

WASCO BERHAD (“WASCO” OR “COMPANY”)

PROPOSED LISTING OF WASCO GREENERGY BERHAD (“GREENERGY”) ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“PROPOSED LISTING”)

1. INTRODUCTION

On behalf of the Board of Directors (“**Board**”) of Wasco, CIMB Investment Bank Berhad (“**CIMB**”) wishes to announce that Wasco is proposing to list its subsidiary, Greenergy, on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) via an initial public offering (“**IPO**”).

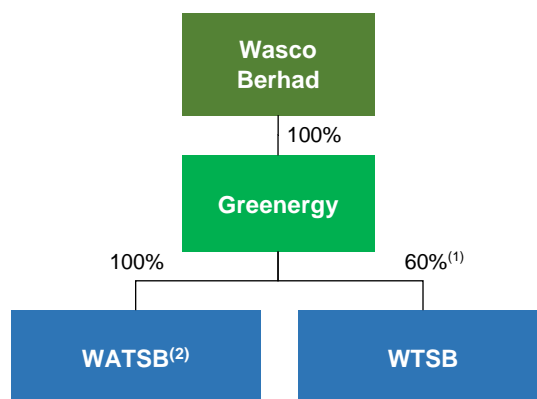
2. DETAILS OF THE PROPOSALS

2.1 Proposed Pre-IPO Exercise (as defined below)

In conjunction with and as an integral part of the Proposed Listing, Greenergy proposes to undertake the following:

2.1.1 Proposed Acquisition

As at 31 May 2025, being the latest practicable date prior to the date of this announcement (“**LPD**”), Greenergy holds 100% equity interest in Wasco AgroTech Sdn Bhd (“**WATSB**”) and 60% equity interest in Wasco Thermal Sdn Bhd (“**WTSB**”), as shown below:



Notes:

- (1) The remaining 40% equity interest in WTSB is held by Tema Energy Ventures Sdn Bhd (“**Tema Energy**”).
- (2) WATSB has four subsidiaries, namely PMT Industries (Labuan) Ltd, PMT-Dong Yuan Industries Sdn Bhd, PT Wasco AgroTech Indonesia and Wasco Saito Sdn Bhd, and one joint venture company, namely Shinko Wasco Turbine Sdn Bhd.

In order to optimise the corporate structure to further develop the business of Greenergy and its subsidiaries (“**Greenergy Group**”), Greenergy proposes to acquire the remaining 1,000,000 ordinary shares in WTSB representing 40% equity interest in WTSB held by Tema Energy (“**Sale Shares**”) for a total purchase consideration of RM19,301,360 (“**Proposed Acquisition**”). The purchase consideration will be satisfied via the issuance of 14,404,000 new ordinary shares in Greenergy (“**Shares**” or “**Greenergy Shares**”) at an issue price of RM1.34 per Share.

On 19 June 2025, Greenergy entered into a conditional share sale agreement (“**SSA**”) with Tema Energy in respect of the Proposed Acquisition. Please refer to **Appendix I** of this Announcement for the salient terms of the SSA in relation to the Proposed Acquisition.

The Proposed Acquisition is conditional upon, amongst others, approval to be obtained from the Securities Commission Malaysia (“**SC**”) for the Proposals (as defined below) and is expected to be completed prior to the registration of the prospectus of Greenergy (“**Prospectus**”) with the SC.

Upon completion of the Proposed Acquisition, the shareholders of Greenergy and their resultant shareholdings in Greenergy are as follows:

	As at the LPD		After the Proposed Acquisition	
	No. of Shares	%	No. of Shares	%
Wasco	115,000,000	100.00	115,000,000	88.87
Tema Energy	-	-	14,404,000	11.13
Total	115,000,000	100.00	129,404,000	100.00

(i) **Basis and justification for the purchase consideration for the Proposed Acquisition**

The purchase consideration for the Proposed Acquisition of RM19,301,360 was arrived at on a willing buyer-willing seller basis after taking into account Tema Energy’s proportionate 40% share of the audited consolidated net assets (“**NA**”) of WTSB as at 31 December 2024 of RM48,253,417.

(ii) **Basis and justification for the issue price of the new Greenergy Shares**

The issue price of RM1.34 per Share for the Proposed Acquisition was arrived at based on the audited NA per Share of Greenergy as at 31 December 2024.

(iii) **Ranking of the new Greenergy Shares**

The new Shares to be issued pursuant to the Proposed Acquisition shall, upon allotment and issue, rank equally in all respects with the existing Greenergy Shares.

(iv) **Liabilities to be assumed by Greenergy**

Greenergy will not assume any liabilities, including contingent liabilities or guarantees pursuant to the Proposed Acquisition. The Sale Shares shall be disposed free from all claims, charges, liens, encumbrances or adverse interests and with all rights, benefits, title to, interest in and entitlements attached as at the completion date of the SSA.

2.1.2 Proposed Bonus Issue

Upon completion of the Proposed Acquisition, Greenergy proposes to undertake a proposed bonus issue of 295,596,000 new Shares (“**Bonus Shares**”) for the purpose of increasing the number of issued shares in Greenergy in order to facilitate the Proposed Listing (“**Proposed Bonus Issue**”).

The Proposed Bonus Issue will be credited as fully paid-up on a pro-rata basis to the existing shareholders of Greenergy based on their respective shareholdings in Greenergy after the Proposed Acquisition. The Proposed Bonus Issue shall be implemented without capitalising the retained earnings or reserves of Greenergy and the Bonus Shares shall be issued at nil consideration.

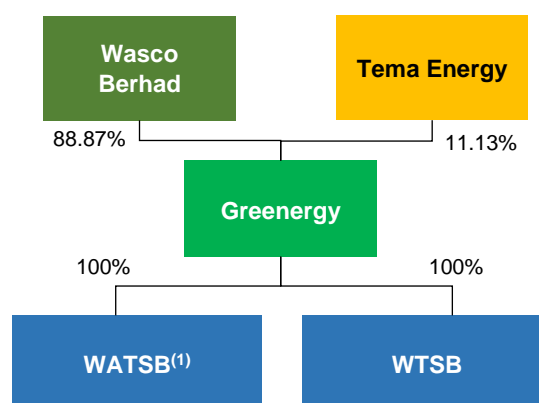
Any fractional entitlements under the Proposed Bonus Issue will be dealt with by the Directors of Greenergy to arrive at the resultant shareholdings below upon completion of the Proposed Bonus Issue:

	After the Proposed Acquisition		Number of Bonus Shares to be issued		After the Proposed Bonus Issue	
	No. of Shares	%	No. of Bonus Shares	%	No. of Shares	%
Wasco	115,000,000	88.87	262,693,100	88.87	377,693,100	88.87
Tema Energy	14,404,000	11.13	32,902,900	11.13	47,306,900	11.13
Total	129,404,000	100.00	295,596,000	100.00	425,000,000	100.00

Upon completion of the Proposed Bonus Issue, Greenergy's enlarged issued share capital will comprise 425,000,000 Shares.

(The Proposed Acquisition and Proposed Bonus Issue are collectively referred to as the **"Proposed Pre-IPO Exercise"**).

The group structure of Greenergy upon completion of the Proposed Pre-IPO Exercise is set out below:



Note:

- (1) WATSB has four subsidiaries, namely PMT Industries (Labuan) Ltd, PMT-Dong Yuan Industries Sdn Bhd, PT Wasco AgroTech Indonesia and Wasco Saito Sdn Bhd, and one joint venture company, namely Shinko Wasco Turbine Sdn Bhd.

The Proposed Pre-IPO Exercise is undertaken to facilitate the Proposed IPO (as defined in Section 2.2 below) and the Proposed Listing.

2.2 Proposed IPO

Upon completion of the Proposed Pre-IPO Exercise, Greenergy proposes to undertake an IPO of up to 150,000,000 Shares (**"IPO Shares"**), representing up to approximately 30.00% of the enlarged issued share capital of Greenergy, involving the following:

- offer for sale of up to 75,000,000 Shares to be offered by Wasco and Tema Energy (**"Selling Shareholders"**) (**"Offer Shares"**) (**"Proposed Offer for Sale"**); and
- public issue of 75,000,000 new Shares (**"Issue Shares"**) (**"Proposed Public Issue"**),

in the manner set out below.

(The Proposed Offer for Sale and Proposed Public Issue are collectively referred to as **"Proposed IPO"**).

(i) **Institutional Offering**

The institutional offering will involve the offering of up to 119,500,000 IPO Shares (comprising up to 75,000,000 Offer Shares and 44,500,000 Issue Shares) at a price to be determined by way of bookbuilding ("**Institutional Price**"), representing up to approximately 23.90% of the enlarged issued share capital of Greenergy ("**Institutional Offering**") in the following manner:

- (a) 44,500,000 Issue Shares and up to 18,000,000 Offer Shares to Bumiputera investors approved by the Ministry of Investment, Trade and Industry ("**MITI**"); and
- (b) up to 57,000,000 Offer Shares to Malaysian institutional and selected investors (other than Bumiputera investors approved by MITI).

(ii) **Retail Offering**

The retail offering will involve the offering of 30,500,000 Issue Shares, at the Retail Price (as defined below), representing approximately 6.10% of the enlarged issued share capital of Greenergy ("**Retail Offering**") in the following manner:

(a) **Allocation to the Eligible Greenergy Persons and Eligible Wasco Persons**

- (aa) 2,370,000 Issue Shares reserved for application by the Directors and eligible employees of the Greenergy Group ("**Eligible Greenergy Persons**"); and
- (bb) 2,630,000 Issue Shares reserved for application by the Directors and eligible employees of Wasco and its subsidiaries ("**Wasco Group**") ("**Eligible Wasco Persons**"),

(items (aa) and (bb) are collectively referred to as "**Proposed Pink Form Allocation**").

(b) **Allocation to the Entitled Shareholders of Wasco**

15,500,000 Issue Shares reserved for application by the shareholders of Wasco (except for the Excluded Shareholders as defined below) whose names appear in the Record of Depositors of Wasco as at 5:00 p.m. on an entitlement date to be determined later ("**Entitlement Date**") ("**Entitled Shareholders of Wasco**") ("**Proposed Restricted Offering**").

"**Excluded Shareholders**" refer to shareholders of Wasco as stated in its Record of Depositors who fall into any one of the following categories as at the Entitlement Date:

- (aa) persons with a registered address in jurisdictions outside Malaysia;
- (bb) persons who are bound under the jurisdictions outside Malaysia in which acceptance under the Proposed Restricted Offering would result in the contravention of the laws of such jurisdictions (whether in the absence of any necessary consent and/or compliance with any registration or other legal requirements or for any other reason); or
- (cc) persons who are, in the opinion of the Board of Greenergy (on the advice of its legal advisers), necessary or expedient to be excluded from participating in the Proposed Restricted Offering by reason of legal or regulatory requirements.

The entitlement of the Entitled Shareholders of Wasco to participate in the Proposed Restricted Offering is non-renounceable and non-tradable. Entitled Shareholders of Wasco are not allowed to submit multiple applications for the Issue Shares made available under the Proposed Restricted Offering and the Board of Greenery has the absolute discretion to reject multiple applications. However, the Proposed Restricted Offering does not preclude the Entitled Shareholders of Wasco from making additional applications for the Issue Shares made available under the Malaysian public.

(c) Allocation via balloting to the Malaysian public

10,000,000 Issue Shares for application by the Malaysian public, of which 5,000,000 Issue Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

The initial price per Issue Share to be fully paid by the retail investors upon application pursuant to the Retail Offering ("**Retail Price**") will be determined prior to the launch of the Prospectus, after taking into consideration various factors, including but not limited to, the operating history and financial performance of the Greenery Group, the Greenery Group's competitive strengths, business strategies and future plans, the outlook of the industry in which the Greenery Group operates, as well as the prevailing market conditions.

The final Retail Price will be determined after the Institutional Price has been fixed by the Directors of Greenery and the Selling Shareholders on a date to be determined by the Board of Greenery, and will be the lower of the Retail Price or the Institutional Price ("**Final Retail Price**"). In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants, without any interest thereon.

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In summary, the IPO shares will be allocated and allotted in the following manner:

Category	Proposed Offer for Sale ⁽¹⁾		Proposed Public Issue		Total	
	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(2)%
<u>Retail Offering</u>						
Eligible Greenergy Persons:						
- Directors of Greenergy	-	-	400,000	0.08	400,000	0.08
- Eligible employees of the Greenergy Group	-	-	1,970,000	0.39	1,970,000	0.39
Eligible Wasco Persons:						
- Directors of Wasco	-	-	700,000	0.14	700,000	0.14
- Eligible employees of the Wasco Group	-	-	1,930,000	0.39	1,930,000	0.39
Entitled Shareholders of Wasco	-	-	15,500,000	3.10	15,500,000	3.10
Malaysian Public (via balloting)						
- Bumiputera	-	-	5,000,000	1.00	5,000,000	1.00
- Non-Bumiputera	-	-	5,000,000	1.00	5,000,000	1.00
Sub-total	-	-	30,500,000	6.10	30,500,000	6.10
<u>Institutional Offering</u>						
- Bumiputera investors approved by the MITI	18,000,000	3.60	44,500,000	8.90	62,500,000	12.50
- Other Malaysian institutional and selected investors	57,000,000	11.40	-	-	57,000,000	11.40
Sub-total	75,000,000	15.00	44,500,000	8.90	119,500,000	23.90
Total	75,000,000	15.00	75,000,000	15.00	150,000,000	30.00

Notes:

(1) Based on the offer for sale of existing Shares by the Selling Shareholders:

Selling Shareholders	No. of Shares offered under the Proposed Offer for Sale	(a)%
Wasco	65,000,000	13.00
Tema Energy ^(b) :	10,000,000	2.00
Total	75,000,000	15.00

(a) Based on the enlarged share capital of Greenergy of 500,000,000 Shares upon the Proposed Listing.

(b) In connection with the Proposed Acquisition, Tema Energy has been granted the right provided that the Shares are approved for listing on Bursa Securities, to offer for sale an aggregate of up to 2.0% of the enlarged issued share capital of Greenergy in order to enable Tema Energy to monetise a portion of its investment in the Greenergy Group. The shareholders of Tema Energy have agreed that the remaining 37,306,900 Shares, representing 7.46% equity interest in Greenergy held by Tema Energy upon the Proposed Listing will be subject to lock-up on a staggered basis for a period of three years from the date of listing, as follows:

	Proportion of Shares held	No. of Shares under lock-up	(a)%
Year 1	100%	37,306,900	7.46
Year 2	80%	29,845,600	5.97
Year 3	50%	18,653,500	3.73

Further, the shares in Tema Energy held by the shareholders of Tema Energy will similarly be subject to the same lock-up period and proportion as above (Year 1 – 100%; Year 2 – 80%, Year 3 – 50%).

(2) Based on the enlarged share capital of Greenergy of 500,000,000 Shares upon the Proposed Listing.

2.3 Proposed Listing

Upon the successful completion of the Proposed IPO, Greenergy proposes to be admitted to the Official List of the Main Market of Bursa Securities and undertake the listing of and quotation for its entire enlarged issued share capital of 500,000,000 Shares on the Main Market of Bursa Securities.

(The Proposed Pre-IPO Exercise, Proposed IPO and the Proposed Listing shall collectively be referred to as the “**Proposals**”).

3. BACKGROUND INFORMATION ON GREENERGY

Greenergy was incorporated in Malaysia under the Companies Act 2016 (“**Act**”) on 5 December 2023 as a private limited company under the name of Wasco Greenergy Sdn Bhd and it was converted into a public company on 20 June 2025.

As at the LPD, Greenergy has an issued share capital of RM115,000,000 comprising 115,000,000 Greenergy Shares.

As at the date of this Announcement, Greenergy is a wholly-owned subsidiary of Wasco. The Directors of Greenergy are Halim Bin Haji Din, Ramanathan A/L P.R. Singaram, Ng Ing Peng and Roslina Binti Abdul Rahman.

Wasco’s total cost of investment in Greenergy since Greenergy’s incorporation up to the LPD is approximately RM115,000,000.

Please refer to **Appendix II** of this Announcement for further information on Greenergy.

4. BACKGROUND INFORMATION ON TEMA ENERGY

Tema Energy was incorporated in Malaysia under the Companies Act 1965 on 21 June 2005 as a private limited company under the name of Tema Energy Ventures Sdn Bhd and deemed registered under the Act. The principal activity of Tema Energy is investment holding.

As at the LPD, Tema Energy has an issued share capital of RM10,272 comprising 10,272 ordinary shares in Tema Energy.

As at the LPD, the Directors of Tema Energy are Soo Hock Tiong, Tee Kian Lim and Pua Kai Xin. The shareholders of Tema Energy and their respective shareholdings in Tema Energy as at the LPD are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Tee Kian Lim	2,707	26.35	-	-
Teh Khim Choon	2,587	25.18	-	-
Soo Hock Tiong	2,287	22.26	-	-
Chong Thiam Heng	1,027	10.00	-	-
Ooi Giap Hwa	1,000	9.74	-	-
Ng Ah Loon	514	5.00	-	-
Chuah Chong Sheng	150	1.46	-	-
Total	10,272	100.00	-	-

Save for its 40% equity interest in WTSB, Tema Energy does not have any other subsidiary or associated company as at the LPD.

5. USE OF PROCEEDS

The net proceeds (after taking into account the estimated fees and expenses to be incurred by Wasco for the Proposed Offer for Sale) attributable to Wasco are proposed to be utilised for working capital and general corporate purposes.

The exact quantum of proceeds that may be raised by Wasco from the Proposed Offer for Sale would depend on the price and the actual number of Offer Shares placed. The exact details on the use of such proceeds, including its breakdown have not been determined at this juncture. Further details on the use of proceeds will be set out in the circular to the shareholders of Wasco in relation to the Proposals prior to an extraordinary general meeting (“**EGM**”) to be convened.

On the other hand, the gross proceeds to be raised from the Proposed Public Issue will accrue entirely to Greenergy and are expected to be utilised for the following:

- (i) business expansion through investments, acquisitions and strategic partnership relating to the ownership and operation of biomass steam power plants;
- (ii) expansion of Greenergy Group’s operations in Indonesia;
- (iii) capital expenditure for new equipment and machinery, and upgrade of Greenergy’s headquarters;
- (iv) digitalisation of Greenergy Group’s business systems and processes;
- (v) research and development; and
- (vi) defray estimated listing expenses pursuant to the Proposals.

Further details on the proposed use of proceeds arising from the Proposed Public Issue will be set out in the Prospectus to be issued by Greenergy in due course.

6. RATIONALE AND BENEFITS OF THE PROPOSALS

6.1 Wasco Group

For Wasco Group as a whole, the Proposals will:

- (i) enable Wasco to unlock and realise the value of its investment in Greenergy and enhance shareholders’ value at Wasco’s level;
- (ii) provide a transparent valuation benchmark for the biomass services business segment of the Wasco Group;
- (iii) allow Wasco to position Greenergy Group as one of the leading key players in the biomass boiler and steam turbine markets in Malaysia; and
- (iv) provide an avenue for the existing shareholders of Wasco, including the Eligible Wasco Persons to directly participate in the equity of the Greenergy Group.

6.2 Greenergy Group

For Greenergy Group as a whole, the Proposals will:

- (i) enable Greenergy to gain recognition through its listing status and enhance its reputation as a renewable energy system provider, thereby improving its visibility and allow it to achieve greater market penetration and gain broader client base;
- (ii) provide an opportunity for the Malaysian public, including the Eligible Greenergy Persons to participate in the equity of Greenergy;
- (iii) enable Greenergy Group to raise funds for the purposes as set out in Section 5 of this Announcement; and
- (iv) enable Greenergy Group to tap into the equity capital market for future fund raising and to provide the Greenergy Group the financial flexibility to pursue future growth opportunities as and when they arise.

7. RISK FACTORS

The implementation of the Proposals is subject to the approvals being obtained from the relevant authorities and/or parties as set out in Section 9 of this Announcement. In addition, the success of the Proposals is also dependent on the market conditions prevailing at the time of implementation. Accordingly, there can be no assurance that the Proposals will be implemented as anticipated.

8. EFFECTS OF THE PROPOSALS

8.1 Share capital and substantial shareholders' shareholdings

The Proposals do not involve any issuance of new ordinary shares in Wasco ("**Wasco Shares**"), and accordingly, will not have any effect on the issued share capital and the shareholdings of the substantial shareholders of the Company.

8.2 NA, NA per Wasco Share and gearing

The effects of the Proposals on the consolidated NA, NA per Wasco Share and gearing of the Wasco Group can only be ascertained once the Institutional Price and the Final Retail Price have been determined.

8.3 Earnings and earnings per share ("EPS")

The Proposals are not expected to have any material effect on the consolidated earnings and EPS of Wasco Group for the financial year ending ("**FYE**") 31 December 2025. The Proposals are expected to be completed by the fourth quarter of 2025.

Upon completion of the Proposals, Wasco's equity interest in Greenergy will be diluted to 62.5% from its existing equity interest as at LPD of 100%. Although Wasco Group will continue to consolidate the earnings contribution from the Greenergy Group, Wasco's share of future earnings will be reduced accordingly.

Further details on the effects of the Proposals on the Wasco Group will be included in the circular to the shareholders of Wasco in relation to the Proposals prior to an EGM to be convened.

9. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) the SC for the Proposals;
- (ii) the SC (Equity Compliance Unit) for the resultant equity structure of Greenergy under the Bumiputera equity requirements for public listed companies pursuant to the Proposed IPO;
- (iii) the MITI for the Proposed IPO and identification/nomination of Bumiputera investors to subscribe for 62,500,000 IPO Shares;
- (iv) Bursa Securities for the admission of Greenergy to the Official List of the Main Market of Bursa Securities, and the listing of and quotation for the entire enlarged issued share capital of Greenergy on the Main Market of Bursa Securities;
- (v) the shareholders of Wasco for the Proposed IPO and Proposed Listing at an EGM to be convened; and
- (vi) any other approvals, consents or permissions that may be required from any relevant regulatory authority or third party.

10. INTER-CONDITIONALITY OF THE PROPOSALS

The Proposed Pre-IPO Exercise, Proposed IPO and Proposed Listing are inter-conditional with respect to all the relevant approvals as set out in Section 9 of this Announcement being obtained. The implementation of the Proposed IPO is conditional upon the completion of the Proposed Pre-IPO Exercise. The implementation of the Proposed Listing is conditional upon the completion of the Proposed IPO.

The Proposals are not conditional upon any other corporate exercise/scheme of the Company.

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

Directors of Wasco who are eligible for an allocation under the Proposed Pink Form Allocation are deemed interested in the Proposals to the extent of their respective allocations as well as allocations to persons connected to them (if any). Accordingly, they have abstained and will continue to abstain from deliberating and voting at the relevant Board meetings of the Company pertaining to their respective proposed allocation of the Issue Shares as well as proposed allocation to persons connected to them (if any) under the Proposed Pink Form Allocation. They will abstain and undertake to ensure that persons connected to them (if any) will also abstain from voting in respect of their respective direct and/or indirect shareholdings, if any, on the resolutions pertaining to the proposed allocations of the Issue Shares to them or any persons connected to them (if any) at an EGM to be convened.

Save as disclosed above and their respective entitlements to subscribe for the Issue Shares made available under the Proposed Restricted Offer (including any such excess Issue Shares) as shareholders of Wasco, if any, which such rights are similarly available to all other shareholders of Wasco on the Entitlement Date, none of the Directors and major shareholders of Wasco as well as persons connected to them has any interest, direct and/or indirect, in the Proposals.

12. DIRECTORS' STATEMENT

The Board of Wasco, having considered all aspects of the Proposals, including but not limited to the rationale and benefits as well as the effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

Directors of Wasco who are eligible to participate in the Proposed Pink Form Allocation have abstained and will continue to abstain from forming an opinion and making any recommendation to vote in respect of the resolutions pertaining to the IPO Shares to be allocated to them or any persons connected to them (if any) pursuant to the Proposed Pink Form Allocation.

13. ADVISER

CIMB has been appointed as the Principal Adviser to Wasco and Greenergy for the Proposals.

14. ESTIMATED TIMEFRAME FOR APPLICATIONS TO AUTHORITIES AND COMPLETION

The applications to the relevant authorities in relation to the Proposals are expected to be made within two months from the date of this Announcement.

Barring any unforeseen circumstances, the Proposals are expected to be completed by the fourth quarter of 2025.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The SSA will be made available for inspection at the Company's registered office at Suite 19.01, Level 19, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this Announcement.

This Announcement is dated 20 June 2025.

SALIENT TERMS OF THE SSA

1. SALE AND PURCHASE OF THE SALE SHARES

- 1.1 Subject to the terms and conditions of the SSA, Tema Energy agrees to sell, and Greenergy agrees to purchase the Sale Shares for a purchase consideration of RM19,301,360 ("**Purchase Consideration**").

2. PURCHASE CONSIDERATION

The Purchase Consideration shall be satisfied by the issuance and allotment of 14,404,000 Greenergy Shares ("**Consideration Shares**") at the issue price of RM1.34 each and credited as fully paid-up, by Greenergy to Tema Energy.

3. CONDITIONS PRECEDENT

The sale and purchase of the Sale Shares is conditional upon the satisfaction or waiver of the following conditions precedent ("**Conditions Precedent**") within 9 months from the date of the SSA or such other period as the parties may mutually agree in writing ("**Cut-Off Date**"):

- (i) SC's approval for the Proposed IPO;
- (ii) Bursa Securities' approval for the admission of Greenergy to the Official List of the Main Market of Bursa Securities, and the listing of and quotation for the entire enlarged issued share capital of Greenergy on the Main Market of Bursa Securities;
- (iii) MITI's approval for the Proposed IPO;
- (iv) SC (Equity Compliance Unit) for the resultant equity structure of Greenergy under the Bumiputera equity requirements for public listed companies pursuant to the Proposed IPO; and
- (v) any other third parties' approvals or consents (including WTSB's financiers and creditors), if required.

The SSA will become unconditional on the day upon which all the Conditions Precedent have been fulfilled and/or waived by the parties ("**Unconditional Date**"). If any of the Conditions Precedent is not fulfilled by the Cut-Off Date, Greenergy may terminate the SSA.

4. COMPLETION

Completion of the SSA will take place on the date falling 10 business days from the Unconditional Date or such other date as the parties may mutually agree in writing ("**Completion Date**"). Greenergy shall issue and allot the Consideration Shares to Tema Energy on the Completion Date.

5. TERMINATION

If a party commits a material breach of any of its material obligations, representations or warranties under the SSA and fails to remedy such breach within 14 days of receipt of a written notice by the non-defaulting party, the non-defaulting party may terminate the SSA provided that the non-defaulting party is not in material breach of any of its obligations under the SSA and thereafter, the SSA (save for the survival provisions) shall be of no further force and effect save for the rights of any party against the other for any antecedent breach of their obligations under the SPA.

BACKGROUND INFORMATION ON GREENERGY

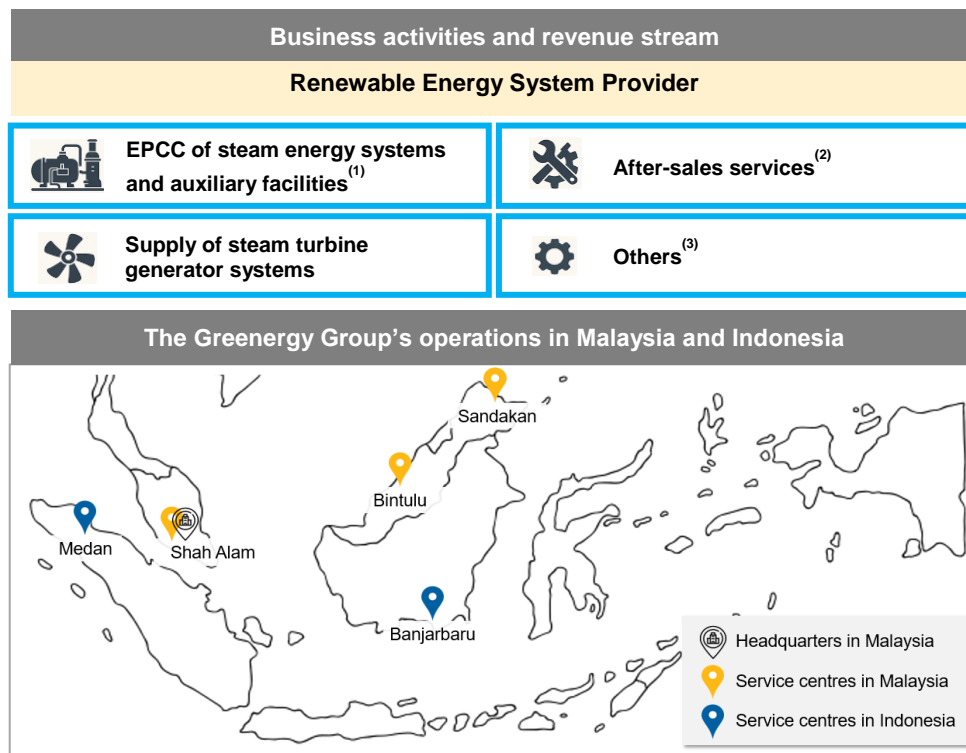
1. OVERVIEW

The Greenergy Group operates in the renewable energy sector and is involved in the following:

- (i) engineering, procurement, construction and commissioning (“**EPCC**”) of steam energy systems and auxiliary facilities;
- (ii) supply of steam turbine generator systems; and
- (iii) provision of after-sales services for these systems.

Other business activities include the design and manufacture of palm oil milling equipment, sale of externally sourced palm oil milling equipment and after-sale services for such equipment.

As at the LPD, the Greenergy Group operates in two countries. Its headquarters and operational facilities are located in Shah Alam, Selangor, Malaysia and is supported by three service centres in Malaysia, and two service centres in Indonesia.



Notes:

- (1) Steam energy systems and auxiliary facilities that the Greenergy Group offers comprise renewable energy systems including biomass steam energy systems, and auxiliary facilities including emission control systems, efficiency enhancement systems, water treatment systems, and boiler process control and automation, and heat recovery steam generators (“**HRSG**”). The Greenergy Group also offers other steam energy systems, namely gas-fired steam energy systems.
- (2) Include maintenance and repair services, and sales of parts for steam turbine generator systems, steam energy systems, auxiliary facilities, and palm oil milling equipment.
- (3) Include the sales of palm oil milling equipment which are in-house manufactured and externally sourced.

BACKGROUND INFORMATION ON GREENERGY

EPCC of steam energy systems and auxiliary facilities

The Greenergy Group offers three types of steam energy systems: biomass, gas-fired and HRSG. Its biomass energy systems involve using a boiler to burn agriculture waste and byproducts (such as empty fruit bunch (“**EFB**”), palm kernel shells, palm fibre and wood chips) to generate steam or heat, which is then used to power turbines for electricity generation or other processes. The gas-fired energy systems, on the other hand, use natural gas as the fuel source. The HRSG is designed to capture waste heat from gas turbines, which is used to heat up the boiler feedwater for steam energy systems. This process, commonly known as a cogeneration heat recovery system, enhances overall energy efficiency and reduces fuel consumption.

The Greenergy Group has the expertise and capabilities to deliver steam energy systems together with all necessary auxiliary facilities as a complete package. Alternatively, the Greenergy Group is able to fabricate standalone biomass or gas-fired steam energy systems, or HRSG to meet specific project requirements of its customers. The auxiliary equipment that supports the steam energy systems are also part of the Greenergy Group’s scope of services and are mainly sourced from suppliers or external subcontractors.

Supply of steam turbine generator systems

The Greenergy Group leverages on its in-house engineering strength and knowledge in its role as the appointed distributor to supply steam turbine generator systems for Shinko. These steam turbine generator systems are sourced either from its joint venture partner, Shinko Wasco Turbine Sdn Bhd in Malaysia, or directly from its principal, Shinko Ind. Ltd. in Japan, based on capacity requirements and may be supplied to customers individually or integrated into the Greenergy Group’s renewable energy system offerings. These steam turbine generator systems are designed to convert high-pressure steam into mechanical energy and the turbines rotate a shaft, that powers a generator to produce electricity.

After-sales services

The Greenergy Group also provides after-sales services for steam energy systems, auxiliary facilities and steam turbine generator systems. These services typically include maintenance and repair services and parts sales, all of which support the Greenergy Group’s renewable energy system business.

Others

The Greenergy Group is also involved in the design and manufacture of various palm oil milling equipment such as EFB press machines, palm kernel oil machines, twin screw press machines, separators, rotary brush strainers, and de-sanding cyclones. The Greenergy Group also sources third-party fabricated palm oil milling equipment, including EFB press machines and other oil milling equipment.

BACKGROUND INFORMATION ON GREENERGY

2. HISTORICAL CONSOLIDATED FINANCIAL DATA

The following historical consolidated financial data of Greenergy for the past three FYE 31 December 2022, 2023 and 2024 have been extracted from the audited consolidated financial statements of Greenergy:

	FYE 31 December		
	2022	2023	2024
	RM'000	RM'000	RM'000
Revenue	266,565	288,844	276,715
Gross profit	63,252	73,104	77,515
Profit before tax	33,044	45,648	53,625
Profit after tax	25,150	34,941	39,040
Profit after tax attributable to owners of Greenergy	22,333	29,781	34,308
NA attributable to owners of Greenergy	138,453	121,069	154,653
Issued share capital	-	10	115,000
Invested equity ⁽¹⁾	9,900	-	-
No. of Greenergy Shares in issue ('000)	115,000	115,000	115,000
EPS (RM)	0.19	0.26	0.30
NA attributable to owners of Greenergy per Share (RM)	1.20	1.05	1.34

Note:

- (1) Represents the notional share capital of Greenergy prior to its incorporation. The invested equity for the Greenergy Group comprised of the aggregation of the share capitals of WATSB and WTSB. Following the incorporation of Greenergy on 5 December 2023, the carrying amount of invested equity was transferred to retained earnings.