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 THE FUTURE PERFORMANCE OF OUR GROUP BEFORE INVESTING IN OUR SHARES.

IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

9.1 RISKS RELATING TO OUR BUSINESS OPERATIONS

9.1.1 We are dependent on Transgrid Group and TNB, which accounted for up to 96.59% and 17.81% of our revenue during the Period Under Review respectively, and our revenue is concentrated among a small number of major customers

During the Period Under Review, we were dependent on Transgrid Group, which contributed 63.84%, 96.59%, 54.07% and 39.10% of our total revenue for FYE 2023, FYE 2024, FYE 2025 and FPE 2026, respectively. As at the LPD, our order book attributable to contracts secured from Transgrid Group amounted to RM30.29 million, representing 9.67% of our total order book.

We are also dependent on TNB, which contributed 17.81% and 12.95% of our total revenue for FYE 2025 and FPE 2026, respectively. As at the LPD, our order book attributable to contracts secured directly from TNB amounted to RM19.27 million, representing 6.15% of our total order book.

In addition to our dependency on Transgrid Group and TNB, our revenue is concentrated among a small number of major customers. During the Period Under Review, our major customers collectively accounted for 99.93%, 99.96%, 98.69% and 96.24% of our total revenue for FYE 2023, FYE 2024, FYE 2025 and FPE 2026, respectively.

While we have successfully secured contracts from Transgrid Group, TNB and our other major customers in the past, there can be no assurance that they will continue to award new contracts to us in the future or that any such contracts will be as commercially favourable to us in terms of overall project profitability.

Although we have not encountered any major disputes with Transgrid Group, TNB and our other major customers, any adverse change in our business relationship with them, including any reduction or cancellation of orders or termination of the relationship, could have a material adverse effect on our business and financial performance. This is because we may not be able to secure new customers promptly to replace the loss of revenue from these major customers. Further, even if we are able to secure new customers, there is no assurance that we will be able to achieve the same level of revenue and/or maintain or improve our profit margin.

9. RISK FACTORS

9.1.2 We are exposed to the risk of LAD if we fail to complete our projects within the stipulated timelines

Our projects are subject to stipulated timelines that we are required to meet. Any delay in the completion of a project may result in cost overruns, attract negative publicity and give rise to legal liabilities, including potential claims for LAD by our customers. Further, our revenue is recognised based on a percentage of completion (which is determined using the output method by reference to the level of physical completion of our projects), and billing is based on actual work performed and certified by our customers. Consequently, any delays or postponements in project execution may affect resource allocation for subsequent projects and delay revenue recognition. Such delays can adversely impact our billings, revenue, operating cash flow and overall financial performance. In addition, we may be required to pay suppliers and subcontractors for work already performed despite these delays, which could further strain our cash flow.

The timely completion of projects undertaken by our Group depends on various factors inherent in the power infrastructure engineering sector, including the final approved project design, the timely receipt of required licences, permits or approvals from regulatory authorities, the performance of appointed subcontractors, safety and site conditions, shortages of materials, equipment and/or labour, economic downturns and changes in government policies. Any adverse developments in any of these factors may result in interruptions or delays in project completion and may expose us to claims for LAD by our customers in accordance with the terms of our contracts. Consequently, our reputation and financial performance may be materially affected.

During the Period Under Review and up to the LPD, our customers have not imposed any LAD on our Group. During the Period Under Review and up to the LPD, our Group had obtained extensions of time for certain projects due to, among others, variations in the scope of works, delays in site handover or site readiness and coordination with works undertaken by other contractors.

9.1.3 Our profitability and financial performance may be affected by unanticipated cost overruns

Our projects are generally awarded through a competitive tendering process. Our contracts with customers typically have a fixed contract value based on the scope of works set out in our tenders. In pricing a tender or quotation, we estimate project costs by taking into account a range of factors, including:

(i) the scope of works;

(ii) the project complexity;

(iii) the estimated timeframe for project completion;

(iv) the material and labour requirements and associated costs;

(v) the types of equipment and machinery required;

(vi) the historical fees charged for similar projects; and

(vii) the prevailing market conditions.

9. RISK FACTORS

Any inaccuracies in our cost estimates may result in cost overruns, which could adversely affect our profitability and financial performance. If the actual project costs significantly differ from the estimates on which our tenders or quotations were based, we may be contractually obligated to complete the project at a substantial loss, thereby adversely affecting our business operations, financial performance and profitability.

Further, external factors beyond our control, such as delays in obtaining the required work permits from local authorities, adverse weather conditions and disease outbreaks, may disrupt the progress of our projects and result in cost overruns.

During the Period Under Review and up to the LPD, our Group has not experienced any cost overruns that have materially affected our profitability. Notwithstanding this, there can be no assurance that we will not experience cost overruns in the future. Any such cost overruns may adversely affect our profit margins and cash flows and could have a material adverse effect on our business operations, financial performance and profitability.

9.1.4 The loss of our Managing Director, key senior management and skilled technical personnel may adversely affect our business operations and growth strategies

The present and future success of our Group is dependent on the continuous efforts, expertise and experience of our Managing Director and key senior management, who have played a vital role in shaping our business strategies and driving our growth, as well as in establishing and maintaining relationships with our customers, suppliers and subcontractors.

Our Managing Director, Dato' Subas, has over 25 years of experience in the construction industry, while our Head of Reltency Engineering, Rajsekaran A/L Ilangovan, has approximately 21 years of experience in the power infrastructure engineering sector. Our key senior management also have considerable experience in their respective professions.

In addition, due to the technical nature of the services that we provide, our Group relies on the abilities, knowledge, experience and competency of our skilled technical personnel, including engineers, chargemen and wiremen, to undertake our projects. While our Group is not dependent on any single engineer or skilled technical personnel, the availability of such personnel is important to support our project execution and business operations.

Our continued success and future growth also depend on our ability to attract, recruit, develop and retain skilled and experienced personnel. As such, the loss of our Managing Director, any of our key senior management, or a significant number of our skilled technical personnel, particularly if such loss occurs simultaneously or within a short period of time without suitable or timely replacements, could impair our ability to operate effectively, hinder the execution of our growth strategies, and adversely affect our Group's future development, business operations and financial performance.

Furthermore, we may be unable to replace our key personnel and/or skilled technical personnel with other qualified persons who possess equivalent expertise and experience within a reasonable time, which may result in severe disruption to our business and operations.

9. RISK FACTORS

9.1.5 Failure to secure new projects may reduce our order book and adversely affect our future financial performance

As our business is project-based, we generate revenue from the execution and completion of projects. Accordingly, the sustainability of our order book is dependent on our ability to secure projects from both existing and new customers to replenish our order book. As such, our historical financial performance may not be indicative of our future performance.

We provide substation engineering services and underground utilities engineering services, and are involved in the trading of electrical devices, electrical equipment and construction materials. Accordingly, the scale and number of projects we undertake, as well as the revenue, profits and operating cash flows we derive, are affected by several factors, including changes in our customers' capital expenditure, the types of projects we undertake, economic downturns and the availability of funding or budgetary considerations on the part of project owners. These factors may affect our revenue, profits and operating cash flows and cause them to vary from period to period. As such, it may be difficult to forecast our future financial performance based on our historical financial performance.

As at the LPD, our Group has an order book of approximately RM313.37 million, which is expected to be recognised over the next 2 financial years. Although we have 19 ongoing projects as at the LPD, there is no assurance that we will be able to secure new and sizeable projects promptly, nor that such projects will be commercially favourable to us in terms of overall project profitability. If we are unable to secure new and sizeable projects promptly, our order book may decline over time, which may adversely affect our business and financial performance.

Our projects are awarded through a competitive tendering process, and we therefore have to bid competitively. Our tender success rate is subject to various factors, including pricing and tender strategies, internal capabilities, the level of market competition, competitors' strategies and pricing as well as the evaluation criteria used by our customers. Therefore, there is no assurance that we will be successful in every tender submitted or maintain a similar tender success rate. We may have to adjust our pricing strategy in order to maintain the competitiveness of our tenders.

Our order book is also subject to the risk of termination or suspension of projects and variations that may reduce the scope of work under our projects. During the Period Under Review and up to the LPD, we did not experience any termination or suspension of projects by our customers. Notwithstanding this, there can be no assurance that our current order book will be sustained or that the implementation of projects currently in our order book will not be delayed, suspended or cancelled. Any such delays, suspensions or cancellations may adversely affect our business and financial performance.

9.1.6 Non-compliance with regulatory requirements may disrupt our business operations and adversely affect our financial performance

Our business is subject to various laws, rules and regulations. As at the LPD, we have obtained the required certificates of registration and licences to carry out our operations as set out in **Section 7.19,** and are in compliance with the relevant governing laws and regulations as set out in **Section 7.22**.

As at the LPD, we are registered with CIDB as a Grade G7 contractor for the categories of Building (B), Civil Engineering (CE) and Mechanical and Electrical Engineering (ME) and with the Energy Commission as a Class A Electrical Contractor. These registrations are essential for us to carry out our business operations. If any of our registrations are revoked, suspended, or not renewed, or if we fail to obtain newly required approvals, licences or permits to provide power infrastructure engineering solutions, our business operations and prospects may be adversely affected.

9. RISK FACTORS

As part of our business operations, we also employ foreign employees, particularly for on-site project execution. As at the LPD, all foreign employees employed by our Group hold valid work permits or work passes which are subject to annual renewal. Notwithstanding this, any changes in laws, regulations or policies relating to the employment of foreign workers in Malaysia or in the countries from which our foreign workers are sourced may make it more difficult for us to source the manpower required for our business operations. This may materially disrupt our business operations. During the Period Under Review and up to the LPD, our Group did not experience material difficulties in sourcing foreign workers for our project execution activities.

In addition, our licences, registrations and approvals are subject to compliance with relevant conditions, laws and regulations under which they are issued. Any failure to comply with such conditions and/or applicable laws and regulations may result in the revocation, suspension or non-renewal of our licences and approvals, which may prevent us from carrying on our business activities. Furthermore, any breach of these conditions, laws and regulations may result in penalties, fines, prosecution against us and/or our Directors, operational restrictions and/or remedial liabilities. Any of these may have a material adverse effect on our business operations.

9.1.7 Disruptions in material supply or increases in material prices may increase our project costs and adversely affect our profitability

We utilise materials such as building materials, steel and hardware, equipment and MEP materials for the execution of our projects, and our operations depend on the continuous and timely supply of these materials. Certain materials are subject to price volatility, and we may be unable to procure sufficient quantities at competitive prices. Any disruption in supply or price fluctuations could adversely affect project execution, cost control and overall profitability.

Further, our Group purchases steel and equipment made from steel-based materials, while the cables we purchase contain copper. As a result, our Group is exposed to fluctuations in the prices of steel and copper, arising from, among other factors, global economic conditions, geopolitical events, supply and demand conditions and production capacity. Such price fluctuations typically affect the power infrastructure engineering sector as a whole. Any increase in the market prices of steel and copper may increase project costs and could have a material adverse effect on our business operations and financial performance.

Any significant increase in costs, including materials, labour and overheads, may adversely affect our profit margins, particularly where contractual arrangements prevent the recovery of such increases from customers. Inaccurate estimation of project resources, timelines or costs, or failure to complete contractual obligations within the agreed timeframe and estimated costs could therefore have a material adverse effect on our financial performance.

Furthermore, contracts with our customers generally do not provide for such fluctuations in material prices. We are therefore exposed to the risk that the actual costs associated with our performance may be greater than anticipated. Our cash flows and profitability will be reduced if the actual costs to complete a contract exceed the original estimates.

The recent war in the Middle East has disrupted shipping across the Strait of Hormuz and resulted in a surge in crude oil prices and transportation costs as well as affected supply chains. Any of these could lead to higher cost of materials that we source from our suppliers due to higher raw material and transportation costs. In the event that we are unable to pass on such increases in cost to our customers or source materials from alternative suppliers at more competitive prices, our business and financial performance could be adversely affected.

During the Period Under Review and up to the LPD, our Group did not experience any material adverse fluctuations in the cost of materials and/or material adverse impact on our financial and operational performance arising from the ongoing geopolitical developments in the Middle East.

9. RISK FACTORS

9.1.8 Poor performance, delays or defective works by our subcontractors may adversely affect our project execution and financial performance

Our Group is dependent on subcontractors for the successful execution of our projects. We engage subcontractors to perform certain parts of our projects, such as mechanical engineering works, firefighting system installations, plumbing works, external painting works, waterproofing works and other related works. Subcontractor fees accounted for 42.77%, 44.42%, 24.83% and 50.38% of our total cost of sales for FYE 2023, FYE 2024, FYE 2025 and FPE 2026, respectively.

As we engage these subcontractors directly, we remain responsible for ensuring that their work meets our customers' requirements. As such, we are exposed to risks associated with non-performance, defects, poor workmanship, delays or non-compliance. In such instances, we may be required to undertake remedial works at our own cost. While our subcontractors are contractually liable for damages, there may be circumstances in which we are unable to enforce such claims or secure timely replacements, including where the subcontractor becomes insolvent, disputes liability or where enforcement proceedings are not commercially viable. This may potentially result in reputational harm, litigation or additional costs. If such costs cannot be recovered from subcontractors, our business operations and financial performance may be adversely affected.

We schedule, monitor and oversee the on-site activities carried out by our subcontractors to ensure compliance with contractual requirements and safety regulations. As we do not possess the expertise to perform these works ourselves, we rely on our subcontractors for the timely and proper execution of their obligations.

There can be no assurance that we will be able to monitor the performance of our subcontractors effectively. Even if we attempt to seek compensation from the relevant subcontractors, we may still expend significant time and resources, and incur significant costs to rectify defects or resolve issues related to the quality of their work. Such events could disrupt project delivery schedules, potentially requiring us to request extensions of time, and exposing us to claims from customers in respect of defects or claims for LAD arising from delays in project completion. This may have a material adverse effect on our business operations and financial performance.

During the Period Under Review and up to the LPD, we have not received any material complaints from our customers regarding the services or quality of work performed by our subcontractors, and all requested defect rectifications have been addressed by our Group or our subcontractors in a timely manner.

9. RISK FACTORS

9.1.9 We may not have adequate insurance coverage for all losses and/or liabilities arising from potential claims

Our Group maintains insurance coverage for our material assets, projects and business operations in accordance with industry practice and regulatory requirements.

As at the LPD, we have procured various insurance policies, including contractor's all risks and workmen's compensation insurance policies.

For our underground utilities engineering services projects, our customer, being the main contractor for these projects, is responsible for procuring the necessary public liability insurance coverage, particularly for damage to underground utilities/infrastructure and/or buildings' foundations during the provision of underground utilities engineering services.

While we have procured and maintained these insurance policies, we may still face claims from customers, subcontractors or other parties relating to various aspects of our business operations. There can be no assurance that our current policies will provide adequate coverage for all potential claims or losses. Any liabilities, damages or losses that exceed our insured limits, or that are excluded from coverage, may materially and adversely affect our business operations and financial performance.

All of our insurance policies are subject to renewal on an annual or project basis, and renewals may result in changes to premiums, coverage, terms and/or policy limits. A material increase in premiums may increase our operating costs, or we may be forced to reduce coverage to control expenses. Furthermore, there is no assurance that we will be able to renew or replace our insurance policies upon their expiry.

During the Period Under Review and up to the LPD, we have not made any material claims under our insurance policies. Nevertheless, there can be no assurance that our existing coverage will be sufficient to cover all potential risks and liabilities that may arise in the course of our business operations.

9.1.10 Defect liability claims may increase our project costs and adversely affect our reputation and financial performance

Our business is exposed to the risk of defect liability claims from customers in relation to defective workmanship. Our contracts generally include a defect liability period, typically ranging from 12 to 24 months from the date of handover, during which we are responsible for rectifying any defective work. This obligation extends to defective works performed by our subcontractors in accordance with the terms of the contracts.

For materials supplied by our suppliers or works undertaken by our subcontractors, we will require the relevant supplier or subcontractor to either replace defective materials or rectify defective works to the required specifications without additional cost to us.

In addition, to safeguard against potential defects or incomplete works, our customers usually retain 5.00% to 10.00% of the contract sum as a retention sum. If we fail to rectify defects within the stipulated period, our customers may use the retention sum to remedy such defects. As such, we may not be able to recover all or part of the retention sum if it is applied to rectify defective works or satisfy unmet contractual obligations.

If defect liability claims arise, our project costs may increase where:

(i) no corresponding claim can be asserted against a subcontractor or supplier;

(ii) the amount of the claim cannot be recovered in full or at all from the subcontractor or supplier, or the retention sum retained from the subcontractor is insufficient to cover the claim, in which case we may be required to bear some or all of the cost of the claim; and/or

(iii) we are unable to enforce, or experience delays in enforcing, legal recourse against our subcontractors or suppliers to indemnify or compensate us (such as in the event of the subcontractor's insolvency).

Consequently, should any of the above situations occur, our business, reputation and financial performance may be materially and adversely affected.

During the Period Under Review and up to the LPD, we have not experienced any defect liability claims that have materially affected our business operations and financial performance. As at the LPD, there were no claims for compensation or retention sum asserted by our customers in relation to any defective works performed by us or our subcontractors, or relating to the quality of construction materials supplied by our suppliers.

Notwithstanding this, there can be no assurance that we will not be subject to material defect liability claims in the future, which may materially and adversely affect our business operations, profitability, reputation and financial performance.

9.1.11 Early termination of our contracts may result in loss of revenue and adversely affect our financial performance

Our contracts with our customers typically include clauses under which either party may terminate the contract early in certain circumstances, including suspension of works, our persistent failure to comply with contractual terms and conditions, non-payment in accordance with the agreed payment schedule, or insolvency of either our customers or our Group.

During the Period Under Review and up to the LPD, our Group has not experienced any termination of our contracts that has materially affected our financial performance and position.

Notwithstanding this, in the event of early termination of any of our contracts, any resulting loss of revenue and/or costs incurred may adversely affect our Group's financial performance and prospects. Where our Group is at fault, we may also be exposed to legal claims and liabilities, and may be required to pay compensation to our customers, which could further adversely affect our financial performance and reputation.

9. RISK FACTORS

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 There are inherent risks in the power infrastructure engineering sector

Our business primarily involves the provision of power infrastructure engineering solutions, including substation engineering services encompassing EPCC, civil and structural engineering, electrical and mechanical engineering, and HDD works, as well as underground utilities engineering services and the trading of electrical devices, equipment and construction materials. Consequently, we are exposed to the inherent risks associated with the power infrastructure engineering sector.

These risks include our dependence on public and private investments in power infrastructure, which are influenced by economic conditions, foreign direct investment, the construction industry and government initiatives and spending. As TNB is the owner and operator of the National Grid in Peninsular Malaysia, the availability of certain power infrastructure projects in the market may also be affected by TNB's project roll-out and capital expenditure. In this respect, our Group has an indirect dependency on TNB. Any adverse changes in these factors, including any material reduction in TNB-related projects, may reduce the number of new projects available in the market. This may intensify competition for tenders among industry players and require us to adopt more competitive pricing strategies, which may adversely affect our business, financial performance, prospects and liquidity.

9.2.2 We are dependent on foreign workers to carry out our projects

The power infrastructure engineering solutions industry has a degree of reliance on foreign workers that are engaged to execute and complete civil and structural engineering works, underground utilities engineering works as well as EPCC works for power substation. As at the LPD, we employed 72 foreign workers.

As foreign workers come from various countries, any unfavourable changes of labour policies and visa restrictions in these countries may cause disruptions to our project site works and business operations due to the shortage of foreign labour. Further, the supply of foreign workers in Malaysia is subject to the policies and regulations imposed by the Government from time to time. As a result, our Group and/or our subcontractors may face shortages of workers to meet the needs of the manpower requirements of our projects.

9.2.3 We face competition from industry players

We face competition from industry players that may offer similar services and compete with us on pricing, service range, quality and technology, as well as project delivery timelines. Some competitors may have a longer operating track record, greater financial resources, or may be equipped with better machinery, personnel and technical expertise, enabling them to provide a more comprehensive or specialised range of services than we do.

If our competitors are able to offer similar services at more competitive prices, we may be forced to lower our prices to secure projects, which could adversely affect our profit margins. In addition, if we are unable to match or surpass our competitors in terms of the range of services, comprehensiveness of solutions or technological capabilities, our customers may choose to engage our competitors instead. Further, consolidation among smaller market players could intensify competition within the industry, placing additional pressure on our business.

There can be no assurance that we will be able to maintain our competitive position against existing or new competitors given the competitive business environment. Consequently, the competition we face, or our inability to sustain and build on our competitive advantages and key strengths, may adversely affect our business operations and financial performance.

9. RISK FACTORS

9.2.4 We are subject to economic, political and/or regulatory risks in Malaysia

Our business, prospects and financial performance may be affected by adverse developments, changes and/or uncertainties in the political, economic and legal environments in Malaysia that are beyond our control. These risks include unfavourable changes in political and economic conditions, interest rates, government policies and regulations such as minimum wage policies, import and export restrictions, duties and tariffs, civil unrest, methods of taxation, inflation and foreign exchange controls.

Any adverse developments in one or more of the above conditions may disrupt the delivery and completion schedules of our projects, potentially leading to a decline in revenue and profitability, reduced demand for our services or increased operating costs. Accordingly, there can be no assurance that such developments will not have a material adverse effect on our business, financial performance and prospects.

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 our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market upon or subsequent to our Listing 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) variations 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 sentiment 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 volumes;

(viii) involvement in litigation;

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

(x) natural disasters, epidemics and outbreaks of contagious diseases.

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

9.3.3 Our Listing may be aborted or delayed

Our Listing may be aborted or delayed due to the occurrence of certain events, including the following:

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

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

(iii) our inability 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;

(iv) the occurrence of any event or circumstance beyond the control of our Group; and/or

(v) the revocation of the approvals from the relevant authorities for our Listing for any 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 shall be deemed to be withdrawn and cancelled. Our Company and Offeror shall repay all monies paid in respect of applications for our IPO Shares within 14 days of the stop order, failing which our Company and Offeror 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 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 Offeror 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 of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case, there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or

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

Nonetheless, our Board will endeavour to ensure compliance with the various requirements for our Listing.

9.3.4 The sale, or the possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares

Following our Listing, we will have in issue 895,500,000 Shares, of which up to 240,475,500 Shares will be held by investors participating in our Listing (representing approximately 26.85% of our enlarged number of issued Shares) and approximately 73.15% will be held by our Promoter and substantial shareholder through their direct interests in our Company.

Our Promoter and substantial shareholder could dispose of some or all of their Shares after the moratorium period depending on their investment objectives. If our Promoter and substantial shareholder sell, or are perceived as intending to sell, a substantial amount of their Shares, the market price of our Shares could be adversely affected.

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

Our capital requirements are dependent on, among other factors, our business, the availability of resources to attract, retain and expand our customer base and the need to maintain and expand our service offering. Accordingly, we may need additional capital for future expansion and/or investments. An issue of new Shares or other securities to raise funds will dilute shareholders' equity interests and may, in the case of a rights issue, require additional investments by shareholders.

9.3.6 There is no assurance of payment of dividends to our shareholders

We are a holding company and we conduct all our operations through our subsidiaries. Accordingly, our main source of income, which is an important factor in our ability to pay dividends to our shareholders, is the receipt of dividends and other distributions from our subsidiaries.

However, our ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as the profits recorded, the availability of funds not required for working capital, capital expenditure and other investment plans.

There can be no assurance that dividends will be declared and paid in the future, or as to the timing of any dividends that may be paid in the future. If we do not pay dividends or pay dividends at levels lower than anticipated by investors, the market price of our Shares may be adversely affected.

9. RISK FACTORS

9.3.7 Our Promoter and substantial shareholders will be able to exert significant influence over our Company and the interests of our Promoter and substantial shareholders who control our Company may not be aligned with the interests of our other shareholders

Our Promoter and substantial shareholders will collectively hold approximately 73.15% of our enlarged number of issued Shares upon Listing. As a result, they will be able to effectively control the business direction and management of our Group, including the election of Directors and the timing and payment of dividends, and will have substantial voting control. As such, they will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they and persons connected with them are required to abstain from voting under applicable laws, relevant guidelines or regulations. Therefore, the interests of our Promoter and substantial shareholders may not be aligned with those of our other shareholders.

10. RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, and subject to the exemptions provided thereunder, a "related party transaction" is generally 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) under 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 under 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 to be 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 the relevant resolutions.

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

10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisition of SKA Rekabina, Disposal of Double Action Ventures, 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 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FPE 2026 RM'000	1 June 2026 up to the LPD RM'000
1.	SKA Rekabina and Megatech	Dato' Subas and Buminathan A/L Marimuthu were directors of Megatech up to December 2025, and shareholders of Megatech up to February 2026.	Rental of machinery from Megatech	763 (2.30% of our Group's cost of sales)	3,437 (2.81% of our Group's cost of sales)	5,494 (2.78% of our Group's cost of sales)	592 (0.66% of our Group's cost of sales)	-
2.			Rental of head office (20A) located in Kota Kemuning from Megatech	-	-	8 (0.02% of our Group's PBT)	3 (0.02% of our Group's PBT)	-

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 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FPE 2026 RM'000	1 June 2026 up to the LPD RM'000
3.		Dato' Subas is our Promoter, substantial shareholder and Managing Director. He is also a director of SKA Rekabina. Buminathan A/L Marimuthu is our key senior management. He is also a director of SKA Rekabina.	Advances given by Megatech to SKA Rekabina for working capital	44 (0.12% of our Group's total liabilities)	941 (1.78% of our Group's total liabilities)	20,265 (13.18% of our Group's total liabilities)	-	-
4.			Sales of deformed steel bars and wire mesh to Megatech	-	959 (0.63% of our Group's revenue)	2,730 (1.13% of our Group's revenue)	-	-
5.	SKA Rekabina and Grid Power Sdn Bhd	Dato' Subas and Rajsekaran A/L Ilangovan are directors and substantial shareholders of Grid Power Sdn Bhd. Dato' Subas is our Promoter, substantial shareholder and Managing Director. He is also a director of SKA Rekabina. Rajsekaran A/L Ilangovan is our key senior management.	Provision of electrical services to Grid Power Sdn Bhd	4,034 (9.08% of our Group's revenue)	-	-	-	-
6.			Payments made by Grid Power Sdn Bhd on behalf of SKA Rekabina for its operational expenses	-	-	885 (0.58% of our Group's total liabilities)	-	-
7.			Advances given by Grid Power Sdn Bhd to SKA Rekabina for working capital	3,803 (9.99% of our Group's total liabilities)	4,025 (7.62% of our Group's total liabilities)	856 (0.56% of our Group's total liabilities)	-	-

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 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FPE 2026 RM'000	1 June 2026 up to the LPD RM'000
8.	RBJ Properties Sdn Bhd and SKA Rekabina	Dato' Subas is a director and substantial shareholder of RBJ Properties. Dato' Subas is our Promoter, substantial shareholder and Managing Director. He is also a director of SKA Rekabina.	Payments made by SKA Rekabina on behalf of RBJ Properties Sdn Bhd in relation to statutory land premium fees for the land located in Johor Bahru, Johor, intended for the development of a residential apartment and commercial development project	171 (0.54% of our Group's total assets)	1,000 (1.53% of our Group's total assets)	1,000 (0.53% of our Group's total assets)	-	-
9.	Dato' Subas and SKA Rekabina	Dato' Subas is our Promoter, substantial shareholder and Managing Director. He is also a director of SKA Rekabina.	Advances given by Dato' Subas to SKA Rekabina for working capital	3,524 (9.25% of our Group's total liabilities)	1,233 (2.34% of our Group's total liabilities)	4,172 (2.71% of our Group's total liabilities)	-	-
10.			Payments made by Dato' Subas on behalf of SKA Rekabina for its working capital	9,998 (26.25% of our Group's total liabilities)	-	2,550 (1.66% of our Group's total liabilities)	-	-

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 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FPE 2026 RM'000	1 June 2026 up to the LPD RM'000
11.	SKA Rekabina and A's Dining Bar Sdn Bhd	Dato' Subas is a director and substantial shareholder of A's Dining Bar Sdn Bhd. Dato' Subas is our Promoter, substantial shareholder and Managing Director. He is also a director of SKA Rekabina.	Sub-rent of 2 shoplot units located at No. 22 & 22B, Jalan Anggerik Vanilla AD 31/AD, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan to A's Dining Bar Sdn Bhd	-	-	-	-	18

10. RELATED PARTY TRANSACTIONS

Our Directors, having considered all aspects of the related party transactions, are of the opinion that, save for the following transactions, all the above related party transactions were entered into on an arm's length basis as the respective considerations were fixed at the prevailing market rate and on normal commercial terms which were not more favourable to the related parties than those generally available to the public and were not to the detriment of the minority shareholders:

(i) Transaction 2 was not conducted on an arm's length basis as the rental rate of the head office located in Kota Kemuning, which was rented from Megatech, was lower than the market rental rates of similar properties within the vicinity. Notwithstanding this, the annual rental was not material as it was less than 1% of our Group's PAT during the Period Under Review.

(ii) Transactions 3, 6, 7, 8, 9 and 10 were not conducted on an arm's length basis as the advances and payments made on behalf were interest-free. As at the LPD, the relevant balances between our Group and the related parties have been fully settled.

Save for Transaction 11[(1)], none of the related party transactions above will subsist after the Listing[(2)].

Notes:

(1) The salient terms of Transaction 11 are as follows:

SKA Rekabina sublets 2 shoplot units located at No. 22 & 22B, Jalan Anggerik Vanilla AD 31/AD, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan, with an aggregate built-up area of approximately 3,860 sq ft, to A's Dining Bar Sdn Bhd. Further details of the property are set out in Item 3 of **Section 7.18.2** of this Prospectus. The sub-tenancy is for a term of 2 years commencing on 1 July 2026 and expiring on 30 June 2028 (subject to SKA Rekabina's successful renewal and/or extension of its tenancy of the said property with the landlord for a period extending beyond 31 December 2026), at an aggregate rental of RM72,000 per annum. The sub-tenancy agreement does not provide for any renewal of the sub-tenancy.

Either party may terminate the sub-tenancy before its expiry by giving the other party 3 months' written notice. If the sub-tenancy is terminated early by the sub-tenant, the security deposit will be forfeited absolutely to SKA Rekabina. If the sub-tenancy is terminated early by SKA Rekabina, the security deposit, after deducting any monies owing or payable by the sub-tenant under the sub-tenancy agreement, will be refunded to the sub-tenant without interest within 7 days after the expiry of the termination notice, subject to the provisions concerning default under the sub-tenancy agreement.

(2) Transaction 2, being the rental of our head office at 20A, Kota Kemuning from Megatech, will subsist after the Listing. However, it will no longer constitute a related party transaction after the Listing as Dato' Subas and Buminathan A/L Marimuthu had, via a letter of agreement dated 26 February 2026, disposed of their entire equity interests in Megatech to non-related parties.

The tenancy agreement for the aforesaid premises remains valid for a term of 3 years up to 31 August 2028, with an option to renew for a further 3 years. Our Group does not foresee any material impact or immediate action being required in respect of the tenancy. Any renewal or variation of the tenancy terms will be negotiated upon expiry of the existing tenancy term.

10. RELATED PARTY TRANSACTIONS

In the event the new owner of Megatech terminates the tenancy agreement, our Group may be required to vacate and relocate our head office at 20A, Kota Kemuning. Nevertheless, such relocation is not expected to have any material impact on our Group's business operations or financial performance as our business operations are mainly carried out at project sites, while the head office is used mainly for administrative matters. The relocation cost is estimated to be approximately RM0.20 million, representing approximately 0.65% of our Group's PAT for FYE 2025. The relocation process is expected to be completed within approximately 1 month, with minimal disruption to our Group's operations.

As at the LPD, our Board has confirmed that there are no other material related party transactions entered into with our related parties which have not yet been effected as at the date of this Prospectus.

Upon our Listing, our ARMC will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are 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 Group. 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.

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 were 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 Outstanding loans and/or financial assistance made to or for the benefit of related parties

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

10. RELATED PARTY TRANSACTIONS

10.2.3 Financial assistance from related parties to our Group

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

Financiers	Guarantor(s)	Guaranteed amount (RM'000)	Type of facilities	Interest rate (%)	Tenure	Outstanding amount as at the LPD RM'000
RHB Bank Berhad	Dato' Subas and Buminathan A/L Marimuthu They have given joint and several guarantees in favour of RHB Bank Berhad for banking facilities granted to SKA Rekabina. The banking facilities were also secured against a legal charge over a property which is registered under the name of Dato' Subas.	1,545	Term loan	Base lending rate per annum	15 years	550
			Overdraft	Base lending rate + 2.00% per annum	Up to 30 days	27

10. RELATED PARTY TRANSACTIONS

Financiers	Guarantor(s)	Guaranteed amount (RM'000)	Type of facilities	Interest rate (%)	Tenure	Outstanding amount as at the LPD RM'000
Affin Bank Berhad	Dato' Subas He has given personal guarantee in favour of Affin Bank Berhad for banking facilities granted to SKA Rekabina.	35,000	Flexi-trade loan	Cost of fund + 1.75%(2) per annum	120 to 170 days	26,809
			Revolving credit	Cost of fund + 1.75%(2) per annum	Up to 90 days	8,000
			Letter of credit	0.10% per month	Up to 180 days	-
			Banker's acceptance	Cost of fund + 1.75%(2) per annum	Up to 180 days	-
			Bank guarantee	1.20% per annum	Up to 12 months	-
		50,000	Bank guarantee	1.20% per annum	Up to 12 months	-
			Overdraft	Base lending rate + 1.25%(2) per annum	Subject to yearly review	-
			Letter of credit	1.20% per annum	Up to 150 days	-
			Flexi trade loan	Cost of fund + 1.25%(2) per annum	Up to 150 days	9,818

10. RELATED PARTY TRANSACTIONS

Financiers	Guarantors	Guaranteed amount (RM'000)	Type of facilities	Interest rate (%)	Tenure	Outstanding amount as at the LPD RM'000
Affin Islamic Bank Berhad	Dato' Subas He has given personal guarantee in favour of Affin Islamic Bank Berhad for hire purchase facility granted to SKA Rekabina.	503(1)	Hire purchase payables	4.37% per annum	60 months	293
Maybank Islamic Berhad	Dato' Subas He has given personal guarantee in favour of Maybank Islamic Berhad for banking facilities granted to SKA Rekabina.	8,500	Letter of credit	0.10% per month (Minimum RM75)	180 days	-
			Trust receipt	Base financing rate + 1.50% per annum	180 days	3,864
			Invoice financing	Cost of fund + 1.50% per annum	Up to 180 days	-
			Bank guarantee	0.125% per month (Minimum RM100)	Subject to yearly review	-
			Overdraft	Base financing rate + 1.50% per annum	Up to 30 days	465
		1,660(1)	Hire purchase payables	3.58 – 4.90	5 to 7 years	731

10. RELATED PARTY TRANSACTIONS

Financiers	Guarantors	Guaranteed amount (RM'000)	Type of facilities	Interest rate (%)	Tenure	Outstanding amount as at the LPD RM'000
Malayan Banking Berhad	Dato' Subas He has given personal guarantee in favour of Malayan Banking Berhad for hire purchase facility granted to SKA Rekabina.	129(1)	Hire purchase payables	4.63% per annum	5 years	79

Notes:
(1) The amount guaranteed represents the total hire purchase facilities.

(2) The interest rate is subject to a minimum floor rate of 4.00% per annum.

In conjunction with our Listing, we have applied to the financiers for the release and/or discharge of the personal guarantees and third-party legal charges. As at the date of this Prospectus, we have received approvals from the financiers for the release of the said personal guarantees, subject to our Group replacing them with a corporate guarantee from our Company upon the successful Listing. Subject to obtaining the remaining approvals, our Group will replace the aforesaid personal guarantees and/or third-party legal charges with a corporate guarantee from our Company within 6 months upon Listing.

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 interests 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 interests of our Company's minority shareholders. Among other things, the related parties and parties who are in a position of conflict with the interests 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/or in aggregate give rise to 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, among other things, the following:

(i) our Board shall ensure that at least 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 will have to be disclosed by the interested party for management reporting. Our management will propose the transaction to our ARMC for evaluation and assessment, which will in turn, make a recommendation to our Board for deliberation and approval.

11. CONFLICT OF INTEREST

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

As at the LPD, none of our Directors (including a director of a subsidiary) or substantial shareholders has any interest, direct or indirect, in other businesses or corporations which are carrying on a similar or related trade as our Group or which are the customers and / or suppliers of our Group.

As set out in **Section 10.3** of this Prospectus, our ARMC will review any conflict of interest situation and our Group's current and future related party transactions, and ensure that any such transactions 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.

Notwithstanding the above, the interests that are held by our Directors and/or substantial shareholders and the interests that may be held by our Directors and/or substantial shareholders in the future in other businesses or corporations which carry on a similar trade as that of our Group or which are our clients or suppliers may give rise to a conflict of interest situation with our business. Where such interests give rise to a conflict of interest situation, our Directors and/or substantial shareholders and persons connected to them shall abstain from deliberating and voting on the resolutions relating to these matters or transactions that require the approval of our shareholders in respect of their direct or indirect interests. Such transactions will be carried out on an arm's length basis and on normal commercial terms.

11.2 DECLARATION BY THE ADVISERS

(i) TA Securities has confirmed that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent in respect of our IPO;

(ii) UHY Malaysia PLT has confirmed that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants in respect of our IPO;

(iii) David Lai & Tan has confirmed that there is no existing or potential conflict of interest in its capacity as the Solicitors for our IPO; and

(iv) Providence has confirmed that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher in respect of our IPO.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

The historical financial information of our Group for FYE 2023, FYE 2024, FYE 2025 and FPE 2026 is based on the audited combined financial statements of the Company and its combining entities, namely SKA Rekabina and Reltency Engineering. Reltency Engineering became a subsidiary of our Group on 26 February 2025 following SKA Rekabina's subscription for a 70% equity interest in Reltency Engineering. Accordingly, Reltency Engineering's financial information was included in our Group's historical financial information only for FYE 2025, FPE 2025 and FPE 2026. Separate financial information of Reltency Engineering prior to becoming a subsidiary of our Group is set out in **Section 6.5.2(e)** of this Prospectus.

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

The following table sets out a summary of our combined statements of profit or loss and other comprehensive income for the Period Under Review, extracted from the Accountants' Report set out in **Section 13** of this Prospectus. The historical combined statements of profit or loss and other comprehensive income have been prepared in accordance with MFRS.

The following financial information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations as set out in **Section 12.3** of this Prospectus and the Accountants' Report and accompanying notes set out in **Section 13** of this Prospectus.

	Audited			Unaudited	Audited
	FYE 2023 RM'000	**FYE 2024 RM'000**	**FYE 2025 RM'000**	**FPE 2025 RM'000**	**FPE 2026 RM'000**
Continuing operations					
Revenue	44,436	151,801	241,357	81,970	119,157
Cost of sales	(33,169)	(122,329)	(197,320)	(69,203)	(90,245)
GP	**11,267**	**29,472**	**44,037**	**12,767**	**28,912**
Other income	248	63	756	35	188
Administrative expenses	(5,881)	(5,040)	(10,567)	(3,462)	(7,830)
Net (loss) / reversal on impairment of financial instruments	(4,237)	(1,160)	6,901	-	71
Profit from operations	1,397	23,335	41,127	**9,340**	**21,341**
Finance costs	(98)	(1,265)	(1,876)	(483)	(885)
PBT	**1,299**	**22,070**	**39,251**	**8,857**	**20,456**
Taxation	(571)	(5,500)	(8,442)	(2,332)	(5,800)
PAT from continuing operations	**728**	**16,570**	**30,809**	**6,525**	**14,656**
Discontinued operations					
Loss from discontinued operations, net of tax[(1)]	(321)	(541)	(8)	(2)	-
PAT for the financial year/period, representing total comprehensive income for the financial year/period	**407**	**16,029**	**30,801**	**6,523**	**14,656**
PAT / (Loss after tax) / Total comprehensive income / (loss) attributable to:					
- Owners of the Company	564	16,294	28,935	5,139	13,524
- Non-controlling interests	(157)	(265)	1,866	1,384	1,132

12. FINANCIAL INFORMATION

	Audited			Unaudited	Audited
	FYE 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FPE 2025 RM'000	FPE 2026 RM'000
EBITDA[2]	2,101	23,929	41,866	9,622	21,712
GP margin[3] (%)	25.36	19.41	18.25	15.58	24.26
PBT margin[4] (%)	2.92	14.54	16.26	10.81	17.17
PAT margin[5] (%)	1.64	10.92	12.76	7.96	12.30
Number of Shares assumed in issue[6] ('000)	895,500	895,500	895,500	895,500	895,500
Basic / diluted EPS[7] (sen)	0.06	1.82	3.23	0.57	1.51

Notes:

(1) The loss from discontinued operations was attributable to Double Action Ventures. As SKA Rekabina had committed to a plan to dispose of its investment in Double Action Ventures, such investment was classified as an asset held for sale in FYE 2023 and FYE 2024.

On 16 June 2025, SKA Rekabina entered into a share sale agreement with Dato' Subas for the disposal of 510,000 ordinary shares in Double Action Ventures, representing a 51% equity interest, for a cash consideration of RM162,285.57. The disposal was completed on 14 August 2025, following which Double Action Ventures ceased to be a 51%-owned subsidiary of SKA Rekabina.

(2) The table below sets out a reconciliation of our PBT to EBITDA.

	Audited			Unaudited	Audited
	FYE 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FPE 2025 RM'000	FPE 2026 RM'000
PBT	**1,299**	**22,070**	**39,251**	**8,857**	**20,456**
Add:					
Finance costs	98	1,265	1,876	483	885
Amortisation and depreciation	704	598	900	317	433
Less:					
Interest income	-	(4)	(161)	(35)	(62)
EBITDA	**2,101**	**23,929**	**41,866**	**9,622**	**21,712**

(3) GP margin is computed based on our GP over revenue.

(4) PBT margin is computed based on our PBT over revenue.

(5) PAT margin is computed based on our PAT from continuing operations over revenue.

(6) Assumed enlarged number of Shares in issue after our IPO.

(7) Computed based on PAT attributable to owners of our Company over the enlarged total number of Shares after our IPO. The diluted EPS is equal to the basic EPS as there were no potential dilutive ordinary shares outstanding at the end of the respective financial year.

12. FINANCIAL INFORMATION

12.1.2 Historical combined statements of financial position

The following table sets out a summary of our combined statements of financial position for the Period Under Review, extracted from the Accountants' Report set out in **Section 13** of this Prospectus.

The following financial information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations as set out in **Section 12.3** of this Prospectus and the Accountants' Report and accompanying notes set out in **Section 13** of this Prospectus.

	Audited			
	As at 31 December			As at 31 May
	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	318	286	1,186	1,112
Right-of-use assets	1,179	1,762	2,221	2,153
Goodwill[1]	-	-	4,242	4,242
Trade receivables[2]	-	-	12,028	7,070
Total non-current assets	**1,497**	**2,048**	**19,677**	**14,577**
Current assets				
Trade receivables	4,607	12,670	59,299	99,044
Other receivables[3]	12,852	3,046	8,010	16,998
Contract assets[4]	7,021	41,159	79,822	97,250
Deposits, bank and cash balances	2,012	2,412	22,287	31,438
	26,492	**59,287**	**169,418**	**244,730**
Asset classified as held for sale[5]	3,479	3,879	-	-
Total current assets[6]	**29,971**	**63,166**	**169,418**	**244,730**
TOTAL ASSETS	**31,468**	**65,214**	**189,095**	**259,307**
EQUITY AND LIABILITIES				
EQUITY				
Share capital	1,000	4,000	4,000	4,000
(Accumulated losses) / retained earnings	[7](7,560)	8,735	29,090	42,614
NA / Equity attributable to owners of the Company	**(6,560)**	**12,735**	**33,090**	**46,614**
Non-controlling interests	(59)	(324)	2,195	3,326
TOTAL EQUITY	**(6,619)**	**12,411**	**35,285**	**49,940**

12. FINANCIAL INFORMATION

	Audited			
	As at 31 December			As at 31 May
	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000
LIABILITIES				
Non-current liabilities				
Bank borrowings	665	602	535	505
Lease liabilities	934	1,235	1,495	1,407
Deferred tax liabilities	-	-	49	49
Trade payables[8]	43	365	701	39
Total non-current liabilities	**1,642**	**2,202**	**2,780**	**2,000**
Current liabilities				
Bank borrowings	392	14,929	36,732	37,022
Lease liabilities	267	410	649	683
Trade payables	13,856	22,843	28,349	58,798
Other payables[9]	16,991	2,758	78,309	89,263
Contract liabilities[10]	-	-	-	10,696
Tax payables	1,374	6,103	6,991	10,905
	32,880	**47,043**	**151,030**	**207,367**
Liabilities classified as held for sale[5]	3,565	3,558	-	-
Total current liabilities[11]	**36,445**	**50,601**	**151,030**	**207,367**
TOTAL LIABILITIES	**38,087**	**52,803**	**153,810**	**209,367**
TOTAL EQUITY AND LIABILITIES	**31,468**	**65,214**	**189,095**	**259,307**

Notes:

(1) Goodwill arose from SKA Rekabina's subscription for a 70% equity interest in Reltency Engineering in February 2025.

(2) Represent retention sums on trade receivables, which are recoverable upon expiry of the defect liability period for our Group's projects. No retention sums were required by our customers for the projects completed by our Group in FYE 2023 and FYE 2024. Accordingly, no retention sums were recognised as non-current trade receivables as at 31 December 2023 and 31 December 2024.

(3) Further breakdown of other receivables is as follows:

	Audited			
	As at 31 December			As at 31 May
	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000
Other receivables[a]	3,227	1,014	3,343	10,582
Related parties[b]	6,672	7,325	-	-
Deposits[c]	9,014	1,922	4,569	5,096
Prepayment[d]	-	7	147	1,320
	18,914	10,267	8,059	16,998
Less: Accumulated impairment losses[e]	(6,062)	(7,221)	(49)	-
Total	**12,852**	**3,046**	**8,010**	**16,998**

Sub-notes:

(a) Represent outstanding balances arising from non-trade transactions, namely advance payments for the purchase of construction materials, tools and equipment.

As at 31 May 2026, other receivables increased mainly due to the payment of performance security to customers for new projects secured during FPE 2026. Our Group placed these performance securities using its internal cash reserves instead of providing bank guarantees.

(b) Represent outstanding balances arising from non-trade transactions, namely advances to and/or payments made on behalf of related parties.

(c) As at 31 December 2023, the deposits comprise mainly rental and utility deposits, as well as advance deposits paid to suppliers for material purchases.

As at 31 December 2024, deposits decreased mainly due to advance deposits previously paid to suppliers for material purchases being utilised and recognised as part of construction costs for projects in FYE 2024.

As at 31 December 2025, deposits increased mainly due to additional security deposits paid for a flexi trade loan facility and advance deposits paid to suppliers for material purchases. The security deposits for the flexi trade loan facility are not pledged fixed deposits and are not available for our Group's general use as cash or bank balances. Accordingly, they are classified as deposits under other receivables, and not as deposits, bank and cash balances.

As at 31 May 2026, deposits increased mainly due to advance deposits paid to suppliers for material purchases.

(d) As at 31 May 2026, prepayment increased mainly due to the costs incurred for additional scope of works requested by our customers for ongoing projects. Such additional works may commence before the relevant variation orders or supporting documentation are formalised. Accordingly, the related costs had not been charged to our customers as at 31 May 2026.

(e) Represent mainly impairment losses on amounts due from related parties that were assessed to be uncollectible. In FYE 2025, the accumulated impairment losses were reversed following settlement via a dividend in specie declared on 31 December 2025.

(4) Contract assets arise when revenue is recognised upon satisfaction of performance obligations, but progress billings have yet to be issued as the relevant works have not reached the billable stage. The higher contract assets as at 31 December 2024, 31 December 2025 and 31 May 2026 were attributable to revenue recognised from progress in construction activities for which progress billings had yet to be issued.

In certain instances, our Group submits claims and issues progress billings only upon our customers' instructions or upon the achievement of the relevant billing milestones. Further, our Group's customers may be required to compile and submit extensive supporting documents to the project owner in relation to the overall project before issuing their billings, particularly when the project reaches a more advanced stage of completion. Such documents may include, among others, electrical and mechanical engineering certifications, firefighting system certifications and other supporting documentation required by the project owner.

12. FINANCIAL INFORMATION

As our Group generally undertakes only a portion of the overall works awarded by the project owner to our customers, our Group's submission of claims and issuance of progress billings to our customers may be deferred until our customers are in a position to bill the project owner.

(5) As SKA Rekabina had committed to a plan to dispose of its 51% equity interest in Double Action Ventures, the assets and liabilities of Double Action Ventures were classified as a disposal group held for sale in FYE 2023 and FYE 2024.

On 16 June 2025, SKA Rekabina entered into a share sale agreement with Dato' Subas for the disposal of 510,000 ordinary shares in Double Action Ventures, representing a 51% equity interest therein, for a cash consideration of RM162,285.57. The disposal was completed on 14 August 2025, following which Double Action Ventures ceased to be a 51%-owned subsidiary of SKA Rekabina.

(6) Our Group's current assets increased by RM33.20 million as at 31 December 2024, mainly due to the following:

(i) an increase in contract assets of RM34.14 million, attributable to higher value of work performed but unbilled as at 31 December 2024; and

(ii) an increase in trade receivables of RM8.06 million, mainly attributable to higher billings to customers in line with the increase in revenue in FYE 2024, particularly in the last quarter of the financial year.

The increase in current assets was partially offset by a decrease in other receivables of RM9.80 million, mainly attributable to lower deposits as advance deposits previously paid to suppliers for material purchases were utilised and recognised as part of construction costs for projects in FYE 2024.

Our Group's current assets increased by RM106.25 million as at 31 December 2025, mainly due to the following:

(i) an increase in trade receivables of RM46.63 million, mainly attributable to higher billings to customers in line with the increase in revenue in FYE 2025, particularly in the last quarter of FYE 2025;

(ii) an increase in contract assets of RM38.66 million, attributable to higher value of work performed but unbilled as at 31 December 2025;

(iii) an increase in fixed deposits, cash and bank balances of RM19.88 million, mainly attributable to customer collections, the consolidation of Reltency Engineering's fixed deposits following Reltency Engineering becoming a subsidiary in February 2025, and additional fixed deposit placements during FYE 2025; and

(iv) an increase in other receivables of RM4.96 million, mainly attributable to higher deposits arising from additional security deposits paid for a flexi trade loan facility and advance deposits paid to suppliers for material purchases.

The increase in current assets was partially offset by the absence of assets classified as held for sale of RM3.88 million following the completion of the disposal of Double Action Ventures on 14 August 2025.

12. FINANCIAL INFORMATION

Our Group's current assets increased by RM75.31 million as at 31 May 2026, due to the following:

(i) an increase in trade receivables of RM39.74 million, mainly attributable to higher billings to customers;

(ii) an increase in contract assets of RM17.43 million, attributable to higher value of work performed but unbilled as at 31 May 2026;

(iii) an increase in fixed deposits, cash and bank balances of RM9.15 million, mainly attributable to collection from customers and additional fixed deposit placements during FPE 2026; and

(iv) an increase in other receivables of RM8.99 million, mainly attributable to higher other receivables attributable to payments of performance security to customers and prepayment in relation to costs incurred for additional scope of works requested by our customers.

(7) The accumulated losses were mainly due to net losses on impairment of financial instruments amounting to RM8.19 million for the FYE 2022 (mainly arising from impairments made on trade receivables) and RM4.24 million for the FYE 2023 (mainly arising from impairments made on the amount owing from several related companies which are non-trade related).

In FYE 2025, the accumulated impairment losses on the amount owing from related companies amounting to RM7.19 million were reversed following settlement via a dividend in specie declared on 31 December 2025, while an amount of RM6.37 million in respect of the trade receivables had been written off.

(8) Represent the retention sums on trade payables due to subcontractors for works performed, which are payable upon expiry of the defect liability period for our Group's projects.

(9) Further breakdown of other payables is as follows:

	Audited			
	As at 31 December			As at 31 May 2026 RM'000
	2023 RM'000	2024 RM'000	2025 RM'000	
Other payables[(a)]	109	112	3,911	3,619
Amount due to a Director[(b)]	170	-	-	-
Amount due to related parties[(c)]	2,362	2,032	-	-
Deposits received[(d)]	13,920	-	-	-
Accruals[(e)]	430	614	73,988	85,234
Provision for tax penalties[(f)]	-	-	410	410
Total	**16,991**	**2,758**	**78,309**	**89,263**

Sub-notes:

(a) Represent outstanding balances relating to non-trade expenses, such as secretarial fees, tax agent fees and audit fees, as well as amounts owing to a factoring company arising from trade receivables factoring arrangements, whereby the factoring company settles certain amounts owing by our Group to suppliers and/or subcontractors, and our Group subsequently settles the relevant amounts to the factoring company based on the agreed payment terms.

(b) Represent outstanding balances arising from non-trade transactions, namely advances from and/or payments made on behalf of our Group by Dato' Subas, our Managing Director.

(c) Represent outstanding balances arising from non-trade transactions, namely advances from and/or payments made on behalf of our Group by related parties.

(d) Represent one-off deposits received from customers for new projects that had yet to commence, and advances received from customers for the supply of materials as at 31 December 2023.

(e) Accruals mainly comprise accrued expenses such as employees' salaries and statutory contributions, audit fees and tax agent fees, as well as accrued construction costs for projects as at 31 December 2025 and 31 May 2026. Accrued construction costs mainly comprise accrued material purchases, subcontractors' fees and machinery and equipment rental.

As at 31 December 2024, the increase in accruals was mainly attributable to higher accrued employees' salaries and statutory contributions arising from an increase in headcount.

As at 31 December 2025 and 31 May 2026, the increase in accruals was mainly attributable to higher accrued construction costs incurred for projects during FYE 2025 and FPE 2026.

(f) Provision for tax penalties represents tax penalties of RM0.41 million provided for late payment of monthly tax instalments for the year of assessment 2025.

(10) Contract liabilities represent billings issued to customers in excess of revenue recognised in respect of construction contracts. Such balances arise where the amounts billed to customers, based on the contractual billing terms and progress of the respective projects, exceed the revenue recognised based on our Group's measure of progress towards satisfaction of the relevant performance obligations as at the reporting date.

(11) Our Group's current liabilities increased by RM14.15 million as at 31 December 2024, mainly due to the following:

(i) an increase in bank borrowings of RM14.54 million, mainly attributable to the drawdown of a flexi trade loan of RM11.00 million in FYE 2024 and revolving credit of RM4.00 million, partially offset by repayments made during the financial year;

(ii) an increase in trade payables of RM8.98 million, mainly attributable to higher purchases of materials, tools and equipment to support the planned project schedule in FYE 2024; and

(iii) an increase in tax payables of RM4.73 million, attributable to higher PBT in FYE 2024.

The increase in current liabilities was partially offset by a decrease in other payables of RM14.23 million, mainly attributable to deposits of RM13.92 million received from customers in FYE 2023 being recognised as revenue in FYE 2024 as the related works were carried out.

Our Group's current liabilities increased by RM100.43 million as at 31 December 2025, mainly due to the following:

(i) an increase in bank borrowings of RM21.80 million, mainly attributable to the drawdown of a flexi trade loan of RM24.58 million in FYE 2025 and revolving credit of RM8.00 million, partially offset by repayments made during the financial year;

(ii) an increase in other payables of RM75.55 million, mainly attributable to higher accruals for construction costs incurred for projects during FYE 2025; and

(iii) an increase in trade payables of RM5.51 million, mainly attributable to higher purchases of materials, tools and equipment to support the planned project schedule in FYE 2025.

The increase in current liabilities was partially offset by the absence of liabilities classified as held for sale of RM3.56 million following the completion of the disposal of Double Action Ventures on 14 August 2025.

Our Group's current liabilities increased by RM56.34 million as at 31 May 2026, mainly due to the following:

(i) an increase in trade payables of RM30.45 million, mainly attributable to higher amounts owing to suppliers and subcontractors;

(ii) an increase in other payables of RM10.95 million, mainly attributable to higher accruals for construction costs incurred for projects during FPE 2026;

(iii) recognition of contract liabilities of RM10.70 million, arising from advance billings to customers prior to the performance of the relevant construction activities during FPE 2026; and

(iv) an increase in tax payables of RM3.92 million, mainly attributable to income tax liabilities accrued during FPE 2026.

12. FINANCIAL INFORMATION

12.1.3 Historical combined statements of cash flows

The following table sets out a summary of our combined statements of cash flows for the Period Under Review, extracted from the Accountants' Report set out in **Section 13** of this Prospectus. The following financial information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations as set out in **Section 12.3** of this Prospectus and the Accountants' Report and accompanying notes set out in **Section 13** of this Prospectus.

	Audited			
	FYE 2023 RM'000	**FYE 2024 RM'000**	**FYE 2025 RM'000**	**FPE 2026 RM'000**
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES				
PBT from continuing operations	1,299	22,070	39,251	20,456
Loss before tax from discontinued operations	(321)	(541)	(8)	-
Adjustments for:				
Amortisation of right-of-use assets	135	346	665	308
Bad debts written off (continuing operations)	1,694	59	93	-
Bad debts written off (discontinued operations)	287	-	-	-
Depreciation of property, plant and equipment	569	252	235	125
Finance costs	98	1,265	1,876	885
Gain on disposal of property, plant and equipment	-	(51)	(40)	-
Gain on disposal of right-of-use assets	(75)	-	-	-
Impairment losses on related parties	4,137	1,160	-	-
Impairment losses on trade receivables	100	-	240	2
Impairment losses on other receivables	-	-	50	-
Interest income	-	(4)	(161)	(62)
Gain on disposal of a subsidiary	-	-	(504)	-
Property, plant and equipment written off	277	-	3	-
Reversal of impairment loss on related parties	-	-	(7,191)	-
Reversal of impairment loss on trade receivables	-	-	-	(73)
Operating profit before changes in working capital	**8,200**	**24,556**	**34,509**	**21,640**
Changes in working capital:				
Contract assets / liabilities	(9,103)	(34,138)	(44,794)	(6,732)
Inventories	-	(400)	-	-
Trade and other receivables	(12,059)	524	(50,095)	(43,705)
Trade and other payables	18,890	(4,924)	77,075	40,741
Cash generated from / (used in) operations	**5,928**	**(14,382)**	**16,695**	**11,945**

12. FINANCIAL INFORMATION

	Audited			
	FYE 2023 RM'000	**FYE 2024 RM'000**	**FYE 2025 RM'000**	**FPE 2026 RM'000**
Interest paid	(98)	(1,265)	(1,876)	(885)
Interest received	-	4	30	14
Tax paid	(366)	(778)	(8,115)	(1,887)
Net cash from / (used in) operating activities	**5,464**	**(16,421)**	**6,734**	**9,187**
CASH FLOWS USED IN INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(37)	(220)	(873)	(51)
Acquisition of right-of-use assets	(61)	(114)	-	(15)
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	-	(4,477)	-
Placement of fixed deposits	-	(1,100)	(1,600)	(611)
Proceeds from disposal of property, plant and equipment	-	51	40	-
Proceeds from disposal of right-of-use assets	75	-	-	-
Proceeds from disposal of a subsidiary	-	-	132	-
Net cash used in investing activities	**(23)**	**(1,383)**	**(6,778)**	**(677)**
CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES				
(Repayment of) / Net proceeds from bank borrowings	(3,273)	14,565	14,081	894
Payments of lease liabilities	(124)	(370)	(576)	(278)
Proceeds from issuance of new ordinary shares	-	3,000	-	*
Net cash (used in) / from financing activities	**(3,397)**	**17,195**	**13,505**	**616**
Net increase / (decrease) in cash and cash equivalents	**2,044**	**(609)**	**13,461**	**9,126**
Cash and cash equivalents at beginning of the financial year / period	**(336)**	**1,708**	**1,099**	**14,560**
Cash and cash equivalents at end of the financial year / period	**1,708**	**1,099**	**14,560**	**23,686**

Note:
* Represents RM100.

12. FINANCIAL INFORMATION

12.2 CAPITALISATION AND INDEBTEDNESS

The following table sets out our Group's capitalisation and indebtedness based on our unaudited financial information as at 31 August 2026 and after adjusting for the effects and utilisation of proceeds from our Public Issue.

	Unaudited as at 31 August 2026 RM'000	After Public Issue RM'000	After Public Issue and utilisation of proceeds RM'000
Capitalisation			
Shareholders' equity	64,675	136,948	133,331
Total capitalisation	**64,675**	**136,948**	**133,331**
Indebtedness			
Current			
Secured and guaranteed			
Bank borrowings	41,986	41,986	41,986
Hire purchase payables	538	538	538
	42,524	**42,524**	**42,524**
Non-current			
Secured and guaranteed			
Bank borrowings	489	489	489
Hire purchase payables	1,143	1,143	1,143
	1,632	**1,632**	**1,632**
Total indebtedness	**44,156**	**44,156**	**44,156**
Total capitalisation and indebtedness	**108,831**	**181,104**	**177,487**
Gearing ratio (times)[(1)]	0.68	0.32	0.33

Note:

(1) Computed based on total indebtedness (excluding contingent liabilities) divided by total capitalisation.

12. FINANCIAL INFORMATION

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

The following management's discussion and analysis of our Group's financial condition and results of operations for the Period Under Review should be read in conjunction with our Accountants' Report and accompanying notes set out in **Section 13** of this Prospectus.

This discussion and analysis contains data derived from our financial statements, as well as forward-looking statements that reflect our views on future events and our future financial performance. Actual events and results may differ materially from those anticipated in these forward-looking statements. Factors that may cause future events and results to differ significantly from those described in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors set out in **Section 9** of this Prospectus.

12.3.1 Overview of business operations

Our Group is principally involved in the provision of power infrastructure engineering solutions. Our main activities comprise:

(i) substation engineering services comprising civil and structural engineering services, electrical and mechanical engineering services and EPCC services;

(ii) underground utilities engineering services; and

(iii) trading of electrical devices, electrical equipment and construction materials for power infrastructure engineering solutions.

Our business activities are mainly undertaken on a project basis. We are engaged by our customers for substation engineering services and underground utilities engineering services based on LOAs and/or purchase orders, which set out, among other things, the scope of work and contract value. Any subsequent revision to the scope of works and/or contract value will be agreed with our customers via variation orders.

Our revenue from substation engineering services and underground utilities engineering services is measured and recognised over the contract period using the output method, based on the level of completion of the physical proportion of contract work to date as certified by professional consultants. We are entitled to invoice our customers based on a series of performance-related milestones.

Accordingly, the amount of revenue recognised for a project may differ from the progress billings issued to our customers, resulting in contract balances comprising:

(i) contract assets, when the revenue recognised is higher than the amount billed; and

(ii) contract liabilities, when the amount billed is higher than the revenue recognised. This may include instances when we receive advance payments from customers for works that have yet to be performed.

Considering the above, our revenue may be influenced by several factors, which include:

(i) the number and/or contract value of the projects that we undertake, including any subsequent variation orders; or

(ii) the percentage of completion of our projects, which is determined based on the level of completion of the physical proportion of contract work to date, certified by professional consultants.

12. FINANCIAL INFORMATION

While revenue is recognised based on the level of physical completion of our projects, our cost of sales for such projects is also recognised with reference to the same level of physical completion, based on the latest estimated / budgeted total project costs attributable to the level of physical completion achieved as at the reporting date.

We review the estimated / budgeted total project costs on an ongoing basis up to the completion of the respective projects. Such review takes into consideration, among others, actual costs incurred, supplier and subcontractor invoices received, and the latest estimated costs to complete the projects. Where there are differences between the previous estimated / budgeted total project costs and the actual costs incurred or expected to be incurred, the estimated / budgeted total project costs will be revised accordingly.

Any resulting adjustment arising from the revision to the estimated / budgeted total project costs will be recognised through cost of sales in the relevant financial year, which will in turn affect our GP and GP margin for that financial year.

Our revenue from the trading of materials is recognised at a point in time when control of the products is transferred to the customers, being upon delivery. Revenue is recognised based on the price specified in the invoice, net of the rebates, discounts and taxes.

During the Period Under Review, we derived our revenue from Peninsular Malaysia.

12. FINANCIAL INFORMATION

12.3.2 Revenue

(i) Revenue by business activity

The table below sets out the breakdown of our Group's total revenue by business activity:

	Audited						Unaudited		Audited	
	FYE 2023		FYE 2024		FYE 2025		FPE 2025		FPE 2026	
Business activity	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Substation engineering services										
- Civil and structural engineering services	38,538	86.73	137,570	90.63	119,501	49.51	43,674	53.28	44,294	37.17
- Electrical and mechanical engineering services[(1)]	-	-	-	-	52,712	21.84	20,362	24.84	6,780	5.69
- EPCC services[(1)]	-	-	-	-	44,100	18.27	12,726	15.53	39,069	32.79
Subtotal	**38,538**	**86.73**	**137,570**	**90.63**	**216,313**	**89.62**	**76,762**	**93.65**	**90,143**	**75.65**
Underground utilities engineering services[(2)]	-	-	-	-	9,500	3.94	-	-	25,650	21.53
Trading of materials	5,898	13.27	14,231	9.37	15,544	6.44	5,208	6.35	3,364	2.82
Total revenue	**44,436**	**100.00**	**151,801**	**100.00**	**241,357**	**100.00**	**81,970**	**100.00**	**119,157**	**100.00**

Notes:

(1) On 26 February 2025, Reltency Engineering became a subsidiary of our Group following SKA Rekabina's subscription for a 70.00% equity interest in Reltency Engineering. Reltency Engineering's financial information was only included in our Group's financial information from FYE 2025. Accordingly, our Group via Reltency Engineering recorded revenue from the provision of EPCC services and electrical and mechanical engineering services for substation engineering services segment from FYE 2025 onwards.

(2) In September 2025, our Group secured its first project (i.e. 33kV Project) under the underground utilities engineering services segment relating to cable laying using the HDD method in the East Coast Zone. As such, our Group began to derive revenue from the underground utilities engineering services segment in FYE 2025.

12. FINANCIAL INFORMATION

Further details of our Group's material substation engineering services projects and underground utilities engineering services undertaken during the Period Under Review are as follows:

No.	Project name	Segment / Sub-segment	Contract period	Total contract value[1] RM'000	Revenue recognised				Balance contract value RM'000
					FYE 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FPE 2026 RM'000	
1.	IOI Mayang Project*	Civil and structural engineering services	November 2021 to September 2023	[2]9,944	4,132	-	-	-	-
2.	TRX Project	Civil and structural engineering services	January 2021 to December 2025	[3]49,000	5,462	29,890	11,760	-	-
3.	Prince Court GIS Project	Civil and structural engineering services	November 2022 to June 2025[4]	[5]14,984	5,414	7,492	-	-	[5]749
4.	Simpang Pertang Project*	Civil and structural engineering services	November 2022 to December 2024	[6]4,508	2,459	1,803	-	-	-
5.	Sungai Tiram GIS Project*	Civil and structural engineering services	November 2022 to December 2025	[7]11,758	2,116	2,352	[15]-	-	-
6.	The Light Project	Civil and structural engineering services	January 2023 to December 2024	19,034	4,758	14,276	-	-	-
7.	Seri Iskandar West Project	Civil and structural engineering services	May 2023 to November 2025	23,400	1,170	5,850	16,380	-	-
8.	Pulau Indah Project	Civil and structural engineering services	November 2022 to December 2023	4,034	4,034	-	-	-	-
9.	Bahau South Project	Civil and structural engineering services	July 2023 to October 2023	1,842	1,842	-	-	-	-

12. FINANCIAL INFORMATION

No.	Project name	Segment / Sub-segment	Contract period	Total contract value[(1)] RM'000	Revenue recognised				Balance contract value RM'000
					FYE 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FPE 2026 RM'000	
10.	Kempas Lama Project	Civil and structural engineering services	January 2024 to April 2025	55,000	-	52,250	2,750	-	-
11.	Data Centre Project	Civil and structural engineering services	January 2024 to October 2024	14,627	-	14,627	-	-	-
12.	Cyberjaya South GIS Project	Civil and structural engineering services	October 2024 to November 2025	39,877	-	1,994	37,883	-	-
13.	Iskandar Puteri West Project	Civil and structural engineering services	June 2025 to May 2027	35,010	-	-	3,971	3,032	28,007
14.	Iskandar Puteri Project	Civil and structural engineering services	June 2025 to August 2026	42,783	-	-	16,406	8,887	17,490
15.	Gurun East Project	Civil and structural engineering services	June 2025 to February 2027	44,100	-	-	4,410	7,718	31,972
16.	Bukit Batu Project	Civil and structural engineering services	June 2025 to December 2026	31,500	-	-	3,150	14,175	14,175
17.	Cyberjaya East Project	Civil and structural engineering services	December 2025 to December 2026	22,706	-	-	5,677	9,082	7,947
18.	Kuala Nerus Project	Electrical and mechanical engineering services	August 2024 to April 2026[(4)]	[(8)]15,576	-	-	10,778	1,386	-
19.	Merchang Project	Electrical and mechanical engineering services	August 2024 to April 2026	[(9)]16,097	-	-	11,139	1,433	-

12. FINANCIAL INFORMATION

No.	Project name	Segment / Sub-segment	Contract period	Total contract value[(1)] RM'000	Revenue recognised				Balance contract value RM'000
					FYE 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FPE 2026 RM'000	
20.	Kemasek Project	Electrical and mechanical engineering services	August 2024 to May 2026	[(10)]15,541	-	-	10,754	1,383	-
21.	Gambang Project	Electrical and mechanical engineering services	August 2024 to May 2026	[(11)]15,451	-	-	10,692	1,375	-
22.	Maran Project	Electrical and mechanical engineering services	August 2024 to May 2026	[(12)]13,510	-	-	9,349	1,202	-
23.	11kV Project	Underground utilities engineering services	December 2025 to December 2027	50,029	-	-	5,003	13,508	31,518
24.	33kV Project	Underground utilities engineering services	December 2025 to December 2027	44,971	-	-	4,497	12,142	28,332
25.	Sungai Tiram GIS Project	EPCC services	July 2022 to April 2026[(4)]	[(13)]39,800	-	-	[(15)]18,683	4,736	-
26.	Pantai Remis Project	EPCC services	August 2022 to March 2026[(4)]	[(14)]12,140	-	-	2,918	1,148	-
27.	Genting Kelang GIS Project	EPCC services	June 2025 to October 2026	46,308	-	-	22,135	9,354	14,819

12. FINANCIAL INFORMATION

No.	Project name	Segment / Sub-segment	Contract period	Total contract value[(1)] RM'000	Revenue recognised				Balance contract value RM'000
					FYE 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FPE 2026 RM'000	
28.	Sepang Project	EPCC services	October 2025 to October 2026	29,455	-	-	-	22,091	7,364
29.	Other projects				7,151	7,036	17,478	3,141	11,200
Total revenue					**38,538**	**137,570**	**225,813**	**115,793**	**193,573**

12. FINANCIAL INFORMATION

Notes:

* Relates to projects awarded by Reltency Engineering to SKA Rekabina before Reltency Engineering became a subsidiary of SKA Rekabina on 26 February 2025.

(1) Variation orders may be issued throughout the contract period and are recognised as part of the contract value in accordance with the certified progress billings and approved variation order letters.

(2) In relation to the IOI Mayang Project, revenue of RM5.81 million was recognised in the previous financial years.

(3) In relation to the TRX Project, revenue of RM1.89 million was recognised in the previous financial years.

(4) The Prince Court GIS Project was completed in August 2026, while the Kuala Nerus Project, Sungai Tiram GIS Project and Pantai Remis Project were completed in May 2026, all of which were later than their respective contractual completion periods as disclosed above. As at the LPD, no delay damages had been imposed by the respective customers in relation to the delays in completion of these projects.

(5) In relation to the Prince Court GIS Project, revenue of RM1.33 million was recognised in the previous financial years. No revenue was recognised in FYE 2025 and FPE 2026 as the remaining civil and structural works could not proceed pending the completion of certain electrical works by our customer. Our Group subsequently completed the remaining civil and structural works in August 2026.

Our customer had confirmed that no delay damages would be imposed on SKA Rekabina as the delay was attributable to a third party, namely the tunnel construction works for the cable installation.

(6) In relation to the Simpang Pertang Project, revenue of RM0.25 million was recognised in the previous financial year being the mobilisation fee charged in FYE 2022.

(7) In relation to the Sungai Tiram GIS Project, revenue of RM0.24 million was recognised in the previous financial year being the mobilisation fee charged in FYE 2022.

(8) In relation to the Kuala Nerus Project, revenue of RM3.41 million was recognised in the previous financial years prior to the inclusion of Reltency Engineering as a subsidiary in FYE 2025.

(9) In relation to the Merchang Project, revenue of RM3.53 million was recognised in the previous financial years prior to the inclusion of Reltency Engineering as a subsidiary in FYE 2025.

(10) In relation to the Kemasek Project, revenue of RM3.40 million was recognised in the previous financial years prior to the inclusion of Reltency Engineering as a subsidiary in FYE 2025.

(11) In relation to the Gambang Project, revenue of RM3.38 million was recognised in the previous financial years prior to the inclusion of Reltency Engineering as a subsidiary in FYE 2025.

(12) In relation to the Maran Project, revenue of RM2.96 million was recognised in the previous financial years prior to the inclusion of Reltency Engineering as a subsidiary in FYE 2025.

(13) In relation to the Sungai Tiram GIS Project, revenue of RM16.38 million was recognised in the previous financial year prior to the inclusion of Reltency Engineering as a subsidiary in FYE 2025.

(14) In relation to the Pantai Remis Project, revenue of RM8.07 million was recognised in the previous financial year prior to the inclusion of Reltency Engineering as a subsidiary in FYE 2025.

(15) From FYE 2025, following the acquisition of Reltency Engineering in February 2025, the revenue portion for the Sungai Tiram GIS Project attributable to civil and structural engineering services is presented under the EPCC sub-segment. This is because Reltency Engineering, our subsidiary, is the main contractor for the project awarded by TNB, while SKA Rekabina is the appointed subcontractor for the civil and structural engineering works. SKA Rekabina had completed the civil and structural engineering works during FYE 2025.

During the Period Under Review, our Group's revenue derived from data centre-related projects, namely the Kempas Lama Project, Data Centre Project, Iskandar Puteri Project and Johor Project, amounted to RM66.88 million, RM20.56 million and RM10.29 million, representing 44.06%, 8.52% and 8.63% of our Group's total revenue for FYE 2024, FYE 2025 and FPE 2026, respectively. The Group had not undertaken any data centre-related project in FYE 2023.

Revenue from data centre-related projects contributed significantly to our Group's revenue growth in FYE 2024, accounting for approximately 62.29% of the overall increase in revenue. This was mainly attributable to the commencement of the Kempas Lama Project and Data Centre Project. In FYE 2025, revenue contribution from data centre-related projects decreased mainly due to lower revenue from the Kempas Lama Project and the completion of the Data Centre Project in FYE 2024.

(ii) Commentary on revenue

FYE 2024 compared to FYE 2023

Our Group’s total revenue increased by RM107.36 million or 241.58% from RM44.44 million in FYE 2023 to RM151.80 million in FYE 2024. This was mainly attributable to higher revenue from substation engineering services of RM99.03 million and trading of materials of RM8.33 million.

Substation engineering services

Our Group’s revenue from substation engineering services increased by RM99.03 million or 256.95% from RM38.54 million in FYE 2023 to RM137.57 million in FYE 2024. This was mainly attributable to higher revenue from civil and structural engineering services, arising from:

(a) the commencement of the following new projects:

(i) **Kempas Lama Project**. This project contributed revenue of RM52.25 million in FYE 2024, representing 37.98% of our Group’s civil and structural engineering services sub-segment revenue for FYE 2024;

(ii) **Data Centre Project**. This project contributed revenue of RM14.63 million in FYE 2024, representing 10.63% of our Group’s civil and structural engineering services sub-segment revenue for FYE 2024; and

(iii) **Cyberjaya South GIS Project**. This project contributed revenue of RM1.99 million in FYE 2024, representing 1.45% of our Group’s civil and structural engineering services sub-segment revenue for FYE 2024.

(b) higher levels of construction activity for the following projects:

(i) **TRX Project**. The revenue from this project increased by RM24.43 million from RM5.46 million in FYE 2023 to RM29.89 million in FYE 2024, representing 14.17% and 21.73% of our Group's civil and structural engineering services sub-segment revenue for FYE 2023 and FYE 2024 respectively. The higher revenue in FYE 2024 was due to a higher stage of completion of 61.00%, compared to 12.86% in FYE 2023.

In FYE 2023, the project was at the initial stage, involving mainly preliminaries, earthworks and early foundation works for the control buildings. In FYE 2024, the project progressed into the advanced stage, involving more extensive substructure and superstructure works, mechanical and electrical works, roofing and façade works, internal finishes and earthwork rectification works;

(ii) **The Light Project**. The revenue from this project increased by RM9.52 million from RM4.76 million in FYE 2023 to RM14.28 million in FYE 2024, representing 12.35% and 10.38% of our Group's civil and structural engineering services sub-segment revenue for FYE 2023 and FYE 2024 respectively. The higher revenue in FYE 2024 was due to a higher stage of completion of 75.00%, compared to 25.00% in FYE 2023.

In FYE 2023, the project was at the initial stage, involving mainly preliminaries, substructure works such as foundation and drainage works, and early superstructure works. In FYE 2024, the project progressed into the advanced stage, involving the remaining superstructure works, mechanical and electrical works, façade works, roadworks and finishing works;

(iii) **Seri Iskandar West Project**. The revenue from this project increased by RM4.68 million from RM1.17 million in FYE 2023 to RM5.85 million in FYE 2024, representing 3.04% and 4.25% of our Group's civil and structural engineering services sub-segment revenue for FYE 2023 and FYE 2024 respectively. The higher revenue in FYE 2024 was due to a higher stage of completion of 25.00%, compared to 5.00% in FYE 2023.

In FYE 2023, the project was at the early stage, involving mainly site mobilisation works and preliminaries. In FYE 2024, the project progressed into the initial stage involving preliminaries, earthworks and substructure works; and

(iv) **Prince Court GIS Project**. The revenue from this project increased by RM2.08 million from RM5.41 million in FYE 2023 to RM7.49 million in FYE 2024, representing 14.04% and 5.44% of our Group's civil and structural engineering services sub-segment revenue for FYE 2023 and FYE 2024 respectively. The higher revenue in FYE 2024 was due to a higher work stage of completion of 50.00%, compared to 40.33% in FYE 2023.

In FYE 2023, the project was at the initial stage, involving mainly substructure works such as foundation and drainage works, and early superstructure and switchyard works. In FYE 2024, the project progressed into the advanced stage, involving the remaining superstructure works, mechanical and electrical works, façade works, roadworks and finishing works.

The above increase was partially offset by the absence of revenue from the IOI Mayang Project, Pulau Indah Project and Bahau South Project. These projects were completed in FYE 2023 and contributed to revenue of RM4.13 million, RM4.03 million and RM1.84 million respectively.

12. FINANCIAL INFORMATION

Trading of materials

Our Group's revenue from trading of materials increased by RM8.33 million or 141.19%, from RM5.90 million in FYE 2023 to RM14.23 million in FYE 2024. This was mainly attributable to higher orders from Transgrid Group for construction materials, mainly steel bars and high tensile steel wire mesh, for projects not undertaken by our Group.

FYE 2025 compared to FYE 2024

Our Group's total revenue increased by RM89.56 million or 59.00% from RM151.80 million in FYE 2024 to RM241.36 million in FYE 2025. This was mainly attributable to higher revenue from substation engineering services of RM78.74 million, underground utilities engineering services of RM9.50 million and trading of materials of RM1.31 million.

Substation engineering services

Our Group's revenue from substation engineering services increased by RM78.74 million or 57.24% from RM137.57 million in FYE 2024 to RM216.31 million in FYE 2025. This was mainly attributable to revenue from electrical and mechanical engineering services of RM52.71 million and EPCC services of RM44.10 million. The increase was partially offset by the decrease in revenue from civil and structural engineering services of RM18.07 million.

Civil and structural engineering services

The revenue from civil and structural engineering services decreased by RM18.07 million or 13.14% from RM137.57 million in FYE 2024 to RM119.50 million in FYE 2025, mainly attributable to lower revenue from the following projects, which were completed in FYE 2024 and FYE 2025:

(a) **Kempas Lama Project**. The revenue from this project decreased by RM49.50 million from RM52.25 million in FYE 2024 to RM2.75 million in FYE 2025, representing 37.98% and 2.31% of our Group's civil and structural engineering services sub-segment revenue for FYE 2024 and FYE 2025 respectively. The lower revenue in FYE 2025 was due to a lower stage of completion of 5.00%, compared to 95.00% in FYE 2024.

In FYE 2024, the project was at the initial and advanced stages, involving mainly site mobilisation works, preliminaries, substructure works, steel structure works, mechanical and electrical works, switchyard and external works. In FYE 2025, the project progressed into the final completion stage, involving the completion of external works and finishes. This project was completed in FYE 2025;

(b) **TRX Project**. The revenue from this project decreased by RM18.13 million from RM29.89 million in FYE 2024 to RM11.76 million in FYE 2025, representing 21.73% and 9.84% of our Group's civil and structural engineering services sub-segment revenue for FYE 2024 and FYE 2025 respectively. The lower revenue in FYE 2025 was due to a lower stage of completion of 24.00%, compared to 61.00% in FYE 2024.

In FYE 2024, the project was at the advanced stage, involving more extensive substructure and superstructure works, mechanical and electrical works, roofing and façade works, internal finishes and earthwork rectification works. In FYE 2025, the project progressed into the final stage, involving the balance external works, and mechanical and electrical works. This project was completed in FYE 2025;

(c) **Data Centre Project**. This project was completed in FYE 2024. The revenue from this project was RM14.63 million in FYE 2024;

12. FINANCIAL INFORMATION

(d) **The Light Project**. This project was completed in FYE 2024. The revenue from this project was RM14.28 million in FYE 2024;

The above decrease in revenue was partially offset by the increase in revenue attributable to the following:

(a) higher levels of construction activity of the following projects:

(i) **Cyberjaya South GIS Project**. The revenue from this project increased by RM35.89 million from RM1.99 million in FYE 2024 to RM37.88 million in FYE 2025, representing 1.45% and 31.70% of our Group's civil and structural engineering services sub-segment revenue for FYE 2024 and FYE 2025 respectively. The higher revenue in FYE 2025 was due to a higher stage of completion of 95.00%, compared to 5.00% in FYE 2024.

In FYE 2024, the project was at the early stage, involving mainly site mobilisation works and preliminaries. In FYE 2025, the project progressed into the advanced and final stages, involving construction works including earthworks, substation building, mechanical & electrical works, switchyard, and drainage. This project was completed in FYE 2025; and

(ii) **Seri Iskandar West Project**. The revenue from this project increased by RM10.53 million from RM5.85 million in FYE 2024 to RM16.38 million in FYE 2025, representing 4.25% and 13.71% of our Group's civil and structural engineering services sub-segment revenue for FYE 2024 and FYE 2025 respectively. The higher revenue in FYE 2025 was due to a higher stage of completion of 70.00%, compared to 25.00% in FYE 2024.

In FYE 2024, the project was at the initial stage, involving mainly preliminaries, earthworks and substructure works. In FYE 2025, the project progressed into the advanced and final stages, involving the balance substructure works, superstructure works, switchyard, mechanical and electrical, external works, drainage and roadworks and final finishing works. This project was completed in FYE 2025.

(b) the commencement of the following new projects:

(i) **Iskandar Puteri Project**. This project contributed revenue of RM16.41 million in FYE 2025, representing 13.73% of our Group's civil and structural engineering services sub-segment revenue for FYE 2025;

(ii) **Cyberjaya East Project**. This project contributed revenue of RM5.68 million in FYE 2025, representing 4.75% of our Group's civil and structural engineering services sub-segment revenue for FYE 2025;

(iii) **Gurun East Project**. This project contributed revenue of RM4.41 million in FYE 2025, representing 3.69% of our Group's civil and structural engineering services sub-segment revenue for FYE 2025;

(iv) **Iskandar Puteri West Project**. This project contributed revenue of RM3.97 million in FYE 2025, representing 3.32% of our Group's civil and structural engineering services sub-segment revenue for FYE 2025; and

(v) **Bukit Batu Project**. This project contributed revenue of RM3.15 million in FYE 2025, representing 2.64% of our Group's civil and structural engineering services sub-segment revenue for FYE 2025.

12. FINANCIAL INFORMATION

Electrical and mechanical engineering services

The revenue from electrical and mechanical engineering services amounted to RM52.71 million in FYE 2025. This was mainly attributable to the Kuala Nerus Project (revenue of RM10.78 million), Merchang Project (revenue of RM11.14 million), Kemasek Project (revenue of RM10.75 million), Gambang Project (revenue of RM10.69 million) and Maran Project (revenue of RM9.35 million) resulting from the inclusion of revenue from Reltency Engineering after it became our subsidiary in February 2025.

EPCC services

The revenue from EPCC services amounted to RM44.10 million in FYE 2025. This was due to the inclusion of revenue from Reltency Engineering after it became our subsidiary in February 2025. EPCC services revenue of RM44.10 million mainly comprised the following projects:

(a) **Genting Kelang GIS Project**. This project contributed revenue of RM22.14 million in FYE 2025, representing 50.20% of our Group's EPCC services sub-segment revenue for FYE 2025;

(b) **Sungai Tiram GIS Project**. This project contributed revenue of RM18.68 million in FYE 2025, representing 42.36% of our Group's EPCC services sub-segment revenue for FYE 2025; and

(c) **Pantai Remis Project**. This project contributed revenue of RM2.92 million in FYE 2025, representing 6.62% of our Group's EPCC services sub-segment revenue for FYE 2025.

Underground utilities engineering services

The revenue from underground utilities engineering services amounted to RM9.50 million in FYE 2025. This was attributable to 2 new projects secured and commenced in FYE 2025, namely the 11kV Project (revenue of RM5.00 million) and 33kV Project (revenue of RM4.50 million).

Trading of materials

Our Group's revenue from trading of materials increased by RM1.31 million or 9.21%, from RM14.23 million in FYE 2024 to RM15.54 million in FYE 2025. This was mainly attributable to higher orders from Megatech (a former related party) for construction materials, mainly steel bars and high tensile steel wire mesh, for its own projects.

12. FINANCIAL INFORMATION

FPE 2026 compared to FPE 2025

Our Group's total revenue increased by RM37.19 million or 45.37% from RM81.97 million in FPE 2025 to RM119.16 million in FPE 2026. This was mainly attributable to higher revenue from substation engineering services of RM13.38 million and underground utilities engineering services of RM25.65 million. The increase in revenue was partially offset by lower revenue from trading of materials of RM1.85 million.

Substation engineering services

Our Group's revenue from substation engineering services increased by RM13.38 million or 17.43% from RM76.76 million in FPE 2025 to RM90.14 million in FPE 2026. This was attributable to the increase in revenue from EPCC services of RM26.34 million as well as civil and structural engineering services of RM0.62 million. The increase was partially offset by the decrease in revenue from electrical and mechanical engineering services of RM13.58 million.

Civil and structural engineering services

The revenue from civil and structural engineering services increased by RM0.62 million or 1.42% from RM43.67 million in FPE 2025 to RM44.29 million in FPE 2026, mainly attributable to the following:

(a) higher levels of construction activity of the following projects:

(i) **Gurun East Project**. The revenue from this project increased by RM5.51 million from RM2.21 million in FPE 2025 to RM7.72 million in FPE 2026, representing 5.06% and 17.42% of our Group's civil and structural engineering services sub-segment revenue for FPE 2025 and FPE 2026 respectively. The higher revenue in FPE 2026 was due to a higher stage of completion of 17.50%, compared to 5.00% in FPE 2025.

In FPE 2025, the project was at the early stage, involving mainly site mobilisation works and preliminaries. In FPE 2026, the construction activities had progressed to earthworks and substructure works, in addition to ongoing preliminary works; and

(ii) **Iskandar Puteri West Project**. The revenue from this project increased by RM2.56 million from RM0.47 million in FPE 2025 to RM3.03 million in FPE 2026, representing 1.08% and 6.84% of our Group's civil and structural engineering services sub-segment revenue for FPE 2025 and FPE 2026 respectively. The higher revenue in FPE 2026 was due to a higher stage of completion of 8.65%, compared to 1.34% in FPE 2025.

In FPE 2025, the project was at the early stage, involving mainly site mobilisation works and preliminaries. In FPE 2026, construction activities had progressed to earthworks and substructure works, in addition to ongoing preliminary works.

(b) revenue contribution from the following projects which commenced after FPE 2025:

(i) **Bukit Batu Project**. This project contributed revenue of RM14.18 million in FPE 2026, representing 32.00% of our Group's civil and structural engineering services sub-segment revenue for FPE 2026;

(ii) **Cyberjaya East Project**. This project contributed revenue of RM9.08 million in FPE 2026, representing 20.49% of our Group's civil and structural engineering services sub-segment revenue for FPE 2026; and

(iii) **Iskandar Puteri Project**. This project contributed revenue of RM8.89 million in FPE 2026, representing 20.06% of our Group's civil and structural engineering services sub-segment revenue for FPE 2026.

The above increase in revenue was partially offset by the absence of revenue contribution from the following projects in FPE 2026:

(a) **Cyberjaya South GIS Project**. This project was completed in November 2025. The revenue from this project was RM19.14 million in FPE 2025;

(b) **Seri Iskandar West Project**. This project was completed in November 2025. The revenue from this project was RM10.53 million in FPE 2025;

(c) **TRX Project**. This project was completed in December 2025. The revenue from this project was RM6.86 million in FPE 2025; and

(d) **Kempas Lama Project**. This project was completed in April 2025. The revenue from this project was RM2.75 million in FPE 2025.

Electrical and mechanical engineering services

The revenue from electrical and mechanical engineering services decreased by RM13.58 million or 66.70% from RM20.36 million in FPE 2025 to RM6.78 million in FPE 2026. This was mainly attributable to lower revenue contributions from the following projects as they reached completion in FPE 2026:

(a) **Kuala Nerus Project**. The revenue from this project decreased by RM2.62 million from RM4.01 million in FPE 2025 to RM1.39 million in FPE 2026, representing 19.70% and 20.50% of our Group's electrical and mechanical engineering services sub-segment revenue for FPE 2025 and FPE 2026 respectively;

(b) **Merchang Project**. The revenue from this project decreased by RM2.72 million from RM4.15 million in FPE 2025 to RM1.43 million in FPE 2026, representing 20.38% and 21.09% of our Group's electrical and mechanical engineering services sub-segment revenue for FPE 2025 and FPE 2026 respectively;

(c) **Kemasek Project**. The revenue from this project decreased by RM2.62 million from RM4.00 million in FPE 2025 to RM1.38 million in FPE 2026, representing 19.65% and 20.35% of our Group's electrical and mechanical engineering services sub-segment revenue for FPE 2025 and FPE 2026 respectively;

(d) **Gambang Project**. The revenue from this project decreased by RM2.67 million from RM4.05 million in FPE 2025 to RM1.38 million in FPE 2026, representing 19.89% and 20.35% of our Group's electrical and mechanical engineering services sub-segment revenue for FPE 2025 and FPE 2026 respectively; and

(e) **Maran Project**. The revenue from this project decreased by RM2.95 million from RM4.15 million in FPE 2025 to RM1.20 million in FPE 2026, representing 20.38% and 17.70% of our Group's electrical and mechanical engineering services sub-segment revenue for FPE 2025 and FPE 2026 respectively.

EPCC services

The revenue from EPCC services increased by RM26.34 million or 206.91% from RM12.73 million in FPE 2025 to RM39.07 million in FPE 2026, mainly attributable to the following:

(a) the commencement of **Sepang Project**. This project contributed revenue of RM22.09 million in FPE 2026, representing 56.54% of our Group's EPCC services sub-segment revenue for FPE 2026; and

(b) the completion of the following projects:

(i) **Sungai Tiram GIS Project**. The revenue from this project increased by RM2.44 million from RM2.30 million in FPE 2025 to RM4.74 million in FPE 2026, representing 18.07% and 12.13% of our Group's EPCC services sub-segment revenue for FPE 2025 and FPE 2026 respectively. The higher revenue in FPE 2026 was due to a higher stage of completion of 11.91%, compared to 5.78% in FPE 2025; and

(ii) **Pantai Remis Project**. The revenue from this project increased by RM0.45 million from RM0.70 million in FPE 2025 to RM1.15 million in FPE 2026, representing 5.50% and 2.94% of our Group's EPCC services sub-segment revenue for FPE 2025 and FPE 2026 respectively. The higher revenue in FPE 2026 was due to a higher stage of completion of 9.47%, compared to 5.77% in FPE 2025.

Underground utilities engineering services

The revenue from underground utilities engineering services amounted to RM25.65 million in FPE 2026. This was attributable to 2 new projects which commenced in December 2025, namely the 11kV Project (revenue of RM13.51 million) and 33kV Project (revenue of RM12.14 million).

Trading of materials

Our Group's revenue from trading of materials decreased by RM1.85 million or 35.51%, from RM5.21 million in FPE 2025 to RM3.36 million in FPE 2026. In FPE 2026, our Group's trading revenue was mainly derived from the supply of electrical equipment (i.e. transformers) to a customer, amounting to RM3.28 million. In comparison, our Group's trading revenue in FPE 2025 was mainly derived from the supply of construction materials, mainly steel bars and high tensile steel wire mesh, to Megatech for its own projects.

12. FINANCIAL INFORMATION

12.3.3 Cost of sales

(i) Cost of sales by business activities

The table below sets out the breakdown of our Group's total cost of sales by business activity:

	Audited						Unaudited		Audited	
	FYE 2023		FYE 2024		FYE 2025		FPE 2025		FPE 2026	
Business activity	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Substation engineering services										
- Civil and structural engineering services	28,744	86.66	111,050	90.78	91,396	46.32	36,902	53.32	32,669	36.20
- Electrical and mechanical engineering services	-	-	-	-	48,475	24.57	18,282	26.42	5,502	6.10
- EPCC services	-	-	-	-	37,621	19.07	11,046	15.96	31,914	35.36
Subtotal	**28,744**	**86.66**	**111,050**	**90.78**	**177,492**	**89.96**	**66,230**	**95.70**	**70,085**	**77.66**
Underground utilities engineering services	-	-	-	-	7,505	3.80	-	-	17,100	18.95
Trading of materials	4,425	13.34	11,279	9.22	12,323	6.24	2,973	4.30	3,060	3.39
Total cost of sales	**33,169**	**100.00**	**122,329**	**100.00**	**197,320**	**100.00**	**69,203**	**100.00**	**90,245**	**100.00**

12. FINANCIAL INFORMATION

(ii) Cost of sales by cost items

The table below sets out the breakdown of our Group's cost of sales by cost items:

	Audited						Unaudited		Audited	
	FYE 2023		FYE 2024		FYE 2025		FPE 2025		FPE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Material purchases[(1)]	13,673	41.22	53,292	43.56	134,563	68.20	47,903	69.22	38,538	42.70
Subcontractors' fees[(2)]	14,186	42.77	54,342	44.42	48,993	24.83	16,008	23.13	45,466	50.38
Direct staff costs[(3)]	897	2.71	1,826	1.49	2,058	1.04	721	1.04	919	1.02
Overheads[(4)]	4,413	13.30	12,869	10.53	11,706	5.93	**4,571**	**6.61**	**5,322**	**5.90**
Rental expenses	2,738	8.26	7,422	6.07	7,130	3.61	3,004	4.34	2,482	2.75
Site expenses	624	1.88	1,891	1.55	1,276	0.65	613	0.89	579	0.64
Project-related expenses	747	2.25	2,530	2.07	2,141	1.09	517	0.75	1,640	1.82
Transportation costs	170	0.51	627	0.51	1,130	0.57	430	0.62	604	0.67
Upkeep and maintenance	134	0.40	399	0.33	29	0.01	7	0.01	17	0.02
Total cost of sales	**33,169**	**100.00**	**122,329**	**100.00**	**197,320**	**100.00**	**69,203**	**100.00**	**90,245**	**100.00**

12. FINANCIAL INFORMATION

Notes:

(1) Material purchases mainly comprise materials used in undertaking our civil and structural engineering services, including steel and hardware, concrete, precast, premix, cables, scaffolding, paints, fittings and plywood. Material purchases used in our EPCC and electrical and mechanical engineering services mainly comprise switchgear, transformers, generator sets and cables.

Material purchases represent 41.22%, 43.56%, 68.20%, 69.22% and 42.70% of our total cost of sales for the FYE 2023, FYE 2024, FYE 2025, FPE 2025 and FPE 2026, respectively.

(2) To support project execution, we engage subcontractors on a project basis to carry out selected parts of our substation engineering services and underground utilities engineering services under our supervision. Subcontractors' fees represented 42.77%, 44.42%, 24.83%, 23.13% and 50.38% of our total cost of sales for the FYE 2023, FYE 2024, FYE 2025, FPE 2025 and FPE 2026, respectively.

(3) Direct staff costs mainly comprise salaries / wages, overtime and workers' welfare for our employees in our Contract and Procurement as well as Projects and Engineering departments. Direct staff costs represented 2.71%, 1.49%, 1.04%, 1.04% and 1.02% of our total cost of sales for FYE 2023, FYE 2024, FYE 2025, FPE 2025 and FPE 2026, respectively.

(4) Our overheads mainly consist of the following:

(i) rental expenses, comprising the rental of lorries, machinery (mainly including cranes, excavators, backhoes, skylifts and concrete mixers) and equipment (mainly including scaffolding, air compressors, generator sets, tower lights and water pumps) to support our substation engineering services and underground utilities engineering services;

(ii) site expenses, mainly comprising utility charges, site security charges and office appliances for site office use;

(iii) project-related expenses, mainly comprising CIDB licence fees, foreign worker levy fees, fees paid to third-party health and safety officers engaged for our projects, design and drawing fees, fees paid to certified engineers to endorse our drawings for permit applications to local authorities, as well as cabins used as portable site offices;

(iv) transportation costs, mainly comprising delivery charges for our purchase of construction materials for project use and mobilisation costs for transferring the machinery and equipment between sites; and

(v) upkeep and maintenance expenses for machinery and equipment, lorries and site offices.

12. FINANCIAL INFORMATION

(iii) Commentary on cost of sales

FYE 2024 compared to FYE 2023

Our Group's total cost of sales increased by RM89.16 million or 268.80% from RM33.17 million in FYE 2023 to RM122.33 million in FYE 2024. This was broadly in line with the increase in total revenue of 241.58% in FYE 2024, and was mainly attributable to the following:

(a) material purchases increased by RM39.62 million or 289.83% from RM13.67 million in FYE 2023 to RM53.29 million in FYE 2024. This was in line with the increase in revenue from civil and structural engineering services during FYE 2024, and was mainly attributable to the projects undertaken in FYE 2024 as set out in **Section 12.3.2(ii)** of this Prospectus, as well as the increase in revenue from trading of materials;

(b) subcontractors' fees increased by RM40.15 million or 282.95% from RM14.19 million in FYE 2023 to RM54.34 million in FYE 2024. This was in line with the increase in revenue from civil and structural engineering services during FYE 2024, and was mainly attributable to the projects undertaken in FYE 2024 as set out in **Section 12.3.2(ii)** of this Prospectus, as our Group engaged more subcontractors to support the higher level of construction activities of these projects;

(c) direct staff costs increased by RM0.93 million or 103.33% from RM0.90 million in FYE 2023 to RM1.83 million in FYE 2024. This was mainly attributable to salaries for employees hired during FYE 2024 in anticipation of higher manpower requirements for our civil and structural engineering services projects in FYE 2024;

(d) our overheads increased by RM8.46 million or 191.84% from RM4.41 million in FYE 2023 to RM12.87 million in FYE 2024, mainly due to the following:

  (i) rental expenses increased by RM4.68 million, attributable to the increased number of new projects and higher construction activity for ongoing projects during FYE 2024;

  (ii) site expenses increased by RM1.27 million, incurred mainly for security charges and utilities due to increased number of projects undertaken in FYE 2024;

  (iii) project-related expenses increased by RM1.78 million, mainly due to higher fees paid to third-party health and safety officers engaged for our projects, CIDB licence fees, fees paid to certified engineers to endorse our drawings for permit applications to local authorities, and the use of portable site offices for the increased number of projects undertaken in FYE 2024; and

  (iv) transportation costs increased by RM0.46 million due to higher mobilisation costs arising from more trips to transfer machinery and equipment between sites as the number of projects undertaken increased in FYE 2024.

12. FINANCIAL INFORMATION

FYE 2025 compared to FYE 2024

Our Group's total cost of sales increased by RM74.99 million or 61.30% from RM122.33 million in FYE 2024 to RM197.32 million in FYE 2025. This was broadly in line with the increase in total revenue of 59.00% for FYE 2025 and was mainly attributable to higher materials purchases, which increased by RM81.27 million or 152.51% from RM53.29 million in FYE 2024 to RM134.56 million in FYE 2025. The increase in material purchases was mainly due to higher revenue from electrical and mechanical engineering services, EPCC services and underground utilities engineering services.

The increase in cost of sales was partially offset by the following:

(a) subcontractors' fees decreased by RM5.35 million or 9.85% from RM54.34 million in FYE 2024 to RM48.99 million in FYE 2025. This was mainly due to certain projects in FYE 2025 approaching the tail end of completion, which required less external subcontracting work than in FYE 2024, while projects that commenced in FYE 2025 were still at an early stage (planning, mobilisation and preliminary works), and therefore required fewer external subcontractors than projects in the construction phase. In addition, our Group undertook cost optimisation measures in relation to material purchases, whereby we supplied materials for certain subcontracted works instead of engaging subcontractors to supply both materials and services; and

(b) our overheads decreased by RM1.16 million or 9.01% from RM12.87 million in FYE 2024 to RM11.71 million in FYE 2025, mainly due to site expenses decreasing by RM0.61 million as certain civil and structural engineering projects that were active in FYE 2024 were completed in FYE 2025.

Our total cost of sales was predominantly attributable to our substation engineering services, contributing 86.66%, 90.78% and 89.96% of our total cost of sales for the FYE 2023, FYE 2024 and FYE 2025, respectively.

FPE 2026 compared to FPE 2025

Our Group's total cost of sales increased by RM21.05 million or 30.42% from RM69.20 million in FPE 2025 to RM90.25 million in FPE 2026. This was in line with the increase in total revenue of 45.35% in FPE 2026, and was mainly attributable to the following:

(a) subcontractors' fees increased by RM29.46 million or 184.01% from RM16.01 million in FPE 2025 to RM45.47 million in FPE 2026. This was in line with the increase in revenue from civil and structural engineering services, EPCC services and underground utilities engineering services during FPE 2026, and was mainly attributable to the projects undertaken in FPE 2026 as set out in **Section 12.3.2** above, as our Group engaged more subcontractors to support the higher level of construction activities of these projects. In addition, our Group's subcontractors had procured the materials for our projects and included the same in their claims/invoices to our Group;

(b) overheads increased by RM0.75 million or 16.41% from RM4.57 million in FPE 2025 to RM5.32 million in FPE 2026, mainly due to higher project-related expenses which increased by RM1.12 million, incurred for calibration and testing expenses mainly for completed projects as set out in **Section 12.3.2** above. Generally, all projects will have to undergo calibration, testing and commissioning procedures before energising the electrical systems.

12. FINANCIAL INFORMATION

The increase in overheads was partially offset by the decrease in rental expenses of RM0.52 million due to the completion of projects in FPE 2026 while new projects were at initial stages and required less machinery and equipment.

The increase in cost of sales was partially offset by the decrease in material purchases of RM9.36 million or 19.54% from RM47.90 million in FPE 2025 to RM38.54 million in FPE 2026. This was mainly attributable to certain subcontractors procuring the relevant materials for our Group's projects and including such material costs in their claims/invoices to our Group, as well as lower material requirements following the completion of 5 electrical and mechanical engineering services projects during FPE 2026.

Our Group's total cost of sales was predominantly attributable to the substation engineering services, contributing 95.70% and 77.66% of the total cost of sales for the FPE 2025 and FPE 2026, respectively.

12. FINANCIAL INFORMATION

12.3.4 GP and GP margin

(i) GP and GP margin by business activity

The table below sets out the breakdown of our GP and GP margin by business activity:

	Audited						Unaudited		Audited	
	FYE 2023		FYE 2024		FYE 2025		FPE 2025		FPE 2026	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
Business activity	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Substation engineering services										
- Civil and structural engineering services	9,794	25.41	26,520	19.28	28,105	23.52	6,772	15.51	11,625	26.25
- Electrical and mechanical engineering services	-	-	-	-	4,237	8.04	2,080	10.22	1,278	18.85
- EPCC services	-	-	-	-	6,479	14.69	1,680	13.20	7,155	18.31
Subtotal	**9,794**	**25.41**	**26,520**	**19.28**	**38,821**	**17.95**	**10,532**	**13.72**	**20,058**	**22.25**
Underground utilities engineering services	-	-	-	-	1,995	21.00	-	-	8,550	33.33
Trading of materials	1,473	24.97	2,952	20.74	3,221	20.72	2,235	42.91	304	9.04
Total	**11,267**	**25.36**	**29,472**	**19.41**	**44,037**	**18.25**	**12,767**	**15.58**	**28,912**	**24.26**

Our Group prices our projects based on project cost estimates after taking into consideration, among other things, the size, complexity and specifications of the projects. At the outset of each project, cost estimates are based on expected materials purchases, direct staff costs, subcontractors' fees, overheads and project duration. These estimates may be revised to reflect the actual costs incurred. Accordingly, each project's GP may vary depending on project scope and duration.

12. FINANCIAL INFORMATION

(ii) Commentary on GP and GP margin

FYE 2024 compared to FYE 2023

Our overall GP in FYE 2024 increased by RM18.20 million or 161.49% from RM11.27 million in FYE 2023 to RM29.47 million in FYE 2024, mainly attributable to higher GP from substation engineering services and trading of materials, which recorded increases of approximately RM16.73 million and RM1.48 million, respectively.

Our overall GP margin of 19.41% for FYE 2024 was lower than the GP margin of 25.36% for FYE 2023. This was attributable to lower GP margins from substation engineering services (FYE 2023: 25.41% and FYE 2024: 19.28%) and trading of materials (FYE 2023: 24.97% and FYE 2024: 20.74%) in FYE 2024.

Substation engineering services

Our GP from substation engineering services increased by RM16.73 million or 170.89% from RM9.79 million in FYE 2023 to RM26.52 million in FYE 2024. This was mainly attributable to higher GP from civil and structural engineering services, driven by the commencement of new projects (i.e. Kempas Lama Project and Data Centre Project) and higher level of construction activity for ongoing projects (i.e. TRX Project and Seri Iskandar West Project) as set out in **Section 12.3.2(ii)** of this Prospectus. These projects had in aggregate contributed to an increase in GP of RM18.38 million.

This was partially offset by the absence of GP from projects completed in FYE 2023 (i.e. Pulau Indah Project and Bahau South Project), as set out in **Section 12.3.2(ii)** of this Prospectus. These projects had in aggregate contributed to a decrease in GP by RM2.09 million.

GP margin for civil and structural engineering services in FYE 2024 of 19.28% was lower than the 25.41% GP margin in FYE 2023. The lower GP margin in FYE 2024 was mainly driven by a higher volume of construction activities in projects in FYE 2024 with lower profit margins (i.e. Kempas Lama Project, Seri Iskandar West Project, The Light Project and Prince Court GIS Project). The lower GP margins for these projects were part of our Group's pricing strategy to secure more projects.

Trading of materials

Our GP from trading of materials increased by RM1.48 million from RM1.47 million in FYE 2023 to RM2.95 million in FYE 2024, in line with the increase in revenue from trading of materials.

Our GP margin decreased from 24.97% in FYE 2023 to 20.74% in FYE 2024. The lower GP margin in FYE 2024 was mainly due to a lower average selling price for steel bars and high tensile steel mesh, driven by price competition among suppliers.

FYE 2025 compared to FYE 2024

Our overall GP in FYE 2025 increased by RM14.57 million or 49.44% from RM29.47 million in FYE 2024 to RM44.04 million in FYE 2025, mainly attributable to higher GP from substation engineering services, underground utilities engineering services which increased by RM12.30 million and RM2.00 million, respectively.

Our overall GP margin of 18.25% for FYE 2025 was lower than the GP margin of 19.41% for FYE 2024. This was attributable to lower GP margin from substation engineering services (FYE 2024: 19.28% and FYE 2025: 17.95%) in FYE 2025.

12. FINANCIAL INFORMATION

Substation engineering services

Our GP from substation engineering services increased by RM12.30 million or 46.38% from RM26.52 million in FYE 2024 to RM38.82 million in FYE 2025. This was attributable to GP across all sub-segments (i.e. EPCC services, electrical and mechanical engineering services and civil and structural engineering services).

Our Group's GP margin for substation engineering services was 17.95% in FYE 2025, lower than the GP margin of 19.28% for FYE 2024. This was attributable to the lower GP margins from electrical and mechanical engineering services (FYE 2025: 8.04%) and EPCC services (FYE 2025: 14.69%).

Civil and structural engineering services

GP from civil and structural engineering services increased by RM1.59 million or 6.00% from RM26.52 million in FYE 2024 to RM28.11 million in FYE 2025. This was mainly attributable to the commencement of new projects (i.e. Iskandar Puteri Project and Cyberjaya East Project), higher level of construction activity for completed projects (i.e. Cyberjaya South GIS Project and Seri Iskandar West Project), as set out in **Section 12.3.2(ii)** of this Prospectus, and GP recognised from the Olak Lempit Project following a downward adjustment of total budgeted costs to actual costs incurred upon the completion of the project. These projects had in aggregate contributed to an increase in GP by RM17.38 million.

This was partially offset by lower GP from completed projects (i.e. Kempas Lama Project, TRX Project and Data Centre Project) which had in aggregate contributed to the decrease in GP of RM16.11 million.

GP margin for civil and structural engineering services in FYE 2025 of 23.52% was higher than the 19.28% GP margin in FYE 2024. The higher GP margin in FYE 2025 was mainly attributable to the higher GP margin from the Olak Lempit Project and Cyberjaya South GIS Project, attributable to downward adjustments of total budgeted costs to reflect the actual costs incurred upon the completion of these 2 projects.

Electrical and mechanical engineering services

GP and GP margin from electrical and mechanical engineering services amounted to RM4.24 million and 8.04% in FYE 2025, respectively, mainly attributable to the Kuala Nerus Project, Merchang Project, Kemasek Project, Gambang Project and Maran Project.

EPCC services

GP and GP margin from EPCC amounted to RM6.48 million and 14.69% in FYE 2025, respectively. These were attributable to ongoing projects as set out in **Section 12.3.2(ii)** of this Prospectus.

Underground utilities engineering services

GP and GP margin from underground utilities engineering services amounted to RM2.00 million and 21.00% in FYE 2025, respectively, mainly attributable to the 11kV Project and 33kV Project.

12. FINANCIAL INFORMATION

Trading of materials

Our GP from trading of materials increased by RM0.27 million from RM2.95 million in FYE 2024 to RM3.22 million in FYE 2025, in line with the increase in revenue from trading of materials.

Our GP margin remained fairly consistent at 20.72% in FYE 2025 as compared to 20.74% in FYE 2024.

FPE 2026 compared to FPE 2025

Our Group's overall GP increased by RM16.14 million or 126.39% from RM12.77 million in FPE 2025 to RM28.91 million in FPE 2026, attributable to higher GP from substation engineering services and underground utilities engineering services which increased by RM9.53 million and RM8.55 million, respectively. The increase was partially offset by lower GP from trading of materials of approximately RM1.93 million.

Our Group's overall GP margin of 24.26% for FPE 2026 was higher than the GP margin of 15.58% for FPE 2025. This was attributable to higher GP margin from substation engineering services (FPE 2025: 13.72% and FPE 2026: 22.25%) and GP margin from underground utilities engineering services of 33.33% in FPE 2026.

Substation engineering services

Our Group's GP from substation engineering services increased by RM9.53 million or 90.50% from RM10.53 million in FPE 2025 to RM20.06 million in FPE 2026. This was attributable to GP from EPCC services and civil and structural engineering services.

Our Group's GP margin for substation engineering services was 22.25% in FPE 2026, higher than the GP margin of 13.72% for FPE 2025. This was attributable to the higher GP margins from civil and structural engineering services (FPE 2026: 26.25%), electrical and mechanical engineering services (FPE 2026: 18.85%) and EPCC services (FPE 2026: 18.31%).

Civil and structural engineering services

GP from civil and structural engineering services increased by RM4.86 million or 71.79% from RM6.77 million in FPE 2025 to RM11.63 million in FPE 2026. This was mainly attributable to the commencement of new projects (i.e. Iskandar Puteri Project, Cyberjaya East Project and Bukit Batu Project) and higher level of construction activity for ongoing projects (i.e. Iskandar Puteri West Project and Gurun East Project), as set out in **Section 12.3.2** above. These projects had in aggregate contributed to an increase in GP by RM12.42 million.

This was partially offset by lower GP from completed projects (i.e. Cyberjaya South GIS Project, Seri Iskandar West Project, TRX Project and Kempas Lama Project) which had in aggregate contributed to the decrease in GP of RM7.79 million.

GP margin for civil and structural engineering services in FPE 2026 of 26.25% was higher than the GP margin of 15.51% in FPE 2025. The higher GP margin in FPE 2026 was mainly attributable to the following:

(a) the higher GP margin from the Iskandar Puteri West Project and Gurun East Project, following revisions to the project cost estimates, mainly due to downward adjustments to estimated subcontractor and material costs, resulting in lower revised total budgeted costs compared with the previous estimates; and

(b) a project which commenced after May 2025 (i.e. Iskandar Puteri Project) that commanded higher project margin due to lower actual cost incurred.

Electrical and mechanical engineering services

GP from electrical and mechanical engineering services decreased by RM0.80 million or 38.46% from RM2.08 million in FPE 2025 to RM1.28 million in FPE 2026. This was attributable to lower electrical and mechanical engineering services activities for the Kuala Nerus Project, Merchang Project, Kemasek Project, Gambang Project and Maran Project as these projects were completed in FPE 2026.

GP margin for electrical and mechanical engineering services in FPE 2026 of 18.85% was higher than the 10.22% GP margin in FPE 2025. This was mainly attributable to the downward adjustment of total budgeted costs to actual costs incurred upon the completion of the Kuala Nerus Project, Merchang Project, Kemasek Project, Gambang Project and Maran Project.

EPCC services

GP from EPCC services increased by RM5.48 million or 326.19% from RM1.68 million in FPE 2025 to RM7.16 million in FPE 2026. This was mainly attributable to GP recognised from the Sepang Project and Sungai Tiram GIS Project.

GP margin for EPCC services in FPE 2026 of 18.31% was higher than the GP margin of 13.20% in FPE 2025, mainly attributable to higher project margin for Sepang Project due to its specification, and higher profit margin for Sungai Tiram GIS Project due to the downward adjustment of total budgeted costs to actual costs incurred upon its completion.

Underground utilities engineering services

GP and GP margin from underground utilities engineering services amounted to RM8.55 million and 33.33% in FPE 2026, respectively, attributable to the 11kV Project and 33kV Project.

For clarity, the GP margin from the underground utilities engineering services segment increased from 21.00% in FYE 2025 to 33.33% in the FPE 2026 mainly attributable to the price adjustment / surcharge mechanism by TNB in May 2026 for certain underground utilities-related work items, following the increase in diesel prices. The adjustment covers, among others, underground cable works, HDD works and mill and pave / resurfacing works, with additional surcharge rates applicable to the relevant work items.

As the 11kV Project and 33kV Project comprise underground utilities engineering works involving these work items, the main contractor informed our Group that the TNB-approved price adjustment / surcharge would be passed on to our Group for the relevant works undertaken by our Group.

In this regard, the main contractor will pass the adjustment to our Group by way of reimbursement or credit against the additional diesel-related costs incurred by our Group. Accordingly, our Group took into account the reduction in cost when assessing the project budget and margin for these projects. This contributed to the higher GP margin recorded for the underground utilities engineering services segment.

Trading of materials

The GP from trading of materials decreased by RM1.94 million or 86.61% from RM2.24 million in FPE 2025 to RM0.30 million in FPE 2026, in line with the decrease in revenue from trading of materials.

The GP margin in FPE 2026 was 9.04%, which was lower compared to 42.91% in FPE 2025. This was because the supply and trading of transformers typically yield lower GP margin as compared to supply and trading of construction materials.

12. FINANCIAL INFORMATION

12.3.5 Other income

	Audited						Unaudited		Audited	
	FYE 2023		FYE 2024		FYE 2025		FPE 2025		FPE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest income[1]	-	-	4	6.35	161	21.30	35	100.00	62	32.98
Gain on disposal of property, plant and equipment[2]	-	-	51	80.95	40	5.29	-	-	-	-
Gain on disposal of right-of-use assets[3]	75	30.24	-	-	-	-	-	-	-	-
Rental income[4]	-	-	-	-	51	6.74	-	-	51	27.13
Gain on disposal of subsidiary company	-	-	-	-	504	66.67	-	-	-	-
Rebate received[5]	173	69.76	-	-	-	-	-	-	-	-
Realised gain on foreign exchange[6]	-	-	-	-	-	-	-	-	51	27.13
Others[7]	-	-	8	12.70	-	-	-	-	24	12.77
Total	**248**	**100.00**	**63**	**100.00**	**756**	**100.00**	**35**	**100.00**	**188**	**100.00**

Notes:

(1) Relates to interest income from fixed deposits and cash deposited in licensed banks.

(2) Gain on disposal of property, plant and equipment relates to the disposal of 1 unit of motor vehicle in FYE 2024 and 1 unit of skylift in FYE 2025.

(3) Gain on disposal of right-of-use assets relates to the disposal of 1 unit of motor vehicle under hire purchase arrangement in FYE 2023.

(4) Rental income received from subletting of a property located in Kota Kemuning, Selangor to a third party.

(5) Rebate received from a financial institution on the early settlement of a trade line in FYE 2023.

(6) Relates to realised gain on foreign exchange arising from the settlement of trade payables denominated in foreign currencies.

(7) Relates to sale of unused cabin for our projects.

12. FINANCIAL INFORMATION

FYE 2024 compared to FYE 2023

Our other income decreased by RM0.19 million or 76.00% from RM0.25 million in FYE 2023 to RM0.06 million in FYE 2024, mainly due to the absence of a rebate of RM0.17 million in FYE 2023 on the early settlement of a trade line. This decrease was partially offset by a gain on disposal of property, plant and equipment of RM0.05 million in FYE 2024, arising from the disposal of 1 unit of motor vehicle.

FYE 2025 compared to FYE 2024

Our other income increased by RM0.70 million or 1,166.67% from RM0.06 million in FYE 2024 to RM0.76 million in FYE 2025 mainly due to (i) a gain on disposal of a subsidiary, Double Action Ventures of RM0.50 million in August 2025; and (ii) an increase in interest income of RM0.16 million, attributable to the inclusion of fixed deposit interest income from Reltency Engineering after it became our subsidiary in February 2025 and increased placements of fixed deposits by SKA Rekabina during FYE 2025.

FPE 2026 compared to FPE 2025

Our other income increased by RM0.15 million or 375.00% from RM0.04 million in FPE 2025 to RM0.19 million in FPE 2026 mainly due to (i) rental income of RM0.05 million arising from the subletting of No. 18 and 18B, Jalan Anggerik Vanilla AD 31/AD, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan; and (ii) realised gain on foreign exchange of RM0.05 million arising from the settlement of supplier invoices denominated in USD, EUR and RMB, as RM strengthened against these currencies between the respective transaction dates and the settlement dates.

12. FINANCIAL INFORMATION

12.3.6 Administrative expenses

	Audited						Unaudited		Audited	
	FYE 2023		FYE 2024		FYE 2025		FPE 2025		FPE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs[1]	1,671	28.41	2,487	49.35	4,752	44.97	1,814	52.40	2,565	32.75
Directors' remuneration	633	10.76	648	12.86	928	8.78	340	9.82	562	7.18
Penalties[2]	348	5.92	416	8.24	1,267	11.99	-	-	-	-
Professional fees[3]	115	1.96	199	3.95	1,452	13.74	355	10.25	3,520	44.96
Depreciation and amortisation	704	11.97	598	11.87	900	8.52	317	9.16	433	5.53
Upkeep and maintenance[4]	120	2.04	251	4.98	342	3.24	215	6.21	170	2.17
Marketing expenses	186	3.16	137	2.72	306	2.89	179	5.17	169	2.16
Travelling and accommodation	64	1.09	58	1.15	165	1.56	97	2.80	110	1.41
Licence fees[5]	37	0.63	92	1.83	156	1.48	98	2.83	153	1.95
Office expenses[6]	31	0.53	78	1.54	182	1.72	47	1.36	136	1.74
Rental expenses	1	0.02	17	0.34	21	0.20	-	-	12	0.15
Bad debts written off[7]	1,694	28.80	59	1.17	93	0.88	-	-	-	-
Property, plant and equipment written off[8]	277	4.71	-	-	3	0.03	-	-	-	-
Total	**5,881**	**100.00**	**5,040**	**100.00**	**10,567**	**100.00**	**3,462**	**100.00**	**7,830**	**100.00**

Notes:

(1) Staff costs comprise staff salaries, wages, bonuses, statutory contributions, and other staff related expenses such as staff welfare, medical fees and training expenses.

(2) Penalties relate to late payment charges for monthly income tax for YA 2022 to 2025 and penalties for underestimation of income tax for YA 2022, 2023 and 2024.

(3) Professional fees mainly comprise audit, company secretarial, legal and tax fees as well as listing expenses in relation to our IPO.

12. FINANCIAL INFORMATION

(4) Upkeep and maintenance comprise maintenance expenses for our office, office equipment and motor vehicles as well as road tax and insurance for motor vehicles.

(5) Licence fees include renewal of CIDB membership, business licences and work permits for foreign employees as well as renewal of National Institute of Occupational Safety and Health (NIOSH) certificates.

(6) Office expenses comprise mainly bank charges, utilities charges, printing, courier and stationery.

(7) Bad debts written off include the write off of 1 non-trade receivable and 1 trade receivable in FYE 2023, 1 non-trade receivable in FYE 2024 and 1 trade receivable and 2 non-trade receivables in FYE 2025, all of which were non-collectible.

(8) Property, plant and equipment written off includes the write off of 2 units of motor vehicles in FYE 2023.

12. FINANCIAL INFORMATION

FYE 2024 compared to FYE 2023

Administrative expenses decreased by RM0.84 million or 14.29%, from RM5.88 million in FYE 2023 to RM5.04 million in FYE 2024, mainly attributable to lower bad debts written off, which recorded a decrease of RM1.63 million, and the absence of property, plant and equipment write-offs of RM0.28 million, which were recorded in FYE 2023.

The decrease in administrative expenses was partially offset by the following:

(a) increase in staff costs of RM0.82 million, mainly due to:

  (i) annual salary adjustment for existing staff;

  (ii) recruitment of additional 2 employees in finance, human resources and administrative departments during FYE 2024 to support the increased number of projects in FYE 2024; and

  (iii) higher bonuses and allowances paid to our existing employees to reward them for the improvement in the financial results of our Group during FYE 2024.

(b) increase in upkeep and maintenance by RM0.13 million, mainly due to higher maintenance costs incurred for motor vehicles in FYE 2024.

FYE 2025 compared to FYE 2024

Administrative expenses increased by RM5.53 million or 109.72%, from RM5.04 million in FYE 2024 to RM10.57 million in FYE 2025, mainly attributable to the following:

(a) increase in staff costs of RM2.26 million, mainly due to:

  (i) the inclusion of staff costs from Reltency Engineering after it became our subsidiary in February 2025;

  (ii) annual salary adjustment for existing staff;

  (iii) higher bonuses and allowances paid to our existing employees to reward them for the improvement in the financial results of our Group during FYE 2025.

(b) increase in professional fees of RM1.25 million, mainly due to listing expenses of RM0.86 million in relation to our IPO and legal fees of RM0.17 million in relation to banking facility agreement;

(c) increase in penalties of RM0.85 million, mainly due to late payment charges for income tax for YA 2024 and 2025 as well as a penalty for underestimation of income tax for YA 2024;

(d) increase in depreciation and amortisation expenses of RM0.30 million, marketing expenses of RM0.17 million, and travelling and accommodation expenses of RM0.11 million. This was mainly due to the inclusion of the corresponding expenses of Reltency Engineering after it became our subsidiary in February 2025; and

(e) increase in directors' remuneration of RM0.28 million, mainly due to the inclusion of directors' remuneration from Reltency Engineering after it became our subsidiary in February 2025.

12. FINANCIAL INFORMATION

FPE 2026 compared to FPE 2025

Administrative expenses increased by RM4.37 million or 126.30%, from RM3.46 million in FPE 2025 to RM7.83 million in FPE 2026, mainly attributable to the following:

(a) increase in professional fees of RM3.16 million, mainly due to listing expenses in relation to our IPO of RM2.03 million;

(b) increase in staff costs of RM0.76 million, mainly due to:

  (i) the consolidation of Reltency Engineering's staff costs for the FPE 2026 as compared to 3 months in FPE 2025, after it became our Group's subsidiary in February 2025;

  (ii) annual salary adjustment for existing staff; and

  (iii) higher bonuses and allowances paid to our existing employees in FPE 2026 to reward them for the improvement in the financial results of our Group during FYE 2025;

(c) increase in directors' remuneration of RM0.22 million, due to increased salaries for the directors, and directors' fees to the Independent Directors; and

(d) increase in amortisation and depreciation of RM0.11 million, mainly due to depreciation charges on property, plant and equipment acquired at a cost of RM0.87 million after May 2025, comprising mainly renovation costs of RM0.68 million incurred for our Group's headquarters.

12. FINANCIAL INFORMATION

12.3.7 Net (loss) / reversal on impairment of financial instruments

Our Group estimates a lifetime expected credit loss ("**ECL**") allowance for trade receivables and contract assets in accordance with MFRS 9 – Financial Instruments. Collective impairment was based on the credit risk and the days past due, while individual impairment was based on specific receivables that are credit impaired. We derived the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses which are then adjusted based on reasonable and supportable qualitative and quantitative forward-looking information. Reversals of impairment losses are made when there is a reassessment of ECL or subsequent collections.

The breakdown of our net (loss) / reversal on impairment of financial instruments for the Period Under Review is as follows:

	Audited						Unaudited		Audited	
	FYE 2023		FYE 2024		FYE 2025		FPE 2025		FPE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Allowance for impairment loss:										
Related parties	(4,137)	97.64	(1,160)	100.00	-	-	-	-	-	-
Other receivables	-	-	-	-	(50)	(0.72)	-	-	-	-
Trade receivables	(100)	2.36	-	-	(240)	(3.48)	-	-	(2)	(2.82)
							-	-	-	-
Reversal of impairment loss on related parties	-	-	-	-	7,191	104.20	-	-	-	-
Reversal of impairment loss on trade receivables	-	-	-	-	-	-	-	-	73	102.82
Total	**(4,237)**	**100.00**	**(1,160)**	**100.00**	**6,901**	**100.00**	**-**	**-**	**71**	**100.00**

12. FINANCIAL INFORMATION

FYE 2024 compared to FYE 2023

In FYE 2023, our Group recognised impairment losses on amounts due from related parties of RM4.14 million in respect of 8 related parties (mainly including SKA Development Sdn Bhd, Grid Power Sdn Bhd and RBJ Properties Sdn Bhd) that were individually impaired as they had been outstanding for more than 365 days. Our Group also recognised an impairment loss on trade receivables of RM0.10 million in respect of 1 trade receivable (i.e. Transmission Grid Resources Sdn Bhd) that was individually impaired as it had been outstanding for more than 365 days.

In FYE 2024, our Group recognised impairment losses on amounts due from related parties of RM1.16 million in respect of 6 related parties (mainly including SKA Development Sdn Bhd and Rekabina Jaya Sdn Bhd) that were individually impaired as they had been outstanding for more than 365 days.

FYE 2025 compared to FYE 2024

In FYE 2025, our Group recognised collective impairment losses on trade receivables of RM0.24 million based on the payment profiles of past sales and the corresponding historical credit losses, which were then adjusted based on reasonable and supportable qualitative and quantitative forward-looking information. Our Group also recognised impairment losses on other receivables of RM0.05 million in respect of 8 non-trade receivables that were individually impaired as they had been outstanding for more than 365 days.

Further, impairment losses on related parties of RM7.19 million that had previously been provided for were reversed in FYE 2025 following settlement from the related parties.

FPE 2026 compared to FPE 2025

In FPE 2026, our Group recognised a reversal of impairment loss on trade receivables amounting to RM0.07 million, following the recovery of trade receivables that had previously been impaired.

12. FINANCIAL INFORMATION

12.3.8 Finance costs

	Audited						Unaudited		Audited	
	FYE 2023		FYE 2024		FYE 2025		FPE 2025		FPE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest expense on:										
Bank overdrafts	34	34.69	15	1.19	68	3.62	27	5.59	25	2.82
Term loans	47	47.96	48	3.79	43	2.29	-	-	17	1.92
Lease liabilities	17	17.35	54	4.27	108	5.76	36	7.45	46	5.20
Revolving credit	-	-	170	13.44	387	20.64	123	25.47	190	21.47
Bank guarantee and letter of credit charges	-	-	-	-	177	9.43	48	9.94	39	4.41
Flexi trade loan	-	-	399	31.54	1,063	56.66	223	46.17	238	26.89
Trade receivable factoring	-	-	579	45.77	30	1.60	26	5.38	330	37.29
Total	**98**	**100.00**	**1,265**	**100.00**	**1,876**	**100.00**	**483**	**100.00**	**885**	**100.00**

FYE 2024 compared to FYE 2023

Our total finance costs increased by RM1.17 million or 1,170.00% from RM0.10 million in FYE 2023 to RM1.27 million in FYE 2024, mainly attributable to interest expense on trade receivable factoring of RM0.58 million, interest expense on a new flexi trade loan of RM0.40 million, which was drawn down in FYE 2024, and interest expense on revolving credit of RM0.17 million due to higher utilisation during FYE 2024. These facilities were used to purchase construction materials and equipment.

FYE 2025 compared to FYE 2024

Our total finance costs increased by RM0.61 million or 48.03% from RM1.27 million in FYE 2024 to RM1.88 million in FYE 2025, mainly attributable to the increase in interest expense on flexi trade loan of RM0.66 million and on revolving credit RM0.22 million due to higher utilisation during FYE 2025 which were used to purchase construction materials and equipment. Further, our Group recorded bank guarantee and letter of credit charges of RM0.18 million as a result of the inclusion of finance costs from Reltency Engineering after it became our subsidiary in February 2025.

The increase in finance costs was partially offset by the decrease in interest expense on trade receivable factoring of RM0.55 million due to full settlement in FYE 2025.

12. FINANCIAL INFORMATION

FPE 2026 compared to FPE 2025

Our Group's finance costs increased by RM0.41 million or 85.42% from RM0.48 million in FPE 2025 to RM0.89 million in FPE 2026, mainly attributable to the increase in interest expense on trade receivable factoring and revolving credit of RM0.30 million and RM0.07 million respectively, due to higher utilisation of these facilities during FPE 2026, mainly to finance purchases of construction materials and equipment.

12.3.9 Profits from continuing operations and income tax expenses

	Audited			Unaudited	Audited
	FYE 2023	FYE 2024	FYE 2025	FPE 2025	FPE 2026
PBT (RM'000)	1,299	22,070	39,251	8,857	20,456
PBT margin (%)	2.92	14.54	16.26	10.81	17.17
PAT from continuing operations (RM'000)	728	16,570	30,809	6,525	14,656
PAT margin (%)	1.64	10.92	12.76	7.96	12.30
Income tax expense (RM'000)	571	5,500	8,442	2,332	5,800
Effective tax rate (%)	43.96	24.92	21.51	26.33	28.35
Statutory tax rate (%)	24.00	24.00	24.00	24.00	24.00

FYE 2024 compared to FYE 2023

We recorded an increase in PBT of RM20.77 million or 1,597.69% from RM1.30 million in FYE 2023 to RM22.07 million in FYE 2024. This was mainly attributable to higher GP in FYE 2024 as compared to FYE 2023, lower net loss on impairment of financial instruments of RM3.08 million and lower administrative expenses of RM0.84 million, partially offset by higher finance costs of RM1.17 million and lower other income of RM0.19 million. As a result, our PBT margin increased from 2.92% in FYE 2023 to 14.54% in FYE 2024.

The effective tax rate of 24.92% for FYE 2024 was slightly higher than the statutory tax rate of 24.00%, mainly due to non-deductible expenses such as depreciation of non-qualifying assets and net loss on impairment of financial instruments.

As a result, our PAT from continuing operations increased by RM15.84 million or 2,169.86% from RM0.73 million in FYE 2023 to RM16.57 million in FYE 2024, while PAT margin increased from 1.64% in FYE 2023 to 10.92% in FYE 2024.

12. FINANCIAL INFORMATION

FYE 2025 compared to FYE 2024

We recorded an increase in PBT of RM17.18 million or 77.84% from RM22.07 million in FYE 2024 to RM39.25 million in FYE 2025. This was mainly attributable to higher GP in FYE 2025 as compared to FYE 2024 and a net reversal on impairment of financial instruments of RM6.90 million, partially offset by higher administrative expenses and finance costs.

The effective tax rate of 21.51% for FYE 2025 was lower than the statutory tax rate of 24.00%, mainly due to the reversal on impairment of financial instruments, which was not taxable.

As a result, our PAT from continuing operations increased by RM14.24 million or 85.94% from RM16.57 million in FYE 2024 to RM30.81 million in FYE 2025, while PAT margin increased from 10.92% in FYE 2024 to 12.76% in FYE 2025.

FPE 2026 compared to FPE 2025

Our Group recorded an increase in PBT of RM11.60 million or 130.93% from RM8.86 million in FPE 2025 to RM20.46 million in FPE 2026. This was mainly attributable to higher GP in FPE 2026 as compared to FPE 2025, partially offset by higher administrative expenses and finance costs. Our Group's PBT margin increased from 10.81% in FPE 2025 to 17.17% in FPE 2026 mainly due to the higher GP margin of 24.26% recorded in FPE 2026 as compared to 15.58% in FPE 2025.

The effective tax rate of 28.35% for FPE 2026 was higher than the statutory tax rate of 24.00%, mainly due to non-deductible expenses, including depreciation of non-qualifying assets and listing expenses incurred in relation to our IPO.

As a result, our Group's PAT from continuing operations increased by RM8.13 million or 124.50% from RM6.53 million in FPE 2025 to RM14.66 million in FPE 2026, while our PAT margin increased from 7.96% in FPE 2025 to 12.30% in FPE 2026.

12. FINANCIAL INFORMATION

12.4 LIQUIDITY AND CAPITAL RESOURCES

12.4.1 Working capital

We have been financing our operations through existing cash and bank balances, cash generated from our operations and external sources of funds. Our external sources of funds comprise trade lines from financial institutions, bank overdrafts, term loans and hire purchase arrangements.

As at 31 May 2026, we had:

(i) fixed deposits, cash and bank balances of RM31.44 million; and

(ii) total banking facilities (excluding hire purchase arrangements) of approximately RM95.05 million (of which RM37.57 million had been utilised).

The interest rates applicable to our borrowings are based on the respective facility agreements. Our borrowings are principally used to finance projects and working capital.

The decision to utilise either internally generated funds or borrowings for our business operations depends on, among other things, our cash and bank balances, expected cash inflows, future working capital requirements, future capital expenditure requirements, and the interest rates on borrowings.

Based on the Pro Forma Combined Statements of Financial Position as at 31 May 2026, our NA position stood at RM46.62 million and our gearing level is 0.79 times (after the Acquisition of SKA Rekabina and the Issuance of New Shares). Our NA position and gearing level (after the Public Issue and utilisation of proceeds) are RM115.27 million and 0.33 times respectively.

As at the LPD, our Group's cash and bank balances amounted to RM4.44 million, fixed deposits with licensed banks amounted to RM6.22 million, and we have total banking facilities of approximately RM95.05 million (of which RM49.53 million has been utilised). Our Board is confident that, after taking into account our gearing and cash flow position as well as the banking facilities currently available to our Group, our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus.

As at the LPD, we do not foresee any circumstances that may materially affect our liquidity. Our Group has not encountered any major disputes with our debtors.

12. FINANCIAL INFORMATION

12.4.2 Cash flow

The following summary of our combined statements of cash flows for the Period Under Review is set out below. This summary should be read in conjunction with the Accountants' Report as set out in **Section 13** of this Prospectus.

	Audited			
	FYE 2023 RM'000	**FYE 2024 RM'000**	**FYE 2025 RM'000**	**FPE 2026 RM'000**
Net cash from / (used in) operating activities	5,464	(16,421)	6,734	9,187
Net cash used in investing activities	(23)	(1,383)	(6,778)	(677)
Net cash (used in) / from financing activities	(3,397)	17,195	13,505	616
Net increase / (decrease) in cash and cash equivalents	2,044	(609)	13,461	9,126
Cash and cash equivalents at beginning of the financial year / period	(336)	1,708	1,099	14,560
Cash and cash equivalents at end of the financial year / period	**1,708**	**1,099**	**14,560**	**23,686**

FYE 2023

Net cash from operating activities

For FYE 2023, we recorded net operating cash inflow of RM5.46 million after taking into account our operating profit of RM8.20 million and the following working capital changes:

(i) increase in contract assets of RM9.10 million attributable to timing difference with higher amounts of works done in FYE 2023 compared to the invoices issued to our customers;

(ii) increase in trade and other receivables of RM12.06 million, mainly due to higher other receivables attributable to advance deposits to suppliers for material purchases;

(iii) increase in trade and other payables of RM18.89 million, mainly due to higher other payables attributable to higher deposits received of RM13.92 million from customers for purchase of materials and higher advances from related parties of RM2.16 million as at 31 December 2023;

(iv) interest paid of RM0.10 million; and

(v) income tax payments of RM0.37 million.

12. FINANCIAL INFORMATION

Net cash used in investing activities

For FYE 2023, our net cash outflow for investing activities was RM23,000, attributable to the following:

(i) cash payments for the purchase of property, plant and equipment of RM37,000, mainly comprising 3 units of motorcycles and 1 unit of machinery (i.e. roller) during FYE 2023 for use at project sites; and

(ii) downpayments of RM61,000 for the purchase of 4 units of motor vehicles of RM0.44 million and 2 units of mobile cranes of RM0.80 million, financed under hire purchase arrangements classified as right-of-use assets.

The cash outflows were partially offset by the proceeds from the disposal of 1 unit of motor vehicle in FYE 2023 for RM75,000.

Net cash used in financing activities

For FYE 2023, our net cash outflow for financing activities was RM3.40 million, due to repayment of bank borrowings (i.e. term loans and a trade line) of RM3.27 million and payments of lease liabilities of RM0.12 million relating to the lease of our existing headquarters as well as machinery and motor vehicles financed under hire purchase arrangements.

FYE 2024

Net cash used in operating activities

For FYE 2024, we recorded net operating cash outflow of RM16.42 million after taking into account our operating profit of RM24.56 million and the following working capital changes:

(i) increase in contract assets of RM34.14 million attributable to timing difference with higher amounts of works done in FYE 2024 compared to the invoices issued to our customers;

(ii) increase in inventories of RM0.40 million related to the additional premium paid on the land, which is classified as inventories by Double Action Ventures under its joint venture arrangement;

(iii) decrease in trade and other receivables of RM0.52 million, due to lower other receivables attributable to the utilisation of advance deposits previously paid to suppliers for the purchase of materials in FYE 2023, partially offset by higher trade receivables from higher progress billings issued in FYE 2024 attributable to completed projects and achieved milestones for ongoing projects;

(iv) decrease in trade and other payables of RM4.92 million, due to lower other payables attributable to the recognition of revenue in FYE 2024 in respect of deposits received in FYE 2023 as the related works were carried out, partially offset by the higher trade payables arising from increased purchases of steel and hardware, concrete, precast and premix in FYE 2024;

(v) interest paid of RM1.27 million; and

(vi) income tax payments of RM0.78 million.

12. FINANCIAL INFORMATION

Net cash used in investing activities

For FYE 2024, our net cash outflow for investing activities was RM1.38 million, mainly attributable to the following:

(i) placement of fixed deposits pledged with licensed banks of RM1.10 million as security for banking facilities in FYE 2024;

(ii) cash payments for the purchase of property, plant and equipment of RM0.22 million, mainly comprising 1 unit of motor vehicle of RM0.14 million and 1 unit of machinery (i.e. excavator) during FYE 2024; and

(iii) downpayments of RM0.11 million for the purchase of 4 units of motor vehicles of RM0.93 million financed under hire purchase arrangement classified as right-of-use assets.

Net cash from financing activities

For FYE 2024, our net cash inflow from financing activities was RM17.20 million, due to the following:

(i) net proceeds of RM14.57 million from bank borrowing, mainly comprising drawdowns under a flexi trade loan with principal amount of RM11.00 million and revolving credit of RM4.00 million in FYE 2024; and

(ii) proceeds of RM3.00 million from issuance of new ordinary shares in SKA Rekabina in FYE 2024.

The cash inflows were partially offset by payments of lease liabilities of RM0.37 million relating to the lease of our existing headquarters as well as machinery and motor vehicles financed under hire purchase arrangements.

FYE 2025

Net cash from operating activities

For FYE 2025, we recorded net operating cash inflow of RM6.73 million after taking into account our operating profit of RM34.51 million and the following working capital changes:

(i) increase in contract assets of RM44.79 million attributable to timing difference with higher amounts of works done in FYE 2025 compared to the invoices issued to our customers;

(ii) increase in trade and other receivables of RM50.10 million, mainly due to higher trade receivables attributable to higher billings to customers in line with the increase in revenue in FYE 2025, particularly in the last quarter of FYE 2025;

(iii) increase in trade and other payables of RM77.08 million, mainly due to higher other payables attributable to (a) higher accruals for construction costs incurred for projects during FYE 2025, amounts owing to a factoring company arising from trade receivables factoring arrangements, and provision for tax penalties of RM0.41 million provided for late payment of monthly tax instalments for the year of assessment 2025; and (b) higher trade payables attributable to higher purchases of materials, tools and equipment to cater for the planned schedule for FYE 2025;

(iv) interest paid of RM1.88 million; and

(v) income tax payments of RM8.12 million.

Net cash used in investing activities

For FYE 2025, our net cash outflow for investing activities was RM6.78 million, mainly attributable to the following:

(i) acquisition of subsidiary, net of cash and cash equivalents acquired of RM4.48 million, represented the net cash outflow arising from SKA Rekabina's subscription for a 70% equity interest in Reltency Engineering i.e. the net difference between the subscription price of RM5.00 million and the cash and cash equivalents of RM0.52 million held by Reltency Engineering;

(ii) placement of fixed deposits pledged with licensed banks of RM1.60 million as security for banking facilities in FYE 2025; and

(iii) cash payments for the purchase of property, plant and equipment of RM0.87 million, mainly renovation costs of RM0.68 million incurred for our headquarters.

The cash outflows were partially offset by net proceeds of RM0.13 million from the disposal of a subsidiary, Double Action Ventures, in FYE 2025.

Net cash from financing activities

For FYE 2025, our net cash inflow from financing activities was RM13.51 million, due to the net proceeds of RM14.08 million from bank borrowing, mainly comprising drawdowns under a flexi trade loan with principal amount of RM24.58 million and revolving credit of RM8.00 million in FYE 2025.

The cash inflows were partially offset by payments of lease liabilities of RM0.57 million relating to the lease of our existing headquarters as well as machinery and motor vehicles financed under hire purchase arrangements.

FPE 2026

Net cash from operating activities

For FPE 2026, our Group recorded net operating cash inflow of RM9.19 million after taking into account our operating profit before changes in working capital of RM21.64 million and the following working capital changes:

(i) increase in trade and other receivables of RM43.71 million, due to higher trade receivables attributable to higher billings to customers in FPE 2026 and higher other receivables mainly attributable to payments of performance security to customers for new projects secured during FPE 2026 instead of using bank guarantee facilities;

(ii) increase in trade and other payables of RM40.74 million, due to higher trade payables attributable to suppliers' invoices received which remained outstanding as at 31 May 2026 and higher other payables attributable to higher accrued construction costs incurred for projects during FPE 2026;

(iii) an increase in net contract balances of RM6.73 million, mainly attributable to the increase in contract assets as the value of construction activities performed during FPE 2026 exceeded the amounts billed to customers, partially offset by an increase in contract liabilities arising from advance billings to customers prior to the performance of the relevant construction activities;

(iv) interest paid of RM0.89 million; and

(v) income tax payments of RM1.89 million.

Net cash used in investing activities

For FPE 2026, our Group's net cash outflow for investing activities was RM0.68 million, mainly attributable to placement of fixed deposits pledged with licensed banks of RM0.61 million in FPE 2026 which was mainly used as security for banking facilities.

Net cash from financing activities

For FPE 2026, our Group's net cash inflow from financing activities was RM0.62 million, due to the net proceeds of RM0.89 million from bank borrowing, mainly comprising drawdowns under a flexi trade loan with principal amount of RM3.85 million and partially offset by the repayment of letter of credit, revolving credit and term loans amounting to RM2.96 million in FPE 2026.

The cash inflows were partially offset by payments of lease liabilities of RM0.28 million relating to the lease of our Group's existing headquarters as well as machinery and motor vehicles financed under hire purchase arrangements.

12. FINANCIAL INFORMATION

12.4.3 Borrowings

We utilise banking facilities such as bank overdrafts, flexi trade loan, revolving credit and term loans for working capital purposes. In addition, we utilise hire purchase arrangements to finance the purchase of motor vehicles and machinery, which are recognised under lease liabilities. Lease liabilities also arise from the rental commitment for our existing headquarters and represent the present value of lease payments.

All of our borrowings (excluding lease liabilities arising from rental commitments) are secured, interest-bearing and denominated in RM. Our total outstanding borrowings as at 31 May 2026 stood at RM39.09 million, details of which are set out below:

	Purpose	**Tenure**	**Interest rate % per annum**	**Audited as at 31 May 2026 RM'000**
Interest bearing short-term borrowings, payable within 1 year:				
Hire purchase payables	To finance the purchase of motor vehicles and machinery	5 to 7 years	4.13 to 6.82	489
Term loans	Working capital	15 years	6.45	71
Bank overdraft	Working capital	Up to 30 days	7.90	495
Revolving credit	Finance trade purchases	Up to 90 days	5.83	8,024
Flexi trade loan	Finance trade purchases	120 to 170 days	4.87 to 5.87	28,432
Interest bearing long-term borrowings, payable after 1 year:				
Hire purchase payables	To finance the purchase of motor vehicles and machinery	5 to 7 years	4.13 to 6.82	1,070
Term loans	Working capital	15 years	6.45	505
			Total borrowings	**39,086**
Pro forma gearing (times) After the Public Issue and utilisation of the proceeds raised from our Public Issue[(1)]				0.33

Note:
(1) Computed based on our Pro Forma Combined Statements of Financial Position after the Public Issue and utilisation of the proceeds raised from our Public Issue.

Our pro forma gearing ratio is expected to decrease from 0.79 times (before the Public Issue) to 0.33 times (after the Public Issue and utilisation of proceeds).

12. FINANCIAL INFORMATION

The following table sets out the maturities of our borrowings:

	Audited			
	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RM'000	RM'000	RM'000	RM'000
Bank overdrafts				
Within the next 12 months	335	244	1,130	495
Flexi trade loan*:				
Within the next 12 months	-	10,576	24,579	28,432
Revolving credit and letter of credit*:				
Within the next 12 months	-	4,046	10,956	8,024
Term loans:				
Within the next 12 months	57	63	67	71
After the next 12 months	665	602	535	505
Hire purchases:				
Within the next 12 months	252	400	443	489
After the next 12 months	924	1,235	1,086	1,070
Total	**2,233**	**17,166**	**38,796**	**39,086**

* Our flexi trade loan, revolving credit and letter of credit facilities are short-term trade facilities used to finance trade purchases and working capital requirements. These facilities are repaid through, among others, our cash and bank balances, cash generated from operations, and project collections.

Our Group will be able to meet the repayment obligations for the flexi trade loan and revolving credit facilities as and when they fall due, taking into account expected project collections, available banking facilities, cash generated from operations and cash and bank balances of our Group.

Our Group has not allocated IPO proceeds for repayment of borrowings as the flexi trade loan and revolving credit facilities are trade and working capital facilities used to support ongoing project execution. The IPO proceeds have instead been allocated to purchase machinery and equipment, provide security deposits for performance bonds, supplement working capital and defray listing expenses, which our Group considers necessary to support our business expansion and project execution requirements.

12. FINANCIAL INFORMATION

Our total bank guarantees as at 31 May 2026 stood at RM3.55 million, the details of which are set out below. All our bank guarantees are secured, interest-bearing and denominated in RM.

Purpose		Tenure	Commission rate % per annum	As at 31 May 2026 RM'000	As at the LPD RM'000
Performance guarantees(1) for projects carried out by our Group	Bank guarantee	34 months to 57 months	1.20 to 1.50	3,551	3,423

Note:

(1) The performance guarantees are issued to our customers or at the request of our customers, as security for the performance of contractual obligations under the projects awarded.

The liabilities in respect of the bank guarantees will only crystallise and become payable following a call by our customers on the performance guarantees in accordance with the terms and conditions of such contracts. During Period Under Review, we did not experience any call on the performance guarantees issued to our customers.

In conjunction with our Listing, we have applied to the financiers and subsequently obtained a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the financiers. Please refer to **Section 10.2.3** of this Prospectus for further details.

We have not defaulted on payments of principal sums and/or interest in respect of any of our borrowings throughout Period Under Review and up to the LPD.

As at the LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency.

We do not experience seasonality in our borrowing trends, and there is no restriction on our committed facilities.

As at the LPD, neither our Company nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations or the investments by holders of our securities.

During the Period Under Review, we did not experience any clawback or reduction in the facilities limit granted to us by our lenders.

12. FINANCIAL INFORMATION

12.4.4 Types of financial instruments used, treasury policies and objectives

As at the LPD, save as disclosed in **Section 12.4.3** of this Prospectus, we do not have or use any other financial instruments or have any other treasury policies.

Our Group has been funding our operations from a combination of internal sources comprising existing cash and bank balances (including fixed deposits with licensed banks), credit terms granted by our suppliers and cash generated from our operations as well as external sources. Our external sources of funds mainly comprise trade lines from financial institutions, bank overdrafts, flexi trade loan, revolving credit and term loans as well as hire purchases.

As at the LPD, save for our bank guarantee and hire purchase facilities which are based on fixed rates, all our other facilities with licensed financial institutions are based on base financing rate plus or minus a rate which varies depending on the type of facility.

The main objective of our capital management is to ensure that entities within our Group will be able to maintain an optimal capital structure to support our businesses and maximise shareholder value. To achieve this objective, our Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, return of capital to shareholders or issuing new Shares.

12.4.5 Material capital commitment

Save as disclosed below, our Board confirms that there are no material capital commitments incurred or known to be incurred by our Group as at the LPD.

	To be funded from proceeds of our Public Issue
	RM'000
Authorised but not contracted for: Purchase of machinery and equipment	12,050
	12,050

Further details of the use of proceeds arising from our Public Issue are set out in **Section 4.8** of this Prospectus.

12. FINANCIAL INFORMATION

12.4.6 Material litigation, claims or arbitration and contingent liabilities

(i) Material litigation, claims or arbitration

As at the LPD, our Group is not engaged in any material litigation, claims and/or arbitration, whether as plaintiff or defendant, which might materially and adversely affect our business or financial position, and our Directors confirm that there are no legal proceedings, pending or threatened, or of any fact to give rise to any legal proceeding which may materially and adversely affect our business or financial position, in the 12 months immediately preceding the date of this Prospectus.

(ii) Contingent liabilities

As at the LPD, our Directors confirm that there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our Group's business, financial results or position.

12.4.7 Capital expenditures and divestitures

Capital expenditures

For FYE 2025, our Group's material capital expenditures of RM0.68 million was in relation to the renovation for our headquarters located in Kota Kemuning, Selangor Darul Ehsan.

Save for the above, our Group had no other material capital expenditures during the Period Under Review and up to the LPD.

Capital divestitures

During the Period Under Review and up to the LPD, our Group did not undertake any material capital divestitures.

12. FINANCIAL INFORMATION

12.5 KEY FINANCIAL RATIOS

The key financial ratios of our Group for the Period Under Review are as follows:

	Audited			
	FYE 2023	**FYE 2024**	**FYE 2025**	**FPE 2026**
Trade receivables turnover period (days)[1]	53	33	53	98
Trade payables turnover period (days)[2]	163	56	48	73
Current ratio (times)[3]	0.82	1.25	1.12	1.18
Gearing ratio (times)[4]	[5]-	1.38	1.10	0.78

Notes:

(1) Computed based on average of opening and closing trade receivables (excluding retention sums) as at the respective financial year/period end divided by total progress billings issued during the respective financial year/period and multiplied by 365/151 days for each financial year/period:

	Audited			
	FYE 2023 RM'000	**FYE 2024 RM'000**	**FYE 2025 RM'000**	**FPE 2026 RM'000**
Opening trade receivables	4,552	4,607	12,670	59,299
Closing trade receivables	4,607	12,670	59,299	86,309
Average trade receivables	4,580	8,639	35,985	72,804
Progress billings	31,437	94,200	247,603	111,933
Trade receivables turnover period (days)	**53**	**33**	**53**	**98**

(2) Computed based on average of opening and closing trade payables (excluding retention sums) as at the respective financial year/period end divided by total cost of sales (excluding direct staff costs) during the respective financial year/period and multiplied by 365/151 days for each financial year/period:

	Audited			
	FYE 2023 RM'000	**FYE 2024 RM'000**	**FYE 2025 RM'000**	**FPE 2026 RM'000**
Opening trade payables	14,941	13,856	22,843	28,349
Closing trade payables	13,856	22,843	28,349	58,136
Average trade payables	14,399	18,350	25,596	43,243
Cost of sales (excluding direct staff costs)	32,272	120,503	195,262	89,326
Trade payables turnover period (days)	**163**	**56**	**48**	**73**

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

(4) Computed based on the total borrowings (excluding lease liabilities arising from rental commitment) over total equity as at the respective financial year end/period.

(5) The computation of gearing ratio is not meaningful due to negative equity position.

12. FINANCIAL INFORMATION

12.5.1 Trade receivables

Our Group's trade receivable ageing analysis as at 31 May 2026 is as follows:

	Within credit period	Exceeding credit period (past due days)				Total
		1 – 30	31 – 60	61 – 90	Over 90	
Gross trade receivables as at 31 May 2026 (RM'000)	84,664	8,654	8,409	2,590	1,797	106,114
Less: retention sum (RM'000)	(19,805)	-	-	-	-	(19,805)
Net trade receivables as at 31 May 2026 (RM'000)	**64,859**	**8,654**	**8,409**	**2,590**	**1,797**	**86,309**
Proportion of total trade receivables (%)	75.15	10.03	9.74	3.00	2.08	100.00
Subsequent collections up to the LPD (RM'000)	(48,637)	(8,654)	(8,409)	(2,590)	(1,693)	(69,983)
Trade receivables after subsequent collections (RM'000)	**16,222**	**-**	**-**	**-**	**104**	**16,326**
Proportion of trade receivables after subsequent collections (%)	99.36	-	-	-	0.64	100.00

As at 31 May 2026, retention sums of RM7.07 million and RM12.74 million were classified as non-current and current trade receivables respectively, based on their respective contractual payment terms. Save for the retention sums of RM7.07 million classified as non-current trade receivables, our Group's trade receivables are classified as current assets. The normal credit terms granted by our Group range from 30 days to 60 days (FYE 2023 and FYE 2024: 30 days; FYE 2025: 30 to 60 days) from the date of invoice. Our Group managed the credit risk through credit limit and credit monitoring procedures. Generally, we assess and approve new customers taking into consideration, among others, their profile and creditworthiness.

We use ageing analysis to monitor the credit quality of our trade receivables. Our Group's trade receivable turnover period decreased from 53 days in FYE 2023 to 33 days in FYE 2024 mainly due to improved collection from our customers from civil and structural engineering services and our efforts in collections. Our Group's trade receivable turnover period increased from 33 days in FYE 2024 to 53 days in FYE 2025. The longer trade receivables turnover period in FYE 2025 as compared to our credit period was due to longer payment processing time by customers (mainly Transgrid Group and TNB) during year end period.

Our Group's trade receivables turnover period increased from 53 days in FYE 2025 to 98 days in FPE 2026 mainly due to timing differences arising from cheques received from our customers close to the end of the financial period which had yet to be cleared as at 31 May 2026.

As at the LPD, RM69.98 million or 81.08% of our Group's total trade receivables outstanding as at 31 May 2026 have been collected. The balance of trade receivables exceeding the credit period amounting to RM0.10 million which remained uncollected as at the LPD relates to a customer which is also a supplier of our Group. As at the LPD, our Group and the said customer are in discussions to offset the outstanding receivable against the corresponding amount payable by our Group to the customer.

12. FINANCIAL INFORMATION

Our Group recorded bad debts written off of RM1.69 million, RM0.06 million and RM0.09 million in FYE 2023, FYE 2024 and FYE 2025 respectively. For the FYE 2023 and FYE 2025, an allowance for impairment losses amounting to RM0.10 million and RM0.24 million (i.e. collective impairment) has been made for the trade receivables respectively.

The Board is of the view that the remaining trade receivables are recoverable and save for those impairments made during the Period Under Review, there is no further provision for impairment required after taking into consideration our Group's relationships with the customers as well as our efforts made to improve collections with various credit control measures to reduce the potential exposure on credit risk. Such efforts include sending statement of accounts and reminder emails to customers as well as follow up calls with debtors.

12.5.2 Trade payables

Our Group's trade payables ageing analysis as at 31 May 2026 is as follows:

	Within credit period	Exceeding credit period (past due days)				Total
		1 – 30	31 – 60	61 – 90	Over 90	
Gross trade payables as at 31 May 2026 (RM'000)	31,386	5,462	1,015	1,579	19,395	58,837
Less: retention sum (RM'000)	(701)	-	-	-	-	(701)
Net trade payables as at 31 May 2026 (RM'000)	**30,685**	**5,462**	**1,015**	**1,579**	**19,395**	**58,136**
Proportion of total trade payables (%)	52.78	9.40	1.74	2.72	33.36	100.00
Subsequent payment up to the LPD (RM'000)	(26,990)	(5,462)	(1,015)	(1,579)	(19,395)	(54,441)
Trade payables after subsequent payment as at LPD (RM'000)	**3,695**	**-**	**-**	**-**	**-**	**3,695**
Proportion of trade payables after subsequent payment as at LPD (%)	100.00	-	-	-	-	100.00

All our Group's trade payables are classified as current liabilities while the retention sums are classified as current or non-current liabilities based on their respective contractual payment terms. The normal credit terms granted by suppliers range from 14 to 60 days from the date of the purchase invoice.

Our trade payables turnover period for FYE 2023, FYE 2024, FYE 2025 and FPE 2026 were 163 days, 56 days, 48 days and 73 days, respectively. Our trade payables turnover period for FYE 2023 and FPE 2026 had exceeded the credit periods granted by suppliers.

12. FINANCIAL INFORMATION

Our Group's trade payables turnover period in FYE 2023 of 163 days was mainly due to amounts owing to 13 suppliers and 12 subcontractors as a result of higher invoices issued for projects undertaken in preceding year and in FYE 2023. The longer turnover period in FYE 2023 was mainly attributable to extended payment periods granted by certain suppliers and subcontractors, pending the availability of some of our Group's trade facilities at the relevant time. Following the availability of the said trade facilities, our Group fully settled the outstanding trade payables as at 31 December 2023 during FYE 2024.

Our Group's trade payables turnover period decreased from 163 days in FYE 2023 to 56 days in FYE 2024 and subsequently to 48 days in FYE 2025 attributable to more timely payments made to our suppliers and subcontractors.

Our Group's trade payables turnover period increased from 48 days in FYE 2025 to 73 days in FPE 2026 mainly due to timing differences in payments to suppliers and subcontractors as our Group matches the timing of collections from customers with payments to suppliers and subcontractors as part of its internal project cash flow management.

As at the LPD, RM54.44 million or 93.64% of our total trade payables that were outstanding as at 31 May 2026 have been settled. The remaining trade payables of RM3.70 million or 6.36% were within the credit period.

During the Period Under Review up to the LPD, we did not have any disputes in respect of our trade payables and there were no legal proceedings to demand payment that had been initiated by our suppliers against us.

12. FINANCIAL INFORMATION

12.5.3 Current ratio

The table below sets forth a summary of our Group's current ratio for the Period Under Review:

	Audited			
	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RM'000	RM'000	RM'000	RM'000
Current assets	29,971	63,166	169,418	244,730
Current liabilities	36,445	50,601	151,030	207,367
Net current (liabilities) / assets	(6,474)	12,565	18,388	37,363
Current ratio (times)[(1)]	**0.82**	**1.25**	**1.12**	**1.18**

Note:
(1) Current ratio is calculated based on current assets over current liabilities.

As at 31 December 2024, our Group's current ratio was 1.25 times, which was higher compared to 0.82 times as at 31 December 2023, mainly due to higher contract assets arising from higher amounts of work done which remains unbilled as at 31 December 2024 and higher trade receivables arising from higher billings to customers in line with the increase in revenue in FYE 2024.

As at 31 December 2025, our Group's current ratio was 1.12 times, which was lower than 1.25 times as at 31 December 2024, mainly due to an increase in other payables driven by higher accruals for construction costs incurred for projects during FYE 2025, higher outstanding balance arising from trade receivables factoring arrangements, and provision for tax penalties. Further, the increase in the current portion of bank borrowing attributable to the drawdown of a flexi trade loan of RM24.58 million and revolving credit of RM8.00 million in FYE 2025 also contributed to the lower current ratio as at 31 December 2025.

As at 31 May 2026, our Group's current ratio was 1.18 times, which was higher compared to 1.12 times as at 31 December 2025. This was mainly due to the higher trade receivables arising from higher billings to customers in line with the increase in revenue in FPE 2026 and higher contract assets arising from higher amounts of work done which remains unbilled as at 31 May 2026.

12. FINANCIAL INFORMATION

12.5.4 Gearing ratio

Our gearing ratio for the Period Under Review is as follows:

	Audited			
	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RM'000	RM'000	RM'000	RM'000
Total borrowings (excluding lease liabilities arising from rental commitments[(1)])	2,233	17,166	38,796	39,086
Total equity	(6,619)	12,411	35,285	49,940
Gearing ratio (times)	**[(2)]-**	**1.38**	**1.10**	**0.78**

Notes:

(1) Represent lease liabilities arising from the rental commitment for our existing headquarters, amounting to RM0.03 million, RM0.01 million, RM0.62 million and RM0.53 million as at 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026, respectively.

(2) The computation of gearing ratio is not meaningful as our Group was in a negative equity position.

Our gearing ratio was between 0.78 times and 1.38 times during the Period Under Review.

Our Group's gearing ratio as at 31 December 2024 was 1.38 times. This was attributable to the higher bank borrowings as at 31 December 2024 mainly arising from drawdowns of flexi trade loans and revolving credit in FYE 2024 for working capital requirements. Nonetheless, this was partially offset by the increase in equity as a result of higher retained earnings recorded (31 December 2023: accumulated losses RM7.56 million; 31 December 2024: retained earnings RM8.74 million).

Our Group's gearing ratio as at 31 December 2025 was 1.10 times which was lower compared to 1.38 times as at 31 December 2024. This was attributable to the increase in equity as a result of higher retained earnings recorded (31 December 2024: RM8.74 million; 31 December 2025: RM29.09 million). Our Group recorded higher bank borrowings as at 31 December 2025 mainly arising from drawdowns of flexi trade loans, as well as higher revolving credit and bank overdrafts, for working capital requirements.

Our Group's gearing ratio as at 31 May 2026 was 0.78 times which was lower compared to 1.10 times as at 31 December 2025. This was attributable to the increase in equity as a result of higher retained earnings recorded (31 December 2025: RM29.09 million; 31 May 2026: RM42.61 million).

During the Period Under Review and up to the LPD, our Group had complied with all gearing ratio covenants applicable to its borrowings.

12. FINANCIAL INFORMATION

12.6 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

There were no government, economic, fiscal or monetary policies or factors which have materially affected our operations and financial performance during the Period Under Review.

There is no assurance that our financial performance will not be adversely affected by the impact of further changes in government, economic, fiscal or monetary policies or factors moving forward. Risks relating to government, economic, fiscal or monetary policies or factors which may adversely and materially affect our operations are set out in **Section 9** of this Prospectus.

12.7 IMPACT OF INFLATION

Our Group is of the view that the current inflation rate does not have a material impact on our business, financial condition or results of our operations. However, any significant increase in future inflation may adversely affect our Group's operations and performance if we are unable to pass on the higher costs to our customers.

12.8 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/OR COMMODITY PRICES ON OUR GROUP'S OPERATIONS

12.8.1 Impact of foreign exchange rates

All our revenue is denominated in RM. Our cost of sales is mainly denominated in RM.

	Audited							
	FYE 2023		FYE 2024		FYE 2025		FPE 2026	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Cost of sales denominated in currency								
RM	33,169	100.00	122,329	100.00	187,874	95.21	89,719	99.42
USD	-	-	-	-	7,620	3.86	405	0.45
EUR	-	-	-	-	1,563	0.79	121	0.13
RMB	-	-	-	-	263	0.14	-	-
Total	**33,169**	**100.00**	**122,329**	**100.00**	**197,320**	**100.00**	**90,245**	**100.00**

While our Group primarily operates within the Malaysian market, we are exposed to foreign currency fluctuation risk. Although the majority of our transactions are conducted in RM, any unfavourable fluctuation in foreign currency rates may have an adverse impact on our financial performance. A depreciation of the RM against the currencies which we transact will lead to higher purchases in RM after conversion. Conversely, appreciation of the RM against the currencies which we transact will lead to lower purchases in RM after conversion.

However, given that our exposure to foreign exchange fluctuations is limited, the direct impact on our financial results is relatively minimal. We will continuously monitor foreign currency fluctuations to ensure that any potential impacts are identified and addressed in a timely manner.

12. FINANCIAL INFORMATION

12.8.2 Impact of interest rates

Interest coverage ratio measures the number of times a company can make its interest payments with its EBIT. The interest coverage ratio for the Period Under Review is as follows:

	Audited			
	FYE 2023	FYE 2024	FYE 2025	FPE 2026
	RM'000	RM'000	RM'000	RM'000
Total borrowings (excluding lease liabilities) as at financial year/period end	2,233	17,166	38,796	39,086
EBIT	1,397	23,331	40,966	21,279
Finance costs	98	1,265	1,876	885
Interest coverage ratio (times)[(1)]	**14.26**	**18.44**	**21.84**	**24.04**

Note:
(1) Computed based on EBIT divided by finance costs.

Our interest coverage ratio was between 14.26 times and 24.04 times for the Period Under Review which indicates that we have been able to generate sufficient EBIT to meet our interest servicing obligations.

Our financial results for the Period Under Review were not materially affected by fluctuations in interest rates. However, any major increase in interest rates would raise the cost of borrowings and finance costs for our working capital, which may have an adverse effect on our performance.

12.8.3 Impact of commodity prices

We utilise various materials such as steel products, cement and cables in carrying out our EPCC and civil and structural engineering services projects, and are thus dependent on the continuous supply of such materials.

Our materials are price sensitive, and we face the risk of inability to obtain sufficient materials at competitive prices. Some of our materials as mentioned above which are made from steel and copper are subject to fluctuations in global market commodity prices.

It is our strategy to include a buffer in our budgeted cost to better plan for potential cost overruns that may arise due to increases in raw material prices. The buffers in our budgeted project cost have been sufficient to absorb fluctuations in commodity prices. The quantum of these buffers is subject to project scope and raw material requirement. We generally purchase materials on a project basis.

12.9 ACCOUNTING POLICIES AND AUDIT QUALIFICATION

There are no accounting policies which are peculiar to our Group because of the nature of the business and industry which we are involved in. For further details on the material accounting policies of our Group, see Note 3 of the Accountants' Report as set out in **Section 13** of this Prospectus. The Accountants' Report does not contain any audit qualification for the Period Under Review.

12. FINANCIAL INFORMATION

12.10 TREND ANALYSIS

As at the LPD, save as disclosed in this Prospectus and to the best of our Board's knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

(i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have a material favourable or unfavourable impact on our financial performance, position and operations other than those discussed in this section and risk factors in **Section 9** of this Prospectus;

(ii) material commitment for capital expenditure, as set out in **Section 12.4.5** of this Prospectus;

(iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this section and risk factors in **Section 9** of this Prospectus;

(iv) known trends, demands, commitments, events or uncertainties that have resulted in a material impact on our Group's revenue and/or profits save for those that have been disclosed in this section, industry overview as set out in **Section 8** of this Prospectus and business strategies as set out in **Section 7.17** of this Prospectus;

(v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and risk factors in **Section 9** of this Prospectus; and

(vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this section and risk factors in **Section 9** of this Prospectus.

12. FINANCIAL INFORMATION

12.11 ORDER BOOK

Details of our order book are as follows:

Project details	As at 31 May 2026 RM'000	As at the LPD RM'000
Substation engineering services		
- Civil and structural engineering services	96,102	33,329
- Electrical and mechanical engineering services	-	-
- EPCC services	29,879	35,847
Underground utilities engineering services	151,887	244,190
Total	**277,868**	**313,366**

The above order book relates to the contract value of projects secured as at the LPD for which our Group has yet to commence works, together with the remaining unrecognised revenue for ongoing projects as at the LPD. This order book will be recognised as revenue based on the estimated progress / time required for the respective projects, as follows:

Project details	FYE 2026 RM'000	FYE 2027 RM'000
Substation engineering services		
- Civil and structural engineering services	24,037	9,292
- Electrical and mechanical engineering services	-	-
- EPCC services	27,870	7,977
Underground utilities engineering services	27,691	216,499
Total	**79,598**	**233,768**

Our order book of RM313.37 million as at the LPD represents 2.15 times our average annual revenue of RM145.86 million, calculated based on our audited revenues for the FYE 2023, FYE 2024 and FYE 2025.

12. FINANCIAL INFORMATION

12.12 SIGNIFICANT FACTORS AFFECTING OUR GROUP'S OPERATIONS AND FINANCIAL PERFORMANCE

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

(i) We are dependent on Transgrid Group and TNB, which accounted for up to 96.59% and 17.81% of our revenue during the Period Under Review respectively, and our revenue is concentrated among a small number of major customers

During the Period Under Review, we were dependent on Transgrid Group, which contributed 63.84%, 96.59%, 54.07% and 39.10% of our total revenue for FYE 2023, FYE 2024, FYE 2025 and FPE 2026, respectively. In addition, as at the LPD, our order book attributable to contracts secured from Transgrid Group amounted to RM30.29 million, representing 9.67% of our total order book.

We are also dependent on TNB, which contributed 17.81% and 12.95% of our total revenue for FYE 2025 and FPE 2026, respectively. As at the LPD, our order book attributable to contracts secured directly from TNB amounted to RM19.27 million, representing 6.15% of our total order book.

Although we have not encountered any major disputes with Transgrid Group, TNB and our other major customers, any adverse change in our business relationship with them, including any reduction or cancellation of orders or termination of the relationship, could have a material adverse effect on our business and financial performance. This is because we may not be able to secure new customers promptly to replace the loss of revenue from these major customers. Further, even if we are able to secure new customers, there is no assurance that we will be able to achieve the same level of revenue and/or maintain or improve our profit margin.

Please refer to **Section 9.1.1** of this Prospectus for further details.

(ii) We are exposed to the risk of LAD if we fail to complete our projects within the stipulated timelines

Our projects are subject to stipulated timelines that we are required to meet. Any delay in the completion of a project may result in cost overruns, attract negative publicity and give rise to legal liabilities, including potential claims for LAD by our customers.

The timely completion of projects undertaken by our Group depends on various factors inherent in the power infrastructure engineering sector, including the final approved project design, the timely receipt of required licences, permits or approvals from regulatory authorities, the performance of appointed subcontractors, safety and site conditions, shortages of materials, equipment and/or labour, economic downturns and changes in government policies. Any adverse developments in any of these factors may result in interruptions or delays in project completion and may expose us to claims for LAD by our customers in accordance with the terms of our contracts. Consequently, our reputation and financial performance may be materially affected.

Please refer to **Section 9.1.2** of this Prospectus for further details.

12. FINANCIAL INFORMATION

(iii) Our profitability and financial performance may be affected by unanticipated cost overruns

Our projects are generally awarded through a competitive tendering process. Our contracts with customers typically have a fixed contract value based on the scope of works set out in our tenders. Any inaccuracies in our cost estimates may result in cost overruns, which could adversely affect our profitability and financial performance. If the actual project costs significantly differ from the estimates on which our tenders or quotations were based, we may be contractually obligated to complete the project at a substantial loss, thereby adversely affecting our business operations, financial performance and profitability.

Please refer to **Section 9.1.3** of this Prospectus for further details.

(iv) The loss of our Managing Director, key senior management and skilled technical personnel may adversely affect our business operations and growth strategies

The present and future success of our Group is dependent on the continuous efforts, expertise and experience of our Managing Director and key senior management, who have played a vital role in shaping our business strategies and driving our growth, as well as in establishing and maintaining relationships with our customers, suppliers and subcontractors.

In addition, due to the technical nature of the services that we provide, our Group relies on the abilities, knowledge, experience and competency of our skilled technical personnel, including engineers, chargemen and wiremen, to undertake our projects. While our Group is not dependent on any single engineer or skilled technical personnel, the availability of such personnel is important to support our project execution and business operations.

Our continued success and future growth also depend on our ability to attract, recruit, develop and retain skilled and experienced personnel. As such, the loss of our Managing Director, any of our key senior management, or a significant number of our skilled technical personnel, particularly if such loss occurs simultaneously or within a short period of time without suitable or timely replacements, could impair our ability to operate effectively, hinder the execution of our growth strategies, and adversely affect our Group's future development, business operations and financial performance.

Furthermore, we may be unable to replace our key personnel with other qualified persons who possess equivalent expertise and experience within a reasonable time, which may result in severe disruption to our business and operations.

Please refer to **Section 9.1.4** of this Prospectus for further details.

12. FINANCIAL INFORMATION

(v) Failure to secure new projects may reduce our order book and adversely affect our future financial performance

As our business is project-based, we generate revenue from the execution and completion of projects. Accordingly, the sustainability of our order book is dependent on our ability to secure projects from both existing and new customers to replenish our order book. As such, our historical financial performance may not be indicative of our future performance.

Our projects are awarded through a competitive tendering process, and we therefore have to bid competitively. Our tender success rate is subject to various factors, including pricing and tender strategies, internal capabilities, the level of market competition, competitors' strategies and pricing as well as the evaluation criteria used by our customers. Therefore, there is no assurance that we will be successful in every tender submitted or maintain a similar tender success rate. We may have to adjust our pricing strategy in order to maintain the competitiveness of our tenders.

Our order book is also subject to the risk of termination or suspension of projects and variations that may reduce the scope of work under our projects. There can be no assurance that our current order book will be sustained or that the implementation of projects currently in our order book will not be delayed, suspended or cancelled. Any such delays, suspensions or cancellations may adversely affect our business and financial performance.

Please refer to **Section 9.1.5** of this Prospectus for further details.

12.13 SIGNIFICANT CHANGES

There are no significant changes that have occurred which may have a material effect on the financial position and results of our Group subsequent to FPE 2026 and up to the LPD.

12. FINANCIAL INFORMATION

12.14 DIVIDEND POLICY

It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our shareholders in future is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business.

Our Board will consider the following factors (which may not be exhaustive) when declaring any dividends:

(i) the level of cash and level of indebtedness;

(ii) required and expected interest expense, cash flows, profits, return on equity and retained earnings;

(iii) our expected results of operations and future level of operations; and

(iv) our projected levels of capital expenditure and other investment plans.

We have a policy to target a payout ratio of at least 30.00% of our consolidated PAT attributable to the owners of our Company in each financial year after taking into account working capital and maintenance of capital requirements, subject to any applicable law, licence conditions, contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

Our Board may from time to time approve or recommend a dividend or other distribution. However, no dividend or distribution shall be declared in excess of the amount recommended by our Board. Further, our Company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

(i) our Company is, or would after the payment, be unable to pay our liabilities as they become due; or

(ii) the realisable value of our Company's assets would thereby be less than our liabilities.

Save for certain banking restrictive covenants which our Group is subject to, there are no dividend restrictions imposed on our Group as at the LPD.

Dividends declared and paid by our subsidiaries during the Period Under Review and up to the LPD were as follows:

	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000	FYE 2026 RM'000
Dividends declared and paid	-	-	-	-	-
Dividend in specie	-	-	-	(1)8,580	-

12. FINANCIAL INFORMATION

Note:

(1) On 31 December 2025, SKA Rekabina declared a dividend in specie in respect of the amounts owing by related companies to SKA Rekabina, comprising the following:

Companies	Amount RM'000
ARK Living Sdn Bhd	6
A's Dining Bar Sdn Bhd	8
Grid Power Sdn Bhd	967
Double Action Ventures	989
RBJ Properties Sdn Bhd	1,356
Rekabina Jaya Sdn Bhd	202
Risgas Sdn Bhd	2
Tenet Development Sdn Bhd (formerly known as SKA Development Sdn Bhd)	3,932
Megatech	400
Sterling Properties Sdn Bhd (formerly known as SKA Properties Sdn Bhd)	718
Total	**8,580**

The aforesaid dividend in specie was declared to Dato' Subas and Mohammed Afique Abdullah in proportion to their respective shareholdings in SKA Rekabina.

The dividends will not affect the execution and implementation of our future plans or business strategies. Together with the IPO proceeds, we believe that we have sufficient funding from cash generated from operations and bank borrowings for our operational and expansion requirements.

Save for the above, our Company does not intend to declare any further dividend prior to the Listing.

SKA CAPITAL BERHAD
[Registration No.: 202501051861 (1653268-V)]
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT

Registered office:
Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor

Principal place of business:
No. 18A, 20A & 22A
Jalan Anggerik Vanilla AD 31/AD
Kota Kemuning, Seksyen 31
40460 Shah Alam
Selangor

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT

Contents
*****

	Page No.
REPORTING ACCOUNTANTS' OPINION ON THE COMBINED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT	1 - 4
COMBINED STATEMENTS OF FINANCIAL POSITION	5 - 6
COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7 - 8
COMBINED STATEMENTS OF CHANGES IN EQUITY	9 - 13
COMBINED STATEMENTS OF CASH FLOWS	14 - 17
NOTES TO THE COMBINED FINANCIAL STATEMENTS	18 - 97
STATEMENT BY DIRECTORS	98

UHY Malaysia PLT
202406000040 (LLP 0041391-LCA)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Date: 5 October 2026

The Board of Directors
SKA Capital Berhad
No. 18A, 20A & 22A
Jalan Anggerik Vanilla AD 31/AD
Kota Kemuning, Seksyen 31
40460 Shah Alam
Selangor

Dear Sirs,

REPORTING ACCOUNTANTS' OPINION ON THE COMBINED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF SKA CAPITAL BERHAD ("SKA CAPITAL" OR "THE COMPANY")

Opinion

We have audited the combined financial statements of the Company and its combining entities under common control as disclosed in Note 1 to the combined financial statements (collectively known as "the Group"), which comprise the combined statements of financial position of the Group as at 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years/period then ended, and notes to the combined financial statements, including material accounting policy information, as set out on pages 5 to 97.

These historical combined financial statements have been prepared for inclusion in the prospectus of SKA Capital Berhad in connection with the listing and quotation of its entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). This report is required under the *Prospectus Guidelines* issued by the Securities Commission Malaysia ("Prospectus Guidelines") and is given for the purpose of complying with the Chapter 10, Part II Division 1: Equity of Prospectus Guidelines and for no other purposes.

In our opinion, the accompanying combined financial statements of the Group contained in the Accountants' Report give a true and fair view of the financial position of the Group as at 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026, and of its financial performance and cash flows for the financial years/period then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.



Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (*including International Independence Standards*) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Combined Financial Statements

The Directors of the Company ("Directors") are responsible for the preparation of combined financial statements that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an accountants' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements of the Group.



Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountants' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution and Use

This report will be used solely for the purpose of inclusion in the prospectus of the Company in connection with the listing and quotation of its entire issued share capital on the ACE Market of Bursa Securities and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants

YEOH AIK CHUAN
Approved Number: 02239/07/2028 J
Chartered Accountant

KUALA LUMPUR
5 October 2026

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF FINANCIAL POSITION

		< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	Note	31.5.2026 RM	31.12.2025 RM	31.12.2024 RM	31.12.2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	1,111,781	1,185,628	286,077	318,286
Right-of-use assets	5	2,152,782	2,221,483	1,762,225	1,179,514
Goodwill	6	4,241,792	4,241,792	-	-
Trade receivables	7	7,070,175	12,027,611	-	-
		14,576,530	19,676,514	2,048,302	1,497,800
Current assets					
Trade receivables	7	99,044,259	59,299,078	12,670,695	4,607,329
Other receivables	8	16,998,255	8,009,867	3,045,967	12,852,030
Contract assets	9	97,249,826	79,822,290	41,158,700	7,020,699
Deposits, bank and cash balances	10	31,437,701	22,287,535	2,411,970	2,011,721
		244,730,041	169,418,770	59,287,332	26,491,779
Assets classified as held for sale	11	-	-	3,878,600	3,478,751
		244,730,041	169,418,770	63,165,932	29,970,530
Total assets		259,306,571	189,095,284	65,214,234	31,468,330

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

		< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	Note	31.5.2026 RM	31.12.2025 RM	31.12.2024 RM	31.12.2023 RM
EQUITY					
Share capital	12	4,000,100	4,000,000	4,000,000	1,000,000
Retained earnings/ (Accumulated losses)		42,614,327	29,090,209	8,734,702	(7,559,825)
Equity attributable to owners of the parent		46,614,427	33,090,209	12,734,702	(6,559,825)
Non-controlling interests		3,326,092	2,194,632	(324,157)	(59,174)
Total equity		49,940,519	35,284,841	12,410,545	(6,618,999)
LIABILITIES					
Non-current liabilities					
Bank borrowings	13	505,093	535,447	601,963	664,877
Lease liabilities	14	1,407,105	1,495,246	1,235,140	934,121
Trade payables	15	38,610	701,094	365,158	42,568
Deferred tax liabilities	16	48,678	48,678	-	-
		1,999,486	2,780,465	2,202,261	1,641,566
Current liabilities					
Bank borrowings	13	37,021,825	36,732,244	14,929,609	392,501
Lease liabilities	14	682,971	648,740	409,809	266,542
Trade payables	15	58,798,000	28,349,080	22,842,722	13,856,156
Other payables	17	89,263,134	78,308,731	2,758,226	16,991,516
Contract liabilities	9	10,696,118	-	-	-
Tax payable		10,904,518	6,991,183	6,102,808	1,374,017
		207,366,566	151,029,978	47,043,174	32,880,732
Liabilities classified as held for sale	11	-	-	3,558,254	3,565,031
		207,366,566	151,029,978	50,601,428	36,445,763
Total liabilities		209,366,052	153,810,443	52,803,689	38,087,329
Total equity and liabilities		259,306,571	189,095,284	65,214,234	31,468,330

The accompanying notes form an integral part of the combined financial statements.

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		< - Audited - >	< Unaudited >	< - - - - - - - - - - - - Audited - - - - - - - - - - - - >		
		1.1.2026 to 31.5.2026	1.1.2025 to 31.5.2025	1.1.2025 to 31.12.2025	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
	Note	RM	RM	RM	RM	RM
Revenue	18	119,157,016	81,970,181	241,357,121	151,800,454	44,435,780
Cost of sales		(90,245,327)	(69,202,862)	(197,319,741)	(122,329,013)	(33,168,401)
Gross profit		28,911,689	12,767,319	44,037,380	29,471,441	11,267,379
Other income		187,954	35,462	756,155	62,688	248,249
Administrative expenses		(7,829,824)	(3,461,823)	(10,567,105)	(5,039,454)	(5,881,082)
Net gains/(losses) on impairment of financial instruments		70,894	-	6,901,442	(1,159,609)	(4,237,484)
Profit from operations		21,340,713	9,340,958	41,127,872	23,335,066	1,397,062
Finance costs	19	(885,135)	(483,499)	(1,876,577)	(1,264,740)	(98,370)
Profit before tax	20	20,455,578	8,857,459	39,251,295	22,070,326	1,298,692
Taxation	21	(5,800,000)	(2,332,291)	(8,441,587)	(5,500,000)	(570,946)
Profit from continuing operations		14,655,578	6,525,168	30,809,708	16,570,326	727,746
Discontinued operations						
Loss from discontinued operations, net of tax	11	-	(2,563)	(8,502)	(540,782)	(320,933)

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - - Audited - - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
Note	**RM**	**RM**	**RM**	**RM**	**RM**
Profit for the financial period/year, representing total comprehensive income for the financial period/year	14,655,578	6,522,605	30,801,206	16,029,544	406,813
Profit/(Loss) for the financial period/year, representing total comprehensive income/(loss) for the financial period/year attributable to:					
Owners of the parent					
- Continuing operations	13,524,118	5,139,787	28,940,022	16,570,326	727,746
- Discontinued operations	-	(1,307)	(4,336)	(275,799)	(163,676)
	13,524,118	5,138,480	28,935,686	16,294,527	564,070
Non-controlling interests					
- Continuing operations	1,131,460	1,385,381	1,869,686	-	-
- Discontinued operations	-	(1,256)	(4,166)	(264,983)	(157,257)
	1,131,460	1,384,125	1,865,520	(264,983)	(157,257)
	14,655,578	6,522,605	30,801,206	16,029,544	406,813

The accompanying notes form an integral part of the combined financial statements.

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the parent				
		Non-distributable	Distributable			
Audited	**Note**	**Share capital RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 January 2026		4,000,000	29,090,209	33,090,209	2,194,632	35,284,841
Profit for the financial period, representing total comprehensive income for the financial period		-	13,524,118	13,524,118	1,131,460	14,655,578
Transaction with owners:						
Issuance of ordinary shares	12	100	-	100	-	100
At 31 May 2026		4,000,100	42,614,327	46,614,427	3,326,092	49,940,519

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		Attributable to owners of the parent				
		Non-distributable	Distributable			
Unaudited	**Note**	**Share capital RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 January 2025		4,000,000	8,734,702	12,734,702	(324,157)	12,410,545
Profit for the financial period, representing total comprehensive income for the financial period		-	5,138,480	5,138,480	1,384,125	6,522,605
Transaction with owners:						
Acquisition of a combining entity	30	-	-	-	324,945	324,945
At 31 May 2025		4,000,000	13,873,182	17,873,182	1,384,913	19,258,095

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		Attributable to owners of the parent				
		Non-distributable	Distributable			
Audited	**Note**	**Share capital RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 January 2025		4,000,000	8,734,702	12,734,702	(324,157)	12,410,545
Profit for the financial year, representing total comprehensive income for the financial year		-	28,935,686	28,935,686	1,865,520	30,801,206
Transactions with owners:						
Acquisition of a combining entity	30	-	-	-	324,945	324,945
Disposal of a combining entity	30	-	-	-	328,324	328,324
Dividends paid	22	-	(8,580,179)	(8,580,179)	-	(8,580,179)
		-	(8,580,179)	(8,580,179)	653,269	(7,926,910)
At 31 December 2025		4,000,000	29,090,209	33,090,209	2,194,632	35,284,841

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		Attributable to owners of the parent				
		Non-distributable	Distributable			
Audited (Cont'd)	**Note**	**Share capital RM**	**Retained earnings/ (Accumulated losses) RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 January 2024		1,000,000	(7,559,825)	(6,559,825)	(59,174)	(6,618,999)
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		-	16,294,527	16,294,527	(264,983)	16,029,544
Transaction with owners:						
Issuance of ordinary shares	12	3,000,000	-	3,000,000	-	3,000,000
At 31 December 2024		4,000,000	8,734,702	12,734,702	(324,157)	12,410,545

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		Attributable to owners of the parent				
		Non-distributable	Distributable			
Audited (Cont'd)	**Note**	**Share capital RM**	**Retained earnings/ (Accumulated losses) RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 January 2023		1,000,000	(8,123,895)	(7,123,895)	98,083	(7,025,812)
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		-	564,070	564,070	(157,257)	406,813
At 31 December 2023		1,000,000	(7,559,825)	(6,559,825)	(59,174)	(6,618,999)

The accompanying notes form an integral part of the combined financial statements.

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS

	Note	< - Audited - > 1.1.2026 to 31.5.2026 RM	< Unaudited > 1.1.2025 to 31.5.2025 RM	< - - - - - - - - - - - Audited - - - - - - - - - - - > 1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Cash flows from operating activities						
Profit/(Loss) before tax from:						
- Continuing operations		20,455,578	8,857,459	39,251,295	22,070,326	1,298,692
- Discontinued operations		-	(2,563)	(8,502)	(540,782)	(320,933)
		20,455,578	8,854,896	39,242,793	21,529,544	977,759
Adjustments for:						
Bad debts written off:						
- Continuing operations		-	-	92,748	58,635	1,694,353
- Discontinued operations		-	-	-	-	286,869
Depreciation of:						
- property, plant and equipment		124,546	74,222	234,802	251,991	569,068
- right-of-use assets		307,859	243,140	665,460	345,826	135,233
Finance costs		885,135	483,499	1,876,577	1,264,740	98,370
Gain on disposal of:						
- a combining entity		-	-	(504,011)	-	-
- property, plant and equipment		-	-	(39,999)	(50,799)	-
- right-of-use assets		-	-	-	-	(75,592)
Impairment losses on:						
- related parties		-	-	-	1,159,609	4,137,484
- trade receivables		1,745	-	239,942	-	100,000
- other receivables		-	-	49,275	-	-
Interest income		(62,234)	(35,462)	(161,325)	(4,190)	-
Property, plant and equipment written off		-	-	2,930	-	277,201
Reversal of impairment losses on:						
- related parties		-	-	(7,190,659)	-	-
- trade receivables		(72,639)	-	-	-	-

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

	Note	< - Audited - > 1.1.2026 to 31.5.2026 RM	< Unaudited > 1.1.2025 to 31.5.2025 RM	< - - - - - - - - - - - Audited - - - - - - - - - - > 1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Cash flows from operating activities (Cont'd)						
Operating profit before working capital changes		21,639,990	9,620,295	34,508,533	24,555,356	8,200,745
Changes in working capital:						
Contract assets/ liabilities		(6,731,418)	(25,248,682)	(44,794,131)	(34,138,001)	(9,103,360)
Inventories		-	-	-	(400,000)	-
Trade and other receivables		(43,705,239)	(15,794,621)	(50,094,729)	524,453	(12,058,595)
Trade and other payables		40,740,839	40,153,886	77,075,426	(4,924,134)	18,890,535
Cash generated from/ (used in) operations		11,944,172	8,730,878	16,695,099	(14,382,326)	5,929,325
Interest paid		(885,135)	(483,499)	(1,876,577)	(1,264,740)	(98,370)
Interest received		14,265	5,666	30,850	4,190	-
Tax paid		(1,886,665)	(139,764)	(8,115,232)	(777,986)	(366,477)
Net cash from/(used in) operating activities		9,186,637	8,113,281	6,734,140	(16,420,862)	5,464,478
Cash flows from investing activities						
Acquisition of:						
- a combining entity, net of cash	30	-	(4,477,312)	(4,477,312)	-	-
- property, plant and equipment	4(a)	(50,697)	-	(872,748)	(219,783)	(36,927)
- right-of-use assets	5(a)	(15,160)	-	-	(114,420)	(61,040)
Placement of fixed deposits		(611,332)	(1,600,000)	(1,600,000)	(1,100,000)	-

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

		< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - >		
		1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
	Note	**RM**	**RM**	**RM**	**RM**	**RM**
Cash flows from investing activities (Cont'd)						
Proceeds from disposal of:						
- a combining entity, net of cash	30	-	-	131,798	-	-
- property, plant and equipment		-	-	40,000	50,800	-
- right-of-use assets		-	-	-	-	75,593
Net cash used in investing activities		(677,189)	(6,077,312)	(6,778,262)	(1,383,403)	(22,374)
Cash flows from financing activities						
Net proceeds from/ (repayment of) bank borrowings	24	894,175	411,447	14,080,787	14,565,064	(3,273,176)
Payments of lease liabilities	24	(277,910)	(275,413)	(575,557)	(369,831)	(124,127)
Proceeds from issuance of new ordinary shares	12	100	-	-	3,000,000	-
Net cash from/(used in) financing activities		616,365	136,034	13,505,230	17,195,233	(3,397,303)

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

	Note	< - Audited - > 1.1.2026 to 31.5.2026 RM	< Unaudited > 1.1.2025 to 31.5.2025 RM	< - - - - - - - - - - - Audited - - - - - - - - - - > 1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Net increase/(decrease) in cash and cash equivalents		9,125,813	2,172,003	13,461,108	(609,032)	2,044,801
Cash and cash equivalents at the beginning of the financial period/year		14,560,450	1,099,342	1,099,342	1,708,374	(336,427)
Cash and cash equivalents at the end of the financial period/year		23,686,263	3,271,345	14,560,450	1,099,342	1,708,374
Cash and cash equivalents at the end of the financial period/year comprise:						
Cash and bank balances						
- Continuing operations	10	24,181,223	4,531,347	15,690,358	1,311,970	2,011,721
- Discontinued operations	11	-	30,638	-	31,338	31,489
		24,181,223	4,561,985	15,690,358	1,343,308	2,043,210
Fixed deposits with licensed banks	10	7,256,478	6,496,498	6,597,177	1,100,000	-
		31,437,701	11,058,483	22,287,535	2,443,308	2,043,210
Less: Fixed deposits pledged with licensed banks	10	(7,256,478)	(6,496,498)	(6,597,177)	(1,100,000)	-
Less: Bank overdrafts	13	(494,960)	(1,290,640)	(1,129,908)	(243,966)	(334,836)
		23,686,263	3,271,345	14,560,450	1,099,342	1,708,374

The accompanying notes form an integral part of the combined financial statements.

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. Corporate Information

SKA Capital Berhad ("the Company") was incorporated and domiciled in Malaysia under the Companies Act 2016 as a private limited liability company on 6 November 2025 under the name of SKA Capital Sdn. Bhd.. On 25 February 2026, the Company was converted into a public limited liability company and assumed its present name of SKA Capital Berhad.

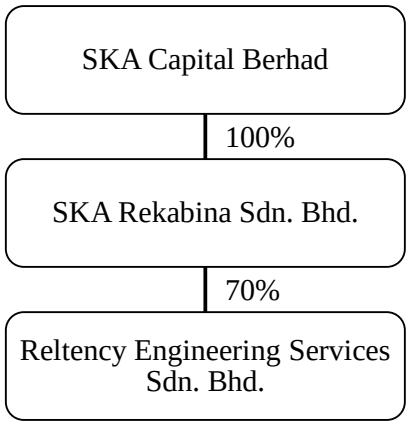
The registered office of the Company is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor.

The principal place of business of the Company is located at No. 18A, 20A & 22A, Jalan Anggerik Vanilla AD 31/AD, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor.

The principal activity of the Company is investment holding. The principal activities of its combining entities are disclosed in Note 30 to the combined financial statements. There have been no significant changes in the nature of these activities of the Company and of its combining entities during the financial period.

On 11 February 2026, the Company had entered into a conditional share sale agreement with the existing shareholders of SKA Rekabina Sdn. Bhd. to acquire the entire equity interest in SKA Rekabina Sdn. Bhd. for a purchase consideration of RM21,459,000, which was satisfied via the issuance and allotment of 727,423,729 new ordinary shares of the Company at an issue price of RM0.0295 per share.

Following the completion of the acquisition on 3 September 2026, SKA Rekabina Sdn. Bhd. became a wholly owned subsidiary company of the Company. Consequently, Reltency Engineering Services Sdn. Bhd. became an indirect subsidiary company of the Company by virtue of the Company's controlling interest in SKA Rekabina Sdn. Bhd.. The group structure of the Company is as follows:



1. Corporate Information (Cont'd)

The Group is regarded as a continuing entity resulting from the acquisition since the management of all the entities which took major part in the acquisition were controlled by the Directors and substantially under same major shareholders before and immediately after the acquisition. Consequently, immediately after the acquisition, there was a continuation of the control over the entities' financial and operating policy decisions and risks and benefits to the ultimate shareholders that existed prior to the acquisition. The acquisition has been accounted for as an acquisition under common control in a manner similar to pooling of interests. Accordingly, the combined financial statements for the financial years/period ended 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026 have been prepared comprising the financial statements of the combining entities which were under common control of the ultimate shareholders that existed prior to the acquisition during the relevant periods.

No financial statements of the Company have been included for the financial years ended 31 December 2023, 31 December 2024, 31 December 2025 as the Company was only incorporated on 6 November 2025 and subsequently entered into the conditional share sale agreement with the existing shareholders of SKA Rekabina Sdn. Bhd. on 11 February 2026.

2. Basis of Preparation

(a) Statement of compliance

The Accountants' Report comprises the audited combined financial statements of the Company and its combining entities (collectively known as "the Group") for the financial years/period ended 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026 and is prepared solely for the purpose of inclusion in the prospectus of the Company in connection with the listing and quotation of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and for no other purpose.

The combined financial statements of the Group have been prepared in accordance with MFRS Accounting Standards ("MFRSs") and IFRS Accounting Standards ("IFRSs").

The combined financial statements of the Group have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards

During the financial period ended 31 May 2026, the Group has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial period:

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity

The adoption of the amendments to MFRSs did not have any significant impact on the combined financial statements of the Group.

Standards issued but not yet effective

The Group has not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group:

		Effective dates for financial periods beginning on or after
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 128	Amendments to the Fair Value Option for the Investments in Associates and Joint Ventures	When first apply MFRS 18
MFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intends to adopt the above new and amendments to MFRSs when they become effective.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the combined financial statements of the Group except as disclosed below:

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged.

Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the combined financial statements of the Group except as disclosed below: (Cont'd)

MFRS 18 *Presentation and Disclosure in Financial Statements* (Cont'd)

MFRS 18 additional requirements are as follows: (Cont'd)

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the combined financial statements of the Group has yet to be assessed.

(b) Functional and presentation currency

These combined financial statements of the Group are presented in Ringgit Malaysia ("RM") which is the Group's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Use of estimates and judgements

The preparation of the Group's combined financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the combined financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and

(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain that it will exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the option of renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Judgements (Cont'd)

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the combined financial statements: (Cont'd)

Determining the lease term of contracts with renewal options - Group as lessee (Cont'd)

The Group includes the renewal period as part of the lease term for leases of buildings with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives/depreciation of property, plant and equipment and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets.

The carrying amounts at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 6.

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below: (Cont'd)

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The details of construction contracts are disclosed in Note 9.

Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. Information about the expected credit loss is disclosed in Note 7.

The carrying amount for trade receivables as at the reporting date is disclosed in Note 7.

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below: (Cont'd)

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will have an impact on the income tax and deferred tax provisions in the period in which such determination is made. As at 31 May 2026, the Group has tax payable of RM10,904,518 (31.12.2025: RM6,991,183; 31.12.2024: RM6,102,808; 31.12.2023: RM1,374,017).

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 28.

3. Material Accounting Policy Information

The material accounting policies set out below have been applied consistently to all periods presented in these combined financial statements and have been applied consistently by the Group, unless otherwise stated.

(a) Basis of combination - business combinations

The Group accounts for its business combinations using merger method of accounting.

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The acquisition of the combining entities resulted in a business involving common control since the management of all the entities which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current period. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. The cost of investment in the Company's books is recorded at the nominal value of the shares received. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated annual depreciation rates of the assets as follows:

Furniture and fittings	20%
Office equipment	10% - 20%
Motor vehicles	20%
Computer	20%
Machinery and equipment	10% - 20%
Renovation	10% - 20%

3. Material Accounting Policy Information (Cont'd)

(c) Leases

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term. The estimated annual depreciation rates of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Buildings	Over the remaining lease term
Machinery	20%
Motor vehicles	20%

The ROU assets are subject to impairment.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(d) Intangible assets

(i) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(ii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. Material Accounting Policy Information (Cont'd)

(e) Financial assets

Financial assets are recognised in the combined statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group determines the classification of its financial assets at initial recognition, and the categories include trade and other receivables and deposits, bank and cash balances.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

3. Material Accounting Policy Information (Cont'd)

(f) Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined statements of financial position if, and only if, there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(h) Construction contracts

Construction contracts are contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

For construction contracts, cost of sales is recognised with reference to the latest estimated or budgeted total project costs attributable to the physical proportion of contract work-to-date certified by professional consultants as at the reporting date. The estimated or budgeted total project costs are subject to ongoing review and are revised, where necessary, based on actual costs incurred, suppliers' and subcontractors' invoices and claims received, approved variation orders and the latest estimated costs to complete the projects. Any revision to the estimated or budgeted total project costs is recognised in cost of sales in the financial period in which the revision is identified.

3. Material Accounting Policy Information (Cont'd)

(h) Construction contracts (Cont'd)

The Group presents as an asset when the gross amount due from customers for contract work in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention monies are included within receivables. The Group presents as a liability when the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

(i) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(j) Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("FVTPL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3. Material Accounting Policy Information (Cont'd)

(j) Impairment of financial assets (Cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(k) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

3. Material Accounting Policy Information (Cont'd)

(l) Revenue and other income recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised goods or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract i.e. based on the level of completion of the physical proportion of contract work to date, certified by professional consultants.

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e. progress billing). The Group previously has recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. This is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

The Group provides warranties for general repairs of defects existed at the time of sale. These assurance-type warranties are accounted for under MFRS 137 *Provision, Contingent Liabilities and Contingent Assets*, please refer to accounting policy on warranty provisions in Note 3(k) to the combined financial statements.

3. Material Accounting Policy Information (Cont'd)

(l) Revenue and other income recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

(b) Sale of goods

Revenue from sale of goods is recognised when control of the products has been transferred, being the products are delivered to the customers.

Following the delivery of the goods to the customer's specific location, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(m) Non-current assets (or disposal group) held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3. Material Accounting Policy Information (Cont'd)

(m) Non-current assets (or disposal group) held for sale and discontinued operations (Cont'd)

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification, except the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary company acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-represented as if the operation had been discontinued from the start of the comparative period.

(n) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3. Material Accounting Policy Information (Cont'd)

(o) Statements of cash flows

The Group adopts the indirect method in the preparation of the combined statements of cash flows. Cash and cash equivalents comprise cash and bank balances and fixed deposits with licensed banks that are readily convertible into cash with insignificant risk of changes in value against which fixed deposits pledged with licensed banks and bank overdrafts, if any, are deducted.

4. Property, Plant and Equipment

	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Computer RM	Machinery and equipment RM	Renovation RM	Total RM
Audited							
31.5.2026							
Cost							
At 1 January 2026	150,633	92,527	437,291	170,791	2,710,434	785,823	4,347,499
Additions	-	-	-	24,872	25,825	-	50,697
Transfer from right-of-use assets (Note 5)	-	-	284,063	-	-	-	284,063
At 31 May 2026	150,633	92,527	721,354	195,663	2,736,259	785,823	4,682,259
Accumulated depreciation							
At 1 January 2026	83,394	48,493	324,100	96,926	2,463,030	145,928	3,161,871
Charge for the financial period	5,943	4,842	12,253	10,261	31,466	59,781	124,546
Transfer from right-of-use assets (Note 5)	-	-	284,061	-	-	-	284,061
At 31 May 2026	89,337	53,335	620,414	107,187	2,494,496	205,709	3,570,478
Carrying amount							
At 31 May 2026	61,296	39,192	100,940	88,476	241,763	580,114	1,111,781

4. Property, Plant and Equipment (Cont'd)

	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Computer RM	Machinery and equipment RM	Renovation RM	Total RM
Audited							
31.12.2025							
Cost							
At 1 January 2025	64,629	42,345	297,791	38,036	2,142,234	76,561	2,661,596
Additions	71,290	40,913	3,500	61,966	13,200	681,879	872,748
Acquisition through business combination (Note 30)	14,714	9,269	223,871	70,789	689,893	27,383	1,035,919
Disposals	-	-	-	-	(42,893)	-	(42,893)
Written off	-	-	(87,871)	-	(92,000)	-	(179,871)
At 31 December 2025	150,633	92,527	437,291	170,791	2,710,434	785,823	4,347,499
Accumulated depreciation							
At 1 January 2025	60,214	34,885	159,049	20,624	2,033,539	67,208	2,375,519
Charge for the financial year	8,952	4,541	42,219	15,265	112,487	51,338	234,802
Acquisition through business combination (Note 30)	14,228	9,067	207,774	61,037	451,895	27,382	771,383
Disposals	-	-	-	-	(42,892)	-	(42,892)
Written off	-	-	(84,942)	-	(91,999)	-	(176,941)
At 31 December 2025	83,394	48,493	324,100	96,926	2,463,030	145,928	3,161,871
Carrying amount							
At 31 December 2025	67,239	44,034	113,191	73,865	247,404	639,895	1,185,628

4. Property, Plant and Equipment (Cont'd)

	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Computer RM	Machinery and equipment RM	Renovation RM	Total RM
Audited							
31.12.2024							
Cost							
At 1 January 2024	64,629	42,345	256,296	23,771	2,080,234	76,561	2,543,836
Additions	-	-	143,518	14,265	62,000	-	219,783
Disposals	-	-	(102,023)	-	-	-	(102,023)
At 31 December 2024	64,629	42,345	297,791	38,036	2,142,234	76,561	2,661,596
Accumulated depreciation							
At 1 January 2024	52,922	31,523	253,952	14,433	1,820,825	51,895	2,225,550
Charge for the financial year	7,292	3,362	7,119	6,191	212,714	15,313	251,991
Disposals	-	-	(102,022)	-	-	-	(102,022)
At 31 December 2024	60,214	34,885	159,049	20,624	2,033,539	67,208	2,375,519
Carrying amount							
At 31 December 2024	4,415	7,460	138,742	17,412	108,695	9,353	286,077

4. Property, Plant and Equipment (Cont'd)

	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Computer RM	Machinery and equipment RM	Renovation RM	Total RM
Audited							
31.12.2023							
Cost							
At 1 January 2023	64,629	40,595	1,058,620	20,090	2,060,434	76,561	3,320,929
Additions	-	1,750	11,696	3,681	19,800	-	36,927
Written off	-	-	(814,020)	-	-	-	(814,020)
At 31 December 2023	64,629	42,345	256,296	23,771	2,080,234	76,561	2,543,836
Accumulated depreciation							
At 1 January 2023	42,818	26,060	515,929	9,863	1,562,048	36,583	2,193,301
Charge for the financial year	10,104	5,463	274,842	4,570	258,777	15,312	569,068
Written off	-	-	(536,819)	-	-	-	(536,819)
At 31 December 2023	52,922	31,523	253,952	14,433	1,820,825	51,895	2,225,550
Carrying amount							
At 31 December 2023	11,707	10,822	2,344	9,338	259,409	24,666	318,286

(a) The Group acquired property, plant and equipment with an aggregate cost of RM50,697 (31.12.2025: RM872,748; 31.12.2024: RM219,783; 31.12.2023: RM36,927) by cash payments.

5. Right-of-Use Assets

	Buildings RM	Machinery RM	Motor vehicles RM	Total RM
Audited				
31.5.2026				
Cost				
At 1 January 2026	794,949	804,553	2,054,225	3,653,727
Additions	-	-	239,160	239,160
Transfer to property, plant and equipment (Note 4)	-	-	(284,063)	(284,063)
At 31 May 2026	794,949	804,553	2,009,322	3,608,824
Accumulated depreciation				
At 1 January 2026	204,117	362,048	866,079	1,432,244
Charge for the financial period	89,310	67,046	151,503	307,859
Transfer to property, plant and equipment (Note 4)	-	-	(284,061)	(284,061)
At 31 May 2026	293,427	429,094	733,521	1,456,042
Carrying amount				
At 31 May 2026	501,522	375,459	1,275,801	2,152,782

5. Right-of-Use Assets (Cont'd)

	Buildings RM	Machinery RM	Motor vehicles RM	Total RM
Audited				
31.12.2025				
Cost				
At 1 January 2025	50,818	804,553	1,648,071	2,503,442
Additions	668,154	-	-	668,154
Acquisition through business combination (Note 30)	126,795	-	406,154	532,949
Derecognition arising from lease expiration	(50,818)	-	-	(50,818)
At 31 December 2025	794,949	804,553	2,054,225	3,653,727
Accumulated depreciation				
At 1 January 2025	41,580	201,138	498,499	741,217
Charge for the financial year	164,046	160,910	340,504	665,460
Acquisition through business combination (Note 30)	49,309	-	27,076	76,385
Derecognition arising from lease expiration	(50,818)	-	-	(50,818)
At 31 December 2025	204,117	362,048	866,079	1,432,244
Carrying amount				
At 31 December 2025	590,832	442,505	1,188,146	2,221,483

5. Right-of-Use Assets (Cont'd)

	Buildings RM	Machinery RM	Motor vehicles RM	Total RM
Audited 31.12.2024				
Cost				
At 1 January 2024	50,818	804,553	719,534	1,574,905
Additions	-	-	928,537	928,537
At 31 December 2024	50,818	804,553	1,648,071	2,503,442
Accumulated depreciation				
At 1 January 2024	27,720	40,228	327,443	395,391
Charge for the financial year	13,860	160,910	171,056	345,826
At 31 December 2024	41,580	201,138	498,499	741,217
Carrying amount				
At 31 December 2024	9,238	603,415	1,149,572	1,762,225
Audited 31.12.2023				
Cost				
At 1 January 2023	50,818	-	399,820	450,638
Additions	-	804,553	435,471	1,240,024
Disposals	-	-	(115,757)	(115,757)
At 31 December 2023	50,818	804,553	719,534	1,574,905
Accumulated depreciation				
At 1 January 2023	13,860	-	362,054	375,914
Charge for the financial year	13,860	40,228	81,145	135,233
Disposals	-	-	(115,756)	(115,756)
At 31 December 2023	27,720	40,228	327,443	395,391
Carrying amount				
At 31 December 2023	23,098	764,325	392,091	1,179,514

5. Right-of-Use Assets (Cont'd)

(a) Acquisition of right-of-use assets

The aggregate cost for the right-of-use assets of the Group acquired under lease financing and cash payments are as follows:

	< - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
Aggregate costs	239,160	668,154	928,537	1,240,024
Less: Lease financing	(224,000)	(668,154)	(814,117)	(1,178,984)
Cash payments	15,160	-	114,420	61,040

(b) The carrying amount of right-of-use assets of the Group pledged as securities for the related lease liabilities are as follows:

	< - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
Machinery	375,459	442,505	603,415	764,325
Motor vehicles	1,275,801	1,188,146	1,149,572	392,091
	1,651,260	1,630,651	1,752,987	1,156,416

(c) The Group leases several buildings with lease terms of 3 years to 6 years (31.12.2025: 3 years to 6 years; 31.12.2024: 3 years; 31.12.2023: 3 years). These leases include options to extend the agreements upon expiry, subject to mutual agreement with the lessors.

Management has assessed these options on a lease-by-lease basis. The extension periods have been included in the lease term where it is reasonably certain that the extension options will be exercised. Accordingly, the related lease liabilities and right-of-use assets have been measured based on the lease terms including such optional periods as appropriate.

6. Goodwill

	< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	31.5.2026 RM	31.12.2025 RM	31.12.2024 RM	31.12.2023 RM
At 1 January	4,241,792	-	-	-
Acquisition through business combination (Note 30)	-	4,241,792	-	-
At 31 May/ 31 December	4,241,792	4,241,792	-	-

Goodwill arising on the acquisition of a combining entity involved in the provision of engineering, procurement, construction and commissioning services for power substation and trading of electrical devices and electrical equipment for power infrastructure engineering solutions represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the subsidiary company recognised at the date of acquisition.

For the purpose of impairment testing, goodwill is allocated to the operating division of the Group which represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

Key assumptions used in value-in-use calculations

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the cash-generating units ("CGU") based on its value-in-use. Value-in-use is determined by discounting the future cash flows based on financial budgets approved by the directors covering a five-year period and extrapolated cash flows beyond the five-year period. The key assumptions used for value-in-use calculations are:

	< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	31.5.2026	31.12.2025	31.12.2024	31.12.2023
Average gross profit margin	12%	12%	-	-
Average revenue growth rate	19%	19%	-	-
Pre-tax discount rate	10%	10%	-	-

6. Goodwill (Cont'd)

Key assumptions used in value-in-use calculations (Cont'd)

The calculations of value-in-use for the CGU are most sensitive to the following assumptions:

(i) Average gross profit margin

Average gross profit margin is the forecasted margin as a percentage of revenue over the five-year projection period.

(ii) Average revenue growth rate

Average revenue growth rate is based on assessment of the expected projection of sales generated from business activities for the CGU.

(iii) Pre-tax discount rate

Discount rate is based on the estimated industry weighted average cost of capital that reflects the industry assessment of the risks.

With regard to the assessment of value-in-use calculation, the directors believe that any reasonably possible change in any of the above key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

7. Trade Receivables

	< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
Non-current				
Retention sums	7,070,175	12,027,611	-	-
Current				
Trade receivables	86,478,084	59,539,020	19,039,704	10,976,338
Less: Accumulated impairment losses	(169,048)	(239,942)	(6,369,009)	(6,369,009)
	86,309,036	59,299,078	12,670,695	4,607,329
Retention sums	12,735,223	-	-	-
	99,044,259	59,299,078	12,670,695	4,607,329
	106,114,434	71,326,689	12,670,695	4,607,329

7. Trade Receivables (Cont'd)

Trade receivables are non-interest bearing and are generally on 30 to 60 days (31.12.2025: 30 to 60 days; 31.12.2024: 30 days; 31.12.2023: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Retention sums are due upon the expiry of the defect liability period stated in the respective construction contracts. The defect liability periods generally range from 12 months to 24 months (31.12.2025: 12 months to 24 months; 31.12.2024: Nil; 31.12.2023: Nil).

Movements in the allowance for impairment losses on trade receivables are as follows:

	< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
At 1 January	239,942	6,369,009	6,369,009	6,269,009
Impairment losses recognised	1,745	239,942	-	100,000
Impairment losses reversed	(72,639)	-	-	-
Amounts written off	-	(6,369,009)	-	-
At 31 May/ 31 December	169,048	239,942	6,369,009	6,369,009

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Reversal of impairment losses on trade receivables was mainly due to collection from receivables previously provided for doubtful debts.

7. Trade Receivables (Cont'd)

The aged analysis of trade receivables as at the end of each reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
Audited			
31.5.2026			
Neither past due nor impaired	84,667,248	(3,059)	84,664,189
Past due but not impaired:			
Less than 30 days	8,681,302	(27,132)	8,654,170
31 to 60 days	8,461,035	(51,718)	8,409,317
61 to 90 days	2,613,302	(23,251)	2,590,051
More than 90 days	1,860,595	(63,888)	1,796,707
	21,616,234	(165,989)	21,450,245
	106,283,482	(169,048)	106,114,434
Audited			
31.12.2025			
Neither past due nor impaired	67,776,331	(38,548)	67,737,783
Past due but not impaired:			
Less than 30 days	1,628,456	(16,239)	1,612,217
31 to 60 days	1,026,807	(32,044)	994,763
More than 90 days	1,135,037	(153,111)	981,926
	3,790,300	(201,394)	3,588,906
	71,566,631	(239,942)	71,326,689
Audited			
31.12.2024			
Neither past due nor impaired	8,420,657	-	8,420,657
Past due but not impaired:			
Less than 30 days	190,414	-	190,414
31 to 60 days	1,414,547	-	1,414,547
61 to 90 days	784,946	-	784,946
More than 90 days	1,860,131	-	1,860,131
	4,250,038	-	4,250,038
	12,670,695	-	12,670,695
Individual impaired	6,369,009	(6,369,009)	-
	19,039,704	(6,369,009)	12,670,695

7. Trade Receivables (Cont'd)

The aged analysis of trade receivables as at the end of each reporting period are as follows: (Cont'd)

	Gross amount RM	Loss allowance RM	Net amount RM
Audited			
31.12.2023			
Neither past due nor impaired	1,936,729	-	1,936,729
Past due but not impaired:			
Less than 30 days	2,670,600	-	2,670,600
	4,607,329	-	4,607,329
Individual impaired	6,369,009	(6,369,009)	-
	10,976,338	(6,369,009)	4,607,329

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

The Group has applied a provision matrix in calculating loss allowance for trade receivables at an amount equal to lifetime ECL. The Group estimated the loss allowance on trade receivables by applying an ECL rate at each reporting period. The ECL rate is computed based on estimated irrecoverable amounts determined by reference to past default experience of the Group and an analysis of general economic conditions of the industry and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

As at 31 May 2026, trade receivables of RM21,450,245 (31.12.2025: RM3,588,906; 31.12.2024: RM4,250,038; 31.12.2023: RM2,670,600) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to Nil (31.12.2025: Nil; 31.12.2024: RM6,369,009; 31.12.2023: RM6,369,009), related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debt recovery process.

8. Other Receivables

	< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
Other receivables	10,582,180	3,343,512	1,013,730	3,226,734
Related parties	-	-	7,324,779	6,672,395
Deposits	5,096,362	4,568,801	1,921,937	9,014,571
Prepayments	1,319,713	146,829	6,800	-
	16,998,255	8,059,142	10,267,246	18,913,700
Less: Accumulated impairment losses				
- other receivables	-	(49,275)	-	-
- related parties	-	-	(7,221,279)	(6,061,670)
	-	(49,275)	(7,221,279)	(6,061,670)
	16,998,255	8,009,867	3,045,967	12,852,030

Amounts due from related parties are non-interest bearing, unsecured and repayable on demand.

Movements in the allowance for impairment losses on other receivables are as follows:

	< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
At 1 January	49,275	7,221,279	6,061,670	1,924,186
Impairment losses recognised	-	49,275	1,159,609	4,137,484
Impairment losses reversed	-	(7,190,659)	-	-
Amounts written off	(49,275)	(30,620)	-	-
At 31 May/ 31 December	-	49,275	7,221,279	6,061,670

Reversal of impairment losses on receivables from related parties was mainly due to the recovery of amounts previously provided for doubtful debts. In the previous financial year, a combining entity, SKA Rekabina Sdn. Bhd. declared dividends to its shareholders by way of novation of indebtedness, whereby the combining entity's rights to receive the outstanding debts from related parties were transferred to the respective shareholders as full satisfaction of the dividends declared. Consequently, the impairment losses previously recognised on the related party receivables were reversed upon the effective settlement of the indebtedness through the novation arrangement.

9. Contract Assets/(Liabilities)

	< Audited >			
	31.5.2026 RM	**31.12.2025 RM**	**31.12.2024 RM**	**31.12.2023 RM**
Construction contracts				
Construction costs incurred to date	329,578,280	364,640,798	219,664,144	113,628,095
Attributable profits	70,278,968	67,088,278	42,566,265	20,357,228
	399,857,248	431,729,076	262,230,409	133,985,323
Less: Progress billings	(313,303,540)	(351,906,786)	(221,071,709)	(126,964,624)
	86,553,708	79,822,290	41,158,700	7,020,699
Presented as:				
Contract assets	97,249,826	79,822,290	41,158,700	7,020,699
Contract liabilities	(10,696,118)	-	-	-
	86,553,708	79,822,290	41,158,700	7,020,699

The contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its construction activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer for construction contract, which revenue is recognised over time during the constructions activities.

10. Deposits, Bank and Cash Balances

	< Audited >			
	31.5.2026 RM	**31.12.2025 RM**	**31.12.2024 RM**	**31.12.2023 RM**
Cash and bank balances	24,181,223	15,690,358	1,311,970	2,011,721
Fixed deposits with licensed banks	7,256,478	6,597,177	1,100,000	-
Total deposits, bank and cash balances	31,437,701	22,287,535	2,411,970	2,011,721
Less: Fixed deposits pledged with licensed banks	(7,256,478)	(6,597,177)	(1,100,000)	-
Less: Bank overdrafts (Note 13)	(494,960)	(1,129,908)	(243,966)	(334,836)
	23,686,263	14,560,450	1,068,004	1,676,885

10. Deposits, Bank and Cash Balances (Cont'd)

Fixed deposits with licensed banks of the Group amounting to RM7,256,478 (31.12.2025: RM6,597,177; 31.12.2024: RM1,100,000; 31.12.2023: Nil) are pledged as securities for bank borrowings as disclosed in Note 13.

The interest rates and maturities of the fixed deposits with licensed banks of the Group range from 1.25% to 4.42% (31.12.2025: 1.25% to 2.70%; 31.12.2024: 1.25%; 31.12.2023: Nil) per annum and 30 days to 365 days (31.12.2025: 30 days to 365 days; 31.12.2024: 30 days; 31.12.2023: Nil) respectively.

11. Assets and Liabilities Classified As Held for Sale and Discontinued Operations

During the financial year 2023, the management had committed to a plan to dispose of its equity interest in Double Action Ventures Sdn. Bhd. ("DAV"). Active steps were undertaken to locate a suitable buyer and negotiations with potential purchaser. The assets and liabilities of DAV were therefore assessed to be available for immediate sale in their present condition.

On 16 June 2025, SKA Rekabina Sdn. Bhd. entered into a Share Sales Agreement ("SSA") with a Director, Subas Kumar A/L Ambairam for the sale of its whole 51% equity interest in DAV for a total consideration of RM162,286. DAV was dormant.

On 14 August 2025, the transaction of the sale of 51% equity interest in DAV has been completed.

Statement of Financial Position

The major classes of assets and liabilities of DAV classified as held for sale are as follows:

	< Audited >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
Assets				
Property, plant and equipment	-	-	4	4
Inventories	-	-	3,847,258	3,447,258
Deposits, bank and cash balances	-	-	31,338	31,489
Assets classified as held for sale	-	-	3,878,600	3,478,751

11. Assets and Liabilities Classified As Held for Sale and Discontinued Operations (Cont'd)

Statement of Financial Position (Cont'd)

The major classes of assets and liabilities of DAV classified as held for sale are as follows: (Cont'd)

	< - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
Liabilities				
Other payables	-	-	3,555,403	3,555,403
Tax payable	-	-	2,851	9,628
Liabilities classified as held for sale	-	-	3,558,254	3,565,031
Net assets/(liabilities) classified as held for sale	-	-	320,346	(86,280)

11. Assets and Liabilities Classified As Held for Sale and Discontinued Operations (Cont'd)

Statement of Profit or Loss and Other Comprehensive Income

The results of DAV of disposal group are as follows:

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026 RM	1.1.2025 to 31.5.2025 RM	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Administrative expenses, representing loss from discontinued operations	-	(2,563)	(8,502)	(540,782)	(320,933)

The loss from discontinued operations is attributable 51% equity interest to the owners of the Company.

Statement of Cash Flows

Cash flows attributable to DAV are as follows:

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026 RM	1.1.2025 to 31.5.2025 RM	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Net cash (used in)/from operating activities, representing effect on cash flows	-	(700)	(850)	(151)	31,489

12. Share Capital

	< - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - >			
	Number of shares			
	31.5.2026 Units	31.12.2025 Units	31.12.2024 Units	31.12.2023 Units
Ordinary shares issued and fully paid:				
At 1 January	4,000,000	4,000,000	1,000,000	1,000,000
Issuance of ordinary shares	100	-	3,000,000	-
At 31 May/31 December	4,000,100	4,000,000	4,000,000	1,000,000

	< - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - >			
	31.5.2026 RM	31.12.2025 RM	31.12.2024 RM	31.12.2023 RM
Ordinary shares issued and fully paid:				
At 1 January	4,000,000	4,000,000	1,000,000	1,000,000
Issuance of ordinary shares	100	-	3,000,000	-
At 31 May/31 December	4,000,100	4,000,000	4,000,000	1,000,000

The Company was incorporated on 6 November 2025 with fully paid-up share capital consisting of 100 ordinary shares at an issue price of RM1 each being the subscriber's shares.

During the financial year ended 31 December 2024, SKA Rekabina Sdn. Bhd. issued 3,000,000 new ordinary shares of RM1 each for a total cash consideration of RM3,000,000 for working capital purposes.

The new ordinary shares issued during the current and prior financial period/years rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

13. Bank Borrowings

	< - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
Secured				
Bank overdrafts	494,960	1,129,908	243,966	334,836
Flexi trade loan	28,432,100	24,579,081	10,576,150	-
Letter of credits	-	2,888,457	-	-
Revolving credit	8,024,278	8,067,585	4,046,580	-
Term loans	575,580	602,660	664,876	722,542
	37,526,918	37,267,691	15,531,572	1,057,378
Analysed as:				
Non-current				
Term loans	505,093	535,447	601,963	664,877
Current				
Bank overdrafts	494,960	1,129,908	243,966	334,836
Flexi trade loan	28,432,100	24,579,081	10,576,150	-
Letter of credits	-	2,888,457	-	-
Revolving credit	8,024,278	8,067,585	4,046,580	-
Term loans	70,487	67,213	62,913	57,665
	37,021,825	36,732,244	14,929,609	392,501
	37,526,918	37,267,691	15,531,572	1,057,378

The bank borrowings are secured by the following:

(i) Open All Monies Facilities Agreement;
(ii) Open All Monies Debenture covering first fixed and floating charges over all present and future assets of the Group;
(iii) Open All Monies First Party Charge over Cash Deposit and Letter of Set-Off;
(iv) Fixed deposits pledged with licensed banks as disclosed in Note 10;
(v) Guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP") under Government Guarantee Scheme Madani 2-i ("GGSM 2-i"); and
(vi) Joint and several guarantee by certain Directors of the Group.

13. Bank Borrowings (Cont'd)

The average effective interest rates per annum are as follows:

	< - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	%	**%**	**%**	**%**
Bank overdrafts	7.90	8.24 - 8.49	8.70 - 8.74	8.70 - 8.74
Flexi trade loan	4.87 - 5.87	5.49 - 5.87	5.75 - 6.35	-
Letter of credits	-	6.25	-	-
Revolving credit	5.83	5.93	6.16 - 6.35	-
Term loans	6.45	6.45	6.70	6.70

14. Lease Liabilities

	< - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
At 1 January	2,143,986	1,644,949	1,200,663	145,806
Acquisition through business combination (Note 30)	-	406,440	-	-
Additions	224,000	668,154	814,117	1,178,984
Accretion of interest (Note 19)	46,038	108,219	54,368	16,693
Payments of principal	(277,910)	(575,557)	(369,831)	(124,127)
Payments of interest expenses	(46,038)	(108,219)	(54,368)	(16,693)
At 31 May/31 December	2,090,076	2,143,986	1,644,949	1,200,663
Presented as:				
Non-current	1,407,105	1,495,246	1,235,140	934,121
Current	682,971	648,740	409,809	266,542
	2,090,076	2,143,986	1,644,949	1,200,663

14. Lease Liabilities (Cont'd)

	< Audited >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
The maturity analysis of lease liabilities of the Group at the end of the reporting period:				
Within one year	788,272	755,592	469,820	309,173
Later than one year and not later than two years	766,858	714,792	459,420	303,992
Later than two years and not later than five years	779,466	916,484	959,319	783,422
Later than five years	27,856	52,251	-	-
	2,362,452	2,439,119	1,888,559	1,396,587
Less: Future finance charges	(272,376)	(295,133)	(243,610)	(195,924)
Present value of lease liabilities	2,090,076	2,143,986	1,644,949	1,200,663

The Group leases various buildings, machinery and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The average effective interest rates per annum are as follows:

	< Audited >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	%	**%**	**%**	**%**
Lease liabilities	4.13 - 6.82	4.37 - 6.82	4.37 - 6.45	3.92 - 6.82

15. Trade Payables

	< Audited >			
	31.5.2026 RM	31.12.2025 RM	31.12.2024 RM	31.12.2023 RM
Non-current				
Retention sums	38,610	701,094	365,158	42,568
Current				
Trade payables	58,135,516	28,349,080	22,842,722	13,856,156
Retention sums	662,484	-	-	-
	58,798,000	28,349,080	22,842,722	13,856,156
	58,836,610	29,050,174	23,207,880	13,898,724

Credit terms of trade payables of the Group ranged from 14 to 60 days (31.12.2025: 7 to 60 days; 31.12.2024: 30 to 60 days; 31.12.2023: 30 to 60 days), depending on the term of the contracts.

Retention sums are repayable upon the expiry of the defect liability period. The defect liability periods range from 12 to 24 months (31.12.2025: 12 to 24 months; 31.12.2024: 12 to 24 months; 31.12.2023: 12 to 24 months).

16. Deferred Tax Liabilities

	< Audited >			
	31.5.2026 RM	31.12.2025 RM	31.12.2024 RM	31.12.2023 RM
At 1 January	48,678	-	-	-
Recognised in profit or loss (Note 21)	-	48,678	-	-
At 31 May/31 December	48,678	48,678	-	-

16. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax liabilities/(assets) are as follows:

	Property, plant and equipment RM	Right-of-use assets RM	Lease liabilities RM	Total RM
Audited				
Deferred tax liabilities/ (assets)				
31.5.2026				
At 1 January/31 May	49,367	10,144	(10,833)	48,678
31.12.2025				
At 1 January	-	-	-	-
Recognised in profit or loss	49,367	10,144	(10,833)	48,678
At 31 December	49,367	10,144	(10,833)	48,678

Deferred tax assets have not been recognised in respect of the following items:

	< - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - >			
	31.5.2026 RM	31.12.2025 RM	31.12.2024 RM	31.12.2023 RM
Other deductible temporary differences	3,053	38,660	-	-

Deferred tax assets of the Group have not been recognised in respect of these items as it is not probable that they would have sufficient taxable profits to be used to offset.

17. Other Payables

		< - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - >			
	Note	31.5.2026 RM	31.12.2025 RM	31.12.2024 RM	31.12.2023 RM
Other payables		3,619,549	3,911,404	112,211	108,936
Amount due to a Director	(a)	-	-	-	170,361
Amount due to related parties	(b)	-	-	2,031,509	2,362,408
Deposits repayable		-	-	-	13,919,697
Accruals		85,234,085	73,987,827	614,506	430,114
Provision of tax penalties		409,500	409,500	-	-
		89,263,134	78,308,731	2,758,226	16,991,516

(a) Amount due to a Director is non-interest bearing, unsecured and repayable on demand.

(b) Amount due to related parties are non-interest bearing, unsecured and repayable on demand.

18. Revenue

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	1.1.2025 to 31.5.2025	1.1.2025 to 31.12.2025	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
	RM	RM	RM	RM	RM
Revenue from contracts with customers:					
- Sales of goods	87,400	5,208,325	19,802,696	19,189,187	10,494,461
- Construction services	119,069,616	76,761,856	221,554,425	132,611,267	33,941,319
	119,157,016	81,970,181	241,357,121	151,800,454	44,435,780
Timing of revenue recognition:					
At a point in time	87,400	5,208,325	19,802,696	19,189,187	10,494,461
Over time	119,069,616	76,761,856	221,554,425	132,611,267	33,941,319
Total revenue from contracts with customers	119,157,016	81,970,181	241,357,121	151,800,454	44,435,780

18. Revenue (Cont'd)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the reporting date are as follows:

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	31.5.2026	**31.5.2025**	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**	**RM**
Revenue recognised over time:					
- Within one year	117,404,194	187,175,004	189,932,950	89,077,785	36,009,247
- Later than one year and not later than two years	72,907,000	99,112,782	113,774,505	29,939,318	53,573,975
- Later than two years and not later than five years	-	-	7,697,000	4,185,065	13,199,061
	190,311,194	286,287,786	311,404,455	123,202,168	102,782,283

19. Finance Costs

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
	RM	**RM**	**RM**	**RM**	**RM**
Interest expenses of financial liabilities not at fair value through profit or loss:					
- Bank guarantee	39,019	16,391	112,397	-	-
- Bank overdrafts	24,598	26,826	67,206	14,732	34,290
- Flexi trade loan	238,122	223,172	1,063,196	399,550	-
- Lease liabilities	46,038	36,150	108,219	54,368	16,693
- Letter of credits	-	31,141	64,548	-	-
- Other interest expenses	330,205	26,463	30,660	578,474	95
- Revolving credit	190,631	123,356	387,314	169,723	-
- Term loans	16,522	-	43,037	47,893	47,292
	885,135	483,499	1,876,577	1,264,740	98,370

20. Profit Before Tax

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
	RM	**RM**	**RM**	**RM**	**RM**
Auditors' remuneration:					
- Statutory audits					
- Current year					
- UHY Malaysia PLT	12,500	-	80,000	50,000	30,000
- Other auditors	-	-	4,500	-	-
- Under/(Over) provision in prior years					
- UHY Malaysia PLT	-	-	20,000	(13,000)	-
- Other services					
- UHY Malaysia PLT	337,000	-	208,000	-	-
Bad debts written off	-	-	92,748	58,635	1,694,353
Depreciation of:					
- property, plant and equipment	124,546	74,222	234,802	251,991	569,068
- right-of-use assets	307,859	243,140	665,460	345,826	135,233
Gain on disposal of:					
- a combining entity	-	-	(504,011)	-	-
- property, plant and equipment	-	-	(39,999)	(50,799)	-
- right-of-use assets	-	-	-	-	(75,592)

20. Profit Before Tax (Cont'd)

Profit before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
	RM	**RM**	**RM**	**RM**	**RM**
Impairment losses on:					
- related parties	-	-	-	1,159,609	4,137,484
- trade receivables	1,745	-	239,942	-	100,000
- other receivables	-	-	49,275	-	-
Interest income	(62,234)	(35,462)	(161,325)	(4,190)	-
Lease expenses relating to short-term leases	2,425,911	2,974,157	7,354,261	7,845,612	3,045,156
Non-executive Directors' remuneration:					
- Fees	28,000	-	-	-	-
- Other emoluments	6,430	-	-	-	-
Pre-operating expenses	3,866	-	-	-	-
Property, plant and equipment written off	-	-	2,930	-	277,201
Realised (gain)/loss on foreign exchange	(51,473)	-	8,875	-	-
Rental income	(50,500)	-	(50,820)	-	-
Reversal of impairment losses on:					
- related parties	-	-	(7,190,659)	-	-
- trade receivables	(72,639)	-	-	-	-

21. Taxation

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	1.1.2025 to 31.5.2025	1.1.2025 to 31.12.2025	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
	RM	RM	RM	RM	RM
Income tax for the financial period/year:					
- Current period/year provision	5,800,000	2,332,291	7,989,350	5,500,000	570,946
- Under provision in prior years	-	-	403,559	-	-
	5,800,000	2,332,291	8,392,909	5,500,000	570,946
Deferred tax (Note 16)					
- Origination and reversal of temporary differences	-	-	48,678	-	-
	5,800,000	2,332,291	8,441,587	5,500,000	570,946

21. Taxation (Cont'd)

Malaysian income tax is calculated at the statutory tax rate of 24% (31.12.2025: 24%; 31.12.2024: 24%; 31.12.2023: 24%) of the estimated assessable profits for the financial period/year.

A reconciliation of income tax expense applicable to profit before tax at the statutory tax rate to income tax expense at the effective income tax rate of the Group is as follows:

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
	RM	**RM**	**RM**	**RM**	**RM**
Profit before tax	20,455,578	8,857,459	39,251,295	22,070,326	1,298,692
At Malaysian statutory tax rate of 24% (31.12.2025: 24%; 31.12.2024: 24%; 31.12.2023: 24%)	4,909,339	2,125,790	9,420,311	5,296,878	311,686
Expenses not deductible for tax purposes	943,701	206,501	664,810	203,122	195,554
Income not subject to tax	(17,433)	-	(1,793,889)	-	-
Deferred tax assets not recognised during the period/year	-	-	22,093	-	108,706
Utilisation of previously unrecognised deferred tax assets	(35,607)	-	(275,297)	-	-
Reduced income tax expenses for small and medium scale enterprise	-	-	-	-	(45,000)
	5,800,000	2,332,291	8,038,028	5,500,000	570,946
Under provision of income tax expenses in prior years	-	-	403,559	-	-
	5,800,000	2,332,291	8,441,587	5,500,000	570,946

22. Dividends

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	1.1.2025 to 31.5.2025	1.1.2025 to 31.12.2025	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
	RM	RM	RM	RM	RM
Dividends recognised as distribution to ordinary shareholders of a combining entity, SKA Rekabina Sdn. Bhd.:					
- An interim single tier dividend of RM2.145 per ordinary share in respect of financial year ended 31 December 2025	-	-	8,580,179	-	-

The dividends declared in the previous financial year were satisfied entirely by way of novation of indebtedness, whereby a combining entity, SKA Rekabina Sdn. Bhd. novated its rights to receive outstanding debts from related parties to the respective shareholders in proportion to their respective shareholdings, as full satisfaction of the dividends declared.

The Board of Directors does not recommend any dividend in respect of the current financial period.

23. Staff Costs

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
	RM	**RM**	**RM**	**RM**	**RM**
Salaries, wages and other emoluments	2,651,203	1,791,989	4,762,013	2,572,599	1,930,366
Fees	28,000	-	-	-	-
Social security contributions	51,082	40,815	97,152	61,976	39,129
Defined contributions plan	367,997	234,159	624,859	360,012	288,369
	3,098,282	2,066,963	5,484,024	2,994,587	2,257,864

23. Staff Costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group during the financial period/year as below:

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
	RM	**RM**	**RM**	**RM**	**RM**
Executive Directors					
Salaries and other emoluments	432,250	279,200	762,529	524,300	511,000
Social security contributions	1,741	1,509	4,660	2,434	2,317
Defined contributions plan	93,870	59,416	161,056	121,752	120,120
	527,861	340,125	928,245	648,486	633,437

24. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	At 1 January 2026 RM	Financing cash flows (i) RM	Non-cash changes: New lease (Note 14) RM	At 31 May 2026 RM
Audited				
Bank borrowings (excluding bank overdrafts) (Note 13)	36,137,783	894,175	-	37,031,958
Lease liabilities (Note 14)	2,143,986	(277,910)	224,000	2,090,076

	At 1 January 2025 RM	Acquisition through business combination (Note 30) RM	Financing cash flows (i) RM	At 31 May 2025 RM
Unaudited				
Bank borrowings (excluding bank overdrafts) (Note 13)	15,287,606	6,769,390	411,447	22,468,443
Lease liabilities (Note 14)	1,644,949	406,440	(275,413)	1,775,976

24. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 January 2025 RM	Acquisition through business combination (Note 30) RM	Financing cash flows (i) RM	Non-cash changes: New lease (Note 14) RM	At 31 December 2025 RM
Audited					
Bank borrowings (excluding bank overdrafts) (Note 13)	15,287,606	6,769,390	14,080,787	-	36,137,783
Lease liabilities (Note 14)	1,644,949	406,440	(575,557)	668,154	2,143,986

	At 1 January 2024 RM	Financing cash flows (i) RM	Non-cash changes: New lease (Note 14) RM	At 31 December 2024 RM
Audited				
Bank borrowings (excluding bank overdrafts) (Note 13)	722,542	14,565,064	-	15,287,606
Lease liabilities (Note 14)	1,200,663	(369,831)	814,117	1,644,949

24. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 January 2023 RM	Financing cash flows (i) RM	Non-cash changes: New lease (Note 14) RM	At 31 December 2023 RM
Audited				
Bank borrowings (excluding bank overdrafts) (Note 13)	3,995,718	(3,273,176)	-	722,542
Lease liabilities (Note 14)	145,806	(124,127)	1,178,984	1,200,663

(i) The financing cash flows from bank borrowings and lease liabilities make up the net amount of proceeds from or repayments or payments in the combined statements of cash flows.

25. Related Party Disclosures

(a) Identified related parties

For the purposes of these combined financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

25. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business and on normal commercial terms. In addition to the related party balances disclosed elsewhere in the combined financial statements, the significant related party transactions of the Group are as follows:

	< - Audited - >	< Unaudited >	< - - - - - - - - - - Audited - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
	RM	**RM**	**RM**	**RM**	**RM**
Transactions with related parties					
- Lease expenses relating to short-term leases	592,369	1,984,707	5,502,092	3,437,481	763,257
- Construction services revenue	-	-	-	-	4,034,234
- Sales of goods	-	2,730,370	2,730,370	958,826	-

(c) Compensation of key management personnel

The remuneration of key management personnel is the same as Directors' remuneration as disclosed in Notes 20 and 23 to the combined financial statements.

26. Segmental Information

Segmental information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

(a) Business segment

The principal business of the Group is construction services which is substantially within a single business segment. As such, segmental reporting by business segment is deemed not necessary.

(b) Geographical segment

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

26. Segmental Information (Cont'd)

(c) Major customers

Revenue from major customers with revenue equal or more than 10% of the Group's revenue are as follows:

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
	RM	**RM**	**RM**	**RM**	**RM**
Customer A	46,595,374	45,277,004	129,530,979	146,625,366	25,505,877
Customer B	-	-	-	4,154,698	12,003,197
Customer C	4,911,467	20,362,164	52,469,645	-	-
Customer D	15,432,092	12,527,594	42,982,244	-	-
Customer E	25,650,000	-	-	-	-
Customer F	22,091,250	-	-	-	-
	114,680,183	78,166,762	224,982,868	150,780,064	37,509,074

27. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the combined statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
Financial assets				
Financial assets at amortised cost:				
Trade receivables	106,114,434	71,326,689	12,670,695	4,607,329
Other receivables (excluding prepayments)	15,678,542	7,863,038	3,039,167	12,852,030
Deposits, bank and cash balances	31,437,701	22,287,535	2,411,970	2,011,721
	153,230,677	101,477,262	18,121,832	19,471,080
Financial liabilities				
Financial liabilities at amortised cost:				
Lease liabilities	2,090,076	2,143,986	1,644,949	1,200,663
Bank borrowings	37,526,918	37,267,691	15,531,572	1,057,378
Trade payables	58,836,610	29,050,174	23,207,880	13,898,724
Other payables	89,263,134	78,308,731	2,758,226	16,991,516
	187,716,738	146,770,582	43,142,627	33,148,281

27. Financial Instruments (Cont'd)

(b) Net gains/(losses) arising from financial instruments

	< - Audited - >	< Unaudited >	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	1.1.2026 to 31.5.2026	**1.1.2025 to 31.5.2025**	**1.1.2025 to 31.12.2025**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
	RM	**RM**	**RM**	**RM**	**RM**
Net gains/(losses) on impairment of financial instruments:					
Financial assets at amortised cost					
Impairment losses on trade receivables	(1,745)	-	(239,942)	-	(100,000)
Impairment losses on other receivables	-	-	(49,275)	-	-
Impairment losses on related parties	-	-	-	(1,159,609)	(4,137,484)
Reversal of impairment losses on trade receivables	72,639	-	-	-	-
Reversal of impairment losses on related parties	-	-	7,190,659	-	-
	70,894	-	6,901,442	(1,159,609)	(4,237,484)

27. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, other receivables, contract assets and deposits with banks and financial institutions. There are no significant changes as compared to prior periods.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Group assesses whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the combined statements of financial position at the end of the financial period/years represent the Group's maximum exposure to credit risk in relation to financial assets.

There are no significant changes as compared to previous financial years.

27. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Credit risk concentration profile

The Group's major concentration of credit risk related to the amount owing by 2 customers (31.12.2025: 1 customer; 31.12.2024: 3 customers; 31.12.2023: 3 customers) which constituted approximately 69% (31.12.2025: 82%; 31.12.2024: 99%; 31.12.2023: 99%) of its trade receivables as at the end of reporting date.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

27. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Audited						
31.5.2026						
Non-derivative financial liabilities						
Lease liabilities	788,272	766,858	779,466	27,856	2,362,452	2,090,076
Bank borrowings	37,056,891	105,552	316,656	183,448	37,662,547	37,526,918
Trade payables	58,798,000	38,610	-	-	58,836,610	58,836,610
Other payables	89,263,134	-	-	-	89,263,134	89,263,134
	185,906,297	911,020	1,096,122	211,304	188,124,743	187,716,738

27. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Audited						
31.12.2025						
Non-derivative financial liabilities						
Lease liabilities	755,592	714,792	916,484	52,251	2,439,119	2,143,986
Bank borrowings	36,770,583	105,552	316,656	233,939	37,426,730	37,267,691
Trade payables	28,349,080	701,094	-	-	29,050,174	29,050,174
Other payables	78,308,731	-	-	-	78,308,731	78,308,731
	144,183,986	1,521,438	1,233,140	286,190	147,224,754	146,770,582

27. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Audited						
31.12.2024						
Non-derivative financial liabilities						
Lease liabilities	469,820	459,420	959,319	-	1,888,559	1,644,949
Bank borrowings	14,972,248	105,552	316,656	338,361	15,732,817	15,531,572
Trade payables	22,842,722	365,158	-	-	23,207,880	23,207,880
Other payables	2,758,226	-	-	-	2,758,226	2,758,226
	41,043,016	930,130	1,275,975	338,361	43,587,482	43,142,627

27. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Audited						
31.12.2023						
Non-derivative financial liabilities						
Lease liabilities	309,173	303,992	783,422	-	1,396,587	1,200,663
Bank borrowings	440,395	105,552	316,656	443,913	1,306,516	1,057,378
Trade payables	13,856,156	42,568	-	-	13,898,724	13,898,724
Other payables	16,991,516	-	-	-	16,991,516	16,991,516
	31,597,240	452,112	1,100,078	443,913	33,593,343	33,148,281

27. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily Euro ("EUR") and United States Dollar ("USD").

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	< - - - - - - - - - - - Audited - - - - - - - - - - - >		
	Denominated in		
	EUR	**USD**	**Total**
	RM	**RM**	**RM**
31.5.2026			
Financial liabilities			
Trade payables	230,530	404,748	635,278
31.12.2025			
Financial liabilities			
Trade payables	331,814	-	331,814

27. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the EUR and USD against RM, with all other variables held constant.

		< - - - - - - - - Audited - - - - - - - - >	
		31.5.2026	**31.12.2025**
	Change in currency rate	**Effect on profit before tax RM**	**Effect on profit before tax RM**
EUR	Strengthened 10%	(23,053)	(33,181)
	Weakened 10%	23,053	33,181
USD	Strengthened 10%	(40,475)	-
	Weakened 10%	40,475	-

(b) Interest rate risk

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates and variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debt portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

27. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
Fixed rate instruments				
Financial assets				
Fixed deposits with licensed banks	7,256,478	6,597,177	1,100,000	-
Financial liabilities				
Lease liabilities	2,090,076	2,143,986	1,644,949	1,200,663
Floating rate instruments				
Financial liabilities				
Bank borrowings	37,526,918	37,267,691	15,531,572	1,057,378

27. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's profit before tax by RM375,269 (31.12.2025: RM372,677; 31.12.2024: RM155,316; 31.12.2023: RM10,574), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Fair values of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The carrying amounts of the long term borrowings at the reporting date reasonably approximate their fair values.

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous reporting periods.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

27. Financial Instruments (Cont'd)

(d) Fair values of financial instruments (Cont'd)

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

28. Contingencies

Material Litigation

EMJ Engineering Sdn. Bhd. ("Plaintiff") vs Reltency Engineering Services Sdn. Bhd. ("Defendant")

On 9 July 2022, the Defendant had received the Writ Summons and Statement of Claim, both dated 9 July 2022, claiming for the sum of RM205,484.80 together with interest at the rate of 5% per annum on the Judgment Sum calculated on daily basis from the date of filing of this suit to the date of full satisfaction of the Judgment Sum, costs, interest at the rate of 5% per annum on the sum of costs from the date of the costs awarded to the date of full satisfaction of the Judgment Sum based on Order 59 Rule 24 Rules of Court 2012, and such other reliefs as is deemed fit and appropriate by this Honourable Court.

On 9 August 2022, the Defendant filed Defence and Counter Claim to claim for the sum of RM174,530.00 for late payment charges, interest at the rate of 5% per annum on the Judgment Sum calculated on daily basis from the date of Judgment to the date of full satisfaction of the Judgment Sum, and such other reliefs that is deemed fit and appropriate by this Honourable Court.

28. Contingencies (Cont'd)

Material Litigation (Cont'd)

EMJ Engineering Sdn. Bhd. ("Plaintiff") vs Reltency Engineering Services Sdn. Bhd. ("Defendant") (Cont'd)

The Plaintiff's claim against the Defendant is based on the invoices issued wherein the Defendant's defence is that the invoices issued are for additional or variation works done by the Plaintiff without approval from Defendant which is not in accordance to the terms in the Purchase Order. The terms in the Purchase Order states that the Plaintiff is required to obtain express approval from the Defendant for any additional or variation works carried out by the Plaintiff, of which the Plaintiff has failed to show. Further, the Defendant has also filed a counter-claim, amongst others claiming for late payment or delay charges from the Plaintiff.

On 29 September 2022, the Plaintiff filed Notice of Application for Summary Judgment. The said application was fixed for Decision on 5 January 2023 wherein the Court has dismissed the same with costs in the cause.

The Plaintiff's Summary Judgment application was dismissed by Court as there are serious issues to be tried by way of full trial, amongst others, the Plaintiff is required to show proof that requisite approvals have been obtained for the additional or variation works carried out by the Plaintiff. Further, the Defendant is also required to show proof that there is unjustified delay in the works carried out by the Plaintiff for the late payment charges to be imposed. These issues will be addressed during the Trial wherein witnesses for the Plaintiff and the Defendant will attend Court to give sworn testimony on the documents filed at Court.

The said matter was fixed for Decision on 24 February 2026 wherein the Court has allowed Plaintiff's claim and dismissed the Defendant's counter claim with costs RM7,000 subject to the allocatur payable to the Plaintiff. The Court has not provided any grounds/reasonings for the decision.

On 9 March 2026, the Defendant filed Notice of Appeal. However, both parties have reached an amicable settlement wherein the Plaintiff agrees to accept a sum of RM205,484.80 by way of three instalments i.e RM80,000.00 to be paid on or before 20 May 2026, RM70,000.00 to be paid on or before 27 May 2026 and RM55,484.80 to be paid on or before 31 May 2026. All three instalment payments have been paid to the Plaintiff.

On 4 June 2026, the Defendant filed Notice of Discontinuance to discontinue the appeal without liberty to file a fresh and with no order as to costs.

29. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	< - - - - - - - - - - - - - - - - - Audited - - - - - - - - - - - - - - - - - >			
	31.5.2026	**31.12.2025**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
Bank borrowings (Note 13)	37,526,918	37,267,691	15,531,572	1,057,378
Lease liabilities (Note 14)	2,090,076	2,143,986	1,644,949	1,200,663
Less: Deposits, bank and cash balances (Note 10)	(31,437,701)	(22,287,535)	(2,411,970)	(2,011,721)
Net debts	8,179,293	17,124,142	14,764,551	246,320
Total equity	49,940,519	35,284,841	12,410,545	(6,618,999)
Net gearing ratio (times)	0.16	0.49	1.19	NA

NA - The net gearing ratio may not provide a meaningful indicator of the risk of borrowings.

There were no changes in the Group's approach to capital management during the financial period.

30. Combining Entities

Details of the combining entities of the Company are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 31.5.2026 %	31.12.2025 %	31.12.2024 %	31.12.2023 %	Principal activities
SKA Rekabina Sdn. Bhd.	Malaysia	100	100	100	100	Provision of civil and structural engineering services, underground utilities engineering services and trading of construction materials for power infrastructure engineering solutions
Subsidiary companies of SKA Rekabina Sdn. Bhd.						
Reltency Engineering Services Sdn. Bhd. ("RESSB")	Malaysia	70	70	-	-	Provision of engineering, procurement, construction and commissioning services for power substation and trading of electrical devices and electrical equipment for power infrastructure engineering solutions
Double Action Ventures Sdn. Bhd. ("DAV") *	Malaysia	-	-	51	51	Dormant

* *Combining entity is not audited by UHY Malaysia PLT and management accounts had been used for the purpose of combination.*

30. Combining Entities (Cont'd)

(a) Acquisition of RESSB

In the previous financial year

On 26 February 2025, SKA Rekabina Sdn. Bhd. had subscribed for a 70% equity interest in RESSB at a subscription price of RM5,000,000.

The following summarises the major classes of consideration transferred and recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Fair value of identifiable assets acquired and liabilities assumed

	RM
Property, plant and equipment	264,536
Right-of-use assets	456,564
Trade receivables	13,898,128
Other receivables	416,630
Deposits, bank and cash balances (excluding fixed deposits pledged with licensed banks)	1,514,823
Fixed deposits pledged with licensed banks	3,766,702
Trade payables	(2,201,506)
Other payables	(1,091,800)
Amount due to a Director	(1,031,719)
Lease liabilities	(406,440)
Bank borrowings (excluding bank overdrafts)	(6,769,390)
Bank overdrafts	(992,135)
Contract liabilities	(6,130,541)
Tax payable	(610,699)
	1,083,153

30. Combining Entities (Cont'd)

(a) Acquisition of RESSB (Cont'd)

In the previous financial year (Cont'd)

Net cash outflow arising from acquisition of RESSB

	RM
Purchase consideration settled in cash	(5,000,000)
Deposits, bank and cash balances (excluding fixed deposits pledged with licensed banks)	1,514,823
Bank overdrafts	(992,135)
Cash and cash equivalents acquired	522,688
	(4,477,312)

Goodwill arising from business combination

	RM
Fair value of consideration transferred	5,000,000
Non-controlling interest, based on its proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	324,945
Fair value of identifiable assets acquired and liabilities assumed	(1,083,153)
Goodwill	4,241,792

(b) Disposal of DAV

In the previous financial year

On 14 August 2025, SKA Rekabina Sdn. Bhd. disposed 51% equity interest in DAV for a total consideration of RM162,286, which had resulted in a gain of RM504,011.

30. Combining Entities (Cont'd)

(b) Disposal of DAV (Cont'd)

In the previous financial year (Cont'd)

The effect of the disposal of DAV on the financial position of the Group as at the date of disposal was as follows:

	RM
Assets classified as held for sale	3,877,750
Liabilities classified as held for sale	(4,547,799)
	(670,049)
Less: Non-controlling interests	328,324
Total net liabilities disposed	(341,725)
Gain on disposal of DAV	504,011
Proceeds from disposal	162,286
Less: Cash and cash equivalents disposed	(30,488)
Net cash inflows from disposal	131,798

31. Subsequent Events

(i) On 9 June 2026, SKA Rekabina Sdn. Bhd., a combining entity of the Company purchased a motor vehicle for a total cash consideration of RM243,000.

(ii) On 3 September 2026, the acquisition of the entire equity interest in SKA Rekabina Sdn. Bhd. as disclosed in Note 1 was completed, and SKA Rekabina Sdn. Bhd. became a wholly owned subsidiary of the Company. Consequently, Reltency Engineering Services Sdn. Bhd. became an indirect subsidiary of the Company by virtue of the Company's controlling interest in SKA Rekabina Sdn. Bhd..

(iii) On 17 September 2026, the Company issued 671 new ordinary shares of RM1 each for a total cash consideration of RM671 for the purpose of rationalising shareholdings of the shareholders into board lots.

32. Date of Authorisation for Issue

The combined financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 October 2026.

SKA CAPITAL BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, SUBAS KUMAR A/L AMBAIRAM and KENNETH CHIN KAH KIONG, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying combined financial statements are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of Prospectus Guidelines issued by the Securities Commission Malaysia so as to give a true and fair view of the financial position of the Group as at 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026 and of its financial performance and cash flows for the financial years/period then ended on those dates.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 5 October 2026.

SUBAS KUMAR A/L AMBAIRAM

KENNETH CHIN KAH KIONG

KUALA LUMPUR

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED FINANCIAL STATEMENTS

UHY Malaysia PLT
202406000040 (LLP 0041391-LCA)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

5 October 2026

The Board of Directors
SKA Capital Berhad
No. 18A, 20A & 22A
Jalan Anggerik Vanilla AD 31/AD
Kota Kemuning, Seksyen 31
40460 Shah Alam
Selangor

Dear Sirs/Madams,

SKA CAPITAL BERHAD
REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED FINANCIAL STATEMENTS

We have completed our assurance engagement to report on the compilation of the Pro Forma Combined Financial Statements of SKA Capital Berhad ("SKA Capital" or "the Company") and its combining entities under common control (collectively referred to as "the Group"), comprising the Pro Forma Combined Statements of Financial Position as at 31 May 2026, Pro Forma Combined Statements of Profit or Loss and Other Comprehensive Income and Pro Forma Combined Statements of Cash Flows for the financial year ended 31 December 2025, together with the accompanying notes thereon in Appendix A of the Pro Forma Combined Financial Statements (collectively referred to as "the Pro Forma Combined Financial Statements"). The Pro Forma Combined Financial Statements have been prepared by the Board of Directors of SKA Capital ("Board"), for which we have stamped for the purpose of identification, for inclusion in the prospectus of the Company ("Prospectus") in connection with the listing and quotation of the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").

The applicable criteria on the basis of which the Board has compiled the Pro Forma Combined Financial Statements of the Group are described in the notes to the Appendix A of the Pro Forma Combined Financial Statements and in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note For Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Guidance Note").

14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED FINANCIAL STATEMENTS

The Pro Forma Combined Financial Statements have been compiled by the Board to illustrate the impact of transactions described in Note 2 to Appendix A of the Pro Forma Combined Financial Statements. The Pro Forma Combined Statements of Financial Position have been prepared based on the Group's audited combined financial statements as at 31 May 2026. The Pro Forma Combined Statements of Profit or Loss and Other Comprehensive Income and Pro Forma Combined Statements of Cash Flows have been prepared for the financial year ended 31 December 2025 to illustrate the effects of the acquisition of Reltency Engineering Services Sdn Bhd ("Reltency Engineering") as if the acquisition had been completed on 1 January 2025.

As part of this process, the relevant financial information has been extracted by the Board from the Group's audited combined financial statements for the financial period ended 31 May 2026 and financial year ended 31 December 2025 respectively.

Reporting Accountants' Independence and Quality Control

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

The firm applies International Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The Board of Directors' Responsibility for the Pro Forma Combined Financial Statements

The Board of Directors are responsible for compiling the Pro Forma Combined Financial Statements of the Group on the basis described in Notes to the Appendix A of the Pro Forma Combined Financial Statements and in accordance to the requirements of the Prospectus Guidelines.

Reporting Accountants' Responsibilities for the Pro Forma Combined Financial Statements

Our responsibility is to express an opinion about whether the Pro Forma Combined Financial Statements have been compiled, in all material respects, by the Board of Directors on the basis described in Notes to the Appendix A of the Pro Forma Combined Financial Statements.

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

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

The purpose of the Pro Forma Combined Financial Statements is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Combined Financial Statements have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of Pro Forma Combined Financial Statements provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence on whether:

- The related Pro Forma Combined Financial Statements adjustments give appropriate effect to those criteria; and

- The Pro Forma Combined Financial Statements reflect the proper application of those adjustments to the unadjusted financial information.

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

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

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

Opinion

In our opinion, the Pro Forma Combined Financial Statements, which have been compiled by the Board of Directors, have been properly compiled on the basis described in the accompanying notes in the Appendix A to the Pro Forma Combined Financial Statements, and such basis is consistent, in all material respects, with the accounting policies adopted by the Group and in accordance with the requirements of the Prospectus Guidelines, unless otherwise stated.

Other Matters

This report has been prepared for inclusion in the Prospectus of the Company in connection to the Listing and should not be relied upon for any other purposes.

Yours faithfully,

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants

YEOH AIK CHUAN
Approved Number: 02239/07/2028 J
Chartered Accountant

Kuala Lumpur

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS

1. INTRODUCTION AND BASIS OF PREPARATION

1.1 Introduction

The Pro Forma Combined Financial Statements of SKA Capital Berhad ("SKA Capital" or "the Company") and its combining entities under common control (collectively referred to as "the Group") together with the accompanying notes thereon, for which the Directors are solely responsible, have been prepared for illustrative purposes for inclusion in the prospectus of the Company ("Prospectus") in connection with the listing and quotation of the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Listing") and for no other purposes.

The Pro Forma Combined Financial Statements consist of the Pro Forma Combined Statements of Financial Position as at 31 May 2026 ("Pro Forma Combined SOFP"), Pro Forma Combined Statements of Profit or Loss and Other Comprehensive Income ("Pro Forma Combined SOPL") and Pro Forma Combined Statements of Cash Flows ("Pro Forma Combined SOCF") for the financial year ended 31 December 2025 together with the accompanying notes thereon.

1.2 Basis of Preparation

The Pro Forma Combined SOFP has been compiled based on the audited combined statements of financial position of the Group as at 31 May 2026, while the Pro Forma Combined SOPL and Pro Forma Combined SOCF have been compiled based on the audited combined statements of profit or loss and other comprehensive income and cash flows of the Group for the financial year ended 31 December 2025.

The relevant audited combined financial statements of the Group were prepared by the Board of Directors in accordance with the MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Prospectus Guidelines.

The Pro Forma Combined Financial Statements have been prepared for illustrative purposes only to show the effects of the events or transactions as set out in Note 2 to the Appendix A of the Pro Forma Combined Financial Statements. For the purposes of the Pro Forma Combined SOFP, the relevant events or transactions are assumed to have been effected on 31 May 2026, unless otherwise stated. For the purposes of the Pro Forma Combined SOPL and Pro Forma Combined SOCF, the relevant events or transactions are assumed to have been effected on 1 January 2025, or such other date as specified in the accompanying notes. Due to their nature, the Pro Forma Combined Financial Statements are not necessarily indicative of the financial position and financial performance of the Group that would have been attained had the effects of the transactions as set out in Note 2 actually occurred at the respective dates. Further, such information does not purport to predict the future financial position, financial performance and cash flows of the Group.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

1. INTRODUCTION AND BASIS OF PREPARATION (CONT'D)

1.2 Basis of Preparation (Cont'd)

No Pro Forma Combined SOPL and Pro Forma Combined SOCF have been prepared for the financial period ended 31 May 2026 as Reltency Engineering was a combining entity of the Group throughout the financial period and, accordingly, no pro forma adjustment in respect of the acquisition would arise for such financial period.

The audited combined financial statements of the Group for the financial year ended 31 December 2025 and the financial period ended 31 May 2026 were not subject to any audit qualification, modification or disclaimer.

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS

In conjunction with, and as an integral part of the Listing, the Company undertook the following:

2.1 Acquisition of Reltency Engineering Services Sdn. Bhd. ("Reltency Engineering")

On 26 February 2025, a combining entity, SKA Rekabina Sdn. Bhd. ("SKA Rekabina"), acquired a 70% equity interest in Reltency Engineering for a total purchase consideration of RM5,000,000. The acquisition gave rise to a net cash outflow of RM4,477,312 and goodwill of RM4,241,792 recognised in SKA Rekabina arising from the business combination.

For illustrative purposes in the Pro Forma Combined SOPL and Pro Forma Combined SOCF, it is assumed that SKA Rekabina had completed the acquisition of a 70% equity interest in Reltency Engineering for a total purchase consideration of RM5,000,000 on 1 January 2025.

The acquisition of Reltency Engineering is not illustrated as part of the adjustments to the Pro Forma Combined SOFP as it has been included in the Group's audited combined statements of financial position as at 31 May 2026.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2.1 Acquisition of Reltency Engineering Services Sdn. Bhd. ("Reltency Engineering") (Cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the assumed date of acquisition:

Fair value of identifiable assets acquired and liabilities assumed

	RM
Property, plant and equipment	279,676
Right-of-use assets	477,146
Trade receivables	17,302,781
Other receivables	282,424
Contract assets	8,537,017
Deposits, bank and cash balances (excluding fixed deposits pledged with licensed banks)	5,264,697
Fixed deposits pledged with licensed banks	3,766,702
Bank borrowings (excluding bank overdrafts)	(6,769,390)
Bank overdrafts	(1,063,266)
Lease liabilities	(418,956)
Trade payables	(4,762,719)
Other payables	(20,093,798)
Tax payable	(651,423)
	2,150,891

Net cash outflow arising from acquisition of Reltency Engineering

	RM
Purchase consideration settled in cash	(5,000,000)
Cash and cash equivalents acquired	4,201,431
	(798,569)

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2.1 Acquisition of Reltency Engineering Services Sdn. Bhd. ("Reltency Engineering") (Cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the assumed date of acquisition: (Cont'd)

The differences in net cash outflow arising from comparing the actual acquisition date with the assumed acquisition date, are as follows:

	Actual acquisition date 26 February 2025 RM	Assumed acquisition date 1 January 2025 RM	Differences RM
Net cash outflow of the acquisition	4,477,312	798,569	(3,678,743)

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2.2 IPO

In conjunction with the Listing, the Company will undertake the following:

2.2.1 Incorporation of SKA Capital Berhad ("SKA Capital" or "the Company")

SKA Capital was incorporated on 6 November 2025, to facilitate the proposed listing exercise. The initial issued share capital of the Company comprises 100 ordinary shares, held as follows:

Shareholder	Number of Shares	Amounts RM	Shareholdings %
Dato' Subas Kumar A/L Ambairam	91	91	91
Mohammed Afique Abdullah	9	9	9
	100	100	100

No financial statements of the Company have been included in the Group's audited combined financial statements for the financial year ended 31 December 2025 as the Company had only entered into the conditional share sale agreement with the existing shareholders of SKA Rekabina Sdn. Bhd. on 11 February 2026.

No impact will be illustrated in the Pro Forma Combined SOFP as at 31 May 2026 as the effects of this transaction had been taken up in the audited combined statements of financial position of the Group as at 31 May 2026.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2.2 IPO (Cont'd)

In conjunction with the Listing, the Company will undertake the following: (Cont'd)

2.2.2 Acquisition of SKA Rekabina

On 11 February 2026, the Company entered into a conditional share sale agreement with the vendors of SKA Rekabina, namely Dato' Subas Kumar A/L Ambairam and Mohammed Afique Abdullah, to acquire the entire equity interest of SKA Rekabina for a purchase consideration of RM21,459,000. The purchase consideration was fully satisfied by the issuance and allotment of 727,423,729 new ordinary shares of SKA Capital ("SKA Capital Shares" or "Shares") at an issue price of RM0.0295 per Share to the vendors of SKA Rekabina, as follows:

Vendor of SKA Rekabina	Number of SKA Rekabina shares acquired	Shareholdings in SKA Rekabina %	Purchase consideration RM	Number of Shares issued
Dato' Subas Kumar A/L Ambairam	3,640,000	91	19,527,690	661,955,593
Mohammed Afique Abdullah	360,000	9	1,931,310	65,468,136
	4,000,000	100	21,459,000	727,423,729

The purchase consideration of RM21,459,000 was arrived at on a willing-buyer willing-seller basis after taking into consideration the pro forma consolidated NA of SKA Rekabina as at 30 June 2025 of RM21,458,459 (after adjusting for the disposal of Double Action Ventures Sdn Bhd).

The Acquisition of SKA Rekabina was completed on 3 September 2026.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2.2 IPO (Cont'd)

In conjunction with the Listing, the Company will undertake the following: (Cont'd)

2.2.3 Issuance of New Shares

On 17 September 2026, the Company had issued and alloted 671 new Shares to the following shareholders at an issue price of RM1.00 per Share to rationalise their respective shareholdings into board lots, the breakdown of which is set out below:

Shareholder	Number of new shares issued	Total number of Shares held after the Acquisition of SKA Rekabina and Issuance of New Shares
Dato' Subas Kumar A/L Ambairam	316	661,956,000
Mohammed Afique Abdullah	355	65,468,500
	671	727,424,500

2.2.4 Public Issue

The public issue involves an issuance of 168,075,500 new Shares ("Public Issue Shares"), representing approximately 18.77% of the enlarged issued share capital of the Company at the IPO price.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2.2 IPO (Cont'd)

In conjunction with the Listing, the Company will undertake the following: (Cont'd)

2.2.5 Offer for Sale

The selling shareholder will undertake an offer for sale of 72,400,000 existing ordinary shares in the Company ("Offer Shares"), representing 8.08% of the enlarged issued share capital of the Company at the IPO price.

No impact will be illustrated in the Pro Forma Combined Financial Statements as the effects of this transaction do not affect the total number of new ordinary shares to be issued and the Company will not receive any proceeds from the Offer for Sale.

2.2.6 Listing

Upon completion of the IPO, the Company's entire enlarged issued share capital comprising 895,500,000 Shares shall be listed on the ACE Market of Bursa Malaysia Securities Berhad.

2.3 Utilisation of Proceeds

The gross proceeds from the Public Issue of RM72.27 million are expected to be utilised in the following manner:

Details of utilisation of proceeds	Amount of proceeds RM	%	Estimated timeframe for utilisation from the Listing date
Purchase of machinery and equipment[(1)]	12,050,000	16.67	Within 24 months
Performance bond for future projects[(2)]	21,000,000	29.06	Within 36 months
Working capital[(3)]	32,722,465	45.28	Within 24 months
Estimated listing expenses[(4)]	6,500,000	8.99	Within 3 months
	72,272,465	100.00	

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2.3 Utilisation of Proceeds (Cont'd)

Notes:

(1) Purchase of machinery and equipment

The Group intends to utilise approximately RM12.05 million of the proceeds from the Public Issue for the purchase of machinery and equipment, as follows:

Machinery and equipment	Estimated average cost per unit RM	Unit	Amounts RM
Backhoe	300,000	4	1,200,000
Excavators	420,000	5	2,100,000
Pick-up truck	130,000	5	650,000
Scaffolding	-	-	3,200,000
Cranes	600,000	4	2,400,000
HDD machines	500,000	5	2,500,000
Total			12,050,000

The new machinery and equipment above will increase the Group's ability to cater for future demands in undertaking its business activities and allow the Group to tender for more, and of larger scope projects. Furthermore, the Group will be able to deploy machinery and equipment concurrently at different project sites, and thereby allowing the Group to undertake projects efficiently and reduce reliance on third party providers.

As at latest practicable date of the Prospectus, the Group has yet to enter into any contractual binding arrangements in relation to the purchase of machinery and equipment. Accordingly, the utilisation of proceeds earmarked for this purpose is not reflected in the Pro Forma Combined Financial Statements.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2.3 Utilisation of Proceeds (Cont'd)

Notes: (Cont'd)

(2) Performance bond for future projects

The Group intends to allocate RM21.00 million of the proceeds from the Public Issue as security deposits with financial institutions to obtain performance bonds for the Group's future projects.

Some of the projects that the Group undertakes typically require the Group to provide performance bonds, in the form of bank guarantees to the awarding party as security for proper and due performance of works in accordance with the terms of the contracts. To facilitate the issuance of these bank guarantees, the Group is required to maintain a security deposit with licensed banks, which may be in the form of fixed deposits.

The quantum of the performance bonds may differ between contracts and is typically 5.00% of the total contract sum. The validity of a performance bond generally extends until the end of the defect liability period of the project. Of the 5.00% required, the Group is usually required to maintain a minimum of 1.50% of the total contract sum as a security deposit with licensed banks, while the remaining 3.50% is issued under the relevant bank guarantee facility, subject to the bank's approval and the terms of such facility.

The utilisation of proceeds earmarked for the performance bond is not reflected in the Pro Forma Combined Financial Statements as the timing and amount of such utilisation are dependent on the Group's future project requirements.

(3) Working capital

The Group intends to earmark RM32.72 million of the proceeds from the Public Issue to supplement its working capital requirements. These shall comprise, among others, material purchases, subcontractors' fees as well as other operating and administrative expenses.

The utilisation of proceeds earmarked for the Group's working capital is not reflected in the pro forma combined financial statements as the timing and amount of such utilisation are dependent on the Group's future project requirements and working capital needs.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

2.3 Utilisation of Proceeds (Cont'd)

Notes: (Cont'd)

(4) Estimated listing expenses

An amount of RM6.50 million is allocated to meet the estimated cost of Listing. The following summarises the estimated expenses incidental to Listing to be borne by the Group:

	RM
Professional fees	2,848,000
Fees payable to authorities	337,000
Underwriting, placement and brokerage fees	2,123,000
Printing, advertising fees and contingencies	1,192,000
	6,500,000
Listing expenses expensed off as at 31 May 2026	(2,883,369)
	3,616,631

A total of RM3,093,854 of the estimated listing expenses is assumed to be directly attributable to the Public Issue and as such, will be debited against the share capital of the Company and the remaining estimated listing expenses of RM3,406,146 is expensed off.

The listing expenses expensed off as at 31 May 2026 amounted to RM2,883,369 (31 December 2025: RM859,817). Out of the total listing expenses expensed off as at 31 May 2026, RM1,558,482 (31 December 2025: RM564,908) had been paid, while the remaining RM1,324,887 (31 December 2025: RM294,909) had been accrued but remained unpaid.

If the actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for its general working capital requirements. Conversely, if the actual listing expenses are lower than the amount budgeted, the excess will be utilised for its general working capital requirements.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

3 PRO FORMA COMBINED SOFP AS AT 31 MAY 2026

The Pro Forma Combined SOFP of the Group as at 31 May 2026 has been prepared for illustrative purposes only to show the effects on the audited combined statements of financial position of the Group as at 31 May 2026 based on the assumptions that the transactions as set out in Note 2 had been effected on 31 May 2026, except for the acquisition of Reltency Engineering and incorporation of SKA Capital as set out in Note 2.1 and 2.2.1 respectively which have already been included in the Group's audited combined statements of financial position as at 31 May 2026, and should be read in conjunction with the notes accompanying the Pro Forma Combined SOFP.

	Note	Audited as at 31.5.2026 RM	Adjustment for IPO (Note 2.2) RM	Pro Forma I After Adjustment for IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma II After Pro Forma I and utilisation of proceeds RM
Non-current assets						
Property, plant and equipment		1,111,781	-	1,111,781	-	1,111,781
Right-of-use assets		2,152,782	-	2,152,782	-	2,152,782
Trade receivables		7,070,175	-	7,070,175	-	7,070,175
Goodwill		4,241,792	-	4,241,792	-	4,241,792
		14,576,530	-	14,576,530	-	14,576,530

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

3. PRO FORMA COMBINED SOFP AS AT 31 MAY 2026 (CONT'D)

	Note	Audited as at 31.5.2026 RM	Adjustment for IPO (Note 2.2) RM	Pro Forma I After Adjustment for IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma II After Pro Forma I and utilisation of proceeds RM
Current assets						
Trade receivables		99,044,259	-	99,044,259	-	99,044,259
Other receivables		16,998,255	-	16,998,255	-	16,998,255
Contract assets		97,249,826	-	97,249,826	-	97,249,826
Deposits, bank and cash balances	3.2.1	31,437,701	72,273,136	103,710,837	(4,941,518)	98,769,319
		244,730,041	72,273,136	317,003,177	(4,941,518)	312,061,659
Total assets		259,306,571	72,273,136	331,579,707	(4,941,518)	326,638,189

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

3. PRO FORMA COMBINED SOFP AS AT 31 MAY 2026 (CONT'D)

	Note	Audited as at 31.5.2026 RM	Adjustment for IPO (Note 2.2) RM	Pro Forma I After Adjustment for IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma II After Pro Forma I and utilisation of proceeds RM
Equity						
Share capital	3.2.2	4,000,100	89,732,136	93,732,236	(3,093,854)	90,638,382
Merger reserve	3.2.3	-	(17,459,000)	(17,459,000)	-	(17,459,000)
Retained earnings	3.2.4	42,614,327	-	42,614,327	(522,777)	42,091,550
Equity attributable to owners of the parent		46,614,427	72,273,136	118,887,563	(3,616,631)	115,270,932
Non-controlling interests		3,326,092	-	3,326,092	-	3,326,092
Total equity		49,940,519	72,273,136	122,213,655	(3,616,631)	118,597,024

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

3. PRO FORMA COMBINED SOFP AS AT 31 MAY 2026 (CONT'D)

	Note	Audited as at 31.5.2026 RM	Adjustment for IPO (Note 2.2) RM	Pro Forma I After Adjustment for IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma II After Pro Forma I and utilisation of proceeds RM
Non-current liabilities						
Bank borrowings		505,093	-	505,093	-	505,093
Lease liabilities		1,407,105	-	1,407,105	-	1,407,105
Deferred tax liabilities		48,678	-	48,678	-	48,678
Trade payables		38,610	-	38,610	-	38,610
		1,999,486	-	1,999,486	-	1,999,486

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

3. PRO FORMA COMBINED SOFP AS AT 31 MAY 2026 (CONT'D)

	Note	Audited as at 31.5.2026 RM	Adjustment for IPO (Note 2.2) RM	Pro Forma I After Adjustment for IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma II After Pro Forma I and utilisation of proceeds RM
Current liabilities						
Bank borrowings		37,021,825	-	37,021,825	-	37,021,825
Lease liabilities		682,971	-	682,971	-	682,971
Trade payables		58,798,000	-	58,798,000	-	58,798,000
Other payables	3.2.5	89,263,134	-	89,263,134	(1,324,887)	87,938,247
Contract liabilities		10,696,118	-	10,696,118	-	10,696,118
Tax payable		10,904,518	-	10,904,518	-	10,904,518
		207,366,566	-	207,366,566	(1,324,887)	206,041,679
Total liabilities		209,366,052	-	209,366,052	(1,324,887)	208,041,165
Total equity and liabilities		259,306,571	72,273,136	331,579,707	(4,941,518)	326,638,189

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

3. PRO FORMA COMBINED SOFP AS AT 31 MAY 2026 (CONT'D)

	Note	Audited as at 31.5.2026 RM	Adjustment for IPO (Note 2.2) RM	Pro Forma I After Adjustment for IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma II After Pro Forma I and utilisation of proceeds RM
Supplementary information						
Number of ordinary shares (unit)		4,000,100		895,500,000		895,500,000
Net assets attributable to owners of the parent per share		11.65		0.13		0.13
Lease liabilities		2,090,076		2,090,076		2,090,076
Bank borrowings		37,526,918		37,526,918		37,526,918
Total debts		39,616,994		39,616,994		39,616,994
Gearing ratio (times)[(1)]		0.79		0.32		0.33

(1) Computed based on total debts divided by total equity.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

3. PRO FORMA COMBINED SOFP AS AT 31 MAY 2026 (CONT'D)

3.1 Effects of Pro Forma Adjustments to the Pro Forma Combined SOFP as at 31 May 2026

3.1.1 Pro Forma I

Pro Forma I incorporates the effects of adjustment for IPO as set out in Note 2.2 to the Pro Forma Combined Financial Statements.

3.1.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the utilisation of proceeds as set out in Note 2.3 to the Pro Forma Combined Financial Statements.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

3. PRO FORMA COMBINED SOFP AS AT 31 MAY 2026 (CONT'D)

3.2 Detailed Effects on the Pro Forma Combined SOFP as at 31 May 2026

3.2.1 Deposits, Bank and Cash Balances

	RM
As at 31 May 2026	31,437,701
Pursuant to issuance of new ordinary shares in SKA Capital	671
Pursuant to issuance of new ordinary shares through Public Issue	72,272,465
As per Pro Forma I	103,710,837
Pursuant to defrayment of estimated listing expenses in relation to the Listing	(4,941,518)
As per Pro Forma II	98,769,319

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

3. PRO FORMA COMBINED SOFP AS AT 31 MAY 2026 (CONT'D)

3.2 Detailed Effects on the Pro Forma Combined SOFP as at 31 May 2026 (Cont'd)

3.2.2 Share Capital

	RM
As at 31 May 2026	4,000,100
Pursuant to acquisition of SKA Rekabina under merger method of accounting	17,459,000
Pursuant to issuance of new ordinary shares in SKA Capital	671
Pursuant to issuance of new ordinary shares through Public Issue	72,272,465
As per Pro Forma I	93,732,236
Pursuant to defrayment of estimated listing expenses in relation to the Public Issue	(3,093,854)
As per Pro Forma II	90,638,382

3.2.3 Merger Reserve

	RM
As at 31 May 2026	-
Pursuant to acquisition of SKA Rekabina under merger method of accounting	(17,459,000)
As per Pro Forma I and II	(17,459,000)

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

3. PRO FORMA COMBINED SOFP AS AT 31 MAY 2026 (CONT'D)

3.2 Detailed Effects on the Pro Forma Combined SOFP as at 31 May 2026 (Cont'd)

3.2.4 Retained Earnings

	RM
As at 31 May 2026 and as per Pro Forma I	42,614,327
Pursuant to defrayment of estimated listing expenses in relation to the IPO	(522,777)
As per Pro Forma II	42,091,550

3.2.5 Other payables

	RM
As at 31 May 2026 and as per Pro Forma I	89,263,134
Pursuant to defrayment of estimated listing expenses in relation to the IPO	(1,324,887)
As per Pro Forma II	87,938,247

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

4 PRO FORMA COMBINED SOPL FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Pro Forma Combined SOPL of the Group for the financial year ended 31 December 2025 has been prepared for illustrative purposes only to show the effects on the audited combined statements of profit or loss and other comprehensive income of the Group for the financial year ended 31 December 2025 based on the assumptions that the transactions as set out in Note 2 had been effected on 1 January 2025, and should be read in conjunction with the accompanying notes.

	Audited for the financial year ended 31.12.2025 RM	Adjustment for acquisition of Reltency Engineering (Note 2.1) RM	Pro Forma I After acquisition of Reltency Engineering RM	Adjustment for IPO (Note 2.2) RM	Pro Forma II After Pro Forma I and IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma III After Pro Forma II and utilisation of proceeds RM
Revenue	241,357,121	1,110,445	242,467,566	-	242,467,566	-	242,467,566
Cost of sales	(197,319,741)	(3,371,538)	(200,691,279)	-	(200,691,279)	-	(200,691,279)
Gross profit	44,037,380	(2,261,093)	41,776,287	-	41,776,287	-	41,776,287
Other income	756,155	36,379	792,534	-	792,534	-	792,534
Administrative expenses	(10,567,105)	(354,542)	(10,921,647)	-	(10,921,647)	(2,546,329)	(13,467,976)
Net gain on impairment of financial instruments	6,901,442	1,527,265	8,428,707	-	8,428,707	-	8,428,707
Profit from operations	41,127,872	(1,051,991)	40,075,881	-	40,075,881	(2,546,329)	37,529,552
Finance costs	(1,876,577)	(15,746)	(1,892,323)	-	(1,892,323)	-	(1,892,323)

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

4. PRO FORMA COMBINED SOPL FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Audited for the financial year ended 31.12.2025 RM	Adjustment for acquisition of Reltency Engineering (Note 2.1) RM	Pro Forma I After acquisition of Reltency Engineering RM	Adjustment for IPO (Note 2.2) RM	Pro Forma II After Pro Forma I and IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma III After Pro Forma II and utilisation of proceeds RM
Profit before tax	39,251,295	(1,067,737)	38,183,558	-	38,183,558	(2,546,329)	35,637,229
Taxation	(8,441,587)	-	(8,441,587)	-	(8,441,587)	-	(8,441,587)
Profit from continuing operations	30,809,708	(1,067,737)	29,741,971	-	29,741,971	(2,546,329)	27,195,642
Discontinued operations							
Loss from discontinued operations, net of tax	(8,502)	-	(8,502)	-	(8,502)	-	(8,502)
Profit for the financial year, representing total comprehensive income for the financial year	30,801,206	(1,067,737)	29,733,469	-	29,733,469	(2,546,329)	27,187,140

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

4. PRO FORMA COMBINED SOPL FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Audited for the financial year ended 31.12.2025 RM	Adjustment for acquisition of Reltency Engineering (Note 2.1) RM	Pro Forma I After acquisition of Reltency Engineering RM	Adjustment for IPO (Note 2.2) RM	Pro Forma II After Pro Forma I and IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma III After Pro Forma II and utilisation of proceeds RM
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year attributable to:							
Owners of the parent							
- Continuing operations	28,940,022	(747,416)	28,192,606	-	28,192,606	(2,546,329)	25,646,277
- Discontinued operations	(4,336)	-	(4,336)	-	(4,336)	-	(4,336)
	28,935,686	(747,416)	28,188,270	-	28,188,270	(2,546,329)	25,641,941
Non-controlling interests	1,865,520	(320,321)	1,545,199	-	1,545,199	-	1,545,199
	30,801,206	(1,067,737)	29,733,469	-	29,733,469	(2,546,329)	27,187,140
Earnings per share *	7.23		7.05		0.03		0.03

* Calculated based on profit for the financial year attributable to owners of the parent divided by number of ordinary shares in issue.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

4. PRO FORMA COMBINED SOPL FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Adjustments in arriving at the Pro Forma Combined SOPL:

(1) Combined Statements of Profit or Loss and Other Comprehensive Income is extracted from the audited combined financial statements of SKA Capital for the financial year ended 31 December 2025;

(2) Historical financial results of Reltency Engineering prior to the completion of the acquisition by SKA Rekabina for the period from 1 January 2025 to 26 February 2025 are adjusted for elimination of inter-company transactions; and

(3) Charge of the estimated listing expenses to be set-off against profit or loss amounting to RM2,546,329.

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

5. PRO FORMA COMBINED SOCF FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Pro Forma Combined SOCF of the Group for the financial year ended 31 December 2025 has been prepared for illustrative purposes only to show the effects on the audited combined statements of cash flows of the Group for the financial year ended 31 December 2025 based on the assumptions that the transactions as set out in Note 2 had been effected on 1 January 2025, and should be read in conjunction with the accompanying notes.

	Audited for the financial year ended 31.12.2025 RM	Adjustment for acquisition of Reltency Engineering (Note 2.1) RM	Pro Forma I After acquisition of Reltency Engineering RM	Adjustment for IPO (Note 2.2) RM	Pro Forma II After Pro Forma I and IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma III After Pro Forma II and utilisation of proceeds RM
Cash flows from operating activities							
Profit before tax from:							
- Continuing operations	39,251,295	(1,067,737)	38,183,558	-	38,183,558	(2,546,329)	35,637,229
- Discontinued operations	(8,502)	-	(8,502)	-	(8,502)	-	(8,502)
	39,242,793	(1,067,737)	38,175,056	-	38,175,056	(2,546,329)	35,628,727
Adjustments for:							
Bad debts recovered	-	(24,138)	(24,138)	-	(24,138)	-	(24,138)
Bad debts written off	92,748	-	92,748	-	92,748	-	92,748
Depreciation of:							
- property, plant and equipment	234,802	15,140	249,942	-	249,942	-	249,942
- right-of-use assets	665,460	20,582	686,042	-	686,042	-	686,042
Finance costs	1,876,577	15,746	1,892,323	-	1,892,323	-	1,892,323
Gain on disposal of:							
- a combining entity	(504,011)	-	(504,011)	-	(504,011)	-	(504,011)
- property, plant and equipment	(39,999)	-	(39,999)	-	(39,999)	-	(39,999)

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

5. PRO FORMA COMBINED SOCF FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Audited for the financial year ended 31.12.2025 RM	Adjustment for acquisition of Reltency Engineering (Note 2.1) RM	Pro Forma I After acquisition of Reltency Engineering RM	Adjustment for IPO (Note 2.2) RM	Pro Forma II After Pro Forma I and IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma III After Pro Forma II and utilisation of proceeds RM
Impairment losses on:							
- trade receivables	239,942	(1,429,810)	(1,189,868)	-	(1,189,868)	-	(1,189,868)
- other receivables	49,275	(97,455)	(48,180)	-	(48,180)	-	(48,180)
Interest income	(161,325)	-	(161,325)	-	(161,325)	-	(161,325)
Property, plant and equipment written off	2,930	-	2,930	-	2,930	-	2,930
Reversal of impairment losses related parties	(7,190,659)	-	(7,190,659)	-	(7,190,659)	-	(7,190,659)
Operating profit before working capital changes	34,508,533	(2,567,672)	31,940,861	-	31,940,861	(2,546,329)	29,394,532
Changes in working capital:							
Contract assets	(44,794,131)	14,667,558	(30,126,573)	-	(30,126,573)	-	(30,126,573)
Trade and other receivables	(50,094,729)	4,821,850	(45,272,879)	-	(45,272,879)	-	(45,272,879)
Trade and other payables	77,075,426	(20,531,492)	56,543,934	-	56,543,934	(294,909)	56,249,025
Cash generated from operations	16,695,099	(3,609,756)	13,085,343	-	13,085,343	(2,841,238)	10,244,105
Interest paid	(1,876,577)	(15,746)	(1,892,323)	-	(1,892,323)	-	(1,892,323)
Interest received	30,850	-	30,850	-	30,850	-	30,850
Tax paid	(8,115,232)	(40,725)	(8,155,957)	-	(8,155,957)	-	(8,155,957)
Net cash from operating activities	6,734,140	(3,666,227)	3,067,913	-	3,067,913	(2,841,238)	226,675

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

5. PRO FORMA COMBINED SOCF FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Audited for the financial year ended 31.12.2025 RM	Adjustment for acquisition of Reltency Engineering (Note 2.1) RM	Pro Forma I After acquisition of Reltency Engineering RM	Adjustment for IPO (Note 2.2) RM	Pro Forma II After Pro Forma I and IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma III After Pro Forma II and utilisation of proceeds RM
Cash flows from investing activities							
Acquisition of:							
- a combining entity, net of cash	(4,477,312)	3,678,743	(798,569)	-	(798,569)	-	(798,569)
- property, plant and equipment	(872,748)	-	(872,748)	-	(872,748)	-	(872,748)
Placement of fixed deposits	(1,600,000)	-	(1,600,000)	-	(1,600,000)	-	(1,600,000)
Proceeds from disposal of:							
- a combining entity, net of cash	131,798	-	131,798	-	131,798	-	131,798
- property, plant and equipment	40,000	-	40,000	-	40,000	-	40,000
Net cash used in investing activities	(6,778,262)	3,678,743	(3,099,519)	-	(3,099,519)	-	(3,099,519)

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

5. PRO FORMA COMBINED SOCF FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Audited for the financial year ended 31.12.2025 RM	Adjustment for acquisition of Reltency Engineering (Note 2.1) RM	Pro Forma I After acquisition of Reltency Engineering RM	Adjustment for IPO (Note 2.2) RM	Pro Forma II After Pro Forma I and IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma III After Pro Forma II and utilisation of proceeds RM
Cash flows from financing activities							
Net proceeds from bank borrowings	14,080,787	-	14,080,787	-	14,080,787	-	14,080,787
Payments of lease liabilities	(575,557)	(12,516)	(588,073)	-	(588,073)	-	(588,073)
Net proceeds from issuance of new ordinary shares	-	-	-	72,273,236	72,273,236	(3,093,854)	69,179,382
Net cash from financing activities	13,505,230	(12,516)	13,492,714	72,273,236	85,765,950	(3,093,854)	82,672,096

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

5. PRO FORMA COMBINED SOCF FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Audited for the financial year ended 31.12.2025 RM	Adjustment for acquisition of Reltency Engineering (Note 2.1) RM	Pro Forma I After acquisition of Reltency Engineering RM	Adjustment for IPO (Note 2.2) RM	Pro Forma II After Pro Forma I and IPO RM	Adjustment for utilisation of proceeds (Note 2.3) RM	Pro Forma III After Pro Forma II and utilisation of proceeds RM
Net increase in cash and cash equivalents	13,461,108	-	13,461,108	72,273,236	85,734,344	(5,935,092)	79,799,252
Cash and cash equivalents at the beginning of the financial year	1,099,342	-	1,099,342	-	1,099,342	-	1,099,342
Cash and cash equivalents at the end of the financial year	14,560,450	-	14,560,450	72,273,236	86,833,686	(5,935,092)	80,898,594
Cash and cash equivalents at the end of the financial year comprise:							
Cash and bank balances	15,690,358	-	15,690,358	72,273,236	87,963,594	(5,935,092)	82,028,502
Fixed deposits with licensed banks	6,597,177	-	6,597,177	-	6,597,177	-	6,597,177
	22,287,535	-	22,287,535	72,273,236	94,560,771	(5,935,092)	88,625,679
Less: Fixed deposits pledged with licensed banks	(6,597,177)	-	(6,597,177)	-	(6,597,177)	-	(6,597,177)
Less: Bank overdrafts	(1,129,908)	-	(1,129,908)	-	(1,129,908)	-	(1,129,908)
	14,560,450	-	14,560,450	72,273,236	86,833,686	(5,935,092)	80,898,594

Appendix A

SKA CAPITAL BERHAD
PRO FORMA COMBINED FINANCIAL STATEMENTS (CONT'D)

5. PRO FORMA COMBINED SOCF FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Adjustments in arriving at the Pro Forma Combined Statements of Cash Flows

(1) Combined Statements of Cash Flows is extracted from the audited combined financial statements of SKA Capital for the financial year ended 31 December 2025;

(2) Historical cash flows of Reltency Engineering prior to the completion of the acquisition by SKA Rekabina for the period from 1 January 2025 to 26 February 2025 are adjusted for elimination of inter-company transactions; and

(3) Recognition of gross proceeds arising from IPO and utilisation of proceeds from the IPO.

SKA CAPITAL BERHAD
STATEMENT BY THE BOARD OF DIRECTORS FOR THE PRO FORMA COMBINED FINANCIAL STATEMENTS

We, SUBAS KUMAR A/L AMBAIRAM and KENNETH CHIN KAH KIONG, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Board of Directors, the Pro Forma Combined Financial Statements, together with the accompanying notes thereon, are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of Prospectus Guidelines issued by the Securities Commission Malaysia so as to give a true and fair view of the Pro Forma Combined SOFP of the Group as at 31 May 2026, Pro Forma Combined SOPL and Pro Forma Combined SOCF of the Group for the financial year ended 31 December 2025.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 5 October 2026.

SUBAS KUMAR A/L AMBAIRAM

KENNETH CHIN KAH KIONG

15. STATUTORY AND OTHER GENERAL INFORMATION

15.1 SHARE CAPITAL

(i) No securities will be allotted or issued or offered on the basis of this Prospectus later than 6 months after the date of this Prospectus.

(ii) As at the date of this Prospectus, our Company has only 1 class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(iii) Save as disclosed in **Sections 4.3**, **6.4** and **6.5** of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Group have been issued or proposed to be issued as fully or partly paid-up, in cash or otherwise, during the Period Under Review and up to the date of this Prospectus.

(iv) None of the share capital of our Group is under any option or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.

(v) As at the LPD, save for the Pink Form Allocation,

(a) no person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of our Group; and

(b) there is no scheme involving our Directors or employees of our Group in the shares of our Group.

(vi) Our Group does not have any outstanding convertible securities as at the date of this Prospectus.

15.2 EXTRACT OF OUR CONSTITUTION

The following provisions are extracted from our Constitution and comply with the applicable laws.

The words and expressions appearing in the following provisions shall bear the same meanings as used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

(i) Transfers of Securities

(1) Clause 30 - Transfer in writing

Subject to this Constitution, the Central Depositories Act and the Rules, any Member may transfer all or any of his Securities (except those Deposited Securities which are for the time being designated as securities in suspense) by an instrument in writing in the form prescribed and approved by the Exchange upon which the Company is listed on the Exchange. The instrument shall have been executed by or on behalf of the transferor and the transferee, and the transferor shall remain the holder of the Securities transferred until the transfer is registered and the name of the transferee is entered in the Record of Depositors.

15. STATUTORY AND OTHER GENERAL INFORMATION

(2) Clause 31 - Transfers of Securities

Subject to the restriction imposed by this Constitution, the Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any Deposited Securities shall be made by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Securities.

(3) Clause 32 - No restriction on the transfer of fully paid Securities

Subject to this Constitution, the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid Securities except where required by law.

(4) Clause 33(a) - Refusal to register

The Central Depository may, in its absolute discretion, refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and/or the Rules.

(5) Clause 34 - Suspension of registration

Subject to the provisions of the Act, the Central Depositories Act, the Rules and the Listing Requirements, the registration of transfers of any Securities may be suspended at such times and for such periods as the Directors may from time to time determine PROVIDED ALWAYS that no part of the Register may be closed for such periods as the Directors may from time to time determine PROVIDED ALWAYS that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to close the Register and the reason therefor shall be given to the Exchange. Such closure of the Register shall be at least fourteen (14) days (or such other period as prescribed by the Exchange from time to time) after the date of notification to the Exchange stating the purpose or purposes for the suspension. In this respect, the Company shall request the Central Depository, in accordance with the Rules, to issue the appropriate Record of Depositors.

(ii) Remuneration of Directors

(1) Clause 101 - Directors' remuneration

Subject to the Act and the Listing Requirements, the fees of the Directors and any benefits payable to the Directors shall from time to time be determined by way of an ordinary resolution of the Company in a general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine and in default of agreement equally, except that if a Director has held office for part only of the period in respect of which such fees are payable, such a Director shall be entitled only to that proportion of the fees as is related to the period during which he has held office PROVIDED ALWAYS that:-

(i) salaries and other emoluments payable to executive Director(s) pursuant to an employment contract or a contract of services need not be determined by the Company in a general meeting, but such salaries and emoluments may not include a commission on or percentage of turnover;

15. STATUTORY AND OTHER GENERAL INFORMATION

(ii) fees payable to non-executive Directors shall be a fixed sum and not by way of a commission on or percentage of profits or turnover;

(iii) fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting; and

(iv) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

(2) Clause 102 - Reimbursement of expenses

(a) The Directors shall be entitled to be reimbursed for all travelling or expenses as may be incurred in attending meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other things required of him as a Director.

(b) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for any director's fees payable to him from time to time.

(3) Clause 128 - Remuneration of chief executive, executive Director, managing Director

The remuneration of the chief executive, executive Director, managing Director or any person holding an equivalent position, shall, from time to time be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive a pension, gratuity or other benefits upon their retirement.

15. STATUTORY AND OTHER GENERAL INFORMATION

(iii) Voting and borrowing power of Directors

(1) Clause 78 - Chairman's casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

(2) Clause 106 - Directors' borrowing powers

(a) Subject to the Act and the Listing Requirements, the Directors may at their discretion exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any related party (as defined in Section 7 of the Act):

(i) borrow money;

(ii) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(iii) issue debentures and other securities whether outright or as security;

(iv) lend and advance money or give credit to any person or company;

(v) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; and/or

(vi) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or of any related party (as defined in Section 7 of the Act).

(b) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

(3) Clause 120 - Votes by majority and chairman of the meeting to have a casting vote

Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes of the Directors present and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote, except where at the meeting only two (2) Directors form a quorum, the chairman of the meeting at which only such a quorum is present, or only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.

15. STATUTORY AND OTHER GENERAL INFORMATION

(4) Clause 123 - Restriction on voting

Subject to the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.

(5) Clause 124 - Power to vote

A Director may vote in respect of:-

(i) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company;

(ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security;

(iii) any contract by the Director himself to subscribe for or underwrite shares or debentures of the Company; or

(iv) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as a holder of shares or other securities in that company.

(iv) Changes to share capital or variation of class rights, preference and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

(1) Clause 6 - Class of shares

The share capital of the Company is its issued share capital. The shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred and/or other special rights, privileges, conditions and/or restrictions as to dividends, capital, voting and/or otherwise as the Company may from time to time by ordinary resolution determine.

(2) Clause 7 - Allotment of shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, the Act, any Applicable Laws, and to the provisions of any resolution of the Company, the Board may issue, allot or grant rights to subscribe for or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred and/or other special rights and subject to such restrictions and at such times as the Board may determine but the Board in making any issue of shares shall comply with the following conditions:-

(i) in the case of shares, other than ordinary shares, no special rights shall be attached until the same has been expressed in this Constitution and in the resolution creating the same;

(ii) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meetings;

(iii) every issue of shares or options to employees and/or Directors of the Company and/or its subsidiaries under an employee share option scheme shall be approved by the Members in general meeting;

(iv) no Director shall participate in a scheme that involves a new issuance of shares or options unless the Members in a general meeting have approved the specific allotment to be made to such Director; and

(v) except in the case of an issue of Securities on a pro-rata basis to all Members, or, pursuant to a back-to-back placement or a Dividend Reinvestment Scheme undertaken in compliance with the Listing Requirements, there shall be no issuance and allotment of Securities to a Director, major shareholder, chief executive or person connected with any Director, major shareholder or chief executive (hereinafter referred to as the "interested Director", "interested major shareholder", "interested chief executive" or "interested person connected with a Director, major shareholder or chief executive" respectively) unless the Members in a general meeting have approved the specific allotment to be made to such aforesaid interested Director, interested major shareholder, interested chief executive or interested person connected with a Director, major shareholder or chief executive, as the case may be. In this Constitution, "major shareholder", "chief executive", "person connected with any Director, major shareholder or chief executive" and "Dividend Reinvestment Scheme" shall have the meaning ascribed thereto in the Listing Requirements.

(3) Clause 8 - Rights of preference shareholders

Subject to the Act and the Listing Requirements, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not unless with the consent of the existing preference shareholders at a class of meeting issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have:

(i) the same rights as ordinary shareholders as regards to receiving notices, reports and audited accounts and attending general meetings of the Company; and

(ii) the right to vote at any meeting convened for the purpose of reducing the capital of the Company or on a proposal to wind up or during the winding up of the Company, or sanctioning a sale of the whole of the Company's undertaking, property or business, or where any resolution to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares or part of the dividend is in arrears for more than six (6) months.

15. STATUTORY AND OTHER GENERAL INFORMATION

(4) Clause 10 - Variation of class rights

Subject to Section 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with:

(i) the consent in writing of the holders of not less than seventy-five per centum (75%) of the total voting rights of the Members in that class; or

(ii) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy at least one-third of the number of the issued shares of the class (excluding any shares of that class held as treasury shares) and that any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one (1) vote for every such share held by him. For adjourned meetings, the quorum is one (1) person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.

(5) Clause 11 - Ranking of class rights

The rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of such shares, as regards to participation in the profits or assets of the Company in some or in all respect be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

(6) Clause 42 - Person entitled may receive dividends etc

Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares as the registered holder would have been entitled to if he had not died or become bankrupt, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.

(7) Clause 54 - Rights of stock holders

The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages with regards to dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, so that none of such rights, privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such rights, privileges or advantages.

15. STATUTORY AND OTHER GENERAL INFORMATION

(8) Clause 56 - Power to increase capital

Subject to the Act, this Constitution, the Central Depositories Act, the Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, the Company may from time to time by ordinary resolution passed in a general meeting, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital, voting or otherwise as the general meeting resolving upon such increase may direct.

(9) Clause 57 - Issue of new shares to Members

Subject to any direction to the contrary that may be given by the Company in a general meeting and the Listing Requirements, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of the general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to the shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or Securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.

For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable.

In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible securities in proportion to the shareholdings of the existing Members.

15. STATUTORY AND OTHER GENERAL INFORMATION

(10) Clause 59 - Power to alter capital

Subject to the provisions of this Constitution and the Act, the Company may alter its share capital in any one or more of the following ways by ordinary resolution:

(i) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;

(ii) convert all or any of its paid-up shares into stock and reconvert that stock into fully-paid shares;

(iii) subdivide its shares or any of its shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

(11) Clause 60 - Power to reduce capital

The Company may by special resolution, reduce its share capital, any capital redemption reserve fund or any reserve account, in any manner permitted or authorised under and in compliance with the Act and the Applicable Laws.

(12) Clause 61 - Purchase by the Company of its own shares

The Company may, subject to it obtaining such approval from the relevant authorities (if required) and to its compliance with the Act, the Listing Requirements and the Applicable Laws, purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the Act, the Listing Requirements and all Applicable Laws. The provisions of Clauses 59 and 60 herein above shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers under this Clause. The cancellation of shares purchased shall not be deemed to be a reduction of share capital within the meaning of the Act.

(13) Clause 149 - Payment of dividends

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Constitution as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

15. STATUTORY AND OTHER GENERAL INFORMATION

15.3 NO LIMITATION ON THE RIGHT TO OWN SECURITIES

There are no limitations imposed by law or by constituent documents of our Company on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares.

15.4 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts which are not in the ordinary course of our Group's business during the Period Under Review up to the date of this Prospectus:

(i) joint venture agreement dated 15 December 2020 entered into between CD Electrical and Reltency Engineering to jointly collaborate and participate in tendering for supply and install of 500/275/33kV Yong Peng East substation in Johor and supply and install of 500/275/33kV Tanjung Bin substation in Johor with a total contract value of RM16.53 million;

(ii) joint venture agreement dated 8 March 2021 entered into between CD Electrical and Reltency Engineering to jointly collaborate and participate in tendering for IOI Mayang Project;

(iii) joint venture agreement dated 9 November 2021 entered into between CD Electrical and Reltency Engineering to jointly collaborate and participate in tendering for Simpang Pertang Project;

(iv) joint venture agreement dated 17 January 2022 entered into between CD Electrical and Reltency Engineering to jointly collaborate and participate in tendering for Sungai Tiram GIS Project;

(v) joint venture agreement dated 23 March 2022 entered into between CD Electrical and Reltency Engineering to jointly collaborate and participate in tendering for Pantai Remis Project;

(vi) joint venture agreement dated 14 June 2024 entered into between CD Electrical and Reltency Engineering to jointly collaborate and participate in tendering for Genting Kelang GIS Project;

(vii) share subscription agreement dated 17 February 2025 entered into between SKA Rekabina, Reltency Engineering and Rajsekaran A/L Ilangovan in conjunction with the subscription of 1,875,000 new ordinary shares in Reltency Engineering, representing 70% of the enlarged number of ordinary shares in Reltency Engineering, for a cash consideration of RM5,000,000;

(viii) shareholders' agreement dated 26 February 2025 entered into between SKA Rekabina, Rajsekaran A/L Ilangovan and Reltency Engineering to regulate the rights and obligations of the shareholders in respect of the management of Reltency Engineering;

(ix) share sale agreement dated 16 June 2025 entered into between SKA Rekabina and Dato' Subas for the Disposal of Double Action Ventures, further details of which are set out in **Section 6.2.1** of this Prospectus;

15. STATUTORY AND OTHER GENERAL INFORMATION

(x) conditional share sale agreement dated 11 February 2026 entered into between our Company and the vendors of SKA Rekabina (i.e., Dato' Subas and Mohammed Afique Abdullah) for the Acquisition of SKA Rekabina, further details of which are set out in **Section 6.2.2** of this Prospectus; and

(xi) Underwriting Agreement.

15.5 MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claim and/or arbitration, whether as plaintiff or defendant, which might materially and adversely affect our business or financial position, and our Directors confirm that there are no legal proceedings, pending or threatened, or of any fact likely to give rise to any legal proceeding which may materially and adversely affect our business or financial position.

15.6 PUBLIC TAKE-OVERS

During the last financial year up to the LPD, there were no public take-over offers by third parties in respect of our Shares and public take-over offers by us in respect of other companies' shares.

15.7 LETTERS OF CONSENT

(i) The written consents of the Principal Adviser, Sponsor, Underwriter and Placement Agent, Company Secretaries, Solicitors for our IPO, Share Registrar and Issuing House for the inclusion in this Prospectus of their names and all references herein in the form and context in which such names appear in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

(ii) The written consent of the Auditors and Reporting Accountants for the inclusion in this Prospectus of its name, Accountants' Report and the Reporting Accountants' Report on the Compilation of Pro Forma Combined Financial Statements and all references herein in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

(iii) The written consent of the IMR for the inclusion in this Prospectus of its name, the IMR Report and all references herein in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

15. STATUTORY AND OTHER GENERAL INFORMATION

15.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office, Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan during normal business hours for a period of 6 months from the date of this Prospectus:

(i) the Constitution of our Company;

(ii) the IMR Report as included in **Section 8** of this Prospectus;

(iii) Accountants' Report as included in **Section 13** of this Prospectus;

(iv) Reporting Accountants' Report on the Compilation of Pro Forma Combined Financial Statements as included in **Section 14** of this Prospectus;

(v) the material contracts as referred to in **Section 15.4** of this Prospectus;

(vi) the letters of consent as referred to in **Section 15.7** of this Prospectus;

(vii) the audited financial statements of SKA Capital for the financial period from 6 November 2025 (date of incorporation) to 31 May 2026; and

(viii) the audited financial statements of our subsidiaries, SKA Rekabina and Reltency Engineering for the FYE 2023, FYE 2024 and FYE 2025.

15.9 RESPONSIBILITY STATEMENTS

Our Directors, Promoter and the Offeror have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

TA Securities, being the Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 20 OCTOBER 2026

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 27 OCTOBER 2026

In the event of any changes to the dates or time stated above, we will advertise the notice of the changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia, and will make an announcement on Bursa Securities' website.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Application for our IPO Shares by the Malaysian Public and Eligible Persons

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed.

Types of application and category of investors	Application method
(a) Applications by the Malaysian Public: (i) Individuals	• White Application Form; or • Electronic Share Application; or • Internet Share Application
(ii) Non-individuals	White Application Form only
(b) Applications by Eligible Persons	Pink Application Form only

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.2.2 Application by selected investors and Bumiputera Investors approved by the MITI via private placement

Types of application and category of investors	Application method
Applications by: (i) Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instruction.
(ii) Bumiputera investors approved by the MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Selected investors and Bumiputera investors approved by the MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application, where applicable.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in **Section 12** of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION. PERSONS SUBMITTING APPLICATION BY WAY OF APPLICATION FORMS MAY NOT SUBMIT APPLICATIONS BY WAY OF ELECTRONIC SHARE APPLICATION OR INTERNET SHARE APPLICATION AND VICE VERSA.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMISES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(i) You must be one of the following:

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(iii) You must submit an Application by using only one of the following methods:

(a) White Application Form; or

(b) Electronic Share Application; or

(c) Internet Share Application.

16.3.3 Application by Eligible Persons

Our Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocations. The applicants must follow the notes and instructions in those documents and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Group.

Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, the Issuing House, TA Securities, Participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

The Eligible Persons are not precluded from making additional application under the Malaysian Public category using either the White Application Form, Electronic Share Application or Internet Share Application.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is based on the IPO Price of RM0.43 for each IPO Share.

Payment must be made out in favour of **"MIH SHARE ISSUE ACCOUNT NO. 716"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Method below is relevant for White Form Application Form only.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatched by **ORDINARY POST** in the official envelopes provided to the following address:

Malaysian Issuing House Sdn Bhd
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

(ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5.00 p.m. on 27 October 2026 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.5 APPLICATIONS BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 APPLICATIONS BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the following Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd, Hong Leong Investment Bank Berhad, iFAST Capital Sdn. Bhd., Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad, RHB Bank Berhad, TA Securities Holdings Berhad and UOB Kay Hian (M) Sdn Bhd. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

(i) reject Applications which:

  (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

  (b) are illegible, incomplete or inaccurate; or

  (c) are accompanied by an improperly drawn up, or improper form of remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with **Section 16.9** below.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER / UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Public Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by our Issuing House to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website www.mih.com.my within 1 Market Day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Public Issue Shares by the Malaysian Public and / or Eligible Persons, subject to the clawback and reallocation provisions as set out in **Section 4.3.4** of this Prospectus, any of the abovementioned Public Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:

16.9.1 For applications by way of Application Form

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your registered or correspondence address last maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected, subject to Bursa Depository's final verification. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

(iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten (10) Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary / registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the 5th Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected, subject to Bursa Depository's final verification. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(i) Our IPO Shares allotted to you will be credited into your CDS Account.

(ii) A notice of allotment will be despatched to you at your registered or correspondence address last maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued/ offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and the Rules.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at telephone no. 03-7890 4700
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions or Participating Securities Firms or Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 PM. Alternatively, you may contact any of the ADAs set out in **Section 12** of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.