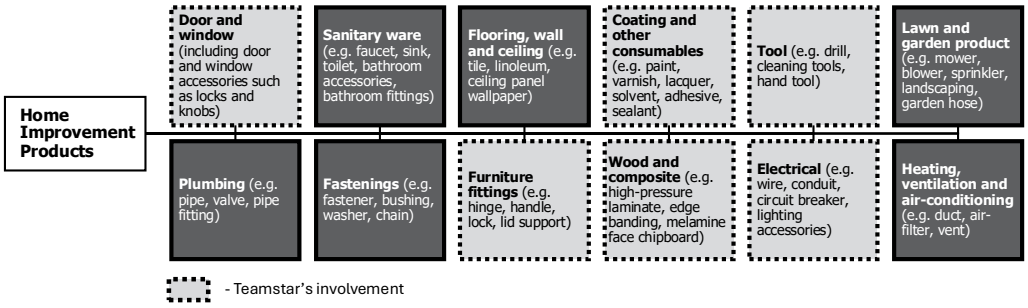
Source: Protégé Associates

Malaysia has an established manufacturing sector engaged in the production of all categories of home improvement products. The wholesale trade of these products is conducted by wholesalers who distribute building materials to a broad range of customers, including retail stores and service providers. Wholesalers catering to service providers typically sell home improvement products used as materials to create customised home improvement installations, such as built-in carpentry. These products include laminates, boards and panels, as well as coatings and solvents. The retail stores act as the primary sales intermediaries between manufacturers or wholesalers and the end-customers of home improvement products.

Teamstar Group serves as a wholesaler and retailer within the home improvement industry.

These customers can be categorised into service providers (professional customers), such as contractors, interior fit-out specialists, trade professionals (e.g., electricians and plumbers), as well as end-users such as residential customers and small business owners, who may purchase parts, components or tools for do-it-yourself ("**DIY**") projects or engage the service of service providers.

Figure 2: Categories of Home Improvement Products



Source: Protégé Associates

Home improvement products refer to materials used in activities that falls under the scope of construction including electrical installation, installation of plumbing and sanitary equipment and building completion and finishing works (e.g. installation of doors, tiles and fittings, painting). These differ from other household goods such as furniture, furnishings and appliances, which are generally movable, non-fixture items that are easy to install and remove. Tools are commonly used during construction processes, including the installation of home improvement products and the cleaning of the home.

In Malaysia, home improvement products are distributed through a range of retail formats that can be broadly categorised into chain stores, professional focused home improvement stores, specialty stores and traditional hardware stores as follows:

Figure 3: Comparison of Home Improvement Retail Formats in Malaysia

Category	Chain Stores	Home Improvement Stores	Specialty Stores	Traditional Hardware Stores
Size and location	Large, branded chain stores (spanning multiple lots), typically in shopping malls and retail shophouses	Medium sized retail stores in shop lots	Specialised standalone retail stores in shopping malls and retail shop lots	Small standalone shop lots (predominantly mom-and-pop stores)
Product range	Broad range of product categories including household items	Targeted range of products such as furniture fittings, tools, paints etc.	Focused on a single product category such as sanitary ware or tiles	General hardware, building materials and hand tools
Target customer	End-user consumers	Professionals, contractors, interior designers and DIY-savvy end-user consumers	Professional contractors, interior designers and end-user consumers	Professional contractors and end-user consumers
Retail format	Modern and standardised	Modern and standardised	Modern showroom-style	Traditional with basic layout
Retail players	MR D.I.Y. Group (M) Berhad (MR.DIY), Ace Hardware (Giant Ace Sdn Bhd) and HomePro (Home Product Center (Malaysia) Sdn Bhd).	Teamstar Group, The Living Depot (Puchong) Sdn Bhd, CT Hardware Sdn Bhd, Kow Hock Building Materials (M) Sdn Bhd, Toong Star Sdn Bhd, Heng Seng Hardware Sdn Bhd, Ginmit Trading Sdn Bhd, Tick Hong Hardware & Timber Sdn Bhd and ATKC Hardware Trading Sdn Bhd.	Niro Ceramic Creative Lab Sdn Bhd, Big Bath Sdn Bhd, Reliance Home Sdn Bhd and BMS Holdings Berhad.	Standalone independent shops, e.g. Mun Hing Leong Hardware, Chuan Heng Hardware

Source: Protégé Associates

The Malaysian home improvement industry is undergoing a period of consolidation, in line with broader trends in other emerging and developed markets. The number of active home improvement stores declined from 17,950 in 2018 to an estimated 14,476 in 2024, which was a 19.4% decline over 6 years, reflecting evolving consumer preferences favouring well-branded, organised retail formats that offer product variety, consistent service standards and omnichannel capabilities. Despite this progress, the industry remains relatively fragmented. Malaysia's ratio of population per retail store remains low when compared to developed markets such as the United States of America ("**USA**"), Germany, United Kingdom ("**UK**") and Singapore, suggesting a fragmented market structure with continued opportunities for consolidations.

Figure 4: Population per Retail Store, 2023

Countries	USA	Germany	UK	Singapore	Brazil	Malaysia	Thailand	Turkey
Population per store	5,657	5,655	7,131	9,733	1,354	2,196	2,361	1,788

*Source: United States Census Bureau, Federal Statistical Office of Germany, Office for National Statistics, Singapore Department of Statistics, Brazilian Institute of Geography and Statistics, Department of Statistics Malaysia ("**DOSM**"), National Statistical Office of Thailand, Turkish Statistical Institute and Protégé Associates*

Malaysia's relatively low population per retail store suggests that the market is still dominated by small and independent players. As consumer expectations evolves towards convenience, product availability and technical support, the growth of organised retail formats, particularly those targeting professional customers, is expected to accelerate.

The home improvement industry is closely linked to the growth of overall household consumption, as households are the primary end-users of home improvement products. Accordingly, household spending patterns will have an influence on the industry's growth trajectory. The figure below illustrates the household consumption pattern, based on the breakdown of private final consumption expenditure, which is a component of gross domestic product ("**GDP**"), from 2021 to 2024.

Figure 5: Household Consumption Compounded Annual Growth Rate ("CAGR") and Share of Total Consumption, 2021 - 2024

Types of household consumption	CAGR (%)	Share of Total Consumption (%)			
	2021 - 2024	2021	2022	2023	2024
Furnishings, household equipment and routine household maintenance	8.9	4.8	4.8	4.7	4.8
Food and beverage	8.7	27.0	26.4	26.8	26.5
Housing, water, electricity, gas and other fuels	8.8	16.0	15.2	15.5	15.7
Communication	6.4	9.7	9.3	9.1	9.0
Transport, recreation and restaurant and hotel service	19.8	20.5	24.4	25.6	26.9
Clothing and footwear	10.8	3.0	3.1	3.1	3.1
Others (e.g. education and miscellaneous goods and services)	-1.3	19.0	16.8	15.2	14.0
Total Household Consumption	9.3	100.0	100.0	100.0	100.0

Source: DOSM and Protégé Associates

Within private final consumption expenditure, home improvement enhancements are classified under "furnishings, household equipment and routine household maintenance" category, while home improvement repair and maintenance are included under "housing, water, electricity, gas and other fuels" category.

From 2021 to 2024, the share of household consumption on furnishings, household equipment and routine household maintenance as well as on clothing and footwear, remained relatively stable. During the same period, Malaysian households significantly increased their spending on out-of-home services, including transport, recreation and restaurant and hotel services which grew from 20.5% to 26.9%, reflecting continued recovery from the pandemic. The shift towards discretionary outdoor spending contributed to a slight decline in the consumption share of non-discretionary items such as food and beverage, housing-related, utilities and communications.

Other end users of home improvement products include small business owners, also known as micro, small and medium enterprises ("**MSME**"). MSME end users may contract service providers who also serve residential customers or undertake DIY projects for furniture installations, mechanical, electrical and plumbing works and other enhancement or repair works.

2.0 Performance of the Home Improvement Industry in Malaysia

Protégé Associates has provided the following historical performance and growth forecast of the home improvement industry in Malaysia, based on data obtained from the DOSM. Data has also been gathered from further secondary and primary research works conducted. The market size reflects the sales of home improvement products.

Figure 6: Home Improvement Industry in Malaysia, 2022-2029

Year	Market Size (RM billion)	Growth Rate (%)
2022	44.73	-
2023	45.95	2.7
2024	47.73	3.9
2025[e]	49.64	4.0
2026[f]	51.62	4.0
2027[f]	53.95	4.5
2028[f]	56.37	4.5
2029[f]	59.19	5.0

CAGR (2025-2029) (base year of 2024): 4.4%
Note: [f] denotes forecast and [e] denotes estimate

Source: Protégé Associates

The home improvement industry in Malaysia grew by 2.7% in 2023, from RM44.73 billion to RM45.95 billion. Despite global economic headwinds and a softening property market – largely attributed to sharp interest rate hikes in major economies, Malaysia's home improvement industry demonstrated resilience, underpinned

by a stable domestic property market. Notably, secondary residential property transactions increased by 3.0%, supporting retail demand for renovation, repair and home improvement products.

In 2024, the home improvement industry growth grew to 3.9% to reach RM47.73 billion, in tandem with a 4.0% increase in secondary property transactions. This reflects a recovery in household confidence and continued investment in residential properties.

The Malaysia's home improvement industry is expected to remain resilient in 2025, albeit with a slight moderation in growth. The domestic property market is expected to remain positive, supported by key policy measures, including an increase in the minimum wage from RM1,500 to RM1,700, salary increments of between 7% to 15% for civil servants and withdrawals from Employee Provident Fund (EPF) Account 3. However, downside risks remain. Escalating trade tension, particularly from punitive trade measures imposed by the USA on its trading partners are expected to weigh on global economic growth. As a trade-reliant economy, Malaysia may feel the ripple effects of weaker external demand, which could temper overall consumer sentiment and spending.

While price inflation of home improvement products is expected to remain relatively stable, the industry remains exposed to external risks, including geopolitical tensions, which could trigger renewed supply chain disruptions and input cost volatility. Additionally, Malaysia's reliance on imported home improvement products makes the industry vulnerable to exchange rate fluctuations, which have become volatile amid shifting global interest rate differentials and recessionary concerns.

Going forward, the home improvement industry is projected to grow at a CAGR of 4.4% from 2025 to 2029, to reach RM59.19 billion supported by several factors including rising income levels, increased demand for lifestyle upgrades including renovation and remodelling, sustained activity in the secondary property market which stimulates renovation and improvement works, and the rejuvenation of ageing urban areas through planned urban renewal projects, which are expected to generate further demand for interior enhancements and home fittings in newly developed properties.

2.1 Barriers to Entry

The barriers to entry in the home improvement industry varies across retail and wholesale formats. Retail chain stores, specialty stores and home improvement stores face moderate to high entry barriers as they require substantial capital investment in retail infrastructure, inventory management, and customer experience. Wholesalers similarly require substantial investment in inventory management and warehouse logistics. To meet the expectations of professional and discerning customers, retailers and wholesalers must maintain larger inventories, engage technically skilled staff, build reliable sourcing networks and ensure consistent supply availability.

In contrast, traditional hardware stores face lower barriers to entry, operating on a smaller scale with limited capital requirements. These stores may rely on manual systems, basic layouts, and locally sourced general hardware products, making them increasingly less competitive in a market that is shifting towards modern and service-oriented retail models.

3.0 Competitive Landscape

Malaysia's home improvement retail industry is fragmented, comprising a variety of retail format that differ in size, specialisation and customer base. As of 2024, there were approximately 16,400 establishments involved in the home improvement industry, including 14,476 establishments in the retail segment and 1,963 in the wholesale segment. Further details on the different categories of players are provided below:

- **Chain stores** are large-format outlets primarily targeting the end-user consumers. These include brands such as MR.D.I.Y. (MR D.I.Y. Group (M) Berhad), Ace Hardware (Giant Ace Sdn Bhd) and HomePro (Home Product Center (Malaysia) Sdn Bhd). These outlets typically feature a standardised modern retail format across outlets.

  Their product focus tends to be on light-duty, low-involvement DIY items, such as basic hand tools, adhesives, storage organisers, and general household repair products. These stores are designed for convenience, with limited technical depth, catering to grab-and-go customers.

- **Home improvement stores** cater to a mix of professionals, contractors, interior designers and DIY-savvy end-user. Examples include Teamstar Group, The Living Depot (Puchong) Sdn Bhd, CT Hardware Sdn Bhd, Kow Hock Building Materials (M) Sdn Bhd, Toong Star Sdn Bhd, Heng Seng Hardware Sdn Bhd and Ginmit Trading Sdn Bhd, Tick Hong Hardware & Timber Sdn Bhd and ATKC Hardware Trading Sdn Bhd.

Some companies such as Teamstar Group and CT Hardware Sdn Bhd offer targeted product lines in specific categories such as furniture fittings and tools with a deep range of product specifications, which allows them to serve technical and project-specific needs, making them a preferred choice for professional customers.

Home improvement stores also provide technical consultation and value-added services to customers, enabling them to secure raw materials that meet project requirements. These value-added services include customisation (e.g. material cutting, special order procurement, and solvent mixing to specifications), product selection (e.g. diagnosing customer needs and recommending appropriate materials), logistics (e.g. bulk material delivery) and local referrals (i.e. referring customers to other suppliers or contractors). Such value-added services form a competitive advantage over chain store retailers, which generally focus on standardised, shelf-ready DIY offerings. Many have also embraced e-commerce platforms such as Shopee and Lazada to extend their reach beyond physical outlets.

- **Specialty stores** focus on premium and design-oriented product categories such as sanitary ware, premium doors, tiles and furniture finishes. Examples include Niro Ceramic Creative Lab Sdn Bhd, Big Bath Sdn Bhd, Reliance Home Sdn Bhd and BMS Holdings Berhad. These stores differentiate themselves through modern showroom environments, product display setups and consultative sales support.
- **Traditional hardware stores** are typically family-run or mom-and-pop operations, located in residential neighbourhoods. They cater to professional contractors and end-user consumers, offering basic construction materials, tools and consumables.

  These stores generally operate with manual inventory systems, feature cluttered layouts with limited signage for customer navigation and often keep products stored behind counters or in the backrooms. While they remain a convenient option for local customers, these traditional hardware stores face increasing competition from modern players due to limited product depth, lack of branding and online presence.
- **General wholesalers** sell a wide range of construction materials, including building construction materials such as cement, bricks and roofings as well as home improvement construction materials and tools. They sell to a wide range of customers, including hardware stores, renovation contractors and building service contractors. They include Sunway Winstar Sdn Bhd, Banli Hardware Sdn Bhd and Harrisons Holding (Malaysia) Berhad.
- **Specialty wholesalers** tend to focus on narrow product lines such as laminates, edge bandings, board and panels, furniture fittings and coating and solvents to a professional customer in the home improvement industry. They include Topmix Berhad, Maica Laminates Sdn Bhd, Polytec Laminates Sdn Bhd, Seon Lim (M) Sdn Bhd, ETC Supply Sdn Bhd, Hafele (Malaysia) Sdn Bhd and Lendecor Panel Sdn Bhd.

3.1 Competitive Analysis

Teamstar Group is principally involved in the retail sale of furniture fittings and general hardware, and kitchen and home appliances; trading of furniture fittings; and provision of value-added services such as slitting of edge banding, and the mixing and sale of coatings and solvents. For the purpose of this report, Protégé Associates has selected the following industry players to provide a comparison with Teamstar based on the following criteria:

- Is listed on Bursa Securities; or
- Is a Malaysia-based private limited (Sdn Bhd) company with an annual revenue between RM25.0 million and RM200.0 million, based on latest publicly available financial information; and
- Players in the home improvement retail and wholesale segment.

It needs to be highlighted that the list of industry players is not exhaustive and only serves as a reference.

8. INDUSTRY OVERVIEW *(Cont'd)*

Figure 7: Comparison between Teamstar and Selected Industry Players

Company Name	Number of Stores	FYE	Revenue (RM '000)	Gross Profit (RM '000)	Profit/ (Loss) After Tax (RM '000)	Gross Profit Margin* (%)	Profit/ (Loss) After Tax Margin** (%)
Teamstar	(1)28	31-Dec-24	(2) 130,221	42,831	16,846	32.9	12.9
Retail of home improvement products							
Chain Stores							
Home Product Center (Malaysia) Sdn Bhd (3)	7	31-Dec-24	163,221	46,035	5,210	28.2	3.2
MR D.I.Y. Group (M) Berhad (6)	(4)1,346	31-Dec-24	(5)4,651,416	2,132,646	568,937	45.8	12.2
Giant Ace Sdn Bhd	18	31-Dec-24	36,501	12,460	(4,963)	34.1	(13.6)
Home Improvement Stores							
The Living Depot (Puchong) Sdn Bhd	2	31-Jul-24	45,973	7,531	1,075	16.4	2.3
CT Hardware Sdn Bhd	5	30-Sep-24	25,945	6,603	(308)	25.4	(1.2)
Kow Hock Building Materials (M) Sdn Bhd	51	30-Jun-24	70,709	11,451	265	16.2	0.4
Toong Star Sdn Bhd	4	31-Dec-24	35,743	5,200	325	14.5	0.9
Heng Seng Hardware Sdn Bhd	6	30-Sep-23	39,614	7,577	1,142	19.1	2.9
Ginmit Trading Sdn Bhd	7	31-Dec-24	29,313	9,646	2,433	32.9	8.3
Tick Hong Hardware & Timber Sdn Bhd	1	31-Dec-24	27,323	6,795	162	24.9	0.6
ATKC Hardware Trading Sdn Bhd	1	31-Dec-24	58,123	6,908	899	11.9	1.5
Wholesale of home improvement products							
Topmix Berhad (7)	N/A	31-Dec-24	92,932	35,712	11,572	38.4	12.5
Maica Laminates Sdn Bhd	N/A	31-Mar-25	83,129	68,760	(4,298)	82.7	(5.2)
Polytec Laminates Sdn Bhd	N/A	31-Dec-24	75,825	23,657	13,825	31.2	18.2
Seon Lim (M) Sdn Bhd	N/A	31-Dec-23	168,099	39,488	5,353	23.5	3.2
ETC Supply Sdn Bhd	N/A	30-Jun-24	29,938	3,514	202	11.7	0.7
Hafele (Malaysia) Sdn Bhd	N/A	31-Dec-23	32,435	9,487	(40)	29.3	(0.1)
Lendecor Panel Sdn Bhd	N/A	31-Dec-24	138,391	12,669	1,946	9.2	1.4

Notes:

The above figures only provide an indication and is not considered directly comparable due to the following reasons:

a. Not all companies have the same financial year end; and

b. Not all companies carry out activities that are completely the same to each other or in the same geographical area.

*Financial information of comparable market players and the Teamstar such as revenue, gross profit and profit/loss after tax was based on information from the Companies Commission Malaysia ("**CCM**") and Teamstar while the financial ratios in the table were computed by Protégé Associates.*

** Gross Profit Margin = Gross Profit over Revenue*

*** Profit/(Loss) After Tax Margin = Profit/(Loss) After Tax over Revenue.*

N/A denotes Not Applicable.

Teamstar Group and players under the retail of home improvement products are engaged in the sales of door accessories, tool, furniture fitting and accessories, and other home improvement products. Players under the wholesale of home improvement products are primarily engaged in the sales of furniture fittings.

(1) Teamstar Group's stores comprise 27 'Teamstar' retail outlets and 1 'Benova' retail outlet.

(2) Teamstar Group recorded RM75.3 million from its retail business segment and RM54.9 million from its trading and value-added segment.

(3) A wholly-owned subsidiary of Home Product Center Public Company Limited, a company listed on The Stock Exchange of Thailand and engaged in the retail of of products and services relating to construction, extension, renovation and improvement of buildings, houses and residence as one stop shopping.

(4) Only including MR D.I.Y. stores and excludes MR TOY and MR DOLLAR stores.
(5) MR D.I.Y. Group (M) Berhad recorded approximately RM1.64 billion in revenue from household and furnishing products, RM832.6 million from hardware products, RM539.6 million from electrical products, RM339.6 million from stationary and sports products and RM1.30 billion from other products, including toys, car accessories, jewellery, cosmetics and food and beverage.
(6) Listed on the Main Market of Bursa Securities.
(7) Listed on the ACE Market of Bursa Securities.

Source: CCM, Bursa Securities, Teamstar and Protégé Associates

3.2 Teamstar Group's Market Share Analysis

For the FYE 2024, Teamstar generated revenue of approximately RM130.2 million, equivalent to approximately 0.3% share of the RM47.73 billion market size of the home improvement industry in 2024.

4.0 Demand and Supply Conditions

4.1 Demand Conditions

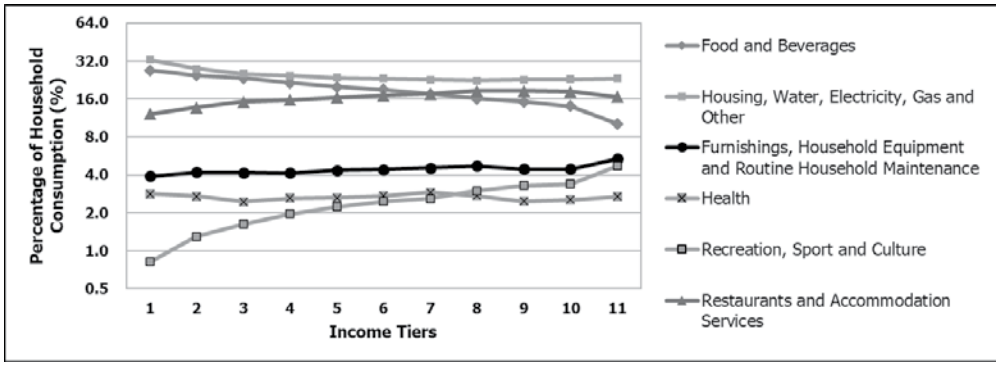
Figure 8: Demand Conditions Affecting the Home Improvement Industry in Malaysia, 2025-2029

Impact	Conditions	Short-Term	Medium-Term	Long-Term
		2025-2026	2027-2028	2029
+	Rising Income Levels	High	High	High
+	Lifestyle Upgrades Driving Demand in Furniture Fittings and Accessories	Medium	Medium	High
+	Sustained activity in Property Market Fuels Long-Term Demand for Home Improvement Products	High	High	High
+	Urban Renewal as a Long-Term Catalyst for Home Improvement Demand	Low	Medium	Medium

Source: Protégé Associates

Rising Income Levels

Figure 9: Trend of Percentage of Household Consumption Against Rising Income Tiers, 2024



Note: The income tiers are: Tier 1 (RM1,999 and below), Tier 2 (RM2,000 - RM2,999), Tier 3 (RM3,000 - RM3,999), Tier 4 (RM4,000 - RM4,999), Tier 5 (RM5,000 - RM5,999), Tier 6 (RM6,000 - RM6,999), Tier 7 (RM7,000 - RM7,999), Tier 8 (RM8,000 - RM8,999), Tier 9 (RM9,000 - RM9,999), Tier 10 (RM10,000 - RM14,999) and Tier 11 (RM15,000 and above).

Source: DOSM and Protégé Associates

Household expenditure on home improvement enhancements, classified under "furnishings, household equipment and routine household maintenance", shows an increasing share of total consumption as income level rises, ranging from 3.9% to 5.4% across the income spectrum. This indicates a higher propensity for higher-income households to invest in home improvement products, in line with a similar trend observed in discretionary categories such as recreation, sport and culture and restaurants and accommodation services. This aligns with the Global Industry Classification Standard, which categorises home improvement as part of the consumer discretionary sector.

In contrast, non-discretionary items such as food and beverage, housing, utilities and healthcare tend to occupy a smaller proportion of expenditure as income rises, since these are necessary goods that reach saturation levels in relation to living standards.

Between 2019 and 2024, Malaysia' median household income grew at a CAGR of 3.6% from RM5,873 to RM7,017. In the short term, household income will be supported by the minimum wage increases to RM1,700 (from RM1,500) beginning in February 2025. However, external headwinds such as global trade uncertainties may weigh on household spending, particularly given Malaysia 's trade reliant economy. Over the long term, household income is expected to benefit from the creation of higher-value jobs in sectors such as semiconductor, pharmaceutical and renewable energy, driven by policy initiatives including the New Industrial Master Plan, National Energy Transition Roadmap and Bumiputera Economic Transformation Plan. Additionally, Malaysia's diversified economic base is also likely to buffer it against cyclical global risks, creating a stable foundation for long-term income and consumption growth. As household incomes rise, demand for custom furniture, fitting and other home improvement enhancements is expected to grow accordingly.

Lifestyle Upgrades Driving Demand in Furniture Fittings and Accessories

Growing lifestyle-consciousness among Malaysian households is increasingly influencing homeowner priorities and purchasing decisions for home improvement fittings, accessories, and materials. Rising expectations around space optimisation, aesthetics, durability, sustainability and ergonomics are prompting more homeowners to undertake renovation and upgrade works, stimulating demand in the home improvement industry. For example, rising urban density in Greater Kuala Lumpur has led to a focus on maximising limited living spaces, contributing to growing preference for built-in carpentry solutions over standalone furniture. As a result, demand for base materials such as plywood, wood board, as well as for furniture fittings including hinges, drawer slides and storage organisers which enable more efficient and customisable storage solutions. Additionally, demand for high pressure laminates ("**HPL**") as surface decorative products is expected to grow strongly as they meet the growing consumer preference for materials that offer both visual appeal and high durability.

Moreover, interior design preferences are shifting from basic functionality to more emphasis on visual appeal and product longevity. Homeowners are increasingly willing to invest in premium materials such as HPL, engineered stone countertops, and high-quality furniture and door fittings (e.g. handles, knobs, faucets) made of durable finishes and refined designs. An enhanced focus on comfort and ease of use is also evident in the growing demand for ergonomically designed fittings. Popular examples include soft-close mechanisms for drawers and doors, as well as easy-grip handles that improve accessibility and user experience.

Melamine face chipboard is a kind of particleboard laminated with melamine, which is scratch-resistant, easy-to-clean and is available in a diverse range of colours, patterns, and textures. Melamine face chipboard is widely used in interior-fit out projects because it features a surface decorative material unlike normal wood boards. As such, high quality surface decorative choices for built-in furniture can be selected between melamine face chipboard or surface decorative materials such as HPL.

Sustained Activity in Property Market Fuels Long-Term Demand for Home Improvement Product

The home improvement industry benefits from an active property market, as both buyers and sellers typically engaged in renovation and maintenance activities. Secondary market transactions drive demand for repair and maintenance and renovations while new property sales (primary property market) create demand for additional fixtures and installations such as sanitary ware and heating, ventilation and air-conditioning equipment.

Figure 10: Property Transactions, 2021 to 2024

Type of Property	Property Market	2021	2022	2023	2024
Residential	Secondary	198,812	243,190	250,586	260,516
	Primary	17,237	19,497	22,861	28,280
Commercial	Secondary	22,428	32,809	40,463	45,985

Source: National Property Information Centre

The growth of Malaysia's residential property market coincides with a reduction in residential overhang, which declined from 36,863 units in 2021 to 23,149 units in 2024. Malaysia's residential property market growth is supported by structural factors including the long-term growth of population and a gradual decline in the average household size. As of 2025, Malaysia's population is stood at 34.2 million and is projected to reach 39.8 million in 2040 and 42.4 million in 2060. At the same time, the average household size (number of people occupying a housing unit) has been shrinking from 3.86 persons in 2021 to 3.67 persons in 2025. A reduction in household size means more housing units are needed to accommodate the same population, sustaining demand for residential properties. Smaller households also tend to prioritise efficient use of space and customised layouts, driving demand for home improvement works such as built-in cabinetry and smart storage solutions.

Malaysia's commercial property market recorded a healthy growth from 2021 to 2024 driven by growing investments in commercial real estate and growing demand for office space from foreign direct investments. The commercial property market is expected to be supported by the continued growth of mixed developments such as the Tun Razak Exchange and growth in retail spending which drives demand for shops.

Urban Renewal as a Long-Term Catalyst for Home Improvement Demand

Urban renewal refers to the redevelopment of neglected, obsolete or economically unviable urban areas. This typically includes ageing residential buildings, abandoned development projects and structures where the land value far exceeds the economic activity of the existing buildings. The Government has identified 534 potential urban renewal sites across Peninsular Malaysia, including 212 residential zones. In Kuala Lumpur alone, there are 139 sites earmarked for urban renewal, collectively representing an estimated gross development value of RM355.30 billion.

The proposed Urban Renewal Act is set to accelerate Malaysia's urban renewal efforts by providing a legal and procedural framework to facilitate these initiatives. The draft provision lowers the consent threshold of residents required for redevelopment of unsafe buildings and buildings aged 30 years and above.

Urban renewal initiatives progress are expected to revitalise ageing communities, stimulate residential redevelopment, and modernise urban living spaces. This transformation will, in turn, create sustained and diversified demand for home improvement products and services—from basic repair works to full-scale interior enhancements, positioning the home improvement industry as a key beneficiary of Malaysia's long-term urban regeneration agenda.

4.2 Supply Conditions

Figure 11: Supply Conditions Affecting the Home Improvement Industry in Malaysia, 2025-2029

Impact	Conditions	Short-Term	Medium-Term	Long-Term
		2025-2026	2027-2028	2029
+	Price Inflation	Medium	Low	Low
-	Import Dependency of Home Improvement Products	High	High	Medium

Source: Protégé Associates

Price Inflation

Figure 12: Year-on-Year Price Change of Selected Home Improvement Items, 2021 to 2024

Items	2021	2022	2023	2024
Materials for the maintenance repair of the dwelling (%)	10.3	8.1	0.3	0.4
Motorised tools & equipment (%)	0.5	1.1	0.2	1.6
Miscellaneous accessories (e.g. hardware, electrical) (%)	1.9	2.6	2.2	1.7
Paints (%)	4.2	6.2	2.2	1.4
Plywood (%)	3.1	11.9	4.7	-2.8

Note: Prices taken are as of December for each year

Source: DOSM

Home improvement products are sensitive to fluctuations in commodity prices, particularly for raw materials such as steel, glass, wood, copper and various non-metallic minerals. The price of home improvement items surged in 2021 and 2022 due to global supply chain disruptions and the escalation of Russia-Ukraine conflict, both of which drove up input costs. Since 2023, price inflation moderated, reflecting weaker global construction activity amid slowing economic conditions. Volatility was more pronounced in raw material categories (e.g. glass, plywood and steel) compared to processed products such as sanitary fittings and paints, which typically have longer supply chains and built-in cost absorption mechanisms. As of November 2025, year-on-year price change for the selected home improvement items remained relatively stable as follows: materials for the maintenance repair of the dwelling (0.4%); motorised tools & equipment (1.7%); miscellaneous accessories (0.3%); paints (6.4%); and plywood (4.6%).

While inflationary pressure has eased, future price volatility remains a risk. In 2023, container freight rates have moderated from the elevated levels seen in 2021 and 2022, which were driven by supply chain disruptions caused by the Russia-Ukraine war and COVID-19 pandemic. However, from late 2023 to the middle of 2024, container freight rates rose again due to disruptions in the Red Sea, Panama Canal and Suez Canal. Subsequently, container freight rates continued to exhibit a volatile trend amid continued geopolitical tensions, trade policy shifts and supply-demand imbalance.

Import Dependency of Home Improvement Products

Malaysia is heavily reliant on imports, particularly from China, for a range of home improvement products. This includes hardware, tools and fittings commonly used in both residential and commercial applications. The figure below details the import values of key product categories, namely furniture fittings, door locks and hand tools for the period from 2021 to 2024.

Figure 13: Import Values of Furniture Fittings, Door Locks and Hand Tools, 2021 to 2024

Items	2021	2022	2023	2024
Furniture fittings (RM'000)	210,931	237,147	243,909	320,569
Door locks (RM'000)	17,604	20,048	24,627	34,622
Hand tools (RM'000)	768,346	869,023	885,805	1,015,575

Source: DOSM

From 2021 to 2024, import values for furniture fittings, door locks and hand tools increased steadily, with a marked spike in 2024, suggesting a growing reliance on imports due to their competitive prices and superior quality compared to local products. China remains as Malaysia's principal import country, accounting for approximately 50.0% to 60.0% of total import value across these categories. This import dependency exposes the home improvement industry to external supply chain risk and foreign exchange volatility. While earlier disruptions such as those linked to Russia-Ukraine conflict have eased, the foreign exchange rate environment remains volatile, influenced by ongoing monetary policy divergence, particularly from the USA and continued uncertainty in the global trade environment. As such, the home improvement industry remains vulnerable to rising input costs, which may be passed through the supply chain, affecting both retail pricing and profit margin, particularly for import-reliant retailers and distributors.

5.0 Substitute Products

Ready-made items can serve as direct substitutes for custom-built installations, eliminating the need for individual components (or home improvement products) used in custom-built installations. For instance, freestanding or ready-to-assemble furniture purchased from furniture stores are substitutes of custom built-in cabinetry and its associated individual components such as furniture fittings or HPL. Additionally, a wide variety of home improvement products can be used to achieve the same functions. For instance, HPL can be substituted for cheaper low-pressure laminates or wood veneers, paint and coating for wallpapers, adhesives for fasteners, power tools for manual tools and home improvement organisers for standalone solutions such as plastic bins or wicker baskets.

6.0 Prospects and Outlook of the Home Improvement Industry in Malaysia

The home improvement industry was valued at RM47.73 billion in 2024. The outlook for the home improvement industry in Malaysia is positive and is projected to expand at a CAGR of 4.4% from RM49.64 billion in 2025 to reach RM59.19 billion in 2029.

Growth will be driven by several demand-side factors. Rising income levels supported by the increase in the national minimum wage and the long-term development of high-value industries, are expected to boost household spending on home improvement products, particularly on enhancements such as renovations and remodelling. Additionally, the growing trend of lifestyle upgrades focusing on space optimisation, aesthetics, and sustainability will drive demand for furniture fittings, accessories and related products. A robust property market with active primary and secondary market transactions, fuelled by population growth and shrinking household sizes, necessitates ongoing home improvements for both new and existing properties. Lastly, urban renewal projects will further stimulate demand for home improvement and may accelerate with the potential passing of the Urban Renewal Act. However, in the near term, escalating trade tension, particularly from punitive trade measures imposed by the USA on its trading partners are expected to weigh on global economic growth, which may negatively affect home improvement sales in Malaysia.

On the supply side, while price inflation for home improvement products has eased from the elevated levels seen in 2021 and 2022, the industry remains exposed to commodity price fluctuations, supply chain disruptions and geopolitical risks. Malaysia's reliance on imports, particularly for hardware and tools from China, also leaves the industry vulnerable to supply chain risks and exchange rate volatility, particularly with the USD/MYR exchange rate. The industry is also undergoing a gradual consolidation, with chain retailers expanding their market share. This trend is expected to continue, with well-capitalised and professionally managed retailers becoming increasingly dominant as consumer preferences shift towards branded retail formats and online purchasing channels.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

9.1 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS

9.1.1 Particulars of our Promoters' and/or substantial shareholders' shareholdings

The details of our Promoters and/or substantial shareholders, and their respective shareholdings in our Company before and after our IPO are set out below:

	Before our IPO				After our IPO and Share Transfer			
	Direct		Indirect		Direct		Indirect	
Name / Nationality / Country of incorporation	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Promoters and substantial shareholders								
LK Vision(3) / Malaysia	-	-	-	-	409,029,100	51.13	-	-
Tan Lee Kueng / Malaysian	392,711,200	58.79	(4)17,540,900	2.62	-	-	(5)409,029,100	51.13
Ng Choon Tiong / Malaysian	100,742,300	15.08	-	-	90,668,100	11.33	-	-
Substantial shareholders								
Ng Choon Sin / Malaysian	67,161,600	10.05	-	-	23,703,400	2.96	-	-
Yeoh Baby / Malaysian	12,230,600	1.83	-	-	-	-	(5)409,029,100	51.13
Tan Jian Wei / Malaysian	5,310,300	0.79	-	-	-	-	(5)409,029,100	51.13

Notes:

(1) Based on our issued 668,000,000 Shares after the Internal Restructuring and Acquisitions, and before our IPO.

(2) Based on our enlarged issued 800,000,000 Shares upon our Listing.

(3) As at the LPD, LK Vision's shareholders and their respective shareholdings in LK Vision are Tan Lee Kueng (54.40%), Yeoh Baby (22.16%) and Tan Jian Wei (23.44%).

(4) Deemed interested by virtue of the Shares held by his spouse (Yeoh Baby) and his son (Tan Jian Wei) pursuant to Section 59(11)(c) of the Act.

(5) Deemed interested by virtue of his/her shareholdings in LK Vision pursuant to Section 8(4) of the Act.

The Shares held by our Promoters and/or substantial shareholders do not have different voting rights from our other shareholders.

Save for the above, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at the LPD, there is no arrangement between our Company and our Promoters and/or substantial shareholders, with any third party which may result in the change of control of our Company at a date subsequent to our IPO and our Listing.

9.1.2 Profiles of our Promoters and/or substantial shareholders

The profiles of our Promoters and/or substantial shareholders are set out below:

(i) Tan Lee Kueng

Tan Lee Kueng, a Malaysian male aged 65, is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. He was appointed to our Board on 12 February 2025. He is primarily responsible for overseeing our Group's business operations and formulating strategic directions to drive the growth, expansion and development of our Group.

He completed his Malaysian Certificate of Education (Sijil Pelajaran Malaysia) at Sekolah Menengah Kebangsaan Tunku Abdul Rahman in 1979. Subsequently, he worked on various jobs in construction sites and factories in Singapore before returning to Malaysia and joined Bornfree (M) Sdn Bhd as a Marketing Executive in 1981, where he was involved in supporting the direct sales operations.

In 1983, he left Bornfree (M) Sdn Bhd and joined LNM Marketing (S.E.A.) Sdn Bhd as a Sales Executive, where he assisted in the coordination of sales operations. In 1988, he was promoted to Sales and Marketing Manager, where his responsibilities expanded to overseeing the sales and marketing team. He left LNM Marketing (S.E.A.) Sdn Bhd in 1996 to establish his own business.

In that same year, he founded Scanteam, venturing into the business of trading of furniture fittings, edge banding, as well as door and window fittings. He acted as the Managing Director, overseeing the day-to-day operations of the company. Scanteam eventually changed its principal activities to property investment on 7 September 2020.

In 1996, he established Best-Can under the name of Scanteam Hardware Sdn Bhd, which later commenced operations in 1998. As Managing Director, he oversees Best-Can's day-to-day operations, alongside Koh Kok Hien and Tan Lee Long, both of whom served as Directors. He continues to hold this role to date.

In 1999, he further expanded his business ventures and founded Teammart, where he continues to serve as Managing Director, overseeing its day-to-day operations.

In 2008, he was appointed as the Managing Director of Teamstar Solutions and subsequently became a shareholder of Teamstar Solutions alongside Ng Choon Tiong in the same year. In 2011 and 2014 respectively, he assumed the role as Managing Director of DG Materials and Benova, overseeing the overall functions of the said companies.

In 2024, he was redesignated to the position of Executive Director of Teamstar Solutions Group. In 2025, he was appointed as Executive Vice Chairman and Group CEO of our Group, positions he continues to hold to date. He also serves as director in the subsidiaries of Teamstar Solutions, where he continues providing strategic oversight and guidance on business operations.

He is the father of Tan Jian Wei, our CFO, brother-in-law of Yeoh Chuen Teik, our COO and husband of Yeoh Baby, our substantial shareholder.

As at the LPD, he does not hold directorships in any other listed company. Please refer to Section 9.2.3 of this Prospectus for further details of his involvement in other business.

(ii) Ng Choon Tiong

Ng Choon Tiong, a Malaysian male aged 54, is our Promoter, substantial shareholder, Executive Director of Teamstar and Managing Director of the Teamstar Solutions Group. He was appointed to our Board on 19 May 2025. He is primarily responsible for overseeing the overall operations of the Teamstar Solutions Group, developing business strategies, and identifying new business opportunities for the Teamstar Solutions Group.

He started his career in 1992 with Hsing Hsieh Precision (M) Sdn Bhd as a machine operator. In 1993, he joined Tan Aik Koon (M) Sdn Bhd as a Sales Executive, where he was responsible for the sales of hardware accessories. Since 1994, he expanded his experience in the hardware distribution industry through sales executive roles at various companies, including IPG Marketing (M) Sdn Bhd in 1994, N-Gee Trading Sdn Bhd in 1996 and Tidy Trading Sdn Bhd (now known as Tidy Locks & Fittings Sdn Bhd) in 1997. Throughout his tenure in those companies, he was responsible for managing the sales of a diverse range of hardware products.

Leveraging his experience in the sales of hardware products, he co-founded Elita Hardware Trading, a partnership involved in the dealing of hardware products, in 2004. He was responsible for managing all sales functions of the partnership. The business was subsequently dissolved in 2006.

As the business expanded, he co-founded Elitaco Trading Sdn Bhd ("**Elitaco Trading**") alongside his brother, Ng Choon Sin and other business partners in 2005, to take over the business of dealing of hardware products from Elita Hardware Trading. He also assumed the role as director of Elitaco Trading since its incorporation, overseeing the company's sales operations until the company ceased operations in 2007.

In 2008, he was appointed as the Executive Director of Teamstar Solutions and subsequently became a shareholder of Teamstar Solutions alongside Tan Lee Kueng in the same year. In 2025, he was redesignated to the position of Managing Director of Teamstar Solutions Group, a position he currently holds.

He is the brother of Ng Choon Sin, our substantial shareholder.

As at the LPD, he does not hold directorships in any other listed company. Please refer to Section 9.2.3 of this Prospectus for further details of his involvement in other business.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(iii) LK Vision

LK Vision, our Promoter and substantial shareholder, was incorporated in Malaysia on 12 February 2025 under the Act as a private limited company.

LK Vision is principally an investment holding company and was incorporated with the objective to hold Shares held by Tan Lee Kueng and his family members, namely Yeoh Baby (his spouse) and Tan Jian Wei (his son) following the Share Transfer.

As at the LPD, the issued share capital of LK Vision is RM600.40, comprising 59,941 ordinary shares. The details of the director and/or shareholders of LK Vision are as follows:

	Direct	
Name	**No. of ordinary shares**	**%**
Director and Shareholder		
Tan Lee Kueng	32,607	54.40
Shareholders		
Yeoh Baby	13,281	22.16
Tan Jian Wei	14,053	23.44
Total		**100.00**

(iv) Yeoh Baby

Yeoh Baby, a Malaysian female aged 61, is our substantial shareholder. She is the spouse of Tan Lee Kueng, our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO, mother of Tan Jian Wei, our substantial shareholder and CFO, as well as sister of Yeoh Chuen Teik, our COO.

(v) Tan Jian Wei

Tan Jian Wei, a Malaysian male aged 30, is our CFO and substantial shareholder. He is responsible for overseeing the financials and other finance related matters of our Group.

He obtained his Bachelor of Science in Accounting and Finance from the University of Exeter in 2018. He subsequently completed the Association of Chartered Certified Accountants ("**ACCA**") programme at Sunway TES in 2019. He has been a member of the ACCA since 2023 and the MIA since 2024.

Upon completion of his ACCA examinations, he commenced his career with PricewaterhouseCoopers PLT ("**PwC PLT**") in January 2020 as an Associate under the Junior Xplorer programme (under contract basis), where he was involved in various audit engagements and was subsequently offered a full-time position with PwC PLT upon completion of the programme.

Due to the COVID-19 pandemic, his commencement of full-time employment was deferred, and he took a career break between May 2020 and December 2020. He rejoined PwC PLT in January 2021 as an Associate, where he was involved in various external audit engagements. In 2022, he was promoted to Senior Associate, taking on responsibilities that included leading audit teams and managing audit projects from planning through to completion.

He left PwC PLT in 2023 and joined TW Kitchen and Bath Sdn Bhd (now known as TW Wealth) later in the same year as Assistant Finance Manager. In this capacity, he was responsible for overseeing the financial operations of both TW Kitchen and Bath Sdn Bhd and our Group, assisting in the preparation of financial statements and management reports, supporting budgeting and forecasting activities, and providing analytical support to the Finance Manager in strategic financial planning matters.

In 2024, he left TW Kitchen and Bath Sdn Bhd and joined our Group as CFO, a position he presently holds.

Tan Jian Wei is also the son of Tan Lee Kueng, our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO, and Yeoh Baby, our substantial shareholder, as well as nephew of Yeoh Chuen Teik, our COO.

As at the LPD, he does not hold directorships in any other listed company. Please refer to Section 9.4.4. of this Prospectus for further details of his involvement in other business.

(vi) Ng Choon Sin

Ng Choon Sin, a Malaysian male aged 50, is our substantial shareholder. He is the brother of Ng Choon Tiong, our Promoter, substantial shareholder, Executive Director of Teamstar and Managing Director of the Teamstar Solutions Group, and a former employee of our Group.

9.1.3 Changes in our Promoters' and/or substantial shareholders' shareholdings

The changes in the shareholdings of our Promoters' and/or our substantial shareholders' shareholdings in our Company since incorporation are as follows:

	As at the date of incorporation				Before our IPO			
	Direct		Indirect		Direct		Indirect	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**
Promoters and substantial shareholders								
LK Vision(2)	-	-	-	-	-	-	-	-
Tan Lee Kueng	1	100.00	-	-	392,711,200	58.79	(3)17,540,900	2.62
Ng Choon Tiong	-	-	-	-	100,742,300	15.08	-	-
Substantial shareholders								
Ng Choon Sin	-	-	-	-	67,161,600	10.05	-	-
Yeoh Baby	-	-	-	-	12,230,600	1.83	-	-
Tan Jian Wei	-	-	-	-	5,310,300	0.79	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

	After our IPO and Share Transfer			
	Direct		Indirect	
Name	**No. of Shares**	**(4)%**	**No. of Shares**	**(4)%**
Promoters and substantial shareholders				
LK Vision	409,029,100	51.13	-	-
Tan Lee Kueng	-	-	(5)409,029,100	51.13
Ng Choon Tiong	90,668,100	11.33	-	-
Substantial shareholders				
Ng Choon Sin	23,703,400	2.96	-	-
Yeoh Baby	-	-	(5)409,029,100	51.13
Tan Jian Wei	-	-	(5)409,029,100	51.13

Notes:

(1) Based on our issued 668,000,000 Shares after the Internal Restructuring and the Acquisitions, and before our IPO.

(2) As at the LPD, LK Vision's shareholders and their respective shareholdings in LK Vision are Tan Lee Kueng (54.40%), Yeoh Baby (22.16%) and Tan Jian Wei (23.44%).

(3) Deemed interested by virtue of the Shares held by his spouse (Yeoh Baby) and his son (Tan Jian Wei) pursuant to Section 59(11)(c) of the Act.

(4) Based on our enlarged issued 800,000,000 Shares upon our Listing.

(5) Deemed interested by virtue of his/her shareholding in LK Vision pursuant to Section 8(4) of the Act.

9.1.4 Amounts/Benefits paid/given or proposed to be paid to our Promoters and/or substantial shareholders

Save for the issuance of our Shares as consideration pursuant to the Internal Restructuring and Acquisitions as disclosed in Sections 6.1.2 and 6.1.3 of this Prospectus, the dividends declared/paid to our Promoters and/or substantial shareholders as disclosed below and the aggregate remuneration and benefits-in-kind paid or proposed to be paid to Tan Lee Kueng, Ng Choon Tiong and Tan Jian Wei who are our Key Senior Management as disclosed in Sections 9.2.4 and 9.4.5 of this Prospectus, no amounts have been paid or benefits given or proposed to be paid or given to our Promoters and/or substantial shareholders within the two years preceding the date of the Prospectus:

	Dividends declared and paid			
Name	**FYE 2023**	**FYE 2024**	**FPE 2025**	**From 1 October 2025 up to the LPD**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Promoters and substantial shareholders				
LK Vision	-	-	-	-
Tan Lee Kueng	2,676	11,177	(1)600	(2)2,622
Ng Choon Tiong	960	3,000	-	-
Substantial shareholders				
Ng Choon Sin	640	2,000	-	-
Yeoh Baby	-	-	-	(2)243
Tan Jian Wei	6	34	-	-

Notes:

(1) Dividends declared and paid by Best-Can.

(2) Dividends declared and paid by Teammart.

9.2 BOARD OF DIRECTORS

9.2.1 Particulars and shareholdings

The following table sets out particulars of our Directors and their respective direct and indirect shareholdings in our Company before and after our IPO:

		Before our IPO				After our IPO and Share Transfer			
		Direct		Indirect		Direct		Indirect	
Name	**Designation**	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**	**No. of Shares**	**(2)%**	**No. of Shares**	**(2)%**
Ling Thik Ping	Independent Non-Executive Chairman	-	-	-	-	(5)500,000	0.06	-	-
Tan Lee Kueng	Executive Vice Chairman and Group CEO	392,711,200	58.79	(3)17,540,900	2.62	-	-	(4)409,029,100	51.13
Ng Choon Tiong	Executive Director of Teamstar and Managing Director of the Teamstar Solutions Group	100,742,300	15.08	-	-	90,668,100	11.33	-	-
Tan Poh Chan	Independent Non-Executive Director	-	-	-	-	(5)500,000	0.06	-	-
Wong Ley Chan	Independent Non-Executive Director	-	-	-	-	(5)500,000	0.06	-	-
Wong Wen Miin	Independent Non-Executive Director	-	-	-	-	(5)500,000	0.06	-	-

Notes:

(1) Based on our issued 668,000,000 Shares after the Internal Restructuring and Acquisitions, and before our IPO.

(2) Based on our enlarged issued 800,000,000 Shares upon our Listing.

(3) Deemed interested by virtue of the Shares held by his spouse (Yeoh Baby) and his son (Tan Jian Wei) pursuant to Section 59(11)(c) of the Act.

(4) Deemed interested by virtue of his shareholding in LK Vision pursuant to Section 8(4) of the Act.

(5) Assuming he/she fully subscribes for his/her respective entitlements under the Pink Form Allocations.

9.2.2 Profiles of our Directors

(i) Ling Thik Ping

Ling Thik Ping, a Malaysian male aged 65, is our Independent Non-Executive Chairman. He was appointed to our Board on 19 May 2025.

He obtained his Bachelor of Economics from Monash University, Australia in 1984. He then obtained his Bachelor of Laws from the same institute in 1986 and was admitted as an Advocate and Solicitor of the High Court of Malaya later in the same year.

Upon completing his law degree in 1986, he commenced his pupillage at Messrs Mah-Kok & Din (now known as Messrs Raja, Daryl & Loh) in the same year. Later, he left the firm and went on to complete his pupillage at Messrs Khaw & Hussein (now known as Messrs Khaw & Partners). Upon completion of his pupillage in October 1986 and following his admission as an Advocate and Solicitor of the High Court of Malaya in November 1986, he commenced legal practice at the same firm as a Legal Associate later in the same year.

In 1987, he left to join Messrs Che Mokhtar & Co (now known as Messrs Che Mokhtar & Ling) as Legal Associate. He was later promoted to Partner in 1992, and was subsequently promoted to Managing Partner in 2002.

He left the firm in 2021 and subsequently co-founded Messrs Ling & Tan Law Chambers, where he took on the role as Senior Partner in 2022, a position he currently holds.

Throughout his legal practice, he has provided a broad range of legal services to clients, including banking, general litigation, insolvency proceedings, corporate and commercial matters, land matters and conveyancing, property development and redevelopment, industrial relations, arbitration, statutory compliance and general legal advisory.

He does not have any family relationship with our Promoters, substantial shareholders, Directors and Key Senior Management.

As at the LPD, he does not hold directorships in any other listed company. Please refer to Section 9.2.3 of this Prospectus for further details of his involvement in other business.

(ii) Tan Lee Kueng

Please refer to Section 9.1.2(i) of this Prospectus for the profile of Tan Lee Kueng.

(iii) Ng Choon Tiong

Please refer to Section 9.1.2(ii) of this Prospectus for the profile of Ng Choon Tiong.

(iv) Tan Poh Chan

Tan Poh Chan, a Malaysian female aged 66, is our Independent Non-Executive Director. She was appointed to our Board on 19 May 2025. She is the Chairman of our ARMC and is a member of our NRC.

In 1984, she obtained her Degree of Bachelor of Accounting from the University of Malaya (now known as Universiti Malaya). She has been admitted as a Chartered Accountant of the MIA since 1987.

Upon her graduation, she commenced her career in 1984 as an Articled Clerk at Hanafiah Raslan & Mohamad (now known as Ernst & Young PLT), and was later transferred to HRM (Tax Services) Sdn Bhd (now known as Arthur Andersen HRM (Tax Services) Sdn Bhd) as a Tax Assistant in 1998.

In 1989, she left HRM (Tax Services) Sdn Bhd and joined Sungei Way Properties Sdn Bhd (a subsidiary of Sungei Way Corporation Sdn Bhd as an Assistant Accountant. She was later promoted to Accountant and then Assistant Manager in the Finance and Administration department.

In 1992, she was transferred to Sunway City Berhad (now known as Sunway City Sdn Bhd), assuming the same role and responsibilities. Her last held position in this company was Assistant General Manager, Finance and Administration, where she was part of the senior management team which supported the listing of Sunway City Berhad on the Main Board of the then Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Securities) in 1996.

In 1999, she was transferred to Sunway Construction Berhad (now known as Sunway Construction Sdn Bhd) and was promoted to General Manager, Finance. Subsequent to her promotion to Senior General Manager – Finance in 2001, she was appointed as the CFO in 2004, where she facilitated the company's organisational restructuring and overseas expansion.

In 2008, she was transferred back to Sunway City Berhad as CFO, where she spearheaded the listing exercise of Sunway Real Estate Investment Trust (Sunway REIT).

Following the merger of Sunway City Berhad and Sunway Holdings Berhad in 2011, she was transferred to Sunway Berhad (a company listed on the Main Market of Bursa Securities) and was appointed as the Deputy CFO, followed by a redesignation as the Deputy Group CFO, a position she held until the end of 2020.

In 2021, she was transferred to Sunway Services Sdn Bhd where she took on the role as Deputy Group CFO on contract basis. She retired in 2022. From 2020 to 2022, she was also appointed as a director of Credit Bureau Malaysia Sdn Bhd. In 2023, she completed the Mandatory Accreditation Programme (MAP) by the Institute of Corporate Directors Malaysia.

She served on the board of Supermax Corporation Berhad, a company listed on the Main Market of Bursa Securities, as Independent Non-Executive Director, from July 2023 to December 2023. She also served on the board of Goodmorning Group Berhad as an Independent Non-Executive Director from December 2024 to September 2025.

In August 2025, she was appointed as the Independent Non-Executive Director of Guocoland (Malaysia) Berhad, a company listed on the Main Market of Bursa Securities.

She does not have any family relationship with our Promoters, substantial shareholders, Directors and Key Senior Management.

As at the LPD, she does not hold directorships in any other listed company. Please refer to Section 9.2.3 of this Prospectus for further details of her directorships and involvement in other business.

(v) Wong Ley Chan

Wong Ley Chan, a Malaysian female aged 66, is our Independent Non-Executive Director. She was appointed to our Board on 19 May 2025. She is a member of both our ARMC and NRC.

She obtained her Bachelor of Accountancy from the National University of Singapore in 1984. She has been a member of the Malaysian Institute of Certified Public Accountants since 1988 and the MIA since 1991.

Upon completing her degree, she commenced her career at Hanafiah Raslan & Mohamad (now known as Ernst & Young PLT) as an Articled Clerk in 1984, before completing her articleship as an Audit Senior in 1988.

She left the firm in 1988 and joined the Kuala Lumpur Commodity Exchange ("**KLCE**") as Assistant Enforcement Officer in the Audit and Compliance Division where she assisted the Division Manager in conducting audits on the members of the exchange. In 1989, she was promoted to Assistant Manager of the Audit & Compliance Division where she conducted audits on members of the exchange independently.

In 1990, she left KLCE and joined Asian International Merchant Bankers Berhad ("**AIM Bankers**") (now known as Public Merchant Bank Berhad) as Banking Officer dealing with credit evaluations for banking proposals, loan syndication and documentation. She left AIM Bankers in 1991 and joined Duff Berhad (now known as Anson Perdana Berhad) as Finance and Administration Manager. In 1992, she was promoted to Financial Controller.

In 1994, she left Duff Berhad to join Faber Hotels Holdings Sdn Bhd (formerly a subsidiary of UEM Edgenta Berhad before its dissolution in 2020) as Finance Controller. In 1996, she was transferred to Prolink Development Sdn Bhd (now known as Bandar Nusajaya Development Sdn Bhd, a subsidiary of UEM Sunrise Berhad) as General Manager, Finance.

She left the company in 2000 to join U-Wood Holdings Berhad (now known as TRIplc Berhad, a subsidiary of Puncak Niaga Holdings Berhad) as General Manager, Corporate Finance and Accounts, and was subsequently promoted to Senior General Manager in the same department in 2004.

She left the company in 2005 and joined Puncak Niaga (M) Sdn Bhd (now known as PNSB Water Sdn Bhd, formerly a subsidiary of Puncak Niaga Holdings Berhad) ("**Puncak Niaga**"), as General Manager, Finance and Accounts. In this role, she was responsible to establish the finance functions and IT systems of Syarikat Bekalan Air Selangor Sdn Bhd, a former subsidiary of Puncak Niaga. In 2008, she left Puncak Niaga to join Scomi Engineering Berhad ("**Scomi**") as Vice President, Financial Control.

She left Scomi in 2010 to return to Puncak Niaga as Executive Director, Finance Division. Following a group restructuring in 2015, she was transferred to Puncak Niaga Holdings Berhad, a company listed on Main Market of Bursa Securities, where she assumed the role of CFO.

Following her retirement in 2022, she was appointed as the Special Advisor to the Executive Chairman of Puncak Niaga Holdings Berhad, a role she held until the end of the same year. In 2023, she was appointed as Advisor to the company until the end of the same year.

She does not have any family relationship with our Promoters, substantial shareholders, Directors and Key Senior Management.

As at the LPD, she does not hold directorships in any other listed company. Please refer to Section 9.2.3 of this Prospectus for further details of her directorships and involvement in other business.

(vi) Wong Wen Miin

Wong Wen Miin, a Malaysian female aged 69, is our Independent Non-Executive Director. She was appointed to our Board on 19 May 2025. She is the Chairman of our NRC and is a member of our ARMC.

She obtained her Bachelor of Science (Resource Economics) from Universiti Pertanian Malaysia (now known as University Putra Malaysia) in August 1983. She further obtained her Diploma in Public Administration from National Institute of Public Administration (INTAN) in 1989. In 2006, she obtained her Masters in Economics from University of Malaya (now known as Universiti Malaya).

In 1983, she started her career with the Government of Malaysia under the Ministry of Works as the Assistant Secretary of the Development Division where she was responsible for budgeting, coordinating and managing federal roads, government buildings and water projects in Sabah, Sarawak and Labuan.

In 1988, she was transferred to the Ministry of Finance ("**MOF**") as Assistant Secretary, Finance Division where she was responsible for multilateral and bilateral negotiations for procurement of credit facilities for development projects from international organisations.

In 2004, she took a study break to pursue her post-graduate studies at Universiti Malaya. Upon obtaining her master's degree, she returned to MOF in 2006 as Senior Principal Assistant Secretary (Privatisation and Menteri Kewangan (Diperbadankan) ("**MKD**") Companies Unit). In this role, her responsibilities encompassed execution of loan arrangements as well as supporting the implementation of government incentives to MKD companies.

From 2011 to 2018, she held several senior positions in the MOF and the Prime Minister's Department, where she was involved in policy making, investment evaluation and public-private partnership projects implementation. Her roles included serving as Division Deputy Secretary (Regulatory and Actuary) where she led policy developments and legislative reforms in the financial sector, and later as Deputy Under Secretary (Investment Evaluation Sector) where she oversaw the appraisal and execution of Public Private Partnership projects.

In 2017, she was appointed Deputy Director General (Special Projects) of the Public Private Partnership Unit under the Prime Minister's Department, where she played a key role in expediting the conclusion of high priority public-private partnership contracts. She retired from civil service in 2018.

In 2018, she was appointed as the Independent Non-Executive Director of Kim Teck Cheong Consolidated Berhad and Ecobuilt Holdings Berhad (both of which are listed on the Main Market of Bursa Securities). She relinquished her role in Ecobuilt Holdings Berhad and Kim Teck Cheong Consolidated Berhad in 2021 and 2024 respectively.

She sits on the board of OSK Holdings Berhad and SHH Resources Holdings Berhad (both of which are listed on the Main Market of Bursa Securities), as Independent Non-Executive Director, since 2021 and 2023 respectively.

She does not have any family relationship with our Promoters, substantial shareholders, Directors and Key Senior Management.

As at the LPD, she does not hold directorships in any other listed company. Please refer to Section 9.2.3 of this Prospectus for further details of her involvement in other business.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.3 Principal directorships and principal business activities of our Directors outside our Group

Save as disclosed below, none of our Directors have any other principal directorship and/or principal business activities performed outside our Group in the past five years up to the LPD:

(i) Ling Thik Ping

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Present involvement:						
Messrs Ling & Tan Law Chambers	Legal firm	Partner	1 January 2022	-	N/A	N/A
Past involvement:						
Messrs Che Mokhtar & Ling	Legal Firm	Partner	1 January 1992	31 December 2021	N/A	N/A

(ii) Tan Lee Kueng

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Present involvements:						
MGM Property Sdn Bhd	Property investment	Director/ shareholder	20 November 2009	-	80.00	-
Wyndor	Manufacturing of doors and furniture	Shareholder	21 October 2009	19 May 2025	70.00	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
DH Marketing Sdn Bhd	Dormant and was previously involved in property investment (*in the process of striking off*)	Director/ shareholder	5 July 2004	-	57.64	(1)5.55
Haussmart Sdn Bhd	Supply of bathroom fittings and accessories	Shareholder	15 July 2003	9 May 2025	70.00	-
TW Wealth	Property investment	Director/ shareholder	15 November 2001	-	98.80	-
Teamhope Sdn Bhd	Property investment	Director/ shareholder	14 June 1999	-	64.83	-
TW Bath Solutions Sdn Bhd	Property investment	Director/ shareholder	21 May 1999	-	58.24	-
Teambrand Sdn Bhd	Property investment	Director/ shareholder	25 October 1996	-	95.00	-
Team Point Marketing Sdn Bhd	Property investment	Director/ shareholder	18 October 1999	-	80.00	-
Scanteam	Property investment	Director/ shareholder	18 September 1996	-	90.00	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
LK Vision	Investment holding in our Shares	Director/ shareholder	12 February 2025	-	54.40	(2)45.60
Past involvements:						
Teamzone Sdn Bhd	Previously involved in the trading of door locks and fittings *(wound up on 16 April 2023)*	Director/ shareholder	2 September 2003	-	-	-
Jupiter Potential Sdn Bhd	Previously involved in the supply of sanitary wares and fittings *(wound up on 16 April 2023)*	Director/ shareholder	21 July 2008	-	-	-
AEG LOC (M) Sdn Bhd *(formerly known as Hom Architectural Products Sdn Bhd)*	Supply and distribution of smart home systems, digital locks, smart locks. related hardware and accessories	Director/ Shareholder	1 December 2005	25 August 2020	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Kitchen Hauss Distribution Sdn Bhd	Dormant with previous intended activity in trading of home appliances *(struck off on 23 October 2020)*	Director	3 March 2015	-	-	-

Notes:

(1) Deemed interested by virtue of his spouse's shareholdings in DH Marketing Sdn Bhd pursuant to Section 59(11)(c) of the Act.

(2) Deemed interested by virtue of his spouse's and Tan Jian Wei's shareholdings in LK Vision pursuant to Section 59(11)(c) of the Act.

(iii) Ng Choon Tiong

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Present involvement:						
Elitaco Trading	Dormant and was previously involved in the supply and dealing of building materials and hardware *(in the process of winding up)*	Director/ Shareholder	28 March 2005	-	30.00	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Past involvement:						
Nil						

(iv) Tan Poh Chan

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Present involvements:						
Guocoland (Malaysia) Berhad (listed on the Main Market of Bursa Securities)	Investment holding with subsidiaries involved in property development, provision of construction management services, operation of oil palm estates, property investment, car park operations, hotel operations, provision of property-related services and provision of management services	Independent Non-Executive Director	1 August 2025	-	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Past involvements:						
Sunway REIT Holdings Sdn Bhd	Investment holding in Sunway REIT units	Director	1 April 2008	1 December 2021	-	-
Sunway Treasury Sdn Bhd	Provision of financial services to its related companies	Director	19 April 2011	1 December 2021	-	-
Sunway Holdings Sdn Bhd	Investment holding in shares	Director	6 September 2011	1 December 2021	-	-
Sunway City Sdn Bhd	Investment holding in shares	Director	19 September 2011	1 December 2021	-	-
Sunway Treasury Sukuk Sdn Bhd	Provision of financial services to its related companies	Director	20 May 2014	1 December 2021	-	-
Sunway Medical Centre Sdn Bhd	Operation of a medical centre	Alternate Director	1 August 2011	1 December 2021	-	-
Dolomite Granite Quarry Sdn Bhd	Quarrying and mining	Director	12 September 2020	1 December 2021	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Sunway Services Sdn Bhd	Provision of management services	Director	22 December 2020	1 December 2021	-	-
Sunmed Velocity Sdn Bhd	Hospital activities	Alternate Director	9 March 2020	1 December 2021	-	-
Sunway Velocity Hotel Sdn Bhd	Hotel operations	Alternate Director	27 February 2019	16 December 2021	-	-
Sunway Velocity Mall Sdn Bhd	Shopping complex and car park operator	Alternate Director	27 February 2019	16 December 2021	-	-
Credit Bureau Malaysia Sdn Bhd	Provision of credit reference services, credit reporting and its incidental services and such other services related to a credit bureau	Director	3 June 2020	2 January 2022	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Supermax Corporation Berhad (listed on the Main Market of Bursa Securities)	Investment holding and glove manufacturing	Independent Non-Executive Director	1 July 2023	8 December 2023	-	-
Goodmorning Group Berhad	Investment holding with subsidiaries involved in the manufacturing and distribution of healthcare products	Independent Non-Executive Director	20 December 2024	11 September 2025	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(v) Wong Ley Chan

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Present involvement:						
Nil						
Past involvements:						
GOM Resources Sdn Bhd	Dormant and was previously involved in the provision of offshore installation services, transportation, installation of offshore facilities	Director	21 February 2012	8 June 2022	-	-
Puncak Oil & Gas Sdn Bhd	Investment holding and provision of services for offshore logistics and marine management	Director	21 February 2012	8 June 2022	-	-
Puncak Niaga Management Services Sdn Bhd	Provision of management, advisory and consultancy services	Director	15 April 2015	8 June 2022	-	-

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Murni Estate Sdn Bhd	Investment holding and oil palm plantation business	Director	15 April 2015	8 June 2022	-	-
Danau Semesta Sdn Bhd	Investment holding and oil palm plantation	Director	28 June 2017	8 June 2022	-	-

(vi) Wong Wen Miin

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Present involvements:						
OSK Holdings Berhad (listed on the Main Market of Bursa Securities)	Investment holding company with subsidiaries involved in property, financial services, industries and hospitality	Independent Non-Executive Director	1 July 2021	-	-	-
SHH Resources Holdings Berhad (listed on the Main Market of Bursa Securities)	Investment holding company with subsidiaries involved in the manufacturing and export of wood furniture	Independent Non-Executive Director	24 March 2023	-	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Past involvements:						
Kim Teck Cheong Consolidated Berhad (listed on the Main Market of Bursa Securities)	Investment holding company with its subsidiaries involved in the distribution of consumer-packaged goods and telecommunication products, manufacture of bakery products and transportation, corporate and administrative services	Independent Non-Executive Director	26 October 2018	2 December 2024	-	-
Ecobuilt Holdings Berhad (listed on the Main Market of Bursa Securities)	• Investment holding company with subsidiaries involved in construction works • Provision of management services	Independent Non-Executive Director	1 November 2018	11 November 2021	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
DXN Holdings Berhad (listed on the Main Market of Bursa Securities)	• Investment holding company with subsidiaries involved in manufacturing of food, beverages and other consumer products • Provision of management services	Independent Non-Executive Director	10 February 2022	9 July 2022	-	-
Port Klang Free Zone Sdn Bhd	Operator of free-zone and transshipment mega hub	Director	25 February 2021	24 February 2022	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

The involvement of our Directors as disclosed above excludes shares in public listed companies held by them as minority shareholders (less than 5.00% of the total number of issued shares of a public listed company). They do not hold any directorship in these public listed companies and the shares held are only for trading and personal investment purposes.

The involvement of our Executive Directors in the business activities outside our Group as stated above will not affect their commitment, ability to perform their responsibilities as well as contribution to our Group in their respective roles as our Directors. Further, the involvement of our Executive Directors in the business activities outside our Group does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the management and day-to-day operations of these businesses, other than attending meetings of the board of directors which they served on. Those businesses are managed by their respective managements and do not require our Executive Directors' involvement on a daily basis. Our Executive Directors are of the view that although they are involved in other business activities, it does not affect their ability to perform their executive roles and responsibilities to our Group.

The involvement of our Independent Non-Executive Directors in other businesses or corporations outside our Group will not affect their contribution to our Group as they are not involved in the day-to-day operations of our Group.

9.2.4 Directors' remuneration and benefits

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred compensation) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYEs 2024, 2025 and 2026 are as follows:

FYE 2024 (Actual)	Directors' fees	Salaries	Bonuses	Benefits-in-kind and allowance	Statutory contributions[3]	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-Independent Executive Directors						
Tan Lee Kueng	260	159	15	-	21	455
Ng Choon Tiong	200	441	119	26	72	858
Independent Non-Executive Directors						
Ling Thik Ping	-	-	-	-	-	-
Tan Poh Chan	-	-	-	-	-	-
Wong Ley Chan	-	-	-	-	-	-
Wong Wen Miin	-	-	-	-	-	-

FYE 2025 (Actual)	Directors' fees	Salaries	Bonuses	Benefits-in-kind and allowance	Statutory contributions[3]	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-Independent Executive Directors						
Tan Lee Kueng	340	360	13	-	50	763
Ng Choon Tiong	280	456	63	24	68	891
Independent Non-Executive Directors						
Ling Thik Ping[2]	41	-	-	1	-	42
Tan Poh Chan[2]	38	-	-	1	-	39
Wong Ley Chan[2]	38	-	-	1	-	39
Wong Wen Miin[2]	38	-	-	1	-	39

FYE 2026 (Proposed)	Directors' fees	Salaries	Bonuses[1]	Benefits-in-kind and allowance	Statutory contributions[3]	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-Independent Executive Directors						
Tan Lee Kueng	340	360	-	96	56	852
Ng Choon Tiong	280	480	-	24	62	846
Independent Non-Executive Directors						
Ling Thik Ping	66	-	-	4	-	70
Tan Poh Chan	60	-	-	4	-	64
Wong Ley Chan	60	-	-	4	-	64
Wong Wen Miin	60	-	-	4	-	64

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Notes:

(1) Bonuses for the FYE 2026 will only be determined later depending on the performance of our Group, subject to the recommendation by our NRC and approval of our Board. The Executive Directors shall abstain from the deliberation and voting on the board resolution in relation to bonuses payable to them, if any.

(2) The Directors' fees for the Independent Non-Executive Directors are pro-rated from the date of their appointment into our Board.

(3) Statutory contributions consist of EPF, SOCSO and EIS.

The remuneration which includes our Directors' salaries, bonus, fees and allowances as well as other benefits, must be reviewed and recommended by our NRC and subsequently, be approved by our Board. Any changes in Directors' fees as set out in our Constitution must be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given. Please refer to Section 15.2 of this Prospectus for further details.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3 BOARD PRACTICES

9.3.1 Directors' term of office

Our Board is entrusted with the responsibility for the overall direction, strategy, performance and management of our Group. The number of years that our Directors have served in office as at the LPD and the date of expiration of their respective term of office are as follows:

Director	Designation	Date of appointment	Date of expiration of the current term of office at AGM	No. of years in office
Ling Thik Ping	Independent Non-Executive Chairman	19 May 2025	At our first AGM to be held in 2026	Less than a year
Tan Lee Kueng	Executive Vice Chairman and Group CEO	12 February 2025	At our first AGM to be held in 2026	Less than a year
Ng Choon Tiong	Executive Director of Teamstar and Managing Director of the Teamstar Solutions Group	19 May 2025	At our first AGM to be held in 2026	Less than a year
Tan Poh Chan	Independent Non-Executive Director	19 May 2025	At our first AGM to be held in 2026	Less than a year
Wong Ley Chan	Independent Non-Executive Director	19 May 2025	At our first AGM to be held in 2026	Less than a year
Wong Wen Miin	Independent Non-Executive Director	19 May 2025	At our first AGM to be held in 2026	Less than a year

In accordance with our Constitution, all our Directors shall retire from office at the conclusion of the first AGM of our Company. Subsequently, one-third of our Directors are subject to retirement by rotation such that each Director shall retire once in every three years or if their numbers is not three or a multiple of three, then the number nearest to one-third shall retire from office at each AGM.

Our Directors to retire every year shall be those who have been the longest in office since their last appointment or reappointment, but as between persons who have became or were last reappointed as Directors on the same day, those to retire shall (unless otherwise agree among themselves) be determined by lot.

A Director appointed by our Board to fill in a casual vacancy or as an addition to our existing Board, shall hold office only until the next AGM of our Company and shall then be eligible for re-election.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3.2 Responsibilities of our Board

Our Board has adopted, among others, the following responsibilities for effective discharge of its functions:

(i) to promote good corporate governance culture and ensure appropriate corporate governance in place within our Group which reinforces ethical, prudent and professional behaviour and fostering a corporate responsibility culture throughout our Group;

(ii) to review and adopt the overall strategic direction, business plans, and annual budgets of our Group, including major capital commitments and to ensure that the strategic plan of our Group supports long-term value creation and includes strategies on economic, environmental, social and governance considerations underpinning sustainability;

(iii) to review, challenge and decide on management's proposals for our Group and monitor the implementation by our management and its contribution to our Group;

(iv) to oversee the execution of our Group's business to ensure it is properly and ethically conducted including supervising and assessing corporate behaviour and performance of our Group as a whole;

(v) to ensure our Group's core values, vision, mission and shareholders' interests are met;

(vi) to identify and understand the principal risks of our Group's business and ensuring the implementation of appropriate internal controls and mitigation measures to manage these risks;

(vii) to adopt an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks that appropriately reflects the risk appetite within which our Board expects management to operate;

(viii) to review the adequacy and integrity of our Group's internal control systems and management information systems;

(ix) to ensure the Key Senior Management has the necessary skills and experience and there are measures in place to provide for the orderly succession of our Board and Key Senior Management**;**

(x) to ensure there are appropriate policies for training, appointment and performance monitoring of Key Senior Management;

(xi) to oversee the development and implementation of an investor relations programme or shareholders' communications policy for our Group to enable effective communication with stakeholders;

(xii) to review and approve the financial statements and ensure the integrity of the Company's financial and non-financial reporting;

(xiii) to review and approve our Company's annual report;

(xiv) to undertake a formal and objective annual evaluation of our Board, Board committees and each individual Board member to gauge their respective effectiveness;

(xv) to monitor compliance with established policies and procedures;

(xvi) to establish key performance indicators and succession plans;

(xvii) to establish the appropriate Board Committees where required and be responsible for all decisions made by our Board Committees;

(xviii) to review and approve the appointment of all external advisors and their related advisory fees;

(xix) to review through the ARMC any conflict of interest or potential conflict of interest that arose, persist or may arise within our Group, including but not limited to transactions, procedures, or courses of conduct that raise concerns about the integrity of management, together with the measures taken to resolve, eliminate, or mitigate the conflict of interest or potential conflict of interest and disclose them in the ARMC report; and

(xx) to carry out or perform such other functions necessary for the discharge of its fiduciary duties under the relevant laws, rules and regulations.

9.3.3 ARMC

Our ARMC was established by our Board on 19 May 2025. Our ARMC currently comprises the following members, all of whom are Independent Non-Executive Directors:

Name	Designation
Tan Poh Chan	Chairman
Wong Ley Chan	Member
Wong Wen Miin	Member

The primary function of our ARMC is to assist our Board in fulfilling its statutory and fiduciary responsibilities in regard to reviewing the financial reporting process, system of risk management and internal controls, internal and external audit process and outcomes, as well as undertaking any such other functions as may be determined by our Board from time to time. The ARMC's duties and responsibilities as stated in its terms of reference include, among others, the following:

External audit

(i) to review and recommend to our Board the appointment and re-appointment of external auditors and to fix their fees (audit and non-audit fees), after assessing their suitability, objectivity, independence and capabilities as well as the effectiveness of the external audit process;

(ii) to review the following and report the same to our Board:

(a) letter of resignation from the external auditors or suggestions for their dismissal, including a copy of any written representations or statement of circumstances in relation to the resignation made by the external auditors, if applicable; and

(b) whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.

(iii) to assess the suitability, objectivity and independence of the external auditors on an annual basis based on the policies and procedures that have been established and the annual performance evaluation of the external auditors undertaken by the ARMC;

(iv) to review with the external auditors and report the same to our Board:

(a) their audit plan, scope and nature of the audit of our Group;

(b) their audit reports on financial statements;

(c) their evaluation of the system of risk management and internal controls;

(d) the coordination of audits where more than one audit firm is involved;

(e) the assistance given by the employees to the external auditors, including any difficulties or disputes with management encountered during audit; and

(f) the management letter and management's response thereto,

(v) to discuss problems and reservations arising from the interim and/or final external audits, and any other matters the external auditors may wish to discuss (in the absence of management, where necessary).

Internal audit

(i) to establish an internal audit function (whether in-house or outsourced) which is independent of the activities it audits and in relation thereto;

(ii) to ensure the internal audit function to report directly to the ARMC;

(iii) to review the adequacy of the scope, competency, resources and budget allocation of the internal audit function, and that it has the necessary authority to carry out its work;

(iv) to review the internal audit plan, programme, processes and the reporting structure;

(v) to review the findings of the internal auditor's reports, internal audit assessments, investigations undertaken and whether or not appropriate actions are taken by the management, based on the recommendations of the internal auditors;

(vi) to review and assess the adequacy and effectiveness of the systems of internal control, anti-corruption, whistle-blowing, governance process and accounting control procedures and appropriate systems in place to manage and mitigate risks;

(vii) to review and conduct the appraisal or assessment of the performance of the internal audit function on an annual basis;

(viii) to review or take cognisance of resignation of internal audit staff member (for in-house internal audit functional) and provide the internal auditors/resigning staff member, an opportunity to submit the reasons for resigning;

(ix) to review the assistance given by the employees and management to the internal auditors, including any difficulties or disputes encountered during internal audit; and

(x) to review any special audit which the ARMC deems necessary.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Risk management and internal control

(i) to establish an adequate and effective risk management and internal control framework;

(ii) to review and assess our Group's level of risk appetite and risk tolerance;

(iii) to review the risk management framework, policies and processes, which includes identifying, managing, monitoring and mitigating the significant risks of our Group, as well as evaluate the overall adequacy and effectiveness of the system of internal control and recommend to our Board for approval;

(iv) to review the significant risks identified (including operational, financial, regulatory compliance, sustainability reporting, reputational and corruption risks) and assess the mitigating actions put in place to manage these risks;

(v) to review the adequacy of resources in managing the risk management and internal control framework; and

(vi) to review the Statement on Risk Management and Internal Control to ensure that relevant information disclosed therein as per prescribed in the Listing Requirements.

Financial reporting

(i) to review the quarterly results and year-end financial statements of our Group before the approval by our Board, focusing particularly on:

  (a) changes in or implementation of major accounting policy changes;

  (b) significant matters highlighted, including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;

  (c) significant adjustment arising from the audit;

  (d) major judgemental areas;

  (e) the going concern assumption; and

  (f) compliance with accounting standards and other legal requirements,

(ii) to understand non-financial information which is relevant in assisting the ARMC to gain further insights on our Group's performance and enhance the integrity of financial reporting;

(iii) to review and provide advice on whether the financial statements taken as a whole provide a true and fair view of our Company's financial position and performance; and

(iv) to ensure that the financial statements are consistent with operational and other information, where there are significant matters requiring judgement.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

RPTs and conflict of interest ("COI")

(i) to establish and review the COI policy to effectively identify, address, and manage COI or potential COI, including those that are actual, potential or perceived in nature;

(ii) to monitor, review and report to our Board any RPTs, recurrent RPTs and COI situation that arose, persist or may arise within our Group, including any transactions, procedures or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts;

(iii) to review and establish whether all recurrent RPTs have been carried out in accordance with the mandate approved by the shareholders and are on commercial terms no more favourable to the related parties than those available to third parties and make recommendation to our Board; and

(iv) to review all non-recurring transactions or corporate proposals involving related parties to ensure that they are in the best interest of our Group and are not to the detriment of the minority shareholders and make recommendations to our Board.

Others

(i) to review all financial related reports/statements or any other reports/statements as required by the Listing Requirements, for inclusion in our annual report;

(ii) to review regulatory and compliance reports, and any other reports within the purview of the ARMC;

(iii) to promptly report a matter to Bursa Securities of which the ARMC has reported to our Board and has not been satisfactorily resolved which resulting in a breach of the Listing Requirements;

(iv) to verify the allocation of options under a share issuance scheme or the allocation of Shares according to any incentive plan for employees of our Group, if any;

(v) to obtain regular updates from our management regarding compliance matters;

(vi) to review findings, queries or investigation by the regulatory agencies, if any;

(vii) to review the adequacy and appropriateness of our Group's Anti-Bribery and Anti-Corruption Policy & Procedures, and Whistleblowing Policy, when necessary;

(viii) to review the implementation and adequacy of our Group's business continuity plan;

(ix) to report any suspected frauds/irregularities, serious internal control deficiencies, suspected infringement of laws, rules and regulations that warrants the attention of the ARMC; and

(x) to carry out such other functions that may be mutually agreed upon by our ARMC and Board.

The recommendations of our ARMC are subject to the approval of our Board.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3.4 NRC

Our NRC was established by our Board on 19 May 2025. Our NRC currently comprises the following members, all of whom are Independent Non-Executive Directors:

Name	Designation
Wong Wen Miin	Chairman
Tan Poh Chan	Member
Wong Ley Chan	Member

The primary function of our NRC is to assist our Board in fulfilling its statutory and fiduciary responsibilities by reviewing and recommending the structure, size and composition and remuneration of our Board and senior management of our Group. The NRC's duties and responsibilities as stated in its terms of reference include, among others, the following:

Nomination responsibilities

(i) to identify, consider and recommend to our Board suitable candidates for appointment as Directors. The NRC shall not solely rely on recommendations from our existing Board members, management or major shareholders, but will also utilise independent sources to identify suitably qualified candidates. In making the recommendations, the NRC shall:-

  (a) conduct the fit and proper assessment;

  (b) assess the candidates' skills, knowledge, expertise, experience, professionalism, commitment, integrity, character and competence;

  (c) consider board diversity including age and gender; and

  (d) in the case of candidates for the position of Independent Non-Executive Director, the NRC should also evaluate the candidate's ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors,

  if the selection of candidates was solely based on recommendations made by our existing Board, management or major shareholders, the NRC should explain why other sources were not used;

(ii) to recommend to our Board the appointment of members of each Board Committee;

(iii) to consider and recommend to our Board for approval, the appropriate size, structure and composition of our Board and Board Committees to facilitate effective decision making after taking into consideration the scope and nature of the operations of our Group;

(iv) to facilitate achievement of our Board gender diversity policies and targets;

(v) to develop and implement the Fit and Proper Policy for the appointment and re-election of Directors of our Group that addresses the board quality and integrity;

(vi) to review and recommend to our Board the re-election of Directors who retire by rotation pursuant to our Company's Constitution and re-appointment of Directors who retire pursuant to relevant sections of the Act, subject to the conduct of the fit and proper assessment;

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(vii) where there is an Independent Non-Executive Director, whose term will exceed/has exceeded the nine-year tenure, the NRC shall justify the recommendation to retain the Independent Non-Executive Director after the ninth year to our Board for consideration before seeking annual shareholders' approval through a two-tier voting process;

(viii) to deliberate on matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of our Company subject to the provisions of the law and the service contract;

(ix) to develop and review the performance criteria to evaluate the performance of our Board, Board Committees and individual Directors;

(x) to assess the contribution and performance of each Director to ensure our Board and our Board Committees operate effectively and efficiently;

(xi) to conduct an annual review of the term of office and performance of the ARMC and each of its members. The review will assess whether the ARMC and its members have fulfilled their duties in accordance with their terms of reference;

(xii) to assess annually the effectiveness of our Board as a whole, our Board Committees and the contribution of each individual Director having regard to time commitment, character, experience, integrity, the required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to our Board and thereafter, recommend its findings to our Board. All assessments and evaluations carried out by the NRC in the discharge of its duties shall be documented and disclosed in our Company's annual report;

(xiii) to review annually the performance of our Board and Key Senior Management in addressing our Company's material sustainability risks and opportunities;

(xiv) to review the tenure of each Director annually and ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to our Board, and the Director has submitted the Fit and Proper Declaration Form;

(xv) to review and assess annually the independence of the Independent Non-Executive Directors of our Company;

(xvi) to facilitate our Board induction programme for newly appointed Director;

(xvii) to identify suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry, regulatory changes and board business trends;

(xviii) to review our Board and Key Senior Management succession plans and overseeing the development of a diverse pipeline for our Board and Key Senior Management succession;

(xix) to oversee the development of succession planning of our Board and Key Senior Management of our Company as well as the development of a diverse pipeline for our Board and management succession, including the future Chairman and Executive Directors;

(xx) to consider and examine such matters as the NRC considers appropriate; and

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(xxi) to carry out such other functions or assignments as may be delegated by our Board from time to time.

Remuneration responsibilities

(i) to review and implement our Group's policies and procedures on remuneration, including reviewing and recommending matters relating to the remuneration of Directors and Key Senior Management;

(ii) to assist our Board in formulating policies and guidelines for the composition of various components of remuneration such as basic salary, bonus, and other benefits for Directors and Key Senior Management;

(iii) in determining the remuneration packages of Directors and Key Senior Management, the NRC should take into consideration the following:-

(a) technical competency, skills, expertise and experience;

(b) qualification and professionalism;

(c) integrity;

(d) roles and responsibilities;

(e) Company's performance in managing material sustainability risks and opportunities; and

(f) aligned with the business and risks strategies, and long-term objectives of our Group,

(iv) to review and recommend remuneration packages for all Directors and Key Senior Management, having regard to our Group's operating results, individual performance and comparable market statistics and recommend to our Board for approval;

(v) to review and recommend annual increment, market adjustment and promotion increment for the Directors and Key Senior Management;

(vi) to review remuneration policy of Directors and Key Senior Management, and ensure the compensations offered are in line with our Company's business strategies, long-term objectives, remuneration policy and market practice;

(vii) to ensure fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings;

(viii) to review and recommend to our Board, the remuneration packages of Non-Executive Directors for shareholders' approval at the general meeting in accordance with the Act and ensure that remuneration and incentives for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgement on matters discussed;

(ix) to review any major changes in employee remuneration and benefit structures throughout our Group;

(x) to recommend to our Board any performance related pay schemes for our Company or Group;

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(xi) to recommend to our Board on the appointment of experts or consultants, where necessary to fulfil its responsibilities;

(xii) to provide clarification to shareholders during general meetings on matters pertaining to the remuneration of Directors and Key Senior Management as well as the overall remuneration framework of our Company; and

(xiii) to carry out other responsibilities, functions or assignments as may be agreed by the Board from time to time.

The recommendations of our NRC are subject to the approval of our Board.

9.4 KEY SENIOR MANAGEMENT

9.4.1 Particulars and shareholdings

Other than our Promoters who are also members of our Key Senior Management, namely Tan Lee Kueng and Ng Choon Tiong as well as our CFO, Tan Jian Wei, whose shareholdings before and after our IPO are set out in Section 9.1.1 of this Prospectus, the particulars of our other Key Senior Management and his respective direct and indirect shareholdings in our Company before and after IPO, are set out below:

			Before our IPO				**After our IPO and Share Transfer**			
			Direct		**Indirect**		**Direct**		**Indirect**	
Name	**Designation**	**Nationality**	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**	**No. of Shares**	**(2)%**	**No. of Shares**	**(2)%**
Yeoh Chuen Teik	COO	Malaysian	26,901,700	4.03	-	-	24,211,500	3.03	-	-

Notes:

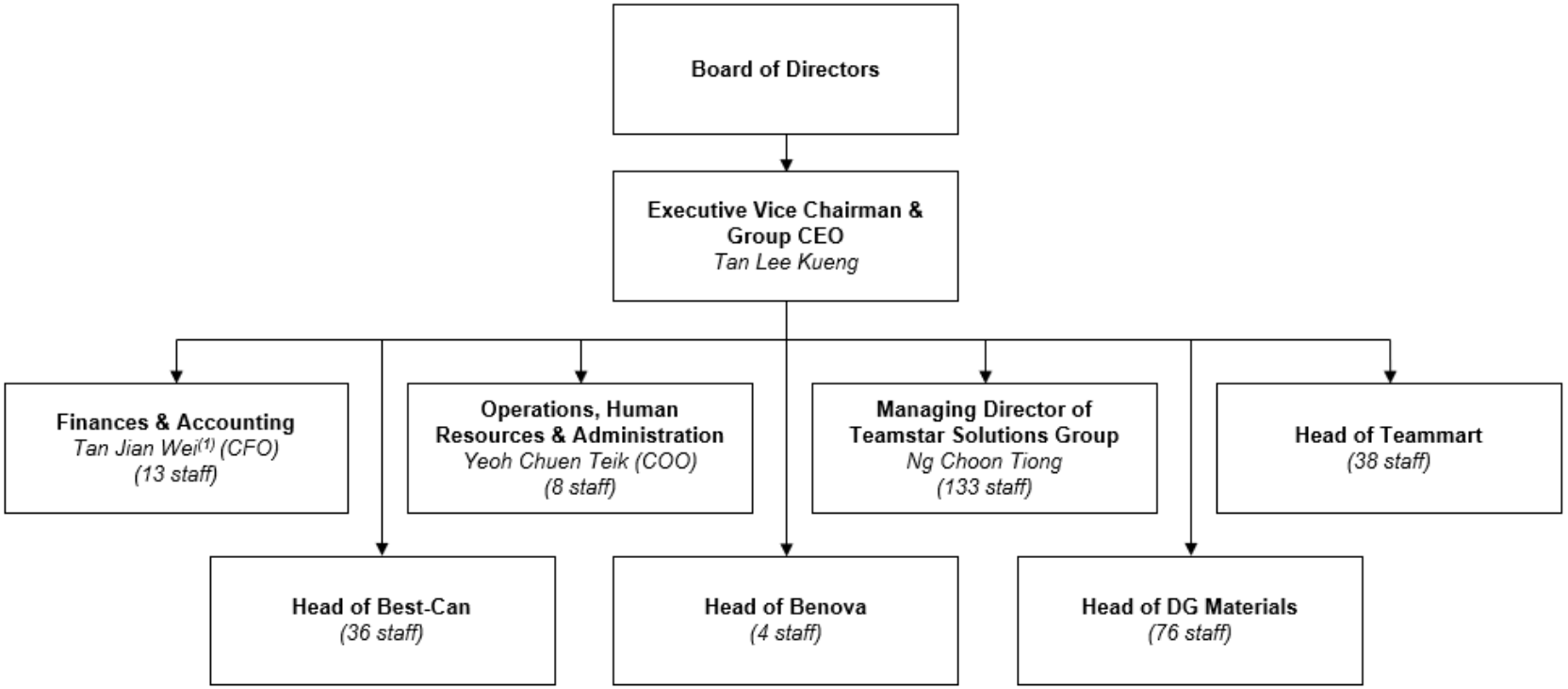
(1) Based on our issued 668,000,000 Shares after our Internal Restructuring and the Acquisitions, and before our IPO.

(2) Based on our enlarged issued 800,000,000 Shares upon our Listing.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.4.2 Management structure

As at the LPD, our management reporting structure is as follows:



Note:

(1) Prior to Tan Jian Wei joining our Group in 2024, Tan Yoke Leng, who was a Finance Manager with TW Wealth, is the person who was overseeing our Group's finance operations since 2015 through the provision of shared finance services to our Group by TW Wealth. For clarity, TW Wealth has ceased to provide such services to our Group in April 2025, and this transaction will not subsist after the Listing. Tan Yoke Leng and her finance team have since transitioned from TW Wealth to our Group, where they continue to assist Tan Jian Wei in our Group's finance operations.

Apart from Tan Jian Wei as the CFO, the current finance team of our Group comprises one finance manager, one assistant finance and accounts manager, five senior finance executives, three accounts executives and two account assistants.

Tan Yoke Leng, our Group's Finance Manager, holds a Diploma in Commerce (Management Accounting) and has been a member of Chartered Institute of Management Accountants (CIMA) since 1992. She has since worked in an accounting role, accumulating extensive experience in the areas of financial reporting and credit control, and continues to serve in this capacity to date. Our Group's senior finance executives comprise team members with more than 20 years of experience in accounting and finance. They hold London Chamber of Commerce and Industry (LCCI) certificates, and have skills in managing full sets of accounts as well as proficiency in dealing with accounting softwares such as AutoCount.

Tan Jian Wei joined TW Wealth in 2023 as Assistant Finance Manager and now serves as our Group's CFO, supported by the same finance team as mentioned above.

9.4.3 Profiles of our Key Senior Management

The profiles of our Executive Directors as well as our CFO, namely Tan Lee Kueng, Ng Choon Tiong and Tan Jian Wei, who are also part of our Key Senior Management are set out in Section 9.1.2 of this Prospectus. The profile of our other Key Senior Management is as follows:

(i) Yeoh Chuen Teik

Yeoh Chuen Teik, a Malaysian male aged 52, is our COO. He is responsible for overseeing the operating functions of our Group which includes supply chain, resource planning, product quality management as well as sales and marketing functions.

He obtained his Bachelor of Engineering (Material Engineering) from Universiti Sains Malaysia in 1999.

Upon completing his degree studies, he joined Southern Steel Berhad as a Metallurgical Engineer in the same year, where he was involved in steel treatment processes and was responsible for managing plant technicians as well as the operation of arc and ladle furnaces. He left the company in 2000 and joined George Fischer Sdn Bhd ("**George Fischer**") as a Marketing Engineer. In that role, he was responsible for the sales and marketing initiatives of piping systems as well as providing customers with technical support.

In 2004, he left George Fischer and joined Scanteam as Operations Supervisor where he was responsible for the planning and implementation of the standard operating procedures for the sales and warehousing departments. He was also the assistant to the Managing Director of Scanteam, Tan Lee Kueng, providing support in the enhancement of various managerial functions of the company such as human resources, sales and warehousing.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

He left Scanteam and joined Team Point Marketing Sdn Bhd in 2007, where he assumed the role as Operations Supervisor. In the said role, he was responsible for similar responsibilities as before, and took up additional responsibility of managing the company's sales and procurement matters.

In 2008, he left Team Point Marketing Sdn Bhd to join Teamstar Solutions as Operations Supervisor. He was responsible for setting up and monitoring the business management software, as well as developing and overseeing sales and purchase procedures, product classification frameworks and stock forecasting processes. In 2012, he was promoted to Operation Manager of our Group. As the Operation Manager, his responsibilities extended to managing the overall operations of our Group. He spearheaded the systemisation of the sales and marketing operation, warehouse system as well as product quality monitoring of our Group.

In 2024, he was promoted to COO of our Group, a position he presently holds.

He is the brother-in-law of Tan Lee Kueng, our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO, the uncle of Tan Jian Wei, our CFO, and the brother of Yeoh Baby, our substantial shareholder.

As at the LPD, he does not hold directorships in any other listed company and is not involved in any other businesses outside of our Group.

9.4.4 Principal directorships and principal business activities of our Key Senior Management outside our Group

Save as disclosed below and in Section 9.2.3 of this Prospectus (in respect of Tan Lee Kueng and Ng Choon Tiong), none of our Key Senior Management has any principal directorship and/or principal business activities performed outside our Group in the past five years up to the LPD.

(i) Tan Jian Wei

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held as at the LPD	
					Direct	Indirect
Present involvement						
TW Wealth	Property investment	Director/ shareholder	2 February 2024	-	1.20	-
Scanteam	Property investment	Director/ shareholder	2 February 2024	-	10.00	-
Haussmart Sdn Bhd	Supply of bathroom fittings and accessories	Shareholder	-	-	14.50	-
LK Vision	Investment holding in our Shares	Shareholder	-	-	23.44	-
Past involvement						
Nil						

The involvement of our Key Senior Management in those business activities outside our Group does not give rise to any conflict of interest situation with our business. Their involvement in those business activities does not require significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities to our Group.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.4.5 Key Senior Management's remuneration and material benefits-in-kind

Save for the remuneration and material benefits-in-kind (including any contingent or deferred compensation) paid to our Executive Directors as disclosed in Section 9.2.4 of this Prospectus, the aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our Key Senior Management for services rendered in their respective capacities to our Group for FYEs 2024, 2025 and 2026 are as follows:

	Remuneration band (in bands of RM50,000)[1]		
Key Senior Management	**FYE 2024 (Paid)**	**FYE 2025 (Paid)**	**FYE 2026 (Proposed to be paid)**
	RM'000	**RM'000**	**RM'000**
Tan Jian Wei	- [2]	50 – 100	250 – 300
Yeoh Chuen Teik	100 - 150	100 – 150	250 – 300

Notes:

(1) The remuneration for Key Senior Management includes salaries, bonuses, incentives, allowances and employer contributions. The bonuses for FYE 2026 are not included. Such bonuses, if any, will be determined later depending on the performance of our Group, subject to the recommendation of the NRC and approved by our Board.

(2) Tan Jian Wei joined our Group on 23 December 2024. He did not receive any remuneration for FYE 2024 as his remuneration only commenced in January 2025.

9.5 ASSOCIATIONS OR FAMILY RELATIONSHIPS BETWEEN THE PROMOTERS, OUR SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no associations or family relationships between our Promoters, substantial shareholders, Directors and Key Senior Management:

Name	**Position**	**Relationship**
Tan Lee Kueng	Promoter, substantial shareholder, Executive Vice Chairman and Group CEO	• Father of Tan Jian Wei • Brother-in-law of Yeoh Chuen Teik • Husband of Yeoh Baby
Ng Choon Tiong	Promoter, substantial shareholder, Executive Director of Teamstar and Managing Director of Teamstar Solutions Group	• Brother of Ng Choon Sin
Tan Jian Wei	CFO and substantial shareholder	• Son of Tan Lee Kueng and Yeoh Baby • Nephew of Yeoh Chuen Teik

Name	Position	Relationship
Yeoh Chuen Teik	COO	• Brother-in-law of Tan Lee Kueng • Uncle of Tan Jian Wei • Brother of Yeoh Baby
Yeoh Baby	Substantial shareholder	• Wife of Tan Lee Kueng • Mother of Tan Jian Wei • Sister of Yeoh Chuen Teik
Ng Choon Sin	Substantial shareholder	• Brother of Ng Choon Tiong

9.6 EXISTING OR PROPOSED SERVICE CONTRACTS

As at the date of this Prospectus, there are no existing or proposed service contracts between our Company and our Directors or Key Senior Management which provide for benefits upon termination of employment.

9.7 DECLARATION BY THE PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors or Key Senior Management have been involved in any of the following events (whether within or outside Malaysia):

(i) in the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which such person was a director or a member of key senior management;

(ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) in the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) in the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

(v) in the last 10 years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;

(vi) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity;

(vii) in the last 10 years such person has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body, or government agency; and

(viii) has any unsatisfied judgment against such person.

10. RELATED PARTY TRANSACTIONS

10.1 MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed below, there are no other material related party transactions entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them for the FYE Under Review, FPE 2025 and up to the LPD:

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wyndor and Teammart	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • He was the director of Wyndor up until his resignation on 19 May 2025. • He is the shareholder (holding 70.00% direct interest) of Wyndor.	Purchase of cabinet doors from Wyndor[1][2]	*	*[a]	-	-	143	0.16[a]	131	0.21[a]	96	-
		Packaging and material handling service charges paid to Wyndor[3]	25	0.04[a]	49	0.06[a]	54	0.06[a]	15	0.02[a]	-	-
		Sales of PVC edge-banding and kitchen accessories to Wyndor[1][4]	2	*[b]	*	*[b]	15	*[b]	28	0.03[b]	11	-
		General administrative charges charged to Wyndor[5]	*	*[c]	-	-	-	-	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wyndor and Best-Can	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • He was the director of Wyndor up until his resignation on 19 May 2025. • He is the shareholder (holding 70.00% interest) of Wyndor.	Purchase of cabinet doors from Wyndor[(1)(2)]	44	0.06[(a)]	31	0.04[(a)]	44	0.05[(a)]	29	0.05[(a)]	21	-
		Sales of coatings to Wyndor[(1)(4)]	42	0.05[(b)]	37	0.03[(b)]	31	0.02[(b)]	20	0.02[(b)]	7	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wyndor and Teamstar Solutions	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • He was the director of Wyndor up until his resignation on 19 May 2025. • He is the shareholder (holding 70.00% interest) of Wyndor.	Purchase of cabinet doors from Wyndor[1][2]	756	1.17[a]	940	1.23[a]	911	1.04[a]	760	1.22[a]	242	-
		Sales of furniture fittings, loose tools and consumables to Wyndor[1][4]	9	*[b]	10	*[b]	9	*[b]	6	0.01[b]	4	-
		Procurement of maintenance services from Wyndor[6]	-	-	-	-	-	-	2	0.02[d]	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wyndor and Teamstar Melaka	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • He was the director of Wyndor up until his resignation on 19 May 2025. • He is the shareholder (holding 70.00% interest) of Wyndor.	Purchase of cabinet doors from Wyndor[(1)(2)]	11	0.02[(a)]	19	0.02[(a)]	20	0.02[(a)]	9	0.01[(a)]	5	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wyndor and Teamstar Seremban	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • He was the director of Wyndor up until his resignation on 19 May 2025. • He is the shareholder (holding 70.00% interest) of Wyndor.	Purchase of cabinet doors from Wyndor[1][2]	13	0.02[a]	23	0.03[a]	11	0.01[a]	2	*[a]	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wyndor and Teamstar FF	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • He was the director of Wyndor up until his resignation on 19 May 2025. • He is the shareholder (holding 70.00% interest) of Wyndor.	Purchase of cabinet doors from Wyndor(1)(2)	*	*(a)	12	0.02(a)	11	0.01(a)	22	0.04(a)	1	-
		Sales of furniture fittings to Wyndor(1)(4)	-	-	*	*(b)	-	-	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wyndor and DG Materials	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • He was the director of Wyndor up until his resignation on 19 May 2025. • He is the shareholder (holding 70.00% interest) of Wyndor.	Sales of HPL to Wyndor[1][4]	-	-	9	*[b]	-	-	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Wyndor and Teamstar FH	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • He was the director of Wyndor up until his resignation on 19 May 2025. • He is the shareholder (holding 70.00% interest) of Wyndor.	Purchase of cabinet doors from Wyndor[1][2]	-	-	-	-	-	-	1	*[a]	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
TW Wealth and Teamstar Solutions	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • Tan Jian Wei is our CFO and substantial shareholder. • Tan Lee Kueng and Tan Jian Wei are the directors and shareholders (holding 98.80% and 1.20% direct interest, respectively) of TW Wealth.	Purchase of kitchen fittings and accessories from TW Wealth[7][8]	2,148	3.31[a]	2,010	2.63[a]	1,205	1.38[a]	1	*[a]	-	-
		Operational and management expenses paid to TW Wealth[9]	180	3.27[d]	122	1.78[d]	102	1.20[d]	-	-	-	-
		Sales of furniture fittings to TW Wealth[4]	81	0.09[b]	4	*[b]	84	0.06[b]	-	-	-	-
		Purchase of second-hand pallet stacking steel frame from TW Wealth[10]	-	-	-	-	*	*[a]	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
TW Wealth and Teamstar Melaka	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • Tan Jian Wei is our CFO and substantial shareholder. • Tan Lee Kueng and Tan Jian Wei are the directors and shareholders (holding 98.80% and 1.20% direct interest, respectively) of TW Wealth.	Purchase of kitchen fittings and accessories from TW Wealth[4][7]	112	0.17[a]	116	0.15[a]	77	0.09[a]	-	-	-	-
		Operational and management expenses paid to TW Wealth[9]	-	-	23	0.34[d]	30	0.35[d]	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
TW Wealth and Teamstar Seremban	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • Tan Jian Wei is our CFO and substantial shareholder. • Tan Lee Kueng and Tan Jian Wei are the directors and shareholders (holding 98.80% and 1.20% direct interest, respectively) of TW Wealth.	Purchase of kitchen fittings and accessories from TW Wealth[7][8]	299	0.46[a]	309	0.40[a]	170	0.19[a]	-	-	-	-
		Operational and management expenses paid to TW Wealth[9]	-	-	27	0.39[d]	36	0.42[d]	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
TW Wealth and Teamstar FF	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • Tan Jian Wei is our CFO and substantial shareholder. • Tan Lee Kueng and Tan Jian Wei are the directors and shareholders (holding 98.80% and 1.20% direct interest, respectively) of TW Wealth.	Purchase of kitchen fittings and accessories from TW Wealth[7][8]	43	0.07[a]	100	0.13[a]	71	0.08[a]	-	-	-	-
		Operational and management expenses paid to TW Wealth[9]	-	-	23	0.34[d]	30	0.35[d]	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
TW Wealth and Teamstar FH	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • Tan Jian Wei is our CFO and substantial shareholder. • Tan Lee Kueng and Tan Jian Wei are the directors and shareholders (holding 98.80% and 1.20% direct interest, respectively) of TW Wealth.	Purchase of kitchen fittings and accessories from TW Wealth[7][8]	22	0.03[a]	34	0.04[a]	18	0.02[a]	-	-	-	-
		Operational and management expenses paid to TW Wealth[9]	-	-	23	0.34[d]	30	0.35[d]	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
TW Wealth and Teamstar Perak	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • Tan Jian Wei is our CFO and substantial shareholder. • Tan Lee Kueng and Tan Jian Wei are the directors and shareholders (holding 98.80% and 1.20% direct interest, respectively) of TW Wealth.	Purchase of kitchen fittings and accessories from TW Wealth[7][8]	-	-	-	-	5	0.01[a]	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
TW Wealth and Benova	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • Tan Jian Wei is our CFO and substantial shareholder. • Tan Lee Kueng and Tan Jian Wei are the directors and shareholders (holding 98.80% and 1.20% direct interest, respectively) of TW Wealth.	Purchase of kitchen fittings and accessories, as well as consumables from TW Wealth[7][8]	2	*[a]	1	*[a]	*	*[a]	-	-	-	-
		Operational and management expenses paid to TW Wealth[9]	84	1.53[d]	84	1.23[d]	72	0.85[d]	9	0.10[d]	-	-
		Sales of second-hand air-conditioners to TW Wealth[11]	*	*[c]	-	-	-	-	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
TW Wealth and Best-Can	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • Tan Jian Wei is our CFO and substantial shareholder. • Tan Lee Kueng and Tan Jian Wei are the directors and shareholders (holding 98.80% and 1.20% direct interest, respectively) of TW Wealth.	Purchase of kitchen fittings and accessories from TW Wealth[7][8]	13	0.02[a]	25	0.03[a]	26	0.03[a]	-	-	-	-
		Operational and management expenses paid to TW Wealth[9]	98	1.78[d]	135	1.97[d]	122	1.44[d]	16	0.17[d]	-	-
		Transportation cost paid to TW Wealth[12]	65	0.10[a]	69	0.09[a]	60	0.07[a]	10	0.02[a]	-	-
		Sales of coatings and consumables to TW Wealth[4]	25	0.03[b]	27	0.02[b]	14	0.02[b]	-	-	-	-
		Transportation cost charged to TW Wealth[13]	2	0.18[c]	4	0.35[c]	7	0.47[c]	1	0.08[c]	-	-
		Purchase of second-hand forklift from TW Wealth[14]	15	0.02[a]	-	-	-	-	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
TW Wealth and DG Materials	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. • Tan Jian Wei is our CFO and substantial shareholder. • Tan Lee Kueng and Tan Jian Wei are the directors and shareholders (holding 98.80% and 1.20% direct interest, respectively) of TW Wealth.	Operational and management expenses paid to TW Wealth[9]	75	1.36[d]	140	2.04[d]	180	2.12[d]	13	0.14[d]	-	-
		Sales of HPL to TW Wealth[4]	58	0.06[b]	59	0.05[b]	34	0.03[b]	-	-	-	-

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

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
TW Wealth and Teammart	• Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO.	Purchase of kitchen fittings and accessories from TW Wealth[7][8]	194	0.30[a]	90	0.12[a]	94	0.11[a]	15	0.02[a]	-	-
		Transportation cost paid to TW Wealth[12]	25	0.04[a]	26	0.03[a]	49	0.06[a]	15	0.02[a]	-	-
	• Tan Jian Wei is our CFO and substantial shareholder.	Operational and management expenses paid to TW Wealth[9]	120	2.18[d]	103	1.50[d]	204	2.40[d]	8	0.09[d]	-	-
	• Tan Lee Kueng and Tan Jian Wei are the directors and shareholders (holding 98.80% and 1.20% direct interest, respectively) of TW Wealth.	Sales of PVC edge-banding and furniture accessories to TW Wealth[4]	10	0.01[b]	11	0.01[b]	11	0.01[b]	1	*[b]	-	-
		Purchase of inventory from TW Wealth[7][15]	-	-	-	-	3,288	3.76[a]	-	-	-	-

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

Notes:

* *Negligible.*

(a) Calculated based on our Group's cost of sales for each of the respective financial years/period.

(b) Calculated based on our Group's revenue for each of the respective financial years/period.

(c) Calculated based on our Group's other income for each of the respective financial years/period.

(d) Calculated based on our Group's administrative expenses for each of the respective financial years/period.

(1) These transactions are expected to continue after our Listing. Nevertheless, these transactions will be conducted on arm's length basis and on normal commercial terms.

(2) The purchases of cabinet doors from Wyndor were based on comparable rates charged and/or quoted by third-parties.

(3) Relates to the payments made by Teammart to Wyndor for the packaging and material handling services which were based on prevailing market rates comparable with those quoted by third parties. This arrangement has ceased in March 2025 and will not subsist after our Listing.

(4) The sales of our Group's products to Wyndor and TW Wealth were at similar rates or prices charged and/or quoted to third parties.

(5) The general administrative expenses (comprising one-off office consumables) paid by Wyndor to Teammart were based on prevailing market rates comparable with those quoted by third parties. This transaction is negligible in value and will no longer subsist after our Listing.

(6) The maintenance services procured from Wyndor were based on comparable rates charged and/or quoted by third-parties.

(7) TW Wealth ceased its operations in the supply of kitchen and bathroom fittings and accessories in March 2025. On 20 May 2025, TW Wealth changed its principal business activity to property investment holding.

(8) The purchases of products from TW Wealth by our Group were at similar rates or prices charged and/or quoted by other third parties.

(9) Relates to the operational and management expenses paid to TW Wealth by our Group, which includes services such as finance and human resource support services, as well as utilities costs. These were transacted based on prevailing market rates comparable with those quoted by third parties. TW Wealth ceased providing such services to our Group in April 2025. Accordingly, these transactions will not subsist after our Listing.

(10) Relates to the one-off purchase of second-hand pallet stacking steel frame by Teamstar Solutions from TW Wealth which was based on prevailing market rates comparable with the selling prices of similar second-hand pallet stacking steel frame available on the market. This is a one-off transaction and will not subsist after our Listing.

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

(11) Relates to the one-off sales of second-hand air-conditioners from Benova to TW Wealth which was based on prevailing market rates where the sales were comparable with the selling prices of similar second-hand air conditioners available on the market. This is a one-off transaction and will not subsist after our Listing.

(12) Transportation costs paid to TW Wealth by our Group were based on comparable fees quoted by third-party suppliers.

(13) Transportation costs charged to TW Wealth by our Group were based on comparable fees quoted by third-party suppliers.

(14) Relates to the one-off purchase of a second-hand forklift by Best-Can from TW Wealth which was based on prevailing market rates comparable with the selling prices of similar second-hand forklift available on the market. This is a one-off transaction and will not subsist after our Listing.

(15) As part of the cessation of TW Wealth's operations in the supply of kitchen fittings and accessories, Teammart acquired TW Wealth's inventory of kitchen fittings and accessories in August 2024. These transactions were not conducted on an arm's length basis as the purchases were made at cost. These transactions will not subsist after our Listing.

Save for the transactions in Note 15 above, our Board is of the opinion that the material related party transactions outlined above were transacted on an arm's length basis and on normal commercial terms which were not more favourable to the related parties and were not detrimental to the minority shareholders and our Group.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if such related party transactions are 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 recurrent related party transactions during the validity period of the mandate.

In addition, to safeguard the interest of our Group and our non-interested shareholders, and to mitigate any potential conflict of interest situation, our ARMC will, among others, supervise and monitor any related party transaction and/or recurrent related party transactions and the terms thereof and report to our Board for further action. Where necessary, our Board will make appropriate disclosure in our annual report with regard to any recurrent related party transaction entered into by us.

Our Board confirms that there are no other material related party transactions that have been effected after the LPD or entered by our Group but not yet effected up to the date of this Prospectus.

10.2 RELATED PARTY TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There are no related party transactions that were unusual in their nature or conditions, involving goods, services, tangible, or intangible assets, to which our Group was a party for the FYE Under Review, FPE 2025 and up to the LPD.

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

10.3 MATERIAL LOANS AND FINANCIAL ASSISTANCE MADE TO OR FOR THE BENEFIT OF RELATED PARTIES

Our Board has confirmed that there are no outstanding material loans (including guarantees of any kind) and/or financial assistance made by us to or for the benefit of related parties for the FYE Under Review, FPE 2025 and up to the LPD.

10.4 MATERIAL LOANS AND FINANCIAL ASSISTANCE MADE FROM RELATED PARTIES TO OUR GROUP

Save as disclosed below, our Board has confirmed that there are no other outstanding material loans and financial assistance made by any related parties to our Group during the FYE Under Review, FPE 2025 and up to the LPD:

Transacting Parties	Nature of Relationship	Nature of Transaction	Transaction Value									
			FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 October 2025 up to the LPD	
			RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Tan Lee Kueng and DG Materials	Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO.	Advances from Tan Lee Kueng to DG Materials[1]	1,000	2.53[2]	1,104	2.39[2]	-	-	-	-	-	-
		Repayment of advances by DG Materials to Tan Lee Kueng[1]	-	-	-	-	-	-	3,500	6.78[2]	-	-
Tan Lee Kueng and Benova	Tan Lee Kueng is our Promoter, substantial shareholder, Executive Vice Chairman and Group CEO.	Repayment of advances by Benova to Tan Lee Kueng[3]	450	1.14[2]	250	0.54[2]	350	0.80[2]	420	0.81[2]	-	-

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

Notes:

(1) These advances were given by Tan Lee Kueng to DG Materials over the period of 2014 to 2023 for working capital purposes. As at the LPD, the advances have been fully repaid.

(2) Calculated based on our Group's NA for each of the respective financial years/period.

(3) These advances were given by Tan Lee Kueng to Benova over the period of 2015 to 2019 for working capital purposes. As at the LPD, the advances have been fully repaid.

The abovementioned advances made by Tan Lee Kueng were not made on an arm's length basis as the advances were unsecured and interest-free with no fixed term. As at the LPD, all advances made by related parties to or for the benefit of our Group have been fully settled. Moving forward, we will not be receiving any such financial assistance to or for the benefit of our Group from our related parties.

As at the LPD, our Executive Directors, namely Tan Lee Kueng and Ng Choon Tiong, and our substantial shareholder, namely Yeoh Baby, have jointly and severally provided personal guarantees (as the case may be) ("**Personal Guarantees**") in favour of three financial institutions, namely Alliance Bank Berhad ("**ABB**"), Public Bank Berhad ("**PBB**"), and Hong Leong Bank Berhad ("**HLBB**") (collectively, the "**Financiers**"), for our Group to secure the banking facilities.

In addition, our Group's related party, namely TW Wealth, has charged its property in favour of ABB as security for our Group to secure banking facility ("**Third Party Securities**").

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

The details of the banking facilities as at the LPD is set out below:

Financiers	Types of facility(ies)	Guarantor(s) / Security(ies)	Facility Limit	Outstanding balance as at the LPD
			RM'000	**RM'000**
ABB	Banking facilities (comprising term loan and trade facilities)	Tan Lee Kueng and Ng Choon Tiong have given joint and several guarantees for banking facilities granted to Teamstar Solutions.	6,712	5,491
	Banking facilities (comprising trade facilities)	Tan Lee Kueng and Yeoh Baby have given joint and several guarantees for banking facilities granted to Teammart. The banking facilities were also secured against legal charges over a property which is registered under our related company, namely TW Wealth(1)	2,000	1,999
PBB	Banking facilities (comprising fixed loan, overdraft and trade facilities)	Tan Lee Kueng and Ng Choon Tiong have given joint and several guarantees for banking facilities granted to Teamstar Solutions.	1,700	-
	Banking facilities (comprising term loan and trade facilities)	Tan Lee Kueng and Yeoh Baby have given joint and several guarantee for banking facilities granted to Teammart.	4,400	-
	Hire purchase facilities	Tan Lee Kueng has given personal guarantee in favour of PBB for three hire purchase facilities granted to DG Materials.	340	136
HLBB	Banking facilities (comprising overdraft, fixed term loan and combined trade facilities)	Tan Lee Kueng and Yeoh Baby have given joint and several guarantees for banking facilities granted to Benova.	4,252	1,278

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

Note:

(1) TW Wealth is a private limited company incorporated in Malaysia which shareholders and directors are Tan Lee Kueng and Tan Jian Wei.

In conjunction with our Listing, we have written to our Financiers to seek approval for the release and/or discharge (as the case may be) of the personal guarantees and corporate guarantees, and Third-Party Securities by substituting the same with a corporate guarantee from our Company. As at the LPD, we have received conditional approvals from all our Financiers for the substitution of the said personal guarantees and legal charge over the property registered under TW Wealth with a corporate guarantee from our Company.

10.5 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

Our ARMC is responsible for the review of all related party transactions to ensure that there is no conflict of interest. Our ARMC shall deliberate and determine if the related party transactions (if any) are undertaken on an arm's length basis and on normal commercial terms, we have established the following procedures:

(i) Recurrent related party transactions

(a) at least two other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered by all related parties are fair and reasonable and comparable to those offered by third parties; or

(b) in the event that quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek a general mandate from shareholders to enter into any recurrent related party transactions at general meetings of our Company. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(ii) Other related party transactions

(a) whether the terms of the related party transaction are fair and on an arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;

(b) the rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and

(c) whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

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

For related party transaction that requires prior approval of shareholders, the Directors, major shareholders and/or persons connected to them, which have any interest, direct or indirect, in the proposed related party transaction will abstain from deliberating and voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transaction, the Director or major shareholder concerned will also abstain from deliberating and voting in respect of his direct and/or indirect shareholdings.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our ARMC will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. Where necessary, our Board would make appropriate disclosures in our annual report with regards to any related party transaction entered into by us.

11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES WHICH ARE CARRYING ON A SIMILAR TRADE AS OUR GROUP OR WHICH ARE OUR CUSTOMERS AND OUR SUPPLIERS

As at the LPD, save as disclosed below, none of our Directors and substantial shareholders have any interest, direct or indirect, in any entities which are carrying on a similar or related trade as our Group or which are the customers and/or suppliers of our Group:

No.	Entity	Principal Activities	Nature of relationship	Nature of interest in the entity
1.	Wyndor	Manufacturing and provision of customised aluminium solutions	Our customer and supplier	Tan Lee Kueng is our Group's Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. He is the shareholder (holding 70.00% direct interest) of Wyndor.
2.	Haussmart Sdn Bhd ("**Haussmart**")	Supply of bathroom fittings and accessories	Involved in similar industry to our Group	Tan Lee Kueng is our Group's Promoter, substantial shareholder, Executive Vice Chairman and Group CEO. He is the shareholder (holding 70.00% direct interest) of Haussmart. Tan Jian Wei is our Group's CFO and substantial shareholder. He is the shareholder (holding 14.50% direct interest) of Haussmart. Yeoh Baby is our Group's substantial shareholder. She is the shareholder (holding 15.50% direct interest) of Haussmart.

Premised on the above, our Board is of the view that all the existing and potential conflict of interest situation which may arise through the direct interest of Tan Lee Kueng in Wyndor, and of Tan Lee Kueng, Tan Jian Wei and Yeoh Baby in Haussmart have been sufficiently mitigated after taking into consideration the following:

11.1.1 Wyndor

(i) The target customer base of Wyndor and our Group are distinct. Wyndor primarily serves renovation contractors, factories and project-based clients seeking bespoke aluminium solutions, whereas our Group does not provide customised aluminium solutions;

(ii) The total purchases from Wyndor accounted for only 1.27%, 1.35%, 1.28% and 1.51% of our Group's total purchases in FYEs 2022, 2023, 2024 and FPE 2025, respectively. Therefore, our Group is not dependent on Wyndor for its business operations as there are other suppliers for aluminium solutions in the market;

11. CONFLICT OF INTEREST *(Cont'd)*

(iii) The total sales to Wyndor accounted for only 0.06%, 0.06%, 0.04% and 0.05% of our Group's total revenue in FYEs 2022, 2023, 2024 and FPE 2025, respectively. Therefore, our Group is not dependent on Wyndor for its revenue generation;

(iv) The purchases from Wyndor by our Group are conducted on an arm's length basis; and

(v) Tan Lee Kueng is not involved in the operations or management of Wyndor as the day-to-day operations of Wyndor is managed by an independent management team.

11.1.2 Haussmart

(i) Haussmart and our Group operate in distinct segments. Haussmart is principally involved in the supply of bathroom fittings and accessories, whereas our Group is principally involved in the retail and trading of kitchen-related fittings and accessories, general hardware, and home appliances;

(ii) Tan Lee Kueng, Tan Jian Wei and Yeoh Baby are not involved in the operations or management of Haussmart as the day-to-day operations of Haussmart is managed by an independent management team; and

(iii) Haussmart is not a customer or supplier of our Group.

Moving forward, our ARMC will supervise any actual conflict of interest or potential conflict of interest situations that may arise within our Company or our Group including such transaction, procedure or course that raises questions on management integrity. Our ARMC will also ensure that any such transactions are carried out on terms that are not detrimental to our Group.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our ARMC will, amongst others, supervise and monitor such related party transactions and the terms thereof and report to our Board for further action. Please refer to Section 10.5 of this Prospectus for the procedures to be taken to ensure that the related party transactions (if any) are undertaken on an arm's length basis.

11.2 DECLARATIONS OF CONFLICT OF INTERESTS BY OUR ADVISERS

(i) TA Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent for our Listing.

(ii) Ong Eu Jin Partnership has given their written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the Solicitors for our Listing.

(iii) Baker Tilly Monteiro Heng PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the Auditors and Reporting Accountants for our Listing.

(iv) Protégé has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the IMR for our Listing.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our historical financial statements for the FYE Under Review and FPE 2025 presented below have been extracted from the Accountants' Report in Section 13 of this Prospectus. The historical financial information of our Group for the FPE 2024 is prepared based on the historical combined unaudited financial statements of our Group.

Our historical combined financial statements have been prepared in accordance with the approved accounting standards in Malaysia, namely MFRS and the IFRS. The audited financial statements of the companies within our Group for the FYE Under Review and FPE 2025 were not subject to any audit qualification, modification and disclaimer. The financial information included in this Prospectus is not intended to predict our Group's financial position, results or cash flows.

12.1.1 Historical combined statements of profit or loss and other comprehensive income

The summary of our statements of profit or loss and other comprehensive income for the FYE Under Review, FPE 2024 and FPE 2025 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**
Revenue	91,305	109,209	130,221	92,175	98,225
Cost of sales	(64,863)	(76,382)	(87,390)	(62,218)	(62,518)
GP	**26,442**	**32,827**	**42,831**	**29,957**	**35,707**
Other income	1,134	1,147	1,476	1,326	1,217
Administrative expenses	(5,505)	(6,855)	(8,488)	(5,640)	(9,263)
Selling and distribution expenses	(8,674)	(11,082)	(12,697)	(9,153)	(10,660)
Other operating expenses	(22)	(85)	(145)	(140)	(68)
Operating profit	**13,375**	**15,952**	**22,977**	**16,350**	**16,933**
Finance costs	(455)	(666)	(785)	(579)	(588)
PBT	**12,920**	**15,286**	**22,192**	**15,771**	**16,345**
Taxation	(3,025)	(3,694)	(5,346)	(3,767)	(4,363)
PAT/ Total comprehensive income	**9,895**	**11,592**	**16,846**	**12,004**	**11,982**
PAT/ Total comprehensive income attributable to:					
- Owners of our Company	7,413	8,821	12,905	9,144	9,314
- Non-controlling interests	2,482	2,771	3,941	2,860	2,668
	9,895	**11,592**	**16,846**	**12,004**	**11,982**

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited			Unaudited	Audited
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2024**	**FPE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Supplementary financial information					
EBIT[(1)]	13,212	15,516	22,645	16,085	16,765
EBITDA[(1)]	15,499	18,411	26,178	18,033	19,329
GP margin[(2)] (%)	28.96	30.06	32.89	32.50	36.35
PBT margin[(3)] (%)	14.15	14.00	17.04	17.11	16.64
PAT margin[(4)] (%)	10.84	10.61	12.94	13.02	12.20
Basic and diluted EPS[(5)] (sen)	1.48	1.74	2.52	1.80	1.79
Effective tax rate[(6)] (%)	23.41	24.17	24.09	23.89	26.69

Notes:

(1) EBIT and EBITDA are calculated 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***
PAT	*9,895*	*11,592*	*16,846*	*12,004*	*11,982*
Less: Interest income	*(163)*	*(436)*	*(332)*	*(265)*	*(168)*
Add:					
Finance costs	*455*	*666*	*785*	*579*	*588*
Taxation	*3,025*	*3,694*	*5,346*	*3,767*	*4,363*
EBIT	***13,212***	***15,516***	***22,645***	***16,085***	***16,765***
Add:					
Depreciation of property, plant and equipment	*2,202*	*2,810*	*3,448*	*2,484*	*2,502*
Depreciation of investment properties	*85*	*85*	*85*	*64*	*62*
EBITDA	***15,499***	***18,411***	***26,178***	***18,033***	***19,329***

(2) Calculated based on GP over revenue.

(3) Calculated based on PBT over revenue.

(4) Calculated based on PAT over revenue.

(5) Calculated based on PAT over the number of 668,000,000 Shares in issue after the Internal Restructuring and Acquisitions but before our Public Issue. There is no dilution of EPS.

(6) Calculated based on income tax expenses over PBT.

12.1.2 Historical combined statements of financial position

	Audited			
	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	14,698	20,124	21,756	23,407
Investment properties	3,571	3,486	3,401	-
Deferred tax assets	160	176	191	227
Other investment[1]	-	2,019	4,099	4,054
Total non-current assets	**18,429**	**25,805**	**29,447**	**27,688**
Current assets				
Inventories	20,152	23,522	30,318	34,434
Current tax assets	169	95	38	131
Trade and other receivables[2]	8,381	9,822	12,015	12,354
Cash and short term deposits	22,804	27,665	14,570	16,157
	51,506	**61,104**	**56,941**	**63,076**
Asset classified as held for sale	-	-	-	[3]3,180
Total current assets	**51,506**	**61,104**	**56,941**	**66,256**
Total assets	**69,935**	**86,909**	**86,388**	**93,944**
Equity				
Invested Equity	4,209	4,209	4,679	4,679
Non-controlling interest[4]	9,597	11,035	9,799	12,247
Retained earnings	25,317	30,496	28,843	34,677
Total equity	**39,123**	**45,740**	**43,321**	**51,603**
Non-current liabilities				
Loans and borrowings	7,366	11,822	11,083	12,873
Deferred tax liabilities	31	28	3	15
Total non-current liabilities	**7,397**	**11,850**	**11,086**	**12,888**

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited			
	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Current liabilities				
Loans and borrowings	5,186	7,353	7,624	9,202
Current tax liabilities	553	576	1,244	1,735
Trade and other payables[(5)]	15,791	19,298	20,721	15,937
Contract liabilities	1,885	2,092	2,392	2,579
Total current liabilities	**23,415**	**29,319**	**31,981**	**29,453**
Total liabilities	**30,812**	**41,169**	**43,067**	**42,341**
Total equity and liabilities	**69,935**	**86,909**	**86,388**	**93,944**

Notes:

(1) Relates to the cash management funds placed in interest-bearing fixed deposit accounts with licensed financial institutions and/or in short-term money market instruments, utilised by our Group to derive other income.

(2) The breakdown of the trade and other receivables are as follows:

	As at 31 December			*As at 30 September*
	2022	***2023***	***2024***	***2025***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Trade receivables	*7,344*	*8,182*	*10,268*	*9,426*
Other receivables	*1,037*	*1,640*	*1,747*	*2,928*
Total	***8,381***	***9,822***	***12,015***	***12,354***

(3) Relates to the disposal of an investment property comprising a 1½ storey semi-detached factory previously rented to Redtick Sdn Bhd.

(4) Relates to the interests in our Group held by the minority shareholders of our subsidiaries, namely, Teamstar Solutions, Teamstar Reno, Teamstar Melaka, Teamstar Perak, Teamstar FH, Teamstar FF, Teamstar Seremban, DG Materials, Teammart and Best-Can. Please refer to Section 6 of this Prospectus for further details on the minority shareholders.

(5) The breakdown of the trade and other payables are as follows:

	As at 31 December			*As at 30 September*
	2022	***2023***	***2024***	***2025***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Trade payables	*9,496*	*11,722*	*13,727*	*9,717*
Other payables	*6,295*	*7,576*	*6,994*	*6,220*
Total	***15,791***	***19,298***	***20,721***	***15,937***

12.2 CAPITALISATION AND INDEBTEDNESS

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

(i) based on the latest financial information as at 30 November 2025; and

(ii) after adjusting for our Internal Restructuring and Acquisitions, IPO and use of proceeds arising from the IPO.

	Unaudited	Pro Forma I	Pro Forma II	Pro Forma III
	As at 30 November 2025	After Internal Restructuring and Acquisitions	After Pro Forma I and our IPO	After Pro Forma II and use of proceeds
	RM'000	RM'000	RM'000	RM'000
Indebtedness				
Current				
Secured and guaranteed:				
- Term loans	378	378	378	148
- Hire purchase payables	97	97	97	-
- Bankers' acceptance	6,419	6,419	6,419	6,419
Unsecured and unguaranteed:				
Lease liabilities	2,257	2,257	2,257	2,257
	9,151	**9,151**	**9,151**	**8,824**
Non-current				
Secured and guaranteed:				
- Term loans	6,424	6,424	6,424	5,330
- Hire purchase payables	43	43	43	-
Unsecured and unguaranteed:				
Lease liabilities	4,571	4,571	4,571	4,571
	11,038	**11,038**	**11,038**	**9,901**
Total indebtedness	**20,189**	**20,189**	**20,189**	**18,725**
Capitalisation				
Invested equity / Share capital	4,679	57,916	92,236	90,961
Total capitalisation	**4,679**	**57,916**	**92,236**	**90,961**
Total capitalisation and indebtedness	**24,868**	**78,105**	**112,425**	**109,686**
Gearing ratio[(1)] (times)	2.86	0.23	0.14	0.13

Note:

(1) Calculated based on total indebtedness (excluding lease liabilities) divided by total capitalisation.

12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our financial condition and results of operations for the FYE Under Review, FPE 2024 and FPE 2025 should be read with the Accountants' Report included in Section 13 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 of future events, including those risk factors and uncertainties discussed elsewhere in this Prospectus, particularly the risk factors set out in Section 5 of this Prospectus. Our results may differ significantly from those projected in the forward-looking statements.

There are no accounting policies which are peculiar to our Group because of the nature of the business or industry which we are involved in. For further details on the accounting policies of our Group, see Note 3 of the Accountants' Report as disclosed in Section 13 of this Prospectus.

12.3.1 Overview of our operations

(i) Principal activities

Our Group is principally an investment holding company and through our subsidiaries, primarily involved in the retail sale of furniture fittings and general hardware, and kitchen and home appliances; trading of furniture fittings; as well as the provision of value-added services such as slitting of edge banding jumbo rolls and mixing and sale of coatings and solvents. We offer our products through our retail channel (retail outlets) and through online channels (electronic commerce) sites such as Lazada, Shopee and TikTok Shop. Further details on the principal activities of our Group are set out in Section 7.2 of this Prospectus.

(ii) Revenue

Our revenue segments are based on our principal activities as follows:

(a) Retail

The revenue from this segment is derived from the retail sale of furniture fittings, general hardware as well as kitchen and home appliances.

(b) Trading and value-added

The revenue from this segment is derived from the trading of furniture fittings and provision of value-added services such as slitting of edge banding jumbo rolls and mixing and sale of coatings and solvents.

Our revenue is recognised at a point in time when control of the goods has been transferred to customers, being when the goods have been delivered to the customers and upon its acceptance.

(iii) Cost of sales

Our cost of sales mainly comprises purchases of furniture fittings, general hardware and kitchen and home appliances as well as chemicals for furniture coatings, thinner, varnish and paints. It also includes transportation charges, rental for warehouses and forklift, and custom duty and sales tax.

(iv) Other income

Other income mainly includes interest income, rental income, net realised/ unrealised gain on foreign exchange, gain on disposal of property, plant and equipment and fair value gain on other investment.

(v) Administrative expenses

Administrative expenses mainly comprise staff cost, depreciation expenses, upkeep costs, director related expenses and professional fees.

(vi) Selling and distribution expenses

Selling and distribution expenses mainly comprise staff cost, depreciation expenses, director related expenses, and advertisement and promotion expenses.

(vii) Other operating expenses

Other operating expenses mainly comprise bad debts written off, fine and penalty, property, plant and equipment written off, impairment loss on trade receivables and unrealised loss on foreign exchange.

(viii) Finance costs

Finance costs comprise interest expenses on term loans, lease liabilities, hire purchase, bank overdrafts and bankers' acceptance.

(ix) Recent developments

Save for the Internal Restructuring and Acquisitions, there was no significant event subsequent to our audited financial statements for the FYE Under Review and FPE 2025.

(x) Exceptional and extraordinary items and audit qualifications

There were no other exceptional or extraordinary items the FYE Under Review and FPE 2025. Additionally, the audited financial statements for the FYE Under Review and FPE 2025 were not subject to any audit qualifications.

12.3.2 Significant factors affecting our financial condition and results of operations

Our financial performance and results of operations will continue to be affected by various key factors relating to the industry in which we operate. These factors include, but are not limited to, the following:

(i) We depend on our brands and reputation to sustain growth and maintain our business operations

We have continued to build our in-house brands namely 'Reno', 'Hauss', 'A'Lois', 'E'Lois', 'Bramah', 'team', 'DGTango', 'Eracoat', 'Best-Can', 'Bee's Chem', and 'Bull Chem', as well as our reputation throughout the years of our operation. As a result, we believe that recognition of our brands as well as our good reputation helps us to retain our existing customers and attract new customers to purchase our products from our retail outlets and from our online shops on e-commerce platforms such as Lazada, Shopee and TikTok Shop. Hence, the occurrence of events which draw negative publicity may cause damage to our brands and reputation. This will discourage our customers from purchasing our products as well as discourage existing and new suppliers to continue or establish business relationship with us.

In addition, protecting our brands and intellectual property rights is important for maintaining our market reputation. We have filed intellectual property rights relating to our brands as a way to protect against infringement of our brands and trademarks. While we have filed intellectual property rights to protect our brands and trademarks, there can be no assurance that third parties will not use our brands or trademarks to sell products which may be of lower quality compared to ours, thereby confusing our customers and negatively affecting our customers' perception of our products. This in turn may adversely impact our business and financial performance.

(ii) We are subject to unfavourable changes in commercial terms by our suppliers

Due to the nature of our business, we do not enter into long-term arrangements or agreements with our suppliers since we place our orders through purchase orders on an as-needed basis. Therefore, we may face unfavourable changes in commercial terms due to factors such as changes in our suppliers' cost structure which may affect our Group's profit margin and competitiveness.

(iii) We are subject to shipping disruptions as well as fluctuation in freight rates

We source our furniture fittings and general hardware, kitchen and home appliances, decorative surface products, as well as raw materials used for the mixing of coatings and solvents from local and overseas suppliers who may also source their products from their overseas supplier networks. Therefore, we rely on marine freight for the delivery of our products. In the event of any freight disruptions, we may face delays in replenishing our stock of products, which may in turn impact our sales. As such, we are subject to freight disruptions that may arise from circumstances beyond our control, which include severe weather conditions, political turmoil, oil spills, strikes or congestion at ports, and delayed or lost shipments.

While we have been able to either absorb or pass on some of the increases in freight costs to our customers, there can be no guarantee that we will be able to continuously absorb or pass on the increase in business operation costs arising from freight rates fluctuations to our customers in the future. Our Group's financial performance may be negatively affected as a result.

(iv) We are subject to renewal and changes in terms of tenancies and are reliant on our ability to secure suitable locations for our retail outlets

As at the LPD, we have 29 retail outlets located throughout Peninsular Malaysia of which 28 retail outlets are operating in rented premises. The period for the existing tenancies for our retail outlets generally ranges from one to three years, with options for renewal. As such, we are subject to risks associated with the non-renewal of tenancies, early termination of tenancies, and an increase in rental rates upon renewal of tenancies.

In the event that we are unable to renew our tenancy or if a tenancy is terminated due to circumstances outside of our control, we will have to relocate the affected retail outlets to another location. This will cause us to incur additional costs such as relocation costs and renovation costs. The disruption to our operations at the affected retail outlets on top of the additional costs may affect our business and financial performance. In addition, we may not be able to relocate our affected retail outlets in locations with similar level of customer traffic, accessibility and proximity to target markets.

Additionally, as we operate from rented facilities, we are subject to an increase in rental rates during the renewal of our tenancies. If there is an increase in demand for properties in the area where our retail outlets are located, it may increase the market rental rates which may lead to increase in rental rates by our landlords for the renewed term. Furthermore, the Malaysian Government has announced an expansion of the SST scope with effect from 1 July 2025. This may result in our landlords charging service tax on the rental of our Group's rented facilities. Such increase in rental charges may negatively affect our financial performance as a result.

(v) We are reliant on imports from overseas suppliers

For the FYE Under Review and FPE 2025, four of our major suppliers were located overseas, namely in PRC and India. The suppliers from the aforementioned countries contributed to 24.26%, 19.51%, and 18.92% of our total purchases for the FYE Under Review, respectively, and 20.97% for the FPE 2025. As such, we are exposed to the risk of reliance on overseas suppliers. In the event of unfavourable changes in import and export restrictions, implementation of trade restrictions, or disruptions in international supply chains, we may experience delays or disruptions in importing products from our overseas suppliers. Notwithstanding that we will be able to source our products from local suppliers in the market, we may not be able to replace our major overseas suppliers in a timely manner or be able to source products of equivalent quality. In addition, we may not be able to source similar products at a favourable price from new suppliers. This may adversely affect our business operations, brand reputation, and financial performance in the future.

(vi) We are subject to product liability claims caused by product defects

We source our furniture fittings and general hardware, and kitchen and home appliances products from our suppliers while we undertake value-added activities such as mixing of coatings and solvents as well as slitting of edge banding jumbo rolls in-house. Therefore, if our products are found to be defective and/or damaged, we may face product liability claims requested from the affected customers. Additionally, if our products cause any injuries or damages to its users, we may face claims or legal proceedings against us.

(vii) We are subject to the risks of unforeseen disruptions in our retail outlets, warehouses, and factories

As at the LPD, we have a total of 29 retail outlets which are supported by two factories and nine warehouses. We receive and store products from our suppliers in our warehouses before distributing them to our retail outlets or customers. We also produce and store our coating and solvent products at our factory before distributing them to our retail outlets or customers.

The products stored in these facilities as well as the facilities themselves could be affected by events such as fire, flood, prolonged power outages, system failures, human error, or outbreak of diseases which may in turn affect our retail, and trading and value-added operations. If we are unable to react and recover from the disruptions in a timely manner, our Group's business and financial performance may be adversely affected.

Further details on the above factors including other risk factors affecting our business are set out in Section 5 of this Prospectus.

12.3.3 Revenue

(i) Analysis of revenue by business activities

Our Group's revenue is solely generated from Malaysia. The breakdown of our Group's revenue by business activities for the FYE Under Review, FPE 2024 and FPE 2025 are 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	%
Retail[1]										
- Furniture fittings and general hardware	47,175	51.67	59,460	54.45	69,202	53.14	49,740	53.96	49,548	50.44
- Kitchen and home appliances	5,168	5.66	5,722	5.24	6,137	4.71	4,554	4.94	4,576	4.66
	52,343	**57.33**	**65,182**	**59.69**	**75,339**	**57.85**	**54,294**	**58.90**	**54,124**	**55.10**
Trading and value-added										
- HPL and compact laminates	15,131	16.57	21,661	19.83	28,617	21.98	20,132	21.84	22,294	22.70
- Coatings and solvents	13,278	14.54	13,358	12.23	13,401	10.29	9,763	10.59	9,345	9.51
- Edge banding	7,153	7.84	6,472	5.93	6,907	5.30	4,748	5.15	5,004	5.10
- Kitchen accessories	203	0.22	137	0.12	3,212	2.47	792	0.86	4,747	4.83
- Others[2]	3,197	3.50	2,399	2.20	2,745	2.11	2,446	2.66	2,711	2.76
	38,962	**42.67**	**44,027**	**40.31**	**54,882**	**42.15**	**37,881**	**41.10**	**44,101**	**44.90**
Total	**91,305**	**100.00**	**109,209**	**100.00**	**130,221**	**100.00**	**92,175**	**100.00**	**98,225**	**100.00**

12. FINANCIAL INFORMATION *(Cont'd)*

Notes:

*(1) Same store sales growth ("**SSSG**") is a measure of the growth in the revenue generated by our retail outlets during a period compared to the revenue generated by the same retail outlets during the corresponding period of the same duration in the immediate preceding year. The following table shows the SSSG of our retail outlets during the FYE Under Review, FPE 2024 and FPE 2025:*

	FYE 2022	***FYE 2023***	***FYE 2024***	***FPE 2024***	***FPE 2025***
SSSG[(a)]	*45.63%*	*27.89%*	*12.31%*	*16.21%*	*(4.80)%*
Number of retail outlets included in the calculation of SSSG	*16*	*19*	*21*	*20*	*26*
Average number of retail outlets during the financial year/period[(b)]	*18*	*20*	*24*	*24*	*27*

Subnotes:

(a) The SSSG of our retail outlets for each financial year/period is calculated by dividing (a) the revenue generated by our retail outlets during that period after deducting the revenue generated by those same outlets during the corresponding period of the same duration in the immediate preceding year/period, by (b) the revenue generated by those same outlets during the corresponding period of the same duration in the immediate preceding year/period.

(b) The following table shows the number of retail outlets operated at the beginning and the end of the respective FYE Under Review, FPE 2024 and FPE 2025:

	FYE 2022	***FYE 2023***	***FYE 2024***	***FPE 2024***	***FPE 2025***
Number of existing retail outlets at the beginning of the financial year/period	*16*	*19*	*21*	*21*	*26*
New retail outlets opened during the financial year/period	*3*	*2*	*5*	*5*	*2*
Retail outlets closed during the financial year/period	*-*	*-*	*-*	*-*	*-*
Number of retail outlets at the end of the financial year/period	*19*	*21*	*26*	*26*	*28*
Average number of retail outlets during the financial year/period	*18*	*20*	*24*	*24*	*27*

(2) Others comprise home improvement organisers, general furniture fittings, door accessories, and electrical fittings.

12. FINANCIAL INFORMATION *(Cont'd)*

(ii) Analysis of revenue by brands

The breakdown of our Group's revenue by brands for the FYE Under Review, FPE 2024 and FPE 2025 are 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	%
Retail										
- In-house brands[(1)]	16,419	17.99	19,215	17.60	23,964	18.40	16,545	17.95	19,224	19.57
- Third-party brands	35,924	39.34	45,967	42.09	51,375	39.45	37,749	40.95	34,900	35.53
	52,343	**57.33**	**65,182**	**59.69**	**75,339**	**57.85**	**54,294**	**58.90**	**54,124**	**55.10**
Trading and value-added										
- In-house brands[(1)]	38,910	42.62	44,009	40.30	53,301	40.93	35,049	38.03	39,007	39.71
- Third-party brands	52	0.05	18	0.01	1,581	1.22	2,832	3.07	5,094	5.19
	38,962	**42.67**	**44,027**	**40.31**	**54,882**	**42.15**	**37,881**	**41.10**	**44,101**	**44.90**
Total	**91,305**	**100.00**	**109,209**	**100.00**	**130,221**	**100.00**	**92,175**	**100.00**	**98,225**	**100.00**

Note:

(1) In-house brands refers to 'Reno', 'Hauss', 'A'Lois', 'E'Lois', 'Bramah', 'team', 'DGTango', 'Eracoat', 'Best-Can', 'Bee's Chem' and 'Bull Chem'. Generally, our in-house brands and value-added activities (slitting of edge banding jumbo rolls as well as the mixing and sale of coatings and solvents) fetch higher profit margins.

12. FINANCIAL INFORMATION *(Cont'd)*

(iii) Analysis of revenue by geographical location

The breakdown of our Group's revenue by geographical region in Peninsular Malaysia for the FYE Under Review are as follows:

Retail segment

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Central region[(1)]	43,479	83.07	53,208	81.63	60,330	80.07	43,263	79.68	41,209	76.14
Northern region[(2)]	-	-	-	-	622	0.83	158	0.29	2,431	4.49
Southern region[(3)]	8,864	16.93	11,889	18.24	13,114	17.41	9,906	18.25	9,369	17.31
Eastern region[(4)]	-	-	85	0.13	1,273	1.69	967	1.78	1,115	2.06
Total	**52,343**	**100.00**	**65,182**	**100.00**	**75,339**	**100.00**	**54,294**	**100.00**	**54,124**	**100.00**

Trading and value-added segment[*]

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Central region[(1)]	20,899	53.64	25,012	56.81	33,424	60.90	22,824	60.25	27,793	63.02
Northern region[(2)]	4,257	10.93	4,260	9.68	4,729	8.62	3,106	8.20	2,705	6.13
Southern region[(3)]	13,806	35.43	14,755	33.51	16,729	30.48	11,951	31.55	13,603	30.85
Eastern region[(4)]	-	-	-	-	-	-	-	-	-	-
Total	**38,962**	**100.00**	**44,027**	**100.00**	**54,882**	**100.00**	**37,881**	**100.00**	**44,101**	**100.00**

12. FINANCIAL INFORMATION *(Cont'd)*

Notes:

** The revenue by geographical location for trading and value-added segment is determined based on the warehouse/factory locations.*

(1) Comprises Selangor and Kuala Lumpur.

(2) Comprises Perak and Penang.

(3) Comprises Negeri Sembilan, Melaka and Johor.

(4) Comprises Pahang.

Commentaries on revenue by business activities

Comparison between FYE 2022 and FYE 2023

Our Group's revenue increased by RM17.90 million or 19.61% from RM91.31 million in FYE 2022 to RM109.21 million in FYE 2023 as further explained below:

(i) Retail segment

Revenue generated from our retail segment increased by RM12.84 million or 24.53% from RM52.34 million in FYE 2022 to RM65.18 million in FYE 2023. The overall increase was mainly due to the following:

(a) opening of two new retail outlets, one each in Melaka and Kuantan; and

(b) adjustment of our Group's product mix whereby we increases focus on our in-house brand's furniture fittings and general hardware which resulted in higher sales volume as we generally priced more competitively relative to third-party brands.

Despite the increase in revenue from retail segment, the SSSG of our retail outlets declined from 45.63% in FYE 2022 to 27.89% in FYE 2023 mainly due to the dilution of the average sales per retail outlet following the opening of the two new retail outlets. The combined SSSG of our existing retail outlets and our new retail outlets resulted in an overall declining SSSG trend. Nevertheless, despite the declining trend in the SSSG, our Group's overall revenue continued to increase due to the contribution from our new retail outlets.

(ii) Trading and value-added segment

Revenue generated from our trading and value-added segment increased by RM5.07 million or 13.01% from RM38.96 million in FYE 2022 to RM44.03 million in FYE 2023. The increase in revenue was mainly due to higher sales recorded for HPL and compact laminates by RM6.53 million or 43.16% from RM15.13 million in FYE 2022 to RM21.66 million in FYE 2023 which was driven by an increase of purchases from 121 existing customers and 14 new customers.

Comparison between FYE 2023 and FYE 2024

Our Group's revenue increased by RM21.01 million or 19.24% from RM109.21 million in FYE 2023 to RM130.22 million in FYE 2024 as further explained below:

(i) Retail segment

Revenue generated from our retail segment increased by RM10.16 million or 15.59% from RM65.18 million in FYE 2023 to RM75.34 million in FYE 2024. The overall increase was mainly due to the following:

(a) opening of five new retail outlets, three in Selangor and one each in Negeri Sembilan and Perak;

(b) advertising and promotional efforts to promote our Group's loyalty program (which began in 2013) by giving out more vouchers and free gifts to active members under our Group's loyalty program to drive repeat purchases which led to an increase in active members from 11,586 in FYE 2023 to 14,240 in FYE 2024; and

(c) continued efforts to optimise our Group's product mix by increasing focus on our in-house brand furniture fittings and general hardware which resulted in higher sales volume as we generally priced more competitively relative to third-party brands.

Despite the increase in revenue from retail segment, the SSSG of our retail outlets decreased from 27.89% in FYE 2023 to 12.31% in FYE 2024 mainly due to the opening of the five new retail outlets. The combined SSSG of our existing retail outlets and our new retail outlets resulted in an overall declining SSSG trend. Nevertheless, despite the declining trend in the SSSG, our Group's overall revenue continued to increase due to the contribution from our new retail outlets.

(ii) Trading and value-added segment

Revenue generated from our trading and value-added segment increased by RM10.85 million or 24.64% from RM44.03 million in FYE 2023 to RM54.88 million in FYE 2024. The increase in revenue was mainly due to the following:

(a) higher sales recorded for HPL and compact laminates by RM6.96 million or 32.13% from RM21.66 million in FYE 2023 to RM28.62 million in FYE 2024 which was driven by increased purchases from 125 existing customers and 24 new customers; and

(b) expansion of kitchen accessories business in FYE 2024 following the acquisition of kitchen fittings and accessories inventories from TW Wealth.

Comparison between FPE 2024 and FPE 2025

Our Group's revenue increased by RM6.05 million or 6.56% from RM92.18 million in FPE 2024 to RM98.23 million in FPE 2025 as further explained below:

(i) Retail segment

Revenue generated from our retail segment remained relatively consistent with a marginal decrease of RM0.17 million or 0.31% from RM54.29 million in FPE 2024 to RM54.12 million in FPE 2025. The slight decrease was mainly due to a marginal decrease in sales of furniture fittings and general hardware by RM0.19 million in FPE 2025.

However, the SSSG of our retail outlets decreased from a growth of 16.21% in FPE 2024 to a decline of 4.80% in FPE 2025 mainly due to lower revenue generated from retail segment as well as the dilution of the average sales per retail outlet following the opening of the five new retail outlets in FPE 2024 which continued to weigh on the SSSG in FPE 2025.

(ii) Trading and value-added segment

Revenue generated from our trading and value-added segment increased by RM6.22 million or 16.42% from RM37.88 million in FPE 2024 to RM44.10 million in FPE 2025. The increase in revenue was mainly due to the following:

(a) higher sales recorded for HPL and compact laminates by RM2.16 million or 10.73% from RM20.13 million in FPE 2024 to RM22.29 million in FPE 2025 which was driven by an increase of purchases from 127 existing customers and 22 new customers; and

(b) higher sales recorded for kitchen accessories by RM3.96 million from RM0.79 million in FPE 2024 to RM4.75 million in FPE 2025 as the expansion of kitchen accessories business only commenced subsequent to FPE 2024.

12. FINANCIAL INFORMATION *(Cont'd)*

12.3.4 Cost of sales

(i) Analysis of cost of sales by business activities

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Retail	35,170	54.22	43,809	57.36	47,466	54.32	33,653	54.09	31,540	50.45
Trading and value-added	29,693	45.78	32,573	42.64	39,924	45.68	28,565	45.91	30,978	49.55
Total	**64,863**	**100.00**	**76,382**	**100.00**	**87,390**	**100.00**	**62,218**	**100.00**	**62,518**	**100.00**

(ii) Analysis of cost of sales by brands

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Retail										
- In-house brands	10,102	15.57	11,867	15.54	14,370	16.45	10,066	16.18	10,438	16.70
- Third-party brands	25,068	38.65	31,942	41.82	33,096	37.87	23,587	37.91	21,102	33.75
	35,170	**54.22**	**43,809**	**57.36**	**47,466**	**54.32**	**33,653**	**54.09**	**31,540**	**50.45**
Trading and value-added										
- In-house brands	29,653	45.72	32,559	42.63	38,735	44.32	26,201	42.11	26,531	42.44
- Third-party brands	40	0.06	14	0.01	1,190	1.36	2,364	3.80	4,447	7.11
	29,693	**45.78**	**32,573**	**42.64**	**39,925**	**45.68**	**28,565**	**45.91**	**30,978**	**49.55**
Total	**64,863**	**100.00**	**76,382**	**100.00**	**87,390**	**100.00**	**62,218**	**100.00**	**62,518**	**100.00**

12. FINANCIAL INFORMATION *(Cont'd)*

(iii) Analysis of cost of sales by cost components

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Purchases	61,192	94.34	72,441	94.84	82,532	94.44	58,775	94.47	58,553	93.66
Transportation charges[(1)]	627	0.97	601	0.79	1,116	1.28	753	1.21	668	1.07
Rental charges[(2)]	363	0.56	200	0.26	32	0.04	24	0.04	31	0.05
Custom duty and sales tax[(3)]	954	1.47	1,297	1.70	1,649	1.88	955	1.53	1,188	1.90
Others[(4)]	1,727	2.66	1,843	2.41	2,061	2.36	1,711	2.75	2,078	3.32
Total	**64,863**	**100.00**	**76,382**	**100.00**	**87,390**	**100.00**	**62,218**	**100.00**	**62,518**	**100.00**

Notes:

(1) Refer to the costs incurred for the delivery of goods to our customers through third-party logistics services provider or our in-house-fleet of vehicles.

Transportation charges decreased by RM0.03 million or 4.76% from RM0.63 million in FYE 2022 to RM0.60 million in FYE 2023 mainly due to the lower reliance on third-party logistics services provider as we utilised our in-house-fleet of vehicles.

(2) Refer to rental for warehouses and forklifts. Rental charges decreased by RM0.16 million or 44.44%, from RM0.36 million in FYE 2022 to RM0.20 million in FYE 2023 mainly due to the termination of the usage of intermediate warehouses arranged by our suppliers. Prior to the delivery of certain imported products from the port to our warehouses, intermediate warehouses were required for the short-term storage of these products due to the low storage space of our existing warehouses available at that time. This arrangement was no longer required since FYE 2024 as we have available storage capacity at our Taman Mas Warehouse. In addition, rental charges decreased further by RM0.17 million or 85.00%, from RM0.20 million in FYE 2023 to RM0.03 million in FYE 2024 following the cessation of forklifts rental.

(3) Refer to custom duties for overseas purchases and SST.

(4) Comprise mainly of depreciation, packing materials, salaries and upkeep of assets

Commentaries on cost of sales

Comparison between FYE 2022 and FYE 2023

Our Group's cost of sales increased by RM11.52 million or 17.76% from RM64.86 million in FYE 2022 to RM76.38 million in FYE 2023 as further explained below:

(i) Retail segment

Cost of sales from our retail segment increased by RM8.64 million or 24.57% from RM35.17 million in FYE 2022 to RM43.81 million in FYE 2023. The increase in the cost of sales was in tandem with our Group's retail segment's increase in revenue as more inventory purchases were required to meet the increased sales as well as to cater for the opening of the two new retail outlets during FYE 2023.

(ii) Trading and value-added segment

Cost of sales from our trading and value-added segment increased by RM2.88 million or 9.70% from RM29.69 million in FYE 2022 to RM32.57 million in FYE 2023. The increase in the cost of sales was in tandem with our revenue growth in our Group's trading and value-added segment as more inventory purchases were required to meet the meet the higher demand for HPL and compact laminates.

As a result of the above, on the cost component basis, the purchases increased by RM11.25 million or 18.39% from RM61.19 million in FYE 2022 to RM72.44 million in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group's cost of sales increased by RM11.01 million or 14.41% from RM76.38 million in FYE 2023 to RM87.39 million in FYE 2024 as further explained below:

(i) Retail segment

Cost of sales from our retail segment increased by RM3.66 million or 8.35% from RM43.81 million in FYE 2023 to RM47.47 million in FYE 2024. The increase in the cost of sales was in tandem with our Group's retail segment's increase in revenue as more inventory purchases were required to meet the increased sales as well as to cater for the opening of five new retail outlets during FYE 2024.

(ii) Trading and value-added segment

Cost of sales from our trading and value-added segment increased by RM7.35 million or 22.57% from RM32.57 million in FYE 2023 to RM39.92 million in FYE 2024. The increase in cost of sales was mainly due to the following:

(a) higher inventory purchases were required to meet the increased sales of HPL and compact laminates; and

(b) additional purchases were required following the expansion of kitchen accessories business.

As a result of the above, on the cost component basis, the purchases increased by RM10.09 million or 13.93% from RM72.44 million in FYE 2023 to RM82.53 million in FYE 2024.

Comparison between FPE 2024 and FPE 2025

Our Group's cost of sales increased by RM0.30 million or 0.48% from RM62.22 million in FPE 2024 to RM62.52 million in FPE 2025 as further explained below:

(i) Retail segment

Cost of sales from our retail segment decreased by RM2.11 million or 6.27% from RM33.65 million in FPE 2024 to RM31.54 million in FPE 2025. The decrease in the cost of sales was in tandem with our Group's retail segment's decrease in revenue as lower sales were recorded from the sales of furniture fittings and general hardware in FPE 2025.

(ii) Trading and value-added segment

Cost of sales from our trading and value-added segment increased by RM2.41 million or 8.44% from RM28.57 million in FPE 2024 to RM30.98 million in FPE 2025. The increase in cost of sales was mainly due to the following:

(a) higher inventory purchases were required to meet the increased sales of HPL and compact laminates; and

(b) additional purchases were required following the expansion of kitchen accessories business.

As a result of the above, on the cost component basis, the purchases remained relatively consistent in FPE 2025.

12. FINANCIAL INFORMATION *(Cont'd)*

12.3.5 GP and GP margin

(i) Analysis of GP and GP margin by business activities

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Retail	17,173	32.81	21,373	32.79	27,873	37.00	20,641	38.02	22,584	41.73
Trading and value-added	9,269	23.79	11,454	26.02	14,958	27.25	9,316	24.59	13,123	29.76
Total	**26,442**	**28.96**	**32,827**	**30.06**	**42,831**	**32.89**	**29,957**	**32.50**	**35,707**	**36.35**

12. FINANCIAL INFORMATION *(Cont'd)*

(ii) Analysis of GP and GP margin by brands

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Retail										
- In-house brands	6,317	38.47	7,348	38.24	9,594	40.04	6,479	39.16	8,786	45.70
- Third-party brands	10,856	30.22	14,025	30.51	18,279	35.58	14,162	37.52	13,798	39.54
	17,173	**32.81**	**21,373**	**32.79**	**27,873**	**37.00**	**20,641**	**38.02**	**22,584**	**41.73**
Trading and value-added										
- In-house brands	9,258	23.79	11,450	26.02	14,566	27.33	8,848	25.24	12,476	31.98
- Third-party brands	11	21.15	4	22.22	392	24.79	468	16.53	647	12.70
	9,269	**23.79**	**11,454**	**26.02**	**14,958**	**27.25**	**9,316**	**24.59**	**13,123**	**29.76**
Total	**26,442**	**28.96**	**32,827**	**30.06**	**42,831**	**32.89**	**29,957**	**32.50**	**35,707**	**36.35**

Commentaries on GP and GP margin

Comparison between FYE 2022 and FYE 2023

The increase in GP was in tandem with our higher revenue recorded during FYE 2023. As a result, our Group's GP increased by RM6.39 million or 24.17% from RM26.44 million in FYE 2022 to RM32.83 million in FYE 2023. Correspondingly, our Group's GP margin improved from 28.96% in FYE 2022 to 30.06% in FYE 2023.

(i) Retail segment

Our Group's GP for retail segment increased by RM4.20 million or 24.46% from RM17.17 million in FYE 2022 to RM21.37 million in FYE 2023, in line with the increase in revenue. Our Group's GP margin for this segment remained relatively stable at 32.79% in FYE 2023 compared to 32.81% in FYE 2022.

(ii) Trading and value-added segment

Our Group's GP for trading and value-added segment increased by RM2.18 million or 23.52% from RM9.27 million in FYE 2022 to RM11.45 million in FYE 2023, which is in line with the increase in revenue. Our Group's GP margin for this segment improved from 23.79% in FYE 2022 to 26.02% in FYE 2023 mainly attributable to the higher sales volume which enabled our Group to negotiate for more favourable pricing with suppliers for bulk purchases. As a result, the increase in GP margin was due to the increase in revenue from the trading and value-added segment of 13.01% which outpaced the increase in our Group's cost of sales for the same segment of 9.70%

Comparison between FYE 2023 and FYE 2024

The increase in GP was in tandem with our higher revenue recorded during FYE 2024. As a result, our Group's GP increased by RM10.00 million or 30.46% from RM32.83 million in FYE 2023 to RM42.83 million in FYE 2024. Correspondingly, our Group's GP margin improved from 30.06% in FYE 2023 to 32.89% in FYE 2024.

(i) Retail segment

Our Group's GP for retail segment increased by RM6.50 million or 30.42% from RM21.37 million in FYE 2023 to RM27.87 million in FYE 2024, which is in line with the increase in revenue. Our Group's GP margin for the retail segment increased from 32.79% in FYE 2023 to 37.00% in FYE 2024 mainly attributable to higher sales of in-house brand furniture fittings and general hardware which generally fetch a higher margin.

(ii) Trading and value-added segment

Our Group's GP for trading and value-added segment increased by RM3.51 million or 30.66% from RM11.45 million in FYE 2023 to RM14.96 million in FYE 2024, which is in line with the increase in revenue. Our Group's GP margin for this segment increased slightly from 26.02% in FYE 2023 to 27.25% in FYE 2024 mainly attributable to the higher sales volume which enabled our Group to negotiate for more favourable pricing with suppliers for bulk purchases. As a result, the improvement in GP margin was due to the increase in revenue from the trading and value-added segment of 24.64% which outpaced the increase in our Group's cost of sales for the same segment of 22.57%.

Comparison between FPE 2024 and FPE 2025

The increase in GP was in tandem with our higher revenue recorded during FPE 2025. As a result, our Group's GP increased by RM5.75 million or 19.19% from RM29.96 million in FPE 2024 to RM35.71 million in FPE 2025. Correspondingly, our Group's GP margin improved from 32.50% in FPE 2024 to 36.35% in FPE 2025.

(i) Retail segment

Our Group's GP for retail segment increased by RM1.94 million or 9.40% from RM20.64 million in FPE 2024 to RM22.58 million in FPE 2025. Our Group's GP margin for the retail segment increased from 38.02% in FPE 2024 to 41.73% in FPE 2025 mainly attributable to higher sales of in-house brand furniture fittings and general hardware which generally fetch a higher margin.

(ii) Trading and value-added segment

Our Group's GP for trading and value-added segment increased by RM3.80 million or 40.77% from RM9.32 million in FPE 2024 to RM13.12 million in FPE 2025, which is in line with the increase in revenue. Our Group's GP margin for this segment increased from 24.59% in FPE 2024 to 29.76% in FPE 2025 mainly attributable to the higher sales volume which enabled our Group to negotiate for more favourable pricing with suppliers for bulk purchases. As a result, the improvement in GP margin was due to the increase in revenue from the trading and value-added segment of 16.42% which outpaced the increase in our Group's cost of sales for the same segment of 8.44%.

12. FINANCIAL INFORMATION *(Cont'd)*

12.3.6 Other income

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest income	163	14.37	436	38.01	332	22.49	265	19.98	168	13.80
Rental income	417	36.77	436	38.01	446	30.22	335	25.26	314	25.80
Net realised gain on foreign exchange	195	17.20	84	7.32	234	15.85	302	22.78	367	30.16
Net unrealised gain on foreign exchange	30	2.65	28	2.44	-	-	111	8.37	16	1.32
Reversal of impairment losses on trade receivables	29	2.56	12	1.05	18	1.22	-	-	115[(1)]	9.45
Gain on disposal of property, plant and equipment[(2)]	165	14.55	63	5.49	100	6.78	29	2.19	87	7.15
Fair value gain on other investment[(3)]	-	-	19	1.66	260	17.62	227	17.12	99	8.13
Others[(4)]	135	11.90	69	6.02	86	5.82	57	4.30	51	4.19
Total	**1,134**	**100.00**	**1,147**	**100.00**	**1,476**	**100.00**	**1,326**	**100.00**	**1,217**	**100.00**

Notes:

(1) During FPE 2025, the reversal of impairment losses on trade receivables increased by approximately RM0.12 million from nil in FPE 2024 to RM0.12 million in FPE 2025, due to periodic expected credit loss assessment in accordance with MFRS 9.

(2) Refers to the gains from the disposal of commercial vehicles, which were sold at prices higher than the net book value.

(3) Relates to the cash management funds placed in interest-bearing fixed deposit accounts with licensed financial institutions and/or in short-term money market instruments.

(4) Mainly comprise gain on lease terminations, insurance claims, transportation fees, recovery of bad debts, government grants, waiver of debts, gain on disposal of investment property and miscellaneous income.

Commentaries on other income

Comparison between FYE 2022 and FYE 2023

Our Group's other income increased by RM0.02 million or 1.77% from RM1.13 million in FYE 2022 to RM1.15 million in FYE 2023 mainly attributed to the increase in interest income by RM0.27 million mainly derived from the placement of fixed deposits interest.

The increase was partially offset by the following:

(i) decrease in net realised gain on foreign exchange by RM0.11 million during FYE 2023 due to the overall weakening of RM against RMB arising from our overseas purchases; and

(ii) decrease in gain on disposal of property, plant and equipment by RM0.10 million due to disposal of commercial vehicles in FYE 2022.

Comparison between FYE 2023 and FYE 2024

Our Group's other income increased by RM0.33 million or 28.70% from RM1.15 million in FYE 2023 to RM1.48 million in FYE 2024 mainly attributed to the following:

(i) increase in net realised gain on foreign exchange by RM0.15 million due to the overall strengthening of RM against RMB arising from our overseas purchases during FYE 2024; and

(ii) increase in fair value gain on other investment by RM0.24 million arising from investments in cash management funds.

The increase was partially offset by the decrease in interest income by RM0.10 million due to lower placement of fixed deposits interest.

Comparison between FPE 2024 and FPE 2025

Our Group's other income decreased by RM0.11 million or 8.27% from RM1.33 million in FPE 2024 to RM1.22 million in FPE 2025 mainly attributed to the decrease in fair value gain on other investment by RM0.13 million arising from lower investments in cash management funds.

12. FINANCIAL INFORMATION *(Cont'd)*

12.3.7 Administrative expenses

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff cost[(1)]	2,690	48.86	3,311	48.30	3,715	43.77	2,713	48.10	3,515	37.95
Depreciation expenses[(2)]	909	16.51	1,029	15.01	1,458	17.18	874	15.50	785	8.47
Upkeep costs	710	12.90	778	11.35	947	11.16	700	12.41	625	6.75
Director related expenses[(3)]	482	8.76	750	10.94	499	5.88	424	7.52	539	5.82
Professional fees[(4)]	152	2.76	220	3.21	728	8.58	344	6.10	2,982	32.19
Insurance	212	3.85	255	3.72	290	3.41	204	3.62	168	1.81
Marketing expenses	24	0.44	54	0.79	261	3.07	17	0.30	123	1.33
Others[(5)]	326	5.92	458	6.68	590	6.95	364	6.45	526	5.68
Total	**5,505**	**100.00**	**6,855**	**100.00**	**8,488**	**100.00**	**5,640**	**100.00**	**9,263**	**100.00**

Notes:

(1) Comprise salaries, bonus and emoluments for our employees at headquarters and warehouses.

(2) Relating to the headquarter and warehouses.

(3) Comprise Director's remunerations, emoluments and benefit in kinds for the Director involved in our Group's business operations.

(4) Comprise legal fees, audit fees, secretarial fees, tax agent fees and IPO related advisory fees.

(5) Comprise mainly of bank charges, freight and delivery charges, entertainments, and road tax, insurance, stamping fees, and printing and stationery.

Commentaries on administrative expenses

Comparison between FYE 2022 and FYE 2023

Our Group's administrative expenses increased by RM1.35 million or 24.50% from RM5.51 million in FYE 2022 to RM6.86 million in FYE 2023 mainly attributed to the following:

(i) increase in staff costs by RM0.62 million, mainly due to an increase in the number of headcounts from 36 employees in FYE 2022 to 47 employees in FYE 2023, in line with the business expansion which require additional manpower;

(ii) increase in director related expenses by RM0.27 million due to annual increment and higher bonus payout in line with the increase in revenue;

(iii) increase in others by RM0.13 million due to higher road tax and insurance costs incurred arising from the acquisition of five new commercial vehicles; and

(iv) increase in depreciation expenses by RM0.12 million, attributable to the acquisition of five new commercial vehicles.

Comparison between FYE 2023 and FYE 2024

Our Group's administrative expenses increased by RM1.63 million or 23.76% from RM6.86 million in FYE 2023 to RM8.49 million in FYE 2024 mainly attributed to the following:

(i) increase in staff costs by RM0.40 million, mainly due to an increase in the number of headcounts from 47 employees in FYE 2023 to 54 employees in FYE 2024, in line with the business expansion which require additional manpower;

(ii) increase in professional fees by RM0.51 million mainly due to expenses incurred for the IPO;

(iii) increase in depreciation expenses by RM0.43 million, attributable to the acquisition of five new commercial vehicles and installation of racking systems at the newly rented Mount Austin Warehouse;

(iv) increase in marketing expenses by RM0.21 million due to higher spending on maintenance and upgrade of our Group's website to be in line with our advertising effort during FYE 2024; and

(v) increase in upkeep costs by RM0.17 million due to the newly rented Mount Austin Warehouse.

The increase is partially offset by the decrease in director related expenses by RM0.25 million due to Tan Lee Kueng voluntarily reducing his director's fees to compensate for the increase in staff costs in FYE 2024.

Comparison between FPE 2024 and FPE 2025

Our Group's administrative expenses increased by RM3.62 million or 64.18% from RM5.64 million in FPE 2024 to RM9.26 million in FPE 2025 mainly attributed to the following:

(i) increase in staff costs by RM0.80 million, mainly due to an increase in the number of headcounts from 52 employees in FPE 2024 to 68 employees in FPE 2025, in line with the business expansion which require additional manpower; and

(ii) increase in professional fees by RM2.64 million mainly due to one-off expenses incurred for the IPO.

12. FINANCIAL INFORMATION *(Cont'd)*

12.3.8 Selling and distribution expenses

	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[1]	6,321	72.87	8,261	74.54	9,537	75.11	6,507	71.09	7,675	72.00
Depreciation expenses[2]	1,049	12.09	1,391	12.55	1,377	10.85	1,129	12.34	1,409	13.22
Advertisement and promotion expenses	442	5.09	558	5.04	809	6.37	642	7.01	564	5.29
Distribution expenses	233	2.69	308	2.78	404	3.18	290	3.17	372	3.49
Rental[3]	298	3.44	181	1.63	170	1.34	151	1.65	49	0.46
Others[4]	331	3.82	383	3.46	400	3.15	434	4.74	591	5.54
Total	**8,674**	**100.00**	**11,082**	**100.00**	**12,697**	**100.00**	**9,153**	**100.00**	**10,660**	**100.00**

Notes:

(1) Comprise salaries, bonus and emoluments for our employees at our retail outlets.

(2) Relating to the retail outlets.

(3) During the FPE 2025, the rental expenses decreased by approximately RM0.10 million or 67.55% from RM0.15 million in FPE 2024 to RM0.05 million in FPE 2025, due to certain retail outlets which were previously classified as short-term leases in FPE 2024 being subsequently recognised as right-of-use assets in FPE 2025.

(4) Comprise mainly of credit card charges, entertainment, gift and donation.

Commentaries on selling and distribution expenses

Comparison between FYE 2022 and FYE 2023

Our Group's selling and distribution expenses increased by RM2.41 million or 27.80% from RM8.67 million in FYE 2022 to RM11.08 million in FYE 2023 mainly attributed to the following:

(i) increase in staff costs by RM1.94 million, mainly due to an increase in the number of headcounts from 122 employees in FYE 2022 to 144 employees in FYE 2023, in line with the business expansion which requires additional manpower;

(ii) increase in depreciation expenses by RM0.34 million due to the opening of two new retail outlets; and

(iii) increase in advertisement and promotion expenses by RM0.12 million due to higher spending on social media advertising and promotional campaigns during FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group's selling and distribution expenses increased by RM1.62 million or 14.62% from RM11.08 million in FYE 2023 to RM12.70 million in FYE 2024 mainly attributed to the following:

(i) increase in staff costs by RM1.28 million, mainly due to an increase in the number of headcounts from 144 employees in FYE 2023 to 172 employees in FYE 2024, in line with the business expansion which require additional manpower;

(ii) increase in advertisement and promotion expenses by RM0.25 million due to higher spending on social media advertising and promotional campaigns; and

(iii) increase in distribution expenses by RM0.10 million due to higher transportation charges incurred, in tandem with the increase in sales.

Comparison between FPE 2024 and FPE 2025

Our Group's selling and distribution expenses increased by RM1.51 million or 16.50% from RM9.15 million in FPE 2024 to RM10.66 million in FPE 2025 mainly attributed to the following:

(i) increase in staff costs by RM1.17 million, mainly due to an increase in the number of headcounts from 166 employees in FPE 2024 to 198 employees in FPE 2025, in line with the business expansion which requires additional manpower; and

(ii) increase in depreciation expenses by RM0.28 million due to the opening of two new retail outlets.

12. FINANCIAL INFORMATION *(Cont'd)*

12.3.9 Other operating expenses

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bad debts written off	*	-	-	-	4	2.76	4	2.86	34	50.00
Fine and penalty[(1)]	15	68.18	13	15.30	*	-	1	0.71	8	11.76
Property, plant and equipment written off	1	4.55	*	-	-	-	*	-	17	25.00
Impairment loss on trade receivables	6	27.27	42	49.41	125	86.21	135	96.43	9	13.24
Unrealised loss on foreign exchange	-	-	30	35.29	16	11.03	-	-	-	-
Total	**22**	**100.00**	**85**	**100.00**	**145**	**100.00**	**140**	**100.00**	**68**	**100.00**

Notes:

* *Less than RM1,000.*

(1) Refers to tax penalties and interest on late payments in relation to the acquisition of the Lake 6 Premise as well as compounds in relation to contraventions of the EQSWR.

Commentaries on other operating expenses

Comparison between FYE 2022 and FYE 2023

Our Group's other operating expenses increased by RM0.07 million or 350.00% from RM0.02 million in FYE 2022 to RM0.09 million in FYE 2023 mainly attributed to the following:

(i) increase in impairment loss on trade receivables by RM0.04 million due to long outstanding debts deemed uncollectable; and

(ii) increase in unrealised loss on foreign exchange by RM0.03 million arising from the settlement of outstanding balance for our Group's purchases from overseas during FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our Group's other operating expenses increased by RM0.06 million or 66.67% from RM0.09 million in FYE 2023 to RM0.15 million in FYE 2024. The increase was mainly due to a higher impairment loss on trade receivables by RM0.08 million, in relation to the long outstanding debts that are assessed as not recoverable.

Comparison between FPE 2024 and FPE 2025

Our Group's other operating expenses decreased by RM0.07 million or 50.00% from RM0.14 million in FPE 2024 to RM0.07 million in FPE 2025. The decrease was mainly due to the decrease in impairment loss on trade receivables by RM0.13 million, as higher impairment loss on trade receivables recorded during FPE 2024, in relation to the long outstanding debts that are assessed as not recoverable.

12. FINANCIAL INFORMATION *(Cont'd)*

12.3.10Finance costs

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Term loans	235	51.65	337	50.60	400	50.96	300	51.81	296	50.34
Lease liabilities	95	20.88	159	23.87	228	29.04	168	29.02	171	29.08
Bankers' acceptance	107	23.52	150	22.52	145	18.47	103	17.79	112	19.05
Hire purchase	16	3.52	18	2.70	12	1.53	8	1.38	9	1.53
Bank overdraft	2	0.43	2	0.31	-	-	-	-	-	-
Total	**455**	**100.00**	**666**	**100.00**	**785**	**100.00**	**579**	**100.00**	**588**	**100.00**

Commentaries on finance costs

Comparison between FYE 2022 and FYE 2023

Our Group's finance costs increased by RM0.21 million or 45.65% from RM0.46 million in FYE 2022 to RM0.67 million in FYE 2023 mainly attributed to the following:

(i) increase in term loans interest by RM0.10 million due to drawdown of term loan facility to finance the acquisition of Lake 6 Premise;

(ii) increase in lease liabilities interest by RM0.06 million due to opening of two new retail outlets; and

(iii) increase in bankers' acceptance interest by RM0.04 million.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2023 and FYE 2024

Our Group's finance costs increased by RM0.12 million or 17.91% from RM0.67 million in FYE 2023 to RM0.79 million in FYE 2024 mainly attributed to the following:

(i) increase in lease liabilities interest by RM0.07 million due to opening of five new retail outlets; and

(ii) increase in term loans interest by RM0.06 million due to further drawdown of term loan facility to finance the balance payment for the acquisition of Lake 6 Premise.

Comparison between FPE 2024 and FPE 2025

Our Group's finance costs was relatively consistent from FPE 2024 to FPE 2025.

12.3.11Taxation

	Audited			Unaudited	Audited
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2024**	**FPE 2025**
Income tax expense (RM'000)	3,025	3,694	5,346	3,767	4,363
Effective tax rate (%)[(1)]	23.41	24.17	24.09	23.89	26.69
Statutory tax rate (%)	24.00	24.00	24.00	24.00	24.00

Note:

(1) Calculated by dividing our Group's total income tax expense for the financial year/period over PBT for the corresponding financial year/period.

Commentaries on taxation

FYE 2022

For the FYE 2022, our Group's tax expense amounting to RM3.03 million with an effective tax rate of 23.41% was slightly lower than the statutory tax rate of 24.00%, mainly attributable as our subsidiaries qualified for small and medium enterprise tax savings in the year of assessment 2022 as their respective paid-up capital was below RM2.50 million and annual revenue was less than RM50.00 million.

FYE 2023

For the FYE 2023, our effective tax rate of 24.17% was consistent with the statutory tax rate of 24.00%.

FYE 2024

For the FYE 2024, our effective tax rate of 24.09% was consistent with the statutory tax rate of 24.00%.

FPE 2024

For the FPE 2024, our Group's tax expense amounting to RM3.77 million with an effective tax rate of 23.89% was slightly lower than the statutory tax rate of 24.00%, mainly attributable to our subsidiaries qualifying for small and medium enterprise tax savings as their respective paid-up capital was below RM2.50 million and annual revenue was less than RM50.00 million.

FPE 2025

For the FPE 2025, our effective tax rate of 26.69% was higher than the statutory tax rate of 24.00%, mainly attributable to the under provision of tax expenses in previous financial year.

12.3.12PBT, PAT, PBT margin and PAT margin

	Audited			Unaudited	Audited
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2024**	**FPE 2025**
PBT (RM'000)	12,920	15,286	22,192	15,771	16,345
PBT margin (%)	14.15	14.00	17.04	17.11	16.64
PAT (RM'000)	9,895	11,592	16,846	12,004	11,982
PAT margin (%)	10.84	10.61	12.94	13.02	12.20

Commentaries on PBT, PAT, PBT margin and PAT margin

Comparison between FYE 2022 and FYE 2023

Our Group's PBT increased by RM2.37 million or 18.34% from RM12.92 million in FYE 2022 to RM15.29 million in FYE 2023, in line with the increase in GP.

Our Group's PAT increased by RM1.69 million or 17.07% from RM9.90 million in FYE 2022 to RM11.59 million in FYE 2023.

Despite the growth in PBT and PAT, our Group's PBT margin and PAT margin slightly decreased from 14.15% and 10.84% in FYE 2022 to 14.00% and 10.61% in FYE 2023, respectively mainly due to a higher rate of increase in administrative expenses and selling and distribution expenses as compared to the rate of increase in revenue and GP.

Comparison between FYE 2023 and FYE 2024

Our Group's PBT increased by RM6.90 million or 45.13% from RM15.29 million in FYE 2023 to RM22.19 million in FYE 2024, in line with the increase in GP.

PBT margin improved from 14.00% in FYE 2023 to 17.04% in FYE 2024 mainly attributable to higher GP margin generated from the retail segment in FYE 2024. In addition, the lower rate of increase in our Group's administrative expenses and selling and distribution expenses as compared to the increase in our Group's revenue and GP has also contributed to our Group's improved PBT margin in FYE 2024.

Correspondingly, our Group's PAT increased by RM5.26 million or 45.38% from RM11.59 million in FYE 2023 to RM16.85 million in FYE 2024 and our Group's PAT margin increased from 10.61% in FYE 2023 to 12.94% in FYE 2024.

Comparison between FPE 2024 and FPE 2025

Our Group's PBT increased by RM0.58 million or 3.68% from RM15.77 million in FPE 2024 to RM16.35 million in FPE 2025, in line with the increase in GP.

PBT margin decreased from 17.11% in FPE 2024 to 16.64% in FPE 2025 mainly attributable to higher rate of increase in administrative expenses and selling and distribution expenses as compared to the rate of increase in revenue and GP.

Correspondingly, our Group's PAT decreased by RM0.02 million or 0.17% from RM12.00 million in FPE 2024 to RM11.98 million in FPE 2025 and our Group's PAT margin decreased from 13.02% in FPE 2024 to 12.20% in FPE 2025.

12.4 LIQUIDITY AND CAPITAL RESOURCES

12.4.1 Working capital

Our business operations have been financed through a combination of internal and external sources of funds. Internal sources comprise shareholders' equity and cash generated from business operations while external sources are credits granted by our suppliers and banking facilities from financial institutions such as term loans, finance leases as well as trade facilities such as bank overdrafts and bankers' acceptance. The principal utilisation of these funds is for our business operations and growth.

Based on our audited combined statement of financial position as at 30 September 2025, our Group has cash and bank balances of RM16.16 million, with gearing ratio recorded at 0.28 times and current ratio recorded at 2.25 times.

Our Board is of the view that we will have adequate working capital to meet our present and foreseeable requirements for at least 12 months from the date of this Prospectus, taking into consideration of the following:

(i) our existing cash and cash equivalent of RM20.34 million as at the LPD;

(ii) our expected future cash flows to be generated from our operations;

(iii) our total banking facilities as at the LPD of RM16.54 million (excluding lease liabilities), of which RM15.82 million or 95.65% have been utilised;

(iv) proceeds expected to be raised from our Public Issue for working capital amounting to RM4.65 million; and

(v) our gearing level of 0.16 times, computed based on our pro forma consolidated statements of financial position as at 30 September 2025 after the IPO and utilisation of proceeds.

At this juncture, we do not foresee any circumstances which will materially affect our liquidity. As a significant portion of our sales are transacted on cash basis, we are subject to minimal credit risk of our customers. For the FYE Under Review and FPE 2025, our Group recorded impairment loss on trade receivables of RM0.01 million, RM0.04 million,RM0.13 million and RM0.01 million, respectively. As at the LPD, our Group recorded impairment loss on trade receivables of less than RM1,000.

12.4.2 Cash flows

The following table sets out the summary of our combined statements of cash flows for the FYE Under Review and FPE 2025 which have been extracted from the Accountants' Report in Section 13 of this Prospectus:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net cash from operating activities	10,761	13,149	14,437	7,311
Net cash used in investing activities	(3,417)	(6,547)	(3,742)	(1,102)
Net cash used in financing activities	(3,601)	(1,249)	(23,790)	(4,622)
Net increase/ (decrease) in cash and cash equivalents	**3,743**	**5,353**	**(13,095)**	**1,587**
Cash and cash equivalents at the beginning of the financial year/period	18,569	22,312	27,665	14,570
Cash and cash equivalents at the end of the financial year/period	**22,312**	**27,665**	**14,570**	**16,157**
Cash and cash equivalents comprise the following:				
Cash and bank balances	12,920	18,631	14,564	16,157
Short term deposits	9,884	9,034	6	-
	22,804	**27,665**	**14,570**	**16,157**
Less:				
Bank overdraft	(492)	-	-	-
	22,312	**27,665**	**14,570**	**16,157**

12. FINANCIAL INFORMATION *(Cont'd)*

(i) Net cash from operating activities

(a) FYE 2022

For FYE 2022, we recorded net cash from operating activities of RM10.76 million after taking into consideration our operating profit of RM15.17 million as well as the following key working capital changes:

(1) increase in inventories of RM3.44 million due to purchases made towards the end of the financial year as well as overall increase in average inventory levels in anticipation of future price increases;

(2) income tax payment amounting to RM2.87 million;

(3) decrease in trade and other receivables of RM1.31 million due to improved collection from customers;

(4) increase in trade and other payables of RM0.48 million which is in line with the increase in overall purchases in tandem with our Group's business growth; and

(5) interest received from fixed deposits with licensed banks amounting to RM0.16 million.

(b) FYE 2023

For FYE 2023, we recorded net cash from operating activities of RM13.15 million after taking into consideration our operating profit of RM18.32 million as well as the following key working capital changes:

(1) increase in inventories of RM3.37 million due to purchases made towards the end of the financial year as well as anticipation of higher demand for furniture fittings and general hardware accessories;

(2) increase in trade and other receivables of RM1.51 million which in line with the increase in revenue. The increase also includes higher other receivables, deposits and prepayments mainly related to rental of shoplots, rental deposits for retail premises, and prepayments made to suppliers near year end for inventory purchases;

(3) income tax payment amounting to RM3.62 million;

(4) increase in trade and other payables of RM2.69 million which is consistent with the increase in overall purchases in tandem with our Group's business growth; and

(5) interest received from fixed deposits with licensed bank amounting to RM0.44 million.

(c) FYE 2024

For FYE 2024, we recorded net cash from operating activities of RM14.44 million after taking into consideration our operating profit of RM25.92 million as well as the following key working capital changes:

(1) increase in inventories of RM6.80 million due to purchases made towards the end of the financial year as well as higher inventory levels following the commencement of operations at Lake 6 Premise and Mount Austin Warehouse;

(2) increase in trade and other receivables of RM2.30 million which is in line with the increase in revenue;

(3) income tax payment amounting to RM4.66 million;

(4) increase in trade and other payables of RM1.65 million which is in line with the increase in overall purchases in tandem with our Group's business growth; and

(5) interest received from fixed deposits with licensed bank amounting to RM0.33 million.

(d) FPE 2025

For FPE 2025, we recorded net cash from operating activities of RM7.31 million after taking into consideration our operating profit of RM19.05 million as well as the following key working capital changes:

(1) increase in inventories of RM4.12 million due to purchases made towards the end of the financial year as well as higher inventory levels following the commencement of operations at Teammart (Puchong) Premise and Valdor Warehouse;

(2) decrease in trade and other payables of RM3.72 million mainly due to the prompt payment to our suppliers; and

(3) income tax payment amounting to RM4.27 million.

12. FINANCIAL INFORMATION *(Cont'd)*

(ii) Net cash used in investing activities

(a) FYE 2022

For FYE 2022, our net cash used in investing activities was RM3.42 million, mainly attributable to the following:

(1) purchase of property, plant and equipment of RM3.67 million consisting of the acquisition of Lake 6 Premise, opening of three new retail outlets and purchase of commercial vehicles; and

(2) proceeds from the disposal of property, plant and equipment of RM0.25 million in relation to the disposal of commercial vehicles.

(b) FYE 2023

For FYE 2023, our net cash used in investing activities was RM6.55 million, mainly attributable to the following:

(1) purchase of property, plant and equipment of RM4.61 million consisting of the acquisition of Lake 6 Premise as well as opening of two new retail outlets; and

(2) other investment of RM2.00 million in relation to cash management funds.

(c) FYE 2024

For FYE 2024, our net cash used in investing activities was RM3.74 million, mainly attributable to the following:

(1) purchase of property, plant and equipment of RM2.42 million consisting of the opening of new five retail outlets as well as purchase of fixed assets (mainly furniture and fittings, office equipment and storage racks) for Lake 6 Premise and Mount Austin Warehouse;

(2) other investment of RM1.82 million in relation to cash management funds; and

(3) proceeds from the disposal of property, plant and equipment of RM0.50 million comprising of commercial vehicles.

(d) FPE 2025

For FPE 2025, our net cash used in investing activities was RM1.10 million, mainly attributable to the following:

(1) purchase of property, plant and equipment of RM1.49 million consisting of the opening of new two retail outlets as well as purchase of fixed assets (mainly furniture and fittings, office equipment and storage racks) for Teammart (Puchong) Premise;

(2) proceeds from the disposal of investment property of RM0.16 million in relation to the disposal of industrial property located in Puchong; and

(3) other investment of RM0.14 million in relation to cash management funds.

(iii) Net cash used in financing activities

(a) FYE 2022

For FYE 2022, our net cash used in financing activities was RM3.60 million, mainly attributable to the following:

(1) drawdown of term loan of RM1.69 million for the purpose of acquisition of Lake 6 Premise;

(2) scheduled repayment of term loan facilities of RM0.37 million;

(3) scheduled repayment of hire purchase facilities of RM0.35 million for the purchase of commercial vehicles;

(4) net repayment of bankers' acceptances by RM0.28 million to pay our suppliers;

(5) payment of lease liabilities of RM1.32 million for our rentals of retail outlet and warehouses; and

(6) dividend paid of RM3.47 million.

(b) FYE 2023

For FYE 2023, our net cash used in financing activities was RM1.25 million, mainly attributable to the following:

(1) further drawdown of term loan of RM3.71 million for the purpose of acquisition of Lake 6 Premise;

(2) net drawdown of banker acceptance of RM2.67 million to pay our suppliers;

(3) advances from the directors of RM0.86 million for the working capital purposes;

(4) scheduled repayment of term loan facilities of RM0.58 million;

(5) scheduled repayment of hire purchase facilities of RM0.47 million for the purchase of motor vehicles;

(6) payment of lease liabilities of RM1.83 million for the rentals of retail outlets and warehouses;

(7) interest paid of RM0.66 million mainly for term loans, lease liabilities, hire purchase and bankers' acceptance interest charged; and

(8) dividend paid of RM4.98 million.

(c) FYE 2024

For FYE 2024, our net cash used in financing activities was RM23.79 million, mainly due to the following:

(1) further drawdown of term loan of RM0.25 million for the purpose of balance payment for the acquisition of Lake 6 Premise;

(2) proceed from issuance of ordinary shares of RM0.90 million;

(3) schedule repayment of term loan facilities of RM0.40 million;

(4) payment of lease liabilities of RM2.28 million for the rentals of retail outlets and warehouses;

(5) net repayment of bankers' acceptances by RM1.00 million to pay our suppliers;

(6) interest paid of RM0.79 million mainly for term loans, lease liabilities, bankers' acceptance interest charged; and

(7) dividend paid of RM20.17 million.

(d) FPE 2025

For FPE 2025, our net cash used in financing activities was RM4.62 million, mainly attributable to the following:

(1) net drawdown of banker acceptance of RM2.58 million to pay our suppliers;

(2) repayment of amount owing to director of RM3.92 million;

(3) dividend paid of RM1.00 million;

(4) payment of lease liabilities of RM1.36 million for the rentals of retail outlets and warehouses; and

(5) interest paid of RM0.59 million mainly for term loans, lease liabilities, bankers' acceptance interest charged.

12.5 BORROWINGS

As at 30 September 2025, our Group's total outstanding borrowings (excluding lease liabilities in relation to rental lease arrangement) stood at RM15.48 million, all of which were interest-bearing and denominated in RM. Details of our borrowings are set out below:

Type of borrowings	Purpose	Total drawdown limit	Tenure	Maturity	Interest rate (per annum)	Payable within 12 months	Payables after 12 months	Total
		RM'000				**RM'000**	**RM'000**	**RM'000**
Term loan (i)	To finance the acquisition of Lake 6 Premise	5,712	240 months	240 months	BLR - 2.42% per annum(1)	145	5,386	5,531
Term loan (ii)	To finance the acquisition of an investment property located at Puchong, Selangor	3,400	240 months	240 months	BLR - 2.20% per annum(2)	190	1,885	2,075
Term loan (iii)	To finance the acquisition of one retail outlet located at Taman Tun Dr. Ismail, Kuala Lumpur	3,352	180 months	180 months	BLR - 2.10% per annum(3)	228	1,106	1,334
Hire purchase	To finance the purchase of motor vehicles	-	35 months	35 months	3.06% to 3.09%	103	57	160
Bankers' acceptance	For working capital purposes	9,500	On demand	-	4.15% to 4.80%	6,376	-	6,376
						7,042	**8,434**	**15,476**

Notes:

(1) As at the LPD, the BLR is 6.42%.

(2) As at the LPD, the BLR is 6.47%.

(3) As at the LPD, the BLR is 6.64%

12. FINANCIAL INFORMATION *(Cont'd)*

During the FYE Under Review and FPE 2025 and as at the LPD:

(i) save for the advances from a director, we do not have any borrowings which are non-interest bearing or in foreign currency;

(ii) we have not defaulted on payments of principal sums and/or interests in respect of any borrowings;

(iii) neither our Company nor our subsidiaries are in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans which can materially affect our financial position and operations; and

(iv) we have not experienced any clawback or reduction in the facilities granted to us by our lenders.

12.6 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

Save as disclosed in Section 12.5 above, we do not have nor utilise any other financial instruments or have any treasury policies. All our financial instruments are used for the purchase of properties, commercial vehicles and working capital purposes. As at 30 September 2025, save for the finance lease liabilities which are based on fixed rates, all our other facilities with licensed banks are based on base rate plus or minus a rate which varies depending on the type of facility.

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

12.7 MATERIAL CAPITAL COMMITMENTS, MATERIAL LITIGATION AND CONTINGENT LIABILITIES

12.7.1 Material capital commitments

Save as disclosed below, our Board confirms that there are no material capital commitments incurred or known to be incurred by our Group as at the LPD are as follows:

	RM'000
Approved but not contracted for:	
Set-up new retail outlets and warehouses	23,209
Total	**23,209**

The capital commitments above will be fully financed by our IPO proceeds. Please refer to Section 4.6.1 of this Prospectus for further details on our use of proceeds.

12.7.2 Material litigations

We are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant. There is no proceeding pending or threatened or any fact likely to give rise to any proceeding which might materially or adversely affect our position or business in the 12 months immediately preceding the date of this Prospectus.

12.7.3 Contingent liability

As at the LPD, there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our Group's financial performance, position or profitability.

12.8 KEY FINANCIAL RATIOS

The key financial ratios of our Group for the FYE Under Review and FPE 2025 are as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2025**
Trade receivables turnover[(1)] (days)	33	26	26	27
Trade payables turnover[(2)] (days)	55	51	53	51
Inventory turnover[(3)] (days)	109	110	119	148
Current ratio[(4)] (times)	2.20	2.08	1.78	2.25
Gearing ratio[(5)] (times)	0.24	0.31	0.31	0.30

Notes:

(1) Computed based on average trade receivables at the beginning and end of the respective financial year/period over total revenue of the respective financial year/period and multiplied by 365 days for FYE 2022 and FYE 2023, 366 days for FYE 2024 and 273 days for FPE 2025.

(2) Computed based on average trade payables at the beginning and end of the respective financial year/period over cost of sales of the respective financial year/period and multiplied by 365 days for FYE 2022 and FYE 2023, 366 days for FYE 2024 and 273 days for FPE 2025.

(3) Computed based on average inventories at the beginning and end of the respective financial year/period over inventories recognised as cost of sales of the respective financial year/period and multiplied by 365 days for FYE 2022 and FYE 2023, 366 days for FYE 2024 and 273 days for FPE 2025.

(4) Computed based on currents assets over current liabilities.

(5) Computed based on total borrowings (excluding lease liabilities in relation to rental lease arrangement) over total equity.

(i) Trade receivables turnover

The table below sets forth a summary of our Group's trade receivables turnover period for the FYE Under Review and FPE 2025:

	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening trade receivables	9,003	7,344	8,182	10,268
Closing trade receivables	7,344	8,182	10,268	9,426
Average trade receivables	8,174	7,763	9,225	9,847
Revenue	91,305	109,209	130,221	98,225
Trade receivables turnover (days)	33	26	26	27

The normal credit period granted by us to our customers is between 14 to 120 days, but this may be extended in certain cases and assessed and approved on a case-by-case basis after taking into consideration, among others, the background and credit worthiness of the customer, payment history of the customer, our relationship with the customer and the scope of the project.

Our trade receivables turnover period for the FYE Under Review and FPE 2025 were 33 days, 26 days, 26 days and 27 days, respectively, all of which were within the credit period.

Our trade receivables turnover period improved from 33 days in FYE 2022 to 26 days in FYE 2023 and FYE 2024, mainly due to improvement in collections from our customers.

12. FINANCIAL INFORMATION *(Cont'd)*

The ageing analysis of our Group's trade receivables as at 30 September 2025 is as follows:

	Trade receivables as at 30 September 2025		Amount collected from 1 October 2025 up to the LPD		Balance trade receivables as at the LPD	
	A	**A / total of A**	**B**	**B / total of A**	**C = A - B**	**C / total of A**
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Neither past due nor impaired	7,030	74.58	6,007	63.73	1,023	10.85
Less: impairment	(172)	(1.82)	-	-	(172)	(1.82)
	6,858	72.76	6,007	63.73	851	9.03
Past due but not impaired:						
- 1 to 30 days	1,660	17.61	1,586	16.83	74	0.79
- 31 to 60 days	497	5.27	472	5.01	25	0.27
- 61 to 90 days	163	1.73	90	0.95	73	0.77
- More than 90 days	306	3.25	75	0.79	231	2.45
- Less: impairment	(58)	(0.62)	**-**	-	(58)	(0.62)
	2,568	27.24	2,223	23.58	345	3.66
Total	**9,426**	**100.00**	**8,230**	**87.31**	**1,196**	**12.69**

Our Group's total trade receivables past due as at 30 September 2025 is RM2.57 million, representing 27.24% of total trade receivables. Subsequent to 30 September 2024 and up to the LPD, we have collected RM8.23 million, representing 87.31% of the total trade receivables as at 30 September 2025.

We have not encountered any major disputes with our customers. With respect to our overdue trade receivables, we have generally been able to collect payments eventually as evidenced by our subsequent collections of past due trade receivables after 30 September 2025. We are following up closely with the customers on the status of outstanding payment via reminder letters, emails or calls. Our management is of the view of that these overdue trade receivables are recoverable and we are closely monitoring the recoverability of our overdue trade receivables on a regular basis, and when required, provide for impairment of these trade receivables.

(ii) Trade payables turnover

The table below sets forth a summary of our Group's trade payables turnover period for the FYE Under Review and FPE 2025:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Opening trade payables	10,154	9,496	11,722	13,727
Closing trade payables	9,496	11,722	13,727	9,717
Average trade payables	9,825	10,609	12,725	11,722
Cost of sales	64,863	76,382	87,390	62,518
Trade payables turnover (days)	55	51	53	51

The normal credit term granted to us by our suppliers ranges from 30 to 90 days from the last day of the month on which the invoices were issued.

To maintain good relationship with our suppliers, we will pay the suppliers as payment fall due. Our trade payables turnover period for the FYE Under Review and FPE 2025 were 55 days, 51 days, 53 days and 51 days, all of which were within the credit period.

The ageing analysis of our Group's trade payables as at 30 September 2025 is as follows:

	Trade payables as at 30 September 2025		Amount paid from 1 October 2025 up to the LPD		Balance trade payables as at the LPD	
	A	A / total of A	B	B / total of A	C = A - B	C / total of A
	RM'000	%	RM'000	%	RM'000	%
Within credit period	7,531	77.50	6,620	68.13	911	9.38
Exceed credit period						
- 1 to 30 days	1,008	10.38	1,008	10.38	-	-
- 31 to 60 days	848	8.73	848	8.73	-	-
- 61 to 90 days	251	2.58	251	2.58	-	-
- More than 90 days	79	0.81	77	0.79	2	0.02
	2,186	22.50	2,184	22.48	2	0.02
Total	**9,717**	**100.00**	**8,804**	**90.60**	**913**	**9.40**

Our Group's total trade payables past due as at 30 September 2025 is RM2.19 million, representing 22.50% of total trade payables. Subsequent to 30 September 2025 and up to the LPD, we have made payments of RM8.80 million, representing 90.60% of the total payables as at 30 September 2025, of which RM2.18 million were relating to trade payables past due as at 30 September 2025.

As at the LPD, there are no disputes with our suppliers in respect of total outstanding trade payables and no legal action has been initiated by our suppliers to demand for payment.

(iii) Inventories turnover

The table below sets forth a summary of our Group's inventories turnover period for the FYE Under Review and FPE 2025:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Opening inventories	16,609	20,152	23,522	30,318
Closing inventories	20,152	23,522	30,318	34,434
Average inventories	18,381	21,837	26,920	32,376
Inventories recognised as cost of sales	61,607	72,767	82,711	59,728
Inventory turnover (days)	109	110	119	148

Our inventories mainly comprised furniture fittings (such as home improvement organisers, electrical fittings, decorative surface products, door accessories), general hardware (such as power tools and accessories, and paint and adhesives) as well as kitchen and home appliances.

In general, our orders to the suppliers will generally take one month from the date the purchase order is received to be delivered. We also maintain an inventory level for at least three months.

Our inventory turnover period remains relatively stable at 109 days and 110 days for FYE 2022 and FYE 2023, respectively.

Our inventory turnover period increased from 110 days in FYE 2023 to 119 days in FYE 2024, mainly due to increase in number of retail outlets from 21 retail outlets in FYE 2023 to 26 retail outlets in FYE 2024. This was reflected in the more purchases and higher inventory levels maintained to support the increased in number of retail outlets.

Our inventory turnover period increased from 119 days in FYE 2024 to 148 days in FPE 2025 as we maintained higher inventory levels in anticipation of an increase in sales in the second half of 2025 based on our Group's past experience of higher demand for products and services during the period leading up to festive seasons.

(iv) Current ratio

Our Group's current ratio throughout the FYE Under Review and FPE 2025 is as follows:

	Audited			
	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Current assets	51,506	61,104	56,941	66,256
Current liabilities	23,415	29,319	31,981	26,453
Current ratio (times)	2.20	2.08	1.78	2.25

Our Group's current ratio decreased from 2.20 times as at 31 December 2022 to 2.08 times as at 31 December 2023. This was mainly due to higher trade and other payables recorded towards the end of the financial year as well as increase in bank borrowings due to the drawdown of term loan facilities to partially finance the acquisition of Lake 6 Premise.

Our Group's current ratio decreased from 2.08 times as at 31 December 2023 to 1.78 times as at 31 December 2024. This was mainly due to an increase in trade and other payables recorded towards the end of the financial year and an increase in current tax liabilities following the provision for tax expenses for FYE 2024.

Our Group's current ratio improved from 1.78 times as at 31 December 2024 to 2.25 times as at 30 September 2025. This was mainly due to a decrease in trade and other payables as a result of prompt payments made to our suppliers.

(v) Gearing ratio

Our Group's gearing ratio throughout the FYE Under Review and FPE 2025 is as follows:

	Audited			
	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Term loans	6,377	9,506	9,355	8,940
Hire purchases	465	92	244	160
Banker' acceptance	2,121	4,796	3,801	6,376
Bank overdraft	492	-	-	-
Total borrowings	**9,455**	**14,394**	**13,400**	**15,476**
Total equity	39,123	45,740	43,321	51,603
Gearing ratio (times)	0.24	0.31	0.31	0.30

Our Group's gearing ratio increased from 0.24 times as at 31 December 2022 to 0.31 times as at 31 December 2023 mainly due to increase in total borrowings by RM4.94 million. The increase in borrowings was attributable to the drawdown of term loan facilities, which were utilised to partially finance the acquisition of Lake 6 Premise.

Our Group's gearing ratio remained relatively constant at 0.31 times as at 31 December 2023 and 2024.

Our Group's gearing ratio remained relatively constant at 0.30 times as at 30 September 2025.

12.9 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

There were no government, economic, fiscal or monetary policies or factors which have materially affected our financial performance during the FYE Under Review and FPE 2025. There is no assurance that our financial performance will not be adversely affected by the impact of further changes in government, economic, fiscal or monetary policies or factors moving forward. Risks relating to government, economic, fiscal or monetary policies or factors which may adversely and materially affect our operations are set out in Section 5 of this Prospectus.

12.10 IMPACT OF INFLATION

Our financial performance during the FYE Under Review and FPE 2025 was not significantly affected by the impact of inflation. However, there is no assurance that our business will not be adversely affected by the impact of inflation in the future.

12.11 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/OR COMMODITY PRICES ON OUR GROUP'S OPERATIONS

(i) Impact of foreign exchange rate

Purchases denominated in local and foreign currencies are as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Purchases denominated in:								
RM	47,806	73.51	56,475	74.37	65,295	72.92	44,328	70.36
RMB	13,049	20.07	15,847	20.87	15,792	17.64	12,008	19.06
USD	4,158	6.39	3,610	4.76	7,300	8.15	4,432	7.03
SGD	19	0.03	2	*	1,151	1.29	2,235	3.55
Total purchases	**65,032**	**100.00**	**75,934**	**100.00**	**89,538**	**100.00**	**63,003**	**100.00**

Note:

* *Less than 0.01%*

For the FYE Under Review and FPE 2025, our purchases of supplies from our overseas suppliers were denominated in USD, RMB and SGD which contributed 26.49%, 25.63%, 27.08% and 29.64%, respectively. In this respect, we are exposed to foreign exchange fluctuations arising from our imported purchases of input materials and products. As such, any unfavourable exchange rates between RM and the respective foreign currencies would affect our financial performance.

12. FINANCIAL INFORMATION *(Cont'd)*

For the FYE Under Review and FPE 2025, our net gain from foreign exchange fluctuations are as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net realised gain on foreign exchange	195	84	234	367
Net unrealised gain on foreign exchange	30	28	-	16
Unrealised loss on foreign exchange	-	-	(15)	-
Net gain	**225**	**112**	**219**	**383**

While foreign currency exchange rate fluctuations have not had any material effect on our financial performance during the FYE Under Review and FPE 2025, there can be no assurance that we will not be adversely affected in the future. Please refer to Note 25(b)(iii) in the Accountants' Report set out in Section 13 of this Prospectus for the sensitivity analysis on our PAT to changes in foreign currency.

Our Group does not use any financial instrument to hedge our exposure against transactions in foreign currency. However, we monitor closely the movement of the foreign currency to manage our foreign currency exchange risks.

(ii) Impact of interest rates

Interest coverage ratio measures the number of times a company can make its interest payments with its profit before interest and tax. The interest coverage ratio for the past financial years is as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total borrowings (excluding lease liabilities)	9,455	14,394	13,400	15,476
EBIT	13,212	15,516	22,645	16,765
Finance costs	455	666	785	588
Interest coverage ratio (times)[(1)]	29.04	23.30	28.85	28.51

Note:

(1) Computed based on EBIT divided by finance costs.

Our interest coverage ratio was between 23.30 times and 29.04 times for the FYE Under Review and FPE 2025 which indicates that we have been able to generate sufficient profits before interest and tax to meet our interest servicing obligations.

Our financial results for the FYE Under Review and FPE 2025 were not materially affected by fluctuations in interest rates. However, any major increase in interest rates would raise the cost of borrowings and finance costs for our working capital, which may have an adverse effect on our performance.

During the FYE Under Review, FPE 2025 and up to the LPD, we have not defaulted on any payments of either principal sums and/ or interests in relation to our borrowings.

(iii) Impact of commodity prices

Any adverse changes in commodity prices (namely steel, glass, wood, copper and various non-metallic minerals) or raw materials for our value-added activity of mixing and sale of coatings and solvents such as such as toluene, butyl acetate, butyl cellosolve, arkyd resin, amino resin, talc powder, and other solvents will raise our cost of sales and may have an adverse effect on us. We will generally pass on such price increases to our customers, wherever possible, to minimise the impact on our financial performance. We were not directly affected by fluctuations in commodity prices for the FYE Under Review and FPE 2025.

12.12 SIGNIFICANT CHANGES

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

12.13 ORDER BOOK

Due to the nature of our business, we do not maintain an order book. Revenue from the retail segment is generated through sales of products to retail customers at our outlets, while revenue from the trading and value-added segment is recognised upon delivery of products based on purchase orders received from customers.

12.14 TREND INFORMATION

Save as disclosed in this Section and in Sections 5, 7 and 8 of this Prospectus, to the best of our Board's knowledge and belief, there are no other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the financial condition and results of operations of our Group.

12.15 DIVIDEND POLICY

Our Group currently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital and/or expansion of our business. Our ability to declare and pay dividends is subject to the discretion of our Board.

Our Board will consider the following factors (which may not be exhaustive) when recommending dividends for approval by our shareholders or when declaring any interim dividends:

(i) the level of cash and level of indebtedness;

(ii) required and expected interest expense, cash flows, profits, return on equity and retained earnings;

(iii) our expected results of operations and future level of operations;

(iv) our projected levels of capital expenditure and other investment plans; and

(v) the prior consent from our lenders, if any.

12. FINANCIAL INFORMATION *(Cont'd)*

As we are an investment holding company, our income, and therefore our ability to pay dividends, depend on the dividends we receive from our subsidiaries. The payment of dividends by our subsidiaries will in turn depend on their distributable profits, financial performance, financial condition and capital expenditure plans. As at the LPD, save for any applicable financial covenants and the Act, and subject to the availability of distributable profits and reserves, there are no dividend restrictions imposed on us or our subsidiaries.

The dividends declared and paid for the FYE Under Review, FPE 2025 and up to the LPD are as follows:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 October 2025 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	3,468	4,975	20,165	4,000	-
Dividends paid	3,468	4,975	20,165	1,000	3,000
Dividend payout ratio[(1)] (%)	35.05	42.92	119.70	33.38	-

Note:

(1) Computed based on dividend declared over PAT.

The dividends paid were funded entirely by internally generated funds. Our Board do not foresee that dividends paid would affect the execution and implementation of our future plans or strategies moving forward.

Save for the above, there are no dividends declared and paid for the FYE Under Review and FPE 2025. Our Company has no intention to declare any further dividends up to the completion of our Listing.

The level of dividends should also not be treated as an indication of our Group'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.

12.16 MATERIAL CAPITAL EXPENDITURES AND DIVESTITURES

(i) Material capital expenditures

Save as disclosed below, our Group has not incurred any other material capital expenditures for the FYE Under Review, FPE 2025 and up to the LPD.

Capital expenditure	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 October 2025 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Building under construction[(1)]	2,016	3,360	316	-	-
Motor vehicles[(2)]	1,057	589	808	668	123
Furniture and fittings[(3)]	464	458	797	409	164
Office building[(4)]	-	-	-	-	1,190
Total	**3,537**	**4,407**	**1,921**	**1,077**	**1,477**

Notes:

(1) Refers to the acquisition of Lake 6 Premise for a purchase consideration of RM5.71 million.

(2) Our Group purchased the following commercial vehicles for our business operations:

(i) In FYE 2022, our Group purchased eight units of commercial vehicles;

(ii) In FYE 2023, our Group purchased five units of commercial vehicles;

(iii) In FYE 2024, our Group purchased six units of commercial vehicles;

(iv) In FPE 2025, our Group purchased three units of commercial vehicles; and

(v) From 1 October 2025 up to the LPD, our Group purchased one unit of commercial vehicle.

(3) Mainly comprise the purchase of racking systems and display cabinets and office furniture.

(4) Refers to the acquisition of the New Office.

(ii) Material capital divestitures

Save as disclosed below, our Group has not incurred any other material capital divestitures for the FYE Under Review, FPE 2025 and up to the LPD.

Capital divestitures	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 October 2025 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Motor vehicles[(1)]	731	139	763	278	-
Leasehold land and building[(2)]	-	-	-	-	4,651
Total	**731**	**139**	**763**	**278**	**4,651**

Notes:

(1) Our Group disposed the following commercial vehicles:

(i) in FYE 2022, our Group disposed four units of commercial vehicles;

(ii) in FYE 2023, our Group disposed one unit of commercial vehicle;

(iii) in FYE 2024, our Group disposed three units of commercial vehicles; and

(iv) in FPE 2025, our Group disposed two units of commercial vehicles.

(2) Our Group disposed of one unit of an investment property. Please refer to Section 15.5(xii) of this Prospectus for further details.

13. ACCOUNTANTS' REPORT

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Chartered Accountants (AF 0117)
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14 January 2026

The Board of Directors
Teamstar Berhad
No. 18, Jalan MJ 17
Lake 6 Entrepreneurs Park
Taman Industri Meranti Jaya
47120 Puchong
Selangor
Malaysia

Dear Sirs,

Reporting Accountants' opinion on the Combined Financial Statements contained in the Accountants' Report of Teamstar Berhad ("Teamstar" or the "Company")

Opinion

We have audited the accompanying combined financial statements of the Company and its combining entities as defined in Note 2 to the combined financial statements (collectively known as the "Group"), which comprises combined statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025 of the Group, the combined statements of 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 30 September 2025, and notes to the combined financial statements, including a summary of material accounting policy information, as set out on pages 5 to 89.

In our opinion, the accompanying combined financial statements contained in the Accountants' Report give a true and fair view of the combined financial positions of the Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025 and of its financial performance and its cash flows for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and financial period ended 30 September 2025 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

Baker Tilly Malaysia and its related entities in Malaysia trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

TEAMSTAR BERHAD
(Incorporated in Malaysia)

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group 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.

Responsibilities of the Directors for the Combined Financial Statements

The Directors of the Company ("Directors") are responsible for the preparation of the combined financial statements in the Accountants' Report, so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements 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 to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

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

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

- identify and assess the risks of material misstatement of the combined financial statements 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.

TEAMSTAR BERHAD
(Incorporated in Malaysia)

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (continued)

- 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 combined financial statements 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 Reporting Accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent 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 entities or business activities within the Group as a basis forming an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Other Matters

This report is made solely to the Board of Directors of the Company and has been prepared solely to comply with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia and for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other persons for the content of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA & AF 0117)
Chartered Accountants

Paul Tan Hong
No. 03459/11/2027 J
Chartered Accountant

Kuala Lumpur

Date: 14 January 2026

STATEMENT BY DIRECTORS

We, **TAN LEE KUENG** and **NG CHOON TIONG**, being two of the directors of TEAMSTAR BERHAD, do hereby state that in the opinion of the directors, the accompanying combined financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the combined financial positions of the Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025 and of its combined financial performance and cash flows for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and financial period ended 30 September 2025.

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

……
TAN LEE KUENG
Director

……
NG CHOON TIONG
Director

Kuala Lumpur

Date: 14 January 2026

COMBINED STATEMENTS OF FINANCIAL POSITION

	Note	Audited as at 31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	**5**	14,698	20,124	21,756	23,407
Investment properties	**6**	3,571	3,486	3,401	-
Deferred tax assets	**7**	160	176	191	227
Other investment	**8**	-	2,019	4,099	4,054
Total non-current assets		18,429	25,805	29,447	27,688
Current assets					
Inventories	**9**	20,152	23,522	30,318	34,434
Current tax assets		169	95	38	131
Trade and other receivables	**10**	8,381	9,822	12,015	12,354
Cash and short term deposits	**11**	22,804	27,665	14,570	16,157
		51,506	61,104	56,941	63,076
Asset classified as held for sale	**12**	-	-	-	3,180
Total current assets		51,506	61,104	56,941	66,256
TOTAL ASSETS		**69,935**	**86,909**	**86,388**	**93,944**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Group					
Invested equity / Share capital	**13**	4,209	4,209	4,679	4,679
Retained earnings		25,317	30,496	28,843	34,677
		29,526	34,705	33,522	39,356
Non-controlling interests		9,597	11,035	9,799	12,247
TOTAL EQUITY		**39,123**	**45,740**	**43,321**	**51,603**

COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

		Audited as at			
	Note	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
Non-current liabilities					
Loans and borrowings	**14**	7,366	11,822	11,083	12,873
Deferred tax liabilities	**7**	31	28	3	15
Total non-current liabilities		**7,397**	**11,850**	**11,086**	**12,888**
Current liabilities					
Loans and borrowings	**14**	5,186	7,353	7,624	9,202
Current tax liabilities		553	576	1,244	1,735
Trade and other payables	**15**	15,791	19,298	20,721	15,937
Contract liabilities	**16**	1,885	2,092	2,392	2,579
Total current liabilities		**23,415**	**29,319**	**31,981**	**29,453**
TOTAL LIABILITIES		**30,812**	**41,169**	**43,067**	**42,341**
TOTAL EQUITY AND LIABILITIES		**69,935**	**86,909**	**86,388**	**93,944**

The accompanying notes form an integral part of these combined financial statements.

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

		← Audited →			Audited	Unaudited
		← FYE 31 December →			← FPE 30 September →	
		2022	2023	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	17	91,305	109,209	130,221	98,225	92,175
Cost of sales		(64,863)	(76,382)	(87,390)	(62,518)	(62,218)
Gross profit		**26,442**	**32,827**	**42,831**	**35,707**	**29,957**
Other income	18	1,134	1,147	1,476	1,217	1,326
Selling and distribution expenses		(8,674)	(11,082)	(12,697)	(10,660)	(9,153)
Administrative expenses		(5,505)	(6,855)	(8,488)	(9,263)	(5,640)
Other operating expenses		(22)	(85)	(145)	(68)	(140)
Operating profit		**13,375**	**15,952**	**22,977**	**16,933**	**16,350**
Finance costs	19	(455)	(666)	(785)	(588)	(579)
Profit before tax	20	**12,920**	**15,286**	**22,192**	**16,345**	**15,771**
Income tax expense	22	(3,025)	(3,694)	(5,346)	(4,363)	(3,767)
Profit for the financial year/period, representing total comprehensive income for the financial year/period		**9,895**	**11,592**	**16,846**	**11,982**	**12,004**
Profit attributable to:						
Owners of the Group		7,413	8,821	12,905	9,314	9,144
Non-controlling interests		2,482	2,771	3,941	2,668	2,860
		9,895	11,592	16,846	11,982	12,004
Total comprehensive income attributable to:						
Owners of the Group		7,413	8,821	12,905	9,314	9,144
Non-controlling interests		2,482	2,771	3,941	2,668	2,860
		9,895	11,592	16,846	11,982	12,004
Earnings per share (RM)						
- Basic and diluted	23	**1.76**	**2.10**	**3.05**	**2.00**	**2.18**

The accompanying notes form an integral part of these combined financial statements.

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	← Attributable to owners of the Group → Invested equity / Share capital RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2022		**4,230**	**20,279**	**24,509**	**7,831**	**32,340**
Total comprehensive income for the financial year financial year						
Profit for the financial year, representing total comprehensive income for the financial year		-	7,413	7,413	2,482	9,895
Transaction with owners						
Non-controlling interests arising from acquisition of new subsidiaries		-	-	-	398	398
Disposal of ownership interests in combining entities		(21)	(53)	(74)	74	-
Changes in ownership interests in combining entities		-	121	121	(163)	(42)
Dividend paid on shares	**24**	-	(2,443)	(2,443)	(1,025)	(3,468)
At 31 December 2022		**4,209**	**25,317**	**29,526**	**9,597**	**39,123**
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income for the financial year		-	8,821	8,821	2,771	11,592
Transaction with owners						
Dividend paid on shares	**24**	-	(3,642)	(3,642)	(1,333)	(4,975)
At 31 December 2023		**4,209**	**30,496**	**34,705**	**11,035**	**45,740**

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

		← Attributable to owners of the Group →				
	Note	Invested equity / Share capital RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 31 December 2023		**4,209**	**30,496**	**34,705**	**11,035**	**45,740**
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income for the financial year		-	12,905	12,905	3,941	16,846
Transaction with owners						
Non-controlling interests arising from acquisition of new subsidiaries		-	-	-	400	400
Disposal of ownership interests in combining entities		(30)	(634)	(664)	664	-
Increased in ownership interests in combining entities		500	284	784	(284)	500
Dividend paid on shares	**24**	-	(14,208)	(14,208)	(5,957)	(20,165)
At 31 December 2024		**4,679**	**28,843**	**33,522**	**9,799**	**43,321**
Total comprehensive income for the financial period						
Profit for the financial period, representing total comprehensive income for the financial period		-	9,314	9,314	2,668	11,982
Transaction with owners						
Issued during the financial period		*	-	*	-	*
Non-controlling interests arising from incorporation of new subsidiaries		-	-	-	300	300
Dividend paid on shares	**24**	-	(3,480)	(3,480)	(520)	(4,000)
At 30 September 2025		**4,679**	**34,677**	**39,356**	**12,247**	**51,603**

* *Less than RM1,000*

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

		← Attributable to owners of the Group →				
	Note	Invested equity / Share capital RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2024		**4,209**	**30,496**	**34,705**	**11,035**	**45,740**
Total comprehensive income for the financial period						
Profit for the financial period, representing total comprehensive income for the financial period		-	9,144	9,144	2,860	12,004
Transaction with owners						
Non-controlling interests arising from acquisition of new subsidiaries		-	-	-	400	400
Disposal of ownership interests in combining entities		(30)	(634)	(664)	664	-
Dividend paid on shares	**24**	-	(7,484)	(7,484)	(3,567)	(11,051)
At 30 September 2024		**4,179**	**31,522**	**35,701**	**11,392**	**47,093**

The accompanying notes form an integral part of these combined financial statements.

COMBINED STATEMENTS OF CASH FLOWS

		← Audited →			Audited	Unaudited
		← FYE 31 December →			← FPE 30 September →	
		2022	2023	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities						
Profit before tax		12,920	15,286	22,192	16,345	15,771
Adjustments for:						
Depreciation of property, plant and equipment		2,202	2,810	3,448	2,502	2,484
Depreciation of investment properties		85	85	85	62	64
Gain on disposal of property, plant and equipment		(165)	(63)	(100)	(87)	(29)
Gain on lease termination		*	(12)	(15)	(29)	(14)
Loss on lease modification		-	-	-	8	-
Gain on disposal of investment property		-	-	-	(2)	-
Property, plant and equipment written off		1	*	*	17	*
Fair value gain on other investment		-	(19)	(260)	(99)	(227)
Reversal of inventories written down		(100)	-	-	-	-
Reversal of impairment loss on trade receivables		(29)	(12)	(18)	(115)	-
Impairment loss on trade receivables		5	42	125	9	135
Bad debts written off		*	-	4	34	4
Bad debts recovered		(2)	(3)	(1)	-	(1)
Waiver of debt		(10)	-	(8)	-	(8)
Finance cost		455	666	785	588	579
Finance income		(163)	(436)	(332)	(168)	(265)
Net unrealised foreign exchange gain		(30)	(28)	15	(16)	(111)
Operating profit before changes in working capital		**15,169**	**18,316**	**25,920**	**19,049**	**18,382**
Changes in working capital:						
Inventories		(3,443)	(3,370)	(6,796)	(4,116)	(6,792)
Trade and other receivables		1,309	(1,511)	(2,304)	(268)	(548)
Trade and other payables		484	2,689	1,646	(3,720)	1,519
Contract liabilities		(49)	207	300	187	171
Net cash generated from operations		**13,470**	**16,331**	**18,766**	**11,132**	**12,732**
Income tax paid		(2,870)	(3,616)	(4,661)	(4,270)	(2,738)
Income tax refund		-	-	-	281	-
Interest received		163	436	332	168	265
Interest paid		(2)	(2)	-	-	-
Net cash from operating activities		**10,761**	**13,149**	**14,437**	**7,311**	**10,259**

** Less than RM1,000*

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

		← Audited →			Audited	Unaudited
		← FYE 31 December →			← FPE 30 September →	
		2022	2023	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities						
Purchase of property, plant and equipment	**(a)**	(3,668)	(4,613)	(2,425)	(1,494)	(2,062)
Proceeds from disposal of property, plant and equipment		251	66	503	87	432
Proceeds from disposal of investment property		-	-	-	161	-
Purchase of other investment		-	(2,000)	(1,820)	144	(7,042)
Net cash used in investing activities		**(3,417)**	**(6,547)**	**(3,742)**	**(1,102)**	**(8,672)**
Cash flows from financing activities	**(b)**					
Proceeds from issuance of ordinary shares		398	-	900	300	400
Acquisition of interest in combining entities		(42)	-	-	-	-
Interest paid		(453)	(664)	(785)	(588)	(579)
Drawdown of term loans		1,686	3,710	245	-	336
Repayment of term loans		(371)	(581)	(396)	(415)	(352)
Payment of lease liabilities		(1,318)	(1,830)	(2,277)	(1,363)	(1,604)
Repayment of hire purchase		(349)	(473)	(88)	(84)	(61)
Drawdown of bankers' acceptances		10,591	11,977	890	12,032	6,897
Repayment of bankers' acceptances		(10,868)	(9,302)	(1,885)	(9,457)	(10,097)
Net changes in amount owing to/(by) related parties		32	(13)	126	(127)	(6)
Net changes in amount owing to shareholders		10	45	-	-	-
Net changes in amount owing to/(by) directors		551	857	(355)	(3,920)	(338)
Dividends paid		(3,468)	(4,975)	(20,165)	(1,000)	(11,051)
Net cash used in financing activities		**(3,601)**	**(1,249)**	**(23,790)**	**(4,622)**	**(16,455)**
Net increase/(decrease) in cash and cash equivalents		3,743	5,353	(13,095)	1,587	(14,868)
Cash and cash equivalents at the beginning of the financial year/period		18,569	22,312	27,665	14,570	27,665
Cash and cash equivalents at the end of the financial year/period	**11**	**22,312**	**27,665**	**14,570**	**16,157**	**12,797**

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

(a) Purchase of property, plant and equipment:

		← Audited →			Audited	Unaudited
		← FYE 31 December →			← FPE 30 September →	
		2022	2023	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Purchase of property, plant and equipment	5	8,553	9,003	6,121	5,449	5,606
Financed by way of lease liabilities		(4,485)	(4,290)	(3,456)	(3,955)	(3,304)
Financed by way of hire purchase payables		(400)	(100)	(240)	-	(240)
Cash payments on purchase of property, plant and equipment		3,668	4,613	2,425	1,494	2,062

(b) Reconciliation of changes in liabilities arising from financing activities are as follows:

			← Non-cash →			
	1.1.2022 RM'000	Cash flows RM'000	Acquisition RM'000	Termination RM'000	Waiver of debt RM'000	31.12.2022 RM'000
Term loans	5,062	1,315	-	-	-	6,377
Lease liabilities	-	(1,318)	4,485	(70)	-	3,097
Hire purchase payables	414	(349)	400	-	-	465
Bankers' acceptances	2,398	(277)	-	-	-	2,121
Amount owing to/(by) related parties	8	32	-	-	(10)	30
Amount owing (by)/to shareholders	(55)	10	-	-	-	(45)
Amount owing to directors	2,867	551	-	-	-	3,418
	10,694	(36)	4,885	(70)	(10)	15,463

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Reconciliation of changes in liabilities arising from financing activities are as follows: (continued)

			← Non-cash →			
	1.1.2023 **RM'000**	**Cash flows** **RM'000**	**Acquisition** **RM'000**	**Termination** **RM'000**	**Waiver of debt** **RM'000**	**31.12.2023** **RM'000**
Term loans	6,377	3,129	-	-	-	9,506
Lease liabilities	3,097	(1,830)	4,290	(776)	-	4,781
Hire purchase payables	465	(473)	100	-	-	92
Bankers' acceptances	2,121	2,675	-	-	-	4,796
Amount owing to/(by) related parties	30	(13)	-	-	-	17
Amount owing (by)/to shareholders	(45)	45	-	-	-	-
Amount owing to directors	3,418	857	-	-	-	4,275
	15,463	4,390	4,390	(776)	-	23,467

			← Non-cash →			
	1.1.2024 **RM'000**	**Cash flows** **RM'000**	**Acquisition** **RM'000**	**Termination** **RM'000**	**Waiver of debt** **RM'000**	**31.12.2024** **RM'000**
Term loans	9,506	(151)	-	-	-	9,355
Lease liabilities	4,781	(2,277)	3,456	(653)	-	5,307
Hire purchase payables	92	(88)	240	-	-	244
Bankers' acceptances	4,796	(995)	-	-	-	3,801
Amount owing to/(by) related parties	17	126	-	-	(8)	135
Amount owing to/(by) directors	4,275	(355)	-	-	-	3,920
	23,467	(3,740)	3,696	(653)	(8)	22,762

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Reconciliation of changes in liabilities arising from financing activities are as follows: (continued)

			Non-cash			
	1.1.2025 RM'000	Cash flows RM'000	Acquisition RM'000	Termination RM'000	Modification RM'000	30.9.2025 RM'000
Term loans	9,355	(415)	-	-	-	8,940
Lease liabilities	5,307	(1,363)	3,955	(1,362)	62	6,599
Hire purchase payables	244	(84)	-	-	-	160
Bankers' acceptances	3,801	2,575	-	-	-	6,376
Amount owing to/(by) related parties	135	(127)	-	-	-	8
Amount owing to directors	3,920	(3,920)	-	-	-	-
	22,762	(3,334)	3,955	(1,362)	62	22,083

			Non-cash			
	1.1.2024 RM'000	Cash flows RM'000	Acquisition RM'000	Termination RM'000	Waiver of debt RM'000	30.9.2024 RM'000
Term loans	9,506	(16)	-	-	-	9,490
Lease liabilities	4,781	(1,604)	3,304	(649)	-	5,832
Hire purchase payables	92	(61)	240	-	-	271
Bankers' acceptances	4,796	(3,200)	-	-	-	1,596
Amount owing to/(by) related parties	17	(6)	-	-	(8)	3
Amount owing to/(by) directors	4,275	(338)	-	-	-	3,937
	23,467	(5,225)	3,544	(649)	(8)	21,129

(c) Total cash outflows for leases

During the financial period/years, the Group had total cash outflows for lease of RM1,628,837 (31.12.2024: RM2,764,679, 31.12.2023: RM2,246,202 and 31.12.2022: RM1,892,624).

The accompanying notes form an integral part of these combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Teamstar Berhad (the "Company") was incorporated on 12 February 2025 as a private limited liability company and is domiciled in Malaysia. The Company was converted to a public company limited by shares on 24 June 2025. The registered office of the Company is located at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia. The principal place of business of the Company is located at No. 18, Jalan MJ 17, Taman Industri Meranti Jaya, 47120 Puchong, Selangor, Malaysia.

The principal activity of the Company is investment holding. The details of the combining entities are as follows:

Combining Entities	Principal place of business/ country of incorporation	Effective equity interest (%)				Principal activities
		31.12.2022	31.12.2023	31.12.2024	30.9.2025	
Benova Marketing Sdn. Bhd.	Malaysia	100	100	100	100	Trading of home appliances.
Best-Can Marketing Sdn. Bhd.	Malaysia	65	65	60	60	Trading in hardware, furniture accessories and manufacturing in industry coating, petrochemical products and other chemical solvent.
DG Materials Marketing Sdn. Bhd.	Malaysia	82	82	82	82	Trading in decorative surface products, furniture fittings and other related furnishing products.
Teammart Sdn. Bhd.	Malaysia	91	91	96	96	Manufacturing of pvc edge banding products and trading in pvc products, locksets and related accessories and fittings to the furniture industries.
Teamstar (Perak) Sdn. Bhd.	Malaysia	100	100	-	-	Trading of general hardware, furniture fittings and board products.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. GENERAL INFORMATION (CONTINUED)

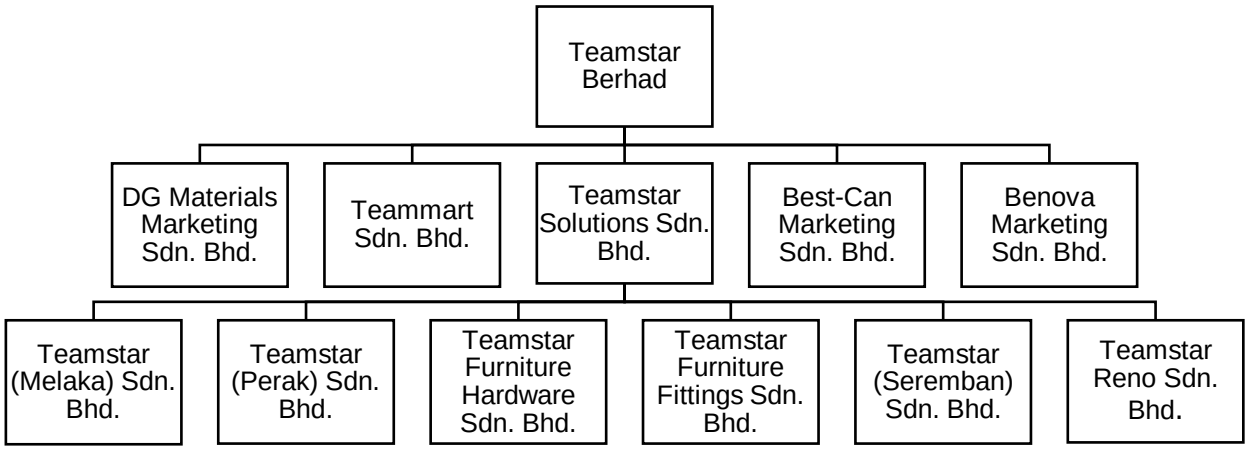
The details of the combining entities are as follows: (continued)

Combining Entities	Principal place of business/ country of incorporation	Effective equity interest (%) 31.12.2022	31.12.2023	31.12.2024	30.9.2025	Principal activities
Teamstar Solutions Sdn. Bhd.	Malaysia	79	79	79	79	Trading of general hardware, furniture fittings and board products.
Held through Teamstar Solutions Sdn. Bhd.						
Teamstar Furniture Fittings Sdn. Bhd.	Malaysia	70	70	70	70	Trading of general hardware, furniture fittings and board products.
Teamstar Furniture Hardware Sdn. Bhd.	Malaysia	67	67	67	67	Trading of general hardware, furniture fittings and board products.
Teamstar (Melaka) Sdn. Bhd.	Malaysia	65	65	65	65	Trading of general hardware, furniture fittings and board products.
Teamstar (Perak) Sdn. Bhd.	Malaysia	-	-	60	60	Trading of general hardware, furniture fittings and board products.
Teamstar (Seremban) Sdn. Bhd.	Malaysia	65	65	65	65	Trading of general hardware, wood, plywood, and particle board and process of plastic products and hardware.
Teamstar Reno Sdn. Bhd.	Malaysia	-	-	-	70	Trading of general hardware, furniture fittings and board products.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

The Initial Public Offering group structure is as illustrated below:



NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

There have been no significant changes in the nature of these principal activities during the financial years/period under review.

The combined financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 January 2026.

(a) Acquisition of additional interest in Teamstar (Melaka) Sdn. Bhd.

On 23 September 2022, the Teamstar Solutions Sdn. Bhd. purchased an additional 14% equity interest (representing 42,000 ordinary shares) in Teamstar (Melaka) Sdn. Bhd., a subsidiary of the Group at a price of RM1 per share. The Group's effective ownership in Teamstar (Melaka) Sdn. Bhd. increased from 51% to 65% as a result of the additional shares purchased.

Effect of the increase in the Company's ownership interest is as follows:

	31.12.2022 **RM'000**
Cash consideration transferred	42
Increased in share of net assets	(163)
Excess changes directly to equity	(121)

(b) Movement of equity interests in DG Materials Marketing Sdn. Bhd.

Teamstar Berhad has common control over DG Materials Marketing Sdn. Bhd. through 80% equity interest held by Tan Lee Kueng and Ng Choon Tiong, Tan Jian Wei and Yeoh Baby. On 15 April 2022, Tan Lee Kueng disposed 3% equity interest (representing 21,000 ordinary shares at RM1 each) in DG Materials Marketing Sdn. Bhd. The effective ownership in DG Materials Marketing Sdn. Bhd. decreased from 85% to 82% as a result of the disposal of shares.

(c) Movement of equity interests in Best-Can Marketing Sdn. Bhd.

Teamstar Berhad has common control over Best-Can Marketing Sdn. Bhd. through 65% equity interest held by the Promoter of Teamstar Berhad. On 28 June 2024, Tan Lee Kueng disposed 5% equity interest (representing 30,000 ordinary shares at RM1 each) in Best-Can Marketing Sdn. Bhd. The effective ownership in Best-Can Marketing Sdn. Bhd. decreased from 65% to 60% as a result of the disposal of shares.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(d) Movement of equity interests in Teamstar (Perak) Sdn. Bhd.

Teamstar Berhad has common control over Teamstar (Perak) Sdn. Bhd. through 100% equity interest held by Tan Lee Kueng and Tan Jian Wei for the financial year ended 31 December 2022 and 31 December 2023. Subsequently, on 17 July 2024, Tan Lee Kueng and Tan Jian Wei transferred their shares to Teamstar Solutions Sdn. Bhd. On 28 June 2024, Teamstar Solutions Sdn. Bhd. acquired 599,998 new ordinary shares in Teamstar (Perak) Sdn. Bhd. The effective ownership in Teamstar (Perak) Sdn. Bhd. decreased from 100% to 60% as a result of the new issuance of ordinary shares.

(e) Movement of equity interests in Teammart Sdn. Bhd.

Teamstar Berhad has common control over Teammart Sdn. Bhd. through 91% equity interest held by Tan Lee Kueng. On 4 December 2024, Teammart Sdn. Bhd. issue 500,000 new ordinary share, of which Tan Lee Kueng acquired additional 499,998 new ordinary shares at RM 1 each. The effective ownership in Teammart Sdn. Bhd. increased from 91% to 96% as a result of the acquisition of the new shares.

(f) Non-controlling interests in combining entities

The financial information of the Group's combining entities that have non-controlling interests are as follows:

Equity interest held by non-controlling interests:

	Ownership interest			
	31.12.2022 (%)	31.12.2023 (%)	31.12.2024 (%)	30.9.2025 (%)
Name of company				
Best-Can Marketing Sdn. Bhd.	35	35	40	40
DG Materials Marketing Sdn. Bhd.	18	18	18	18
Teammart Sdn. Bhd.	9	9	4	4
Teamstar Solutions Sdn. Bhd.	21	21	21	21
Teamstar Furniture Fittings Sdn. Bhd.	30	30	30	30
Teamstar Furniture Hardware Sdn. Bhd.	33	33	33	33
Teamstar (Melaka) Sdn. Bhd.	35	35	35	35
Teamstar (Perak) Sdn. Bhd.	-	-	40	40
Teamstar (Seremban) Sdn. Bhd.	35	35	35	35
Teamstar Reno Sdn. Bhd.	-	-	-	30

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(f) Non-controlling interests in combining entities (continued)

Carrying amount of non-controlling interests:

	Audited as at			
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Name of company				
Best-Can Marketing Sdn. Bhd.	4,100	4,433	2,996	2,961
DG Materials Marketing Sdn. Bhd.	628	876	1,275	1,871
Teammart Sdn. Bhd.	534	548	293	213
Teamstar Solutions Sdn. Bhd.	3,297	3,923	3,568	4,559
Teamstar Furniture Fittings Sdn. Bhd.	175	275	330	484
Teamstar Furniture Hardware Sdn. Bhd.	228	236	247	292
Teamstar (Melaka) Sdn. Bhd.	312	274	251	423
Teamstar (Perak) Sdn. Bhd.	-	-	417	527
Teamstar (Seremban) Sdn. Bhd.	323	470	422	652
Teamstar Reno Sdn. Bhd.	-	-	-	265

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

Profit or (loss) allocated to non-controlling interests:

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	RM'000	RM'000	RM'000	RM'000	RM'000
Name of company					
Best-Can Marketing Sdn. Bhd.	390	543	408	366	311
DG Materials Marketing Sdn. Bhd.	186	268	522	596	337
Teammart Sdn. Bhd.	11	14	29	40	40
Teamstar Solutions Sdn. Bhd.	1,491	1,467	2,272	990	1,584
Teamstar Furniture Fittings Sdn. Bhd.	25	100	190	154	152
Teamstar Furniture Hardware Sdn. Bhd.	(20)	8	11	45	21
Teamstar (Melaka) Sdn. Bhd.	178	119	171	172	157
Teamstar (Perak) Sdn. Bhd.	-	-	19	110	(3)
Teamstar (Seremban) Sdn. Bhd.	221	252	319	230	261
Teamstar Reno Sdn. Bhd.	-	-	-	(35)	-

2. BASIS OF PREPARATION

The combined financial statements of the Group (as defined herein) for the financial years ended ("FYEs") 31 December 2022, 31 December 2023, 31 December 2024 and financial period ended 30 September 2025 have been prepared pursuant to the listing and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad which consist of the financial statements of the following entities under common control for each of the financial years/period.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

Combining entities	Audited			Unaudited	Audited
	FYE 31 December			FPE 30 September	
	2022	2023	2024	2024	2025
Teamstar Berhad	@	@	@	@	√,^
Benova Marketing Sdn. Bhd.	√,α	√,α	√,^	√	√,^
Best-Can Marketing Sdn. Bhd.	√,α	√,α	√,^	√	√,^
DG Materials Marketing Sdn. Bhd.	√,α	√,α	√,^	√	√,^
Teammart Sdn. Bhd.	√,α	√,α	√,^	√	√,^
Teamstar Solutions Sdn. Bhd.	√,α	√,α	√,^	√	√,^
Teamstar Furniture Fittings Sdn. Bhd.	√,α	√,α	√,^	√	√,^
Teamstar Furniture Hardware Sdn. Bhd.	√,α	√,α	√,^	√	√,^
Teamstar (Melaka) Sdn. Bhd.	√,α	√,α	√,^	√	√,^
Teamstar (Perak) Sdn. Bhd.	√,α	√,α	√,^	√	√,^
Teamstar (Seremban) Sdn. Bhd.	√,α	√,α	√,^	√	√,^
Teamstar Reno Sdn. Bhd.	#	#	#	#	√,^

√ *The combined financial statements of the Group include the financial statements of these combining entities for the respective financial years/periods.*

^ *The combined financial statements of the Group for the respective financial year/period have been prepared based on the audited financial statements which were audited by Baker Tilly Monteiro Heng PLT.*

α *The combined financial statements of the Group for the respective financial years have been prepared based on the audited financial statements which were re-audited by Baker Tilly Monteiro Heng PLT for the purpose of inclusion into the combined financial statements of the Group. The audited financial statements which was lodged with the Companies Commission of Malaysia were audited by a firm of chartered accountants other than Baker Tilly Monteiro Heng PLT.*

@ *No financial statements were available as Teamstar Berhad was incorporated on 12 February 2025.*

No financial statements were available as Teamstar Reno Sdn. Bhd. was incorporated on 23 April 2025.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

The audited financial statements of all the combining entities within the Group for the relevant years/period reported above were not subject to any modifications. The combined financial statements of the Group for the relevant periods were prepared in a manner as if the entities under common control 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.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory ("commonly controlled entities"). 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 commonly controlled entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The financial information presented in the combined financial statements may not correspond to those in the combined financial statements of the Group had the relevant transactions to legally constitute a group been incorporated in the combined financial statements for the respective financial years/period. Such financial information in the combined financial statements does not purport to predict the financial position, results and the cash flows of the entities under common control for those financial years/period.

The combined financial statements are prepared under the historical cost convention except otherwise indicated in the material accounting policy information.

The accounting policies applied by the Group are consistently applied for all the financial years/period presented in these combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.1 Statement of compliance

The combined financial statements of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and the International Financial Reporting Standards ("IFRSs").

2.2 Adoption of amendments to MFRS

The Group has adopted the following applicable amendments to MFRS for the current financial period:

Amendments to MFRS	
MFRS 121	The Effects of Changes in Foreign Exchange Rates

The adoption of the above amendments to MFRS did not have any significant effect on the combined financial statements of the Group and did not result in significant changes to the Group's existing accounting policies.

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective

(a) The Group has not adopted the following new MFRS and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRSs		
MFRS 1	First-time Adoption of MFRSs	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statements of Cash Flows	1 January 2026
MFRS 128	Investments in Associates and Joint Ventures	Deferred

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group plans to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group plans to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group are summarised below. (continued)

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

(c) The initial application of the above applicable new MFRS and amendments to MFRSs are not expected to have any material impact on the combined financial statements.

2.4 Functional and presentation currency

The combined financial statements of the Group are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The combined financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The combined financial statements of the Group have been prepared on the historical cost basis, except as otherwise disclosed.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Group has adopted the amendments to MFRS 101 *Presentation of Financial Statements* which is effective as at 1 January 2022. The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group disclosed its material accounting policy information in these combined financial statements. However, the amendments did not result in changes to the accounting policies of the Group.

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years/period presented in the combined financial statements of the Group.

3.1 Basis of combination

(a) Subsidiaries and business combination

The Group applies the acquisition method of accounting except for those business combinations which were accounted for using merger method of accounting.

A business combination involving entities under common control is a business combination in which all the combined entities are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiary are presented as if the business combination had been affected throughout the current and previous financial year. The assets and liabilities 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 difference between the costs of acquisition over the nominal value of share capital of the subsidiary is taken to reorganisation reserve or merger deficit.

The combined financial statements comprise the financial statements of the Company, Benova Marketing Sdn. Bhd., Best-Can Marketing Sdn. Bhd., DG Materials Marketing Sdn. Bhd., Teammart Sdn. Bhd., Teamstar Solutions Sdn. Bhd., Teamstar Furniture Fittings Sdn. Bhd., Teamstar Furniture Hardware Sdn. Bhd., Teamstar (Melaka) Sdn. Bhd., Teamstar (Perak) Sdn. Bhd., Teamstar (Seremban) Sdn. Bhd and Teamstar Reno Sdn. Bhd.. The financial statements used in the preparation of the combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Financial instruments

Financial assets – subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

The Group subsequently measures these assets at fair value. Net gains and losses, including any interest and dividend income are recognised in profit or loss.

Debt instrument at amortised cost

The Group subsequently measures these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group classifies the financial liabilities at amortised cost. The Group subsequently measures other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.3 Property, plant and equipment

Property, plant and equipment other than land and building and right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

All other property, plant and equipment (other than right-of-use assets as disclosed in Note 3.4) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Freehold building	50
Leasehold building	50
Motor vehicles	5
Furniture and fittings	10 – 12.5
Office equipment	5 – 10
Plant and machinery	5 – 10
Computers	5 – 10
Renovation	10

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.4 Leases

(a) Lessee accounting

The Group presents right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 14.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

All investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Leasehold land	60 – 99
Leasehold buildings	50

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a weighted average cost basis.
- finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

3.7 Revenue and other income

Financing components

The Group has applied the practical expedient to not adjust the promised amount of consideration for the effects of significant financing components as the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Sale of goods – retail

The Group manufactures and sells a range of high pressure laminate particleboard and manufacturing of polyvinyl chloride (PVC) product to local customers. Revenue from sale of manufactured goods is recognised at a point in time when control of the goods has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 14 to 120 days, which is consistent with market practice, therefore, no element of financing is deemed present.

There is no right of return and warranty provided to the customers on the sale of products.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.7 Revenue and other income (continued)

Financing components (continued)

The Group has applied the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing components as the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less. (continued)

(b) Sale of goods – trading and value-added

The Group sells a range of hardware and furniture accessories to local customers. Revenue from sale of trading goods is recognised at a point in time when control of the goods has been transferred, being when the customer accepts the delivery of the goods.

Revenue is recognised based on the price specified in the contract.

(c) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

3.8 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The director of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of combined financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's combined financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's combined financial statements within the next financial year are disclosed as follows:

(a) Classification between investment properties and property, plant and equipment

Certain property comprises a portion that is held to earn rental income or capital appreciation, or for both, whilst the remaining portion is held for use in the production or supply of goods and services or for administrative purposes. If the portion held for rental and/or capital appreciation could be sold separately (or leased out separately as a finance lease), the Group accounts for that portion as an investment property. If the portion held for rental and/or capital appreciation could not be sold or leased out separately, it is classified as an investment property only if an insignificant portion of the property is held for use in the production or supply of goods and services or for administrative purposes. Management uses judgement to determine whether any ancillary services are of such significance that a property does not qualify as an investment property.

(b) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimate at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's financial assets are disclosed in Note 25(b)(i).

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land RM'000	Freehold building RM'000	Building under construction RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Plant and machinery RM'000	Computers RM'000	Renovation RM'000	Right-of-use assets RM'000	Total RM'000
Cost												
At 1 January 2022		1,415	2,739	-	2,344	1,335	665	830	560	1,401	4,060	15,349
Additions		-	-	2,016	1,057	464	115	202	158	56	4,485	8,553
Disposals		-	-	-	(731)	(1)	-	-	-	-	-	(732)
Termination		-	-	-	-	-	-	-	-	-	(88)	(88)
Written off		-	-	-	-	(17)	(11)	-	(16)	(3)	-	(47)
At 31 December 2022		1,415	2,739	2,016	2,670	1,781	769	1,032	702	1,454	8,457	23,035
Accumulated depreciation												
At 1 January 2022		-	404	-	1,942	932	456	710	483	828	1,090	6,845
Depreciation charge for the financial year	**20**	-	55	-	291	112	50	63	43	121	1,467	2,202
Disposals		-	-	-	(645)	(1)	-	-	-	-	-	(646)
Termination		-	-	-	-	-	-	-	-	-	(18)	(18)
Written off		-	-	-	-	(17)	(10)	-	(16)	(3)	-	(46)
At 31 December 2022		-	459	-	1,588	1,026	496	773	510	946	2,539	8,337
Carrying amount												
At 1 January 2022		1,415	2,335	-	402	403	209	120	77	573	2,970	8,504
At 31 December 2022		1,415	2,280	2,016	1,082	755	273	259	192	508	5,918	14,698

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Freehold land RM'000	Freehold building RM'000	Building under construction RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Plant and machinery RM'000	Computers RM'000	Renovation RM'000	Right-of-use assets RM'000	Total RM'000
Cost												
At 1 January 2023		1,415	2,739	2,016	2,670	1,781	769	1,032	702	1,454	8,457	23,035
Additions		-	-	3,360	589	458	85	45	115	61	4,290	9,003
Disposals		-	-	-	(139)	(1)	-	-	-	-	-	(140)
Derecognition due to end of lease term		-	-	-	-	-	-	-	-	-	(157)	(157)
Termination		-	-	-	-	-	-	-	-	-	(1,753)	(1,753)
Written off		-	-	-	-	-	(23)	(28)	(24)	-	-	(75)
At 31 December 2023		1,415	2,739	5,376	3,120	2,238	831	1,049	793	1,515	10,837	29,913
Accumulated depreciation												
At 1 January 2023		-	459	-	1,588	1,026	496	773	510	946	2,539	8,337
Depreciation charge for the financial year	**20**	-	55	-	368	145	57	73	61	125	1,926	2,810
Disposals		-	-	-	(136)	(1)	-	-	-	-	-	(137)
Derecognition due to end of lease term		-	-	-	-	-	-	-	-	-	(157)	(157)
Termination		-	-	-	-	-	-	-	-	-	(989)	(989)
Written off		-	-	-	-	-	(23)	(28)	(24)	-	-	(75)
At 31 December 2023		-	514	-	1,820	1,170	530	818	547	1,071	3,319	9,789
Carrying amount												
At 1 January 2023		1,415	2,280	2,016	1,082	755	273	259	192	508	5,918	14,698
At 31 December 2023		1,415	2,225	5,376	1,300	1,068	301	231	246	444	7,518	20,124

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Freehold land RM'000	Freehold building RM'000	Building under construction RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Plant and machinery RM'000	Computers RM'000	Renovation RM'000	Signboard RM'000	Right-of-use assets RM'000	Total RM'000
Cost													
At 1 January 2024		1,415	2,739	5,376	3,120	2,238	831	1,049	793	1,515	-	10,837	29,913
Additions		-	-	316	808	797	227	58	120	284	55	3,456	6,121
Disposals		-	-	-	(763)	-	(3)	-	-	-	-	-	(766)
Derecognition due to end of lease term		-	-	-	-	-	-	-	-	-	-	(172)	(172)
Termination		-	-	-	-	-	-	-	-	-	-	(1,444)	(1,444)
Reclassification		-	-	(5,692)	-	-	-	-	-	-	-	5,692	-
Write-off		-	-	-	-	-	-	-	*	-	-	-	*
At 31 December 2024		1,415	2,739	-	3,165	3,035	1,055	1,107	913	1,799	55	18,369	33,652
Accumulated depreciation													
At 1 January 2024		-	514	-	1,820	1,170	530	818	547	1,071	-	3,319	9,789
Depreciation charge for the financial year	**20**	-	55	-	400	212	68	76	64	136	2	2,435	3,448
Disposals		-	-	-	(360)	-	(3)	-	-	-	-	-	(363)
Derecognition due to end of lease term		-	-	-	-	-	-	-	-	-	-	(172)	(172)
Termination		-	-	-	-	-	-	-	-	-	-	(806)	(806)
Write-off		-	-	-	-	-	-	-	*	-	-	-	*
At 31 December 2024		-	569	-	1,860	1,382	595	894	611	1,207	2	4,776	11,896
Carrying amount													
At 1 January 2024		1,415	2,225	5,376	1,300	1,068	301	231	246	444	-	7,518	20,124
At 31 December 2024		1,415	2,170	-	1,305	1,653	460	213	302	592	53	13,593	21,756

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Freehold land RM'000	Freehold building RM'000	Building under contruction RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Plant and machinery RM'000	Computers RM'000	Renovation RM'000	Signboard RM'000	Right-of-use assets RM'000	Total RM'000
Cost													
At 1 January 2025		1,415	2,739	-	3,165	3,035	1,055	1,107	913	1,799	55	18,369	33,652
Additions		-	-	-	668	409	133	44	132	102	6	3,955	5,449
Disposal		-	-	-	(278)	(12)	-	-	-	-	-	-	(290)
Derecognition due to end of lease term		-	-	-	-	-	-	-	-	-	-	(211)	(211)
Termination		-	-	-	-	-	-	-	-	-	-	(2,485)	(2,485)
Lease modification		-	-	-	-	-	-	-	-	-	-	54	54
Write-off		-	-	-	-	(2)	(2)	(7)	(6)	(36)	-	-	(53)
At 30 September 2025		1,415	2,739	-	3,555	3,430	1,186	1,144	1,039	1,865	61	19,682	36,116
Accumulated depreciation													
At 1 January 2025		-	569	-	1,860	1,382	595	894	611	1,207	2	4,776	11,896
Depreciation charge for the financial period	**20**	-	41	-	367	186	61	52	78	102	4	1,611	2,502
Disposal		-	-	-	(278)	(12)	-	-	-	-	-	-	(290)
Derecognition due to end of lease term		-	-	-	-	-	-	-	-	-	-	(211)	(211)
Termination		-	-	-	-	-	-	-	-	-	-	(1,152)	(1,152)
Write-off		-	-	-	-	-	(1)	(7)	(6)	(22)	-	-	(36)
At 30 September 2025		-	610	-	1,949	1,556	655	939	683	1,287	6	5,024	12,709
Carrying amount													
At 1 January 2025		1,415	2,170	-	1,305	1,653	460	213	302	592	53	13,593	21,756
At 30 September 2025		1,415	2,129	-	1,606	1,874	531	205	356	578	55	14,658	23,407

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Assets pledged as security

Freehold land and building with a carrying amount of RM3,544,556 (31.12.2024: RM3,585,580, 31.12.2023: RM3,640,365 and 31.12.2022: RM3,695,150) have been pledged as security to secure term loans of the Group as disclosed in Note 14(a).

Leasehold land and building with a carrying amount of RM5,597,340 (31.12.2024: RM5,682,723, 31.12.2023: RM5,376,198 and 31.12.2022: RM2,016,074) have been pledged as security to secure term loans of the Group as disclosed in Note 14(a).

Building under construction with a carrying amount of RM Nil (31.12.2024: RM Nil, 31.12.2023: RM5,376,198 and 31.12.2022: RM2,016,074) have been pledged as security to secure term loans of the Group as disclosed in Note 14(a).

Motor vehicles with carrying amount of RM262,488 (31.12.2024: RM324,584, 31.12.2023: RM572,569 and 31.12.2022: RM636,409) have been pledged as security for hire purchase arrangement as disclosed in Note 14(c).

(b) Right-of-use assets

The Group leases several assets including leasehold land and buildings.

Information about leases for which the Group is a lessee are presented below:

	Leasehold land RM'000	Buildings RM'000	Total RM'000
Carrying amount			
At 1 January 2022	430	2,540	2,970
Additions	-	4,485	4,485
Depreciation charge for the financial year	(11)	(1,456)	(1,467)
Termination	-	(70)	(70)
At 31 December 2022	419	5,499	5,918
Additions	-	4,290	4,290
Depreciation charge for the financial year	(11)	(1,915)	(1,926)
Termination	-	(764)	(764)
At 31 December 2023	408	7,110	7,518
Additions	-	3,456	3,456
Transfer from building under construction	1,414	4,278	5,692
Depreciation charge for the financial year	(13)	(2,422)	(2,435)
Termination	-	(638)	(638)
At 31 December 2024	1,809	11,784	13,593
Additions	-	3,955	3,955
Depreciation charge for the financial period	(29)	(1,582)	(1,611)
Termination	-	(1,333)	(1,333)
Lease modification	-	54	54
At 30 September 2025	1,780	12,878	14,658

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets (continued)

The Group leases land and buildings for their warehouse, office use and staff hostel. The leases for warehouse, office use and staff hostel generally have lease term between 1 to 60 years.

6. INVESTMENT PROPERTIES

	Note	Leasehold land RM'000	Leasehold buildings RM'000	Total RM'000
Cost				
At 1 January 2022 / 31 December 2022 / 31 December 2023 / 31 December 2024		1,198	3,104	4,302
Accumulated depreciation				
At 1 January 2022		183	463	646
Depreciation charge for the financial year	**20**	23	62	85
At 31 December 2022		206	525	731
Depreciation charge for the financial year	**20**	23	62	85
At 31 December 2023		229	587	816
Depreciation charge for the financial year	**20**	23	62	85
At 31 December 2024		252	649	901
Carrying amount				
At 31 December 2022		992	2,579	3,571
At 31 December 2023		969	2,517	3,486
At 31 December 2024		946	2,455	3,401

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENT PROPERTIES (CONTINUED)

	Note	Leasehold land RM'000	Leasehold buildings RM'000	Total RM'000
Cost				
At 1 January 2025		1,198	3,104	4,302
Disposal		(100)	(201)	(301)
Reclassification		(1,098)	(2,903)	(4,001)
At 30 September 2025		-	-	-
Accumulated depreciation				
At 1 January 2025		252	649	901
Depreciation charge for the financial period	**20**	17	45	62
Disposal		(44)	(98)	(142)
Reclassification		(225)	(596)	(821)
At 30 September 2025		-	-	-
Carrying amount				
At 1 January 2025		946	2,455	3,401
At 30 September 2025		-	-	-

The following are recognised in profit or loss in respect of investment properties:

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Rental income	324	339	298	223	223
Direct operating expenses:					
- income generating investment properties	16	16	5	5	5

Fair value information

The fair value of the leasehold land and buildings of approximately RM9,079,371 is categorised at Level 3 of the fair value hierarchy.

There are no Level 1 and Level 2 investment properties or transfers between Level 1, Level 2 and Level 3 during the financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENT PROPERTIES (CONTINUED)

Fair value information (continued)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Leasehold land and buildings	Sales comparison approach	Price per square feet	The higher the price per square feet, the higher the fair value

Valuation processes applied by the Group

The Group's finance department includes a team that performs valuation of analysis of leasehold land and buildings required for financial reporting purposes, including Level 3 fair values. This team reports directly to the directors.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

7. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax relates to the following:

	As at 1 January 2022 RM'000	Recognised in profit or loss (Note 22) RM'000	As at 31 December 2022 RM'000
Deferred tax assets:			
Impairment losses for trade receivables	53	(5)	48
Contract liabilities	124	34	158
Inventories	41	54	95
Unabsorbed capital allowance	-	15	15
Unutilised business losses	169	(160)	9
	387	(62)	325

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

7. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax relates to the following: (continued)

	As at 1 January 2022 RM'000	Recognised in profit or loss (Note 22) RM'000	As at 31 December 2022 RM'000
Deferred tax liabilities:			
Property, plant and equipment	(102)	(87)	(189)
Unrealised foreign exchange	(4)	(3)	(7)
	(106)	(90)	(196)
	281	(152)	129

	As at 1 January 2023 RM'000	Recognised in profit or loss (Note 22) RM'000	As at 31 December 2023 RM'000
Deferred tax assets:			
Impairment losses for trade receivables	48	7	55
Contract liabilities	158	51	209
Inventories	95	30	125
Unabsorbed capital allowance	15	(11)	4
Unutilised business losses	9	1	10
	325	78	403
Deferred tax liabilities:			
Property, plant and equipment	(189)	(56)	(245)
Unrealised foreign exchange	(7)	(3)	(10)
	(196)	(59)	(255)
	129	19	148

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

7. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax relates to the following: (continued)

	As at 1 January 2024 RM'000	Recognised in profit or loss (Note 22) RM'000	As at 31 December 2024 RM'000
Deferred tax assets:			
Impairment losses for trade receivables	55	26	81
Contract liabilities	209	65	274
Inventories	125	45	170
Unabsorbed capital allowance	4	-	4
Unutilised business losses	10	(10)	*
Unrealised foreign exchange	(10)	10	*
	393	136	529
Deferred tax liabilities:			
Property, plant and equipment	(245)	(96)	(341)
	(245)	(96)	(341)
	148	40	188

	As at 1 January 2025 RM'000	Recognised in profit or loss (Note 22) RM'000	As at 30 September 2025 RM'000
Deferred tax assets:			
Impairment losses for trade receivables	81	(26)	55
Contract liabilities	274	(7)	267
Inventories	170	38	208
Unabsorbed capital allowance	4	(4)	-
Unutilised business losses	*	*	-
	529	1	530
Deferred tax liabilities:			
Property, plant and equipment	(341)	31	(310)
Unrealised foreign exchange	*	(8)	(8)
	(341)	23	(318)
	188	24	212

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

7. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax relates to the following: (continued)

	Audited as at			
	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
Presented after appropriate offsetting as follows:				
Deferred tax assets	325	403	529	530
Deferred tax liabilities	(196)	(255)	(341)	(318)
	129	148	188	212

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years/period:

	Audited as at			
	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
2029	(1)	-	-	-
2032	10	10	*	-
	9	10	-	-

8. OTHER INVESTMENT

	Audited as at			
	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
Financial assets designated at fair value through profit or loss				
At fair value:				
Unit trust	-	2,019	4,099	4,054

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

9. INVENTORIES

	Audited as at			
	31.12.2022	31.12.2023	31.12.2024	30.9.2025
	RM'000	RM'000	RM'000	RM'000
At lower of cost and net realisable value:				
Raw materials	2,634	2,789	989	2,899
Finished goods	17,518	20,733	29,329	31,535
	20,152	23,522	30,318	34,434

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial period in respect of continuing operation was RM59,727,603 (31.12.2024 RM82,711,374, 31.12.2023: RM72,766,716 and 31.12.2022: RM61,607,458).

(b) During the financial period, the Group and the Company reversed the previous inventories written down value of RM Nil (31.12.2024 RM Nil, 31.12.2023: RM Nil and 31.12.2022: RM100,000) respectively, The amount of reversal was included in cost of sales.

10. TRADE AND OTHER RECEIVABLES

		Audited as at			
		31.12.2022	31.12.2023	31.12.2024	30.9.2025
	Note	RM'000	RM'000	RM'000	RM'000
Trade					
Trade receivables	**(a)**				
- Third parties		7,505	8,379	10,569	9,630
- Related parties		38	32	35	26
Less: Impairment losses for trade receivables		(199)	(229)	(336)	(230)
		7,344	8,182	10,268	9,426
Non-trade					
Other receivables		513	814	520	1,119
Deposits		463	630	659	1,696
Prepayments		16	194	567	113
Amount owing by related parties	**(b)**	*	2	1	*
Amount owing by shareholders	**(b)**	45	-	-	-
		1,037	1,640	1,747	2,928
Total trade and other receivables		**8,381**	**9,822**	**12,015**	**12,354**

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranges from 14 to 120 days (31.12.2024, 31.12.2023 and 31.12.2022: 14 to 120 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Audited as at			
	31.12.2022	**31.12.2023**	**31.12.2024**	**30.9.2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At the beginning of the financial year/period	223	199	229	336
Charge for the financial year/period				
- Collectively assessed	5	42	125	9
Reversal of impairment losses	(29)	(12)	(18)	(115)
At the end of the financial year/period	**199**	**229**	**336**	**230**

(b) Amount owing by related parties and shareholders

Amount owing by related parties and shareholders are unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

The information about the credit exposures are disclosed in Note 25(b)(i).

11. CASH AND SHORT-TERM DEPOSITS

	Audited as at			
	31.12.2022	**31.12.2023**	**31.12.2024**	**30.9.2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	12,920	18,631	14,564	16,157
Short-term deposits	9,884	9,034	6	-
	22,804	27,665	14,570	16,157

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

11. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	Audited as at			
	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
Short-term deposits	9,884	9,034	6	-
Cash and bank balances	12,920	18,631	14,564	16,157
	22,804	27,665	14,570	16,157
Bank overdraft (Note 14)	(492)	-	-	-
	22,312	27,665	14,570	16,157

12. ASSETS CLASSIFIED AS HELD FOR SALE

	Audited as at			
	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
Leasehold land and buildings	-	-	-	3,180

On 29 May 2025, Teammart entered into a sale and purchase agreement with Redtick Sdn. Bhd. for the disposal of a parcel of leasehold land with attached building for a total cash consideration of RM6,433,333. It has been presented as held for sale. The disposal of leasehold land and building has been completed as at the date of this report.

13. INVESTED EQUITY

	Audited as at				Amount			
	31.12.2022 Unit	31.12.2023 Unit	31.12.2024 Unit	30.9.2025 Unit	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
Issued and fully paid-up: (no par value)								
At the beginning of the financial year/period	4,230	4,209	4,209	4,679	4,230	4,209	4,209	4,679
Issued during the financial year/period	-	-	-	*	-	-	-	*
Changes in ownership interests in combining entities	(21)	-	470	-	(21)	-	470	-
At the end of the financial year/period	4,209	4,209	4,679	4,679	4,209	4,209	4,679	4,679

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

13. INVESTED EQUITY (CONTINUED)

For the purpose of the combined financial statements, the total number of shares as at 31 December 2022, 31 December 2023,31 December 2024 and 30 September 2025 represent the aggregate number of issued shares of the combining entities within the Group respectively.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All ordinary shares rank equally with regard to the Group's residual assets.

During the financial period, the Company issued 1 ordinary shares at RM1 per ordinary share on the date of incorporation for a total cash consideration of RM1.

14. LOANS AND BORROWINGS

		Audited as at			
		31.12.2022	31.12.2023	31.12.2024	30.9.2025
	Note	RM'000	RM'000	RM'000	RM'000
Non-current:					
Term loans	**(a)**	5,602	8,931	8,837	8,377
Lease liabilities	**(b)**	1,499	2,844	2,115	4,439
Hire purchase payables	**(c)**	265	47	131	57
		7,366	11,822	11,083	12,873
Current:					
Term loans	**(a)**	775	575	518	563
Lease liabilities	**(b)**	1,598	1,937	3,192	2,160
Hire purchase payables	**(c)**	200	45	113	103
Bank overdraft	**(d)**	492	-	-	-
Bankers' acceptances	**(e)**	2,121	4,796	3,801	6,376
		5,186	7,353	7,624	9,202
Total loans and borrowings					
Term loans	**(a)**	6,377	9,506	9,355	8,940
Lease liabilities	**(b)**	3,097	4,781	5,307	6,599
Hire purchase payables	**(c)**	465	92	244	160
Bank overdraft	**(d)**	492	-	-	-
Bankers' acceptances	**(e)**	2,121	4,796	3,801	6,376
		12,552	19,175	18,707	22,075

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans

Term loan 1 of the Group of RM2,075,593 (31.12.2024: RM2,208,048, 31.12.2023: RM2,376,773 and 31.12.2022: RM2,538,789) bears interest at 4.27% (31.12.2024: 4.52%, 31.12.2023: 4.52% and 31.12.2022: 4.27%) per annum and is repayable by monthly instalments over 240 months commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the leasehold land and building of the Group; and
(ii) Joint and several guarantee by certain directors of the Group.

Term loan 2 of the Group of RM Nil (31.12.2024: RM Nil, 31.12.2023: RM Nil and 31.12.2022: RM199,937) bears interest at Nil % (31.12.2024: RM Nil %, 31.12.2023: Nil % and 31.12.2022: 3.50%) per annum and is repayable by monthly instalments over 60 months commencing from the day of first drawdown and is secured and supported as follows:

(i) Government guarantee under Bank Negara Malaysia's Fund for Small and Medium Enterprises; and
(ii) Joint and several guarantee by certain directors of the Group.

Term loan 3 of the Group of RM1,334,139 (31.12.2024: RM1,506,189, 31.12.2023: RM1,733,001 and 31.12.2022: RM1,952,101) bears interest at 4.54% (31.12.2024: 4.79%, 31.12.2023: 4.79% and 31.12.2022: 4.54%) per annum and is repayable by monthly instalments over 180 months commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the freehold land and building of the Group;
(ii) Joint and several guarantee by certain directors of the Group; and
(iii) Corporate guarantee by the Group.

Term loan 4 of the Group of RM5,530,768 (31.12.2024: RM5,641,027, 31.12.2023: RM5,395,604 and 31.12.2022: RM1,685,769) bears interest at 4.00% (31.12.2024: 4.26%, 31.12.2023: 4.26% and 31.12.2022: 3.07%) per annum and is repayable by monthly instalments over 240 months commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the building under construction of the Group; and
(ii) Joint and several guarantee by certain directors of the Group.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)
(b) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Audited as at			
	31.12.2022	**31.12.2023**	**31.12.2024**	**30.9.2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Minimum lease payments:				
Not later than one year	1,678	2,093	2,651	2,403
Later than one year and not later than five years	1,566	2,995	3,005	4,697
Later than five years	-	-	-	7
	3,244	5,088	5,656	7,107
Less: Future finance charges	(147)	(307)	(349)	(508)
Present value of minimum lease payments	3,097	4,781	5,307	6,599
Present value of minimum lease payments payable:				
Not later than one year	1,598	1,937	3,192	2,160
Later than one year and not later than five years	1,499	2,844	2,115	4,434
Later than five years	-	-	-	5
	3,097	4,781	5,307	6,599
Less: Amount due within twelve months	(1,598)	(1,937)	(3,192)	(2,160)
Amount due after twelve months	1,499	2,844	2,115	4,439

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(c) Hire purchase payables

Hire purchase payables of the Group of RM159,442 (31.12.2024: RM243,339, 31.12.2023: RM91,290 and 31.12.2022: RM465,858) bears interest ranging from 5.79% to 5.85% (31.12.2024: 5.79% to 5.85%, 31.12.2023: 1.51% to 6.09% and 31.12.2022: 4.57% to 5.85%) per annum and are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 5(a).

	← Audited as at →			
	31.12.2022	**31.12.2023**	**31.12.2024**	**30.9.2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Minimum lease payments:				
Not later than one year	216	50	124	109
Later than one year and not later than five years	278	49	136	59
	494	99	260	168
Less: Future finance charges	(29)	(7)	(16)	(8)
Present value of minimum lease payments	465	92	244	160
Present value of minimum lease payments payable:				
Not later than one year	200	45	113	103
Later than one year and not later than five years	265	47	131	57
	465	92	244	160
Less: Amount due within twelve months	(200)	(45)	(113)	(103)
Amount due after twelve months	265	47	131	57

(d) Bank overdraft

Bank overdraft bears interest of Nil % (31.12.2024: Nil %, 31.12.2023: Nil % and 31.12.2022: 6.97%) per annum and is secured and supported as follows:

(i) Legal charge over the leasehold land and building of a company in which a director of the Group has financial interests;
(ii) Joint and several guarantee by certain directors of the Group; and
(iii) Corporate guarantee by a company in which a director of the Group has financial interests.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(e) Bankers' acceptances

Bankers' acceptance 1 bears interest from 4.35% to 4.50% (31.12.2024: 4.20% to 4.50%, 31.12.2023: 4.15% to 4.85% and 31.12.2022: 4.15% to 4.85%) per annum and is secured and supported as follows:

(i) Legal charge over leasehold land and building of a company in which the director of the Group has financial interests; and
(ii) Joint and several guarantee by certain directors of the Group; and
(iii) Corporate guarantee by a company in which a director of the Group has financial interests.

Bankers' acceptance 2 bears interest of Nil % (31.12.2024: Nil %, 31.12.2023: Nil % and 31.12.2022: 4.98%) per annum and is secured and supported as follows:

(i) Legal charge over freehold land and building of the Group; and
(ii) Joint and several guarantee by certain directors of the Group; and
(iii) Corporate guarantee by a company in which a director of the Group has financial interests.

Bankers' acceptance 3 bears interest from 4.25% to 4.51% (31.12.2024: 4.20% to 4.50%, 31.12.2023: Nil % and 31.12.2022: Nil %) per annum and is secured and supported as follows:

(i) Legal charge over leasehold land and building of a company in which the director of the Group has financial interests; and
(ii) Joint and several guarantee by certain directors of the Group.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

15. TRADE AND OTHER PAYABLES

		Audited as at			
	Note	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
Trade					
Trade payables	**(a)**				
- Third parties		8,849	10,861	11,233	9,595
- Related parties		647	861	2,494	122
		9,496	11,722	13,727	9,717
Non-trade					
Other payables		390	478	512	488
Accruals		2,262	2,614	2,348	2,192
Deposits payable		195	190	78	532
Dividend payable		-	-	-	3,000
Amount owing to related parties	**(b)**	30	19	136	8
Amount owing to directors	**(b)**	3,418	4,275	3,920	-
		6,295	7,576	6,994	6,220
Total trade and other payables		**15,791**	**19,298**	**20,721**	**15,937**

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 30 to 90 days. (31.12.2024, 31.12.2023 and 31.12.2022: 30 to 90 days).

(b) Amount owing to related parties and directors

Amount owing to related parties and directors are unsecured, non-interest bearing, repayable upon demand and is expected to be settled in cash.

For explanations on the Group's liquidity risk management processes, refer to Note 25(b)(ii).

16. CONTRACT LIABILITIES

	Audited as at			
	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
Contract liabilities relating to sale of goods	1,885	2,092	2,392	2,579

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

16. CONTRACT LIABILITIES (CONTINUED)

(a) Contract liabilities

The contract liabilities represent invoice billed for the sale of goods for which performance obligations have not been satisfied. The contract liabilities will only be recognised as revenue when the cash balances are used for purchases or when redemption occurs or upon expiry of the redemption period, and hence the Group applies the practical expedient not to disclose the information pertaining to the timing of revenue recognition from the remaining performance obligations.

(b) Significant changes in contract balances

	Audited as at			
	31.12.2022 Contract liabilities (Increase)/ decrease RM'000	**31.12.2023 Contract liabilities (Increase)/ decrease RM'000**	**31.12.2024 Contract liabilities (Increase)/ decrease RM'000**	**30.9.2025 Contract liabilities (Increase)/ decrease RM'000**
Revenue recognised that was included in contract liabilities at the beginning of the financial year/period	1,674	1,579	1,646	1,479
Increase due to considerations received from customers, but revenue not recognised	(1,625)	(1,786)	(1,946)	(1,666)

(c) Revenue recognised in relation to contract balances

	Audited as at			
	31.12.2022 RM'000	**31.12.2023 RM'000**	**31.12.2024 RM'000**	**30.9.2025 RM'000**
Revenue recognised that was included in contract liabilities at the beginning of the financial year/period	1,674	1,579	1,646	1,479

Revenue recognised that was included in the contract liability balance at the beginning of the year/period represented primarily revenue from the sale of goods when performance obligations satisfied.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

17. REVENUE

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
At a point in time:					
Sale of goods	91,305	109,209	130,221	98,225	92,175
Timing of revenue recognition:					
At a point in time	91,305	109,209	130,221	98,225	92,175

(a) Disaggregation of revenue

The Group reports the following major segments: retail and trading and value added in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure for the disaggregation of revenue, the Group disaggregates revenue into primary geographical markets, major goods or services, timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

The information about the disaggregation of revenue are disclosed in Note 28.

18. OTHER INCOME

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	163	436	332	168	265
Rental income	417	436	446	314	335
Net realised gain foreign exchange	195	84	234	367	302
Net unrealised gain on foreign exchange	30	28	-	16	111
Reversal of impairment losses on trade receivables	29	12	18	115	-
Fair value gain on other investment	-	19	260	99	227
Gain on disposal of property, plant and equipment	165	63	100	87	29
Gain on lease termination	*	12	15	29	14
Gain on disposal of investment property	-	-	-	2	-
Bad debts recovered	2	3	1	-	1
Waiver of debt	10	-	8	-	8
Others	123	54	62	20	34
	1,134	1,147	1,476	1,217	1,326

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

19. FINANCE COSTS

	Audited			Audited	Unaudited
	FYE 31 December			FPE 30 September	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Interest expense on:					
- Term loans	235	337	400	296	300
- Lease liabilities	95	159	228	171	168
- Hire purchase payables	16	18	12	9	8
- Bank overdraft	2	2	-	-	-
- Bankers' acceptance	107	150	145	112	103
	455	666	785	588	579

20. PROFIT BEFORE TAX

Other than disclosed elsewhere in the combined financial statements, the following items have been charged in arriving at profit before tax:

		Audited			Audited	Unaudited
		FYE 31 December			FPE 30 September	
		2022	2023	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration - statutory audit:						
- Baker Tilly Monteiro Heng PLT		-	-	113	145	89
- Other auditors		55	59	5	-	*
Other services						
- Baker Tilly Monteiro Heng PLT		-	-	100	302	-
Bad debts written off		*	-	4	34	4
Depreciation of property, plant and equipment	**5**	2,202	2,810	3,448	2,502	2,484
Depreciation of investment properties	**6**	85	85	85	62	64
Property, plant and equipment written off		1	*	*	17	*
Impairment losses on trade receivables	**10**	5	42	125	9	135
Loss on lease modification		-	-	-	8	-
Net unrealised foreign exchange loss		-	-	15	-	-
Expenses relatng to short-term lease:						
- Premises		466	221	260	94	210
Expenses relating to lease of low value assets:						
- Motor vehicle		15	37	-	-	-
Incorporation fee		-	-	-	8	-
Employee benefits expense	**21**	9,298	11,719	13,232	11,378	9,280

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

21. EMPLOYEE BENEFITS EXPENSE

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Salaries, wages and allowances	7,688	9,545	10,354	8,977	7,127
Defined contribution plans	918	1,175	1,355	1,164	935
Other staff related expenses	692	999	1,523	1,237	1,218
	9,298	11,719	13,232	11,378	9,280
Included in employee benefits expenses are:					
Directors of the Group					
Directors' fees	436	784	460	405	460
Salaries	899	983	1,004	818	692
Defined contribution plans	107	188	126	83	86
Other related expenses	10	12	13	11	10
	1,452	1,967	1,603	1,317	1,248

22. INCOME TAX EXPENSE

The major components of income tax expense for the financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025 are as follows:

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Combined statements of comprehensive income					
Current income tax:					
- Current income tax charge	2,873	3,713	5,386	4,398	3,825
- Adjustment in respect of prior years	-	-	-	(11)	-
	2,873	3,713	5,386	4,387	3,825
Deferred tax (Note 7):					
- Origination of temporary differences	152	(19)	(40)	41	(61)
- Adjustment in respect of prior years	*	-	-	(65)	3
	152	(19)	(40)	(24)	(58)
Income tax expense recognised in profit or loss	**3,025**	**3,694**	**5,346**	**4,363**	**3,767**

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

22. INCOME TAX EXPENSE (CONTINUED)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (31.12.2024, 31.12.2023 and 31.12.2022: 24%) of the estimated assessable profit for the financial years/period.

The income tax rate applicable to small and medium scale enterprise ("SME") incorporated in Malaysia with paid-up capital of RM2,500,000 and below is subject to the statutory income tax rate of 15% (31.12.2024: 15%, 31.12.2023: 15% and 31.12.2022: 17%) on the first chargeable income of RM150,000 and 17% (31.12.2024, 31.12.2023 and 31.12.2022: 17%) on the next RM450,000. For chargeable income in excess of RM600,000, statutory income tax rate of 24% is still applicable.

The reconciliations from the tax amount at the statutory income tax rate to the Group's tax expense are as follows:

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit before tax	12,920	15,286	22,192	16,345	15,771
Tax at Malaysian statutory income tax rate of 24%	3,101	3,669	5,326	3,923	3,785
SME tax savings	(45)	(45)	(45)	(45)	(45)
Adjustments:					
Income not subject to tax	(166)	(117)	(325)	-	(167)
Non-deductible expenses	135	187	390	538	191
Deferred tax assets not recognised	-	-	-	23	-
Adjustment in respect of current income tax of prior years	-	-	-	(11)	-
Adjustment in respect of deferred tax of prior years	*	-	-	(65)	3
Income tax expense	3,025	3,694	5,346	4,363	3,767

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial years/period attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial years/period, calculated as follows:

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Group	7,413	8,821	12,905	9,314	9,144
Weighted average number of ordinary shares for basic earnings per share (unit)	4,209	4,209	4,232	4,662	4,199
Basic earnings per share (RM)	1.76	2.10	3.05	2.00	2.18

(b) Diluted earnings per ordinary share

Diluted earnings per share of the Group for the financial years/period are equivalent to the basic earnings per share of the Group as the Group has no dilutive potential ordinary shares.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

24. DIVIDENDS

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Recognised during the financial year:					
Dividends on ordinary shares:					
- Single-tier interim dividend for the FYE 31 December 2021: RM1.00 per ordinary share, paid on 28 March 2022	1,158	-	-	-	-
- Single-tier interim dividend for the FYE 31 March 2022: RM0.50 per ordinary share, paid on 3 August 2022	300	-	-	-	-
- Single-tier interim dividend for the FYE 31 December 2022: RM1.50 per ordinary share, paid on 24 August 2022	1,500	-	-	-	-
- Single-tier interim dividend for the FYE 31 December 2022: RM0.60 per ordinary share, paid on 28 December 2022	300	-	-	-	-
- Single-tier interim dividend for the FYE 31 December 2022: RM1.00 per ordinary share, paid on 28 December 2022	210	-	-	-	-
- Single-tier interim dividend for the FYE 31 December 2022: RM0.16 per ordinary share, paid on 17 January 2023	-	112	-	-	-
- Single-tier interim dividend for the FYE 31 December 2022: RM2.00 per ordinary share, paid on 10 February 2023	-	2,000	-	-	-
- Single-tier interim dividend for the FYE 31 December 2023: RM2.00 per ordinary share, paid on 22 June 2023	-	2,000	-	-	-
- Single-tier interim dividend for the FYE 31 March 2023: RM1.00 per ordinary share, paid on 1 August 2023	-	600	-	-	-

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

24. DIVIDENDS (CONTINUED)

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Recognised during the financial year: (continued)					
- Single-tier interim dividend for the FYE 31 December 2023: RM1.00 per ordinary share, paid on 29 September 2023	-	105	-	-	-
- Single-tier interim dividend for the FYE 31 December 2023: RM1.50 per ordinary share, paid on 27 December 2023	-	158	-	-	-
- Single-tier interim dividend for the FYE 31 December 2023: RM1.00 per ordinary share, paid on 9 January 2024	-	-	105	-	105
- Single-tier interim dividend for the FYE 31 December 2023: RM0.44 per ordinary share, paid on 18 January 2024	-	-	304	-	304
- Single-tier interim dividend for the FYE 31 December 2023: RM3.30 per ordinary share, paid on 18 January 2024	-	-	3,300	-	3,300
- Single-tier interim dividend for the FYE 31 March 2023: RM0.12 per ordinary share, paid on 19 January 2024	-	-	69	-	69
- Single-tier interim dividend for the FYE 31 December 2024: RM0.55 per ordinary share, paid on 23 July 2024	-	-	385	-	-
- Single-tier interim dividend for the FYE 31 December 2024: RM1.00 per ordinary share, paid on 23 July 2024	-	-	105	-	105
- Single-tier interim dividend for the FYE 31 December 2024: RM1.50 per ordinary share, paid on 23 July 2024	-	-	158	-	158

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

24. DIVIDENDS (CONTINUED)

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Recognised during the financial year: (continued)					
- Single-tier interim dividend for the FYE 31 December 2024: RM2.00 per ordinary share, paid on 23 July 2024	-	-	2,000	-	2,000
- Single-tier interim dividend for the FYE 31 December 2024: RM8.35 per ordinary share, paid on 19 August 2024	-	-	5,010	-	5,010
- Single-tier interim dividend for the FYE 31 December 2024: RM5.00 per ordinary share, paid on 16 October 2024	-	-	5,000	-	-
- Single-tier interim dividend for the FYE 31 December 2024: RM0.85 per ordinary share, paid on 19 December 2024	-	-	89	-	-
- Single-tier interim dividend for the FYE 31 December 2024: RM0.90 per ordinary share, paid on 19 December 2024	-	-	135	-	-
- Single-tier interim dividend for the FYE 31 December 2024: RM1.00 per ordinary share, paid on 19 December 2024	-	-	105	-	-
- Single-tier interim dividend for the FYE 31 December 2024: RM2.20 per ordinary share, paid on 23 December 2024	-	-	2,200	-	-
- Single-tier interim dividend for the FYE 31 December 2024: RM2.00 per ordinary share, paid on 23 December 2024	-	-	1,200	-	-
- Single-tier interim dividend for the FYE 31 December 2025: RM1.67 per ordinary share, paid on 9 May 2025	-	-	-	1,000	-
- Single-tier interim dividend for the FYE 31 December 2025: RM6.00 per ordinary share, paid on 29 December 2025	-	-	-	3,000	-
	3,468	4,975	20,165	4,000	11,051

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned:
(i) Amortised cost
(ii) Fair value through profit or loss ("FVPL")

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
At 31 December 2022			
Financial assets			
Trade and other receivables, less prepayments	8,365	8,365	-
Cash and short-term deposits	22,804	22,804	-
	31,169	31,169	-
Financial liabilities			
Loans and borrowings, less lease liabilities	9,455	9,455	-
Trade and other payables	15,791	15,791	-
	25,246	25,246	-
At 31 December 2023			
Financial assets			
Other investment	2,019	-	2,019
Trade and other receivables, less prepayments	9,628	9,628	-
Cash and short-term deposits	27,665	27,665	-
	39,312	37,293	2,019
Financial liabilities			
Loans and borrowings, less lease liabilities	14,394	14,394	-
Trade and other payables	19,298	19,298	-
	33,692	33,692	-

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
At 31 December 2024			
Financial assets			
Other investment	4,099	-	4,099
Trade and other receivables, less prepayments	11,448	11,448	-
Cash and short-term deposits	14,570	14,570	-
	30,117	26,018	4,099
Financial liabilities			
Loans and borrowings, less lease liabilities	13,400	13,400	-
Trade and other payables	20,721	20,721	-
	34,121	34,121	-
At 30 September 2025			
Financial assets			
Other investment	4,054	-	4,054
Trade and other receivables, less prepayments	12,241	12,241	-
Cash and short-term deposits	16,157	16,157	-
	32,452	28,398	4,054
Financial liabilities			
Loans and borrowings	22,075	22,075	-
Trade and other payables	15,937	15,937	-
	38,012	38,012	-

(b) Financial risk management

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders. The Group does not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.

The Group considers a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than the credit term unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the combined statements of financial position.

The carrying amount of trade receivables is not secured by any collateral or supported by any other credit enhancements. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses ageing analysis to monitor the credit quality of trade receivables. In managing credit risks of trade receivables, the Group also takes appropriate actions (including but not limited to legal actions) to recover long past due balances.

Credit risk concentration profile

The Group has no significant concentration of credit risk from its receivables.

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables. The Group uses a provision matrix to measure expected credit losses for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward-looking information. Forward-looking information considered includes consideration of various external sources of actual and forecast economic information that relate to the Group's core operations. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables (continued)

The information about the credit risk exposure on the Group's trade receivables using provision matrix are as follows:

	Trade receivables						
	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	> 120 days past due RM'000	Total RM'000
At 31 December 2022							
Expected credit loss rate	2%	2%	2%	3%	6%	35%	3%
Gross carrying amount at default	5,727	1,413	325	29	6	43	7,543
Impairment losses	(142)	(34)	(7)	(1)	*	(15)	(199)
At 31 December 2023							
Expected credit loss rate	3%	3%	3%	3%	3%	5%	3%
Gross carrying amount at default	6,275	1,649	269	73	15	130	8,411
Impairment losses	(170)	(42)	(9)	(2)	*	(6)	(229)

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables (continued)

The information about the credit risk exposure on the Group's trade receivables using provision matrix are as follows: (continued)

	Trade receivables						
	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	> 120 days past due RM'000	Total RM'000
At 31 December 2024							
Expected credit loss rate	3%	3%	2%	1%	1%	7%	3%
Gross carrying amount at default	7,410	2,299	494	196	98	107	10,604
Impairment losses	(255)	(58)	(12)	(2)	(1)	(8)	(336)
At 30 September 2025							
Expected credit loss rate	2%	2%	3%	1%	0%	2%	2%
Gross carrying amount at default	7,030	1,660	497	163	136	170	9,656
Impairment losses	(172)	(39)	(14)	(2)	*	(3)	(230)

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increases in credit risk on other financial instruments of the same counterparty;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than the credit term in making a contractual payment.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

Some intercompany balances between entities within the Group comprise loans or advances which are repayable on demand. The Group regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Group assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Group is able to determine the timing of repayment of the loans or advances, the Group will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Group determines the probability of default for these loans or advances using internally available information. The Group considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of the reporting date, the Group considers the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		← Contractual cash flows →			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2022					
Trade and other payables	15,791	15,791	-	-	15,791
Term loans	6,377	1,142	3,664	2,861	7,667
Lease liabilities	3,097	1,678	1,566	-	3,244
Hire purchase payables	465	216	278	-	494
Bank overdraft	492	492	-	-	492
Bankers' acceptance	2,121	2,121	-	-	2,121
	28,343	21,440	5,508	2,861	29,809
At 31 December 2023					
Trade and other payables	19,298	19,298	-	-	19,298
Term loans	9,506	938	3,754	8,559	13,251
Lease liabilities	4,781	2,093	2,995	-	5,088
Hire purchase payables	92	50	49	-	99
Bankers' acceptance	4,796	4,796	-	-	4,796
	38,473	27,175	6,798	8,559	42,532

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)
The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (continued)

		← Contractual cash flows →			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2024					
Trade and other payables	20,721	20,721	-	-	20,721
Term loans	9,355	938	3,754	8,787	13,479
Lease liabilities	5,307	2,651	3,005	-	5,656
Hire purchase payables	244	124	136	-	260
Bankers' acceptance	3,801	3,801	-	-	3,801
	39,428	28,235	6,895	8,787	43,917
At 30 September 2025					
Trade and other payables	15,937	15,937	-	-	15,937
Term loans	8,940	938	3,754	7,963	12,655
Lease liabilities	6,599	2,403	4,697	7	7,107
Hire purchase payables	160	109	59	-	168
Bankers' acceptance	6,376	6,376	-	-	6,376
	38,012	25,763	8,510	7,970	42,243

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales, purchases and bank balances that are denominated in a foreign currency).

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Foreign currency risk (continued)

The Group's unhedged financial liabilities that are not denominated in their functional currencies are as follows:

	← Audited as at →			
	31.12.2022	**31.12.2023**	**31.12.2024**	**30.9.2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial liability not held in functional currencies:				
Other receivables				
United States Dollar ("USD")	-	-	-	124
Trade payables				
USD	158	157	1,522	-
Singapore Dollar ("SGD")	*	3	508	461
Chinese Renminbi ("RMB")	1,942	2,484	2,104	2,301
	2,100	2,644	4,134	2,762

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to USD, SGD and RMB.

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD and RMB, with all other variables held constant on the Group's total equity and profit for the financial year/period.

	Change in rate	**Effect on profit for the financial year/ equity RM'000**
31 December 2022		
- USD	+5%	(6)
	-5%	6
- SGD	+5%	*
	-5%	*
- RMB	+5%	(74)
	-5%	74

** Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk (continued)
The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD and RMB, with all other variables held constant on the Group's total equity and profit for the financial year/period. (continued)

	Change in rate	Effect on profit for the financial year/ equity RM'000
31 December 2023		
- USD	+5%	(6)
	-5%	6
- SGD	+5%	*
	-5%	*
- RMB	+5%	(94)
	-5%	94
31 December 2024		
- USD	+5%	(58)
	-5%	58
- SGD	+5%	(19)
	-5%	19
- RMB	+5%	(80)
	-5%	80
30 September 2025		
- USD	+5%	5
	-5%	(5)
- SGD	+5%	(18)
	-5%	18
- RMB	+5%	(87)
	-5%	87

* *Less than RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its long-term loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year/period.

	Carrying amount RM'000	Change in basis points	Effect on profit for the financial year / equity RM'000
31 December 2022			
Term loans	5,602	+50	(21)
		-50	21
31 December 2023			
Term loans	8,931	+50	(34)
		-50	34
31 December 2024			
Term loans	8,837	+50	(34)
		-50	34
30 September 2025			
Term loans	8,377	+50	(32)
		-50	32

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years/period.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

		Fair value of financial instruments not carried at fair value			
		← Fair value →			
	Carrying amount	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2022					
Financial liability					
Term loans	5,602	-	-	4,972	4,972
At 31 December 2023					
Financial asset					
Other investment	2,019	2,019	-	-	2,019
Financial liability					
Term loans	8,931	-	-	7,195	7,195
At 31 December 2024					
Financial asset					
Other investment	4,099	4,099	-	-	4,099
Financial liability					
Term loans	8,837	-	-	7,521	7,521
At 30 September 2025					
Financial asset					
Other investment	4,054	4,054	-	-	4,054
Financial liability					
Term loans	8,377	-	-	7,118	7,118

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of term loans is determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

26. RELATED PARTIES

(a) Identity of related parties

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

Related parties of the Group include:

(i) Entities in which a director has substantial financial interests;
(ii) Shareholders; and
(iii) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the combined financial statements are as follows:

		← Audited →			Audited	Audited
		← FYE 31 December →			← FPE 30 September →	
		2022	2023	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Sale of goods/services to						
Entity in which a director has substantial financial interest		227	157	198	57	167
Purchase of goods/services from						
Entity in which a director has substantial financial interest	(i)	3,680	3,755	6,234	994	5,689
Sale of assets to						
Entity in which a director has substantial financial interest		*	-	-	-	-
Key management personnel	(ii)	-	-	-	161	161
Purchase of asset from						
Entity in which a director has substantial financial interest	(iii)	15	-	-	-	-
Operational and management expenses paid to						
Entity in which a director has substantial financial interest	(iv)	737	858	956	66	511

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

26. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

Significant related party transactions other than disclosed elsewhere in the combined financial statements are as follows: (continued)

		← Audited →			Audited	Audited
		← FYE 31 December →			← FPE 30 September →	
		2022	2023	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Other income from						
Entity in which a director has substantial financial interest	(v)	3	4	7	7	6
Other expenses paid to						
Entity in which a director has substantial financial interest	(vi)	103	150	115	130	106
Dividend declare						
Shareholders		3,468	4,975	20,165	4,000	11,051
Advances from						
Director	(vii)	1,000	1,104	-	-	-
Repayment of advances to						
Director	(viii)	450	250	350	3,920	350

(i) Purchase of goods or services from the entity in which a director has substantial financial interest

Packaging and material handling services charges was part of the purchase of goods/services in which the amount of RM15,375 (31.12.2024: RM54,054, 31.12.2023: RM48,793 and 31.12.2022: RM24,509) were paid by the Group towards Wyndor Sdn. Bhd.

(ii) Sale of assets to key management personnel

Amounting to RM161,000 (31.12.2024, 31.12.2023 and 31.12.2022: RM Nil) was the one-off sale of an asset by Best-Can Marketing Sdn. Bhd. to a key management personnel. This is a one-off transaction and will not subsist after the Group's Proposed Listing.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

26. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

Significant related party transactions other than disclosed elsewhere in the combined financial statements are as follows: (continued)

(iii) Purchase of asset from entity in which a director has substantial financial interest

Amounting to RM Nil (31.12.2024: RM Nil, 31.12.2023: RM Nil and 31.12.2022: RM15,000) was the one-off purchase of a forklift by Best-Can Marketing Sdn. Bhd. from TW Wealth Holdings Sdn. Bhd. This is a one-off transaction and will not subsist after the Group's Proposed Listing.

(iv) Operational and management expenses paid to entity in which a director has substantial financial interest

Amounting to RM46,000 (31.12.2024: RM806,400, 31.12.2023: RM677,660 and 31.12.2022: RM557,433) were the operational and management expenses paid to TW Wealth Holdings Sdn. Bhd. (formerly known as TW Kitchen and Bath Sdn. Bhd.) by the Group.

Amounting to RM Nil (31.12.2024: RM120,000, 31.12.2023: RM120,000 and 31.12.2022: RM120,000) were the operational and management expenses paid to Scanteam (M) Sdn. Bhd. by the Group.

Amounting to RM20,000 (31.12.2024: RM60,000, 31.12.2023: RM60,000 and 31.12.2022: RM60,000) were the operational and management expenses paid to Teamhope Sdn. Bhd. by the Group.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

26. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

Significant related party transactions other than disclosed elsewhere in the combined financial statements are as follows: (continued)

(v) Other income from entity in which a director has substantial financial interest

Amounting to RM5,201 (31.12.2024: RM7,205, 31.12.2023: RM4,350 and 31.12.2022: RM2,623) were the transportation costs and other administrative income charged to TW Wealth Holdings Sdn. Bhd. and Wyndor Sdn. Bhd.

Amounting to RM1,710 (31.12.2024, 31.12.2023 and 31.12.2022: RM Nil) were the transportation costs and other administrative income charged to Haussmart Sdn. Bhd.

(vi) Other expenses paid to entity in which a director has substantial financial interest

Transportation cost was part of the other expenses in which the amount of RM9,971 (31.12.2024: RM60,084, 31.12.2023: RM69,314 and 31.12.2022: RM65,455) were charged by TW Wealth Holdings Sdn. Bhd. towards Best-Can Marketing Sdn. Bhd.

Transportation cost was part of the other expenses in which the amount of RM15,415 (31.12.2024: RM49,450, 31.12.2023: RM25,669 and 31.12.2022: RM24,725) were the transportation fees charged by TW Wealth Holdings Sdn. Bhd. towards Teammart Sdn. Bhd.

Transportation cost was part of the other expenses in which the amount of RM87,966 (31.12.2024, 31.12.2023 and 31.12.2022: RM Nil) were the transportation fees charged by Haussmart Sdn. Bhd. towards the Group.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

26. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

Significant related party transactions other than disclosed elsewhere in the combined financial statements are as follows: (continued)

(vii) Advances from Director

Advances amounting to RM Nil (31.12.2024: RM Nil, 31.12.2023: RM1,103,576 and 31.12.2022: RM1,000,000) were given by Mr. Tan Lee Kueng to DG Materials Marketing Sdn. Bhd. The said transactions were not conducted on arm's length basis as the advances are unsecured and interest-free with no fixed repayment term.

(viii) Repayment of advances to Director

The amount of RM420,000 (31.12.2024: RM350,000, 31.12.2023: RM250,000 and 31.12.2022: RM450,000) were the repayment of advances to the Director by Benova Marketing Sdn. Bhd. The said transactions were not conducted on arm's length basis as the advances are unsecured and interest-free with no fixed repayment term.

The amount of RM3,500,000 (31.12.2024, 31.12.2023 and 31.12.2022: RM Nil) were the repayment of advances to the Director by DG Materials Marketing Sdn. Bhd. The said transactions were not conducted on arm's length basis as the advances are unsecured and interest-free with no fixed repayment term.

(c) Compensation of Key Management Personnel

	← Audited →			Audited	Audited
	← FYE 31 December →			← FPE 30 September →	
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' fees	436	784	460	405	460
Salaries	899	983	1,004	818	692
Defined contribution plans	107	188	126	83	86
Other staff related expenses	10	12	13	11	10
	1,452	1,967	1,603	1,317	1,248

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025.

The Group monitors capital using gearing ratio. The gearing ratio is calculated as total loans and borrowings divided by total equity. The gearing ratio at 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025 are as follows:

		Audited as at			
	Note	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	30.9.2025 RM'000
Loans and borrowings, less lease liabilities	**14**	9,455	14,394	13,400	15,476
Total debts		9,455	14,394	13,400	15,476
Total equity		39,123	45,740	43,321	51,603
Gearing ratio (times)		0.24	0.31	0.31	0.30

There were no changes in the Group's approach to capital management during the financial years/period under review.

The Group is required to maintain a gearing ratio of no more than 1.5 times to comply with a bank covenant. The Group has not breached the covenant.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

28. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follow:

Segments	**Product and services**
Retail	Involved in the retail sale of furniture fittings, general hardware, kitchen and home appliances.
Trading and value-added	Engaged in the trading of furniture fittings, decorative surface products, edge banding, HPL and compact laminates and mixing and sale of coatings and solvents.

Segment assets and liabilities
Segment assets and liabilities are not included in the internal reports that are reviewed by the directors, hence no disclosures are made on segment assets and liabilities.

	Retail RM'000	**Trading and value-added RM'000**	**Total RM'000**
31 December 2022			
Revenue:			
Revenue from external customers	52,343	38,962	91,305
Segment profit	**17,173**	**9,269**	**26,442**
Other income			1,134
Unallocated expenses			(14,201)
Finance costs			(455)
Income tax expense			(3,025)
Profit for the financial year			**9,895**
Results:			
Included in the measure of segments profit are:			
Depreciation of property, plant and equipment			2,202
Depreciation of investment properties			85
Employee benefits expense			9,298

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

28. SEGMENT INFORMATION (CONTINUED)

	Retail RM'000	Trading and value-added RM'000	Total RM'000
31 December 2023			
Revenue:			
Revenue from external customers	65,182	44,027	109,209
Segment profit	**21,373**	**11,454**	**32,827**
Other income			1,147
Unallocated expenses			(18,022)
Finance costs			(666)
Income tax expense			(3,694)
Profit for the financial year			**11,592**
Results:			
Included in the measure of segments profit are:			
Depreciation of property, plant and equipment			2,810
Depreciation of investment properties			85
Employee benefits expense			11,719

	Retail RM'000	Trading and value-added RM'000	Total RM'000
31 December 2024			
Revenue:			
Revenue from external customers	75,339	54,882	130,221
Segment profit	**27,873**	**14,958**	**42,831**
Other income			1,476
Unallocated expenses			(21,330)
Finance costs			(785)
Income tax expense			(5,346)
Profit for the financial year			**16,846**
Results:			
Included in the measure of segments profit are:			
Depreciation of property, plant and equipment			3,448
Depreciation of investment properties			85
Employee benefits expense			13,232

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

28. SEGMENT INFORMATION (CONTINUED)

	Retail RM'000	Trading and value-added RM'000	Total RM'000
FPE 30 September 2025			
Revenue:			
Revenue from external customers	54,124	44,101	98,225
Segment profit	**22,584**	**13,123**	**35,707**
Other income			1,217
Unallocated expenses			(19,991)
Finance costs			(588)
Income tax expense			(4,363)
Profit for the financial year			**11,982**
Results:			
Included in the measure of segments profit are:			
Depreciation of property, plant and equipment			2,502
Depreciation of investment properties			62
Employee benefits expense			11,378

	Retail RM'000	Trading and value-added RM'000	Total RM'000
FPE 30 September 2024 (Unaudited)			
Revenue:			
Revenue from external customers	54,294	37,881	92,175
Segment profit	**20,641**	**9,316**	**29,957**
Other income			1,326
Unallocated expenses			(14,933)
Finance costs			(579)
Income tax expense			(3,767)
Profit for the financial year			**12,004**
Results:			
Included in the measure of segments profit are:			
Depreciation of property, plant and equipment			2,484
Depreciation of investment properties			64
Employee benefits expense			9,280

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

28. SEGMENT INFORMATION (CONTINUED)

Geographical information

Revenue information based on the geographical location of customers are as follows:

	← Audited →			Audited	Unaudited
	← FYE 31 December →			← FPE 30 September →	
	2022	2023	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Central region	64,378	78,220	93,754	69,002	66,087
Northern region	4,257	4,260	5,351	5,136	3,264
Southern region	22,670	26,644	29,843	22,972	21,857
Eastern region	-	85	1,273	1,115	967
	91,305	109,209	130,221	98,225	92,175

Information about major customer

The Group's customers comprise both retail customers, which are mostly walk-in customers, and trading customers. Due to the nature of the Group's products and services, none of the Group's retail or trading customers contributed more than 2.00% of its total revenue for the financial years/period, and as such, the Group does not have major customers nor are they dependent on any of their customers.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

29. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

a) Disposal of Leasehold Land and Building

On 29 May 2025, Teammart entered into a sale and purchase agreement with Redtick Sdn. Bhd. for the disposal of a parcel of leasehold land with attached building for a total cash consideration of RM6,433,333.

The Disposal of Leasehold Land and Building has been completed as at the date of this report.

b) Group Internal Restructuring

i) Proposed Acquisition of Teamstar Solutions

On 23 June 2025, Teamstar had entered into a conditional share sale agreement for the acquisition of the entire issued share capital of Teamstar Solutions of RM1,000,000 comprising of 1,000,000 ordinary shares for a total purchase consideration of RM36,393,150 to be satisfied entirely via the allotment and issuance of 419,759,521 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

ii) Proposed Acquisition of Teamstar FF

On 23 June 2025, Teamstar Solutions had entered into a conditional share sale agreement for the acquisition of the remaining 30.00% equity interest in Teamstar FF comprising 150,000 ordinary shares for a total purchase consideration of RM660,125 to be satisfied entirely via the allotment and issuance of 7,613,900 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

iii) Proposed Acquisition of Teamstar FH

On 23 June 2025, Teamstar Solutions had entered into a conditional share sale agreement for the acquisition of the remaining 33.00% equity interest in Teamstar FH comprising 247,500 ordinary shares for a total purchase consideration of RM123,400 to be satisfied entirely via the allotment and issuance of 1,423,300 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

iv) Proposed Acquisition of Teamstar Melaka

On 23 June 2025, Teamstar Solutions had entered into a conditional share sale agreement for the acquisition of the remaining 35.00% equity interest in Teamstar Melaka comprising 105,000 ordinary shares for a total purchase consideration of RM502,392 to be satisfied entirely via the allotment and issuance of 5,794,600 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

29. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (CONTINUED)

b) Group Internal Restructuring (continued)

(v) Proposed Acquisition of Teamstar Perak

On 23 June 2025, Teamstar Solutions had entered into a conditional share sale agreement for the acquisition of the remaining 40.00% equity interest in Teamstar Perak comprising 400,000 ordinary shares for a total purchase consideration of RM208,470 to be satisfied entirely via the allotment and issuance of 2,404,500 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

(vi) Proposed Acquisition of Teamstar Seremban

On 23 June 2025, Teamstar Solutions had entered into a conditional share sale agreement for the acquisition of the remaining 35.00% equity interest in Teamstar Seremban comprising 105,000 ordinary shares for a total purchase consideration of RM843,738 to be satisfied entirely via the allotment and issuance of 9,731,700 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

(vii) Proposed Acquisition of Teammart

On 23 June 2025, Teamstar had entered into a conditional share sale agreement for the acquisition of the entire issued share capital of Teammart of RM1,000,000 comprising of 1,000,000 ordinary shares for a total purchase consideration of RM3,488,498 to be satisfied entirely via the allotment and issuance of 40,236,415 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

(viii) Proposed Acquisition of Benova

On 23 June 2025, Teamstar had entered into a conditional share sale agreement for the acquisition of the entire issued share capital of Benova of RM2,000,000 comprising of 2,000,000 ordinary shares for a total purchase consideration of RM1,944,546 to be satisfied entirely via the allotment and issuance of 22,428,446 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

29. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (CONTINUED)

b) Group Internal Restructuring (continued)

(ix) Proposed Acquisition of Best-Can

On 23 June 2025, Teamstar had entered into a conditional share sale agreement for the acquisition of the entire issued share capital of Best-Can of RM600,000 comprising of 600,000 ordinary shares for a total purchase consideration of RM4,543,146 to be satisfied entirely via the allotment and issuance of 52,400,759 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

(x) Proposed Acquisition of DG Materials

On 23 June 2025, Teamstar had entered into a conditional share sale agreement for the acquisition of the entire issued share capital of DG Materials of RM700,000 comprising of 700,000 ordinary shares for a total purchase consideration of RM9,208,135 to be satisfied entirely via the allotment and issuance of 106,206,858 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

c) Acquisition of Freehold Building

On 10 July 2025, Teamstar Solutions entered into a sale and purchase agreement with Venom Properties Sdn. Bhd. for the Acquisition of a Freehold Building for a total cash consideration of RM1,190,000.

The transfer of title in relation to the Acquisition of Freehold Building was completed on 25 November 2025.

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

Baker Tilly Monteiro Heng PLT
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14 January 2026

The Board of Directors
Teamstar Berhad
No. 18, Jalan MJ 17,
Lake 6 Entrepreneurs Park,
Taman Industri Meranti Jaya,
47120 Puchong,
Selangor,
Malaysia.

Dear Sirs,

TEAMSTAR BERHAD ("Teamstar" or the "Company") AND ITS COMBINING ENTITIES

REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025 INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of the pro forma combined statements of financial position of Teamstar and its combining entities, namely Benova Marketing Sdn. Bhd., Best-Can Marketing Sdn. Bhd., DG Materials Marketing Sdn. Bhd., Teammart Sdn. Bhd., Teamstar (Perak) Sdn. Bhd., Teamstar Solutions Sdn. Bhd., Teamstar Furniture Fittings Sdn. Bhd., Teamstar Furniture Hardware Sdn. Bhd., Teamstar (Melaka) Sdn. Bhd., Teamstar (Seremban) Sdn. Bhd., and Teamstar (Reno) Sdn. Bhd. (the "Group") for which the directors of Teamstar are solely responsible. The pro forma combined statements of financial position consist of the pro forma combined statements of financial position as at 30 September 2025 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the directors of Teamstar have compiled the pro forma combined statements of financial position are as described in Note 2 to the pro forma combined statements of financial position and in accordance with the requirements of the *Prospectus Guidelines – Equity* issued by the Securities Commission Malaysia ("Prospectus Guidelines") ("Applicable Criteria").

The pro forma combined statements of financial position of the Group has been compiled by the directors of Teamstar, for illustrative purposes only, for inclusion in the prospectus of Teamstar ("Prospectus") in connection with the proposed listing of and quotation for the entire enlarged issued share capital of Teamstar on the ACE Market of Bursa Malaysia Securities Berhad comprising the Public Issue and the Offer for Sale ("Listing"), after making certain assumptions and such adjustments to show the effects on the pro forma combined financial position of the Group as at 30 September 2025 adjusted for the listing scheme and utilisation of proceeds as described in Notes 1.2.1, 1.2.2, 1.2.3, 1.2.4 and 3.2.1 respectively.

Baker Tilly Malaysia and its related entities in Malaysia trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

As part of this process, information about Group's pro forma combined statements of financial positions has been extracted by the directors of Teamstar from the audited combined financial statements of the Group for the Financial Period Ended ("FPE") 30 September 2025, on which a reporting accountants' report dated 14 January 2026 has been issued.

The audited combined financial statements of Teamstar and its combining entities for the FPE 30 September 2025 were reported by us to its members without any modifications.

Directors' Responsibility for the Pro Forma Combined Statements of Financial Position

The directors of Teamstar are responsible for compiling the pro forma combined statements of financial position based on the Applicable Criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Management 1 (ISQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, on whether the pro forma combined statements of financial position has been compiled, in all material respects, by the directors of Teamstar based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the directors of Teamstar have compiled, in all material respects, the pro forma combined statements of financial position based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical 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. In providing this opinion, we do not accept any responsibility for such reports or opinion beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Reporting Accountants' Responsibilities **(continued)**

The purpose of the pro forma combined statements of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma combined statements of financial position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of Teamstar in the compilation of the pro forma combined statements of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to listing scheme as described in Note 1.2 to the pro forma combined statements of financial position, and to obtain sufficient appropriate evidence about whether:

(a) the related pro forma adjustments give appropriate effect to those criteria; and

(b) The pro forma financial information 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 events and transactions in respect of which the pro forma combined statements of financial position has 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 of the Group has been compiled, in all material respects, on the basis as described in the notes thereon on the pro forma combined statement of financial position and in accordance with the requirements of the Applicable Criteria.

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION *(Cont'd)*

Other Matters

This report has been prepared for inclusion in the Prospectus of Teamstar in connection with the Proposed Listing. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. 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 report contrary to the aforesaid purpose.

Yours faithfully,

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2027 J
Chartered Accountant

TEAMSTAR BERHAD AND ITS COMBINING ENTITIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

1. **INTRODUCTION**

The pro forma combined statements of financial position of Teamstar Berhad ("Teamstar" or the "Company") and its combining entities, namely Benova Marketing Sdn. Bhd. ("Benova"), Best-Can Marketing Sdn. Bhd. ("Best-Can"), DG Materials Marketing Sdn. Bhd. ("DG Materials"), Teammart Sdn. Bhd. ("Teammart"), Teamstar Solutions Sdn. Bhd. ("Teamstar Solutions"), Teamstar Furniture Fittings Sdn. Bhd. ("Teamstar FF"), Teamstar Furniture Hardware Sdn. Bhd. ("Teamstar FH"), Teamstar (Melaka) Sdn. Bhd. ("Teamstar Melaka"), Teamstar (Perak) Sdn. Bhd. ("Teamstar Perak"), Teamstar (Seremban) Sdn. Bhd. ("Teamstar Seremban") and Teamstar (Reno) Sdn. Bhd. ("Teamstar Reno") (hereinafter collectively referred to as the "Group") has been compiled by the Board of Directors of Teamstar, for illustrative purposes only, for inclusion in the prospectus of Teamstar ("Prospectus") in conjuction with initial public offering, offer for sale and proposed listing of and quotation for the entire enlarged issued share capital of Teamstar ("Teamstar Shares(s)") on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

1.1 In conjunction with the admission of Teamstar to the Official List of Bursa Securities and the proposed listing of and quotation for its enlarged issued Teamstar Shares on the ACE Market of Bursa Securities ("Listing"), Teamstar had undertaken the following transactions:

1.2 Listing Scheme

1.2.1 Subsequent Events

a) Disposal of Leasehold Land and Building

On 29 May 2025, Teammart entered into a sale and purchase agreement with Redtick Sdn. Bhd. for the disposal of a parcel of leasehold land with attached building for a total cash consideration of RM6,433,333.

The disposal of Leasehold Land and Building has been completed as at the date of this report.

b) Acquisition of Freehold Building

On 10 July 2025, Teamstar Solutions entered into a sale and purchase agreement with Venom Properties Sdn. Bhd. for the Acquisition of a Freehold Building for a total cash consideration of RM1,190,000.

The transfer of title in relation to the Acquisition of Freehold Building was completed on 25 November 2025.

c) Payment of Dividend

Teammart declared an interim dividend of RM3.0 million on 15 May 2025. The dividend was subsequently paid on 29 December 2025.

TEAMSTAR BERHAD AND ITS COMBINING ENTITIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

1.2.2 **Group Internal Restructuring**

a) Proposed Acquisition of Teamstar Solutions

On 23 June 2025, Teamstar had entered into a conditional share sale agreement for the acquisition of the entire issued share capital of Teamstar Solutions of RM1,000,000 comprising of 1,000,000 ordinary shares for a total purchase consideration of RM36,393,150 to be satisfied entirely via the allotment and issuance of 419,759,521 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

b) Proposed Acquisition of Teamstar FF

On 23 June 2025, Teamstar Solutions had entered into a conditional share sale agreement for the acquisition of the remaining 30.00% equity interest in Teamstar FF comprising 150,000 ordinary shares for a total purchase consideration of RM660,125 to be satisfied entirely via the allotment and issuance of 7,613,900 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

c) Proposed Acquisition of Teamstar FH

On 23 June 2025, Teamstar Solutions had entered into a conditional share sale agreement for the acquisition of the remaining 33.00% equity interest in Teamstar FH comprising 247,500 ordinary shares for a total purchase consideration of RM123,400 to be satisfied entirely via the allotment and issuance of 1,423,300 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

d) Proposed Acquisition of Teamstar Melaka

On 23 June 2025, Teamstar Solutions had entered into a conditional share sale agreement for the acquisition of the remaining 35.00% equity interest in Teamstar Melaka comprising 105,000 ordinary shares for a total purchase consideration of RM502,392 to be satisfied entirely via the allotment and issuance of 5,794,600 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

TEAMSTAR BERHAD AND ITS COMBINING ENTITIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

1.2.2 **Group Internal Restructuring (continued)**

e) Proposed Acquisition of Teamstar Perak

On 23 June 2025, Teamstar Solutions had entered into a conditional share sale agreement for the acquisition of the remaining 40.00% equity interest in Teamstar Perak comprising 400,000 ordinary shares for a total purchase consideration of RM208,470 to be satisfied entirely via the allotment and issuance of 2,404,500 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

f) Proposed Acquisition of Teamstar Seremban

On 23 June 2025, Teamstar Solutions had entered into a conditional share sale agreement for the acquisition of the remaining 35.00% equity interest in Teamstar Seremban comprising 105,000 ordinary shares for a total purchase consideration of RM843,738 to be satisfied entirely via the allotment and issuance of 9,731,700 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

g) Proposed Acquisition of Teammart

On 23 June 2025, Teamstar had entered into a conditional share sale agreement for the acquisition of the entire issued share capital of Teammart of RM1,000,000 comprising of 1,000,000 ordinary shares for a total purchase consideration of RM3,488,498 to be satisfied entirely via the allotment and issuance of 40,236,415 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

h) Proposed Acquisition of Benova

On 23 June 2025, Teamstar had entered into a conditional share sale agreement for the acquisition of the entire issued share capital of Benova of RM2,000,000 comprising of 2,000,000 ordinary shares for a total purchase consideration of RM1,944,546 to be satisfied entirely via the allotment and issuance of 22,428,446 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

TEAMSTAR BERHAD AND ITS COMBINING ENTITIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

1.2.2 **Group Internal Restructuring (continued)**

i) Proposed Acquisition of Best-Can

On 23 June 2025, Teamstar had entered into a conditional share sale agreement for the acquisition of the entire issued share capital of Best-Can of RM600,000 comprising of 600,000 ordinary shares for a total purchase consideration of RM4,543,146 to be satisfied entirely via the allotment and issuance of 52,400,759 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

The acquisition was completed on 10 December 2025.

j) Proposed Acquisition of DG Materials

On 23 June 2025, Teamstar had entered into a conditional share sale agreement for the acquisition of the entire issued share capital of DG Materials of RM700,000 comprising of 700,000 ordinary shares for a total purchase consideration of RM9,208,135 to be satisfied entirely via the allotment and issuance of 106,206,858 new Teamstar Shares at an issue price of RM0.0867 per Teamstar Share.

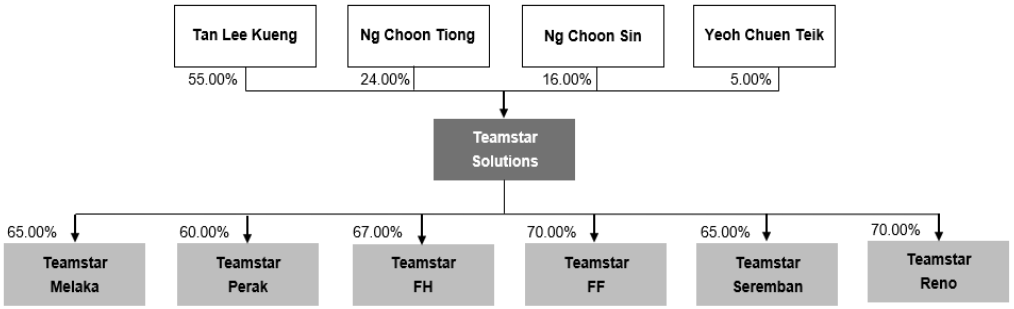
The acquisition was completed on 10 December 2025.

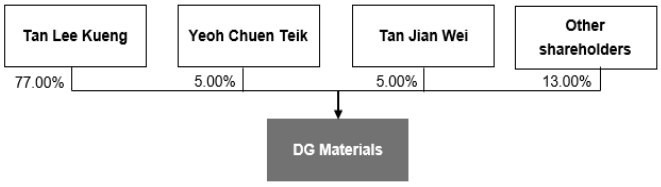
TEAMSTAR BERHAD AND ITS COMBINING ENTITIES

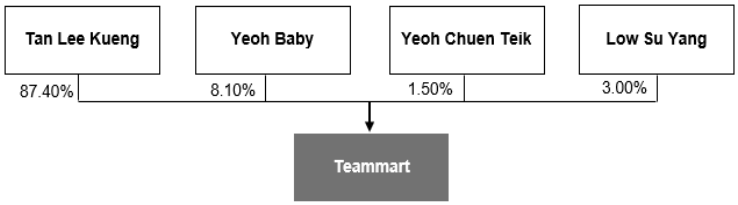
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

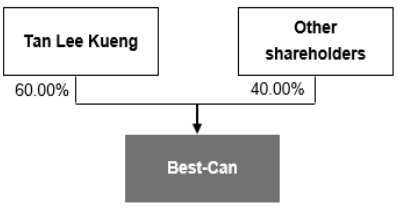
1.2.2 **Group Internal Restructuring (continued)**

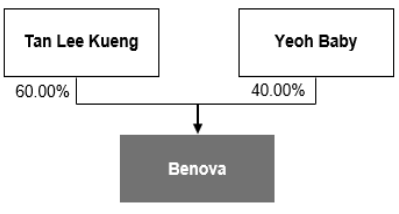
Before Group Internal Restructuring and Acquisition











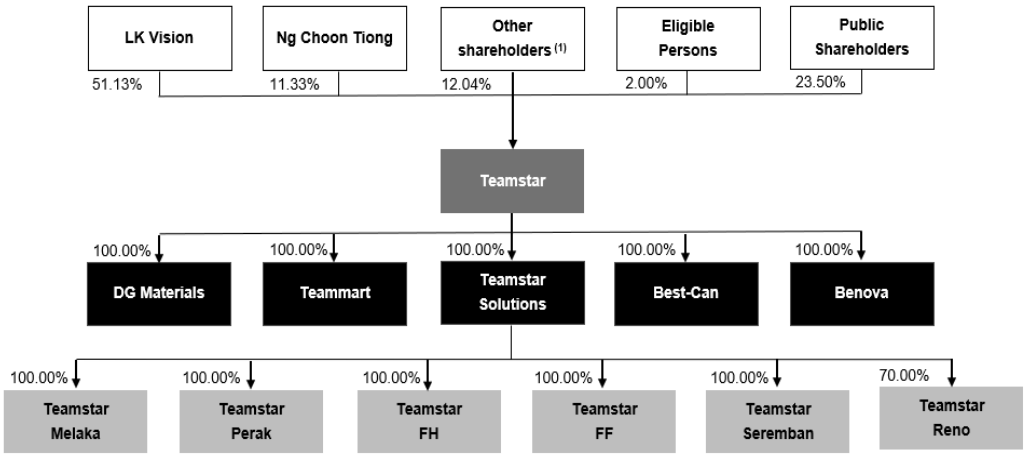
TEAMSTAR BERHAD AND ITS COMBINING ENTITIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

1.2.2 **Group Internal Restructuring (continued)**

The Group structure before and after the Group Internal Restructuring is illustrated below:

After the Share Transfer and IPO



1.2.3 **Public Issue**

The Public Issue of 132,000,000 new Shares, representing 16.50% of the enlarged issued share capital, at an issue price of RM0.26 per new Share will be allocated and allotted in the following manner:

(i) Malaysian Public

40,000,000 new Shares to be issued under the Public Issue ("Issue Share(s)"), representing approximately 5.00% of enlarged share capital, will be offered to the Malaysian Public by way of balloting, of which at least 50.00% will be set aside for Bumiputera public investors; and

(ii) Private Placement to Selected Investors

92,000,000 Issue Shares, representing approximately 11.50% of enlarged share capital will be made available for private placement to the selected investors. approved by the Ministry of International Trade and Industry.

(Collectively hereinafter referred as "Public Issue").

1.2.4 **Offer for Sale**

Offer for Sale of 72,000,000 existing Teamstar Shares at an offer price of RM0.26 per Teamstar Share representing 9.00% of the enlarged issued share capital of Teamstar by way of private placement to selected investors.

1.3 **Listing**

The admission of Teamstar to the Official List of Bursa Securities and the proposed listing of and quotation for its entire enlarged issued share capital of RM92,235,601 comprising 800,000,000 Teamstar Shares on the ACE Market of Bursa Securities.

2. BASIS OF PREPARATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

2.1 The pro forma combined statements of financial position have been prepared to illustrate the pro forma combined financial position of the Group as at 30 September 2025, adjusted for the Listing Scheme and utilisation of proceeds as described in Notes 1.2.1, 1.2.2, 1.2.3, 1.2.4 and 3.2.1, respectively.

2.2 The pro forma combined statements of financial position have been prepared based on audited combined financial statements of the Group for the financial period ended ("FPE") 30 September 2025.

2.3 The audited combined financial statements of the Group for FPE 30 September 2025 were reported by the auditors to their respective members without any modifications.

2.4 The pro forma combined statements of financial position of the Group have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.

2.5 The pro forma combined statements of financial position of the Group have been properly prepared on the basis set out in the accompanying notes to the pro forma combined statements of financial position based on the audited combined financial statements of the Group for FPE 30 September 2025, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

2.6 The pro forma combined statements of financial position of the Group have been prepared in a manner consistent with both the format of the audited combined financial statements and accounting policies adopted by the Group in the preparation of its audited combined financial statements for FPE 30 September 2025 and the adoption of the following new accounting policies, which had been adopted by the Group as the group accounting policies.

2. **BASIS OF PREPARATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

Merger accounting

The subsidiaries are accounted for using the merger method of accounting.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that 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 had been effected throughout the current and previous financial years. The assets and liabilities 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 difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit.

Acquisition of entities under common control does not result in any change in economic substance. Accordingly, the Group is a continuation of the acquired entities and is accounted for as follows:

- the assets and liabilities of the acquired entities are recognised and measured in the combined financial statements at the pre-combination carrying amounts;
- the retained earnings and other equity balances of acquired entities immediately before the business combination are those of the Group; and
- the equity structure, however, reflects the equity structure of the Group and the difference arising from the change in equity structure of the Group will be accounted for in merger reserve or merger deficit.

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP

3.1 The pro forma combined statements of financial position of the Group as set out below, for which the directors of Teamstar are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited combined statements of financial position of the Group as at 30 September 2025, had the Subsequent Events, Group Internal Restructuring, Public Issue, Offer for Sale and Utilisation of Proceeds as described in Note 1.2 and the utilisation of proceeds as described in Note 3.2.1 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

			Pro Forma I	Pro Forma II	Pro Forma III
	Audited Combined Statement of Financial Position as at 30 September 2025 RM'000	**After Subsequent Events RM'000**	**After the Group Internal Restructuring RM'000**	**After Pro Forma I, the Public Issue and the Offer for Sale RM'000**	**After Pro Forma II and the Utilisation of Proceeds RM'000**
ASSETS					
Non-current asset					
Property, plant and equipment	23,407	24,597	24,597	24,597	24,597
Deferred tax assets	227	227	227	227	227
Other investment	4,054	4,054	4,054	4,054	4,054
Total non-current asset	27,688	28,878	28,878	28,878	28,878
Current assets					
Inventories	34,434	34,434	34,434	34,434	34,434
Current tax assets	131	131	131	131	131
Trade and other receivables	12,354	11,615	11,615	11,615	11,615
Cash and short-term deposits	16,157	18,689	18,689	53,009	48,731
Total current assets	63,076	64,869	64,869	99,189	94,911
Asset classified as held for sales	3,180	-	-	-	-
Total current assets	66,256	64,869	64,869	99,189	94,911
TOTAL ASSETS	93,944	93,747	93,747	128,067	123,789
EQUITY AND LIABILITIES					
Equity attributable to owners of the Group					
Invested equity/ Share capital	4,679	4,679	57,916	92,236	90,961
Merger deficit	-	-	(39,625)	(39,625)	(39,625)
Retained earnings	34,677	37,930	36,300	36,300	34,761
	39,356	42,609	54,591	88,911	86,097
Non-controlling interests	12,247	12,247	265	265	265
TOTAL EQUITY	51,603	54,856	54,856	89,176	86,362

BAKER TILLY MONTEIRO HENG (LLP0019411-LCA) AF 0117 For Identification Purposes Only

TEAMSTAR BERHAD AND ITS COMBINING ENTITIES

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.1 (Continued)

			Pro Forma I	Pro Forma II	Pro Forma III
	Audited Combined Statement of Financial Position as at 30 September 2025 RM'000	After Subsequent Events RM'000	After the Group Internal Restructuring RM'000	After Pro Forma I, the Public Issue and the Offer for Sale RM'000	After Pro Forma II and the Utilisation of Proceeds RM'000
Non-current liabilities					
Loans and borrowings	12,873	12,873	12,873	12,873	11,710
Deferred tax liabilities	15	15	15	15	15
Total non-current liabilities	12,888	12,888	12,888	12,888	11,725
Current liabilities					
Loans and borrowings	9,202	9,202	9,202	9,202	8,901
Current tax liabilities	1,735	1,735	1,735	1,735	1,735
Trade and other payables	15,937	12,487	12,487	12,487	12,487
Contract liabilities	2,579	2,579	2,579	2,579	2,579
Total current liabilities	29,453	26,003	26,003	26,003	25,702
TOTAL LIABILITIES	42,341	38,891	38,891	38,891	37,427
TOTAL EQUITY AND LIABILITIES	93,944	93,747	93,747	128,067	123,789
Number of ordinary shares assumed to be in issue ('000)	4,679	4,679	668,000	800,000	800,000
NA^ (RM'000)	39,356	42,609	54,591	88,911	86,097
NA per ordinary share (RM)	8.41	9.11	0.08	0.11	0.11

^ attributable to owners of the Group

3. **PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 Notes to the pro forma combined statements of financial position are as follows:

3.2.1 The proceeds from the Public Issue would be utilised in the following manner:

Details of utilisation	RM'000	%	Time frame for utilisation from the date of listing
Not reflected in pro forma combined statements of financial position			
Set-up new retail outlets and warehouses[(1)]	23,209	67.63	Within 36 months
Working capital requirements	4,647	13.54	Within 24 months
Reflected in pro forma combined statements of financial position			
Repayment of bank borrowings	1,464	4.26	Within 12 months
Defray fees and expenses relating to the Group's Proposed Listing	5,000	14.57	Within 3 months
Gross proceeds	34,320	100.00	

(1) As at latest practicable date, the Group has yet to enter into any agreement or issue any purchase order in relation to the proceeds earmarked for setting up new retail outlets and warehouses. Accordingly, the utilisation of proceeds earmarked for the abovementioned purposes are not reflected in the pro forma combined statements of financial position.

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.2 The audited combined statements of financial position of the Group as at 30 September 2025 had been adjusted for the following significant transaction prior to the Group Internal Restructuring:

(a) **Subsequent events**

Subsequent events incorporates the effects of the Disposal of Leasehold Land and Building, Acquisition of Freehold Building and Payment of Dividends as described in Note 1.2.1.

For the Disposal of Leasehold Land and Building, RM450,333 has been received as at 30 September 2025 and the remaining RM5,983,000 will be debited in the Cash and short-term deposits Account.

For the Acquisition of Freehold Building, RM738,759 has been paid as at 30 September 2025 and the remaining will be credited into the Cash and short-term deposits Account.

The Disposal of Leasehold Land and Building, Acquisition of Building and the Payment of Dividend had the following impact on the pro forma combined statements of financial position as at 30 September 2025:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Liabilities/ Equity RM'000**
Retained earnings	-	3,253
Trade and other receivables	(739)	-
Cash and short-term deposits	2,532	-
Asset classified as held for sales	(3,180)	-
Trade and other payables	-	(3,450)
Property, plant and equipment	1,190	-
	(197)	(197)

3. **PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.3 The pro forma combined statements of financial position should be read in conjunction with the notes below:

(a) **Pro Forma I**

Pro Forma I incorporates the cumulative effects of Subsequent Event and the Group Internal Restructuring as described in Note 1.2.2.

i) The merger deficit/(reserves) are as below:

	RM'000
Purchase consideration	28,750
Less: Share capital of the Teamstar Solutions Existing Group	(790)
Merger deficit	27,960

	RM'000
Purchase consideration	3,332
Less: Share capital of Teammart	(955)
Merger deficit	2,377

	RM'000
Purchase consideration	1,945
Less: Share capital of Benova	(2,000)
Merger reserves	(55)

	RM'000
Purchase consideration	2,726
Less: Share capital of Best-Can	(360)
Merger deficit	2,366

	RM'000
Purchase consideration	7,551
Less: Share capital of the DG Materials Marketing	(574)
Merger deficit	6,977

3. **PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.3 (Continued)

(a) **Pro Forma I (continued)**

ii) The Acquisitions of NCI are as below:

	RM'000
Purchase consideration	9,981
Less: Increase in share of net assets of the Teamstar Solutions Existing Group	(6,937)
Excess changes directly to equity	3,044

	RM'000
Purchase consideration	157
Less: Increase in share of net assets of Teammart	(213)
Excess changes directly to equity	(56)

	RM'000
Purchase consideration	1,817
Less: Increase in share of net assets of Best-Can	(2,961)
Excess changes directly to equity	(1,144)

	RM'000
Purchase consideration	1,657
Less: Increase in share of net assets of DG Materials Marketing	(1,871)
Excess changes directly to equity	(214)

3. **PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.3 (Continued)

(a) **Pro Forma I (continued)**

The Group Internal Restructuring had the following impact on the pro forma combined statements of financial position as at 30 September 2025:

	Increase/ (Decrease) Effects on Total Liabilities/ Equity RM'000
Retained earnings	(1,630)
Non-controlling interest	(11,982)
Share capital	53,237
Merger deficit	(39,625)
	-

3. **PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.3 (Continued)

(b) **Pro Forma II**

Pro Forma II incorporates the cumulative effects of Pro Forma I and the Public Issue and the Offer for Sale as described in Notes 1.2.3 and 1.2.4, respectively.

The Public Issue will have the following impact on the pro forma combined statements of financial position of the Group as at 30 September 2025:

	Increase	
	Effects on Total Assets RM'000	**Effects on Equity RM'000**
Cash and short-term deposits	34,320	-
Share capital	-	34,320
	34,320	34,320

Upon the completion of the Public Issue of 132,000,000 new Teamstar Shares, its entire enlarged issued share capital would amount to RM92,235,601 comprising 800,000,000 Teamstar Shares.

The Offer for Sale does not have an impact on the pro forma combined statements of financial position as at 30 September 2025.

3. **PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.3 (Continued)

(c) **Pro Forma III**

Pro Forma III incorporates the cumulative effects of Pro Forma II and the utilisation of proceeds from the Public Issue of RM29.32 million after netting off RM5.00 million of estimated listing expenses.

The proceeds arising from the Public Issue earmarked for setting up the Group's new retail outlets and warehouses of RM23.21 million will be included in the Cash and Short-Term Deposits Account as Teamstar has yet to enter into any contractual binding agreements or issue any purchase orders in relation to these items.

The proceeds arising from the Public Issue earmarked for working capital purposes will be debited to the Cash and Short-Term Deposits Account.

The proceeds arising from the Public Issue earmarked for repayment of bank borrowings of RM1.46 million is reflected in the pro forma combined statements of financial position.

As at 30 September 2025, out of the RM5.00 million listing expenses, RM2.19 million has been incurred and charged to the Retained Earnings Account. The remaining estimated listing expense to be incurred of RM1.54 million will be charged to Retained Earnings Account and RM1.27 million will be capitalised in the Share Capital Account as these are directly attributable expenses relating to the new issuance of Teamstar Shares.

The utilisation of proceeds will have the following impact on the pro forma combined statements of financial position of the Group as at 30 September 2025:

	Decrease	
	Effects on Total Assets RM'000	**Effects on Total Liabilities/ Equity RM'000**
Cash and short-term deposits	4,278	-
Loans and borrowings		
- Current liabilities	-	301
- Non-current liabilities	-	1,163
Share capital	-	1,275
Retained earnings	-	1,539
	4,278	4,278

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.4 Movements in share capital and reserves are as follows:

	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	Non-controlling interests RM'000
Audited combined statement of financial position of the Group as at 30 September 2025	4,679	-	34,677	12,247
Arising from the Disposal and Acquisition of Land and Buildings and Payment of Dividend	-	-	3,253	-
After Subsequent Events	4,679	-	37,930	12,247
Arising from the Group Internal Restructuring	53,237	(39,625)	(1,630)	(11,982)
Per Pro Forma I	57,916	(39,625)	36,300	265
Arising from the Public Issue and the Offer for Sale	34,320	-	-	-
Per Pro Forma II	92,236	(39,625)	36,300	265
Arising from the Utilisation of Proceeds	(1,275)	-	(1,539)	-
Per Pro Forma III	90,961	(39,625)	34,761	265

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.5 Movements in cash and short-term deposits are as follows:

	RM'000
Audited combined statement of financial position of the Group as at 30 September 2025	16,157
Arising from the Disposal and Acquisition of Land and Buildings and Payment of Dividend	2,532
After Subsequent Events	18,689
Arising from the Group Internal Restructuring	-
Per Pro Forma I	18,689
Arising from the Public Issue and the Offer for Sale	34,320
Per Pro Forma II	53,009
Arising from the Utilisation of Proceeds	(4,278)
Per Pro Forma III	48,731

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION *(Cont'd)*

TEAMSTAR BERHAD AND ITS COMBINING ENTITIES

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Teamstar Berhad in accordance with a resolution dated 14 January 2026.

……	……
Tan Lee Kueng	**Ng Choon Tiong**
Director	**Director**

15. ADDITIONAL INFORMATION

15.1 SHARE CAPITAL

(i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than six months after the date of issue of this Prospectus.

(ii) As at the date of this Prospectus, we have one class of shares in our Company, namely, ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(iii) Save as disclosed in Section 6.4, and the Shares issued for the Internal Restructuring, Acquisitions and Public Issue as disclosed in Sections 6.1.2 and 6.1.3 of this Prospectus, our Company and our subsidiaries have not issued or proposed to issue any shares, debentures, warrants, options, convertible securities or uncalled capital during the FYE Under Review and from 1 January 2025 up to the date of this Prospectus.

(iv) We have not agreed, conditionally nor unconditionally to put the share capital of our Company or our subsidiaries under option.

(v) As at the date of this Prospectus, neither we or our subsidiaries have any outstanding warrants, options, convertible debt securities or uncalled capital.

(vi) As at the date of this Prospectus, save for the Offer Shares reserved for subscriptions by the Eligible Persons as disclosed in Section 4.2.1(ii) of this Prospectus, there is currently no other scheme involving our Directors and employees in the share capital of our Company or our subsidiaries.

15.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are extracted from our Company's Constitution and are qualified in its entirety by reference to our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions shall have the same meanings used in our Constitution unless they are otherwise defined here, or the context otherwise requires. The following provisions extracted from our Company's Constitution are based on the Listing Requirements, the Act and the Depository Rules.

15.2.1 Remuneration, voting and borrowing power of Directors

The provisions in our Constitution dealing with remuneration, voting and borrowing power of Directors are as follows:

Clause 93 – Remuneration of Directors

"The Company may from time to time, by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors."

Subject to Clause 84, the fees of the Directors and any allowance and benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

If the fee, allowance and benefit of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees, allowance and benefit to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees, allowance and benefit payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees, allowance and benefit. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

The following expenses shall be determined by the Directors:

(i) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and

(ii) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover.

Salaries and other remuneration payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting."

Clause 87 and 88 – Appointment of Alternate Director

"An Alternate Director is entitled to receive notice of Board Meetings and, if the Appointer is not present at such a meeting, is entitled to attend and vote in his stead.

An Alternate Director may exercise any powers that the Appointer may exercise and the exercise of any such power by the Alternate Director shall be deemed to be the exercise of the power by the Appointer.

The exercise of any power by an Alternate Director shall be an agent of the Company and not as an agent of the Appointer."

Clause 67 and 68 – Voting Restriction

"If a Member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, the relevant committee or trustee or such other person as properly appointed under the applicable law to manage his estate may exercise any rights of the Member in relation to a meeting of the Company's Members as if the committee, trustee or other person were the Member.

Notwithstanding to Clause 55(3), no member is entitled to attend to vote at any General Meeting unless all calls or other sums presently payable by the Member in respect of shares in the Company have been paid."

Clause 95 – Power of Directors

"Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, 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 third party:

(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; and/or

(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;

(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 company."

Clause 99(1) – Delegation of Powers

"Subject to the applicable laws and/or the Listing Requirements, the Directors may delegate any of the powers to a committee or committee consisting of their number as they think fit."

Clause 118 – Voting at Board Meeting

"Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

Each Director is entitled to cast one (1) vote on each matter for determination."

Clause 119 – Casting Vote

"In the case of an equality of votes, the chairman of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum and only such a quorum is present at the meeting, or at which only two (2) Directors are competent to vote on the question at issue at which the chairman of a meeting shall not have a casting vote."

15.2.2 Changes to share capital and variation of class rights

The provisions in our Constitution dealing with changes to share capital and variation of class rights are as follows:

Clause 12(1) – Issue of Securities

"Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:

(i) issue and allot shares in the Company; and

(ii) grant rights to subscribe for shares or options over unissued shares in the Company."

Clause 46(1) – Alteration of Capital (Consolidation and Sub-division of Shares)

"The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:

(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; or

(ii) subdivide its shares or any of them into shares, whichever 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."

Clause 46(2) – Alteration of Capital (Cancellation of Shares and Reduction of Share Capital)

"The Company may from time to time by special resolution and subject to other applicable requirements:

(i) cancel shares which, at the date of the passing of the resolution in that regard, 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 or in such other manner allowed by law; or

(ii) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained."

15.2.3 Transfer of shares

Clause 14 - Transfer of Securities

"The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 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 the Deposited Securities."

Clause 15 - Transmission of Securities

"Where:

(i) the Securities of the Company are listed on another stock exchange; and

(ii) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities."

15.2.4 Rights, preferences, and restrictions attached to each class of securities relating to voting, dividend, liquidation, and any special rights

The provisions in our Constitution dealing with rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation, and any special rights are as follows:

Clause 7(3) – Rights of Preference Shareholders

"Subject to the Act and any applicable laws and any other requirements of Bursa Securities and the SC, any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are liable, or at the option of the Company are liable to be redeemed and the Company shall not issue preference shares ranking in priority over preference shares already issued but may issue preference shares ranking equally therewith."

Clause 8 - Variation of 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 each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(i) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or

(ii) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

The provisions of this Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that:

(i) for a meeting other than an adjourned meeting, a quorum is constituted by two (2) persons present in person or by proxy and/or by Representative of Member holding at least one-third (1/3) of the number of issued shares of such class, excluding any shares of that class held as treasury shares;

(ii) if that class of shares only has one holder, a quorum is constituted by one (1) person present holding shares of such class; and

(iii) for an adjourned meeting, a quorum is constituted by one (1) person present holding share(s) of such class.

The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

(i) the terms of the issue of the existing preference shares; or

(ii) this Constitution of the Company as in force at the time when the existing preference shares were issued."

15.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance, and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account/ CDS Account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers, and privileges and be subject to all liabilities, duties, and obligations in respect of, or rising from, such Shares.

15.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 15.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares which is imposed by Malaysian law or by our Constitution.

15.5 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contract which is not in the ordinary course of our Group's business within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

(i) the conditional share sale agreement dated 23 June 2025 between our Company and the Benova Vendors for the Acquisition of Benova, which was completed on 10 December 2025;

(ii) the conditional share sale agreement dated 23 June 2025 between our Company and the Best-Can Vendors for the Acquisition of Best-Can, which was completed on 10 December 2025;

(iii) the conditional share sale agreement dated 23 June 2025 between our Company and the DG Materials Vendors for the Acquisition of DG Materials, which was completed on 10 December 2025;

(iv) the conditional share sale agreement dated 23 June 2025 between our Company and the Teammart Vendors for the Acquisition of Teammart, which was completed on 10 December 2025;

(v) the conditional share sale agreement dated 23 June 2025 between our Company and the Teamstar Solutions Vendors for the Acquisition of Teamstar Solutions, which was completed on 10 December 2025;

(vi) the conditional share sale agreement dated 23 June 2025 between our Company (as the issuer of the consideration shares), Teamstar Solutions (as the purchaser) and the Teamstar FF Vendor for the Acquisition of Teamstar FF, which was completed on 10 December 2025;

(vii) the conditional share sale agreement dated 23 June 2025 between our Company (as the issuer of the consideration shares), Teamstar Solutions (as the purchaser) and the Teamstar FH Vendors for the Acquisition of Teamstar FH, which was completed on 10 December 2025;

(viii) the conditional share sale agreement dated 23 June 2025 between our Company (as the issuer of the consideration shares), Teamstar Solutions (as the purchaser) and the Teamstar Melaka Vendors for the Acquisition of Teamstar Melaka, which was completed on 10 December 2025;

(ix) the conditional share sale agreement dated 23 June 2025 between our Company (as the issuer of the consideration shares), Teamstar Solutions (as the purchaser) and the Teamstar Perak Vendor for the Acquisition of Teamstar Perak, which was completed on 10 December 2025;

(x) the conditional share sale agreement dated 23 June 2025 between our Company (as the issuer of the consideration shares), Teamstar Solutions (as the purchaser) and the Teamstar Seremban Vendors for the Acquisition of Teamstar Seremban, which was completed on 10 December 2025;

(xi) the Underwriting Agreement dated 12 January 2026 between our Company and TA Securities as the Sole Underwriter for the underwriting of 56,000,000 IPO Shares for an underwriting commission of up to 3.00% of the IPO Price multiplied by the number of IPO Shares underwritten;

(xii) the sale and purchase agreement dated 29 May 2025 between Teammart and Redtick Sdn Bhd for the disposal of a 1½ storey semi-detached factory bearing postal address No. 12, Jalan TPP 6/5, Taman Perindustrian Puchong, Seksyen 6, 47610 Puchong, Selangor for a cash consideration of RM6.43 million, which was completed on 19 December 2025; and

(xiii) the sale and purchase agreement dated 10 July 2025 between Teamstar Solutions and Venom Properties Sdn Bhd for the acquisition of an office unit to be used as our new headquarter bearing postal address F-01-3, Third Floor, Block F, Setiawalk, Persiaran Wawasan, Pusat Bandar Puchong, 47160 Puchong, Selangor for a cash consideration of RM1.19 million, which was completed on 13 October 2025.

15.6 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT AND TAXATION

All corporations in Malaysia are required to adopt a single-tier system. As such, all dividends distributed by Malaysian corporations under this system are not taxable. Further, the Malaysian Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian corporations. There is no Malaysian capital gains tax arising from the disposal of listed shares. However, in the event the capital gain arising from the disposal of listed shares is revenue in nature, such gain can be subject to income tax.

As at the date of this Prospectus, we do not have any foreign subsidiary or associated company. As such, there are no governmental law, decree, regulation or other requirement which may affect the repatriation of capital and remittance of profits by or to our Group.

15.7 CONSENTS

(i) the written consents of the Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent, Company Secretaries, Legal Advisers, Share Registrar and Issuing House for the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus, and such consents have not subsequently been withdrawn;

(ii) the written consent of the Auditors and Reporting Accountants for the inclusion in this Prospectus of its name, the Accountants' Report and the Reporting Accountants' letter on the compilation of Pro Forma Combined Statements of Financial Position as at 30 September 2025 and all references thereto, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus, and such consent has not subsequently been withdrawn; and

(iii) the written consent of the IMR for the inclusion in this Prospectus of its name and the IMR Report and all references thereto, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus, and such consent has not subsequently been withdrawn.

15.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

(i) our Constitution;

(ii) the audited financial statements of Teamstar for the FPE 2025;

(iii) the audited consolidated financial statements of Teamstar Solutions and audited financial statements of its subsidiaries, as well as audited financial statements of Benova, Best-Can, DG Materials and Teammart for the FYE Under Review and FPE 2025;

(iv) the IMR Report as set out in Section 8 of this Prospectus;

(v) the Accountants' Report as set out in Section 13 of this Prospectus;

(vi) the Reporting Accountants' Report on the compilation of Pro Forma Combined Statements of Financial Position as at 30 September 2025 as set out in Section 14 of this Prospectus;

(vii) the material contracts as set out in Section 15.5 of this Prospectus; and

(viii) the letters of consent as set out in Section 15.7 of this Prospectus.

15.9 RESPONSIBILITY STATEMENTS

Our Directors, the Promoters and the Selling Shareholders have seen and approved this Prospectus. 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 statements or other facts which if omitted, would make any statement in this Prospectus false or misleading.

TA Securities, being our Principal Adviser, Sponsor, Sole Underwriter and Sole 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 concerning our IPO.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARISED 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 PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE 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.

16.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10:00 A.M., 27 JANUARY 2026

CLOSING OF THE APPLICATION PERIOD: 5:00 P.M., 9 FEBRUARY 2026

In the event there is any change to the dates and times stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia, and make an announcement on Bursa Securities' website.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Application by the Malaysian Public and the Eligible Persons

Application must accord with the terms of our Prospectus and our Constitution. You agree to be bound by 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 our Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	• White Application Form; • Electronic Share Application; or • Internet Share Application
(ii) Non-Individuals	White Application Form only

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.2.2 Application by the Selected Investors via private placement

Types of Application		Application Method
(i)	Selected Investors	The Sole Placement Agent will contact the Selected Investors directly. They should follow the Sole Placement Agent's instructions.
(ii)	Bumiputera investors approved by the MITI	MITI will directly contact the Bumiputera investors directly. They should follow the MITI's instructions.

Selected investors and identified Bumiputera investors approved by the MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY

16.3.1 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 as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic 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** 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.

APPLICANTS WHO WISH TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST ENSURE THAT THE DETAILS PROVIDED BY THE FINANCIAL INSTITUTION TO THE ISSUING HOUSE MATCH THE INFORMATION REGISTERED UNDER THEIR CDS ACCOUNT. ANY DISCREPANCY BETWEEN THE INFORMATION PROVIDED BY YOUR FINANCIAL INSTITUTION AND THE CDS ACCOUNT RECORDS WILL RESULT IN THE REJECTION OF YOUR IPO APPLICATIONS. TO AVOID SUCH REJECTIONS, APPLICANTS ARE STRONGLY ADVISED TO CONTACT THEIR FINANCIAL INSTITUTION IN ADVANCE TO VERIFY AND CONFIRM THE DETAILS. PLEASE NOTE THAT OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE WILL NOT BE HELD RESPONSIBLE FOR ANY ISSUES OR LOSSES ARISING FROM DISCREPANCIES IN THE INFORMATION SUBMITTED.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(i) You must be one of the following:

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue 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 the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(iii) You must submit Applications by using only one of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

16.3.3 Application by the Eligible Persons

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 IPO Shares. The Eligible Persons must follow the notes and instructions on the said documents and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Company through the Human Resources or Finance Department.

The Eligible Persons who have made applications using the Pink Application Form may still apply for our IPO Shares allocated to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

16.4 PROCEDURES FOR APPLICATION USING 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 printed therein or which are illegible will not be accepted.

The FULL amount payable is RM0.26 for each IPO Share.

Payment must be made out in favour of **"ACM SHARE ISSUE ACCOUNT NO. 102"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

The method below is applicable for White Application Forms only. For Pink Application Forms, kindly direct the submission of the forms to our Company through the Human Resources or Finance Department.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided for each category, to the following address:

AscendServ Capital Markets Services Sdn Bhd
(Registration No: 202401031272 (1577121-P))
Office Suite No. 603 Block C
Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11
Off Jalan Damansara
46350 Petaling Jaya
Selangor

(ii) **DELIVER BY HAND AND DEPOSITED** in the issuing house drop-in box provided at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

so as to arrive not later than 5.00 p.m. on 9 February 2026 or by such other time and date as our Directors and the Sole Underwriter may, in their absolute discretion, mutually decide as the date or time for closing.

We, together with the 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 Form to the Issuing House.

Please refer to the detailed procedures and terms and conditions of the Application Forms set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of our Prospectus on the website of Bursa Securities or contact the Issuing House for further enquiries.

16.5 PROCEDURES FOR APPLICATION USING 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 Alliance Bank Malaysia 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.

16.6 PROCEDURES FOR APPLICATION USING 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 following Internet Participating Financial Institutions or Participating Securities Firms, namely, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd, iFast Capital Sdn Bhd, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad, RHB Bank Berhad, and UOB Kay Hian (M) Sdn Bhd (*formerly known UOB Kay Hian Securities (M) Sdn Bhd*). A processing fee will be charged by the respective Internet Participating Financial Institutions (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.

16.7 AUTHORITY OF OUR BOARD AND THE 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 our 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 16.9** of this Prospectus below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the 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.

16.8 OVER / UNDER-SUBSCRIPTION

In the event of over-subscription, the 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 and results of the allocation of our IPO shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, at all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at https://www.ascendserv.com within one Market Day after the balloting date.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% of our Company's enlarged 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 this 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). If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 4.2.5 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

16.9 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.

16.9.1 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 registered or correspondence address last 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 the Issuing House as per items (i) and (ii) above (as the case may be).

(iv) the 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 ordinary / registered post to your registered or correspondence address last 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).

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.9.2 For applications by way of Electronic Share Applications and Internet Share Applications

(i) the 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 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 Institution or Internet Participating Financial Institution or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within two Market Days after the receipt of confirmation from the Issuing House.

(ii) you may check your account on the fifth Market Day from the balloting date.

(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 the 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 Institution or Internet Participating Financial Institution or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within two Market Days after the final balloting date. The Participating Financial Institution or Internet Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two Market Days after the receipt of confirmation from the Issuing House.

16.10 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 registered or correspondence address last 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 IPO 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 of Bursa Depository.

(iv) in accordance with Section 29 of the SICDA, all dealings in our 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.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.11 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 7890 0238
Electronic Share Application	The relevant Participating Financial Institutions
Internet Share Application	The relevant Internet Participating Financial Institutions, Participating Securities Firms and Authorised Financial Institutions

The results of the IPO Shares allocation, based on successful balloting, will be published on the Issuing House's website at https://www.ascendserv.com. Applicants can also check the status of their Application on the same website after 5.00 p.m. on the allotment date. Alternatively, you may contact the ADAs listed in the Detailed Procedures for Application and Acceptance, which is available in the Electronic Prospectus on the Bursa Securities website.