One of our waste oil recycling systems



From the homogenisation tank, the demulsified oil is further processed using a high-speed centrifuge. Its powerful centrifugal force effectively separates the lighter oil from denser water and solid materials, significantly reducing contaminants. Both the separated water and solid materials are subsequently pumped to our wastewater treatment plant for further processing.

Following this, the oil proceeds to a desorber, where density differences are used to further separate the remaining solid contaminants, which are sent to the wastewater treatment plant. Finally, the oil is transferred to our LVDH system for comprehensive purification. This step eliminates VOCs and residual moisture producing clean and dry recycled oil. This finished product is stored in a tank, prepared for sale to customers or for internal applications.

All solid materials collected from the homogenisation tank and desorber, along with wastewater generated throughout the process, are transferred to our wastewater treatment plants for further processing.

4) Waste solvent recycling

The waste solvents we collect from customers may contain water, VOCs, and solid materials like soil and plastic particles. Our process begins with multi-stage filtration to remove these solids.

One of our solvent recycling systems

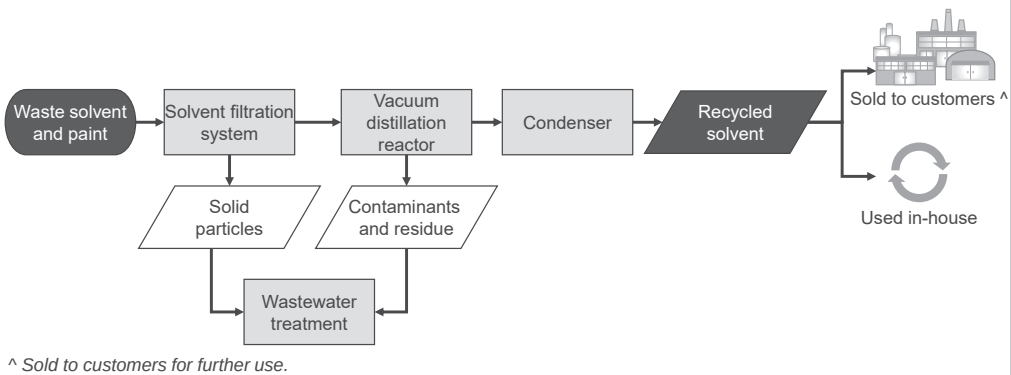


We will then use the following methods to recycle solvents:

- **Low boiling point solvents (vacuum distillation)**

  The filtered liquid is transferred to a vacuum distillation reactor equipped with a vacuum pump and thermal oil heater. The liquid is heated to a specific temperature while the vacuum pump reduces pressure allows the solvent to vaporise easily and separates it from the liquid. The solvent vapour is then piped to a condenser, where it is cooled and condensed into recycled solvents. This recycled solvent is collected for sale to customers or for in-house use such as fuel for our carboniser and rotary kiln. Residue from the vacuum distillation tank is transferred to our wastewater treatment plant for further processing.

Our vacuum distillation waste solvent recycling process

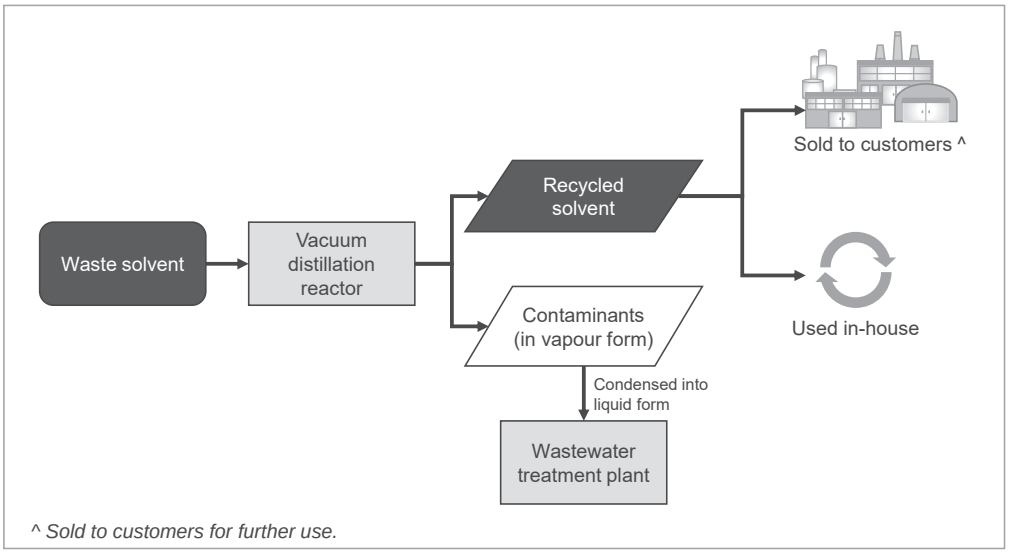


^ Sold to customers for further use.

- **High boiling point solvents (evaporator process)**

For solvents with a boiling point higher than water, the post-filtration liquid goes into a vacuum distillation reactor and is heated by a thermal oil heater. This causes contaminants like water and VOCs to vaporise. This vapour is removed from the evaporator, condensed into liquid form, and transferred to our wastewater treatment plant for further processing. The recycled solvent that remains in the evaporator is collected for sale to customers or for in-house use such as fuel for our carboniser and rotary kiln. Residue from the evaporator process is transferred to our wastewater treatment plant for further processing.

Our evaporator waste solvent recycling process



^ Sold to customers for further use.

5) Carbonisation

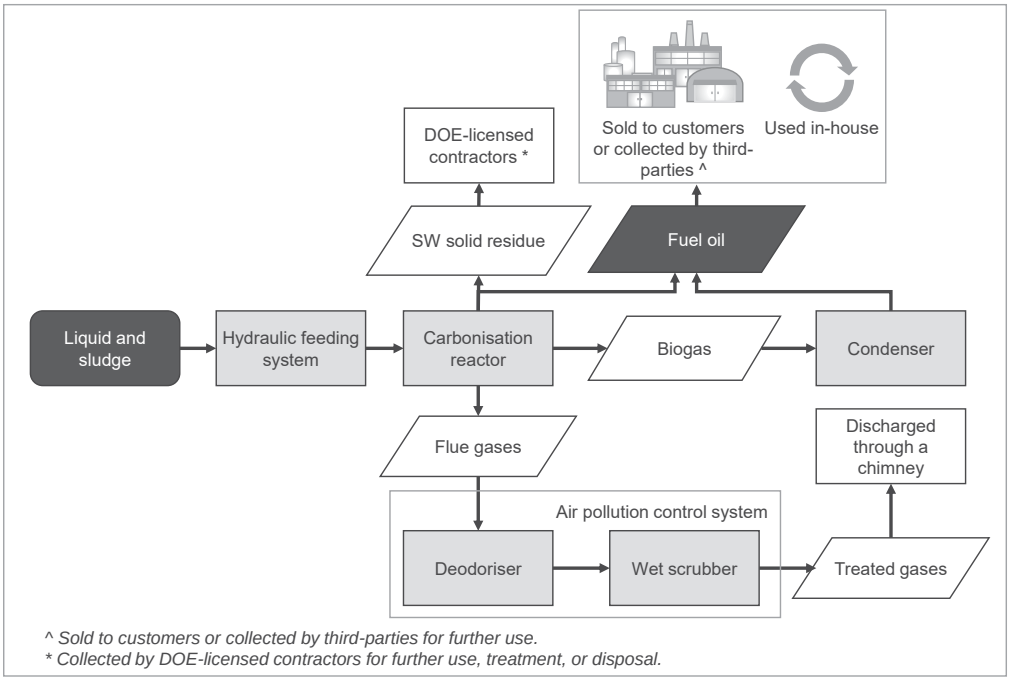
We use the carbonisation process for liquid and solid sludges contaminated with organic materials.

One of our carbonisers



For safety and to reduce manual handling, we use automated packers to fill metal drums with sludge and a hydraulic lifting system to feed the sludge into a reactor. Inside, a continuous flow of nitrogen gas maintains a low oxygen environment. As the sludge is heated by a burner, the organic components are "cracked" or broken into valuable outputs such as liquid fuel oil and biogas (which is condensed and collected as fuel oil). The fuel oil can be sold or used in-house. We engage third-party licensed contractors to collect the solid residue left behind in the carbonisation reactor (which is categorised as scheduled waste) for further use, treatment, or disposal. Flue gases generated during carbonisation are processed by the air pollution control system comprising a deodoriser and wet scrubber, and the treated gases are released into the atmosphere through a chimney.

Our carbonisation process



^ Sold to customers or collected by third-parties for further use.
** Collected by DOE-licensed contractors for further use, treatment, or disposal.*

6) Low vacuum dehydration

Low vacuum dehydration (LVDH) is a process designed to purify liquids such as solvents and oils. It achieves this by efficiently removing water and VOCs through controlled low-temperature heating within a vacuum environment.

Our LVDH system



The LVDH unit consists of a tank, a vacuum pump, and a thermal oil heater. The liquid is gently heated to a pre-set low temperature by the heater, simultaneously as the vacuum pump reduces the internal tank pressure. This reduced pressure significantly lowers the boiling points of water and VOCs, prompting their rapid evaporation from the solvent or oil. The resulting vapours are then extracted from the tank, condensed back into liquid, and sent to our wastewater treatment plants for further processing.

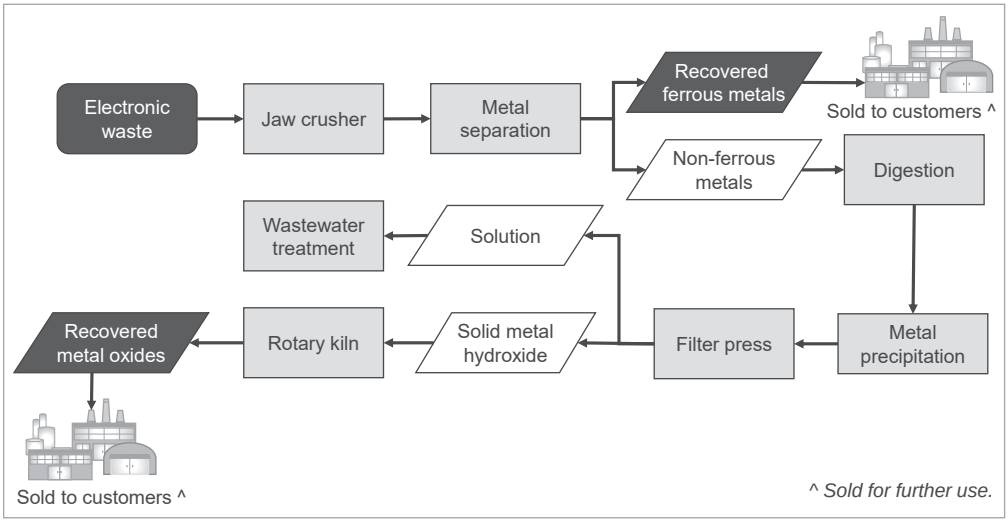
This low-pressure heating continues until all water and VOCs are fully extracted from the solvent or oil. The now-purified solvent or oil is then collected, ready for sale or internal use.

7) E-waste recovery

Our e-waste processing focuses on printed circuit boards, extracting valuable ferrous metals (primarily steel) and non-ferrous metals (such as zinc, aluminium, copper, and nickel and precious metals such as silver and palladium).

The recovery process begins with crushing the e-waste into smaller fragments using a jaw crusher. These fragments then enter our metal separation system that uses magnets to extract ferrous metal pieces. The recovered ferrous metals are collected and sold as scrap.

Our e-waste recovery process

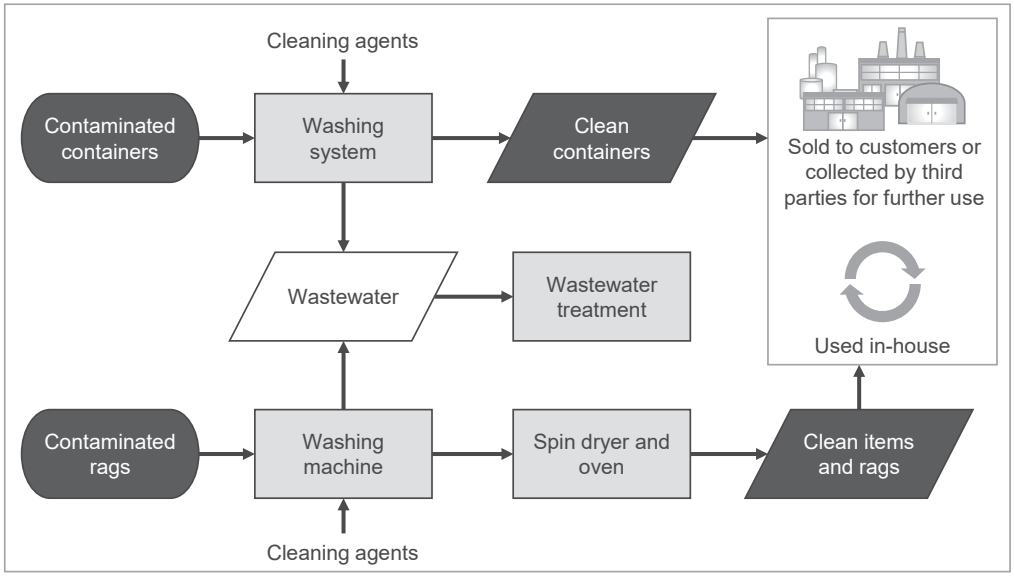


The remaining non-ferrous metals and other solid components are transferred to digester tanks. Here, an acid solution is introduced that reacts with the non-ferrous metals to produce liquid metal hydroxides. The liquid is transferred into another tank where precipitating chemicals are added to convert the liquid metal hydroxides into solid metal hydroxides. A filter press is then utilised to separate these solid metal hydroxides from the liquid. The isolated solid metal hydroxides are transferred to our rotary kiln for the recovery of metal oxides, while the remaining solution is transferred to our wastewater treatment plants for further processing.

8) Decontamination of containers and rags

Containers and rags contaminated by scheduled waste are classified as scheduled wastes, specifically under SW 409 and SW 410.

Our containers and rags decontamination process



Our container and drum decontamination stands



We handle various types of contaminated containers, including drums, plastic containers, jerrycans, IBCs and jumbo bags. These are placed in appropriate washing stands based on their type and size. We then pump suitable cleaning agents (selected based on contaminant type) from a dosing system into the container and wash them with a water jet to remove contaminants. This process is repeated until the container is clean. Any attached labels are removed and the decontaminated containers are ready for sale or in-house reuse.

For contaminated rags, such as gloves, washcloths, and other fabrics, we place them in specially designed industrial washing machines. They are decontaminated with hot water and an appropriate cleaning agent (depending on the contaminant type), repeating the wash cycle until all contamination is gone. The clean rags are then transferred to a spin dryer and oven for drying. Finally, the clean, dry rags are sorted and reusable items are separated for sale while unusable rags are collected by third parties for further use.

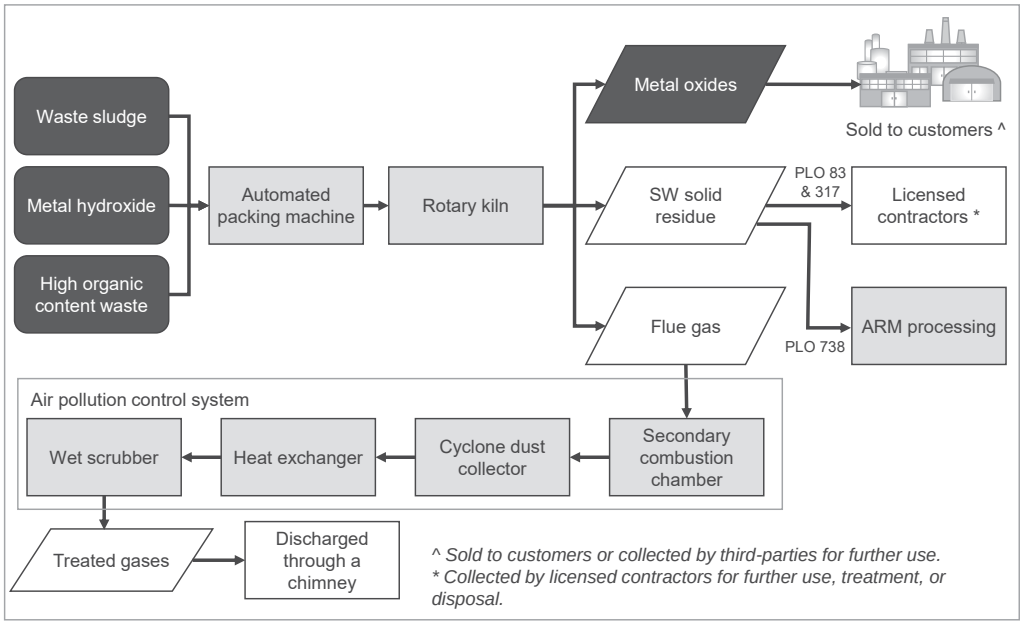
All wastewater generated from decontaminating containers and rags is transferred to our wastewater treatment plants for further processing.

One of our employees sorting cleaned and decontaminated cotton gloves



9) Thermal oxidation process

Our thermal oxidation process



We use thermal oxidation to recover metal oxides from waste sludge and metal hydroxides, and for high organic content waste.

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7. BUSINESS OVERVIEW

Our thermal oxidation process comprises a rotary kiln where materials are heated in the presence of oxygen. Solid waste sludge, solid metal hydroxide, and high organic content waste are loaded into metal drums by an automated packing machine, and fed into the top of the rotary kiln by a hydraulic lifting system. A burner, capable of using diesel or fuel oil, heats the kiln's interior. As the kiln rotates, the material moves downward and oxidises. This process generates metal oxides, other solid residues, and flue gas. The metal oxides are collected for sale. We engage third-party licensed contractors to collect the solid residue from the rotary kiln at PLO 83 & 317 for further use, treatment, or disposal.

Meanwhile, the rotary kiln at PLO 738 has an ARM processing equipment, which is described in the next sub-section.

The flue gas produced during thermal oxidation is further processed in an air pollution control system. VOCs are removed through burning in a secondary combustion chamber while dust is removed via a cyclone dust collector. The flue gas is then cooled by a heat exchanger and channelled through a wet scrubber system to remove acidic gases. The resulting treated gases are then discharged into the air through a chimney.

One of our rotary kilns

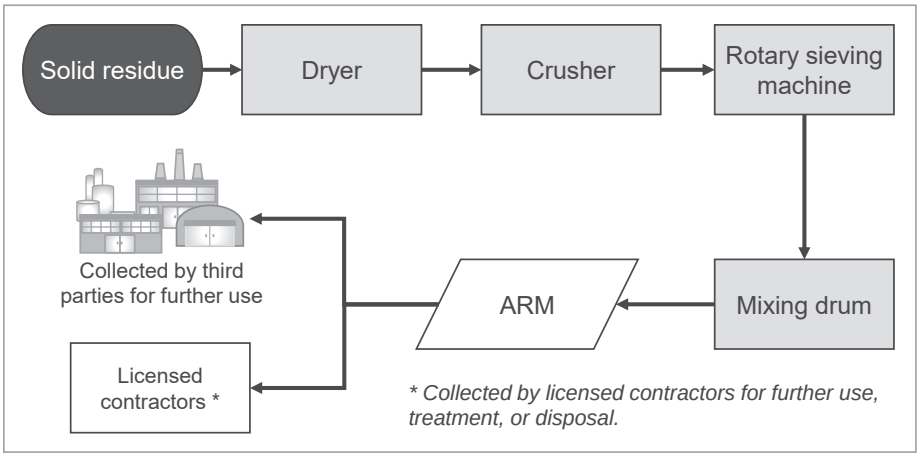


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10) ARM processing

ARM processing is designed to convert the solid residue from our thermal oxidation and carbonisation processes into an alternative raw material that can be used in industrial processes, such as to cement and brick manufacturing, which is in line with circular economy goals as it reduces raw material usage and carbon dioxide emissions.

Our ARM process

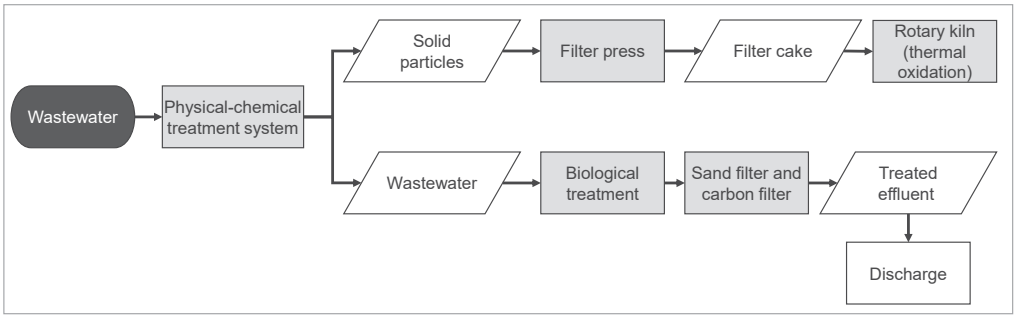


The solid residue is dried to reduce its water content to the required level, and it is then crushed into powder. A rotary sieving machine separates the powder from larger chunks (which are returned to the crusher), and the ARM is then homogenised in a mixing drum. The ARM is collected by third-parties for further use or we engage third-party licensed contractors to collect ARM for further use, treatment, or disposal.

11) Wastewater treatment

We operate on-site wastewater treatment plants at PLO 83 & 317 Facility and PLO 738 Facility. These plants process wastewater that is generated by our other scheduled waste recovery and recycling processes. Both facilities are equipped with biological, physical-chemical, and other treatment systems designed to clean wastewater to the required standards before discharging into the public drainage system.

Our wastewater treatment process



7. BUSINESS OVERVIEW

Wastewater is treated according to its contaminants. If it contains inorganic contaminants, it is first channelled to the physical-chemical system. Here, coagulants, flocculants, and other chemicals are added to precipitate the inorganic contaminants into solid particles. Filter presses then remove these solid particles and compress them into filter cakes, while the post-filter press wastewater moves to the biological treatment system. The filter cakes are sent to the rotary kilns for thermal oxidation.

The biological treatment system handles wastewater from other treatment processes that do not contain inorganic contaminants, as well as the post-filter press wastewater from the physical-chemical system. In this system, aerobic bacteria consume organic contaminants and convert them into water, carbon dioxide, and other gaseous compounds. This wastewater then passes through sand filters and activated carbon filters to remove residual contaminants, and the treated effluent is discharged into the public drainage system.

One of our wastewater treatment plants



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7. BUSINESS OVERVIEW

(e) Our scheduled waste management facilities and SW Codes

As at the LPD, PLO 83 & 317 Facility and PLO 738 Facility are licensed by the DOE as off-site recovery facilities in relation to our scheduled waste management services. Our subsisting licences are valid for the following periods:

Licensed facility	Licence validity period
PLO 83 & 317 Facility	1 May 2025 to 30 April 2026
PLO 738 Facility	1 May 2025 to 30 April 2026

As at the LPD, we have obtained approvals under these licences to carry out recovery and recycling on 34 types of scheduled wastes at PLO 83 & 317 Facility and PLO 738 Facility, which are summarised in the following table:

	PLO 83 & 317 Facility		PLO 738 Facility		Combined
SW Code[(1)]	Approvals	Maximum monthly quantity (tonnes)	Approvals	Maximum monthly quantity (tonnes)	Maximum monthly quantity (tonnes))
SW 1: Metal and metal-bearing wastes					
SW 104 - Dust, slag, dross or ash from iron and steel factory	-	-	√	1,000	1,000
SW 110 - Waste from electrical and electronic assemblies	-	-	√	200	200
SW 2: Wastes containing principally inorganic constituents					
SW 202 - Waste catalysts	√	200	√	1,000	1,200
SW 204 - Sludges containing one or several metals	√	300	√	500	800
SW 206 - Spent organic acids	√	260	√	2,000	2,260
SW 207 - Sludges containing fluoride	-	-	√	200	200
SW 3: Wastes containing principally organic constituents					
SW 301 - Spent organic acids with pH less or equal to 2	-	-	√	500	500
SW 303 - Adhesive or glue waste	√	50	-	-	50
SW 305 - Spent lubricating oil	√	520	-	-	520
SW 306 - Spent hydraulic oil	√	130	-	-	130
SW 307 - Spent mineral oil-water emulsion	√	517	√	2,000	2,517
SW 308 - Oil tanker sludge	-	-	√	2,000	2,000
SW 309 - Oil-water mixture such as ballast water	√	500	√	1,500	2,000
SW 310 - Sludge from mineral oil storage tank	-	-	√	800	800

7. BUSINESS OVERVIEW

	PLO 83 & 317 Facility		PLO 738 Facility		Combined
SW Code(1)	**Approvals**	**Maximum monthly quantity (tonnes)**	**Approvals**	**Maximum monthly quantity (tonnes)**	**Maximum monthly quantity (tonnes))**
SW 311 - Waste oil or oily sludge	-	-	√	800	800
SW 312 - Oily residue from automotive workshop, service station oil or grease interceptor	√	130	-	-	130
SW 313 - Oil contaminated earth from refining of used lubricating oil	-	-	√	300	300
SW 314 - Oil or sludge from oil refinery plant maintenance operation	-	-	√	800	800
SW 321 - Rubber or latex waste or sludge containing organic solvents or heavy metals	-	-	√	500	500
SW 322 - Waste of non-halogenated organic solvents	√	113	√	1,000	1,113
SW 323 - Waste of halogenated organic solvents	√	113	-	-	113
SW 325 - Uncured resin waste containing organic solvents or heavy metals including epoxy resin and phenolic resin	-	-	√	200	200
SW 327 - Waste of thermal fluids (heat transfer) such as ethylene glycol	-	-	√	500	500
SW 4: Wastes which may contain either inorganic or organic constituents					
SW 401 - Spent alkalis containing heavy metals	√	150	√	500	650
SW 402 - Spent alkalis with pH more or equal to 11.5	-	-	√	500	500
SW 408 - Contaminated soil, debris or matter resulting from cleaning-up or a spill of chemical, mineral oil or scheduled waste	-	-	√	300	300
SW 409 - Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	√	37,440 pieces	√	150 pieces	37,590 pieces
SW 410 - Rags, plastics, papers or filters contaminated with scheduled waste	√	156	√	200	356

7. BUSINESS OVERVIEW

	PLO 83 & 317 Facility		PLO 738 Facility		Combined
SW Code(1)	**Approvals**	**Maximum monthly quantity (tonnes)**	**Approvals**	**Maximum monthly quantity (tonnes)**	**Maximum monthly quantity (tonnes))**
SW 411 - Spent activated carbon excluding carbon from treatment of potable water and processes of the food industry and vitamin production	-	-	√	200	200
SW 416 - Sludges of inks, paints, pigments, lacquer, dye or varnish	√	95	√	1,000	1,095
SW 417 - Waste of inks, paints, pigments, lacquer, dye or varnish	√	95	√	500	595
SW 418 - Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvent	√	95	√	500	595
SW 422 - A mixture of scheduled and non-scheduled wastes	-	-	√	200	200
SW 427 - Mineral sludges including calcium hydroxide sludges, phosphating sludges, calcium sulphite sludges and carbonates sludges	-	-	√	200	200

Note:
(1) The descriptions of the SW Codes are in the glossary of technical terms.

As at the LPD we are constructing Phase 2 of PLO 321 Facility (comprising a scheduled waste management facility and operations office) adjacent to PLO 83 & 317 Facility. This new facility will be licenced to manage the following 4 additional categories of scheduled wastes:

- SW 103 - Waste of batteries containing cadmium and nickel or mercury or lithium;
- SW 205 - Waste gypsum arising from chemical industry or power plant;
- SW 406 - Clinker, slag and ashes from scheduled waste incinerator; and
- SW 429 - Chemicals that are discarded or off-specification.

We expect Phase 2 of PLO 321 Facility to become operational in the 2nd half of 2026.

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Apart from the above, we have also obtained the EIA approval from DOE Perak to provide scheduled waste management services at the New Perak Facility covering 44 SW Codes, out of which the following 6 are new categories that we are currently not licensed to manage at our existing scheduled waste management facilities or PLO 321 Facility:

- SW 302 - Flux waste;
- SW 315 - Tar or tarry residue from oil refinery or petrochemical plant;
- SW 319 - Waste phenols or phenol compounds;
- SW 405 - Waste from preparing and producing pharmaceuticals;
- SW 421 - A mixture of scheduled wastes; and
- SW 424 - Spent oxidizing agent.

Please refer to **Sections 7.18.2** and **7.18.3** of this Prospectus for additional information on PLO 321 Facility and New Perak Facility respectively.

(f) Chemical analysis services

During the Period Under Review, a small proportion of our revenue under provision of scheduled waste management services segment were from providing chemical analysis services. This service is conducted at the PLO 738 Facility laboratory that holds an ISO/IEC 17025:2017 accreditation. This accreditation signifies our technical competence and management system's ability to deliver technically valid test results and calibrations, and our results are recognised by third parties, including regulatory authorities like the DOE.

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7.5.2 Supply of recovered and recycled products

This business activity complements our main scheduled waste management services by selling useful products recovered or recycled during those operations, as well as from recovering and recycling scheduled waste we purchase from third parties such as manufacturers of semiconductor and E&E products, metal and metal products, batteries, petrochemicals, and pharmaceuticals.

For the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, the supply of recovered and recycled products accounted for 15.51% (RM10.08 million), 12.49% (RM9.99 million), 13.80% (RM11.06 million) and 15.71% (RM10.64 million) of our total revenue respectively.

Some of our recovered and recycled products



The types of recovered and recycled products that we supply comprise the following:

Recovered products:
- precious metals (mainly silver and palladium);
- other metals (mainly zinc, aluminium, copper, and nickel);
- coolants, solvents, and oils; and
- other scrap materials.

Recycled products:
- acids and alkali;
- detergents and other chemicals;
- gloves, cleaning cloths, rags and other fabrics; and
- containers comprising drums, plastic containers, jerrycans, jumbo bags, and IBC.

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7. BUSINESS OVERVIEW

7.5.3 Trading of chemicals and other products

Trading of chemicals and other products accounted for 2.48% (RM1.61 million), 1.82% (RM1.45 million), 1.97% (RM1.58 million) and 2.53% (RM1.71 million) of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Our trading business involves selling chemicals and other products that we source from third-party manufacturers and suppliers to our customers. The types of chemicals and other products that we trade comprise the following:

- Acids, including sulphuric acid, hydrochloric acid, and nitric acid; and

- Other chemicals and products, such as ammonia, urea, industrial alcohol, laboratory consumables (glass flasks and pipettes), and containers.

The acids that we sell under the trading segment are non-recycled products sourced directly from suppliers or manufacturers, and their composition follows the manufacturer's specifications. In contrast, the recycled acids that we sell are derived from the recovery and recycling processes of scheduled wastes. Similarly, the containers sold under the trading segment are new and unused, whereas the recycled containers that we sell may show minor signs of wear and tear, such as scratches and dents.

In general, our customer base for the supply of recovered and recycled products is not the same as the customer base for the trading of chemicals and other products.

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7. BUSINESS OVERVIEW

7.6 OPERATIONAL FACILITIES

The locations of our operational facilities as at the LPD are as follows:

Company	Main functions	Land area / Built-up area (sq ft)	Property ownership	Address
5E Resources, 5ERSB	Head office and scheduled waste management facility (PLO 738 Facility)	239,497 / 94,334	Owned by 5ERSB	PLO 738, Jalan Platinum Utama, Zon 12B, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang Johor
5ERSB	Scheduled waste management facility (PLO 83 & 317 Facility)	87,156 / 55,302	Owned by 5ERSB	PLO 83 & PLO 317, Jalan Perak, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang Johor
5ERSB	Warehouse and logistics office(1) (PLO 321 Facility)	217,797 / 46,759(2)	Owned by 5ERSB	PLO 321 (PTD 71200), Jalan Perak 2, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang Johor
TS Heuls	Storage for the trading of chemicals (Property No. 26)	3,000 / 4,110	Rented by TS Heuls	No. 26, Jalan Permas 9/13, Bandar Baru Permas Jaya, 81750 Masai Johor

Notes:

(1) The construction works for Phase 1, which comprises a warehouse and logistics office, were completed in November 2023. As at the LPD, the warehouse and logistics office are operational. The construction works for Phase 2, which comprises a new scheduled waste management facility and operations office, are on-going. We expect to complete the said construction works by the 1st half of 2026 and commence operations by 2nd half of 2026. Please refer to **Section 7.18.2** of this Prospectus for additional information on the development of PLO 321 Facility.

(2) Being the built-up area of the existing warehouse and logistics office (Phase 1). The estimated total built-up area of PLO 321 Facility (comprising Phase 1 and Phase 2) is approximately 110,842 sq ft.

7.7 SEASONALITY

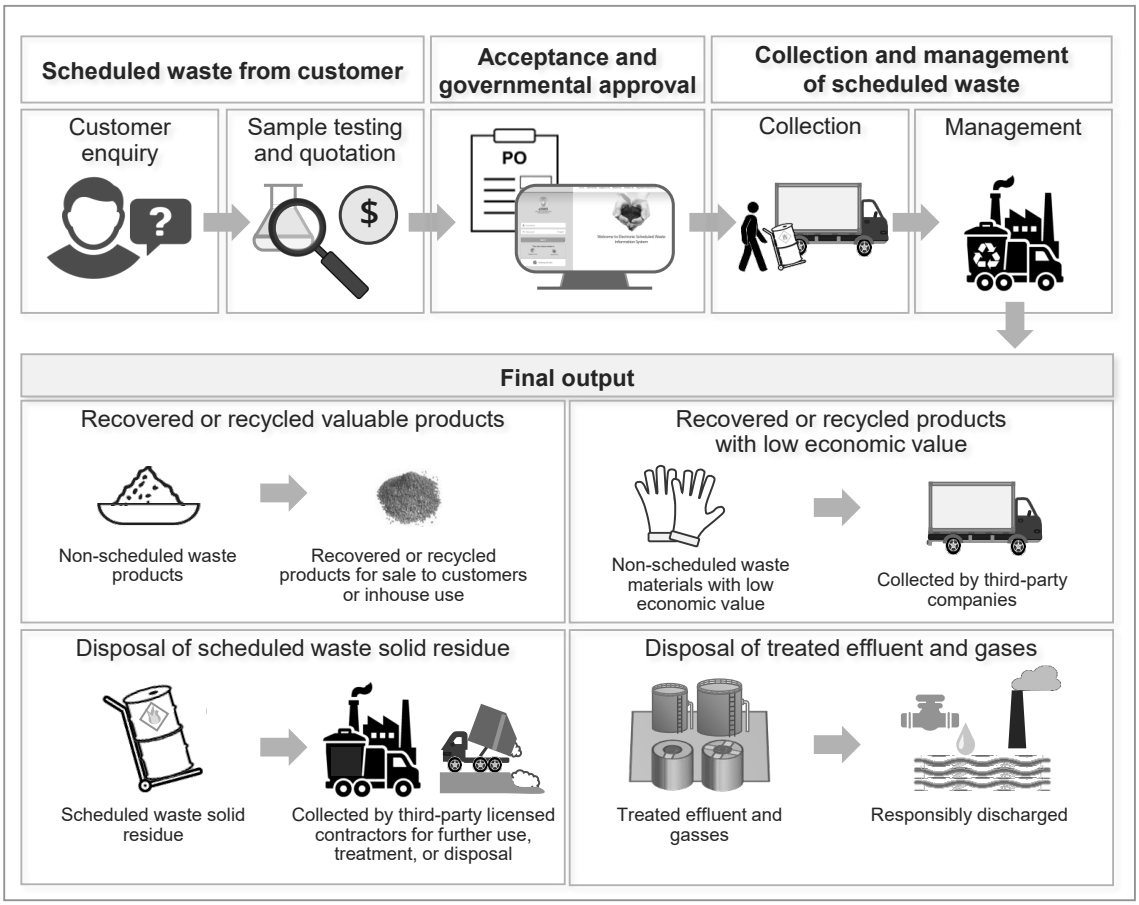
For the Period Under Review, we did not experience any material seasonality in our business as the demand for our services and products is not subject to any periodic or seasonal factors.

7. BUSINESS OVERVIEW

7.8 BUSINESS PROCESS FLOW

7.8.1 Provision of scheduled waste management services

The process flow of our business operations for the provision of scheduled waste management services is depicted in the diagram below:



Customer enquiry

Our operational process begins with customer enquiries. The marketing department handles relationships with existing clients while also identifying and engaging potential customers who generate scheduled waste.

Sample testing and quotation

Upon receiving a customer enquiry, we initiate the waste sampling and testing process.

For new customers, waste samples are collected and analysed by our R&D team to determine waste classification, composition and characteristics, and estimated recovery and recycling costs. It usually takes less than 2 weeks to complete the testing process for the scheduled waste samples. For existing customers, we will perform a random batch sampling to verify ongoing composition and characteristics.

7. BUSINESS OVERVIEW

We only accept approved scheduled waste types for management according to our Group's licences. Based on the test results, our marketing team prepares a detailed quotation, considering the type of scheduled waste, collection, processing, recovery and recycling methods, estimated volume, estimated recovery, recycling, and disposal costs, economic value of recoverable or recyclable products (if any), our target profit margin, and competitors' pricing.

Acceptance and government approval

Once the quotation is finalised and accepted, the customer will submit an approval form to us to review the credit terms and issue an electronic consignment (e-consignment) note to us through eSWIS, which authorises us to collect the scheduled waste.

For any scheduled waste types that was not previously generated by an existing customer, the customer is required to submit a TWG application to the DOE through eSWIS for DOE's approval. After the customer receives DOE's approval, they can issue an e-consignment note to us.

Collection

After receiving the e-consignment note through eSWIS, our logistics team will arrange for the collection of scheduled wastes from our customers' premises for transportation to our scheduled waste management facilities. The customer will prepare the e-consignment note that includes the type(s) and quantities of scheduled waste that we are to collect.

Before loading the scheduled waste onto our vehicle, our driver will check and verify that the customer has packaged the scheduled waste properly and labelled it accurately according to the e-consignment note. After verification and loading, the e-consignment note will be acknowledged by the customer and our driver.

Our drivers are briefed on safety protocols, including spill containment measures during transit. We primarily use our own trucks and drivers to collect scheduled waste from customers' premises and transport them to our licensed facilities. We also engage third-party trucks and drivers registered under our DOE licenses to supplement our transportation capacity when we have scheduling conflicts.

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7. BUSINESS OVERVIEW

Recovery and recycling

Upon arrival at our licensed facility, the waste is typically weighed, and the details are updated in the consignment notes and eSWIS to acknowledge the receipt of the waste. We then unload the waste and segregate it based on its type and the intended processing.

At our scheduled waste management facilities, our production department will perform the recovery and / or recycling process approved by our R&D department to obtain valuable and / or usable materials from scheduled waste.

The main scheduled waste recovery and recycling methods that we utilise comprise waste acid and alkali recycling, waste coolant recycling, waste oil recycling, waste solvent and paint recycling, carbonisation, LVDH, e-waste recovery, decontamination of containers and rags, as well as thermal oxidation. We also carry out wastewater treatment on the wastewater generated by these processes. The lead time for the recovery and recycling processes for different wastes varies according to the complexity and volume of the waste involved.

Post-recovery and recycling process materials

The materials from the recovery and recycling processes are commonly handled in one or more of the following ways:

- Recovered or recycled valuable products: These are either sold or used in-house.

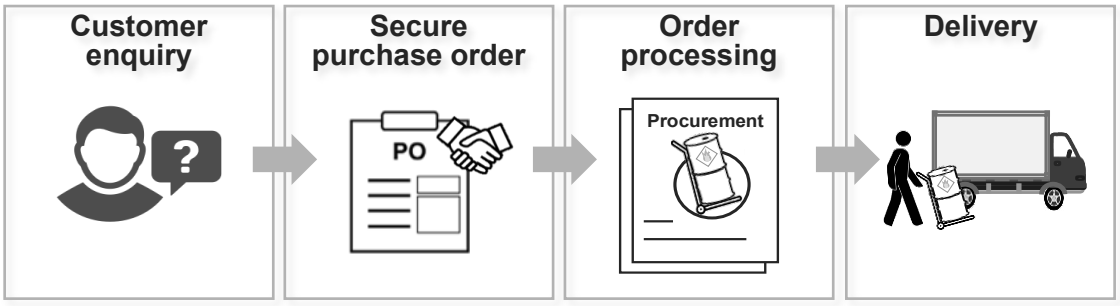
- Recovered or recycled products with low economic value: We engage and pay third-party companies to collect these materials from us.

- Disposal of solid residue: Some of our recovery and recycling processes result in residue that we currently do not have the capabilities to process further. Such residue is categorised as scheduled waste and we engage third-party licensed contractors to collect them for further use, treatment, or disposal.

- Discharge of treated effluent from our wastewater treatment plants and treated gases from our air pollution control systems.

7.8.2 Trading of chemicals and other products

The process flow of our business operations for the trading of chemicals and other products is depicted in the diagram below:



Customer enquiry

Our trading business process begins with customer enquiries to our marketing department. Customers usually specify the type and quantity of product that they intend to purchase.

7. BUSINESS OVERVIEW

Secure purchase order

Upon confirming stock availability and agreeing on the price, customers will issue purchase orders for us to fulfil. The purchase order will specify, among other things, the quantity and price of the products, the mode of order fulfilment, namely self-collection or by delivery, as well as the delivery destination and schedule.

Order processing

Depending on the availability of the products required by the customers, we may fulfil the order using our existing inventory or we will procure the said products from our suppliers. Upon receiving the incoming stocks, we conduct a quantity count and visual inspection to identify any visible defects, contamination or packaging issues. Where required, we also carry out quality checks through random sampling to ensure that the products are in good condition and meet the required quality standards. If there are any discrepancies in quantity or quality, we will request replacements from the supplier.

The bulk quantities of the incoming products may be repacked into smaller packages. These packages will then be labelled with relevant product information, safety instructions and handling guidelines. Once the order is ready, we will notify the customer.

Delivery

Customers can pick up their orders at our warehouse or have their orders delivered to their choice of locations. Upon receipt of goods, customers will sign and stamp the delivery order as proof of delivery.

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7. BUSINESS OVERVIEW

7.9 CAPACITY AND UTILISATION RATES

7.9.1 Capacity and utilisation rates based on the quantity of scheduled wastes collected

Our licences for our scheduled waste management facilities specify the maximum monthly quantity of each type of scheduled waste that we are allowed to collect, recover, and recycle. Once we have collected the maximum monthly quantity of a particular scheduled waste, we will not accept any more orders until the next month.

During the Period Under Review, our capacity and utilisation rates based on the quantity of scheduled wastes collected is summarised in the following table:

	Maximum quantity		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
SW Code[1]	**Annual[2] (tonnes)**	**10-month period[3] (tonnes)**	**Collected[4] (tonnes)**	**Utilisation rate[5] (%)**	**Collected[4] (tonnes)**	**Utilisation rate[5] (%)**	**Collected[4] (tonnes)**	**Utilisation rate[5] (%)**	**Collected[4] (tonnes)**	**Utilisation rate[5] (%)**
SW 1	**14,400**	**12,000**	**725**	**5**	**1,962**	**14**	**2,874**	**20**	**607**	**5**
SW 104 - Dust, slag, dross or ash from iron and steel factory	12,000	10,000	691	6	1,913	16	2,805	23	524	5
SW 110 - Waste from electrical and electronic assemblies	2,400	2,000	34	1	49	2	69	3	83	4
SW 2	**53,520**	**44,600**	**23,523**	**44**	**24,784**	**46**	**18,166**	**34**	**13,093**	**29**
SW 202 - Waste catalysts	14,400	12,000	169	1	106	1	909	6	884	7
SW 204 - Sludges containing one or several metals	9,600	8,000	9,145	95	8,643	90	9,426	98	6,915	86
SW 206- Spent organic acids	27,120	22,600	14,209	52	16,015	59	7,587	28	5,186	23
SW 207 - Sludges containing fluoride	2,400	2,000	-	-	20	1	244	10	108	5
SW 3	**155,676**	**129,730**	**10,357**	**7**	**11,839**	**8**	**16,743**	**11**	**15,948**	**12**

7. BUSINESS OVERVIEW

SW Code[1]	Maximum quantity		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	Annual[2] (tonnes)	10-month period[3] (tonnes)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)
SW 301 - Spent organic acids with pH less or equal to 2	6,000	5,000	261	4	2,154	36	795	13	1,586	32
SW 303 - Adhesive or glue waste	600	500	286	48	357	60	341	57	399	80
SW 305 - Spent lubricating oil	6,240	5,200	370	6	359	6	283	5	270	5
SW 306 - Spent hydraulic oil	1,560	1,300	126	8	127	8	125	8	58	4
SW 307 - Spent mineral oil-water emulsion	30,204	25,170	2,962	10	2,983	10	3,919	13	3,217	13
SW 308 - Oil tanker sludge	24,000	20,000	-	-	-	-	-	-	-	-
SW 309 - Oil-water mixture such as ballast water	24,000	20,000	43	0	50	0	549	2	422	2
SW 310 - Sludge from mineral oil storage tank	9,600	8,000	15	#	9	#	-	-	-	-
SW 311 - Waste oil or oily sludge	9,600	8,000	412	4	816	9	2,701	28	4,137	52
SW 312 - Oily residue from automotive workshop, service station oil or grease interceptor	1,560	1,300	6	#	21	1	51	3	49	4
SW 313 - Oil contaminated earth from re-fining of used lubricating oil	3,600	3,000	131	4	157	4	124	3	94	3
SW 314 - Oil or sludge from oil refinery plant maintenance operation	9,600	8,000	1	#	3	#	653	7	240	3

7. BUSINESS OVERVIEW

SW Code[1]	Maximum quantity		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	Annual[2] (tonnes)	10-month period[3] (tonnes)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)
SW 321 - Rubber or latex waste or sludge containing organic solvents or heavy metals	6,000	5,000	665	11	246	4	1,357	23	1,802	36
SW 322 - Waste of non-halogenated organic solvents	13,356	11,130	4,603	34	3,882	29	4,706	35	3,053	27
SW 323 - Waste of halogenated organic solvents	1,356	1,130	36	3	92	7	214	16	147	13
SW 325 - Uncured resin waste containing organic solvents or heavy metals including epoxy resin and phenolic resin	2,400	2,000	107	4	332	14	272	11	185	9
SW 327 - Waste of thermal fluids (heat transfer) such as ethylene glycol	6,000	5,000	333	6	251	4	653	11	289	6
SW 4	**58,998**	**49,165**	**15,838**	**27**	**17,934**	**30**	**14,627**	**25**	**13,470**	**27**
SW 401 - Spent alkalis containing heavy metals	7,800	6,500	6,065	78	7,355	94	5,503	71	4,792	74
SW 402 - Spent alkalis with pH more or equal to 11.5	6,000	5,000	2,360	39	928	15	1,586	26	2,658	53
SW 408 - Contaminated soil, debris or matter resulting from cleaning up or a spill of chemical, mineral oil or scheduled waste	3,600	3,000	407	11	2,949	82	369	10	131	4

7. BUSINESS OVERVIEW

SW Code[1]	Maximum quantity		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	Annual[2] (tonnes)	10-month period[3] (tonnes)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)
SW 409 - Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	2,706[6]	2,255[6]	876[6]	32[6]	741[6]	27[6]	819[6]	30[6]	716[6]	32[6]
SW 410 - Rags, plastics, papers or filters contaminated with scheduled waste	4,272	3,560	2,118	50	1,898	44	2,125	50	1,512	42
SW 411 - Spent activated carbon excluding carbon from treatment of potable water and processes of the food industry and vitamin production	2,400	2,000	471	20	531	22	511	21	525	26
SW 416 - Sludges of inks, paints, pigments, lacquer, dye or varnish	13,140	10,950	1,552	12	1,618	12	1,349	10	1,005	9
SW 417 - Waste of inks, paints, pigments, lacquer, dye or varnish	7,140	5,950	1,553	22	1,379	19	1,488	21	1,428	24
SW 418 - Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvent	7,140	5,950	299	4	386	5	604	8	334	6
SW 422 - A mixture of scheduled and non-scheduled wastes	2,400	2,000	125	5	118	5	236	10	351	18

7. BUSINESS OVERVIEW

SW Code[1]	Maximum quantity		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	Annual[2] (tonnes)	10-month period[3] (tonnes)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)	Collected[4] (tonnes)	Utilisation rate[5] (%)
SW 427 - Mineral sludges including calcium hydroxide, phosphating, calcium sulphite and carbonates sludges	2,400	2,000	12	1	31	1	37	2	18	1

Notes:

(1) The descriptions of the SW Codes are in the glossary of technical terms.

(2) Maximum annual quantity is calculated by multiplying the maximum monthly quantity of the scheduled waste by 12.

(3) Maximum quantity for the 10-month period is calculated by multiplying the maximum monthly quantity of the scheduled waste by 10.

(4) Refers to the quantity of the scheduled waste collected during the respective financial year / period.

(5) Utilisation rate is calculated by dividing the actual collection by the maximum annual quantity / maximum quantity for the 10-month period.

(6) The maximum capacity and quantity collected are converted from pieces to tonnes by multiplying the number of pieces by 6 kilograms per piece, which is the average weight of the containers that we typically collect.

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7.9.2 Capacity and utilisation rates based on major machinery and equipment usage

The capacity and utilisation rates of our scheduled waste management facilities are also assessed based on the usage of the major types of machinery and equipment that we use. This is because the recovery and recycling of scheduled wastes involves one or a combination of processes that may use the same machinery and equipment.

Our capacity, usage, and utilisation rates of our major machinery and equipment during the Period Under Review are summarised in the following table:

Major machinery and equipment	Capacity (hours)	Actual usage (hours)	Utilisation rate[1] (%)
PLO 83 & 317 Facility			
Rotary kiln system			
FYE 2022	6,970[2]	5,218	75
FYE 2023	6,970[2]	5,788	83
FYE 2024	6,970[2]	5,538	79
FPE 2025	5,808[3]	4,140	71
Wastewater treatment plant			
FYE 2022	20,910[4]	10,587	51
FYE 2023	20,910[4]	11,794	56
FYE 2024	20,910[4]	11,214	54
FPE 2025	17,425[5]	9,748	56
Carboniser			
FYE 2022	6,970[2]	4,836	69
FYE 2023	6,970[2]	5,723	82
FYE 2024	6,970[2]	5,392	77
FPE 2025	5,808[3]	4,140	71
Auto-packing machine			
FYE 2022	6,970[2]	4,070	58
FYE 2023	6,970[2]	4,851	70
FYE 2024	6,970[2]	4,690	67
FPE 2025	5,808[3]	3,886	67
Waste solvent recycling system			
FYE 2022	6,970[2]	3,704	53
FYE 2023	6,970[2]	3,905	56
FYE 2024	6,970[2]	3,996	57
FPE 2025	5,808[3]	3,508	60
Waste coolant recycling system			
FYE 2022	6,970[2]	4,022	58
FYE 2023	6,970[2]	3,868	55

Major machinery and equipment	Capacity (hours)	Actual usage (hours)	Utilisation rate[1] (%)
FYE 2024	6,970[2]	4,064	58
FPE 2025	5,808[3]	3,516	61
Waste oil recycling systems			
FYE 2022	13,940[6]	8,019	58
FYE 2023	13,940[6]	8,452	61
FYE 2024	13,940[6]	7,865	56
FPE 2025	11,616[7]	7,278	63
Container decontamination machine			
FYE 2022	6,970[2]	3,996	57
FYE 2023	6,970[2]	4,495	64
FYE 2024	6,970[2]	4,530	65
FPE 2025	5,808[3]	4,384	75
Rag decontamination machine			
FYE 2022	6,970[2]	4,131	59
FYE 2023	6,970[2]	3,137	45
FYE 2024	6,970[2]	4,155	60
FPE 2025	5,808[3]	4,456	77
Waste acid recycling system			
FYE 2022	13,940[8]	9,409	67
FYE 2023	13,940[8]	9,713	70
FYE 2024	13,940[8]	9,751	70
FPE 2025	11,616[9]	8,238	71
PLO 738 Facility			
Rotary kiln system			
FYE 2022	6,970[2]	4,733	68
FYE 2023	6,970[2]	4,768	68
FYE 2024	6,970[2]	4,381	63
FPE 2025	5,808[3]	4,926	85
Carboniser			
FYE 2022	6,970[2]	4,574	66
FYE 2023	6,970[2]	4,436	64
FYE 2024	6,970[2]	4,314	62
FPE 2025	5,808[3]	4,330	75
Waste oil recycling system			
FYE 2022	6,970[2]	3,366	48

Major machinery and equipment	Capacity (hours)	Actual usage (hours)	Utilisation rate[1] (%)
FYE 2023	6,970[2]	3,671	53
FYE 2024	6,970 [2]	3,919	56
FPE 2025	5,808[3]	3,434	59
Waste solvent recycling system			
FYE 2022	6,970[2]	3,616	52
FYE 2023	6,970[2]	3,690	53
FYE 2024	6,970[2]	3,996	57
FPE 2025	5,808[3]	3,414	59
Wastewater treatment plant			
FYE 2022	20,910[2]	16,142	77
FYE 2023	20,910[2]	18,837	90
FYE 2024	20,910[2]	17,806	85
FPE 2025	17,425[5]	17,176	99
Auto packing machine			
FYE 2022	6,970[2]	5,283	76
FYE 2023	6,970[2]	5,948	85
FYE 2024	6,970[2]	6,102	88
FPE 2025	5,808[3]	5,490	95
LVDH system			
FYE 2022	6,970[2]	3,549	51
FYE 2023	6,970[2]	3,613	52
FYE 2024	6,970[2]	3,707	53
FPE 2025	5,808[3]	3,661	63
Waste coolant recycling system			
FYE 2022	6,970[2]	3,739	54
FYE 2023	6,970[2]	3,946	57
FYE 2024	6,970[2]	4,196	60
FPE 2025	5,808[3]	4,326	74
E-waste recovery system			
FYE 2022	6,970[2]	3,758	54
FYE 2023	6,970[2]	3,593	52
FYE 2024	6,970[2]	4,015	58
FPE 2025	5,808[3]	3,652	63
Container decontamination machine			
FYE 2022	6,970[2]	3,662	53

7. BUSINESS OVERVIEW

Major machinery and equipment	Capacity (hours)	Actual usage (hours)	Utilisation rate[(1)] (%)
FYE 2023	6,970[(2)]	3,476	50
FYE 2024	6,970[(2)]	3,983	57
FPE 2025	5,808[(3)]	3,686	63
Waste acid and alkali recycling system			
FYE 2022	13,940[(8)]	7,290	52
FYE 2023	13,940[(8)]	7,190	52
FYE 2024	13,940[(8)]	7,802	56
FPE 2025	11,616[(9)]	7,441	64

Notes:

(1) Utilisation rate is calculated by dividing the actual usage by the capacity of the respective financial year / period.

(2) We had 1 unit of this machinery or system at the respective facility during the entire financial year. Calculating the annual operational capacity of this machinery or system is based on 352 working days per year (365 days less 13 gazetted public holidays per year) multiplied by 22 working hours per working day (2 shifts of 12 hours each, less 1 hour per shift to take into account shift handover), and deducting 10% from the total hours to take into account stoppages for maintenance and changes in recovery or recycling processes. This comes to 6,970 hours per year.

(3) We had 1 unit of this machinery or system at the respective facility during the entire financial period. The operational capacity of this machinery or system for the FPE 2025 is calculated on a pro-rata basis by multiplying the annual operational capacity by 10/12. This comes to 5,808 hours.

(4) The wastewater treatment plants at PLO 83 & 317 Facility and PLO 738 Facility each consisted of 3 systems during the entire financial year. The annual operating capacity of each wastewater treatment plant is 3 x 6,970 hours per year, which comes to 20,910 hours.

(5) The operational capacity of the wastewater treatment plants at PLO 83 & 317 Facility and PLO 738 Facility for the FPE 2025 is calculated on a pro-rata basis by multiplying the annual operational capacity by 10/12. This comes to 17,425 hours.

(6) We had 2 units of waste oil recycling systems at PLO 83 & 317 Facility during the entire financial year. The annual operating capacity of these systems is 2 x 6,970 hours per year, which comes to 13,940 hours.

(7) The operational capacity of the 2 units of waste oil recycling systems at PLO 83 & 317 Facility for the FPE 2025 is calculated on a pro-rata basis by multiplying the annual operational capacity by 10/12. This comes to 11,616 hours.

(8) The waste acid and alkali recycling systems at PLO 83 & 317 Facility and PLO 738 Facility each consisted of 2 separate systems during the entire financial year. The annual operating capacity of each waste acid and alkali recycling systems is 2 x 6,970 hours per year, which comes to 13,940 hours.

(9) The operational capacity of the waste acid and alkali recycling systems at PLO 83 & 317 Facility and PLO 738 Facility for the FPE 2025 is calculated on a pro-rata basis by multiplying the annual operational capacity by 10/12. This comes to 11,616 hours.

7. BUSINESS OVERVIEW

7.10 TYPES AND SOURCES OF MATERIALS AND SERVICES

The following are the major types of materials and services that we purchased for our business operations during the Period Under Review:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Scheduled waste management services and supply of recovered and recycled products	**20,995**	**97.42**	**24,482**	**98.43**	**27,347**	**98.49**	**21,745**	**97.07**
Materials	**11,207**	**52.00**	**12,376**	**49.76**	**13,010**	**46.85**	**12,203**	**54.47**
Scheduled waste with valuable materials	4,114	19.09	6,063	24.38	6,427	23.15	6,815	30.42
Electricity and water	1,968	9.13	2,307	9.28	2,321	8.36	1,871	8.35
Chemicals for processes	2,150	9.98	1,885	7.58	1,997	7.19	1,567	6.99
Diesel and fuel oil	2,230	10.35	1,180	4.74	1,305	4.70	1,118	4.99
Consumables	745	3.45	941	3.78	960	3.45	832	3.72
Services	**9,788**	**45.42**	**12,106**	**48.67**	**14,337**	**51.64**	**9,542**	**42.60**
Residue disposal	6,917	32.10	5,634	22.65	6,585	23.72	4,952	22.11
Collection of recycled materials with low economic value	224	1.04	2,078	8.35	3,635	13.09	1,302	5.81
Logistics services	2,068	9.60	2,303	9.26	1,547	5.57	972	4.34
On-site sorting, labelling and loading services	579	2.68	2,091	8.41	2,570	9.26	2,316	10.34
Trading of chemicals and other products	**555**	**2.58**	**391**	**1.57**	**420**	**1.51**	**657**	**2.93**
Acids, other chemicals and other products[(1)]	555	2.58	391	1.57	420	1.51	657	2.93
Total purchases of materials and services	**21,550**	**100.00**	**24,873**	**100.00**	**27,767**	**100.00**	**22,402**	**100.00**

Note:
(1) Including ammonia, urea, industrial alcohol, laboratory consumables, and containers for trading.

7. BUSINESS OVERVIEW

Generally, we purchase materials (including utilities, diesel and fuel oil) and services for our scheduled waste management and supply of recovered and recycled products operations.

Purchases of materials (including utilities, diesel and fuel oil) for our scheduled waste management services and supply of recovered and recycled products accounted for 52.00%, 49.76%, 46.85%, and 54.47% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. Our largest purchases of materials comprised scheduled wastes with valuable materials such as silver paste, metal dross, and certain spent or contaminated metals, solvents, oils, containers, and e-waste. In general, since valuable materials can be recovered or recycled from these scheduled wastes, waste generators typically charge us for collecting these wastes from them.

Utilities (mainly comprising electricity and water) constituted a collective 9.13%, 9.28%, 8.36%, and 8.35% of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. Over the same periods, diesel and fuel oil collectively accounted for 10.35%, 4.74%, 4.70%, and 4.99% of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively.

Electricity is used to power a range of our machinery and equipment including rotary kilns, wastewater treatment plants, fluid transfer pumps, vacuum pumps used in LVDH and vacuum distillation, filter presses, and auto-packers. Electricity is also essential to heat thermal oil that are used in our waste oil and solvent recycling operations. Water is used in container and rag decontamination processes, as well as general cleaning. Finally, diesel and fuel oil are used as heat sources for our thermal oxidation and carbonisation processes.

Chemicals for recovery and recycling processes represented 9.98%, 7.58%, 7.19%, and 6.99% of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. These chemicals, including demulsifying agents, coagulants, flocculants, disinfectants, and nutrient removal agents, are essential for scheduled waste management processes such as waste coolant and oil recycling, as well as for wastewater treatment. Consumables, such as filters and activated carbon filters used to remove solid particles and VOC from fluids, accounted for 3.45%, 3.78%, 3.45%, and 3.72% of our total materials and services purchases over the same period.

Purchases of services for scheduled waste management operations accounted for 45.42%, 48.67%, 51.64%, and 42.60% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. Out of this, residue disposal services accounted for 32.10%, 22.65%, 23.72%, and 22.11% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. These services relate to the disposal of residue from our scheduled waste management processes that we currently do not have the relevant machinery and equipment to further process. We engage third-party licensed contractors to collect and further use, treat, or dispose of the residue.

Meanwhile, the collection of recycled usable materials by third-party companies accounted for 1.04%, 8.35%, 13.09%, and 5.81% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. These recycled materials (including recycled rubber, acid, and alkali, which are not classified as scheduled waste) are bulky, difficult to store, and have low selling prices. It is not economically viable for us to store them long-term and search for buyers. Hence, we engage and pay third-party companies to collect and remove these materials from our licensed facilities, as the collection and removal involve labour, packaging, and transportation costs.

7. BUSINESS OVERVIEW

Logistics services accounted for 9.60%, 9.26%, 5.57%, and 4.34% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. We engage third-party trucks and drivers registered under our DOE licenses to collect scheduled waste from our customers' premises and transport them to our licensed facilities. These external contractors are used to supplement our in-house logistics resources.

We also engage third-party contractors to provide on-site sorting, labelling and loading services when we collect scheduled waste from our customers' premises. These services accounted for 2.68%, 8.41%, 9.26%, and 10.34% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively.

Our purchases of materials for trading operations comprised 2.58%, 1.57%, 1.51%, and 2.93% of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. These include products that were sourced from third-party manufacturers and suppliers for resale to our customers such as various acids (including sulphuric acid, hydrochloric acid, and nitric acid), other chemicals (like ammonia and urea), industrial alcohol, and other items like laboratory consumables and containers.

During the Period Under Review, all of our materials and services were purchased from suppliers in Malaysia.

The materials that we purchase are not commodity-related except for scheduled wastes with valuable materials that contain precious metals such as silver and palladium, diesel, and fuel oil, and their prices are subject to global commodity price fluctuations. However, during the Period Under Review, our business was not materially affected by global commodity price fluctuations for the following reasons:

- Sales of silver and palladium was not a major revenue contributor, having accounted for between 0.39% and 1.71% of our revenue during the Period Under Review. If the prices of scheduled waste with precious metals increase to a level that we believe is uneconomical for our recovery and recycling processes, we have the option of not purchasing these wastes as it would not have a material impact on our business.

- Purchases of diesel and fuel oil have generally been on a decreasing trend during the Period Under Review, having declined from 10.35% of total purchase of materials and services for FYE 2022 to 4.99% for FPE 2025. Furthermore, we utilise recovered fuel oil from our processes as fuel for our carbonisation and thermal oxidation process.

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7. BUSINESS OVERVIEW

7.11 MAJOR MACHINERY AND EQUIPMENT

As at 31 October 2025, the major machinery and equipment that we utilise for our operations are as follows:

Major machinery and equipment	Estimated average useful life	As at 31 October 2025		
		No. of units	Average age (years)	Audited NBV (RM'000)
PLO 83 & 317 Facility				**504**
Rotary kiln system: Carries out thermal oxidation to process waste sludge, solid metal hydroxide, and waste with high organic material content.	10[1]	1	>11[2]	163
Wastewater treatment plant: Treats wastewater from other processes so that the effluent is safe to discharge.	10[1]	1	>11[2]	133
Carboniser: Processes liquid and solid sludges that are contaminated with organic material by heating in low-oxygen environment to generate biogas and fuel oil.	10[1]	1	>11[2]	127
Auto-packing machine: Automatically packs sludge into metal drums before they are sent to the rotary kiln system.	10	1	8	59
Waste solvent recovery system: Recovers solvent through filtration, vacuum distillation, and / or thermal distillation.	10[1]	1	>11[2]	15
Waste coolant recovery system: Recovers coolant by desorption, de-emulsification, and separation.	10[1]	1	>11[2]	4
Waste oil recycling systems: Recycles oil by de-emulsification, homogenisation, reverse absorption, and LVDH.	10[1]	2	>11[2]	3
Drum decontamination machine: Washes and decontaminates metal and plastic drums.	10[1]	1	>11[2]	#
Rag decontamination machine: Washes and decontaminates gloves, washcloths, and other fabrics.	10[1]	1	>11[2]	#
Waste acid recovery system: Recovers acid by filtration and low vacuum dehydration.	10[1]	1	>11[2]	#
PLO 738 Facility				**3,247**
Rotary kiln system: Carries out thermal oxidation to process waste sludge, solid metal hydroxide, and liquid waste with high organic material content.	10	1	10	1,214
Carboniser: Processes liquid and solid sludges that are contaminated with organic material by heating in low-oxygen environment to generate biogas and fuel oil.	10	1	8	687

7. BUSINESS OVERVIEW

Major machinery and equipment	Estimated average useful life	As at 31 October 2025		
		No. of units	Average age (years)	Audited NBV (RM'000)
Waste oil recycling system: Recycles oil by de-emulsification, homogenisation, desorption, and LVDH.	10	1	10	435
Waste solvent recovery system: Recovers solvent through filtration, vacuum distillation, and / or thermal distillation.	10	1	9	221
Wastewater treatment plant: Treat wastewater from other processes so that the effluent is safe to discharge.	10	1	10	303
Auto packing machine: Automatically packs sludge into metal drums before they are sent to the rotary kiln system.	10	1	8	214
LVDH system: Removes water and volatile organic compounds from solvent, oil, or other liquids through low-temperature heating in a low-pressure environment (vacuum).	10	1	10	65
Waste coolant recovery system: Recovers coolant by desorption, de-emulsification, and separation.	10	1	9	47
E-waste recovery system: Process electronic wastes to recover metal hydroxides.	10	1	10	43
Container decontamination machine: Washes and decontaminates containers.	10	1	10	14
Waste acid and alkali recycling system: Recycles acid and alkali by filtration and low vacuum dehydration.	10	1	10	4
Total				**3,751**

Notes:
Fully depreciated as of 31 October 2025.

(1) We carry out preventive maintenance on our major machinery and equipment to ensure that they operate properly and safely as well as to minimise the risk of breakdowns. Thus, this machine or system is able to be utilised beyond its estimated useful life.

(2) This machine or system was acquired before 2015 and as of 31 October 2025, it is 11 or more years old. We do not have records of the acquisition date of machines and systems that we acquired before 2015 as we changed our accounting system in that year (2015).

We have not experienced any material disruptions in our scheduled waste management operations due to machinery and equipment breakdowns in the past. In the event a scheduled waste recovery and recycling system at one licensed facility breaks down for a prolonged period, we are able to utilise the similar system at our other facilities, subject to the availability of such system and the permitted SW Codes quota to be managed at those facilities. Please refer to **Section 9.1.5** of this Prospectus for risks relating to major breakdowns of our scheduled waste management facilities.

We did not acquire any major machinery and equipment between 1 November 2025 and the LPD.

7. BUSINESS OVERVIEW

7.12 MARKETING POSITIONING AND STRATEGIES

Our primary objectives are to expand our customer base, attract new clients, and capitalize on emerging business opportunities within the scheduled waste management sector.

7.12.1 Our market positioning

We strategically position ourselves in the market through the following key differentiators:

- **Comprehensive scheduled waste management service provider:** We position ourselves as a comprehensive provider of scheduled waste management services, catering to diverse industries, including key industries such as semiconductor and E&E, chemical, plastic, and rubber, metal and metal products, cars and other motor vehicles, and F&B manufacturing. Our in-house capabilities encompass the collection, recovery, and recycling of a wide range of scheduled wastes generated by these sectors. As at the LPD, we are licensed by the DOE to handle scheduled wastes under 34 SW Codes. Our collection services are primarily managed by our logistics team, comprising 26 trucks owned by us, 15 trucks owned by third parties, 17 drivers employed by us and 24 drivers employed by third parties, all of which are registered under our licences as at the LPD.

  The strategically located PLO 83 & 317 Facility and PLO 738 Facility are equipped with appropriate technologies for various scheduled waste management processes. These include recycling of waste acid and alkali, coolants, oil, and solvents, e-waste recovery; LVDH, carbonisation, thermal oxidation and the decontamination of containers and rags. Additionally, we operate on-site wastewater treatment plants as part of our in-house scheduled waste management process.

  As a comprehensive service provider, we offer customers the advantages of streamlined management, reduced administrative burden, and a single point of accountability for all their scheduled waste management needs.

- **Supporting ESG goals**: We emphasise to our customers how our services directly contribute to their ESG objectives. By ensuring the proper management of the scheduled wastes they generate, we mitigate negative environmental impact by recovering and recycling valuable and / or useful materials from scheduled waste reduces the demand for virgin resources and minimises overall waste generation. This alignment with ESG principles positions us as a preferred partner for environmentally conscious organisations.

- **Advancing the circular economy:** Our core business activities actively promote a circular economy. By recovering and recycling usable materials through our processes, we directly reduce the consumption of new raw materials and decrease the volume of waste destined for disposal. This focus on resource recovery and recycling makes us an attractive partner for businesses prioritising sustainability and circular economy initiatives.

- **Established track record and strong reputation:** With approximately 18 years of operational experience in scheduled waste management we have built a strong and reliable track record. Our reputation for expertise and effectiveness is further underscored by our engagement in critical environmental remediation projects for government bodies. A notable example is our successful clean-up of the pollution caused by the illegal dumping of toxic chemical waste into the Kim Kim River in Pasir Gudang, Johor in 2019, undertaken for the Jabatan Pengairan dan Saliran Negeri Johor. We are supported by an experienced Key Senior Management team, the majority of whom have between 14 years and 18 years of working experience in scheduled waste management.

- **Accredited in-house laboratory for reliable analysis**: Our in-house laboratory holds the ISO/IEC 17025:2017 accreditation, demonstrating our commitment to technical competence and robust management systems. This internationally recognised accreditation assures customers, regulatory bodies, and other stakeholders of the accuracy and reliability of our chemical analysis results, providing confidence in our waste characterisation and management processes.

7.12.2 Our marketing strategies and activities

We actively pursue marketing initiatives to expand our customer portfolio and capitalise on growth opportunities within the scheduled waste management sector. Our key marketing strategies and activities include:

- **Proactive customer acquisition**: We proactively target prospective clients to grow our customer base through various outreach efforts. This includes diligently following up on referrals from our existing network of satisfied customers, suppliers, service providers, and business associates.

- **Strategic account management and upselling**: We maintain close engagement with our existing customers to understand their evolving needs and identify opportunities to provide additional value through our range of services and products. This proactive approach strengthens customer relationships and fosters business growth.

- **Competitive bidding and direct negotiation**: We will continue to participate in tender processes and engage in direct negotiations with potential customers to secure new business. Our proposals highlight our competitive advantages and tailored solutions.

- **Industry engagement and brand building**: We participate in relevant exhibitions and industry events to enhance our brand visibility, directly interact with prospective customers, and effectively showcase our comprehensive services and capabilities to a wider market.

The exhibitions and industry events that we have participated in during the Period Under Review and up to the LPD include the following:

Year	Event	Location
2022	Semiconductors Environment, Health, and Safety (EHS) Week	Petaling Jaya, Selangor
2023	SunPower Environmental Campaign in conjunction with National Environment Day	Alor Gajah, Melaka
2024	Responsible sourcing for a sustainable future	Shah Alam, Selangor
2024	Safety, Health, Environment & Food Safety Week 2024	Rawang, Selangor
2024	Sustainable Procurement Conference: Transforming supply chains for a sustainable tomorrow	Kuala Lumpur
2025	Climate Action Workshop	Johor Bahru, Johor
2025	Occupational Health, Safety & Environment (OSHE) Day 2025	Pasir Gudang, Johor
2025	National Environment Day 2025 Celebrations – Perak state level	Bagan Datuk, Perak

7. BUSINESS OVERVIEW

7.12.3 Sales and marketing department

As at the LPD, our sales and marketing department is headed by our Head of Marketing, Boo Chin Hwee. He leads a total of 7 sales and marketing personnel in the following teams:

- Our head office team comprises 4 personnel. They are mainly responsible for securing new customers and supporting existing customers in Johor and the southern region of Peninsular Malaysia, and are based at our head office at PLO 738 Facility.

- Our central region team comprises 3 personnel who are mainly responsible for securing new customers and supporting existing customers in the central and northern regions of Peninsular Malaysia. This team operates under remote work arrangements.

In addition, our sales and marketing department monitors the collection of scheduled wastes under each SW Code to ensure adherence to monthly quotas. We are required to submit a quarterly summary to the DOE detailing the aggregate quantity of scheduled waste collected each month under each SW Code.

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7. BUSINESS OVERVIEW

7.13 RESEARCH AND DEVELOPMENT

We have an in-house R&D department for our scheduled waste management operations. Before accepting any new scheduled waste, our R&D team performs comprehensive chemical analysis to determine its characteristics. These analytical results guide our decisions on waste acceptance, pricing, and recovery and recycling processes.

Our R&D expenses accounted for 1.05%, 0.95%, 0.81%, and 1.09% of our total revenue for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. The details of our R&D expenses are set out below:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
R&D expenses	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
R&D-related staff salaries	411	60.26	508	66.58	531	82.45	523	70.68
Consumables and other related expenses	180	26.40	225	29.49	109	16.93	186	25.13
Purchase of testing equipment	91	13.34	30	3.93	4	0.62	31	4.19
Total R&D expenses	**682**	**100.00**	**763**	**100.00**	**644**	**100.00**	**740**	**100.00**

Our in-house laboratory conducts comprehensive tests and analyses on scheduled wastes to accurately assess their chemical composition and properties, including stability and reactivity, flammability, oxidation potential, and concentration (molarity). The following is a list of testing equipment that we own and analyses that we carry out in our in-house laboratory:

Testing equipment and analysis	**Main use of the equipment or objective of the analysis**
Calorific value meter	To measure the energy content (heating value) of a sample.
Flash point test	To evaluate the flammability characteristics of a sample.
Incubator	To measure the biochemical oxygen demand of a sample.
Inductively coupled plasma	To measure the concentration of heavy metals and other valuable elements present in a sample.
pH meter	To measure the acidity or alkalinity of a sample.
Laboratory-scale furnace	To simulate the thermal oxidation processes, assess material behaviour, and predict residue characteristics.
Titration	To accurately determine the concentration of specific substances (e.g., acids, alkalis, chlorides) through volumetric analysis.
Total organic carbon analyser	To measure the total organic carbon content in a sample, indicating the amount of organic pollution, and often includes the measurement of total inorganic carbon and total nitrogen.
Ultraviolet and visible light spectrometer	To measure chemical oxygen demand, fluoride content, and ammonia / nitrogen content of treated wastewater.

7. BUSINESS OVERVIEW

7.14 TECHNOLOGIES USED

We use various technologies in our scheduled waste recovery and recycling methods, selected based on the properties and characteristics of each scheduled waste. The key technologies used in our recovery and recycling methods are as follows:

Main scheduled waste recovery and recycling methods	Key technologies
Waste acid and alkali recycling	We recover usable acids or alkali by using filtration to remove solid contaminants and LVDH to remove water and volatile components from liquid waste.
Waste coolant recycling	We recycle coolant by using: • desorber to remove solid contaminants from the coolant oil-in-water emulsion; and • separation tank to remove any residual moisture.
Waste oil recycling	We recycle waste oil by using: • chemical recycling system with demulsifying agent to separate the oil from the water; • homogenisation tank for the separation of lighter oil from denser water and solid materials; • desorber to remove the remaining solid contaminants; and • LVDH for comprehensive purification.
Waste solvent recycling	We recover valuable solvent content by using: • vacuum distillation tank to recover solvent in waste solvents that have a boiling point lower than water; or • evaporator to recover solvent from waste solvent with a boiling point higher than water.
Carbonisation	We recover valuable outputs from waste sludge by using a reactor containing nitrogen gas to carry out pyrolysis. This cracks the organic content in the sludge, producing valuable outputs such as biogas and liquid fuel oil.
Low vacuum dehydration (LVDH)	We remove contaminants by using a tank, vacuum pump, and thermal oil heater to remove water and volatile components through controlled low-temperature heating within a vacuum environment.
E-waste recovery	We recover valuable materials from e-waste by using: • jaw crusher and metal separation system to extract ferrous metal pieces; and • digester tanks with acid solution to recover metal oxides.
Decontamination of containers and rags	We remove contaminants by using a washing system or washing machines with suitable cleaning agents to remove contaminants.
Thermal oxidation	We recover valuable outputs from waste sludge and e-waste by using a rotary kiln, heat exchanger, and wet scrubber system to process waste sludge, solid metal hydroxide from e-waste recovery, and liquid waste with high organic material content.
Wastewater treatment	We remove contaminants by using biological, physical-chemical, and other treatment systems designed to treat wastewater before discharge into the public drainage system.

7. BUSINESS OVERVIEW

7.15 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Our Group did not experience any material interruptions to our business during the past 12 months up to the LPD.

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7. BUSINESS OVERVIEW

7.16 MAJOR CUSTOMERS

All of our top 5 customers for the Period Under Review are from Malaysia, and they are as follows:

FYE 2022

Major customers	Services provided	Length of business relationship[1] (years)	Revenue contribution	
			RM'000	%
Customer A	Scheduled waste management services	Less than 1	6,640	10.22
Customer B	Scheduled waste management services	2	4,947	7.61
Advanced Assembly Materials (M) Sdn Bhd	Scheduled waste management services, trading of chemicals and other products	2	4,474	6.89
Customer C[2]	Scheduled waste management services, supply of recovered and recycled products	13	2,487	3.83
Customer D	Supply of recovered and recycled products	5	2,061	3.17
Subtotal of top 5 customers			**20,609**	**31.72**
Total revenue			**64,969**	

Notes:
(1) As at the FYE 2022.

(2) As at the LPD, we have a service agreement which sets out the general terms and conditions governing our business relationship with Customer C, including the duration of the agreement, respective obligations of both parties, type of scheduled waste to be collected and managed by our Group, unit pricing for each type of scheduled waste, and payment terms.

7. BUSINESS OVERVIEW

FYE 2023

Major customers	Services provided	Length of business relationship[(1)] (years)	Revenue contribution	
			RM'000	%
Customer E	Scheduled waste management services	1	17,239	21.56
Customer F	Scheduled waste management services	4	4,921	6.15
Customer A	Scheduled waste management services	1	3,032	3.79
Customer D	Supply of recovered and recycled products	6	2,907	3.64
Group H	Scheduled waste management services	1	2,637	3.30
Subtotal of top 5 customers			**30,736**	**38.44**
Total revenue			**79,961**	

Note:
(1) As at the FYE 2023.

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7. BUSINESS OVERVIEW

FYE 2024

Major customers	Services provided	Length of business relationship[1] (years)	Revenue contribution	
			RM'000	%
Customer E	Scheduled waste management services	2	10,059	12.55
Customer F	Scheduled waste management services	5	5,410	6.75
SJ Varied Sdn Bhd	Scheduled waste management services	8	3,178	3.97
Customer C[2]	Scheduled waste management services, supply of recovered and recycled products	15	3,015	3.76
Customer G	Scheduled waste management services	12	3,000	3.74
Subtotal of top 5 customers			**24,662**	**30.77**
Total revenue			**80,149**	

Notes:

(1) As at the FYE 2024.

(2) As at the LPD, we have a service agreement which sets out the general terms and conditions governing our business relationship with Customer C, including the duration of the agreement, respective obligations of both parties, type of scheduled waste to be collected and managed by our Group, unit pricing for each type of scheduled waste, and payment terms.

7. BUSINESS OVERVIEW

FPE 2025

Major customers	Services provided	Length of business relationship[1] (years)	Revenue contribution	
			RM'000	%
Customer E	Scheduled waste management services	3	7,105	10.49
Customer F	Scheduled waste management services	6	5,219	7.70
SJ Varied Sdn Bhd	Scheduled waste management services	9	4,529	6.68
Customer D	Supply of recovered and recycled products	8	2,689	3.97
Customer C[2]	Scheduled waste management services, supply of recovered and recycled products	16	2,309	3.41
Subtotal of top 5 customers			**21,851**	**32.25**
Total revenue			**67,754**	

Notes:

(1) As at the FPE 2025.

(2) As at the LPD, we have a service agreement which sets out the general terms and conditions governing our business relationship with Customer C, including the duration of the agreement, respective obligations of both parties, type of scheduled waste to be collected and managed by our Group, unit pricing for each type of scheduled waste, and payment terms.

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7. BUSINESS OVERVIEW

We are dependent on Customer E by virtue of its contribution of more than 10.00% of our total revenue in FYE 2023, FYE 2024 and FPE 2025. Due to the nature of our business with Customer E which is based on purchase orders issued by them at their discretion without long-term contractual commitments, there can be no assurance that we will continue to secure orders from Customer E in the future. As at the LPD, Customer E has been our customer for approximately 4 years, and there have not been any disruptions in our business dealings with them during the Period Under Review and up to the LPD. Furthermore, we served a large customer base of 419 customers, 450 customers, 459 customers and 502 customers in FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

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7. BUSINESS OVERVIEW

7.17 MAJOR SUPPLIERS

All of our top 5 suppliers of materials and services for the Period Under Review are from Malaysia, and they are as follows:

FYE 2022

Major suppliers	Materials / Services procured	Length of business relationship[1] (years)	Purchases of materials and services	
			RM'000	%
Amita Naza Sdn Bhd	Sludge disposal	4	4,415	20.49
Cubitech Resources Sdn Bhd	Collection of recycled usable materials	5	2,247	10.43
Tenaga Nasional Berhad	Electricity	25	1,287	5.97
Shell Malaysia Trading Sdn Bhd	Diesel and fuel oil	13	992	4.60
Supplier A	Sludge disposal	13	939	4.36
Subtotal of top 5 suppliers			**9,880**	**45.85**
Total purchases of materials and services			**21,550**	

Note:
(1) As at the FYE 2022.

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7. BUSINESS OVERVIEW

FYE 2023

Major suppliers	Materials / Services procured	Length of business relationship[(1)] (years)	Purchases of materials and services	
			RM'000	%
Amita Naza Sdn Bhd	Sludge disposal	5	4,032	16.21
Supplier B	Subcontracted sorting, labelling, and loading services	Less than 1	1,860	7.48
Cubitech Resources Sdn Bhd	Collection of recycled usable materials	6	1,775	7.14
Group H	Scheduled wastes with valuable materials	1	1,658	6.67
Genuine Rubber Production Sdn Bhd	Collection of recycled usable materials	1	1,618	6.51
Subtotal of top 5 suppliers			**10,943**	**44.00**
Total purchases of materials and services			**24,873**	

Note:
(1) As at the FYE 2023.

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7. BUSINESS OVERVIEW

FYE 2024

Major suppliers	Materials / Services procured	Length of business relationship[(1)] (years)	Purchases of materials and services	
			RM'000	%
Amita Naza Sdn Bhd	Sludge disposal	6	4,434	15.97
Genuine Rubber Production Sdn Bhd	Collection of recycled usable materials	2	2,004	7.22
Yeek Faa Enterprise	Subcontracted sorting, labelling, and loading services	Less than 1	1,878	6.76
Supplier C	Collection of recycled usable materials	1	1,643	5.92
Group H	Scheduled wastes with valuable materials	2	1,586	5.71
Subtotal of top 5 suppliers			**11,545**	**41.58**
Total purchases of materials and services			**27,767**	

Note:
(1) As at the FYE 2024.

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7. BUSINESS OVERVIEW

FPE 2025

Major suppliers	Materials / Services procured	Length of business relationship[(1)] (years)	Purchases of materials and services	
			RM'000	%
Amita Naza Sdn Bhd	Sludge disposal	7	2,094	9.35
Yeek Faa Enterprise	Subcontracted sorting, labelling, and loading services	1	1,457	6.50
Supplier D	Sludge disposal	Less than 1	1,179	5.26
Group H	Scheduled wastes with valuable materials	3	945	4.22
Genuine Rubber Production Sdn Bhd	Collection of recycled usable materials	3	929	4.15
Subtotal of top 5 suppliers			**6,604**	**29.48**
Total purchases of materials and services			**22,402**	

Note:
(1) As at the FPE 2025.

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7. BUSINESS OVERVIEW

For clarity, sludge disposal services constitute scheduled waste disposal services which are required to be carried out by contractors licensed by the DOE. Accordingly, Amita Naza Sdn Bhd, Supplier A and Supplier D are licensed contractors for sludge disposal services under the relevant SW Codes.

Save as disclosed above, none of our other major suppliers are required to be licensed by the DOE for the respective services that we engaged them for.

Although the following suppliers accounted for 10.00% or more of our purchases of materials and services during the Period Under Review, we are not dependent on them as suppliers for the following reasons:

- Amita Naza Sdn Bhd accounted for 20.49%, 16.21%, 15.97% and 9.35% of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. We maintain flexibility in our residue disposal arrangements by engaging a total of 6 licensed contractors to provide this service during the Period Under Review. This diversified approach ensures that we have readily available alternative options if and when needed, mitigating any reliance on a single provider.

- Cubitech Resources Sdn Bhd accounted for 10.43% of our total purchases of materials and services for FYE 2022. We are not dependent on them as our purchases from this supplier decreased to 7.14% in FYE 2023 and they were not one of our major suppliers in FYE 2024 and FPE 2025.

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7. BUSINESS OVERVIEW

7.18 OUR BUSINESS STRATEGIES AND FUTURE PLANS

7.18.1 Overview

Our business strategies and growth plans focus on leveraging our core strengths in scheduled waste management and the supply of recovered and recycled products. The diagram below provides a summary of our strategies and plans.



Our business strategy is focused on establishing 2 new scheduled waste management facilities:
- PLO 321 Facility; and
- New Perak Facility.

7.18.2 Establish PLO 321 Facility

As at the LPD, we are in the process of establishing PLO 321 Facility, a new scheduled waste management facility, on a plot of land that we own at Jalan Perak 2 in the Kawasan Perindustrian Pasir Gudang, Johor. The acquisition of the land was completed on 9 October 2024.

The land is approximately 217,797 sq ft in size and it is adjacent to PLO 83 & 317 Facility as depicted in the following map.



7. BUSINESS OVERVIEW

PLO 321 Facility will include the following:

- Phase 1 comprises a warehouse and logistics office; and
- Phase 2 comprises a scheduled waste management facility and an operations office.

Construction work on Phase 1 commenced in August 2022 and was completed in November 2023 when we received the CCC for the warehouse and logistics office. We commenced operations at the warehouse by storing recovered and recycled materials in March 2024.

The completed warehouse at PLO 321 Facility



In May 2024, we received EIA approval to manage scheduled wastes covered by 27 SW Codes at PLO 321 Facility, out of which 4 are new to us (SW 103, SW 205, SW 406, and SW 429) while we are approved to manage the other 23 at PLO 83 & 317 Facility and / or PLO 738 Facility. The SW Codes that PLO 321 Facility has been approved to manage and their respective approved maximum monthly quantities are listed in the table below:

PLO 321 Facility: SW Codes[1]	**Maximum monthly quantity (tonnes)**
SW 103 - Waste of batteries containing cadmium and nickel or mercury or lithium[2]	200
SW 104 - Dust, slag, dross or ash from iron and steel factory	#
SW 202 - Waste catalysts[3]	650 and #
SW 204 - Sludges containing one or several metals	#
SW 205 - Waste gypsum arising from chemical industry or powerplant[2]	#
SW 206 - Spent inorganic acids	3,000
SW 207 - Sludges containing fluoride	#
SW 303 - Adhesive or glue waste[4]	130 and #
SW 308 - Oil tanker sludge	#
SW 309 - Oil-water mixture such as ballast water	&
SW 311 - Waste oil or oily sludge	# and &
SW 312 - Oily residue from automotive workshop, service station oil or grease interceptor	#

7. BUSINESS OVERVIEW

PLO 321 Facility: SW Codes[1]	Maximum monthly quantity (tonnes)
SW 314 - Oil or sludge from oil refinery plant maintenance operation	# and &
SW 321 - Rubber or latex waste or sludge containing organic solvents or heavy metals	#
SW 322 - Waste of non-halogenated organic solvents	300
SW 323 - Waste of halogenated organic solvents	200
SW 401 - Spent alkalis containing heavy metals	^
SW 402 - Spent alkalis with pH more or equal to 11.5	^
SW 406 - Clinker, slag and ashes from scheduled waste incinerator[2]	#
SW 408 - Contaminated soil, debris or matter resulting from cleaning-up or a spill of chemical, mineral oil or scheduled waste	#
SW 409 - Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	150.5
SW 410 - Rags, plastics, papers or filters contaminated with scheduled waste	200
SW 416 - Sludges of inks, paints, pigments, lacquer, dye or varnish	#
SW 417 - Waste of inks, paints, pigments, lacquer, dye or varnish	#
SW 418 - Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvent	#
SW 427 - Mineral sludges including calcium hydroxide sludges, phosphating sludges, calcium sulphite sludges and carbonates sludges	#
SW 429 - Chemicals that are discarded or off-specification[2]	400[5]

Notes:

PLO 321 Facility has been approved to utilise the rotary kiln to process scheduled wastes under the SW 104, SW 202, SW 204, SW 205, SW 207, SW 303, SW 308, SW 311, SW 312, SW 314, SW 321, SW 406, SW 408, SW 416, SW 417, SW 418, and SW 427 codes with collective maximum monthly quantity of 6,000 tonnes.

& PLO 321 Facility has been approved to utilise the waste oil recycling method to process scheduled wastes under the SW 309, SW 311, and SW 314 codes with collective maximum monthly quantity of 2,600 tonnes.

^ PLO 321 Facility has been approved to utilise the waste alkali recycling method to process scheduled wastes under the SW 401 and SW 402 codes with collective maximum monthly quantity of 5,000 tonnes.

(1) The descriptions of the SW Codes are in the glossary of technical terms.

(2) This is a new SW Code for us that is first approved for management at PLO 321 Facility.

(3) PLO 321 Facility has been approved to process up to 650 tonnes of SW 202 a month using the carboniser and digestion method. The facility has also been approved to process SW 202 using the rotary kiln as described in note #.

(4) PLO 321 Facility has been approved to process up to 130 tonnes of SW 303 a month using the solvent distillation method. The facility has also been approved to process SW 303 using the rotary kiln as described in note #.

(5) PLO 321 Facility has been approved to process a collective total of up to 400 tonnes per month of SW 429 using the waste acid recycling method (up to 100 tonnes per month), waste alkali recycling method (up to 100 tonnes per month), and the solvent distillation method (up to 200 tonnes per month).

We commenced work on constructing Phase 2 in April 2025. As at the LPD, construction works and installation of the machinery and equipment are on-going, and we expect to complete them by the 1st half of 2026. As per the normal procedure, the DOE Johor will issue the licence for the PLO 321 Facility to operate as a scheduled waste management facility for the SW Codes listed in the table above after the construction of Phase 2 is completed, the CCC has been obtained, all of the machinery and equipment have been installed, tested, and commissioned, and DOE Johor has completed their inspection. We expect to complete construction works by the 1st half of 2026. We anticipate that the licence will be issued by the 2nd half of 2026, after which the new facility will commence operations in providing scheduled waste management services.

The estimated number of employees for the establishment of PLO 321 Facility is approximately 80 employees, details of which are as follows:

Department	No. of employees
Production	65
Logistics	10
R&D	4
Safety, Health and Environment	1
Total	**80**

We plan to install machinery and equipment for the following scheduled waste recovery and recycling methods at PLO 321 Facility:

- Waste acid and alkali recycling;
- Waste oil recycling;
- Container and rag decontamination;
- Waste solvent recovery, including vacuum distillation, thermal oil heating, and LVDH;
- Rotary kiln with cogeneration system and ARM processing;
- SRF pelletising;
- Spent electric vehicle (EV) battery recovery; and
- Wastewater treatment plant.

SRF pelletising and spent EV battery recovery are new scheduled waste recovery and recycling methods that we plan to utilise at the PLO 321 Facility. By producing SRF pellets in-house, we are able to generate additional revenue by selling SRF pellets to customers for use as alternative fuel or we can use them internally to reduce our fuel consumption and costs. Meanwhile, spent EV battery recovery will enable us to recover materials such as lithium, cobalt, nickel, and copper from spent EV batteries. Currently, these methods are not in use at our existing licensed facilities. In addition, the rotary kiln that we plan to install at PLO 321 Facility is different from our existing rotary kilns as it will incorporate a cogeneration system. These scheduled waste recovery and recycling methods and systems are described in **Section 7.18.4** of this Prospectus.

7. BUSINESS OVERVIEW

As set out in **Section 4.8.1** of this Prospectus, while the annual utilisation rates (based on quantity collected) for each scheduled waste category were below 50% during the Period Under Review, we observed that the utilisation rates for certain SW Codes were significantly higher during specific months of the financial years.

In this regard, the monthly utilisation rates (based on quantity collected) for each scheduled waste category are not solely driven by the demand from customers. The quantity that we are able to collect also depend on the composition and characteristics of the wastes that we collected, which may differ materially notwithstanding their categorisation under the same SW Code. For instance, certain batches of wastes may be more complex than others within the same SW code, thereby requiring additional processes and time for recovery or recycling.

In such circumstances, notwithstanding that there is available permitted quota for that month, our Group may not be able to accept additional waste (even when there is a demand) due to operational constraints such as machine capacity and limited designated storage space. These operational constraints do not only affect the collection of the particular SW Code, they may also limit the collection of wastes under other SW codes as storage space and certain machinery are shared across multiple SW codes. This results in a cascading effect on the Group's overall ability to collect and process other types of scheduled waste during the same period.

Given that the scheduled waste quota is imposed on a monthly basis and cannot be carried forward, the establishment of the PLO 321 Facility enables us to address such operational constraints and capitalise on business opportunities that arise during such peaks in demand that occur from time to time. Although not all SW Codes recorded high utilisation rates during the Period Under Review, the inclusion of a wider range of SW Codes for the PLO 321 Facility is necessary to provide our Group with greater operational flexibility to manage fluctuations and respond to changes in demand, where applicable.

In addition, the utilisation rates of our major machinery and equipment were relatively high during the Period Under Review, as set out in **Section 7.9.2** of this Prospectus. Overall, the utilisation levels of the major machinery and equipment at the PLO 83 & 317 Facility and PLO 738 Facility were generally above 50%, except for the rag decontamination machine at the PLO 83 & 317 Facility in FYE 2023. In FPE 2025, some of our major machinery and equipment recorded utilisation rates exceeding 70%, including the rotary kiln system, carboniser, container decontamination machine, rag decontamination machine and waste acid recycling system at the PLO 83 & 317 Facility as well as the rotary kiln system, carboniser, waste coolant recycling system, wastewater treatment plant and auto packing machine at the PLO 738 Facility.

Having considered the above, the establishment of the PLO 321 Facility is primarily intended to increase our overall scheduled waste management capacity to cater to the demand from customers in the Peninsular Malaysia and support our business growth by enabling us to process larger quantities and a wider range of scheduled wastes.

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We acquired the land for RM13.00 million(1) in October 2024 and incurred costs of RM15.50 million(1) in setting up Phase 1, and we estimate the total cost of setting up Phase 2 is RM72.00 million (including the cost of constructing the buildings, and purchasing, installing, testing, and commissioning the machinery and equipment). As at the LPD, we have incurred RM25.52 million(1) in setting up Phase 2. The remaining RM46.48 million will be funded entirely with our internally generated funds.

Note:
(1) Out of the total RM54.02 million incurred for the PLO 321 Facility (including land cost) up to the LPD, approximately RM24.10 million were funded via the proceeds raised from our SGX Listing, breakdown of which are as follows:

Details		Amount RM'000
(i)	Acquisition of land	10,598
(ii)	Building construction	6,519
(iii)	Purchase of machinery and equipment	6,980
Total		**24,097**

The remaining RM29.92 million were funded via our internally-generated funds.

7.18.3 Establish the New Perak Facility

We plan to establish a new scheduled waste management facility in Perak, namely the New Perak Facility. This new facility will be developed on 2 parcels of leasehold land measuring in aggregate 607,784 sq ft in Batang Padang, Perak, namely Lot 13416 & 13417. The acquisition of Lot 13416 & 13417 by 5ERNSB was completed on 5 January 2026.

The estimated built-up area of the New Perak Facility is approximately 300,000 sq ft. The facility will include the following:
- operations office for administrative functions;
- laboratory to carry out sample analysis and testing;
- scheduled waste storage, recovery, and recycling area;
- warehouse to store recovered and recycled products; and
- vehicle parking area.

The remaining land area is reserved for setbacks, landscaping, circulation areas such as loading bays and parking, as well as potential future expansion, where applicable.

Prior to the acquisition of Lot 13416 & 13417, our management team carried out market research and evaluation in relation to the establishment of the New Perak Facility, which included site visits to potential locations to assess suitability and accessibility. We also held meetings and interviews with several existing customers in the central and northern regions of Peninsular Malaysia to better understand their requirements, while also identifying and engaging with potential customers in these regions to assess the market demand for scheduled waste management services. Further, we consulted with environmental experts and engaged with local authorities to obtain insights on the investment climate in these regions including state government initiatives to promote the establishment of automotive (including EV), semiconductor, electrical and electronics, halal products, and medical equipment manufacturing facilities in Perak, Penang, and Kedah, which are expected to drive higher demand for scheduled waste management services upon commencement of these manufacturing activities. Additionally, a pre-assessment of Lot 13416 & 13417 with DOE was carried out to ensure that the land meets DOE requirements.

7. BUSINESS OVERVIEW

Based on our internal assessment, customers' feedback and observed market trends, our Group anticipates demand for the relevant SW Codes that we are applying for including the new SW Codes, further details of which are set out in the table below. For clarity, we did not conduct independent feasibility studies in relation to the establishment of the New Perak Facility.

In January 2026, DOE Perak approved our EIA application for the establishment of the New Perak Facility and for the provision of scheduled waste management services covering 44 SW Codes, 6 of which have not been licensed to us to manage at our existing licensed facilities or PLO 321 Facility. The SW Codes that have been approved and their respective approved monthly quantities are as follows:

SW Codes[(1)]	**Maximum monthly quantity (tonnes)**
SW 103 – Waste of batteries containing cadmium and nickel or mercury or lithium	800
SW 104 – Dust, slag, dross or ash from iron and steel factory	500 and #
SW 110 – Waste from electrical and electronic assemblies	900
SW 202 – Waste catalysts	1,000 and #
SW 204 – Sludges containing one or several metals	#
SW 205 – Waste gypsum arising from chemical industry or powerplant	#
SW 206 – Spent organic acids	@
SW 207 – Sludges containing fluoride	#
SW 301 – Spent organic acids with pH less or equal to 2	@
SW 302 – Flux waste[(2)]	©
SW 303 – Adhesive or glue waste	©
SW 305 – Spent lubricating oil	&
SW 306 – Spent hydraulic oil	&
SW 307 – Spent mineral oil-water emulsion	&
SW 308 – Oil tanker sludge	®
SW 309 – Oil-water mixture such as ballast water	&
SW 310 – Sludge from mineral oil storage tank	®
SW 311 – Waste oil or oily sludge	®
SW 312 – Oily residue from automotive workshop, service station oil or grease interceptor	®
SW 313 – Oil contaminated earth from refining of used lubricating oil	®
SW 314 – Oil or sludge from oil refinery plant maintenance operation	®
SW 315 – Tar or tarry residue from oil refinery or petrochemical plant[(2)]	®
SW 319 – Waste phenols or phenol compounds[(2)]	©
SW 321 – Rubber or latex waste or sludge containing organic solvents or heavy metals	#
SW 322 – Waste of non-halogenated organic solvents	©
SW 323 – Waste of halogenated organic solvents	©
SW 325 – Uncured resin waste containing organic solvents or heavy metals including epoxy resin and phenolic resin	©
SW 327 – Waste of thermal fluids (heat transfer) such as ethylene glycol	©

7. BUSINESS OVERVIEW

SW Codes[(1)]	Maximum monthly quantity (tonnes)
SW 401 – Spent alkalis containing heavy metals	^
SW 402 – Spent alkalis with pH more or equal to 11.5	^
SW 405 – Waste from preparing and producing pharmaceuticals[(2)]	©
SW 406 – Clinker, slag and ashes from scheduled waste incinerator	#
SW 408 – Contaminated soil, debris or matter resulting from cleaning-up or a spill of chemical, mineral oil or scheduled waste	#
SW 409 – Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	202
SW 410 – Rags, plastics, papers or filters contaminated with scheduled waste	260
SW 411 – Spent activated carbon excluding carbon from treatment of potable water and processes of the food industry and vitamin production	#
SW 416 – Sludges of inks, paints, pigments, lacquer, dye or varnish	#
SW 417 – Waste of inks, paints, pigments, lacquer, dye or varnish	#
SW 418 – Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvent	#
SW 421 – A mixture of scheduled wastes[(2)]	200
SW 422 – A mixture of scheduled and non-scheduled wastes	260
SW 424 – Spent oxidizing agent[(2)]	130
SW 427 – Mineral sludges including calcium hydroxide sludges, phosphating sludges, calcium sulphite sludges and carbonates sludges	#
SW 429 – Chemicals that are discarded or off-specification	400

Notes:

The New Perak Facility has been approved to utilise the ARM process with rotary kiln, alternative fuel, and SRF methods to process scheduled wastes under the SW 104, SW 202, SW 204, SW 205, SW 207, SW 321, SW 406, SW 408, SW 411, SW 416, SW 417, SW 418, and SW 427 codes with collective maximum monthly quantity of 8,000 tonnes.

@ The New Perak Facility has been approved to utilise the waste acid recovery method to process scheduled wastes under the SW 206 and SW 301 codes with collective maximum monthly quantity of 5,000 tonnes.

© The New Perak Facility has been approved to utilise the waste solvent recovery method to process scheduled wastes under the SW 302, SW 303, SW 319, SW 322, SW 323, SW 325, SW 327, and SW 405 codes with collective maximum monthly quantity of 5,000 tonnes.

& The New Perak Facility has been approved to utilise the waste oil (liquid) recovery method to process scheduled wastes under the SW 305, SW 306, SW 307, and SW 309 codes with collective maximum monthly quantity of 6,500 tonnes.

® The New Perak Facility has been approved to utilise the waste oil (sludge) recovery method to process scheduled wastes under the SW 308, SW 310, SW 311, SW 312, SW 313, SW 314, and SW 315 codes with collective maximum monthly quantity of 5,000 tonnes.

7. BUSINESS OVERVIEW

^ The New Perak Facility has been approved to utilise the waste alkali recycling method to process scheduled wastes under the SW 401 and SW 402 codes with collective maximum monthly quantity of 6,500 tonnes.

(1) The descriptions of the SW Codes are in the glossary of technical terms.

(2) As at the LPD, we have not been licensed to manage this SW Code at our existing scheduled waste management facilities or PLO 321 Facility.

We plan to install machinery and equipment for the following scheduled waste recovery and recycling methods at the New Perak Facility:

- Waste acid and alkali recycling;
- Waste oil recycling with anaerobic thermal separation;
- Carboniser;
- E-waste recovery with hydrometallurgical recovery and smelting;
- Container and rag decontamination;
- Waste solvent recovery, including vacuum distillation, thermal oil heating, and LVDH;
- Rotary kiln with cogeneration and ARM processing;
- SRF pelletising;
- Spent EV battery recovery;
- Solar photovoltaic (PV) panel recovery; and
- Wastewater treatment plant.

We plan to carry out several new scheduled waste recovery and recycling methods at the New Perak Facility that we currently do not utilise at our existing licensed facilities, namely SRF pelletising, spent EV battery recovery, and solar PV panel recovery. Meanwhile, the waste oil recycling process at the New Perak Facility will utilise anaerobic thermal separation (instead of the process used at our existing licensed facilities) and the e-waste recovery system will utilise hydrometallurgical recovery and will include a smelter. In addition, the rotary kiln at the New Perak Facility will have a cogeneration system. These scheduled waste recovery and recycling methods and systems are described in **Section 7.18.4** of this Prospectus.

As our existing facilities and the PLO 321 Facility currently under construction are all located in Pasir Gudang, Johor, our business operations are predominantly concentrated within the southern region of Peninsular Malaysia, as reflected by the revenue contribution from our customers in this region which accounted for more than 75% of our Group's total revenue during the Period Under Review.

While the PLO 321 Facility will increase our overall capacity to cater to the demand in the southern region, the New Perak Facility marks our geographical expansion into the central and northern regions of Peninsular Malaysia which would enable us to better serve our existing and potential customers in these regions, as it will be closer to their locations. This will reduce our transportation costs, thereby allowing us to offer a more competitive pricing, as well as minimising risk of accidents occurring during transportation. Furthermore, the New Perak Facility will place us in a better position to secure new customers and capitalise on business opportunities in these regions, thereby driving business growth.

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7. BUSINESS OVERVIEW

For information, the revenue contribution from our customers in the central and northern regions collectively accounted for 15.84%, 14.27%, 17.99% and 17.53% of our Group's total revenue for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively.

The indicative timeline for setting up the New Perak Facility is as follows:

Indicative timeline	Milestones
2nd half of 2026	• Submit application for building plan approval to the authorities.
1st half of 2027	• Obtain building plan approval from the authorities. • Engage a main contractor to construct the New Perak Facility.
2nd half of 2027	• Commence construction works on the new facility.
2nd half of 2029	• Complete construction works on the New Perak Facility. • Complete the installation, testing, and commissioning of the scheduled waste recovery and recycling equipment.
1st half of 2030	• Obtain the off-site licence from DOE Perak. • Obtain the other relevant approvals, licences and / or certifications. • Commence scheduled waste management operations.

Further, the estimated number of employees for the establishment of New Perak Facility is approximately 300 employees, details of which are as follows:

Department	No. of employees
Accounts	4
Human Resources and Administration	3
Production	247
Logistics	31
R&D	5
Marketing	4
Safety, Health and Environment	2
Purchasing	3
Management Information System	1
Total	**300**

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The estimated costs of setting up the New Perak Facility are summarised in the following table:

Establishing operational facilities	[1]Estimated cost (RM'000)
Building construction	
Construction costs, comprising:	45,055
Preliminary works	*3,175*
Earthworks	*3,909*
Structural and architectural works	*21,980*
Mechanical and electrical works	*9,524*
External works	*3,492*
Other costs and contingencies	*2,975*
Consultancy and professional fees[2]	1,100
	46,155
Machinery and equipment	
Wastewater treatment plant	21,000
Rotary kiln with cogeneration system	20,000
ARM processing system (integrated with the rotary kiln)	3,000
Spent EV battery recovery system	3,000
Waste acid and alkali recycling system	2,500
SRF pelletising system	2,000
Waste oil recycling system[3]	2,000
E-waste recovery system[4]	2,000
Waste coolant recycling system	1,500
Solar PV panel recovery system	1,500
Laboratory	1,500
Rag and container decontamination system	500
8 units of storage tanks	2,500
Contingencies	1,500
	64,500
Total	**110,655**

Notes:

(1) Estimated cost based on quotations, save for contingencies.

(2) Comprises fees for architects, mechanical and electrical consultants, and certification companies.

(3) Waste oil recycling system with anaerobic thermal separation. Further details of the anaerobic thermal separation method are set out in **Section 7.18.4(d)** of this Prospectus.

(4) E-waste recovery system with hydrometallurgical recovery and smelter. Further details of the hydrometallurgical recovery and smelting methods are set out in **Sections 7.18.4(e)** and **7.18.4(f)** of this Prospectus.

We intend to utilise proceeds from the IPO as well as internally generated funds and / or bank borrowings to finance the setting up of the New Perak Facility, as follows:

Setting up the New Perak Facility	Total estimated cost (RM'000)	Source of funds	
		IPO proceeds (RM'000)	Internally generated funds / Bank borrowings (RM'000)
Building construction	46,155	24,000	22,155
Machinery and equipment	64,500	34,000	30,500

7.18.4 New scheduled waste recovery and recycling methods

As part of our business strategy and plans, we intend to install machinery and equipment at PLO 321 Facility and / or New Perak Facility to carry out the following new scheduled waste recovery and recycling methods:

(a) SRF pelletising

We intend to use the SRF pelletising method to convert cleaned and decontaminated cotton rags that are no longer usable and saleable (such as worn out or torn cotton gloves and wash cloths) into fuel pellets that we can use in-house or sell to customers. At present, these non-usable rags are collected by third party companies for further use. By producing SRF pellets in-house, we can generate additional revenue by selling SRF pellets to customers to use as fuel, or we can use them in-house to reduce our fuel costs.

The SRF pelletising systems that we plan to purchase and install comprise the following main components:

- Hopper where cotton rags are loaded into the system;
- Conveyor belt to transport cotton rags from the hopper to the shredder;
- Shredder to shred the cotton rags into fibres;
- Compressor to form and compress the cotton fibres into strands; and
- Cutter to cut the strands into pellets.

(b) Spent EV battery recovery

The spent EV battery recovery process is designed to recover materials such as lithium, cobalt, nickel, and copper from spent EV batteries that are damaged or removed from decommissioned EV.

The spent EV battery recovery equipment that we plan to purchase and install comprise the following main components:

- Jaw crusher to crush disassembled EV battery components into smaller fragments;
- Metal separator that uses magnets to recover ferrous metal pieces;
- Digester where acid solution is used to react with non-ferrous metals to produce liquid metal hydroxides;
- Metal precipitator where precipitating chemicals are added to convert the liquid metal hydroxides into solid metal hydroxides; and
- Filter press to separate the solid metal hydroxides from the liquid.

The solid metal hydroxides are then transferred to a rotary kiln for the recovery of metal oxides, while the remaining solution is transferred to a wastewater treatment plant for further processing.

7. BUSINESS OVERVIEW

(c) Solar PV panel recovery

Solar PV panel recovery is designed to recover materials such as silicon, glass, aluminium, copper, silver, lead, and plastics from solar PV panels that are damaged or removed from decommissioned systems.

The solar PV panel recovery process will start with dismantling the unit to separate components such as the frame, glass, and solar cells. The glass is kept aside while the frame and solar cells are processed further using the solar PV panel recovery system.

The solar PV panel recovery system that we plan to purchase and install comprises the following main components:

- Jaw crusher to crush the frame and solar cells into smaller fragments;
- Sieving and electrostatic separation system to isolate and recover silicon;
- Metal separator that uses magnets to recover ferrous metal pieces;
- Digester where acid solution is used to react with non-ferrous metals to produce liquid metal hydroxides;
- Metal precipitator where precipitating chemicals are added to convert the liquid metal hydroxides into solid metal hydroxides; and
- Filter press to separate the solid metal hydroxides from the liquid.

The solid metal hydroxides are then transferred to a rotary kiln for the recovery of metal oxides. The remaining solution is transferred to a wastewater treatment plants for further processing.

(d) Anaerobic thermal separation

The waste oil recycling system at the New Perak Facility will use anaerobic thermal separation to recover and recycle metal and fuel oil from metal products (such as spent catalysts) that are contaminated by volatile contaminants (such as VOC and oil). The recovered metal can then be sold to customers, while the fuel oil can be used in-house or sold to customers.

The material is loaded into the anaerobic thermal separation system's reactor where a continuous flow of nitrogen maintains a low oxygen environment. The reactor is heated in a controlled manner to evaporate the VOC and oils, which do not burn due to the lack of oxygen. The metal material left behind is collected for sale to customers, and the vaporised VOC and oil is condensed and collected as fuel oil. Meanwhile, the flue gases from this process are processed by an air pollution control system comprising a deodoriser and wet scrubber, and the treated gases are discharged into the atmosphere through a chimney.

(e) Hydrometallurgical recovery

The e-waste recovery system at the New Perak Facility will use the hydrometallurgical recovery method to recover metal and metal hydroxides from crushed e-waste, EV battery, and solar PV panel material. After passing through a metal separation system (where magnets are used to recover ferrous metal pieces, which are collected and sold as scrap) the remaining solid components and non-ferrous metals are transferred into digester tanks, where an acid solution is used to react with non-ferrous metals to produce metal hydroxides. Steam from the cogeneration system will be used to heat the digester tank, which helps the reaction process.

Undissolved material is separated from the liquid through filtration, and the liquid is transferred into the metal recovery system. Recovery of dissolved metals is achieved through a combination of the following methods:

- Electrowinning, where copper electrodes are placed in the liquid to create a circuit. When a direct electrical current is applied across the circuit, it flows from the positive terminal (the cathode) through the liquid to the negative terminal (the anode), and pure cupper is deposited on the cathode as this occurs. The copper cathodes can then be harvested, washed, and dried for sale.

- Precipitation, where chemicals are added to the liquid to cause solid metal or metal hydroxides to separate from the liquid. The liquid is then filtered to recover solid metal and metal hydroxides, which are collected and dried.

(f) Smelting

The e-waste recovery system that we plan to install at the New Perak Facility will also incorporate a smelter. Smelting involves heating metal oxides and hydroxides to high temperatures to melt and refine them to produce pure metals. We plan to use the smelter to obtain metals such as aluminium, copper, and zinc, which we can then sell (rather than selling the metal oxides as we are currently doing). This is expected to enhance profitability as pure metals generally have a higher value compared to metal oxides.

In addition, the rotary kiln that we plan to install at PLO 321 Facility and the New Perak Facility will have a cogeneration system. Cogeneration involves recovering the heat from rotary kiln's flue gases to generate electricity and steam. The electricity will be used to power the respective licensed facility's machinery and equipment, while the steam will be used as process heating for specific processes (such as waste coolant recycling, anaerobic thermal separation, and hydrometallurgical recovery). This will help to reduce our purchases of electricity and fuel oil, as well as promote circular economy goals by recovering energy and reducing carbon dioxide emissions. Further, we will assess the applicability of the relevant licensing or registration requirements under the purview of the Energy Commission Malaysia upon finalisation of the installation specifications and will apply for the necessary registration or approvals, if required.

The cogeneration systems that we plan to purchase and install comprises the following main components:

- Heat exchanger to recover heat from flue gases and generate high-temperature steam;
- Steam turbine to convert some of the energy in the steam into electricity; and
- Process piping system to transport the steam from the steam turbine to the relevant machinery and equipment.

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7. BUSINESS OVERVIEW

7.19 INFORMATION ON MATERIAL LANDS AND BUILDINGS

7.19.1 Material properties owned by our Group

The details of the material properties owned by our Group as at the LPD are as set out below:

No.	Registered / Beneficial owner Property address / Title details	Description / Existing use	Category of land use / Tenure of land / Express conditions	Restriction in interest / Material encumbrances	Approximate land area / built-up area (sq ft)	Date of issuance of CCC	Audited NBV as at 31 October 2025 RM'000
1.	**Registered and beneficial owner** 5ERSB **Property address:** PLO 738, Jalan Platinum Utama, Zon 12B, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor **Title details:** HSD 493015, PTD 204758, Mukim Plentong, Daerah Johor Bahru, Negeri Johor	**Description:** Factories and office **Existing use:** Head office and scheduled waste management facility	**Category of land use** Enterprise / Industry **Tenure of land** Leasehold for a period of 60 years (Expiring on 17 March 2071) **Express Condition** (a) This land shall be used for medium industry area for the purposes of "scheduled and non-scheduled waste recovery, manufacturing of green environmental products, chemical engineering and oil & gas products" and for any other related purposes constructed in accordance to the plans approved by the relevant local authority; (b) All discharge (filth and pollution) as a result of the activity must be channelled to or disposed of to places as	**Restriction in Interest:** This land alienated cannot be sold, charged, mortgaged, pledged, or transferred in any manner whatsoever including by way of agreement for its sale without the prior approval from the state authority. **Material encumbrances:** Partial land lease of 1,937.50 sq ft to Tenaga Nasional Berhad vide Pers No. 70261/2017 dated 17 October 2017 for a period of 30 years starting from 1 June	**Land area:** 239,497 **Built-up area:** 94,334	5 November 2015	17,044

7. BUSINESS OVERVIEW

No.	Registered / Beneficial owner Property address / Title details	Description / Existing use	Category of land use / Tenure of land / Express conditions	Restriction in interest / Material encumbrances	Approximate land area / built-up area (sq ft)	Date of issuance of CCC	Audited NBV as at 31 October 2025 RM'000
			approved by the local authority; and (c) All policies and regulations as stipulated and imposed from time to time by the relevant local authorities must be adhered to.	2016 and ending on 31 May 2046.			

7. BUSINESS OVERVIEW

No.	Registered / Beneficial owner Property address / Title details	Description / Existing use	Category of land use / Tenure of land / Express conditions	Restriction in interest / Material encumbrances	Approximate land area / built-up area (sq ft)	Date of issuance of CCC	Audited NBV as at 31 October 2025 RM'000
2.	**Registered and beneficial owner** 5ERSB **Property address:** PLO 317, Jalan Perak, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor **Title details:** HSD 442432, PTD 194281, Mukim Plentong, Daerah Johor Bahru, Negeri Johor(1)	**Description:** Factory with annexed office **Existing use:** Scheduled waste management facility and office	**Category of land use** Enterprise / Industry **Tenure of land** Leasehold for a period of 60 years (Expiring on 19 March 2067) **Express condition** Enterprise / Medium industry	**Restriction in interest** This land cannot be sold, leased or transferred in any way whatsoever, including through the use of any agreement with the intention to release / sell the land, without the consent of the state authority. **Material encumbrances** N/A	**Land area:** 43,594 **Built-up area:** 29,975	7 December 2005	4,158

7. BUSINESS OVERVIEW

No.	Registered / Beneficial owner Property address / Title details	Description / Existing use	Category of land use / Tenure of land / Express conditions	Restriction in interest / Material encumbrances	Approximate land area / built-up area (sq ft)	Date of issuance of CCC	Audited NBV as at 31 October 2025 RM'000
3.	**Registered and beneficial owner** 5ERSB **Property address:** PLO 83, Jalan Perak, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor **Title details:** HSD 125025, PTD 71063, Mukim Plentong, Daerah Johor Bahru, Negeri Johor(1)	**Description:** Factory with annexed office **Existing use:** Scheduled waste management facility and office	**Category of land use** Enterprise / Industry **Tenure of land** Leasehold for a period of 60 years (Expiring on 30 September 2045) **Express condition** Enterprise / Medium industry	**Restriction in interest:** (a) This land cannot be transferred, leased or released in any way whatsoever except with the permission of by the relevant state authority; and (b) Landlords are allowed to mortgage / pledge their land only to the government or statutory authority or any bank registered in Malaysia. In the event the landlords want to mortgage or pledge their land for the second and subsequent times, prior permission from the state	**Land area:** 43,562 **Built-up area:** 25,327	18 March 1992	3,332

7. BUSINESS OVERVIEW

No.	Registered / Beneficial owner Property address / Title details	Description / Existing use	Category of land use / Tenure of land / Express conditions	Restriction in interest / Material encumbrances	Approximate land area / built-up area (sq ft)	Date of issuance of CCC	Audited NBV as at 31 October 2025 RM'000
				governor must be obtained. **Material encumbrances:** (a) Sublease of entire land to Tenaga Nasional Berhad vide Pers. No. 5315/1993 Jil. 13 Fol. 22 dated 13 February 1993 for a period of 30 years starting from 13 February 1993 and ending on 12 February 2023(2) (b) Charge in favour of Public Bank Berhad vide Pers No. 73385/2021 dated 23 November 2021			

7. BUSINESS OVERVIEW

No.	Registered / Beneficial owner Property address / Title details	Description / Existing use	Category of land use / Tenure of land / Express conditions	Restriction in interest / Material encumbrances	Approximate land area / built-up area (sq ft)	Date of issuance of CCC	Audited NBV as at 31 October 2025 RM'000
4.	**Registered and beneficial owner** 5ERSB **Property address:** PLO 321 (PTD 71200), Jalan Perak 2, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor **Title details:** HSD 134653, PTD 71200, Mukim Plentong, Daerah Johor Bahru, Negeri Johor	**Description:** Factory and office(3) **Existing use:** Warehouse and logistics office(3)	**Category of land use** Industry **Tenure of land** Leasehold for a period of 60 years (Expiring on 14 July 2046) **Express conditions** (a) This land shall be used for a factory for the purposes of medium enterprises and other related uses, constructed according to the plan approved by the relevant local authority; (b) All dirt and pollution resulting from this activity shall be channelled / disposed of to the places designated by the relevant authority; and (c) All policies and conditions that have been set and enforced from time to time by the relevant authority shall be complied with.	**Restriction in interest:** This land cannot be sold, mortgaged, pledged, leased or transferred in any way whatsoever, including through the use of any agreement with the intention to release / sell the land, without the consent of the state authority. **Material encumbrances:** N/A	**Land area:** 217,797 **Built-up area:** 46,759(3)	6 November 2023(3)	27,601

7. BUSINESS OVERVIEW

No.	Registered / Beneficial owner Property address / Title details	Description / Existing use	Category of land use / Tenure of land / Express conditions	Restriction in interest / Material encumbrances	Approximate land area / built-up area (sq ft)	Date of issuance of CCC	Audited NBV as at 31 October 2025 RM'000
5.	**Registered and beneficial owner** TS Heuls(4) **Property address:** No. 31, Jalan Permas 9/8, Bandar Baru Permas Jaya, 81750 Masai, Johor **Title details:** HS(D) 183962, PTD 96890, Mukim Plentong, Daerah Johor Bahru, Negeri Johor	**Description:** Terrace factory **Existing use:** Vacant	**Category of land use** Enterprise / Industry **Tenure of land** Freehold **Express conditions** (a) This land shall be used for a factory for light industrial purposes and other uses related thereto, constructed in accordance with a plan approved by the relevant local authority. (b) All dirt and pollution resulting from this activity must be channelled / disposed of to places determined by the relevant authority. (c) All policies and conditions set and enforced from time to time by the relevant authorities must be complied with.	**Restriction in interest:** None **Material encumbrances:** N/A	**Land area:** 2,550 **Built-up area:** 3,660	7 September 1993	1,168

7. BUSINESS OVERVIEW

No.	Registered / Beneficial owner Property address / Title details	Description / Existing use	Category of land use / Tenure of land / Express conditions	Restriction in interest / Material encumbrances	Approximate land area / built-up area (sq ft)	Date of issuance of CCC	Audited NBV as at 31 October 2025 RM'000
6.	**Registered and beneficial owner** 5ERNSB[(5)] **Property address:** Lot 13416, Jalan Temoh-Chenderiang, 35300 Tapah, Perak **Title details:** Pajakan Negeri 215646, Lot 13416, Mukim Chenderiang, Daerah Batang Padang, Negeri Perak	**Description:** Vacant land **Existing use:** Vacant land	**Category of land use** Industry **Tenure of land** 99 years leasehold (Expiring on 12 June 2101) **Express conditions** Enterprise	**Restriction in interest:** This land can be transferred or leased with written permission from the state authority **Material encumbrances:** N/A	**Land area:** 405,907 **Built-up area:** N/A	N/A	N/A

7. BUSINESS OVERVIEW

No.	Registered / Beneficial owner Property address / Title details	Description / Existing use	Category of land use / Tenure of land / Express conditions	Restriction in interest / Material encumbrances	Approximate land area / built-up area (sq ft)	Date of issuance of CCC	Audited NBV as at 31 October 2025 RM'000
7.	**Registered and beneficial owner** 5ERNSB(5) **Property address:** Lot 13417, Jalan Temoh-Chenderiang, 35300 Tapah, Perak **Title details:** Pajakan Negeri 215657, Lot 13417, Mukim Chenderiang, Daerah Batang Padang, Negeri Perak	**Description:** Vacant land **Existing use:** Vacant land	**Category of land use** Industry **Tenure of land** 99 years leasehold (Expiring on 12 June 2101) **Express conditions** Enterprise	**Restriction in interest:** This land can be transferred or leased with written permission from the state authority. **Material encumbrance(s):** N/A	**Land area:** 201,877 **Built-up area:** N/A	N/A	N/A

Notes:

(1) These 2 parcels of land are in the process of being amalgamated pursuant to an approval letter dated 21 July 2025 issued by the Johor Bahru Land Office. As at the LPD, the title document for the amalgamated land has yet to be issued by the state authority. The said land amalgamation process will not have any material impact to our business operations.

(2) As at the LPD, the sublease of the entire land of PLO 83 Facility to TNB has expired on 12 February 2023 and will be renewed for a period of 30 years pending execution of the lease agreement. The said renewal will be completed once the amalgamation of PLO 83 Facility land and PLO 317 Facility land is completed, tentatively in the second quarter of 2026. The said lease renewal will not have any material impact to our business operations.

(3) On 9 October 2024, 5ERSB completed the acquisition of the land on which PLO 321 Facility is located from Kumpulan Kenderaan Malaysia Berhad (a third party) for a purchase consideration of RM13.00 million. The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of comparable land within the vicinity. The acquisition was undertaken to facilitate the establishment of the new scheduled waste management facility in Johor.

As at the LPD, our Group is constructing a new scheduled waste management facility and operations office at this property, namely Phase 2 of PLO 321 Facility. Phase 1 of PLO 321 Facility comprises a warehouse and logistics office, which obtained CCC on 6 November 2023 and are currently operational. We expect to complete the construction work for Phase 2 of PLO 321 by the 1st half of 2026 and commence operations by the 2nd half of 2026.

The approximate built-up area of Phase 1 of PLO 321 Facility is 46,759 sq ft. The estimated total built-up area of the entire PLO 321 Facility, comprising Phase 1 and Phase 2, is approximately 110,842 sq ft.

(4) On 2 April 2025, TS Heuls entered into a sale and purchase agreement with Connie Tay Choon Meng and Tan Siew Tain (both of whom are third parties) to acquire this property for a total cash consideration of RM1.05 million. The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of similar properties within the vicinity. The acquisition was completed on 16 September 2025 and TS Heuls targets to relocate its operations to this property upon expiry of the existing tenancy for Property No. 26 on 31 July 2026.

(5) On 8 April 2025, 5ERNSB entered into a sale and purchase agreement with Chie Yat Holding Sdn Bhd (a third party) to acquire Lot 13416 and Lot 13417 for a cash consideration of RM5.60 million and RM3.20 million respectively. The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of comparable land within the vicinity. The acquisition was undertaken to facilitate the establishment of the new scheduled waste management facility in Perak and was completed on 5 January 2026.

As at the LPD, the material properties owned by our Group are in compliance with the land use conditions and the current statutory requirements, land codes or building regulations or by-laws.

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7.19.2 Material properties rented by our Group

The details of the material properties rented by our Group as at the LPD are as set out below:

No.	Landlord	Tenant	Property address	Description / Existing use	Approximate built-up area (sq ft)	Date of issuance of CCC	Period of tenancy[1]	Annual rental RM'000
1.	Harum Megah Resources Sdn Bhd	5ERSB	Block 21, Jalan Cendana 5, Taman Cendana, 81700 Pasir Gudang, Johor	**Description:** 4 units of dormitory **Existing use:** Workers' dormitory	3,048 (762 sq ft per unit)	22 June 2016	1 year tenancy, commencing from 1 January 2026 until 31 December 2026	132
2.	Harum Megah Resources Sdn Bhd	5ERSB	No.6, Jalan Harum 1, Kawasan Perindustrian Kota Puteri, 81750 Masai, Johor	**Description:** 4 units of dormitory **Existing use:** Workers' dormitory	3,272 (818 sq ft per unit)	18 December 2018	1 year tenancy, commencing from 1 January 2026 until 31 December 2026	147
3.	Yong Foh Cheng	TS Heuls	No. 26, Jalan Permas 9/13, Bandar Baru Permas Jaya, 81750 Masai, Johor	**Description:** Terrace factory **Existing use:** Storage	4,110	13 September 1996	1 year tenancy, commencing from 1 August 2025 until 31 July 2026	46

Note:
(1) Our Group is given the option to renew the tenancy for 1 year upon a written request to the landlord at least 3 months prior to the expiry of the tenancy.

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7. BUSINESS OVERVIEW

7.20 MAJOR APPROVALS, LICENCES, CERTIFICATES AND PERMITS

Kindly refer to **Appendix I** for further details of our major approvals, licences, certificates and permits.

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7. BUSINESS OVERVIEW

7.21 INTELLECTUAL PROPERTY RIGHTS, PATENTS, TRADEMARKS AND REGISTRATIONS

Save as disclosed below, our Group has not registered and is not in the process of registering any other intellectual property rights, patents, trademarks or regulations as at the LPD:

No.	Trademark	Registered owner	Trademark no.	Country / Issuing authority	Validity period	Class / Specification	Description	Status
1.		5ERSB	305456188	Hong Kong / Trade Marks Registry, Intellectual Property Department, the Government of the Hong Kong Special Administrative Region	23 November 2020 to 22 November 2030	40 / Waste Management Services	Consultancy relating to the destruction of waste and trash; Consultancy relating to the recycling of waste and trash; Consultancy relating to the incineration of waste and trash; Destruction of waste and trash; Waste treatment services environmental remediation services; Waste processing transformation; Environmental remediation services, namely, waste disposal treatment; Information, advice and consultancy services relating to the recycling of waste and trash; Processing and recycling of waste and trash; Providing information relating to the recycling of waste; Recycling of biogenous waste; Recycling of refuse and waste; Recycling of waste and providing information relating thereto;	Registered
2.		5ERSB	TM2020028642	Malaysia / Intellectual Property Corporation of Malaysia	1 December 2020 to 1 December 2030			Registered
3.		5ERSB	40202119594X	Singapore / Registry of Trade Marks, Intellectual Property Office of Singapore	14 August 2021 to 14 August 2031			Registered
4.	5E RESOURCES	5ERSB	40202119618X	Singapore / Registry of Trade Marks, Intellectual Property Office of Singapore	16 August 2021 to 16 August 2031			Registered

7. BUSINESS OVERVIEW

No.	Trademark	Registered owner	Trademark no.	Country / Issuing authority	Validity period	Class / Specification	Description	Status
							Waste recycling services; Treatment of waste materials; Providing information relating to the rental of waste crushing machines and apparatus; Sorting of waste and recyclable material transformation; Treatment of industrial waste to sequester carbon.	

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7. BUSINESS OVERVIEW

7.22 EXCHANGE CONTROL

Our Group has not established any place of business outside of Malaysia. As such, we are not subject to any governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

7.23 GOVERNING LAWS AND REGULATIONS

Our Group is subject to the following governing laws and regulations which are material to our business operations:

7.23.1 Local Government Act 1976 ("LGA 1976"), Licensing of Trades, Business and Industries (Johor Bahru City Council) By-Laws 2016 ("JBCC Bylaws") and Licensing of Trade, Commerce and Industry (Pasir Gudang Municipal Council) By-Laws 2017 ("PGCC Bylaws")

The LGA 1976 empowers every local authority to grant licence or permit for any trade, occupation or premise through by-laws. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor.

Section 107(6) of LGA 1976 states that a person who fails to exhibit or produce his licence on the licensed premises shall be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding 6 months or to both.

JBCC Bylaws and PGCC Bylaws provides that no person shall use any place or premises within the area of JBCC and PGCC for any trade, business or industry activity without a license issued by JBCC and PGCC for which fees have been prescribed in the schedule under the JBCC Bylaws and PGCC Bylaws, respectively.

Pursuant to Section 69 of the LGA 1976, any person who commits a nuisance or deposits any filth in or upon the bank of any stream, channel, public drain or other water-course within the local authority area shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding one year or with both and to a further fine not exceeding RM500 for each day during which the offence is continued after conviction.

Pursuant to Section 70 of the LGA 1976, any person who, within or without the limits of a local authority area, puts or causes to be put or to fall or to flow or knowingly permits to be put or to fall or to flow or to be carried into any stream, so as either singly or in combination with other acts of the same or any other person to interfere with its due flow or to pollute its waters, the solid or liquid refuse of any manufactory, manufacturing process or quarry or any rubbish or cinders or any other waste or any putrid matter, shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM5,000 or to a term of imprisonment not exceeding 2 years or with both and to a further fine not exceeding RM500 for each day during which the offence is continued after conviction.

A contravention of the LGA 1976, JBCC Bylaws and PGCC Bylaws would result in an offence, which upon conviction, result in a fine not exceeding RM2000 or a term of imprisonment not exceeding 1 year or both and to a further fine not exceeding RM200 for every day during which the offence is continued after conviction.

7. BUSINESS OVERVIEW

Our Group previously did not obtain business premise and advertisement licences for PLO 83 Facility in 2023 due to an oversight. This non-compliance has since been rectified, with valid licence for PLO 83 Facility now in place from 1 January 2025 to 31 December 2025. No penalties or regulatory actions were imposed in relation to this matter. To prevent reoccurrence of this non-compliance, we have strengthened our internal controls by designating our Group Financial Controller to oversee and handle the aforesaid matters and established a master licence monitoring list to maintain and track the renewal dates for all licenses held by our Group.

On 7 July 2023, 5ERSB was issued with 2 compounds of RM1,000 each by the PGCC following an inspection at PLO 738 Facility on 4 July 2023. These compounds were issued due to emission of yellow-coloured water with a pH value of 9 from PLO 738 Facility and discharge of effluent resulting in pollution of Sungai Masai Kechil. These compounds have been fully settled by 5ERSB and there were no further fines imposed or other actions taken by PGCC against 5ERSB in relation to this matter. To prevent reoccurrence of this non-compliance, we have installed a flow meter reader to track the dosage of treatment chemicals in our wastewater treatment systems (to which we attributed the aforementioned non-compliances), and assigned a designated personnel to monitor the meter readings to ensure that the correct ratio of treatment chemicals is added to the wastewater.

As at the LPD, we have valid licences issued by JBCC and PGCC, further details of which are as set out in **Appendix I** of this Prospectus. During the Period Under Review and up to the LPD, there is no non-compliance incident in relation to these laws and regulations except as disclosed above.

7.23.2 Petroleum Development Act 1974 ("PDA 1974") and Petroleum Regulations 1974 ("PR 1974")

The PDA 1974 provides for, amongst other, exploration and exploitation of petroleum whether onshore or offshore by a corporation i.e., Petroliam Nasional Berhad ("**PETRONAS**") in which will be vested the entire ownership in and the exclusive rights, powers, liberties and privileges in respect of the said petroleum, and to control the carrying on of downstream activities and development relating to petroleum and its products.

Section 6(1) of the PDA 1974 provides that no business of processing or refining of petroleum or manufacturing of petro-chemical products from petroleum may be carried out by any person other than PETRONAS unless a permission is given by the Prime Minister.

Section 6(5) of the PDA 1974 states among others that, any person who acts in contravention of this section or fails to comply with any term or condition of any permission granted under this section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term not exceeding 5 years or to both, and in the case of a continuing offence he shall be liable to a further fine not exceeding RM100,000 for each day or part of a day during which the offence continues after the first day in respect of which the conviction is recorded.

The PR 1974 states that application for permission to commence or continue any business of processing or refining of petroleum or manufacture of petrochemical products from petroleum under the PDA 1974 shall be made to the MITI. The PR 1974 further states that any person who commences or continues any business or service without a license or fails to comply with any condition of any such license shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding two years or to both and in the case of a continuing offence he shall be liable to a further fine of RM1,000 for each day or part of a day during which the offence continues after the first day in respect of which the conviction is recorded.

7. BUSINESS OVERVIEW

As 5ERSB is in the business of recycling of chemical products which include waste oil and spent solvent that may produce hydraulic oil and lubricating oil, a permission under the PR 1974 and PDA 1974 is required for processing or refining of petroleum or manufacture of petrochemical products from petroleum.

As at the LPD, we hold valid permission under the PR 1974 and PDA 1974 granted by the MITI, further details of which are as set out in **Appendix I** of this Prospectus. During the Period Under Review and up to the LPD, there is no non-compliance incident in relation to these laws and regulations.

7.23.3 Solid Waste and Public Cleansing Management Act 2007 ("SWAPCM 2007"), Solid Waste and Public Cleansing Management (Licensing) (Undertaking or Provision of Collection Services for Commercial, Industrial and Institutional Solid Waste) Regulations 2018 ("SWPCL 2018") and Solid Waste and Public Cleansing Management (Scheme for Commercial, Industrial and Institutional Solid Waste) Regulations 2018 ("SWPCS 2018")

The SWAPCM 2007 provides for and regulates the management of controlled solid waste and public cleansing for the purpose of maintaining proper sanitization and for matters incidental thereto.

Pursuant to the SWAPCM 2007 to be read together with SWPCL 2018 and SWPCS 2018, no person shall undertake or provide any solid waste management services, manage or operate any solid waste management facilities, or undertake or provide any public cleansing management services, unless he holds a license. The types of commercial, industrial and institutional solid waste are residual solid waste, bulky solid waste, recyclable commercial, industrial and institutional solid waste, and garden solid waste. The recyclable commercial, industrial and institutional solid waste stipulated under the SWPCS 2018 includes paper, glass, plastic, wood, metal, garden solid waste, food scrap, fabric and tyre.

A person who contravenes the above commits an offence and shall, on conviction, be liable to a fine not less than RM50,000 and not exceeding RM100,000 or to imprisonment for a term not exceeding 5 years or to both and in the case of a continuing offence, be liable to a fine not exceeding RM5,000 for every day or a part of a day during which the offence continues after conviction.

Further, a licensee shall comply with the conditions imposed on the licence. A licensee who fails to comply with any condition of a licence commits an offence and shall, on conviction, be liable to a fine not less than RM25,000 and not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or to both and in the case of a continuing offence, be liable to a fine not exceeding RM2,500 for every day or a part of a day during which the offence continues after conviction.

As 5ERSB is in the business of waste disposal management which includes residual waste and recyclable waste, garden waste and bulky waste, a licence under the SWAPCM 2007 is required for the provision of collection services for commercial, industrial and institutional solid waste.

As at the LPD, we hold valid licence under the National Solid Waste Management Department, Ministry of Housing and Local Government for the collection of commercial, industrial and institutional solid waste as part of our operations, further details of which are as set out in **Appendix I** of this Prospectus. During the Period Under Review and up to the LPD, there is no non-compliance incident in relation to these laws and regulations.

7.23.4 Poisons Act 1952 ("PA 1952"), Poisons Regulations 1952 ("PR 1952") and Poisons (Sodium Hydroxide) Regulations 1962 ("PSHR 1962")

The PA 1952 regulates the importation, possession, manufacture, compounding, storage, transport, sale and use of poisons and certain chemicals in Malaysia. Our Group's operations involve handling, storing, or transporting potentially hazardous chemicals or substances classified as "poisons" under the PA 1952.

Save for the exception under the PA 1952, no person other than a person licensed under the PA 1952 in that behalf shall import any poison from any place outside Malaysia. No person shall knowingly sell, supply, keep or have in his possession or under his control or store any poison otherwise than in accordance with the regulations made under the PA 1952 and in force relating to the possession, containers, packaging, labelling or storing of such poison. No poison shall be sold by wholesale except by a licensed wholesaler in accordance with the terms and conditions of his license, and no poison shall be sold by a licensed wholesaler except to specific persons as provided under PA 1952.

Further, Part I Poison (which includes Group A poison) shall not be sold or supplied to any person except by wholesale in accordance with PA 1952 or, to be exported to purchasers outside Malaysia or, to a person or institution concerned with scientific education or research or chemical analysis and for the purpose of such education research or analysis.

Pursuant to Regulation 5 of the PR 1952, no person shall store any poison except in a container impervious to the poison and sufficiently stout to prevent leakage from the container arising from the ordinary risks of handling.

Pursuant to the PSHR 1962, a person who sells sodium hydroxide to a purchaser who does not hold a permit to purchase it or, buys sodium hydroxide from a seller who does not hold a licence to it, commits an offence. A permit to purchase, store and use of sodium hydroxide may be issued, whereby such permit shall state the maximum quantity of sodium hydroxide that may be purchased and the purpose for which it is required and shall expire on 31st December after the date of issue.

Any person guilty of an offence against the PA 1952 for which no other penalty is specifically provided under the PA 1952 or by any regulations made thereunder, shall be punishable by a fine not exceeding RM50,000 or by imprisonment for a term not exceeding 5 years or both provided that if the act or omission with which such person is charged is in the opinion of the court of such a nature as to amount to wilful default or culpable negligence, which endangered or was likely to endanger human life, such person shall be liable, on conviction, to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 10 years or both.

As at the LPD, our Group has valid Wholesaler's Poisons License (Type B License) issued to Lim Te Hua, our Executive Director and CEO for Property No. 26 and Ang Khoon Poh, our Head of R&D for PLO 738 Facility to import, store and sell the poisons (not being Group A poison) as stated in the license by wholesale, as well as valid permit to purchase, store and use sodium hydroxide up to the limit stated in the license for water treatment and scrubber process issued to Lee Wah Kian, our Production Manager for PLO 317 Facility, further details of which are as set out in **Appendix I** of this Prospectus. During the Period Under Review and up to the LPD, there is no non-compliance incident in relation to these laws and regulations.

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7.23.5 Control of Supplies Act 1961 ("CSA 1961") and Control of Supplies Regulation 1974 ("CSR 1974")

The CSA 1961 is an act to provide for the control and rationing of supplies. Section 2 of the CSA 1961 states that "controlled article" means any article or food which has been declared to be a controlled article by an order under Section 5 of the CSA 1961 and includes a rationed article. Regulation 2 of the CSR 1974 further states that "scheduled article" means controlled article defined under CSA 1961 which includes inter alia, kerosene, petrol, motor spirit and motor gasoline of all grades, all grades of fuel, and mixture of diesel fuel and biofuel and liquified petroleum gas.

Section 6 of the CSA 1961 states that the Minister may make regulations generally for carrying into effect the provisions of the CSA 1961. Pursuant to Regulation 18(1) of the CSR 1974, any person who carries on any trade or business, which in the course of the trade or business he uses or consumes any of the scheduled article as specified in the CSR 1961, shall not have in his possession, inter alia, liquified petroleum gas exceeding 42kg, all grades of petrol exceeding 20 litre and all grades of diesel fuel exceeding 20 litre.

Under the CSA 1961, an application for permit shall be made in writing to the Controller of Supplies and shall be accompanied with any information as may be determined by the Controller of Supplies and the Controller of Supplies may impose any conditions he deems fit for the issuance of permit.

The CSR 1974 further states that any person who contravenes or fails to comply with any provision of the CSR 1974, or any direction given thereunder, or the terms and conditions of any licence, written authority or permit granted, issued or renewed, shall be guilty of an offence. Any body corporate which commits an offence shall, on conviction, be liable to a fine not exceeding RM2,000,000 and, for a second or subsequent offence, to a fine not exceeding RM5,000,000.

As at the LPD, we hold valid permit issued by the Ministry of Domestic Trade and Cost of Living for the purchase and storage of diesel up to the limit as stated in the permit, further details of which are as set out in **Appendix I** of this Prospectus. During the Period Under Review and up to the LPD, there is no non-compliance incident in relation to these laws and regulations.

7.23.6 The Second-hand Dealers Act ("SHDA 1946")

The SHDA 1946 provides for the control and licensing of dealers in second-hand goods. Section 6 of the SHDA 1946 stipulates that no person unless exempted from this section shall deal in second-hand goods except in accordance with the conditions of a licence and in the place specified in the licence and no licensed dealer shall receive, purchase, sell or deliver any goods between the hours of 7 p.m. and 7 a.m.

Any person who contravenes Section 6 of the SHDA 1946 shall, on conviction, be liable to a fine not exceeding RM1,000 or to imprisonment for a term which may extend to three months, or to both for first offence, and to a fine not exceeding RM5,000 or to imprisonment for a term which may extend to two years, or to both for a second or subsequent offence. If the goods dealt in consist, in whole or in part, of motor vehicle parts, the person shall, on conviction, be liable, whether for a first or subsequent offence, to a fine not exceeding RM20,000 or to imprisonment for a term which may extend to five years, or to both.

As at the LPD, we hold valid license granted to Lim Te Hua, our Executive Director and CEO, to trade in second-hand goods (for the purpose of our recovered and recycled products) issued by the Royal Malaysia Police, further details of which are as set out in **Appendix I** of this Prospectus. During the Period Under Review and up to the LPD, there is no non-compliance incident in relation to these laws and regulations.

7.23.7 Industrial Co-Ordination Act 1975 ("ICA 1975") and Industrial Co-Ordination Rules 1976 ("ICR 1976")

The ICA 1975 and the Guideline on Application for E-Manufacturing Licence dated 6 June 2024 issued by Malaysian Investment Development Authority ("**MIDA**") ("**Guidelines on Manufacturing License**") require any person engaging in any manufacturing activity with shareholders' fund of RM2,500,000 or above and / or employing 75 or more full time paid employees to apply for a manufacturing license for approval by the MITI ("**the Licensing Requirements**").

The ICA 1975 defines "manufacturing activity" as the "making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade".

Any person who fails to obtain the said manufacturing licence shall be liable on conviction to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues.

Our Group previously did not obtain manufacturing licences for our manufacturing activities at PLO 83 Facility, PLO 317 Facility, and PLO 738 Facility despite triggering the Licensing Requirements in June 2011, June 2011, and July 2015 respectively due to a misconception and impression that a manufacturing licence is not required. This non-compliance has since been rectified, with valid manufacturing licence obtained for PLO 738 Facility and PLO 317 Facility (on 26 June 2024 with effective date of 16 April 2024) as well as PLO 83 Facility (on 18 April 2025 with effective date of 12 February 2025). No penalties or regulatory actions were imposed in relation to this matter.

As at the LPD, we have valid manufacturing licences for PLO 738 Facility, PLO 317 Facility and PLO 83 Facility, further details of which are as set out in **Appendix I** of this Prospectus. During the Period Under Review and up to the LPD, there is no non-compliance incident in relation to these laws and regulations except as disclosed above.

7.23.8 Land Public Transport Act 2010 ("LPTA 2010")

The LPTA 2010 regulates land public transport and matters incidental thereto. Pursuant to Section 51(1) of the LPTA 2010, no person shall operate or provide a goods vehicle service using a class of goods vehicles for the carriage of goods, for hire or reward, or for or in connection with any trade or business, unless he holds an operator's licence. A person, other than a company or corporation, who contravenes this shall, on conviction, be liable to a fine of not less than RM200,000 but not more than RM10,000 or to imprisonment for a term not exceeding 1 year or to both. Any contravention by a company or corporation shall, on conviction, result in a fine not exceeding RM200,000.

Under the LPTA 2010, a person is deemed to be operating or providing a goods vehicle service if he uses or drives a goods vehicle himself, or employs one or more persons to use or drive a goods vehicle, to operate or provide a goods vehicle service, and he owns the said goods vehicle, or he is responsible, under any form of arrangement with the owner or lessor of the said goods vehicle to manage, maintain or operate such goods vehicle.

As at the LPD, our Group is in compliance with the LPTA 2010 and maintains valid licences for our scheduled waste transportation operations, further details of which are as set out in **Appendix I** of this Prospectus. During the Period Under Review and up to the LPD, there is no non-compliance incident in relation to these laws and regulations.

7.23.9 Occupational Safety and Health Act 1994 ("OSHA 1994"), Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 ("USECHH") and Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024 ("OSHPC 2024")

The OSHA 1994 is an act to make further provisions for securing the safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work. The OSHA 1994 is enforced by the Department of Occupational Safety and Health, Malaysia ("**DOSH**").

(a) General duties of employers and safety and health policy

Under the OSHA 1994, it shall be the duty of every employer to ensure, so far as is practicable, the safety, health and welfare at work of all his employees. It shall also be the duty of every employer to prepare and as often as may be appropriate revise a written statement of his general policy with respect to the safety and health at work of his employees. Failure to carry out the aforementioned duties shall constitute an offence and the employer shall upon conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 2 years, or to both.

(b) Establishment of safety and health committee at the place of work

Under the OSHA 1994, every employer is required to establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work or the Director General of the DOSH directs the establishment of such a committee at the place of work. Failure to do so shall constitute an offence and the employer shall, upon conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

(c) Storage of hazardous chemicals and chemical health risk assessment

Under the USECHH, which is a subsidiary legislation under the OSHA 1994, an employer has the duty to control chemicals hazardous to health at workplaces during storage and shall not carry out any work which may expose or is likely to expose any employee to any chemical hazardous to health unless he has made a written assessment of the risk created by the chemical to the health of the employee and the employer. The employer shall also ensure that any assessment is conducted by an employee or any other person appointed by the employer and registered with the Director General to carry out assessment of risks to health.

A person who by any act or omission contravenes any provisions of OSHA 1994 or any subsidiary legislation made thereunder shall be guilty of an offence. If no penalty is expressly provided, the said person shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one year or to both, and in the case of a continuing offence, to a fine not exceeding RM2,000 for every day or part of a day during which the offence continues after conviction.

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(d) Safety and health coordinator

With effect from 1 June 2024, Section 29A(1) of the OSHA 1994 provides that an employer whose work of place is not included in any class or description of place of work which requires a safety and health officer shall appoint one of his employees to act as an occupational safety and health coordinator if he employs five or more employees at his place of work. An employer is deemed to have complied with this provision if the employer has appointed a safety and health officer at its place of work. An employer who contravenes Section 29A(1) shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding six months or to both.

(e) Certificate of Fitness

With effect from 1 June 2024, Section 27C(1) of the OSHA 1994 provides that no person shall install or cause to be installed any prescribed plant under Section 27B of the OSHA 1994 (any plant for which a certificate of fitness is required) unless the person ensures that the plant has fulfilled all the requirements prescribed by the Minister and has obtained the written approval from the Director General. A person who contravenes Section 27C(1) of the OSHA 1994 shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one year or to both.

Section 27D(1) of the OSHA 1994 provides that no person shall operate or cause or permit to be operated any plant prescribed as plant requiring certificate of fitness unless the plant has a certificate of fitness issued by an officer or a licensed person. Under the OSHPC 2024, the prescribed plants requiring certificate of fitness are steam boiler, pressure vessel and lifting machinery.

By virtue of Section 27D(5) of the OSHA 1994, a person who contravenes Section 27D(1) of the OSHA 1994 shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one year or to both.

Under Section 27D(6) of the OSHA 1994, in the case of any contravention of Section 27D(1) of the OSHA 1994, an officer shall immediately serve to the person who operates or causes or permits to be operated the plant a written notice prohibiting the operation of the plant or may render the plant inoperative until a certificate of fitness is issued. A person who fails to comply with the notice issued above shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two years or to both.

As at the LPD, we are in compliance with the relevant provisions under the OSHA 1994, and we maintain valid certificate of fitness for plants which require such certification issued by DOSH, further details of which are as set out in **Appendix I** of this Prospectus. During the Period Under Review and up to the LPD, there is no non-compliance incident in relation to these laws and regulations.

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7.23.10 EQA 1974, EQSWR 2005, Environmental Quality (Prescribed Premises) (Scheduled Wastes Treatment and Disposal Facilities) Order 1989 ("Order 1989"), Environmental Quality (Prescribed Premises) (Scheduled Wastes Treatment And Disposal Facilities) Regulations 1989 ("EQPR 1989"), Environmental Quality (Clean Air) Regulations 2014 ("EQCAR 2014") and EQIER 2009

The EQA 1974 and the regulations made thereunder govern the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into any area, segment or element of the environment. The EQA 1974 is enforced by the DOE.

Pursuant to Section 21 of the EQA 1974, the Minister, after consultation with the Environmental Quality Council, may by regulations specify the acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or emission of noise into any area, segment or element of the environment and may set aside any area, segment or element of the environment within which the emission, discharge or deposit is prohibited or restricted.

(a) Off-site recovery facility licence and licence for designated carrier and vehicles

Pursuant to Section 34B of the EQA 1974, no person shall place, deposit or dispose of, or cause or permit to place, deposit or dispose of, except at prescribed premises only, any scheduled wastes on land or into Malaysian waters, receive or send, or cause or permit to be received or sent any scheduled wastes in or out of Malaysia, or transit or cause or permit the transit of scheduled wastes, without any prior written approval of the Director General. Any person who contravenes this section commits an offence and shall, on conviction, be punished with imprisonment for a term not exceeding five years and shall also be liable to a fine of not less than RM100,000 and not exceeding RM10,000,000.

Under Section 18(1) of the EQA 1974, the Minister after consultation with the Environmental Quality Council may by order prescribe the premises (hereinafter referred to as prescribed premises) the occupation or use of which by any person shall, unless he is the holder of a licence issued in respect of those premises, be an offence under the EQA 1974.

Pursuant to the Order 3 of Order 1989, the following premises are prescribed to be premises the occupation or use of which by any person shall, unless he is the holder of a licence issued in respect of those premises, be an offence under the EQA 1974: (a) off-site storage facilities; (b) off-site treatment facilities; (c) off-site recovery facilities; (d) scheduled waste incinerators; (e) land treatment facilities; and (f) secure landfills.

Under Section 18(1A) of the EQA 1974, the Minister, after consultation with the Environmental Quality Council, may by order prescribe the vehicle or ship used for the movement, transfer, placement or deposit of wastes (hereinafter referred to as prescribed conveyance) the use of which by any person shall, unless he is the holder of a licence issued in respect of the prescribed conveyance, be an offence under the EQA 1974.

By virtue of Section 18(3) of the EQA 1974, any person who contravenes Section 18(1) or 18(1A) of the EQA 1974 commits an offence and shall, on conviction, be liable to a fine of not less than RM25,000 and not exceeding RM250,000 or to imprisonment for a term not exceeding five years or to both, and shall also be liable to a further fine of RM1,000 for every day during which the offence continues after a notice by the Director General requiring him to cease the act specified therein has been served on him.

The EQSWR 2005 obliges any person who generates schedule waste which are included in the First Schedule of the EQSWR 2005 to properly label, store, treat and dispose of such wastes which may apply to the Group in governing such disposal of special type of waste.

Section 49A of the EQA 1974 stipulates that an owner or occupier of a premise shall employ a person who has been certified by the Director General of Environmental Quality as a competent person to conduct all or any of the following activities: (a) the operation of a control equipment; (b) the management of scheduled wastes; (c) the conduct of studies; (d) the preparation and submission of reports, plans, proposals, engineering drawings or other documents relating to environmental matters.

As our nature of business involves recovery and recycling processes for scheduled waste, 5ERSB has valid off-site recovery facility licences pursuant to the EQSWR 2005 for its operations at PLO 83 & 317 Facility and PLO 738 Facility. 5ERSB also has valid licences for designated carriers and vehicles for the purpose of collection, transfer and transportation of scheduled wastes for PLO 83 & 317 Facility and PLO 738 Facility. Further details of the licences are as set out in **Appendix I** of this Prospectus.

(b) Air pollution control system

The EQCAR 2014 regulates the emission of air pollutants to the atmosphere and specifies the requirements for an air pollution control system for every premises to which the EQCAR 2014 applies to, including any premises used for any industrial or trade purposes, or on which matter is burnt in connection with any industrial or trade purposes and any other premises or processes and any other premises or process that discharges or is capable of discharging air pollutants into the open air.

Regulation 7 of the EQCAR 2014 states that the owner or occupier of the premises and the professional engineer shall, within thirty days after the commencement of operations at the premises, submit a written declaration to the Director General, certifying that the design and construction of the air pollution control system have complied with the specifications.

Any person who contravenes or fails to comply with any provisions of the EQCAR 2014 shall be guilty of an offence and shall be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 2 years or to both.

As at the LPD, we comply with the EQCAR 2014 as we have submitted relevant declaration and notification to the DOE certifying that the design and construction of our air pollution control systems have complied with the relevant specifications for PLO 83 & 317 Facility and PLO 738 Facility.

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7. BUSINESS OVERVIEW

(c) Industrial effluent treatment system

The EQIER 2009 shall apply to any premises which discharge or release industrial effluent or mixed effluent, onto or into any soil, or into inland waters or Malaysian waters, other than the premises as specified in the EQIER 2009. The EQIER 2009 specifies the requirements for the design and construct of an industrial effluent treatment system to collect and treat industrial effluents generated within such premises.

Regulation 23(1) of the EQIER 2009 states that no person shall discharge, or cause or permit the discharge or disposal of any sludge generated from any production or manufacturing process, any industrial effluent treatment system or water treatment plant onto or into any soil, or surface of any land, or into any inland waters or Malaysian waters without the prior written permission of the Director General. Under Regulation 23(2) of the EQIER 2009, "water treatment plant" means any facility used or constructed for the treatment of water for domestic or industrial purpose.

Any person who contravenes the EQIER 2009 will be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM100,000 or to a term of imprisonment for a period not exceeding 5 years or to both and to a further fine not exceeding RM1,000 a day for every day that the offence is continued.

As at the LPD, we comply with the EQIER 2009 as we have submitted relevant declaration and notification to the DOE certifying that the design and construction of the industrial effluent treatment system have complied with the relevant specifications for PLO 83 & 317 Facility and PLO 738 Facility.

In 2022, 5ERSB received a total of 74 compounds amounting to RM148,000 from DOE due to non-compliances under the EQA 1974, the EQSWR 2005 and / or the EQIER 2009 following 4 inspections conducted at PLO 738 Facility and PLO 83 & 317 Facility. Majority of these compounds, i.e., 50 out of 74, were in relation to non-closure of 50 containers containing scheduled wastes as identified by DOE on the same day during one of the inspections. The remaining compounds were in relation to, among others, the following:

(i) failure to provide information, complete notification and/or update inventory regarding scheduled waste received within stipulated timeframe and/or new categories and quantities of scheduled wastes generated;

(ii) failure to ensure all components of the industrial effluent treatment system are in good working condition and conduct performance monitoring of these components in the manner as specified by DOE;

(iii) failure to comply with the storage, labelling and notification requirements for scheduled wastes and/or industrial effluent as stipulated in the EQSWR 2005 and EQIER 2009 (as the case may be);

(iv) failure to comply with the design specifications and declaration requirements for industrial effluent treatment system as stipulated in the EQIER 2009;

(v) failure to operate industrial effluent treatment system in a manner where the operational characteristics are maintained within the normal range of values commonly used for the treatment of industrial effluent or mixed effluent;

(vi) discharge of industrial effluent or mixed effluent through by-pass (pipe and neutralization); and

(vii) failure to ensure that a competent person is on duty at any time the industrial effluent treatment system is in operation.

7. BUSINESS OVERVIEW

Subsequent to clarifications and / or appeals submitted by 5ERSB to the DOE, the aggregate amount for the compounds was reduced to RM67,000. As at the LPD, all these compounds have been fully settled by 5ERSB. There were no further compounds issued or actions taken by DOE against 5ERSB in relation to this matter.

To prevent reoccurrence of similar non-compliances, we have implemented, among others, the following corrective actions / enhancement measures:

(i) repaired or replaced malfunctioning components of our industrial effluent treatment systems and facilities;

(ii) established a structured preventive maintenance programme to ensure routine servicing of our equipment and systems which in turn minimise downtime and proactively identify potential issues that could lead to non-compliance;

(iii) installed real-time monitoring devices such as Chemical Oxygen Demand (COD) meter integrated with alarm system to ensure any deviations are identified and rectified promptly;

(iv) installed additional equipment such as automatic chemical dosing system, and upgraded laboratory equipment to enhance the effectiveness of operational monitoring and compliance tracking;

(v) designated a specific area for the storage of hot residues stored in containers as a precautionary safety measure to minimise potential hazards and ensure safe handling during the cooling period;

(vi) sent the relevant personnel to attend competency certification programmes and seminars organised by the DOE in relation to scheduled waste management, air pollution control and water pollution control to enhance their technical knowledge and improve operational effectiveness. As at the LPD, 16 employees of our Group have attended the competency certification programmes and seminars organised by the DOE; and

(vii) engaged external parties to carry out periodic environmental monitoring and assessments, including ambient air quality monitoring (real-time), boundary noise monitoring (annually), stack emission monitoring (annually) and effluent discharge analysis (daily). We also carry out odour sampling and determination tests on an as and when basis.

Following the implementation of the corrective actions / enhancement measures as set out above, there were no non-compliances noted during the subsequent inspections conducted by DOE at PLO 83 & 317 Facility and PLO 738 Facility up to the LPD.

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7. BUSINESS OVERVIEW

7.24 DEPENDENCY ON CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS

As at the LPD, our Group is not materially dependent on any contract, agreement or other arrangement that could affect our business or profitability.

7.25 ENVIRONMENT, SOCIAL AND GOVERNANCE PRACTICES OF OUR GROUP

We recognise the importance of adopting ESG practices such as ensuring environmentally responsible operations, provision of conducive workplaces for our employees and good corporate governance for sustainable value creation. Our Group's ESG practices include the following:

(a) Environmental

- Waste management operations

  Our principal business activities encompass the provision of scheduled waste management services as well as the supply of recovered and recycled products. We engage in recovery and recycling of scheduled waste to convert waste into valuable resources, advancing both our own and our customers' environmental sustainability goals. Through our processes, we mitigate the release of hazardous substances and contaminants, thereby preventing environmental pollution and reducing risks to public health.

  We also undertake continuing R&D to optimize the recovery and recycling of scheduled waste streams with the goal of advancing resource conservation, further reducing landfill dependency, and deepening our contribution to greenhouse gas emission reductions associated with waste disposal.

  Through adherence to regulatory standards and the application of established industry practices, our operations support environmental protection, promote sustainable resource management, and advance the overall goals of ecological preservation.

  For information, we generated 10,553 tonnes, 8,003 tonnes, 9,316 tonnes and 6,495 tonnes of wastes (comprising hazardous and non-hazardous wastes) from our operations in FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. This translates into an intensity, measured in metric tonnes of waste generated per metric tonne of scheduled waste collected, of 0.21 for FYE 2022, 0.14 for FYE 2023, 0.18 for FYE 2024 and 0.15 for FPE 2025. We recycle our non-hazardous wastes by converting them into ARM, while hazardous wastes are collected by third party licensed contractors for further use, further treatment, or disposal at our cost, in full compliance with local environmental regulations and standards.

- Emission control and water conservation

  As part of our commitment to environmental sustainability, we track our Group's greenhouse gas ("**GHG**") emissions and work towards reducing them. A greenhouse gas refers to a type of gas that traps heat in the atmosphere, such as carbon dioxide ("**CO_2**"), and leads to global warming.

  Our GHG emissions contribute to air pollution mainly through combustion of fossil fuels from the use of motor vehicles and machinery and equipment (Scope 1 Emissions) and consumption of purchased energy (Scope 2 Emissions).

7. BUSINESS OVERVIEW

To mitigate our Scope 1 Emissions, we mainly explore initiatives such as replacing our vehicles with environmentally-friendly engines or transitioning to vehicles with lower emissions and / or improved fuel efficiency.

As for Scope 2 Emissions, we prioritise energy savings practices to promote sustainability. We encourage our employees to adopt responsible habits such as powering off all electrical and electronic devices, including laptops, computers, lights, fans and air conditioners when they are not in use. By doing so, we aim to minimise unnecessary energy consumption. In addition, certain recovered and recycled products from our scheduled waste management processes, such as fuel oil, are used as alternative input materials for our in-house operations, which in turn reduces our Group's external sourcing of fuel.

For information, our Group's overall GHG intensity, measured in metric tonnes of CO_2 equivalent ("**tCO_2e**") per unit of revenue, for the past 3 financial years and FPE 2025 are as shown below:

	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2025**
Scope 1: Combustion of fossil fuels from motor vehicle and machinery and equipment usage (tCO_2e)[(1)]	3,684	3,778	4,312	3,685
Scope 2: Purchased electricity (tCO_2e)[(2)]	1,803	1,864	1,872	1,513
Total GHG emissions (tCO_2e)	**5,487**	**5,642**	**6,184**	**5,198**
GHG intensity (tCO_2e / RM million)	84.45	70.56	77.16	76.72

Notes:

(1) Scope 1 Emissions are computed based on the consumption of diesel and recycled fuel oil expressed in tCO_2e.

(2) Scope 2 Emissions are computed based on the consumption of purchased electricity expressed in tCO_2e. We consumed 2,817,151 kilowatt-hour ("**kWh**"), 2,407,927 kWh, 2,418,875 kWh and 1,954,450 kWh of electricity sourced from external utility provider in FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Furthermore, we also encourage our employees to practice water conservation habits. Together, these efforts contribute to a more environmentally conscious and efficient workplace.

7. BUSINESS OVERVIEW

(b) Social

- Safety and health

  Our employees are exposed to certain safety risks and we strive to provide them with a safe and healthy working environment.

  To reduce the risk of workplace accidents, we provide our employees with regular occupational health and safety trainings and protective equipment, while our machinery and equipment are maintained regularly to prevent malfunctions. Machine operation manuals are also established and made available to our workers. We also have emergency response procedures and an emergency response team to respond to fire or explosions, spillage of toxic liquids, emission of toxic gases, workplace violence, and environmental disasters. Further, we have established a Safety and Health Committee to coordinate and oversee workplace safety and health in compliance with the relevant laws and regulations. These efforts demonstrate our long-term safety commitment towards our employees.

- Diversity and inclusion

  Our workforce is made up of individuals from diverse backgrounds and we actively promote equal opportunities for our employees regardless of gender, ethnicity, religion, age or any other relevant characteristics. We also foster a positive work culture which is based on respect, collaboration and inclusion as we believe that diverse perspectives are essential for driving creativity and innovation.

- Corporate social responsibilities

  We acknowledge the significance of making positive contributions to the well-being of the communities in which we operate. In this regard, we make donations schools to improve students' learning environment, and we also partner with local schools to offer field trips to our plants for students to experience practical applications of their classroom learning.

(c) Governance

- Compliance with regulations

  We are progressively adopting the principles and practices as promulgated in the MCCG, where relevant. As disclosed in **Section 5.2** of this Prospectus, our Board comprises 7 members, of which 4 are Independent Non-Executive Directors. Thus, we comply with Practice 5.2 of the MCCG which recommends that at least half of our Board comprises independent directors. Furthermore, 3 out of 7 or approximately 43% of our Board members are female, which exceeds the 30% women directors recommendation in Practice 5.9 of the MCCG. Moving forward, our Group shall continue to adopt good corporate governance practices as promulgated in the MCCG.

  We also ensure the compliance with regulatory frameworks governing our business operations. We possess the relevant licences and permits required for the provision of our services, and we keep track of changes in regulatory requirements as well as monitor our compliances with licensing conditions to ensure ongoing adherence to regulations.

7. BUSINESS OVERVIEW

- Transparency, accountability and ethical conduct

  Transparency, accountability, and ethical conduct form the foundation of our governance practices. We adhere to local regulations, including the Malaysian Anti-Corruption Commission Act 2009 to ensure that our business operations are free from corruption and unethical behaviour. For instance, our Group has in place an Anti-Bribery and Corruption Policy as well as a Whistleblowing Policy to assist us in preventing and detecting corruption and bribery, if any. Our zero-tolerance policy towards corruption and unethical conducts is backed by internal procedures and reporting mechanisms, which demonstrates our commitment to preventing any violation of our ethical standards.

- Board diversity and governance oversight

  Our Board comprises individuals with diverse background and expertise which supports its oversight responsibilities. Further, our Board oversees the implementation of our ESG practices to ensure that they align with our Group's long-term objectives and comply with the relevant regulatory requirements.

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8. IMR REPORT

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

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Tel: (603) 7931-3188
www.vitalfactor.com

10 March 2026

The Board of Directors
5E Resources Holdings Berhad
PLO 738, Jalan Platinum Utama
Zon 12B, Kawasan Perindustrian Pasir Gudang
81700 Pasir Gudang
Johor

Dear Sirs and Madams

Independent Assessment of the Scheduled Waste Management Industry in Malaysia

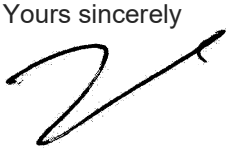
We are an independent business consulting and market research firm based in Malaysia, established in 1993. We offer consulting services, including business plans, opportunity evaluations, commercial due diligence, feasibility studies, financial and industry assessments, and market research. Since 1996, we have been involved in corporate exercises such as initial public offerings, reverse takeovers, chain listings, transfers to the Main Market, and business regularisations for publicly listed companies on Bursa Malaysia Securities Berhad (Bursa Securities). Our corporate exercise services encompass business overviews, independent industry assessments, management discussions and analyses, and business and industry risk assessments for prospectuses, shareholders' circulars and information memorandums.

We have been engaged to provide an independent assessment of the scheduled waste management industry in Malaysia for inclusion in the prospectus of 5E Resources Holdings Berhad for its initial public offering and listing of its shares on the ACE Market of Bursa Securities. This report has been prepared independently and objectively, with all reasonable due care taken to ensure its accuracy and completeness.

We believe the report provides a true and fair assessment of the industry, considering the limitations of timely and available information, and analyses based on secondary and primary market research as of the report date. However, it should be noted that our assessment pertains to the industry as a whole and may not reflect the performance of any specific company. We accept no responsibility for the decisions or actions of readers based on this document. This report should not be construed as a recommendation to buy, not buy, sell or not sell the securities of any company.

Please be aware that our report may include disclosures, assessments, opinions, and forward-looking statements that are subject to hitherto unknown or undisclosed information, uncertainties, and contingencies. These statements are based on secondary information and primary market research, and despite careful analysis, the industry is influenced by various known and unforeseen factors that could cause actual outcomes and future results to differ materially from these statements.

Yours sincerely



Wooi Tan
Managing Director

Wooi Tan holds a Bachelor of Science from the University of New South Wales and a Master of Business Administration from the University of Technology, Sydney. He is a Fellow of the Australian Marketing Institute and the Institute of Managers and Leaders, Australia. With over 30 years of experience in business consulting and market research, he has also assisted companies in their initial public offerings and listings on Bursa Malaysia Securities Berhad.

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Date of Report: 10 March 2026

INDEPENDENT ASSESSMENT OF THE SCHEDULED WASTE MANAGEMENT INDUSTRY IN MALAYSIA

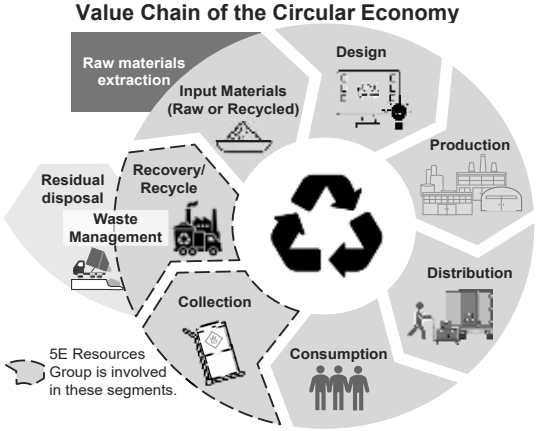
1. OVERVIEW OF 5E RESOURCES GROUP'S BUSINESS AND REPORT PARAMETERS

- 5E Resources Holdings Berhad and its subsidiaries (5E Resources Group) mainly provide scheduled waste management services in Malaysia. Additionally, 5E Resources Group supplies recovered and recycled products from its waste management operations, and trades chemicals and other products. 5E Resources Group's primary market is Peninsular Malaysia, focusing on Johor. This report will concentrate on these regions. Unless specified otherwise, all references to "waste' pertain to scheduled waste, and all information is based on the latest available data for Malaysia.

2. INDUSTRY OVERVIEW

- The scheduled waste industry is part of the circular economy, which is a type of economic model that emphasises sustainability by minimising waste and maximising the value of resources throughout their lifecycle. Unlike the traditional linear economy, which follows a take-make-use-dispose approach, the circular economy promotes the reuse, recycling, repair, and regeneration of products and materials to keep them in circulation for as long as possible. This paradigm shift has significant implications for the industrial landscape.

Value Chain of the Circular Economy

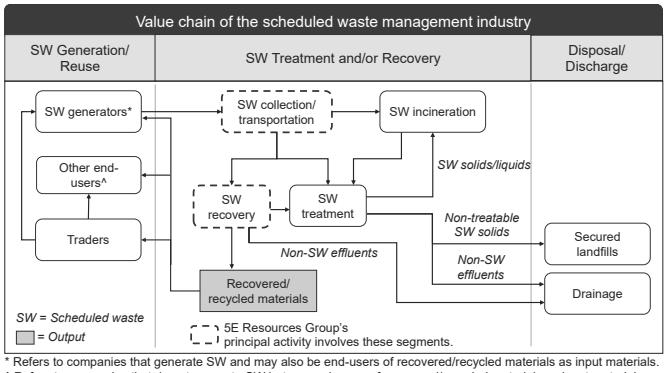


(Source: Ministry of Investment, Trade and Industry (MITI) and Vital Factor analysis)

- The circular economy model reduces reliance on raw material extraction by reintroducing recovered materials from waste as an alternative input material into the production of circular products. Products are redesigned using recycled materials to be durable, modular, repairable, and recyclable, extending their lifespan. Cleaner technologies in manufacturing enhance efficiency and reduce waste through scrap recycling. During distribution, the focus is on network optimisation through reduced packaging, efficient transport, and better inventory management. In the consumption stage, sustainable practices like reuse, reduction, and refurbishment are encouraged to minimise waste. At the end of life, effective collection systems ensure that used products and materials are retrieved and directed into proper waste management pathways.

- In the waste management stage, waste is typically classified into scheduled waste and non-hazardous solid waste. Scheduled waste refers to hazardous waste (including clinical waste) that poses significant risks to public health and the environment if not properly handled, treated, or disposed of. These wastes are primarily generated by industrial and institutional activities. In contrast, solid waste is generally non-hazardous and originates from households, commercial establishments, institutions, and industries.

- Scheduled waste is collected from waste generators and transported to licensed facilities, such as incinerators for thermal destruction, or treatment and recovery facilities for rendering them harmless or material



* Refers to companies that generate SW and may also be end-users of recovered/recycled materials as input materials.
^ Refers to companies that do not generate SW but are end-users of recovered/recycled materials as input materials.

recovery/recycling. These facilities themselves may also generate by-products that are scheduled waste, which must undergo further treatment or be sent for incineration before being disposed of. Effluents such as wastewater produced during these processes are typically treated on-site before being discharged into the drainage system. Recovered/recycled materials from these processes are reintroduced into the economy, either directed to traders, end-users who do not generate scheduled waste, or back to scheduled waste generators as their alternative input materials.

- 5E Resources Group operates within the scheduled waste management sector, specialising in the collection, transportation, recycling, and recovery of scheduled waste.

2.1 Regulatory Frameworks

- The regulatory framework for the scheduled waste management industry in Malaysia is primarily governed by the **Environmental Quality Act 1974 (EQA 1974),** which is enforced by the Department of Environment (DoE). It provides a comprehensive legal basis for managing scheduled wastes to ensure environmental protection and public health. It applies to all parties involved in the generation, storage, transportation, treatment, and disposal of scheduled waste. In addition, the monthly maximum quantity for each scheduled waste code (Refer to Section 2.2 of this report for more details) that can be managed is licence-specific as stipulated by the DoE.

- The EQA 1974 and its subsidiary legislations and regulations mandate that the handling, storage, treatment, recovery or disposal of scheduled waste must be carried out at licensed premises. According to the **Environmental Quality (Prescribed Premises) (Scheduled Wastes Treatment and Disposal Facilities) Order 1989**, there are six categories of licensed scheduled waste treatment and disposal facilities in Malaysia (also known as prescribed premises):
  - **Off-site storage facilities** refer to premises used to store, collect, or transfer scheduled waste that is not generated on these premises, without engaging in treatment activities.
  - **Off-site treatment facilities** are premises occupied for the treatment or processing of scheduled waste originating from external sources.
  - **Off-site recovery facilities** are premises occupied for the recovery/recycling of materials or products from scheduled waste not produced on these premises.
  - **Scheduled waste incinerators** are facilities where scheduled waste is thermally destroyed.
  - **Land treatment facilities** are premises occupied for the treatment of scheduled waste through land-based methods, such as sludge farming.
  - **Secure landfills** are designated disposal sites where scheduled waste is permanently deposited on land in a controlled environment.

- These prescribed premises are subject to stringent requirements, including environmental monitoring, emissions control, and safety procedures. Additionally, the operators of these facilities are required to conduct an **Environmental Impact Assessment** and obtain approval before commencing operations to evaluate potential environmental risks. In addition, the transportation of scheduled waste is also regulated. All transporters must secure a valid scheduled waste transport licence from the DoE.

- To enhance regulatory oversight, the DoE has implemented the **Electronic Scheduled Waste Information System (e-SWIS)**, a centralised digital platform for real-time reporting of scheduled waste movements, processing activities, and compliance records. This system improves traceability and transparency throughout the scheduled waste management value chain, enabling regulators to monitor industry performance and detect non-compliance more effectively.

- 5E Resources Group holds licences for its off-site recovery facilities as well as for the transportation of scheduled waste in Malaysia.

2.2 Scheduled Waste Codes

- In Malaysia, scheduled waste generally refers to any waste that falls within the categories of waste listed in the First Schedule of Environmental Quality (Scheduled Wastes) Regulations 2005. Waste generators are obligated to classify scheduled waste generated on-site, as the

classification of scheduled waste is based on the information regarding how the waste is generated and the raw materials used in a particular process. Currently, there are five major scheduled waste codes in Malaysia as follows:

SW 1 – Metal and metal-bearing wastes:

This category of scheduled waste contains significant quantities of metals or metal compounds, such as mercury, lead, cadmium, and others. This waste code also includes e-waste. Currently, SW 1 has 10 types of scheduled wastes.

SW 2 – Wastes containing principally inorganic constituents, which may contain metals and organic materials:

These are wastes that are primarily composed of inorganic materials, such as salts, oxides, or minerals. Currently, SW 2 has 7 types of scheduled wastes.

SW 3 – Wastes containing principally organic constituents, which may contain metals and inorganic materials:

These are wastes primarily composed of organic materials, such as solvents, oils, or pesticides. Currently, SW 3 has 27 types of scheduled wastes.

SW 4 – Wastes which may contain either inorganic or organic constituents:

A mixed or undefined category for wastes that may contain both inorganic and organic substances and do not clearly fall under SW 1 to SW 3. This category includes clinical waste. Currently, SW 4 has 32 types of scheduled wastes.

SW 5 – Other wastes:

This category covers only the residues from the treatment or recovery of scheduled wastes.

- 5E Resources Group is licensed by the DoE to provide scheduled waste management services for 34 waste categories in Malaysia.

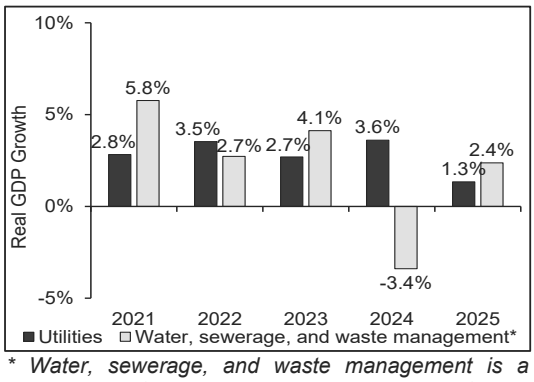
3. INDUSTRY PERFORMANCE

3.1 Real Gross Domestic Product (GDP)

- GDP is an approach to measure the gross value added to the outputs of economic activities during a period, such as a year. Real GDP measures the value of goods and services by factoring out the impact of price inflation or deflation.

- In Malaysia, the scheduled waste management industry is a subsegment of the utilities industry. In 2025, the utilities industry (comprising electricity and gas, as well as water, sewerage, and waste management sectors) grew by 1.3%. The growth in the utilities industry was primarily driven by increased production activity in the commercial and industrial segments, which led to higher electricity, water, and gas consumption *(Source: Ministry of Finance (MoF))*. In addition, the water, sewerage, and waste management sector experienced a growth of 2.4% compared to 2024.

Real GDP of Utilities and its water, sewerage, and waste management subsectors



** Water, sewerage, and waste management is a subsector of the utilities sector. No further segmentation is available. (Source: Department of Statistics Malaysia (DoSM))*

3.2 Gross Output Value

- Gross output value represents the total value of products or services produced or rendered within a specified period. Between 2017 and 2022, the gross output value of both waste collection, as well as waste treatment and disposal, grew at a compound annual growth rate (CAGR) of 5.9%. In contrast, the gross output value of material recovery and others declined at an average annual rate of 4.0%.

Gross Output Value of waste collection, waste treatment and disposal, as well as material recovery and others*

RM million	Waste collection	Waste treatment and disposal	Material recovery and others*
2015	2,997	1,064	1,128
2017	3,718	1,315	1,503
2021	4,017	2,057	1,184
2022	4,950	1,752	1,223
2017-22 CAGR	**5.9%**	**5.9%**	**-4.0%**

** Others include remediation activities and other waste management services. These are the latest available data. (Source: DoSM)*

- In 2022, the gross output of waste collection, waste treatment and disposal, as well as material recovery and others, reached RM5.0 billion, RM1.8 billion, and RM1.2 billion respectively. Therefore, in 2022, the total gross output value of the waste management industry, as represented by the sum of the three categories mentioned above, reached RM7.9 billion.

3.3 Metal and Non-Metal Waste Recycling

- As it is common for scheduled waste management operators that handle and treat metal and metal-bearing waste to recycle some of the scrap metal and sell it to other parties, this section will discuss the wholesale trade sales value of metal and non-metal waste for recycling purposes. Between 2018 and 2022, the wholesale trade sales value of metal (including scrap metal) and non-metal waste grew at a CAGR of 2.6%. In 2022, the wholesale trade sales value of metal and non-metal waste reached RM7.8 billion. 5E Resources Group is involved in the supply of recovered and recycled products, mainly comprising zinc and silver.

Wholesale Trade Sales Value of Metal and Non-Metal Waste

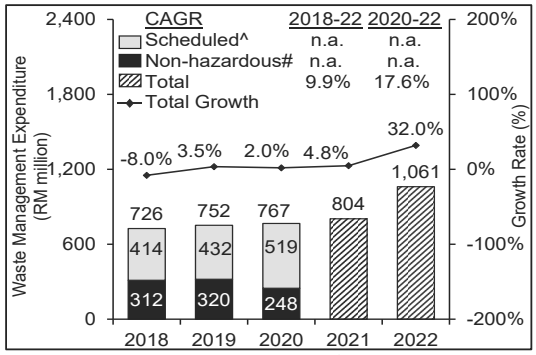
	RM million
2013	4,444
2018	7,057
2022	7,826
2013-22 CAGR	**6.5%**
2018-22 CAGR	**2.6%**

Notes: It refers to waste for recycling. Latest available data. Based on the survey done in each respective year. (Source: DoSM)

4. WASTE MANAGEMENT EXPENDITURE IN MALAYSIA

- Expenditure on environmental protection may provide some valuable insights into the overall well-being of the scheduled waste management industry. Higher spending in these areas, particularly waste management (including scheduled and non-hazardous solid waste), often reflects rising demand for related services, which may benefit providers such as 5E Resources Group, which is primarily involved in the provision of scheduled waste management.

Waste Management Expenditure



Notes: Latest available data. No further segmentation is available in 2021 and 2022. ^ Scheduled waste. # Non-hazardous solid waste. (Source: DoSM)

- Between 2018 and 2020, being the latest available information, expenditure on scheduled waste management grew at a CAGR of 11.9%. In contrast, spending on non-hazardous solid waste declined at an average annual rate of 10.8%. In 2020, out of the total RM766.8 million expenditure on waste management, 67.6% was for scheduled waste management. *(Source: DoSM)* The upward trend for scheduled waste management expenditure highlights the growing importance and increasing awareness surrounding the scheduled waste management industry.

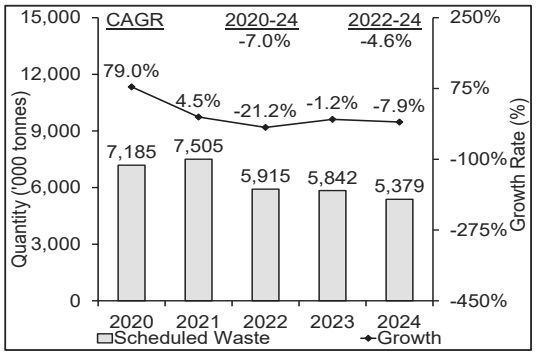
- In 2022, the total waste management expenditure reached RM1.1 billion. *(Source: DoSM)*

5. DEMAND AND DEMAND DEPENDENCIES

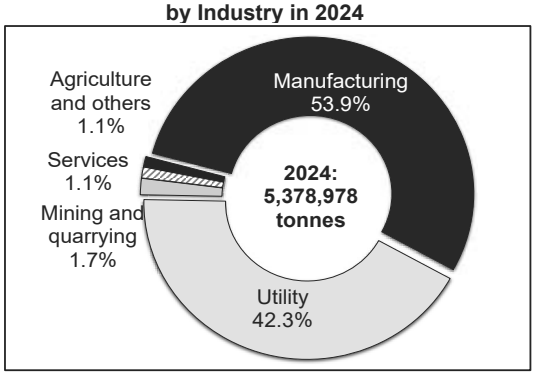
5.1 Scheduled Waste Quantity

- The quantity of scheduled waste in Malaysia may provide some indication towards the demand for scheduled waste management services. Between 2022 and 2024, the quantity of scheduled waste in Malaysia declined at an average annual rate of 4.6%, primarily due to an average annual decline of 30.5% in scheduled waste from the electrical and electronics (E&E) industry, followed by a 5.3% decline from power plants. In 2024, the quantity of scheduled waste in Malaysia declined to 5.4 million metric tonnes, primarily due to the decline of 36.6% in scheduled waste generated from metal refineries compared to 2023. Selangor is the largest scheduled waste generator, accounting for 31.2% of the entire nation's scheduled waste quantity in 2024. *(Source: DoSM)*

Scheduled Waste Quantity in Malaysia



Scheduled Waste Quantity by Industry in 2024



Note: Latest available data. (Source: DoSM and Vital Factor analysis)

- In 2024, the manufacturing industry generated the highest amount of scheduled waste in Malaysia, amounting to 2.9 million tonnes. This was followed by the utility industry with an amount of 2.3 million tonnes generated, of which 79.9% was contributed by power plants. Within the mining and quarrying industry, the main contributor to scheduled waste was non-metal mineral excavation activities. *(Source: DoSM and Vital Factor analysis)*

- As Johor is the principal place of business for 5E Resources Group, the quantity of scheduled waste in Johor may have an impact on the Group. Between 2022 and 2024, the quantity of scheduled waste in Johor declined at an average annual rate of 30.2%. In 2024, the quantity of scheduled waste in Johor declined by 47.0% from 1.2 million tonnes to 0.6 million tonnes. A growing scheduled waste in Johor augers well for industry players operating in the region, as it indicates increased demand for their services. In contrast, a declining scheduled waste may reduce demand for such services.

Scheduled Waste Quantity in Johor



Note: Latest available data. (Source: DoSM)

5.2 Economic Activities that Generate Scheduled Wastes

- Scheduled wastes are generated from a wide range of economic activities, including power generation and other utilities, manufacturing, services, agriculture, and mining. 5E Resources Group serves various manufacturing industries, with its top three being E&E including semiconductor, chemical, as well as metal and metal products.

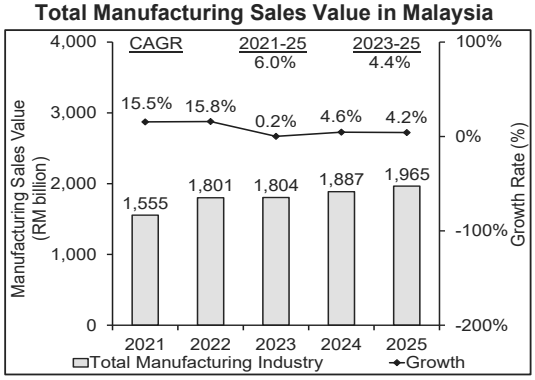
- The following section will analyse performance and operational trends of these key industries, serving as critical demand dependencies that ultimately drive the need for scheduled waste

management services. Robust expansion or heightened activity within these sectors is likely to result in increased generation of scheduled waste, thereby amplifying the demand for effective and scalable solutions for managing scheduled waste.

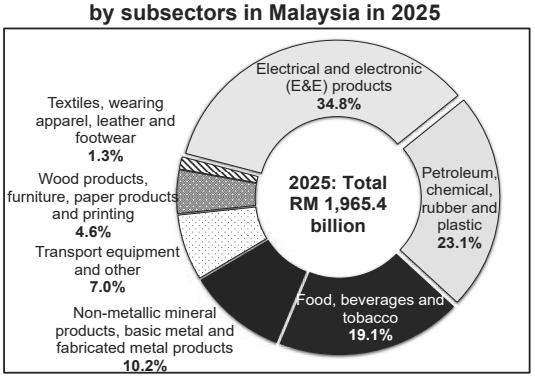
5.2.1 Manufacturing Industry in Malaysia

- The manufacturing industry remains one of the key drivers towards Malaysian economic development. In 2025, the manufacturing industry contributed 23.0% towards the Malaysian economy *(Source: DoSM)*. It involves the large-scale production of physical goods. It spans a broad spectrum of activities, including the transformation of raw materials and components into finished products through the application of machinery, skilled labour, and advanced technologies. Inevitably, these industrial processes generate various forms of scheduled waste.

Total Manufacturing Sales Value in Malaysia



Manufacturing Sales Value by subsectors in Malaysia in 2025



(Source: DoSM)

- Following the easing of COVID-19 restrictions in April 2022, the Malaysian economy began to recover steadily from the impact of the pandemic. Economic activity rebounded strongly, including the manufacturing industry, which experienced expansion. Between 2023 and 2025, the total manufacturing sales value of all subsectors recorded positive CAGR with the exception of the petroleum, chemical, rubber, and plastic subsectors, which contracted at an average annual rate of 1.7%. The decline was primarily due to disruptions in the upstream supply chain that contributed to lower outputs for downstream activities *(Source: Ministry of Finance (MoF))*.

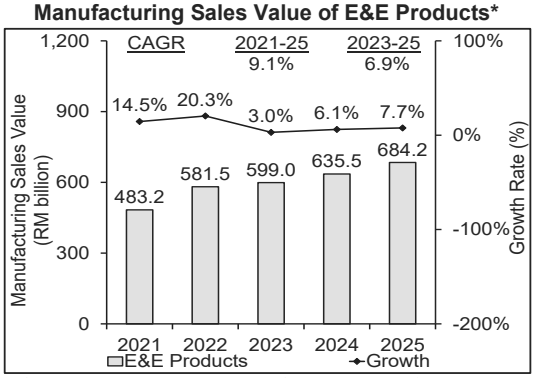
- The continued expansion of Malaysia's manufacturing sector is expected to generate sustained demand for effective waste management solutions, thereby creating long-term opportunities for scheduled waste management operators such as 5E Resources Group. As industrial output increases, the volume and complexity of hazardous waste streams increase simultaneously, underscoring the critical role of specialised service providers in ensuring regulatory compliance, environmental protection, and alignment with circular economy principles.

E&E Sector

- The E&E sector is one of the key contributors towards the Malaysian economy. Growth in the manufacturing sales value of E&E products, including semiconductors, reflects rising production activity that is often associated with the generation of hazardous by-products. This, in turn drive demand for scheduled waste management services to ensure proper handling, recovery, treatment, and disposal of such waste.

- Between 2023 and 2025, the manufacturing sales value of E&E products in Malaysia grew

Manufacturing Sales Value of E&E Products*



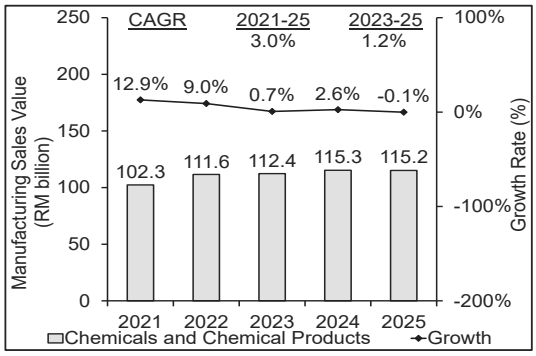
** Semiconductors are part of the larger E&E products industry. (Source: DoSM)*

at a CAGR of 6.9%. In 2025, the manufacturing sales value of E&E products grew by 7.7%, primarily driven by equipment related to the data centre industry and the proliferation of initial artificial intelligence (AI) edge applications *(Source: MoF)*. Electronic components and boards were the largest contributors to the entire E&E products industry, accounting for 58.3% of the total manufacturing sales value in 2025 *(Source: DoSM)*.

Chemical Sector

- Chemicals and chemical products are considered hazardous due to their intrinsic properties. During the transformation of organic and inorganic raw materials through chemical processes, hazardous scheduled waste containing chemical substances is generated as a by-product.

Manufacturing Sales Value of Chemicals and Chemical Products



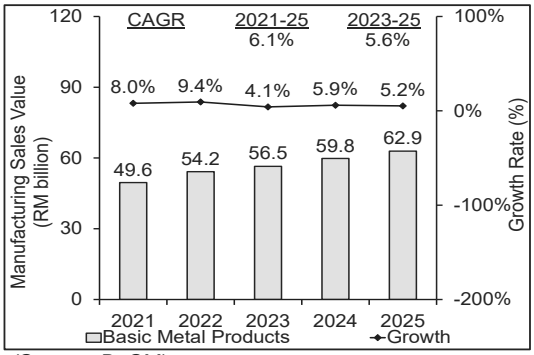
(Source: DoSM)

- Between 2023 and 2025, the manufacturing sales value of chemicals and chemical products grew moderately at a CAGR of 1.2% to RM115.2 billion. This was driven by the growth of 0.6% in the manufacture of basic chemicals, fertiliser and nitrogen compounds, plastics, and synthetic rubber in primary forms, as well as 2.1% increase in the manufacture of other chemical products and man-made fibres between 2023 and 2025 *(Source: DoSM)*.

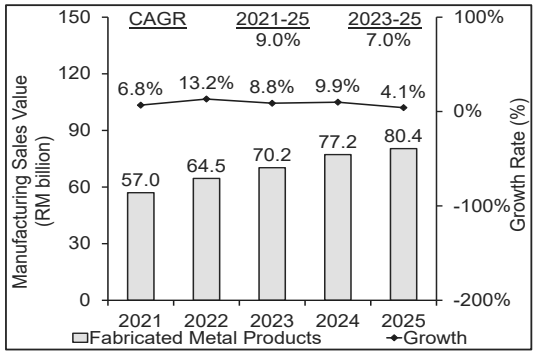
Metal and Metal Products Sector

- The metal industry in Malaysia consists of the manufacture of basic iron and steel, basic precious and other non-ferrous metals, as well as the casting of metals. The metal products industry includes, among others, the manufacture of structural metal products, other fabricated metal products, and metalworking services. These manufacturing activities generate hazardous by-products during processing, such as slags, dross, dust, or ash containing aluminium, nickel, copper, and other metals. These hazardous metal wastes require careful handling and can be further recovered and processed into recycled materials, commonly referred to as scrap metals.

Manufacturing Sales Value of Basic Metal Products



Manufacturing Sales Value of Fabricated Metal Products



(Source: DoSM)

- Between 2023 and 2025, the manufacturing sales value of basic metal products in Malaysia grew at a CAGR of 5.6% to RM62.9 billion. In 2025, the manufacturing sales value of basic metal products grew by 5.2% compared to 2024. The increase was primarily contributed by the rise in the manufacture of basic precious and other non-ferrous metals, which grew by 6.9% in 2025 *(Source: DoSM)*.

- Between 2023 and 2025, the manufacturing sales value of fabricated metal products grew at a CAGR of 7.0% to RM80.4 billion. In 2025, it grew by 4.1% compared to 2024, contributed by the

growth of 8.2% in the manufacture of other fabricated metal products and metalworking service activities. *(Source: DoSM)*

6. COMPETITIVE LANDSCAPE

- The scheduled waste management industry in Malaysia is highly regulated. Industry operators are required to be licensed by the DoE. According to the DoE, there are a total of 373 licensed scheduled waste management operators in Malaysia as at 10 March 2026. The following companies have been selected to provide some indications of the operators within the scheduled waste management industry in Malaysia. These companies were selected based on the following criteria: **(1)** registration with the DoE as an off-site recovery and/or off-site treatment facility operator; **(2)** possession of more than 14 licensed scheduled waste codes for the aforementioned facility; **(3)** with revenue exceeding RM10 million; and **(4)** the availability of up-to-date financial information. The list is sorted in decreasing order of total revenue, and is not exhaustive:

Company	SW code[1]	Facilities location[1]	FYE [2]	Rev[3] (RM mil)	GP[3] (RM mil)	GP[3] margin	PAT/(LAT)[3](RM mil)	PAT/(LAT)[3]margin
Jaring Metal Industries S/B[4]	17	Selangor	Dec-24	223.1	n.a.	n.a.	12.3	5.5%
MEP Enviro Technology S/B	18	Penang, Johor	Dec-24	217.5	43.7	20.1%	4.0	1.8%
Hiap Huat Holdings Berhad[5]	22	Pahang, Selangor	Dec-24	139.7	19.4	13.9%	3.8	2.7%
Pentas Flora Environmental[6]	18	Selangor	Dec-24	91.5	2.5	2.8%	0.5	0.6%
5E Resources Group	**34**	**Johor**	**Dec-24**	**80.1**	**36.4**	**45.4%**	**21.8**	**27.2%**
Krubong Recovery S/B[7]	23	Melaka	Dec-23	39.6	2.3	5.9%	(1.1)	(2.8%)
Tex Cycle Technology (M) Berhad[5]	31	Selangor	Dec-24	36.2	22.8	63.0%	16.3	45.1%
Meridian Recycling S/B	22	Kedah	Dec-24	29.6	7.6	25.8%	4.7	15.8%
J&T Naza Alam Murni S/B	15	Selangor	Jun-24	27.1	3.8	13.9%	(1.0)	(3.8%)
Amita Naza S/B	15	Selangor	Jun-24	26.2	11.0	42.1%	7.4	28.1%
Estalco S/B	18	Johor	Sep-24	22.3	n.a.	n.a.	0.7	2.9%
Cenviro Recycling and Recovery S/B	20	Negeri Sembilan	Dec-24	21.7	2.7	12.3%	(1.3)	(5.8%)
SYP Recovery & Recycling S/B	19	Melaka	Feb-25	21.2	3.4	16.1%	1.2	5.9%
Sage Promaster S/B	14	Melaka	Dec-24	20.5	9.0	43.9%	3.1	15.3%
TES-AMM (Malaysia) S/B[8]	14	Johor, Penang	Dec-24	18.5	7.3	39.5%	1.8	10.0%
Alam Aliran Kualiti (M) S/B	15	Penang	Dec-24	18.2	11.6	64.0%	4.8	26.4%
Greenverse S/B	14	Pahang	Dec-24	15.1	3.9	25.6%	(4.1)	(27.0%)
Victory Recovery Resources S/B	18	Melaka	Oct-24	14.1	3.2	22.8%	2.7	19.3%
Southern Strength (M) S/B	22	Johor	Dec-24	11.3	5.8	51.3%	0.8	6.6%
Safe & Clean Oil Recycle S/B	52	Labuan	Dec-24	10.4	7.6	72.3%	(0.3)	(2.8%)

FYE= Financial Year Ended; Rev= Revenue; GP= Gross Profit; PAT= Profit After Tax; LAT = Loss After Tax; mil= million; S/B= Sendirian Berhad; n.a.= not available. ***(1)*** *Information relates to off-site recovery and/or off-site treatment facilities.* ***(2)*** *Latest audited financials from the Companies Commission of Malaysia, annual reports, and 5E Resources Group.* ***(3)*** *It may include other business activities, products or services at the group or company level.* ***(4)*** *A subsidiary of JAG Berhad, a listed entity on the ACE Market of Bursa Securities.* ***(5)*** *A listed entity on the ACE Market of Bursa Securities.* ***(6)*** *Pentas Flora Environmental Services S/B.* ***(7)*** *The company was an exempt private company for the financial year ended 31 December 2024.* ***(8)*** *A subsidiary of SK Inc., a listed entity on the Korea Stock Exchange.*

7. BARRIERS TO ENTRY

- The barriers to entry in the scheduled waste management industry primarily depend on the facilities needed to manage the scheduled waste, which directly impacts the required capital investment.

Barriers to entry for operators managing relatively **easy-to-treat** scheduled wastes are **low** due to the minimal capital investment, technical expertise, and operational resources required. Examples include e-waste, which can be managed manually, involving sorting, dismantling, and shredding. As at 10 March 2026, 90 companies were exclusively involved in e-waste management.

For operators managing a **wider range of scheduled wastes,** the entry barriers are **moderate**. This is primarily due to the higher capital investment required to establish transportation, treatment, recovery, and/or storage facilities, and the need for technical resources. Although land, buildings, and vehicles can be leased, specialised machinery, treatment/recovery systems, and auxiliary facilities are commonly purchased. As at 10 March 2026, 74 companies can handle more than 10 scheduled waste codes, of which 18 are allowed to manage over 30 types, including 5E Resources Group. These figures exclude operators of scheduled waste incinerators and secured landfills.

In contrast, the entry barriers for operators involved in scheduled waste **incineration or secured landfilling** are **high**. These activities require substantial capital investment for facility construction and specialised equipment, such as incinerators, and/or access to large tracts of land to accommodate landfill operations respectively. As at 10 March 2026, there were 16 scheduled waste incineration and 8 secured landfills operators in Malaysia, with 2 companies involved in both. Some of these facilities are designated for internal use only.

- The regulatory framework may form another barrier as operators are required to obtain various licences, such as facility and transportation licences, conduct comprehensive environmental impact assessments before commencing plant operations, as well as obtain approval from DoE for the specific scheduled waste codes they seek to handle and treat.

8. INDUSTRY SIZE AND SHARE

- The industry size of the scheduled waste management industry in Malaysia and the market share of 5E Resources Group are estimated as below:

2024 – GDP	Industry size [a] [1] (RM million)	5E Resources Group	
		Revenue (RM million) [b] [2]	Market share [3]
Water, sewerage, and waste management	11,628	68	Less than 1%
2024 – Scheduled waste	**Total quantity ('000 tonnes) [a] [4]**	**Quantity handled ('000 tonnes) [b] [5]**	**Proportion handled [6]**
Malaysia	5,379	52	1%

Source: (a) DoSM; (b) 5E Resources Group.

(1) GDP of the water, sewerage, and waste management industry in Malaysia.
(2) 5E Resources Group's revenue from scheduled waste management services in Malaysia for the financial year ended 31 December 2024.
(3) ((2) divided by (1)) x 100%.
(4) The quantity of scheduled waste in Malaysia.
(5) Total scheduled waste managed by 5E Resources Group for the financial year ended 31 December 2024.
(6) ((5) divided by (4)) x 100%.

9. INDUSTRY OUTLOOK AND PROSPECTS

Some consideration factors that impact the outlook and prospects of the industry are as follows:

Industry sustainability and growth

- The performance of the scheduled waste management industry in Malaysia is highly dependent upon the economic activities of key user industries such as manufacturing, mining and quarrying, healthcare, and construction services. A vibrant economic activity will lead to a higher generation of scheduled waste and thereby create opportunities for scheduled waste management operators.

- Growth in the Malaysian economy and some of the major waste generation industries may provide opportunities for industry operators:

  - In 2026, the Malaysian economy is forecasted to grow between 4.0% and 4.5%, which will mainly be supported by sustained domestic and external demand. The growth is expected to be driven by private consumption, underpinned by civil servant salary adjustments, the continuation of targeted assistance programmes, and robust tourism activities in conjunction with the Visit Malaysia 2026 campaign. *(Source: MoF)*

  - In 2026, the utilities industry, including electrical, water, and waste management subsectors, is forecasted to expand by 1.7%, primarily backed by demand for electricity and water in the industrial and commercial segments, which is in line with the increase in industrial activities to meet domestic and external demand. The increase in data centre operations will also support the growth of the industry. *(Source: MoF)* Given that the utilities industry, especially power plants, is among the largest generators of scheduled waste, the expansion of the utilities industry will increase scheduled waste generation and drive demand for scheduled waste management services.

  - In 2026, the manufacturing industry is expected to further expand by 3.0%, particularly supported by the E&E and domestic-oriented industries. Growth in the E&E industry is anticipated to be driven by the strong demand from AI applications and digitalisations, while domestic-oriented industries such as food and beverage product is expected to expand further due to rising gastronomy activities. *(Source: MoF)*

- The introduction and implementation of the National Industrial Master Plan 2030 by MITI aimed at transforming Malaysia's manufacturing industry towards high-growth, high-value industries. It aims to boost Malaysia's manufacturing value-added, targeting a CAGR of 6.5% between 2022 and 2030. *(Source: MITI)*

- Growing awareness of the circular economy presents new opportunities for industry operators. In September 2024, MITI launched the Circular Economy Policy Framework to drive green growth within Malaysia's manufacturing sector *(Source: MITI)*. Strengthening circular economy practices in Malaysia's manufacturing landscape could provide a competitive advantage for Malaysian exports, particularly in markets with tightening sustainability regulations.

- Under the 13th Malaysia Plan, the Malaysian Government aims to strengthen the implementation of the circular economy and improve national waste management by promoting mechanisms that facilitate its adoption, including scheduled waste management. Additionally, circular economy legislation will be introduced across industries to regulate activities throughout the entire value chain, from production to disposal. *(Source: Ministry of Economy (MoE))* This initiative will present new opportunities for operators in the scheduled waste management industry.

Industry threats and challenges

- Nevertheless, a potential downturn in the Malaysian and global economy may impact domestic demand, negatively affecting manufacturing activities. This may reduce the demand for scheduled waste management services. Several downside risks include, among others, a slowdown in the economies of major trading partners, weaker market sentiment amid heightened uncertainties, breakdowns in trade negotiations, and escalating geopolitical tensions. *(Source: BNM)*

- The imposition of the United States (US) tariffs may create uncertainties for Malaysia's economy, particularly the E&E industry. Although certain Malaysia's semiconductor products exports are, as at the date of this report, exempt from reciprocal tariffs from the US, future developments remain uncertain. On 20 February 2026, the US announced a temporary 10% global tariff, effective 24 February 2026 for 150 days, with a subsequent proposal to increase the rate to 15%. The extent to which this temporary tariff will operate, considering existing country-specific tariff measures, remains unclear as of the date of this report. Changes to the tariff regime could deter investment in the E&E industry in Malaysia, posing downside risks to Malaysia's economic growth as well as adversely affecting the demand for scheduled waste management services due to reduced activities.

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER, IN ADDITION TO THE OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE BEFORE INVESTING IN OUR SHARES.

9.1 RISKS RELATING TO OUR BUSINESS OPERATIONS

9.1.1 Our sustainability and financial performance may be adversely affected if we do not have the valid licences that are required to carry out our scheduled waste management business

Our scheduled waste management services are regulated under the EQSWR 2005, part of the EQA 1974. To operate these services, we must maintain valid licences issued by the DOE, including licences for operating scheduled waste management facilities and for transporting specified type of scheduled waste with the trucks driven by the drivers permitted under the DOE licence. Without these licences, we cannot collect and transport the specified type of scheduled waste from our customers' premises to our facilities, nor operate our scheduled waste management facilities, which could negatively impact our business sustainability and financial performance.

As at the LPD, we have successfully obtained and maintained the necessary DOE licences to operate our scheduled waste management facilities (PLO 83 & 317 Facility and PLO 738 Facility), to manage a total of 34 types of scheduled waste, and to transport scheduled waste. Please refer to **Appendix I** of this Prospectus for further details on our licences.

These licences are subject to periodic review and audit by the DOE and must be renewed, as they are typically valid for only one year. If any of our licences to operate a scheduled waste management facility is not renewed, we must cease operations at the affected facility until the licence is renewed or a new licence is obtained. Similarly, if our licensed trucks and drivers fail to renew their licences, our collection and transportation activities may be hampered. Therefore, any failure to renew these licences would negatively impact our business operations and financial performance.

Our facilities and trucks are also subject to unannounced inspections by the DOE. The compliance standards during inspections may change over time. If a regulation breach is detected, we may face consequences ranging from a warning to penalties such as fines and / or suspension, non-renewal, or revocation of the relevant licences. For instance, we were fined RM67,000 in FYE 2022 pursuant to 74 compounds from DOE due to non-compliances under the EQA 1974, the EQSWR 2005 and / or the EQIER 2009 following 4 inspections conducted at PLO 738 Facility and PLO 83 & 317 Facility. There were no other actions taken by DOE against us in relation to these non-compliances. Please refer to **Section 7.23.10** of this Prospectus for further details of these non-compliances.

Since the issuance of our DOE licences, we have successfully renewed them on a continuing basis. However, we cannot assure that our DOE licences will continue to be renewed on time or at all, nor can we assure that our facilities and trucks will continue to pass future inspections and reviews.

9. RISK FACTORS

9.1.2 We do not have long term recurrent revenue contracts with our customers and must continuously secure new orders from them

During the Period Under Review and up to the LPD, we do not have long-term recurring revenue contracts with our customers that commit them to engaging our services or purchasing our products. While we do have service agreements with some customers, these agreements do not commit our customers to using our services, nor do they require us to accept any purchase orders from them.

All of our revenue during the Period Under Review and up to the LPD was derived from purchase orders for specific services and / or products. As a result, we must continuously secure new purchase orders in sufficient quantity and value to sustain our business. There is no assurance that we will be able to do so consistently in the future, and this may cause our revenue to fluctuate.

9.1.3 Our collection and management of scheduled wastes are subject to a monthly maximum quantity as stipulated in our licences

Each SW Code that we are licensed to collect and manage at our scheduled waste management facilities is subject to a monthly maximum quantity that is granted by the DOE and stipulated in our facility's respective licence. Please refer to **Section 7.5.1(e)** of this Prospectus for additional information on this monthly maximum quantity.

We monitor our collection of scheduled wastes collected through eSWIS as prior approval from DOE is required before any collection takes place. In addition, we have a designated personnel to monitor the daily quantity collected at our facilities as compared against the maximum quota granted.

If the actual quantity of scheduled wastes that we collect and process at any of our scheduled waste management facilities exceed the stipulated monthly maximum quantity, the scheduled waste management licence for that facility may be revoked, and we may be subject to a fine or other penalties. Since our scheduled waste management facilities received their DOE licences, we have never exceeded the monthly maximum quantity stipulated in these licences for any SW Code in any month. Nevertheless, we were often operating close to the monthly maximum quantity for SW 204 and SW 401 during the Period Under Review. There can be no guarantee that the monthly maximum quantity will not be exceeded in the future and lead to actions by DOE against us.

In addition, the maximum monthly quantity allowed for each SW Code may limit our growth, as we cannot exceed the stipulated amount even when opportunities arise. Although we can request for an increase in the maximum monthly quantity, the approval process takes time and depends on several factors, including our capacity to handle larger volumes. This delay could cause us to miss valuable business opportunities to grow our revenue or expand our operations.

Further, the monthly maximum quantity that we are licensed to collect and manage may be reduced by the DOE based on factors such as the design capacity, remaining economic life, and condition of the relevant machinery and equipment and the facility as a whole. Any reduction in the monthly maximum quantity may adversely affect our business sustainability and financial performance.

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9. RISK FACTORS

Since our scheduled waste management facilities received their respective DOE licences, the DOE has never reduced the monthly maximum quantity of scheduled wastes that we are licensed to collect and manage. However, in February 2020, the DOE approved our application with immediate effect, to increase our monthly maximum quantity for SW 401 following an increase in demand for our scheduled waste management services for SW 401 but correspondingly decreased our monthly maximum quantity for SW 402. We were not affected by the decrease in our monthly maximum quantity for SW 402 as we were not handling or storing SW 402 wastes exceeding the reduced limit when it became effective.

There can be no assurance that the monthly maximum quantity of scheduled wastes which we are licensed to collect and manage will maintain or increase to enable us to capture business opportunities to sustain or grow our business in the future.

9.1.4 Our customers are mostly in manufacturing industries and we may be adversely affected by downturns in manufacturing industries

During the Period Under Review, customers in manufacturing industries accounted for between 73.00% and 85.07% of our revenue. Please refer to **Section 7.2.5** of this Prospectus for additional information.

Downturns in manufacturing industries in Malaysia may reduce demand for scheduled waste management services and consequently adversely affect our financial performance and growth prospects. These downturns may be due to, among other factors, unfavourable economic and market conditions, adverse changes in government policy, and imposition of tariffs on goods manufactured in Malaysia. These factors are unpredictable and beyond our control. During the past 10 years up to the LPD, our operations have not been disrupted save for temporary suspension of operations from 18 March 2020 to 12 April 2020 pursuant to the Movement Control Order (which was not related to any downturns in manufacturing industries). The said temporary suspension of operations did not result in any material adverse impact on our operations and financial performance. We have also not experienced any reduction in demand for scheduled waste management services caused by downturns in the manufacturing industry in Malaysia which adversely impacted our business operations and financial performance.

Although we have a diversified customer base with customers operating in a variety of industries, there is no guarantee that a downturn in manufacturing industries as a whole or in any specific manufacturing industry will not adversely impact us.

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9. RISK FACTORS

9.1.5 Prolonged or major breakdowns of our scheduled waste management facilities and transport vehicles may disrupt our operations and adversely affect our financial performance

We rely on our scheduled waste management facilities and transport vehicles to provide our scheduled waste management services. This includes the 26 trucks that we own and operate for the provision of scheduled waste management services as at the LPD. Any prolonged or major breakdowns of our facilities and transport vehicles could disrupt our operations and negatively impact our financial performance. Although we regularly maintain our equipment, machinery, and vehicles, there is no guarantee that they will not experience prolonged or major breakdowns.

The cost and time required to repair damaged machinery, systems, or transport vehicles depend on several factors. These include the nature and extent of the damage, whether repairs can be carried out on-site, whether we can handle the repairs internally or need to engage external service providers, and the availability and cost of spare parts. In cases where repairs are not feasible or the costs are too high, we may need to replace entire systems, machinery, or vehicles. These repair or replacement costs together with the disruption to our operations caused by repair downtime could negative impact our financial performance.

For the past 10 years up to the LPD, we have not experienced any prolonged downtime or major breakdown of our scheduled waste recovery and recycling systems, machinery, or transport vehicles that disrupted our operations. Additionally, the repairs and maintenance costs have not materially impacted our financial performance, and we have not had to replace any major machinery, systems, or vehicles due to breakdowns. However, there is no assurance that we will not experience prolonged downtime or high repair and maintenance costs in the future, which could adversely affect our operations and financial performance. Likewise, we cannot assure that we will not need to replace any major machinery, systems, or transport vehicles due to breakdowns in the future.

9.1.6 We may experience workplace accidents and natural disasters that may adversely affect our operations and financial performance

The scheduled waste we handle is hazardous and can cause significant harm to both people and the environment if not properly managed. We face potential risks during the collection and transportation of scheduled waste between our customers' premises and our licensed facilities. Our trucks could be involved in accidents, resulting in spills that contaminate the environment or cause fires, which could damage property and endanger lives. In such cases, we would be required to clean up the affected area, which could be costly. Due to the hazardous nature of scheduled waste, our operations are also subject to risk of unexpected or dangerous conditions that may cause personal injuries or death, environmental damage and interruption of operations. Should any of these events occur, they may result in fines, penalties, suspension of licences, liability for compensation to affected parties, and could adversely impact our Group's reputation.

Since some of the scheduled waste we collect and manage is flammable, we also face the risk of fires. In the event of a workplace fire, our property, including machinery and equipment, could be damaged, rendering them unusable for an extended period. Such events would disrupt our operations and adversely impact our financial performance.

Similarly, our licensed facilities may be affected by natural disasters such as flooding or by prolonged interruptions in power and water supply, both of which would disrupt operations and negatively affect our financial performance.

9. RISK FACTORS

For the past 10 years up to the LPD, we have not experienced any significant transportation or workplace accidents, natural disasters, nor disruptions to operations at our facilities, save as disclosed below:

On 30 September 2025, a workplace accident occurred at our PLO 738 Facility, resulting in the death of 2 workers and hospitalisation of 1 worker. The accident was caused by the release of hazardous gas, i.e. hydrogen sulphide, arising from a chemical reaction in a wastewater pit used for the temporary storage of wastewater prior to treatment ("**Pit 6**"). Following the accident, the relevant authorities, namely DOSH, DOE, FRDM and the Royal Malaysia Police, conducted investigations and inspections at the PLO 738 Facility.

Subsequent to the inspection conducted by DOSH on 1 October 2025, 5ERSB was issued with 2 prohibition notices which mandate the immediate suspension of operations of Pit 6, and 3 improvement notices which set out the deficiencies identified in our Group's procedures. These notices require us to implement corrective actions within a prescribed timeframe to eliminate or mitigate the associated risks. Our Group has taken, among others, the following corrective actions and implemented enhancement measures to address the deficiencies identified and to prevent the recurrence of similar incidents:

(i) enhanced our personal protective equipment requirements by requiring workers in the wastewater treatment plant area to wear portable hydrogen sulphide gas detector during operations to enable early detection of abnormal gas levels;

(ii) installed fixed gas detectors at wastewater pit area for real-time monitoring of hazardous gas concentrations;

(iii) enhanced our standard operating procedures to include flushing and cleaning the wastewater pits thoroughly after each use to ensure that no residual wastewater remains in the pit before transferring new wastewater into the pit; and

(iv) increase the frequency of regular awareness and refresher training sessions to reinforce our employees' understanding of safety procedures and emergency response in relation to chemical handling and wastewater management.

Following DOSH's review on the actions or measures implemented by our Group, the improvement notices and prohibition notices were subsequently uplifted on 17 November 2025 and 18 November 2025 respectively.

As at the LPD, all the relevant authorities, save for DOSH, have completed their respective investigations / inspections. Apart from the notices issued by DOSH as described above, there were no fines / actions imposed / taken by the relevant authorities on our Group.

Notwithstanding that the investigation by DOSH is ongoing, its eventual outcome is not expected to result in any material adverse impact on our business operations and financial performance after taking consideration the following:

(i) the ongoing investigation by DOSH has not caused any disruption to our day-to-day business operations, and the operating capacity of the PLO 738 Facility;

(ii) our Promoters have provided written undertakings to settle any fines or penalties that may be imposed on our Group upon the conclusion of DOSH's investigation. Accordingly, any such fines or penalties, if imposed, will not have any financial impact on our Group; and

(iii) based on the review of precedent cases, our Solicitors for the IPO opined that monetary fines are the common outcome for industrial accidents (both fatal and non-fatal) involving employer offenses, while imprisonment terms are typically imposed only in default of payment of such fines. In this regard, the likelihood of imprisonment of any of our Directors pursuant to the outcome of DOSH's investigation is remote. Therefore, the outcome of DOSH's investigation is not expected to have any impact on the continuity of our Group's management and operations.

As a result of the abovementioned accident, our Group has incurred a total of approximately RM0.39 million for, among others, additional safety and prevention measures as well as engagement of third-party consultant and adviser to conduct chemical health risk assessment and assessment on all aspects of our Group's occupational safety and health practices respectively.

While the accident above has not resulted in any material adverse impact on our reputation, business operations and financial performance, there is no assurance that we will not experience vehicle accidents, workplace incidents, natural disasters, or prolonged interruptions in power and water supply, any of which could materially affect our operations and financial performance.

9.1.7 Foreign workers constitute a large percentage of the workers at our scheduled waste management facilities

Day-to-day operations at our scheduled waste management facilities require workers to carry out tasks such as the collection of wastes, sorting of collected wastes, handling wastes as well as recovered and recycled products within our facilities, and operating various scheduled waste recovery and recycling systems and machinery. During the Period Under Review and as at the LPD, we have not experienced any shortages of foreign workers. As at the LPD, we employ 121 workers for the abovementioned scopes under our logistics and production departments, out of whom 56 (46.28%) are foreign workers.

Foreign workers who work in Malaysia without the relevant approvals and permits may be fined, imprisoned, and / or deported. In addition, we may be liable for compound, fine, and other legal action if we employ foreign workers who do not have the relevant approvals and permits, or if they work outside of our Group while under our employment. These approvals and permits are valid for a specified period, and they must be renewed upon expiry.

During the Period Under Review and as at the LPD, all of the foreign workers that we employ possess the approvals and permits required to work in Malaysia. The employment of foreign workers is subject to certain regulations, and we have obtained all of the relevant approvals from the respective authorities and complied with all of the relevant regulations. Nevertheless, there can be no assurance that our foreign workers' approvals and permits will be renewed in the future. There can also be no assurance that the government will not impose additional fees, levies, regulations, or restrictions relating to the employment of foreign workers in Malaysia.

If the number of foreign workers we employ declines for any reason, there is no assurance that we will be able to hire enough Malaysian workers to fill the gap. This may lead to an increase in labour costs, as we could be required to pay higher wages to Malaysian workers. Such changes could adversely impact our business operations and financial performance.

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9. RISK FACTORS

9.1.8 Some of our licences are issued in the names of some of our employees, and if they leave our Group before the licences are transferred to other employees, we may have to suspend or cease some of our operations

As at the LPD, some of our licences were issued in the names of some of our employees. These licences can only be issued to an individual and cannot be issued to a company. Please refer to **Appendix I** of this Prospectus for additional details.

For instance, our licences under the PA 1952 and its subsidiary legislations are issued to Lim Te Hua, our Executive Director and CEO, for TS Heuls at Property No. 26, Ang Khoon Poh, our Head of R&D, for 5ERSB at PLO 738 Facility, and Lee Wah Kian, our Production Manager, for 5ERSB at PLO 317 Facility. These licences allow us to purchase, store, use, and / or sell specific chemicals. If the said employees leave our Group before the licences are transferred to other employees, our business operations may be impacted in the following ways:

- **Purchase, store and use sodium hydroxide -** The sodium hydroxide licence issued to Lee Wah Kian for 5ERSB at PLO 317 Facility allows us to purchase, store, and use sodium hydroxide, which is primarily used for pH balancing in wastewater treatment. Without this licence, we may be forced to suspend the operation of our wastewater treatment plant, which would also halt other scheduled waste management processes. This is because the wastewater from these operations must be treated before they can be discharged into the municipal drainage system. Affected processes include recovery of coolant, solvent, oil and e-waste (including the LVDH process), and recycling of acid, alkali and container. Suspending these operations would negatively impact both our business operations and financial performance.

- **Sell or pass on to third-party companies -** We require the poison licence issued to Ang Khoon Poh for 5ERSB at PLO 738 Facility to sell or pass on to third-party companies 3 types of chemicals recycled from our scheduled waste management processes, namely hydrochloric acid, sulphuric acid, and sodium hydroxide. Without this licence, we cannot sell or transfer these chemicals. While this would not have a significant impact on our financial performance, since revenue from the sale of these chemicals amounted to RM0.19 million, RM0.25 million, RM0.25 million and RM0.11 million for FYE 2022, FYE 2023, FYE 2024 and FPE 2025, respectively, it may require us to suspend services related to the recycling of these chemicals. This is because storing the recycled products would not be practical, as they are bulky and require specialised tanks or containers due to their caustic nature. Such a suspension would adversely affect our business operations and financial performance.

- **Import, store, and sell chemicals -** We also require the poison licence issued to Lim Te Hua for TS Heuls at Property No. 26 to import, store, and sell chemicals. Our revenue from selling these chemicals amounted to RM1.48 million, RM1.33 million, RM1.47 million and RM1.63 million for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. If we do not possess this licence, TS Heuls will not be allowed to sell chemicals, which would materially affect our financial performance.

There can be no assurance that these employees will not leave our Group, and if they do there can be no assurance that we will be able to transfer the licence to another employee before they leave in a timely manner that does not disrupt our operations.

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9. RISK FACTORS

If the employment of the individuals holding the licences under the PA 1952 and its subsidiary legislations with our Group ceases, we will have to notify the Johor State Health Department, Ministry of Health on his cessation of employment for the revocation and cancellation of the existing licence, and further apply for a new licence to be issued to the alternative candidate as the responsible officer of the company. The alternative candidate must possess, at a minimum, a diploma in a science discipline related to chemistry, biology or physics. Prior to the issuance of the new poison licence, an interview in respect of the handling of poisons under PA 1952 will be conducted on the candidate. The issuance of the new licence under the PA 1952 and its subsidiary legislations will generally take approximately 2 weeks from the application.

9.1.9 We are dependent on our Executive Directors and Key Senior Management team

We are dependent on the experience, expertise, technical knowledge, and sales and marketing capability of our Executive Director and CEO, Lim Te Hua, and our Executive Director and COO, Shankar A/L Narasingam. We are also dependent on our Key Senior Management for the experience, expertise and technical knowledge in their respective areas of responsibility.

If we lose the services of one or more of our Executive Directors or Key Senior Management and are unable to engage a suitable replacement promptly, our day-to-day business operations, our financial performance, and the successful implementation of our business strategies may be adversely affected. Please refer to **Sections 5.1.2 and 5.4.2** of this Prospectus for the profiles of our Executive Directors and Key Senior Management.

9.1.10 We must comply with the relevant environmental laws and regulations

Our scheduled waste management operations must comply with the relevant environmental laws and regulations, including the collection and transportation of scheduled wastes from customers' premises to our facilities, the operation of our recovery and recycling systems and machinery, and the sale, disposal, or discharge of the products and byproducts. The gases and liquids that we discharge into the environment through our chimneys and from our wastewater treatment plant must comply with specific regulations and standards. We must engage third party licensed contractors to collect any scheduled waste that we cannot further process. Please refer to **Section 7.23** of this Prospectus for additional information relating to the relevant environmental laws.

The relevant environmental laws and regulations may change from time to time. If the laws and regulations become more stringent, we may need to install additional equipment and / or incur more costs for additional processes.

Any non-compliance with the relevant laws and regulations may lead to the authorities taking action against us, such as imposing penalties, fines, and suspending our operations. Our licences may also be suspended, revoked, or not renewed. In addition, we may incur costs to clean up environmental damages. The penalties and costs that we incur may disrupt our business operations, damage our reputation, and adversely affect our financial performance.

During the Period Under Review and up to the LPD, there were no non-compliances with the relevant environmental laws and regulations in relation to our business operations that resulted in material adverse impact to our business operations and financial performance. However, there can be no assurance that we will continue to comply with the relevant environmental laws and regulations in the future.

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9.1.11 We are required to comply with the relevant health and safety laws and regulations

The operations at our scheduled waste management facilities are required to comply with the relevant health and safety laws and regulations. These laws and regulations concern the health and safety of our employees as they perform their jobs.

The relevant authorities may penalise us if an accident occurs that harms or injures our workers, or if we are found not to comply with the relevant health and safety laws and regulations. The penalty may be in the form of compound, fine, or suspension or restriction of part or all of the operations at the affected facility.

As set out in **Section 9.1.6** of this Prospectus, a workplace accident occurred at our PLO 738 Facility, resulting in the death of 2 workers and the hospitalisation of 1 worker on 30 September 2025. Save for the said accident, none of our employees were injured by workplace accidents at our scheduled waste management facilities during the Period Under Review and up to the LPD.

There has been no non-compliance with the relevant health and safety laws and regulations during the Period Under Review and up to the LPD. Nevertheless, there can be no assurance that workplace accidents will not harm our workers or that we will continue to comply with the relevant health and safety laws and regulations in the future.

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

Our business operations at the scheduled waste management facilities involve various risks and hazards, including but not limited to workplace accidents, industrial incidents, environmental liabilities, fires, floods, and other natural disasters. To mitigate the potential losses and liabilities arising from these risks, we maintain a range of insurance policies, including environmental liability insurance, fire insurance, public liability insurance, personal accident insurance, employer liability insurance, and vehicle insurance. As at the LPD, the total sum insured under our insurance policies is approximately RM88.75 million.

All of our insurance policies are for fixed terms and must be renewed upon expiration, which may result in changes to premiums, terms, deductibles, or claim limits. If premiums rise significantly or claim limits are reduced, we will either incur higher costs to maintain the same level of coverage or need to adjust our coverage. Our policies may also include a deductible, meaning we must cover a certain amount before the insurance pays, and / or a claim limit, the maximum amount the insurance will cover. If the loss arising from an event exceeds the claim limit, our financial performance could be adversely affected.

If we make claims against our insurance policies, our claim history may impact future premiums, whether for renewals or new policies.

During the Period Under Review and up to the LPD, we did not make any material claims against our insurance policies. However, there is no guarantee that we will not file claims in the future, nor can we ensure that our current insurance coverage will be sufficient to cover all potential risks and losses in the future.

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9.1.13 There is no guarantee that we will be able to successfully implement our business strategies and plans

Our business strategies and plans include developing 2 new scheduled waste management facilities, namely PLO 321 Facility and the New Perak Facility. For further information on our business strategies and future plans, please refer to **Section 7.18** of this Prospectus.

The development of these new scheduled waste management facilities involves substantial capital investment, amounting to approximately RM87.50 million for PLO 321 Facility (funded by internally generated funds) and RM110.66 million for the New Perak Facility (funded by IPO proceeds and internally generated funds and / or bank borrowings), excluding land costs. There is a risk that the development of these facilities will take longer than anticipated and cost more than estimated. If the costs are higher than estimated, we may have to provide additional funding through borrowings or internally generated funds, which may adversely affect our financial position. There is also a risk that the scheduled waste management systems and equipment installed at these facilities will be less efficient than planned, resulting in lower capacity and / or higher operating costs than anticipated. In addition, there is a risk that we will not be able to secure sufficient customers for the New Perak Facility as we do not have any prior operational presence in the northern region of Peninsular Malaysia.

Further, our planned capacity increase, particularly in terms of the scheduled waste codes (SW Codes) quota at the PLO 321 Facility, which is located in the same state as our existing facilities, represents a significant expansion of our total capacity. In view of the foregoing, and together with the establishment of the New Perak Facility, there is a risk of over-expansion if the demand for our services does not grow in tandem with the increase in capacity. In such circumstances, we may be unable to recover our investment costs and the higher operating costs could adversely affect our financial performance.

Any delay or failure to implement our business strategies and plans may adversely affect our future financial performance and growth prospects.

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

We are exposed to credit risk relating to the customers to whom we have extended credit. During the Period Under Review and up to the LPD, we deal with customers on cash or credit terms. The normal credit terms that we extend to our customers are between 30 days and 120 days from the invoice date. Other credit terms are assessed and approved on a case-by-case basis. Our trade receivables turnover period for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 was 55 days, 45 days, 55 days and 58 days respectively, which are in line with our normal credit terms.

We may be required to make allowance for impairment losses on trade receivables and / or write off bad debts, either of which would adversely affect our financial performance, if a customer does not pay us within the stipulated credit period. During the Period Under Review, we had impairment losses on trade receivables of RM0.04 million and RM0.07 million in FYE 2024 and FPE 2025 respectively. There were no bad debts written off during the Period Under Review.

While the allowances for impairment losses on trade receivables and bad debts written off were not material for the Period Under Review, there can be no assurance that they would not adversely affect our financial performance in the future.

9. RISK FACTORS

9.2 RISKS RELATING TO OUR INDUSTRY

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

We face competition from operators that provide scheduled waste management services. As at 10 March 2026, there were 373 licensed scheduled waste operators in Malaysia, out of which 74 are licensed to manage more than 10 SW Codes. *(Source: IMR Report)* As our customers can choose to engage other suitable licensed operators to collect their scheduled wastes, we have to compete against them in terms of, among other factors, pricing and payment terms. Our profitability may be materially affected if we have to lower our prices and / or extend our credit terms to match those offered by our competitors. Furthermore, we may lose customers if we cannot match our competitor's pricing and / or credit terms.

There can be no assurance that competition from existing operators and from new entrants in Malaysia will not have a material adverse effect on our business and financial performance.

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

Changes in the political, social, economic, and regulatory conditions in Malaysia may adversely affect our business operations and financial performance. Examples of changes include but are not limited to, changes in political leadership, geopolitical events, wars, acts of terrorism, riots, emergence of new epidemics or pandemics, environmental laws and regulations, economic policies such as expropriation, nationalisation, fiscal and monetary policies such as changes in interest rates, methods of taxation, tax policies, and foreign worker levy, changes in international relationships and other matters that may influence consumer and business confidence and spending.

In addition, our business may also be affected by global events such as, among others, geopolitical events, financial crises, and trade conflicts and sanctions.

In April 2025, the United States government imposed a baseline 10% tariff on most imported goods with higher tariffs for countries with significant trade surpluses. Certain products imported into the United States were exempted from these tariffs. In response to the tariffs imposed by the United States government, some countries, such as China, increased tariffs on imported goods originating from the United States. In October 2025, the Malaysia government and United States government entered into a reciprocal trade agreement under which most goods are subject to 19% tariff and some specified goods are exempted from the 19% tariff. These tariff rates are subject to change. During the Period Under Review and up to the LPD, none of our revenue was from the United States. However, we may be indirectly exposed as some of our customers in Malaysia manufacture products that are ultimately exported to the United States, and they may be adversely affected.

On 28 February 2026, the United States and Israel began carrying out airstrikes on Iran, and Iran responded by attacking other countries in the Middle East. Despite the increase of global crude oil prices following this conflict, we have not been adversely affected as of the LPD as our purchases of diesel and fuel oil have generally been on a decreasing trend during the Period Under Review (declining from 10.35% of our total purchases of materials and services for FYE 2022 to 4.99% for FPE 2025). We utilise recovered fuel oil from our processes to fuel our carbonisation and thermal oxidation processes. However, there can be no assurance that demand for our services and financial performance will not be adversely affected in the future if our customers' businesses are negatively impacted by global economic slowdown, an increase in energy prices, and/or uncertainty if this conflict is prolonged, intensifies, and/or widens to involve more countries. There can also be no assurance that an increase in crude oil prices will not adversely affect our costs and financial performance in the future.

9. RISK FACTORS

Changes in political, social, economic, and regulatory conditions in Malaysia, as well as global events, are beyond our control. We cannot assure that such changes and events will not materially affect our business operations and financial performance.

9.3 RISKS RELATING TO OUR SHARES AND OUR LISTING

9.3.1 There is no prior market for our Shares

Prior to our IPO, there has been no public market for our Shares. Accordingly, there can be no assurance that an active market for our Shares will develop upon our Listing or, if developed, that such market will be sustained.

Furthermore, notwithstanding that our IPO Price was determined after taking into consideration a number of factors including but not limited to our historical earnings, prospects and future plans and our financial and operating history, we cannot assure you that the price at which our Shares will be traded on the ACE Market upon or subsequent to our Listing will correspond to our IPO Price and that the market price of our Shares will not decline below the IPO Price or that an active market for our Shares will develop and continue upon or subsequent to our Listing.

9.3.2 Our Share price and trading volume may be volatile

The market price of our Shares may be highly volatile and could be subject to wide fluctuations in response to, among others, the following factors, some of which are beyond our control:

(i) variation in our operating results;

(ii) success or failure of our management in implementing business and growth strategies;

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

(iv) changes in conditions affecting the industry, general economic conditions or stock market sentiments or other events or factors;

(v) changes in market valuations and share prices of companies with similar businesses to our Company that may be listed in Malaysia or anywhere else in the world;

(vi) additions or departures of key management;

(vii) fluctuations in stock market prices and volume;

(viii) involvement in litigation; or

(ix) changes in government policy, legislation or regulation.

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

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9. RISK FACTORS

9.3.3 Our Listing is exposed to risk that it may be aborted or delayed

Our Listing may be aborted or delayed due to possible occurrences of certain events, which include the following:

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

(ii) our Underwriter exercising its rights under the Underwriting Agreement to discharge itself of its obligations under such agreement;

(iii) we are unable to meet the minimum public shareholding spread requirement under the Listing Requirements of having at least 25.00% of the total number of our Shares for which our listing is sought being in the hands of a minimum number of 200 public shareholders holding not less than 100 Shares each at the point of our Listing; and / or

(iv) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

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

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

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

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

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

(ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:

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

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

9.3.4 Future sale or issuance of our Shares could adversely affect our Share price

Any future sale, issuance or availability of our Shares can have an adverse effect on our Share price. The sale of a significant amount of our Shares in the public market after our IPO, or the perception that such sales may occur, could adversely affect the market price of our Shares. These factors also affect our ability to raise funds from the issuance of additional equity securities.

If our Promoters and / or substantial shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares in the public market following the expiry of the moratorium period, this may result in a dampening effect on our Share price.

9.3.5 Our future fund-raising exercise may result in dilution of your shareholdings

Our capital requirements are dependent on, amongst others, the scale of our business operations, the availability of resources for attracting, maintaining and enlarging our customer base and the need to maintain and expand our service offering. Thus, we may need additional capital expenditure for future expansions and / or investments. An issue of new Shares or other securities to raise funds for these purposes will dilute shareholders' equity interest and may, in case of a rights issue, require additional investments by shareholders.

9.3.6 There is no certainty of dividend payments to our shareholders

Our ability to pay dividends to our shareholders is dependent on, among others, our financial performance, cash flow position, capital requirements and other obligations. This will in turn depend on certain factors which are beyond our control such as the general economic conditions, overall demand for our scheduled waste management services and our ability to successfully implement our intended business and growth strategies. Deterioration of these factors could have an adverse impact on our financial performance, consequently affecting our ability to pay dividends to our shareholders. As such, there is no certainty that we will be able to pay dividends to our shareholders in the future.

Please refer to **Section 12.10** of this Prospectus for further details on our dividend policy.

9.3.7 Our Promoters and substantial shareholders will be able to exert significant influence over our Company and their interests may not be aligned with those of our other shareholders

Our Promoters and substantial shareholders will collectively hold approximately 70.23% of our enlarged number of issued Shares upon our Listing. As a result, they will be able to effectively control the business direction and management of our Group including the election of Directors, the timing and quantum of dividends as well as any significant corporate actions. They will have significant influence on the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law or by relevant regulatory authorities.

Further, the interests of our Promoters and substantial shareholders might differ from those of our other shareholders. In the event that our Promoters and substantial shareholders cause us to pursue strategic objectives that conflict with the interests of our other shareholders, our other shareholders could be disadvantaged and their interests could be damaged. Any conflict of interest between our Promoters and substantial shareholders and our other shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

10. RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to the exemptions, generally a "related party transaction" is a transaction entered into by a listed corporation or its subsidiary which involves the interest, direct or indirect, of a related party. A "related party" is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding 6 months before the transaction was entered into) as per Rule 10.02 of the Listing Requirements. "Major shareholder" means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company as per Rule 1.01 of the Listing Requirements.

Upon our Listing, we may be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with Rule 10.08 of the Listing Requirements. However, if the 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 related party transactions during the validity period of the mandate and the interested person shall abstain from voting on resolution(s) pertaining to the respective transaction.

Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12-month period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities or interests in one corporation / asset or of various parcels of land contiguous to each other.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisition of 5ERSB and as disclosed below, we have not entered into any related party transactions with our related parties for the Period Under Review and up to the LPD:

No.	Transacting parties	Interested persons and nature of relationship when the transactions were entered into	Nature of transaction	Transaction value				
				FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	1 November 2025 up to LPD RM'000
1.	5ERSB and 5E Singapore	**Loo Sok Ching, Lim Te Hua and Shankar A/L Narasingam** Shareholders and directors of 5E Singapore.	Professional fees paid by 5ERSB on behalf of 5E Singapore(1)	2,564 (3.58% of our Group's NA)	233 (0.27% of our Group's NA)	-	-	-
2.		**Wong Kim Fatt, Ban Kim Wah and GreenEdge** Shareholders of 5E Singapore.	Advances from 5E Singapore to 5ERSB(2)	26,240 (36.66% of our Group's NA)	2,393 (2.80% of our Group's NA)	-	-	-
3.			Repayment by 5E Singapore to 5ERSB(3)	1,356 (1.89% of our Group's NA)	-	-	-	-
4.			Capitalisation of amount owing to 5E Singapore(4)	-	-	-	25,836 (17.97% of our Group's NA)	-

10. RELATED PARTY TRANSACTIONS

No.	Transacting parties	Interested persons and nature of relationship when the transactions were entered into	Nature of transaction	Transaction value				
				FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	1 November 2025 up to LPD RM'000
5.	5ERSB and 5E Holdings	**Loo Sok Ching, Lim Te Hua and Shankar A/L Narasingam** Directors of 5E Holdings and shareholders of 5E Singapore, which is the holding company of 5E Holdings. **Wong Kim Fatt, Ban Kim Wah and GreenEdge** Shareholders of 5E Singapore, which is the holding company of 5E Holdings.	Professional fees paid by 5ERSB on behalf of 5E Holdings[5]	29 (0.04% of our Group's NA)	-	-	-	-
6.			Repayment by 5E Holdings to 5ERSB[5]	-	163 (0.19% of our Group's NA)	-	-	-

10. RELATED PARTY TRANSACTIONS

No.	Transacting parties	Interested persons and nature of relationship when the transactions were entered into	Nature of transaction	Transaction value				
				FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	1 November 2025 up to LPD RM'000
7.	5ERSB and Wentel Engineering	**Ban Kim Wah** Director and shareholder of Wentel Engineering Holdings, which is the holding company of Wentel Engineering. **Loo Sok Ching and Wong Kim Fatt** Shareholders of Wentel Engineering Holdings, which is the holding company of Wentel Engineering. They are also persons connected with Wong Chun Wei (child of Loo Sok Ching and Wong Kim Fatt), a director of Wentel Engineering Holdings. **Wang Sze Min and Siow Chin How** Directors of Wentel Engineering Holdings, which is the holding company of Wentel Engineering. **Wang Han Lin** Person connected with Soo Wee Loon (by virtue of them being the partners of Messrs Wang & S.B. Wong), a director of Wentel Engineering Holdings, which is the holding company of Wentel Engineering.	Provision of scheduled waste management services to Wentel Engineering[6]	181 (0.28% of our Group's revenue)	164 (0.21% of our Group's revenue)	175 (0.22% of our Group's revenue)	129 (0.19% of our Group's revenue)	67

10. RELATED PARTY TRANSACTIONS

No.	Transacting parties	Interested persons and nature of relationship when the transactions were entered into	Nature of transaction	Transaction value				
				FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	1 November 2025 up to LPD RM'000
8.	5ERSB and Wencor	**Loo Sok Ching and Wong Kim Fatt** Directors and shareholders of Wencor. They are also persons connected with Wong Ying Wei (child of Loo Sok Ching and Wong Kim Fatt), a director of Wencor. **Wong Ying Wei** Wong Ying Wei was a director of 5ERSB from 21 April 2016 up to 3 May 2023. She is also a director of Wencor.	Repayment of payments made by Wencor on behalf of 5ERSB[7]	5 (Less than 0.01% of our Group's NA)	-	-	-	-
9.			Provision of scheduled waste management services to Wencor[6]	4 (Less than 0.01% of our Group's revenue)	3 (Less than 0.01% of our Group's revenue)	5 (Less than 0.01% of our Group's revenue)	5 (Less than 0.01% of our Group's revenue)	3
10.	5ERSB and Golden Oriental Realty Sdn Bhd ("**Golden Oriental Realty**")	**Loo Sok Ching and Wong Kim Fatt** Directors and shareholders of Golden Oriental Realty. They are also persons connected with Wong Ying Wei and Wong Chun Wei (children of Loo Sok Ching and Wong Kim Fatt), both being directors of Golden Oriental Realty. **Wong Ying Wei** Wong Ying Wei was a director of 5ERSB from 21 April 2016 up to 3 May 2023. She is also a director of Golden Oriental Realty.	Engagement of Golden Oriental Realty for hostel cleaning services[8]	*	2 (Less than 0.01% of our Group's cost of sales)	2 (Less than 0.01% of our Group's cost of sales)	1 (Less than 0.01% of our Group's cost of sales)	-

10. RELATED PARTY TRANSACTIONS

Notes:

* Less than RM500.

(1) This transaction was not conducted on arm's length basis as the outstanding amount arising from the professional fees paid by 5ERSB on behalf of 5E Singapore was interest-free. As at the LPD, the outstanding amount has been fully settled by 5E Singapore. Our Group will not enter into any transaction of such nature moving forward.

(2) This transaction was not conducted on arm's length basis as the advances provided were interest-free. As at the LPD, these advances have been fully settled by our Group via capitalisation, details of which are as set out in **Section 6.2.1** of this Prospectus. Our Group will not enter into any transaction of such nature moving forward.

(3) The repayment was pursuant to the professional fees paid by 5ERSB on behalf of 5E Singapore in FYE 2021. The said payment on behalf was not conducted on arm's length basis as the outstanding amount arising therefrom was interest-free. Our Group will not enter into any transaction of such nature moving forward.

(4) This transaction was not conducted on arm's length basis as the issue price of RM1 per ordinary share in 5ERSB pursuant to the capitalisation of amount owing to 5E Singapore is significantly lower than the NA per ordinary share in 5ERSB as at 31 December 2023 (being the latest audited financial information at the relevant time) of approximately RM79.00. Nevertheless, our Group will not enter into any transaction of such nature moving forward.

(5) The payment of professional fees by 5ERSB on behalf of 5E Holdings was not conducted on arm's length basis as the outstanding amount arising there from was interest-free. The outstanding amount totalling RM0.16 million, which included an outstanding amount arising from similar payment on behalf by 5ERSB in FYE 2021 of RM0.13 million, has been fully settled by 5E Holdings in FYE 2023. Our Group will not enter into any transaction of such nature moving forward.

(6) This transaction was conducted on arm's length basis and on normal commercial terms which were not unfavourable to our Group. This transaction was carried out in our Group's ordinary course of business in line with the range of service fees charged to other third-party customers.

(7) The repayment was pursuant to stamp duty paid by Wencor on behalf of 5ERSB. The said payment on behalf was not conducted on arm's length basis as the outstanding amount arising therefrom was interest-free.

(8) This transaction was conducted on arm's length basis and on normal commercial terms which were not unfavourable to our Group as the service fees charged by Golden Oriental Realty were comparable to those of third-party service providers. Nevertheless, our Group will not engage Golden Oriental Realty for such services moving forward.

10. RELATED PARTY TRANSACTIONS

Our Board has confirmed that there are no other material related party transactions that we had entered into with our related parties but not yet effected up to the date of this Prospectus.

Save for the provision of scheduled waste management services to Wentel Engineering and Wencor (collectively, "**Continuing RPTs**"), there are no subsisting transactions with our related parties after our Listing. The terms of the Continuing RPTs will be reviewed by our ARMC and our Board, and we shall seek the relevant approvals from our shareholders to enter into such recurrent related party transactions at a general meeting, if required under the Listing Requirements.

Upon our Listing, our ARMC will review the terms of any related party transactions (including any recurrent related party transactions) and ensure that they are conducted on an arm's length basis and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to our minority shareholders. We will make disclosures in our annual report of the aggregate value of recurrent related party transactions entered into by us based on the nature of transactions made, names of the related parties involved and their relationship with our Group during the financial year and in the annual reports for the subsequent financial years.

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10. RELATED PARTY TRANSACTIONS

10.2 OTHER TRANSACTIONS

10.2.1 Transactions which are unusual in their nature or conditions

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

10.2.2 Amount due from / to our related parties

(i) Amount due from our related parties

	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2024 RM'000	As at 31 October 2025 RM'000	As at LPD RM'000
Amount due from Directors	-	-	-	-	-
Amount due from other related parties[(1)]	163	-	-	-	-
Total	**163**	-	-	-	-

Note:
(1) Comprising outstanding amount arising from professional fees paid by 5ERSB on behalf of 5E Holdings in FYE 2021 of RM0.13 million and FYE 2022 of RM0.03 million.

(ii) Amount due to our related parties

	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2024 RM'000	As at 31 October 2025 RM'000	As at LPD RM'000
Amount due to Directors	-	-	-	-	-
Amount due to other related parties[(1)]	23,676	25,836	25,836	-	-
Total	**23,676**	**25,836**	**25,836**	-	-

Note:
(1) Comprising advances from 5E Singapore to 5ERSB.

10. RELATED PARTY TRANSACTIONS

10.2.3 Financial assistance from / to our related parties

There are no financial assistance (including guarantees of any kind) made by our Group to or for the benefit of any of our related parties for the Period Under Review and up to the LPD.

As part of the terms of the banking and credit facilities extended to our Group, some of the Directors and shareholders of our Group have jointly and severally provided personal guarantees to the financial institutions and financing party extending these facilities, i.e., Public Bank Berhad, Mercedes-Benz Services Malaysia Sdn Bhd and Affin Bank Berhad ("**Financiers**").

In conjunction with our Listing, we have applied to the Financiers for a release and / or discharge of the personal guarantees. As at the LPD, we have received approval from the Financiers for the said release of personal guarantees subject to our Group replacing them with a corporate guarantee from our Company. In view of this, we will replace the aforesaid personal guarantees with a corporate guarantee from our Company within 6 months upon listing.

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10. RELATED PARTY TRANSACTIONS

10.3 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.3.1 ARMC review

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

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

10.3.2 Our Group's policy on related party transactions

Related party transactions by their nature, involve conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Any such related party transactions may individually and in aggregate have conflicts of interest.

Any related party transactions shall be reviewed by our ARMC to ensure that they are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the public dealing at arm's length with our Group and are not detrimental to our minority shareholders.

In addition, we have adopted a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situation, and intend for the framework to be guided by the Listing Requirements and MCCG upon our Listing. The procedures which may form part of the framework include, amongst other things, the following:

(i) our Board shall ensure that half of our Board members are independent directors and will undertake an annual assessment on our independent directors;

(ii) our Directors will be required to immediately make full disclosure of any direct / indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested director shall be required to abstain from deliberations and voting on any resolution related to the related party transaction; and

(iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transaction to our ARMC for evaluation and assessment who would in turn, make a recommendation to our Board for deliberation and approval.

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11. CONFLICT OF INTEREST

11.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS OR SUPPLIERS

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

Name of company	Principal activities	Nature of transaction	Nature of interest
Wentel Engineering	Principally involved in the fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products	Provision of scheduled waste management services by our Group	• Loo Sok Ching, Wong Kim Fatt and Ban Kim Wah are substantial shareholders of Wentel Engineering Holdings, which is the holding company of Wentel Engineering. • Loo Sok Ching and Wong Kim Fatt are the parents of Wong Chun Wei, an Executive Director of Wentel Engineering Holdings. • Ban Kim Wah is the Non-Independent Non-Executive Chairman of Wentel Engineering Holdings. • Wang Sze Min and Siow Chin How are Independent Non-Executive Directors of Wentel Engineering Holdings. • Wang Han Lin is a person connected with Soo Wee Loon (by virtue of them being the partners of Messrs Wang & S.B. Wong), an Independent Non-Executive Director of Wentel Engineering Holdings.
Wencor	Engaged in supply chain management of vacuum cleaner spare parts and manufacturing of plastic injection moulding	Provision of scheduled waste management services by our Group	• Loo Sok Ching and Wong Kim Fatt are directors and substantial shareholders of Wencor. They are also the parents of Wong Ying Wei, a director of Wencor.

11. CONFLICT OF INTEREST

Our Board is of the view that any potential conflict of interest situation which may arise through the aforesaid interests has been mitigated on the following basis:

(i) In the conduct of our Group's business activities, Wentel Engineering and Wencor engage our Group to provide scheduled waste management services. For the Period Under Review, the revenue contribution from Wentel Engineering and Wencor represents less than 0.30% and 0.01% of our Group's total revenue respectively. In view thereof, Wentel Engineering and Wencor are not major customers of our Group and our Group is not dependent on them;

(ii) Wong Kim Fatt and Ban Kim Wah are solely our substantial shareholders, while Loo Sok Ching is our Non-Independent Non-Executive Chairperson (since May 2025) and a substantial shareholder. They do not have any managerial or executive position in our Group. As such, they do not deal with our Group's day-to-day operations, including any acquisition of customers for our scheduled waste management services;

(iii) Our transactions with Wentel Engineering and Wencor are required to comply with our Related Party Transactions Policy and Procedures which stipulate that, among others, the pricing for these transactions must be determined based on our Group's business practices and policies as well as competitive prices of similar products and services in the open market. These transactions are also required to be deliberated upon by both our ARMC and Board, and subsequently approved by our Board, where participation is restricted to non-conflicted Directors; and

(iv) In view that Wentel Engineering Holdings is a company listed on the ACE Market, any related party transactions between Wentel Engineering and our Group are similarly subject to Wentel Engineering Holdings' Related Party Transactions Policy and Procedures. This provides an additional layer of governance on the transactions between our Group and Wentel Engineering.

Our Directors will declare to our ARMC and Board of their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our ARMC will then evaluate if such a Director's involvement gives rise to an actual or potential conflict of interest with our Group's business based on the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our ARMC will then report its findings to our Board. Our Board, upon reviewing the recommendation by our ARMC, will engage in deliberation, review the matter and decide on the next course of action. When a potential conflict of interest is disclosed, our ARMC and Board will carefully evaluate the situation and may consider various feedback and actions to address the matter.

Where a Director has disclosed a conflict of interest, the conflicted Director shall abstain from any discussion of our Board and Board committees relating to the subject of the conflict of interest and the conflicted Director shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director may however at the request of the Chairperson of our Board and Board committees be present at our Board and Board committees' meetings for the purposes of answering any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our ARMC may take necessary disciplinary actions, such as reassignment, termination, or other appropriate measures.

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11. CONFLICT OF INTEREST

11.2 DECLARATION BY THE 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 interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO;

(ii) Crowe Malaysia PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our IPO;

(iii) David Lai & Tan has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Solicitors for our IPO; and

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

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