NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF ENPROSERVE GROUP BERHAD ("ENPROSERVE" OR THE "COMPANY") DATED 26 JUNE 2025 ("ELECTRONIC PROSPECTUS")

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice.)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("**Bursa Securities**") website at www.bursamalaysia.com ("**Website**").

Availability and Location of Paper / Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper / printed copy of the Prospectus directly from the Company, KAF Investment Bank Berhad ("**KAF IB**") or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, from the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysian. Bursa Securities, KAF IB and Enproserve have not authorised anyone and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase, any of our IPO Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves and to observe such restrictions.

Close of Application

Applications for the IPO Shares will be accepted from **10.00 a.m. (Malaysian time)** on **26 June 2025** and will close at **5.00 p.m. (Malaysian time)** on **8 July 2025**. Any change to the timetable will be advertised by Enproserve in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia, and will make the relevant announcement through Bursa Securities. The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

ENPROSERVE

ENPROSERVE GROUP BERHAD
(Registration No. 202401034237 (1580085-H))
(Incorporated in Malaysia under the Companies Act 2016)

13-G-01, Star Central @ Cyberjaya
Lingkaran Cyber Point Timur, Cyber 12
63000 Cyberjaya, Selangor

Tel: 03 – 8322 3636

www.enproservegroup.com.my

ENPROSERVE GROUP BERHAD PROSPECTUS

P R O S P E C T U S

ENPROSERVE

ENPROSERVE GROUP BERHAD

(Registration No. 202401034237 (1580085-H))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH THE LISTING OF ENPROSERVE GROUP BERHAD ("ENPROSERVE" OR THE "COMPANY") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING:

(I) PUBLIC ISSUE OF 210,000,000 NEW ORDINARY SHARES IN ENPROSERVE ("SHARES") IN THE FOLLOWING MANNER:

- 52,500,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 18,316,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO OUR SUCCESS;
- 139,184,000 NEW SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND

(II) OFFER FOR SALE OF 105,000,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN ISSUE/OFFER PRICE OF RM0.24 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter and Placement Agent

KAF
INVESTMENT BANK BERHAD
Registration No. 197401003530 (20657-W)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 214.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

THIS PROSPECTUS IS DATED 26 JUNE 2025

Unless otherwise defined, all capitalised terms used shall bear the same meanings as defined under "Definitions" and "Glossary of Technical Terms" sections of this Prospectus.

RESPONSIBILITY STATEMENTS

Our Directors, Promoter and Offeror have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

KAF Investment Bank Berhad, being our 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.

STATEMENTS OF DISCLAIMER

Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

This Prospectus, together with the Application Form, have also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to our Prospectus or the conduct of any other person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning the offering, for which any person set out in Section 236 of the CMSA, is responsible.

Our Shares are classified as Shariah compliant by the Shariah Advisory Council of the SC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the Shariah Advisory Council of the SC. The new status will be released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

This Prospectus is prepared and published solely for our IPO. Our Shares being offered in our IPO are offered solely based on the information contained and representations made in this Prospectus. Our Company, Directors, Promoter, Offeror, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoter, Offeror, Principal Adviser, Sponsor, Underwriter and Placement Agent, any of their respective directors, or any other persons involved in our IPO.

This Prospectus has been prepared and published solely for our IPO under the laws of Malaysia. This Prospectus does not comply with the laws of jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority of any jurisdiction other than Malaysia.

It shall be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subject to. We will further assume that you had accepted our IPO in Malaysia and will be at all applicable times be subject only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptances as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

It shall be your sole responsibility to consult your legal and/or other professional advisers on the laws to which our IPO or you are or might be subjected to. Neither we nor the Directors, Promoter, Offeror, Principal Adviser, Sponsor, Underwriter and Placement Agent nor any other advisers in relation to our IPO will accept any responsibility or liability if any application made by you shall become illegal, unenforceable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS / INTERNET SHARE APPLICATION

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus are as per the contents of this Prospectus registered with Bursa Securities.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application may be subject to the risk of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions or Participating Securities Firms. These risks cannot be borne by the Internet Participating Financial Institutions or Participating Securities Firms.

If you are in doubt as to the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House, a paper/printed copy of this Prospectus. In the event of any discrepancies arising between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus, which is identical to this Prospectus registered by the Bursa Securities, shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

(i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third-Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third-Party Internet Sites. You shall bear all risks associated with the access to or use of the Third-Party Internet Sites;

(ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third-Party Internet Sites, for fulfilling any of the terms of your agreements with the Third-Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and

(iii) any data, information, files or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions or Participating Securities Firms, you are advised that:

(i) the Internet Participating Financial Institutions or Participating Securities Firms are liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions or Participating Securities Firms shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions or Participating Securities Firms and thereafter communicated or disseminated in any manner to you or other parties;

(ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium; and

(iii) the Internet Participating Financial Institutions or Participating Securities Firms shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions or Participating Securities Firms, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative times and/or dates:

Events	Indicative Dates
Issue of Prospectus / Opening date for the Application	26 June 2025
Closing date of the Application	8 July 2025
Balloting of Applications	10 July 2025
Allotment / Transfer of IPO Shares to successful Applicants	17 July 2025
Listing on the ACE Market	18 July 2025

In the event where there is any change to the indicative timetable above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and will make the relevant announcements through Bursa Securities' website.

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TABLE OF CONTENTS

TABLE OF CONTENTS *(Cont'd)*

TABLE OF CONTENTS *(Cont'd)*

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PRESENTATION OF INFORMATION

All references to the "**Company**" or "**Enproserve**" in this Prospectus are to Enproserve Group Berhad. All references to the "**Group**" or "**Enproserve Group**" are to our Company and our Subsidiaries taken as a whole. All references to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company or our Group or any member of our Group, as the context requires.

Unless the context otherwise requires, references to "**Management**" are to our Directors and our Key Senior Management personnel as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Glossary of Technical Terms" sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include companies and corporations, unless otherwise specified.

In this Prospectus, all references to the "**Government**" are to the Government of Malaysia; and references to"**RM**" and "**sen**" are to the lawful currency of Malaysia. The word "**approximately**" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or 2 decimal places. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any enactment in this Prospectus shall be a reference to that enactment as for the time being or amended or re-enacted.

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. As a result, any discrepancies in the tables or charts between the amounts listed and the totals in this Prospectus are due to rounding. Where information is presented in thousands or millions of units, amounts may have been rounded up or down.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the market and industry in which our Group operates or is exposed to. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from our Management.

In particular, certain information in this Prospectus is extracted or derived from the Independent Market Research Report on the Oil and Gas Maintenance Industry in Malaysia prepared by Vital Factor, an independent market research company. We have appointed Vital Factor to provide an independent market and industry review. In compiling their data for the review, Vital Factor had relied on research methodology, industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the information on the industry and the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly and indirectly linked to such website does not form part of this Prospectus and should not be relied upon.

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FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements, which include all statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Management for future operations.

Some of these statements can be identified by words that have a bias towards or are forward-looking such as "may", "will", "would", "could", "believe", "expect", "anticipate", "estimate", "aim", "plan", "forecast", "project" or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other important factors beyond our Group's control that could cause our actual results, performances or achievements to materially differ from future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:

(i) demand for our services and/or products;
(ii) our business strategies and competitive position;
(iii) our plans and objectives for future operations;
(iv) our future financial position, earnings, cash flows and liquidity; and
(v) our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

(i) the general economic, business, social, political and investment environment in Malaysia and globally;
(ii) government policy, legislation and regulation;
(iii) interest rates, tax rates and exchange rates;
(iv) competitive environment of the industry in which we operate;
(v) reliance on approvals, licenses and permits;
(vi) fixed and contingent obligation and commitments; and
(vii) any other factors beyond our control.

Such forward-looking statements are based on numerous assumptions regarding our Group's present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performances or achievements to differ materially include, but are not limited to those discussed in Section 9 on Risk Factors and Section 12.3 on Management's Discussion and Analysis of Financial Condition and Results of Operations of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised. These forward-looking statements are based on information available to us as at the LPD and are made available only as at the LPD.

Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of the IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provision of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

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DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:

COMPANIES WITHIN OUR GROUP

Enproserve or the **Company**	:	Enproserve Group Berhad (Registration No. 202401034237 (1580085-H))
Enproserve Group or **Group**	:	Collectively, Enproserve and its subsidiaries namely EMSB, EHSB and RBPS
EMSB	:	Enproserve (M) Sdn Bhd (Registration No. 199701002338 (417834-X))
EHSB	:	Enproserve Hydrodyne Sdn Bhd (Registration No. 201901015353 (1324681-K))
RBPS	:	RB Plant Services Sdn Bhd (Registration No. 201001019758 (903468-D))
Subsidiaries	:	Collectively, EMSB, EHSB and RBPS

GENERAL

299 Global	:	299 Global Sdn Bhd (Registration No. 201801009875 (1271889-P))
299 Niaga	:	299 Niaga Sdn Bhd *(formerly known as QPA Asset Management Sdn Bhd)* (Registration No. 201501037223 (1162544-M))
ACE Market	:	ACE Market of Bursa Securities
Acquisition of EHSB	:	Acquisition by Enproserve from Azman Yusof of 60% equity interest in EHSB, comprising 300,000 ordinary shares in EHSB, for a purchase consideration of RM1,404,000 which was fully satisfied by the issuance of 20,377,358 new Shares to the vendors at an issue price of RM0.0689 per Share and was completed on 7 April 2025
Acquisition of EMSB	:	Acquisition by Enproserve from Azman Yusof of the entire equity interest in EMSB, comprising 10,000,000 ordinary shares of EMSB, for a purchase consideration of RM54,187,993 which was fully satisfied by the issuance of 786,473,050 new Shares to the vendor at an issue price of RM0.0689 per Share and was completed on 7 April 2025
Acquisition of RBPS	:	Acquisition by Enproserve from Azman Yusof of the entire equity interest in RBPS, comprising 2,500,000 ordinary shares of RBPS, for a purchase consideration of RM2,284,000 which was fully satisfied by the issuance of 33,149,492 new Shares to the vendor at an issue price of RM0.0689 per Share and was completed on 7 April 2025
Acquisitions	:	Collectively, the Acquisition of EHSB, Acquisition of EMSB and Acquisition of RBPS
Act	:	Companies Act 2016
ADA	:	Authorised Depository Agent
AGM	:	Annual General Meeting
Applicant(s)	:	Applicant(s) for the subscription of our IPO Shares by way of Application Forms or Electronic Share Application or Internet Share Application

Application Form(s)	:	Printed application form(s) for the application of the IPO Shares accompanying this Prospectus
Application(s)	:	Application(s) for the IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
ATM(s)	:	Automated Teller Machine(s)
AY299	:	AY299 Holdings Sdn Bhd (Registration No. 201401006846 (908299-M))
Azman Yusof or **Offeror** or **Promoter**	:	Azman bin Yusof, the selling shareholder in the Offer for Sale
Baker Tilly or the **Auditors** or **Reporting Accountants**	:	Baker Tilly Monteiro Heng PLT (Registration No. 201906000600 (LLP0019411-LCA) (AF0117))
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of our Company
Bumiputera	:	In the context of: (i) individuals, Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies, a company which fulfils, among others, the following criteria or such other criteria as may be imposed by the MITI: (a) registered under the Act or CA 1965 as a private company; (b) its shareholders are 100.0% Bumiputera; and (c) its board of directors (including its staff) are at least 51.0% Bumiputera; and (iii) cooperatives, a cooperative whose shareholders or cooperative members are at least 95.0% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository or **Depository**	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CCC or **CF**	:	Certificate of completion and compliance or certificate of fitness for occupation or such certificate by any other name issued by the relevant authority or person under any by-laws made under it or such relevant legislation applicable at the material time
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account(s)	:	Account(s) established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
CIDB	:	A body corporate by the name of "Constitution Industry Development Board Malaysia" established pursuant to Section 3 of the CIDB Act

CIDB Act	:	Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of our Company
Cyberjaya Office	:	Our Group's head office with postal address of 13-G-01, Star Central @ Cyberjaya, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor
Depositor	:	A holder of a CDS Account
Director(s)	:	An executive director or a non-executive director of our Group and within the meaning given in Section 2 of the Act
DOSH	:	Department of Occupational Safety and Health, Ministry of Human Resources
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EIS	:	Employment Insurance System
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs
Electronic Share Application	:	Application for the IPO Shares through Participating Financial Institutions' ATM
Eligible Person(s)	:	Eligible Directors, employees and business associates of the Group including any other persons who have contributed to our success
EMSB Paka Operational Facilities	:	EMSB's office and workshop with postal address of PT 17659 – 17660 (Lot 71696 – 71697), Taman Industri Paka, 23100 Paka, Dungun, Terengganu
Enproserve Share(s) or **Share(s)**	:	Ordinary Share(s) in the Company
EOT	:	Extension of time
EPCC	:	Engineering, procurement, construction and commissioning
EPS	:	Earnings per Share
ETSB	:	Enprotrade Sdn Bhd (Registration No. 201301038466 (1068295-X))
Financial Years Under Review	:	Collectively, FYE 2021, FYE 2022, FYE 2023 and FYE 2024
FMV	:	FMV Integrated Services Sdn Bhd (*formerly known as Enproserve Integrated Services Sdn Bhd*) (Registration No. 201501029816 (1155138-P))
FYE(s)	:	Financial year(s) ended/ending 31 December, as the case may be
GP	:	Gross profit
Hydrodyne	:	Hydrodyne Service Co Ltd, a company incorporated under the laws of the Kingdom of Thailand with Juristic Person (Registration No. 0735541000789)

DEFINITIONS *(Cont'd)*

IFRS	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
IMR Report	:	Independent Market Research Report on the Oil and Gas Maintenance Industry in Malaysia prepared by Vital Factor as set out in Section 8 of this Prospectus
Internet Participating Financial Institutions or **Participating Securities Firms**	:	Participating financial institution(s) for the Internet Share Application, as listed in Section 15 of this Prospectus
Internet Share Application	:	Application for the IPO Shares through an online share application service provided by the Internet Participating Financial Institutions or Participating Securities Firms
IPO	:	Collectively, the initial public offering comprising the Public Issue and Offer for Sale
IPO Price	:	The issue/offer price of RM0.24 per IPO Share pursuant to the IPO
IPO Share(s)	:	Collectively, the Issue Share(s) and Offer Share(s)
Issue Share(s)	:	210,000,000 new Share(s) to be issued pursuant to the Public Issue
Issuing House or **Share Registrar**	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
KAF IB or the **Principal Adviser** or **Sponsor** or **Underwriter** or **Placement Agent**	:	KAF Investment Bank Berhad (Registration No. 197401003530 (20657-W))
Key Senior Management	:	The key senior management of our Company as set out in Section 5.5 of this Prospectus
Listing	:	Admission to the Official List and the listing of and quotation for our entire enlarged share capital on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made and enacted from time to time
Listing Scheme	:	Collectively, the Acquisitions, IPO, Share Transfer and the Listing
LPD	:	27 May 2025, being the latest practicable date prior to the registration of this Prospectus
M&R	:	Maintenance and Repair
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day(s)	:	Any day(s) between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities, which may include a Surprise Holiday
MBMB	:	Majlis Bandaraya Melaka Bersejarah, a city council in Melaka
MBPG	:	Majlis Bandaraya Pasir Gudang, a city council in Johor

MCCG	:	Malaysian Code on Corporate Governance which came into effect on 28 April 2021
Melaka Operational Facilities	:	EMSB's office and workshop with postal address of Lot 3686, Jalan PBR1, Kawasan Perindustrian Bukit Rambai, 75250 Melaka
MFRS	:	Malaysian Financial Reporting Standards
MIDA	:	Malaysian Investment Development Authority
MITI	:	Ministry of Investment, Trade and Industry of Malaysia
MOF	:	Ministry of Finance
MPD	:	Majlis Perbandaran Dungun, a municipal council in Terengganu
MPP	::	Majlis Perbandaran Pengerang, a municipal council in Johor
MPS	:	Majlis Perbandaran Sepang, a municipal council in Selangor
MyIPO	:	Intellectual Property Corporation of Malaysia
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
Nurini binti Kassim	:	Karwinda Nurini binti Kassim
O&G	:	Oil and Gas
Offer for Sale	:	Offer for sale of 105,000,000 Offer Share(s) by the Offeror at the IPO Price to selected investors
Offer Share(s)	:	105,000,000 existing Share(s) to be offered by the Offeror pursuant to the Offer for Sale
Official List	:	A list specifying all securities listed on the ACE Market
OPU(s)	:	Operating Unit(s)
Participating Financial Institutions	:	The participating financial institution(s) for the Electronic Share Application, as listed in Section 15 of this Prospectus
Participating Securities Firms		The participating securities firm(s) for the Internet Share Application, as listed in Section 15 of this Prospectus
Pasir Gudang Operational Facilities	:	EMSB's office and workshop with postal address of PLO 819N Jalan Platinum 4, Kawasan Perindustrian Pasir Gudang (Zon 12B), 81700 Pasir Gudang, Johor
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price-to-earnings multiple
Pengerang Office	:	EMSB's office with postal address of Block M-G-15 & 1-15 Jalan Rengit 3, Pusat Perdagangan Rapid Pengerang, 81600 Kota Tinggi, Johor

PETRONAS	:	Petroliam Nasional Berhad (Registration No. 197401002911 (20076-K))
PETRONAS Group	:	Includes wholly-owned and partially owned subsidiaries of PETRONAS, details of which are set out in Note (3) of Section 7.12 of this Prospectus
Pink Form Allocation	:	Allocation of 18,316,000 Issue Shares to the Eligible Persons, which forms part of the Public Issue
PRefChem	:	Collectively, Pengerang Refining Company Sdn Bhd and Pengerang Petrochemical Company Sdn Bhd, which are two joint ventures formed between PETRONAS and Saudi Arabian Oil Company, the national oil company of Saudi Arabia
Prospectus	:	This Prospectus dated 26 June 2025 in relation to our IPO
Public Issue	:	Public issue of 210,000,000 Issue Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
RBPS Paka Operational Facilities	:	RBPS' office and workshop with postal address of PT17681A (Lot 71718), Taman Industri Paka, 23100 Paka, Dungun, Terengganu
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Representative	:	A proxy, attorney, or corporate representative appointed by the shareholder under the instrument of proxy or certificate of appointment of corporate representative or power of attorney
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Share Transfer	:	Transfer of 630,000,000 Shares held by Azman Yusof to 299 Global during the prescription period
SICDA	:	Securities Industry (Central Depositories) Act 1991
Specified Shareholder	:	Collectively, Azman Yusof and 299 Global
Surprise Holiday	:	A day that is declared as a public holiday in the Federal Territories of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
TA4MS	:	Turnaround Main Mechanical and Maintenance Mechanical Static
TNN Global	:	TNN Global Sdn Bhd *(formerly known as Enproniaga Sdn Bhd)* (Registration No. 201301041906 (1071731-T)
UK	:	United Kingdom of Great Britain and Northern Ireland
Underwriting Agreement	:	The underwriting agreement dated 29 May 2025 entered into between our Company and the Underwriter pursuant to the IPO
USA	:	United States of America
Vital Factor or **Independent Business and Market Research Consultants**	:	Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T))

WBT or **Solicitors**	:	Wong Beh & Toh

CUSTOMERS AND SUPPLIERS

These major customers and major suppliers have not given their consents for their names to be disclosed in the Prospectus. As such, the identities of the following major customers and major suppliers are not disclosed.

Customer A Group	:	Customer A Group comprising Customer A1, a company that is involved in the provision of EPCC services with operations in Malaysia, and Customer A2, a company that is involved in the provision of EPCC services, and provision of plant turnaround and specialist maintenance work with operations in Malaysia. Both Customer A1 and Customer A2 are subsidiaries of a company that is listed on the Main Market of Bursa Securities, and with head office in Malaysia
Customer B	:	Customer B is a privately owned company that is principally a general and maintenance contractor with operations in Malaysia
Customer C	:	Customer C is a private company that is principally involved in the operation, management and maintenance of terminal facilities in Malaysia. It is a subsidiary of a privately owned company that is involved in port activities.
Customer D	:	Customer D is principally involved in the processing of chemical products with operations in Malaysia. It is a subsidiary of a public listed company on the Main Market of Bursa Securities. Its ultimate holding company is a non-listed public company that is involved in the exploitation of O&G, and marketing of petroleum and petroleum products with head office in Malaysia.
Customer E	:	Customer E is principally involved in the marketing of petroleum products with operations in Malaysia. It is a public listed company on the Main Market of Bursa Securities, and it is a subsidiary of a non-listed public company that is involved in the exploitation of O&G, and marketing of petroleum and petroleum products with head office in Malaysia.
Customer F	:	Customer F is principally involved in the marine repair and conversion O&G engineering and construction works. It is a subsidiary of a public listed company on the Main Market of Bursa Securities. Its ultimate holding company is a non-listed public company involved in the exploitation of O&G, and marketing of petroleum and petroleum products with head office in Malaysia.
Customer G	:	Customer G is principally involved in the provision of tank terminal storage facilities for petroleum and petrochemical products. It is a joint venture with several key shareholders, including a utilities, facilities and infrastructure provider, an investment holding company, an owner and operator of O&G terminals, and the state government of Johor.
Customer H	:	Customer H is principally involved in the development, construction and supply of utilities, facilities, and infrastructure, and any other activities related to utilities shared, common utilities and infrastructure within the Pengerang Integrated Complex in Pengerang, Johor. Its ultimate holding company is a non-listed public company that is involved in the exploitation of O&G, and the marketing of petroleum and petroleum products with head office in Malaysia.

Customer I	:	Customer I is principally involved in the exploitation of O&G and the marketing of petroleum and petroleum products, with its head office in Malaysia. It is a non-listed public limited company wholly owned by the Malaysian government.
Supplier A	:	Supplier A is a privately owned company that is principally involved in the provision of engineering and maintenance services, supply of skilled labour, and manufacture of engineering components and consumables with operations in Malaysia
Supplier B	:	Supplier B is principally involved in the supply of engineering products and systems, including comprehensive integrated automation, provision of services, manufacturing and installation of electrical engineering products and systems. It is a subsidiary of a Swedish multinational electrical engineering corporation headquartered in Zurich, Switzerland listed on the SIX Swiss Exchange in Zurich and the Nasdaq Nordic exchange in Stockholm, Sweden.
Supplier C	:	Supplier C is a privately owned company that is principally involved in the rental of cranes, lifting and installation of plant's equipment, transportation, and project logistics for O&G industry, power industry and construction industry with operations in Malaysia.

CURRENCIES AND UNITS

RM and **sen**	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
sq m	:	Square meter

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GLOSSARY OF TECHNICAL TERMS

The technical abbreviations and their meanings used throughout this Prospectus in connection with the Group's business may not correspond to the standard industry meanings or usage of these terms. The following definitions shall apply throughout this Prospectus unless the term is defined otherwise or the context otherwise requires:

Boiler	:	A type of fired pressure vessel designed to generate steam
Built environment	:	It refers to human-made surroundings that provide spaces for living, working, leisure, and social and community interactions. It encompasses buildings, infrastructure, amenities, facilities and open spaces around these elements. In the context of this Prospectus, built environment refers to the premises within an industrial complex of facility
Columns	:	In the oil, gas and petrochemical industry, a column refers to a tall vertical vessel used to separate components of crude oil, natural gas and other petrochemical products through a separation process based on the components' boiling point differences to produce component products like propane, butane, gasoline, diesel, and various petrochemical feedstocks
Comprehensive maintenance	:	In the context of this Prospectus, it refers to the provision of M&R services for static equipment and structures of a manufacturing or processing plant comprising preventive (scheduled or routine) and corrective (ad hoc or emergency) maintenance
Corrective maintenance	:	Refers to M&R carried out in response to their breakdown and to return them to service as quickly as possible. It also includes faults discovered which require prompt attention before they escalate to major problems or breakdowns. By its nature, corrective maintenance is an ad hoc or emergency service that is not carried out according to schedule
Defect liability period (DLP)	:	It is a warranty period where a contractor is required to repair or make good defects at their own cost and expenses for defects in the work performed
Dye penetration test	:	It is an NDT technique used to detect breaks in surfaces such as cracks, porosity, leaks and unintended openings in the materials being examined. It uses a coloured or florescent liquid applied to the area to be examined such as a welded area. Any defects will be made visible through this test
Facility management or FM	:	In the context of this Prospectus, it refers to the M&R of facilities within government office and residential premises focusing on the technical and physical aspects of the built environment. This involves maintenance and management of the building's infrastructure and systems including the maintenance and repair of building and civil structures, mechanical systems, electrical systems, and landscaping works. In some cases, it also includes cleaning and janitorial services, pest control services, and energy efficiency management of mechanical and electrical systems
Fired pressure vessel	:	A specific type of pressure vessel that uses an external heat source to heat and maintain a contained liquid or gas at high pressure and temperature. A boiler is a special type of fired pressure vessel that heats water to produce steam
Flanges	:	It refers to pipe flanges used to provide a reliable and secure way to join pipes and piping connections piping sections, equipment nozzles, and valves. They are like bolted collars that securely join these elements, ensuring a leak-proof seal in a piping system
Glass-reinforced epoxy (GRE)	:	A type of composite material comprising glass fibres encased in an epoxy resin that binds the glass fibres to provide strengths to the material

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Heat exchanger : Static equipment designed to transfer heat between two fluids such as liquids, vapours or gasses at different temperatures. An example is heat in the atmosphere is transferred to a coil filled with water or some other fluids in the heat exchanger. Heat exchanges are used for both heating and cooling

Hydrostatic test : It is an NDT procedure that uses liquid, typically water applied to the vessel or pipe and pressurised to a predetermined level to identify any leaks or to determine the strength of the vessel or piping system

Long-term contracts : It refers to contracts with duration of two years or more

Machining work : Work carried out using a machine to remove unwanted materials from an object. Machining includes turning, milling and drilling. Turning is the process where the object rotates against a cutting tool to remove unwanted materials. Milling is the process of using rotating equipment to grind or remove unwanted materials from a stationary object. Drilling is the process of using a rotating cutting tool to create a hole in a material

Magnetic particle inspection : It is an NDT technique to detect surface and shallow subsurface defects in a magnetic material such as iron and steel, and other alloys of iron. The material undergoing the testing is firstly magnetised and then fine iron particles are applied to the surface of the test material. The iron particles are drawn to any defective areas providing a visible indication of the location and size of the defect

Mobile crane : It is a lifting equipment mounted on a vehicle to provide mobility. It is capable of lifting and transporting heavy objects

Non-destructive testing or NDT : In metal works, it refers to several techniques used to evaluate the properties and integrity of a material without causing any damage to the material itself. Some examples of NDT include dye penetrant, magnetic particle, ultrasonic, and radiography tests. NDT is commonly used to assess, among others, welding to ensure integrity

Plant turnaround : A planned and scheduled period where the entire plant or a significant section of a plant is shut down for inspection, M&R, and in some cases upgrade

Pressure vessel : It is a closed container designed to hold gases or liquids at a pressure substantially different from the ambient pressure. These vessels come in various shapes, most commonly cylindrical or spherical, and are typically made from high-strength materials like steel or composite materials to withstand internal pressure

Preventive maintenance : Preventive maintenance is designed to avoid machinery and equipment breakdowns, and is not carried out in response to breakdown. It is carried out according to schedule, relatively frequently and does not require extended shutdown of the machinery and equipment

Process piping : Process piping is a network of interconnected pipes, valves, fittings, instruments, and other components designed to transport, mix, separate, control flow, and regulate the pressure and temperature of fluids (gases, liquids, or slurries) within a manufacturing or processing plant. The specific materials used for the piping system depend on the type of fluid, pressure, and temperature requirements.

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Reactor : A reactor is a specialised closed vessel designed to initiate, control, and sustain a chemical reaction. Reactors come in various shapes and sizes and are typically constructed from materials that can withstand the reaction conditions (temperature, pressure, and chemical compatibility). The reactor provides an environment for the input materials (reactants) to transform into the desired products

Refractory : A special type of non-metallic material that is resistant to high temperatures and exhibits strong chemical stability

Retrofit : It refers to the modification of an existing operational plant by adding, replacing, or upgrading devices, machines, equipment, or subsystems. The purpose of a retrofit is to improve the plant's functionality, safety, and efficiency, or to comply with new regulations

Rotating equipment : Refers to machinery, equipment and components that use an energy source to create rotational movement of parts to perform work. Examples of rotational equipment include gas and steam turbines, internal combustion engines, electric motors, compressors, pumps, gears and gearboxes, agitators, mixers, blowers and fans

Scaffolding : It is a temporary structure used to support workers and materials during the construction, repair, renovation, cleaning, or painting of buildings, large equipment or some other structures

Separator : In an O&G refineries and petrochemical plants, a separator is a large, typically cylindrical, pressure vessel used to separate a mixture of fluids (hydrocarbon and water) and sometimes even solids based on their physical properties such as boiling point, density, and difference in solubility

Sky lifts : It refers to a mobile platform designed to raise or lower workers or materials to and from a high place. The platform may have wheels or mounted on a vehicle to provide mobility

Static equipment : It refers to non-moving equipment and components used in various industrial processes, such as O&G, petrochemical, and refining facilities. These components are designed to contain, process, separate, and transport fluids. Examples of static equipment include pressure vessels, heat exchangers, piping, storage tanks, and instrumentation

SWEC : Standardised Work and Equipment Categories

Ultrasonic inspection/test : It is an NDT technique to detect internal flaws, measure material thickness, and characterise the properties of various materials. It uses high-frequency sound waves to penetrate and bounce off the object under examination and analyse the way these waves interact with the material. The ultrasonic inspection can detect cracks, voids, foreign materials and imperfections in the material under examination

Unfired pressure vessel : It is a closed container designed to hold gases or liquids at a pressure substantially different from the ambient pressure. These vessels come in various shapes, most commonly cylindrical or spherical, and are typically made from high-strength materials like steel or composite material to withstand internal pressure. Unfired pressure vessels are those which are not exposed to any form of combustion

Uninterrupted power system or UPS : A system provides temporary power when the main power source fails

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Valve	:	It is a mechanical device used to control the flow, pressure and temperature of fluids within a piping system. It acts to regulate the start, stop, direction, and volume of fluid flow

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Address	Nationality
Datuk Hashim bin Majid (M)	Non-Independent Non-Executive Chairman	8146-C, Batu 8, Kampung Gaffar Baba, 76400 Tanjung Kling, Melaka	Malaysian
Azman Yusof (M)	Group Managing Director	No. 1, Jalan Equine 7/1E, Villa Heights, Taman Equine, 43300 Seri Kembangan, Selangor	Malaysian
Dato' Wan Asmadi bin Wan Ahmad (M)	Independent Non-Executive Director	No. 121, Jalan USJ 3D/6, 47610 Subang Jaya, Selangor	Malaysian
Nurini binti Kassim (F)	Independent Non-Executive Director	1, Jalan Setiajaya, Bukit Damansara, 50490 Kuala Lumpur	Malaysian
Rozainah binti Baharuddin (F)	Independent Non-Executive Director	No. 3, Lorong 14/37D, 46100, Petaling Jaya, Selangor	Malaysian

(M) = Male *(F) = Female*

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1. CORPORATE DIRECTORY *(Cont'd)*

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Rozainah binti Baharuddin	Chairperson	Independent Non-Executive Director
Nurini binti Kassim	Member	Independent Non-Executive Director
Dato' Wan Asmadi bin Wan Ahmad	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Dato' Wan Asmadi bin Wan Ahmad	Chairman	Independent Non-Executive Director
Nurini binti Kassim	Member	Independent Non-Executive Director
Rozainah binti Baharuddin	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Nurini binti Kassim	Chairperson	Independent Non-Executive Director
Dato' Wan Asmadi bin Wan Ahmad	Member	Independent Non-Executive Director
Rozainah binti Baharuddin	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	:	**Tan Lai Hong** Tricor Corporate Services Sdn Bhd Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Telephone No. : (03) 2783 9191 (ext 9220) Professional qualification : MAICSA 7057707 SSM Practicing Certificate No : 202008002309 **Ng Seng Hoo** Tricor Corporate Services Sdn Bhd Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Telephone No. : (03) 2783 9191 (ext 9148) Professional qualification : MAICSA 7068810 SSM Practicing Certificate No : 202008004089
REGISTERED OFFICE	:	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Telephone No. : (03) 2783 9191 Facsimile No. : (03) 2783 9111
HEAD OFFICE	:	13-G-01, Star Central @ Cyberjaya, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Telephone No. : (03) 8322 3636 Email : info@enproserve.com.my Website : www.enproserve.com.my
PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	:	**KAF Investment Bank Berhad** Level 13A, Menara IQ, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur

1. CORPORATE DIRECTORY *(Cont'd)*

REPORTING ACCOUNTANTS	:	**Baker Tilly Monteiro Heng PLT** Baker Tilly MH Tower, Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur. Partner-in- charge : Paul Tan Hong (Approval no.: 03459/11/2025 J) Professional qualification : Chartered Accountant of the MIA and Fellow Member of the Association of Chartered Certified Accountants (MIA membership no.: 40209)
SOLICITORS	:	**Wong Beh & Toh** Level 19, West Block, Wisma Golden Eagle Realty, 142-C, Jalan Ampang, 50450 Kuala Lumpur.
INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS	:	**Vital Factor Consulting Sdn Bhd** V Square @ PJ City Centre (VSQ), Block 6 Level 6, Jalan Utara, 46200 Petaling Jaya, Selangor, Malaysia. Person in-charge : Wooi Tan Qualification : • Master of Business Administration from the University of Technology, Sydney, Australia • Bachelor of Science from the University of New South Wales, Australia • Fellow of both the Australian Marketing Institute, and the Institute of Managers and Leaders, Australia *(Please refer to Section 8 of this Prospectus for the profile of the firm and signing director)*
ISSUING HOUSE AND SHARE REGISTRAR		**Tricor Investor & Issuing House Services Sdn Bhd** Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
LISTING SOUGHT	:	ACE Market
SHARIAH STATUS	:	Approved by Shariah Advisory Council of the SC

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2. APPROVALS AND CONDITIONS

2.1 APROVALS AND CONDITIONS

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 17 March 2025 ("**Approval Letter**"), approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital comprising 1,050,000,000 Shares on the ACE Market.

The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the specified shareholders to Bursa Depository: (a) Name of shareholders; (b) Number of Shares; and (c) Date of expiry of the moratorium for each block of Shares.	Complied.
2.	Confirmation that approvals from other relevant authorities have been obtained for implementation of the listing proposal.	Complied.
3.	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon.	To be complied.
4.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements.	To be complied.
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Enproserve on the first day of listing.	To be complied.
6.	In relation to the public offering to be undertaken by Enproserve, to announce at least 2 Market Days prior to the listing date, the result of the offering including the following: (a) Level of subscription of public balloting and placement; (b) Basis of allotment/allocation; (c) A table showing the distribution for placement tranche as per the format in Appendix I of the Approval Letter; and (d) Disclosure of placees who become substantial shareholders of Enproserve arising from the public offering, if any.	To be complied.
	KAF IB to ensure that the overall distribution of Enproserve's securities is properly carried out to mitigate any disorderly trading in the secondary market.	Noted.
7.	Enproserve/KAF IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Enproserve to the Official List of the ACE Market.	To be complied.

Bursa Securities had, vide the Approval Letter, approved the relief sought by our Company from complying with Rule 3.15(4) of the Listing Requirements. The details of the relief sought are as follows:

Reference	Details of relief granted
Rule 3.15(4) of the Listing Requirements	Relief from complying with the requirements in respect of placement of the IPO Shares under the private placement to selected investors to KAF Investment Funds Berhad, the person connected to the Placement Agent.

2.1.2 SC

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 19 March 2025, approved our application under the Bumiputera equity requirement. Enproserve is to make available at least 50% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing.

In addition, the Shariah Advisory Council of the SC had on 10 December 2024, classified our Shares as shariah-compliant securities based on our audited combined financial statement for FYE 2023.

2.2 MORATORIUM ON OUR SHARES

In accordance with Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of those Shares held by our Specified Shareholders as follows:

(i) the moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");

(ii) upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45.00% of the total number of issued ordinary shares remain under moratorium for a further 6 months ("**Second 6-Month Moratorium**"); and

(iii) on the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of one third (1/3) per annum (on a straight-line basis) those Shares held under moratorium.

The details of the Specified Shareholders and their Shares which will be held under moratorium are set out below:

	Year 1				Year 2		Year 3	
	First 6-Month Moratorium		Second 6-Month Moratorium		Moratorium shares		Moratorium shares	
	No. of Shares	[(1)]%	No. of Shares	[(1)]%	No. of Shares	[(1)]%	No. of Shares	[(1)]%
Azman Yusof	105,000,000	10.00	67,500,000	6.43	45,000,000	4.29	22,500,000	2.14
299 Global	630,000,000	60.00	405,000,000	38.57	270,000,000	25.71	135,000,000	12.86
	735,000,000	**70.00**	**472,500,000**	**45.00**	**315,000,000**	**30.00**	**157,500,000**	**15.00**

Note:

(1) Based on the enlarged issued share capital of 1,050,000,000 Shares after our IPO.

2. APPROVALS AND CONDITIONS *(Cont'd)*

The abovementioned moratorium has been fully accepted by the Specified Shareholders who have provided their respective written undertaking that they will not sell, transfer or assign their entire shareholdings in the Company during under moratorium under the moratorium period.

In accordance with Rule 3.19(2) of the Listing Requirements, where the Specified Shareholder is an unlisted corporation, all shareholders of the unlisted corporation must give undertakings to Bursa Securities that they will not sell, transfer or assign their shares in the unlisted corporation during the moratorium period. Pursuant thereto, Azman Yusof has also provided written undertaking that he will not sell, transfer or assign his shareholdings in 299 Global during the moratorium period.

The moratorium, which is fully accepted by the Specified Shareholders, is specially endorsed on their share certificates representing their shareholdings, which are under moratorium to ensure that our Share Registrar will not register any transfer and sale that are not in compliance with the aforesaid restriction imposed.

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3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

3.1 PRINCIPAL DETAILS OF OUR IPO

The principal statistics of our IPO is as follows:

Number of new Shares to be issued under the Public Issue	
- *Malaysian Public via balloting*	*52,500,000*
- *Eligible Persons*	*18,316,000*
- *Private placement to selected investors*	*139,184,000*
	210,000,000
Number of Shares to be offered under the Offer for Sale	105,000,000
Enlarged number of Shares after the IPO	1,050,000,000
IPO Price per Share (RM)	0.24
Market capitalisation (RM) *(calculated based on the IPO Price and enlarged issued share capital of 1,050,000,000 Shares upon Listing)*	252,000,000
Gross proceeds from the Public Issue (RM)	50,400,000
Gross proceeds from the Offer for Sale (RM)	25,200,000

Please refer to Section 4.3 of this Prospectus for further details of our IPO.

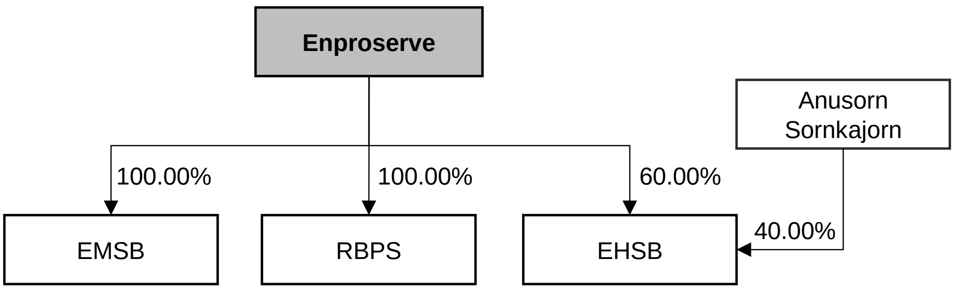
In compliance with Rule 3.19(1) of the Listing Requirements, our Specified Shareholders' entire shareholdings after the IPO will be held under moratorium for 6 months from the date of our Listing. Thereafter, our Specified Shareholders' shareholdings amounting to 45.00% of our total enlarged issued Shares will remain under moratorium for another 6 months. Our Specified Shareholders may sell, transfer or assign up to a maximum of one third (1/3) per year (on a straight-line basis) of its Shares held under moratorium upon expiry of the second 6-month period. Please refer to Section 2.2 of this Prospectus for further details of the moratorium on our Shares.

3.2 BACKGROUND AND OVERVIEW

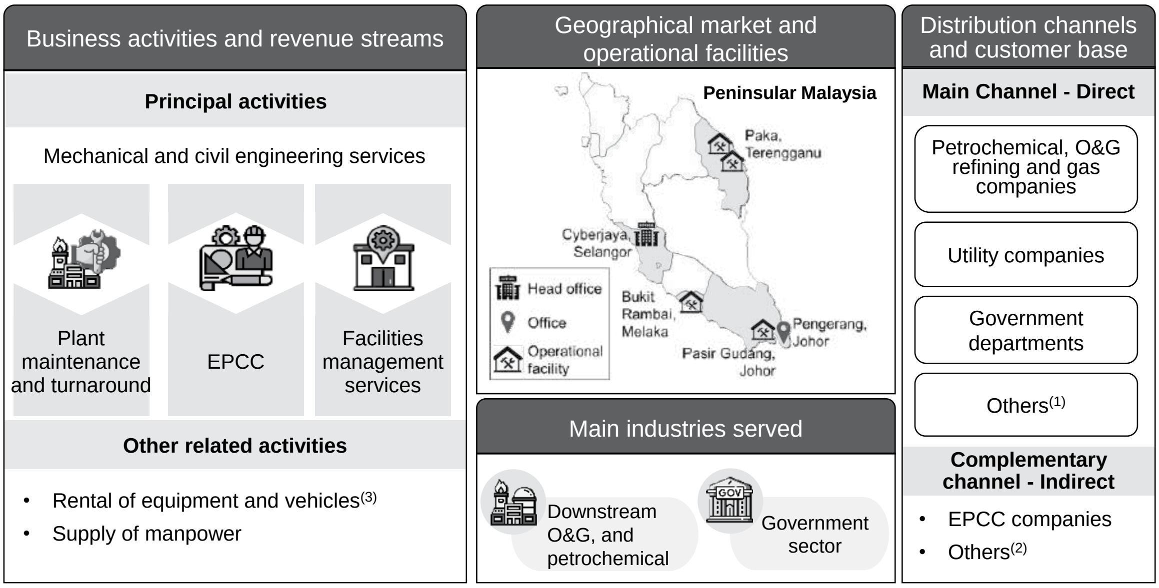
Our Company was incorporated in Malaysia under the Act on 16 August 2024 as a private limited company under the name of Enproserve Group Sdn Bhd. On 14 November 2024, it was converted into a public limited company and assumed our present name.

Our Company is an investment holding company and was incorporated to facilitate our Listing on Bursa Securities. Through our Subsidiaries, we are a mechanical and civil engineering services provider focusing on providing plant maintenance and turnaround services, EPCC, as well as FM services. We also provide other related activities including the rental of equipment and vehicles, and supply of manpower.

As at the date of this Prospectus, our Group structure including our Subsidiaries is as follows:



Our business model is depicted in the following diagram:



Notes:

(1) Other direct customers include mainly terminal facility providers, as well as manufacturers of pigments and additives, and other products.

(2) Other indirect customers include mainly construction companies, plant maintenance service providers and engineering companies.

(3) In some situations, the rental of equipment and vehicles includes licensed operators.

Further details of our principal activities and products are set out in Section 7.1 of this Prospectus.

3.3 COMPETITIVE ADVANTANGES AND KEY STRENGTHS

Our Group's competitive advantages and key strengths include the following:

(i) We have an established track record that spans approximately 24 years since the commencement of our business operations in 2001 providing pipe maintenance and fabrication services. Since then, we have secured various types of plant maintenance and turnaround, and EPCC projects enlarging our experience and track record to help us win new jobs.

(ii) We have recurrent revenue streams that provide us with a reliable cash flow, supplemented by master unit rate contracts with issued purchase orders to complement our fixed lump sum revenue. Our recurrent revenue and master unit rates with issuance of purchase orders revenue accounted for 97.04%, 89.57%, 86.01%, and 86.61% for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024, respectively, of our revenue segmentation by types of contracts.

(iii) We serve some of the largest operators in the O&G and petrochemical industry in Malaysia namely PETRONAS Group and PRefChem. Our 16-year track record of serving PETRONAS Group and 6-year track record serving PRefChem, as at the LPD, stands as a testament to our ability to deliver services that meet their needs and quality standards. These references will serve as the platform for securing new contracts from both new and existing customers, facilitating the sustainability and growth of our business.

(iv) We have valid PETRONAS licences and registrations for the relevant SWEC codes that enable us to provide services to the downstream sector O&G industry in Malaysia.

(v) We have an experienced management team headed by our Group Managing Director, Azman Yusof who brings with him approximately 31 years of experience in the O&G industry. As the director of our Group, Azman Yusof have been instrumental in the growth and development of our Group. He is supported by our key senior management team, namely Mohd Nizam bin Yaakub, our Chief Executive Officer, Hakimi bin Bahador, our Turnaround Director and Lim Kok Siong, our Chief Financial Officer.

Further details of our competitive strengths are set out in Section 7.3 of this Prospectus.

3.4 BUSINESS STRATEGIES AND PLANS

Our Group's business strategies and plans are summarised as follows:

(i) We intend to purchase new machinery, equipment and vehicles to support our plant maintenance and turnaround services. As at the LPD, we have 19 ongoing contracts to provide plant maintenance and turnaround services for various plant and facilities in Johor, Melaka, Terengganu, and Pahang. These long-term maintenance contracts are currently valid up to between 2024 and 2029 where some contracts have extension options. Furthermore, as we had carried out the plant turnaround integrated planning for a refinery complex in 2023, moving forward, we are expecting to receive additional work orders for plant turnaround works at the said plant and facilities within PETRONAS' Pengerang Integrated Complex in Pengerang, Johor. Therefore, the new machinery, equipment, and vehicles will be required to support these additional works.

(ii) In September 2023, we secured seven (7) new long-term contracts from PETRONAS Group of companies to provide rental of lifting equipment and vehicles. The scope of this contract includes the supply of mobile cranes, crawler cranes, sky lifts, forklifts, lorries, trailers and low loaders of various types, models and tonnage for day-to-day plant maintenance, various projects, turnaround, and emergency shutdown activities at process and non-process areas. These contracts are for 3 years from 2023 to 2026 with an option to extend for another 2 years. Since securing the long-term rental contract, we have been expanding our fleet of cranes between 1 July 2024 up to the LPD with the purchase of 21 units of mobile cranes totalling RM34.50 million comprising 5 units of 25-tonnes cranes, 4 units of 50-tonnes cranes, 4 units of 60-tonnes cranes, 1 unit of 65-tonnes crane, 1 unit of 120-tonnes crane, 4 units of 200-tonnes cranes, 1 unit of 450-tonnes crane and 1 unit of 650-tonnes cranes. As at the LPD, we own 24 units of mobile cranes in total. We plan to establish a crane depot facility in Paka, Terengganu to provide a dedicated space for the maintenance, repair, and temporary storage of our cranes before their deployment to customers' sites. We also intend to purchase 2 units of 65-tonnes mobile cranes, a 200-tonnes mobile crane and a 500-tonnes mobile crane and 4 units of low loaders to support our rental business segment by fourth quarter of 2025.

Further details of our business strategies and plans are set out in Section 7.14 of this Prospectus.

3.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations (which may occur either individually or in combination, at the same time or around the same time) that may have a significant impact on our future financial performance. The following are the key risks and investment considerations that we are currently facing or that may develop in the future:

(i) For the Financial Years Under Review, we are dependent on PETRONAS Group and PRefChem as our major customers based on their historical revenue contribution where each of these customer groups represented more than 30.00% of our total revenue. Although we have an established 16-year business relationship with PETRONAS Group and a 6-year business relationship with PRefChem, and have not encountered any major disputes with them, there is no assurance that we can maintain the business relationship, continue to secure purchase/release orders for our master unit rate and future contracts, or obtain prompt payments from PETRONAS Group and/or PRefChem.

(ii) Our subsisting long-term maintenance and rental contracts which are based on unit rates do not assure future revenue. These contracts do not oblige our customers to place purchase/release orders with us. In this respect, these unit rate contracts do not provide any assurance of future revenue as there is no guarantee that the customer will issue purchase/release orders during the validity period of the contract.

(iii) We are dependent on PETRONAS licences and we are required to comply with SWEC Requirements. We face the risk that our PETRONAS licences may not be renewed, revoked, suspended or blacklisted if we fail to fulfil any conditions, general guidelines or minimum technical requirements set by PETRONAS or if we fail to meet our SWEC requirements. If we do not have a valid PETRONAS licences and the relevant SWEC codes, we will not be able to bid for new contracts from PETRONAS Group and PRefChem, which will adversely affect our business operations and financial performance.

(iv) Our business is subject to various laws, rules, and regulations. In the event of non-compliance, these licences, registrations, permits and/or approvals may be revoked or may not be renewed upon expiry. Similarly, any breach of these conditions, laws and regulations can result in penalties, fines, potential prosecution against us and/or our directors, restrictions on operations and/or remedial liabilities, any one or all of which may negatively affect our business and financial performance.

(v) We engage subcontractors to perform certain works including, among others, scaffolding works, blasting and painting works, refractory works, manpower supply, catalyst change out, and insulation works. We are exposed to the risks associated with poor, late or non-performance by our subcontractors, which could tarnish our reputation and potentially lead to punitive actions from our customers and/or relevant authorities.

(vi) We are dependent on the skilled manpower supply and any shortages may interrupt our business operations. Although we have access to a large pool of skilled manpower, there is no guarantee that we will continue to have access to the necessary skilled workforce. Shortages in skilled manpower, whether in the form of potential employees or subcontractors, difficulties in training and retaining current staff, or challenges in replacing lost skilled personnel could negatively impact the quality and timely delivery of our projects. This, in turn, could harm our reputation, disrupt our business operations, and affect our financial performance.

(vii) We may face unanticipated increases in costs for our plant maintenance and turnaround services, EPCC and FM contracts. In the event where our Group is unable to successfully renegotiate for increases to the unit rates, then we will have to bear the increase in cost in relation to the unit rate contracts, in turn lowering our profits margins for the said contract.

(viii) Our business operations involve health and safety risks. Failure to ensure the health and safety of our workers or subcontractors' workers, including complying to worksite safety requirements, may result in workplace accidents or other incidents. While we take all precautions and practice prudent workplace health and safety procedures, there can be no assurance that we will not encounter workplace safety and health incidences that may adversely affect our business operations and financial performance.

(ix) We are exposed to the risk of defect liability claims from our customers. In the event we fail to repair, rectify, and make good any defects, our customer is entitled to claim against our bank guarantee to recover the cost of remedying the defective works or may take legal action against us for our breach.

(x) We are dependent on our Group Managing Director and Key Senior Management for continued success and the loss of their continued service may affect our business operations. The loss of services from any of our Group Managing Director and/or Key Senior Management, and our subsequent inability to recruit suitable replacements promptly, may adversely affect our business operations and financial performance as well as our continuing ability to compete effectively in the industry.

(xi) We are exposed to operational risks including accidents at the customers' plant and facilities as well as physical damages to our properties, machinery, equipment and vehicles. While we have insurance coverage for various aspects of our business, there is no assurance that it is sufficient to cover all the losses, damages or liabilities that we may suffer in the course of our business operations.

(xii) We are subject to the risks of dependency on the O&G industry. Although the provision of plant maintenance and turnaround services is regarded as critical in extending the life of a plant's assets, there is no certainty that our financial performance or prospects of our business would not be materially affected by the risks relating to the O&G industry in Malaysia.

(xiii) We face competition from other operators within the O&G maintenance industry that offer similar services. We may also face competition from new entrants to the industry from time to time. There can be no assurance that we will continue to remain competitive against existing and prospective competitors. Consequently, there can be no assurance that our existing customers will continue to issue purchase/release orders to us in the future. Failure to remain competitive, adapt quickly to changing market conditions and trends, and ability to secure new purchase orders will have an adverse effect on our future business and financial performance.

(xiv) We are subject to political, economic, social, market and regulatory considerations and the occurrence of force majeure events. Some of our customers, as well as addressable customer groups, are dependent on global demand for their products and events that directly or indirectly affect their business operations and financial conditions. As such, our business prospects are also directly and indirectly affected by global events such as, among others, geopolitical events, financial crises, trade conflicts and sanctions, technological changes and shifts in industrial, business and consumer trends and behaviour.

Please refer to Section 9 of this Prospectus for further details and the full list of risk factors which should be considered before investing in our Shares.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors are as follows:

Name	Designation
Datuk Hashim bin Majid	Non-Independent Non-Executive Chairman
Azman Yusof	Group Managing Director
Nurini binti Kassim	Independent Non-Executive Director
Rozainah binti Baharuddin	Independent Non-Executive Director
Dato' Wan Asmadi bin Wan Ahmad	Independent Non-Executive Director

Our Key Senior Management is as follows:

Name	Designation
Mohd Nizam bin Yaakub	Chief Executive Officer
Hakimi bin Bahador	Turnaround Director
Lim Kok Siong	Chief Financial Officer

Please refer to Section 5 of this Prospectus for details on our Directors and Key Senior Management.

3.7 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoter and substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

		Before our IPO / After the Acquisitions				After our IPO and Share Transfer			
		Direct		Indirect		Direct		Indirect	
	Nationality	No. of Shares	(1)(%)	No. of Shares	(1)(%)	No. of Shares	(2)(%)	No. of Shares	(2)(%)
Promoter and substantial shareholder									
Azman Yusof	Malaysian	840,000,000	100.00	-	-	105,000,000	10.00	(3)630,000,000	60.00
Substantial Shareholder									
299 Global(4)	Malaysia	-	-	-	-	630,000,000	60.00	-	-

Notes:

(1) Based on our issued share capital of 840,000,000 Shares after the Acquisitions but before our IPO.

(2) Based on our enlarged issued share capital of 1,050,000,000 Shares after our IPO and Share Transfer.

(3) Deemed interested by virtue of his shareholding in 299 Global pursuant to Section 8(4) of the Act.

(4) Azman Yusof is the sole shareholder of 299 Global.

Further details on our Promoter and substantial shareholders are disclosed in Section 5.1.3 of this Prospectus.

3.8 UTILISATION OF PROCEEDS

Based on the IPO Price, the gross proceeds from the Public Issue amounting to RM50.40 million are intended to be used in the following manner:

Purposes	Estimated timeframe for use from the date of our Listing	RM'000	%
Capital expenditure	**Within 24 months**	**23,675**	**46.97**
(a) *Purchase of new machinery, equipment and vehicles*	*Within 24 months*	*9,160*	*18.17*
(b) *Purchase of new lorries and mobile crane*	*Within 24 months*	*9,015*	*17.89*
(c) *Setting up crane depot facility*	*Within 24 months*	*5,500*	*10.91*
Repayment of bank borrowings	**Within 6 months**	**11,650**	**23.12**
Working capital	**Within 12 months**	**10,045**	**19.93**
Estimated listing expenses	**Immediate**	**5,030**	**9.98**
		50,400	**100.00**

The Offer for Sale is expected to raise gross proceeds of approximately RM25.20 million, which will accrue entirely to our Offeror and we will not receive any of the proceeds. Further details on the utilisation of proceeds are set out in Section 4.7 of this Prospectus.

3.9 FINANCIAL HIGHLIGHTS

3.9.1 Combined statements of comprehensive income

The summary of our combined statements of comprehensive income for the Financial Years Under Review is as follows:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	70,650	118,275	163,837	198,409
GP	17,578	26,347	40,263	60,128
PBT	3,202	7,925	17,134	28,738
PAT attributable to owners of the Company	2,126	5,392	12,201	20,218
GP margin (%)[(1)]	24.88	22.28	24.58	30.31
PBT margin (%)[(2)]	4.53	6.70	10.46	14.48
PAT margin (%)[(3)]	3.01	4.59	7.52	10.65
Basic/Diluted EPS (sen)[(4)]	0.20	0.51	1.16	1.93

Notes:

(1) Computed based on GP divided by revenue.

(2) Computed based on PBT divided by revenue.

(3) Computed based on PAT divided by revenue.

(4) Computed based on PAT attributable to owners of the Company divided by the issued share capital of 1,050,000,000 Shares after our IPO. There are no potential dilutive securities in issue during the respective Financial Years Under Review.

Our audited combined financial statement for the Financial Years Under Review were not subject to any audit qualifications.

Please refer to Sections 12 and 13 of this Prospectus for further details of our financial information.

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3.9.2 Combined statement of financial position

The following table sets out our Group's historical combined statements of financial position as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024:

	Audited			
	As at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	10,125	11,058	9,760	53,440
Right-of-use assets	24,664	24,037	24,235	24,798
Trade and other receivables	-	569	1,379	2,142
Total non-current assets	**34,789**	**35,664**	**35,374**	**80,380**
Current assets				
Trade and other receivables	14,938	17,684	18,320	27,001
Contract assets	4,763	9,623	16,784	37,535
Cash and short-term deposits	12,056	16,753	23,222	16,001
Current tax assets	56	59	38	-
Total current assets	**31,813**	**44,119**	**58,364**	**80,537**
Total assets	**66,602**	**79,783**	**93,738**	**160,917**
EQUITY AND LIABILITIES				
Invested equity	12,800	12,800	12,800	12,800
Retained profits	14,209	19,601	29,802	45,020
	27,009	**32,401**	**42,602**	**57,820**
Non-controlling interests	195	228	351	1,258
Total equity	**27,204**	**32,629**	**42,953**	**59,078**
Non-current liabilities				
Loans and borrowings	13,189	13,688	11,540	41,336
Lease liabilities	64	16	433	614
Deferred tax liabilities	805	883	1,032	2,127
Total non-current liabilities	**14,058**	**14,587**	**13,005**	**44,077**
Current liabilities				
Trade and other payables	21,669	25,872	20,920	36,766
Loans and borrowings	1,656	5,229	8,946	17,014
Lease liabilities	103	92	382	494
Current tax liabilities	1,912	1,374	1,371	1,031
Contract liabilities	-	-	6,161	2,457
Total current liabilities	**25,340**	**32,567**	**37,780**	**57,762**
Total liabilities	**39,398**	**47,154**	**50,785**	**101,839**
Total equity and liabilities	**66,602**	**79,783**	**93,738**	**160,917**

Please refer to Sections 12 and 13 of this Prospectus for our detailed financial information.

3.10 OPERATIONAL HIGHLIGHT

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

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Plant maintenance and turnaround	**69,853**	**98.87**	**98,893**	**83.61**	**132,666**	**80.97**	**164,850**	**83.08**
- *Comprehensive maintenance*	*66,821*	*94.58*	*97,924*	*82.79*	*102,972*	*62.85*	*151,114*	*76.16*
- *Plant turnaround*	*3,032*	*4.29*	*969*	*0.82*	*29,694*	*18.12*	*13,736*	*6.92*
EPCC	**-**	**-**	**9,731**	**8.23**	**14,614**	**8.92**	**10,982**	**5.54**
FM services	**523**	**0.74**	**8,664**	**7.33**	**12,480**	**7.62**	**11,077**	**5.58**
Other related activities[(1)]	**274**	**0.39**	**987**	**0.83**	**4,077**	**2.49**	**11,500**	**5.80**
	70,650	**100.00**	**118,275**	**100.00**	**163,837**	**100.00**	**198,409**	**100.00**

Note:

(1) Includes rental of equipment and vehicles, and manpower supply.

3.11 DIVIDEND POLICY

Our Company does not have any formal dividend policy. Our ability to declare and pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our Subsidiaries, present and future. The payments of dividends by our Subsidiaries is dependent upon various factors, including but not limited to, their distributable profits, financial performance and cash flow requirements for operations and capital expenditures, as well as other factors that their respective boards of directors deem relevant.

The dividends declared and paid for the Financial Years Under Review are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Dividend declared	-	2,000	-	5,000
Dividend paid	-	-	(1)2,000	5,000
PAT	2,125	5,425	12,324	21,125
Dividend payout ratio (%)(2)	-	36.87	-	23.67

Notes:

(1) Dividends paid in FYE 2023 comprised the interim dividends amounting to RM1.50 million and RM0.50 million in respect of FYE 2022 which were paid out in FYE 2023.

(2) Computed based on the dividend declared divided by PAT.

During the Financial Years Under Review, all the dividends declared and paid were funded entirely by internally generated funds.

As at the LPD, there is no outstanding dividends declared but remained unpaid. Subsequent to the LPD, no dividend was declared, made or paid by our Group. Our Company has no intention to declare further dividends prior to the Listing.

Further details on our dividend policy are disclosed in Section 12.4 of this Prospectus.

4. PARTICULARS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION

The Application period will open at 10.00 a.m. on 26 June 2025 and will remain open until 5.00 p.m. on 8 July 2025. **Late applications will not be accepted**.

4.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative dates:

Events	Indicative Dates
Issue of Prospectus / Opening date for the Application	26 June 2025
Closing date of the Application	8 July 2025
Balloting of Applications	10 July 2025
Allotment / Transfer of IPO Shares to successful Applicants	17 July 2025
Listing on the ACE Market	18 July 2025

In the event where there is any change to the indicative timetable above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and will make the relevant announcements through Bursa Securities' website.

4.3 DETAILS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below.

4.3.1 Public Issue

Our Public Issue of 210,000,000 Issue Shares representing approximately 20.00% of our enlarged issued share capital, at the IPO Price will be made available in the following manner:

(i) Malaysian Public via Balloting

52,500,000 Issue Shares representing approximately 5.00% of our enlarged issued share capital will be made available for application by the Malaysian Public via balloting, of which at least 50.00% is to be set aside strictly for Bumiputera investors.

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(ii) Eligible Persons

18,316,000 Issue Shares representing approximately 1.74% of our enlarged issued share capital will be made available for subscription by our Eligible Persons, as indicated below, in recognition of their efforts and support to our Group.

Category	Number of Eligible Persons	Aggregate number of Pink Form Shares allocated
Eligible Directors[(1)]	4	3,500,000
Eligible directors and employees of our Group[(2)]	33	8,800,000
Business associates of our Group including any other persons who have contributed to our success[(3)]	15	6,016,000
		18,316,000

Notes:

(1) The number of Pink Form Shares to be allocated to our eligible Directors are as follows:

Eligible Directors	***Designation***	***Aggregate No. of Pink Form Shares***
Datuk Hashim bin Majid	*Non-Independent Non-Executive Chairman*	*875,000*
Dato' Wan Asmadi bin Wan Ahmad	*Independent Non-Executive Director*	*875,000*
Nurini binti Kassim	*Independent Non-Executive Director*	*875,000*
Rozainah binti Baharuddin	*Independent Non-Executive Director*	*875,000*
		3,500,000

The criteria for allocation to our eligible Directors are based on their respective roles and responsibilities as well as their anticipated contribution to our Group. The proposed allocation was further discussed with the respective directors on their intended subscription level.

(2) The criteria for allocation to our eligible directors and employees (as approved by our Board) are based on the following factors:

(i) The eligible director must be a director in our Subsidiaries;

(ii) The eligible employee must be a full-time and confirmed employees of at least 18 years of age and on the payroll of our Group; and

(iii) The number of Pink Form Shares allocated to our eligible directors and employees are based on their seniority, position, length of service and/or their respective contribution to our Group as well as other factors deemed relevant by our Board.

(3) A total of 6,016,000 Issue Shares have been allocated to persons who have contributed to our success which includes our customers, suppliers and other business associates. The number of Pink Form Shares allotted to them are based on, amongst others, the nature, terms and length of their business relationship with us as well as the level of contribution and support to the success of our Group.

(iii) Private Placement to selected investors

139,184,000 Issue Shares representing approximately 13.26% of our enlarged issued share capital will be made available by way of private placement to selected investors.

Upon completion of the Public Issue, our Group's existing issued share capital will increase from 840,000,000 Shares to 1,050,000,000 Shares.

4.3.2 Offer for Sale

Our Offeror will undertake an offer for sale of 105,000,000 Offer Shares, representing approximately 10.00% of our enlarged issued share capital, which will be made available by way of private placement to selected investors at the IPO Price.

Details of our Offeror is as follows:

			Before the IPO		Offer for Sale			After the IPO and Share Transfer			
								Direct		Indirect	
Offeror	Address	Position / Relationship with the Group for the past 3 years	No. of Shares	(1)%	No. of Shares	(1)%	(2)%	No. of Shares	(2)%	No. of Shares	(2)%
Azman Yusof	No. 1, Jalan Equine 7/1E, Villa Heights, Taman Equine, 43300 Seri Kembangan, Selangor	Promoter, substantial shareholder and Group Managing Director	840,000,000	100.00	105,000,000	12.50	10.00	105,000,000	10.00	(3)630,000,000	60.00

Notes:

(1) Based on our issued share capital of 840,000,000 Shares after the completion of the Acquisitions and as at the LPD.

(2) Based on our enlarged issued share capital of 1,050,000,000 Shares after our IPO and Share Transfer.

(3) Deemed interested by virtue of his shareholdings in 299 Global pursuant to Section 8(4) of the Act.

4.3.3 Share Transfer

During the prescription period (i.e. one (1) day after the issuance of the Prospectus up to a period of 30 days), Azman Yusof will transfer a total of 630,000,000 Shares, or 60.00% equity interest in Enproserve, to 299 Global in conjunction with the IPO, as follows:

Promoter	No. of Shares held after the IPO but before Share Transfer	%	No. of Shares to be transferred to 299 Global	No. of Shares held after Share Transfer	%
Azman Yusof	735,000,000	70.00	630,000,000	105,000,000	10.00

299 Global is an investment holding company, with sole purpose of holding Enproserve Shares for Azman Yusof pursuant to the Share Transfer. Azman Yusof is the sole director and sole shareholder of 299 Global. Please refer to Section 5.1.3 (ii) of this Prospectus for further details on 299 Global.

4.3.4 Allocation of the IPO Shares and Underwriting Arrangement

In summary, our IPO Shares will be allocated in the following manner:

	Public Issue		Offer for Sale		Total	
	No. of Shares	***%**	**No. of Shares**	***%**	**No. of Shares**	***%**
Malaysian Public (via balloting):						
(a) Bumiputera	26,250,000	2.50	-	-	26,250,000	2.50
(b) Non-Bumiputera	26,250,000	2.50	-	-	26,250,000	2.50
Eligible Persons	18,316,000	1.74	-	-	18,316,000	1.74
Private placement to selected investors	139,184,000	13.26	105,000,000	10.00	244,184,000	23.26
	210,000,000	**20.00**	**105,000,000**	**10.00**	**315,000,000**	**30.00**

Note:

* *Based on the enlarged issued share capital of 1,050,000,000 Shares after the IPO.*

52,500,000 Issue Shares made available to the Malaysian Public have been fully underwritten. In the event of an over-subscription, acceptance of Applications received from the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Board whilst in the event the Issue Shares are not subscribed for in full, these Shares will be made available for application by way of private placement to selected investors. Any remaining unsubscribed Issue Shares thereafter will be subscribed by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

18,316,000 Issue Shares made available to the Eligible Persons have been fully underwritten. Any Shares reserved under the Pink Form Allocation which are not taken up will be made available firstly, for subscription by other Eligible Persons, secondly, to the selected investors via private placement, thirdly, to the Malaysian Public to be allocated via balloting and finally, by our Underwriter pursuant to the terms of the Underwriting Agreement.

139,184,000 Issue Shares and 105,000,000 Offer Shares made available to selected investors through private placement are not underwritten. Irrevocable undertakings have been or will be obtained from the selected investors who subscribe for the IPO Shares by way of private placement. Any unsubscribed IPO Shares under this allocation will be made available for application by the Malaysian Public and/or offered to other selected investors via private placement, the proportion of which will be at the discretion of the Placement Agent and our Board.

The IPO Shares will be allocated in a fair and equitable manner and the basis of allocation for the IPO Shares shall take into account the desirability of distributing the IPO Shares to a reasonable number of applicants to broaden our shareholding base and to establish a liquid market for our Shares. The identified investors for the IPO Shares under the private placement will be selected in such manner as may be determined by the Placement Agent, in consultation with our Board, who has the absolute discretion to decide whether to accept or reject any placement application.

There is no minimum subscription amount to be raised from our IPO. The number of IPO Shares offered under the Public Issue will not be increased via any over-allotment or "greenshoe" option.

Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares held by at least 200 public shareholders, each holding not less than 100 Shares at the point of our Listing. If the above requirement is not met, we may not be able to proceed with our Listing. Please refer to Section 9 of this Prospectus for details in the event our Listing is delayed or aborted.

As at the LPD, to the extent known to our Company, none of our Directors, substantial shareholders or Key Senior Management has indicated to us that they intend to subscribe for our IPO Shares beyond their respective entitlements under the Pink Form Allocation and there are no person(s) who have indicated to us that they intend to subscribe for more than 5.00% of our IPO Shares.

4.4 BASIS OF ARRIVING AT THE IPO PRICE

Our IPO Price was determined and agreed upon by us and our Principal Adviser after taking into consideration the following factors:

(a) Our pro forma NA per share attributable to the owners of the Company of RM0.10 as at 31 December 2024 based on the enlarged issued share capital of 1,050,000,000 Shares, after our IPO and subsequent to the utilisation of proceeds from our Public Issue as set out in Section 4.7 of this Prospectus;

(b) Our Group's EPS of 1.93 sen for the FYE 2024 computed based on our audited PAT attributable to owners of the Company for FYE 2024 of approximately RM20.22 million and our enlarged share capital of 1,050,000,000 Shares upon Listing, which translate into PE Multiple of 12.46 times, based on the IPO Price.

After adjusting for listing expenses incurred in the FYE 2024 (being one-off and non-recurring in nature) of approximately RM1.85 million, our adjusted PAT attributable to owners of the Company is approximately RM22.07 million which would translate into a PE Multiple of approximately 11.42 times;

(c) Our historical financial track record as follows:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	70,650	118,275	163,837	198,409
GP	17,578	26,347	40,263	60,128
PAT attributable to owners of the Company	2,126	5,392	12,201	20,218

(d) Our competitive advantages and key strengths as set out in Section 7.3 of this Prospectus;

(e) Our business strategies and plans as set out in Section 7.14 of this Prospectus; and

(f) The industry overview and outlook based on the IMR Report as set out in Section 8 of this Prospectus.

Prospective investors should also note that the market price of our Shares upon Listing is subject to uncertainties of market forces and other factors which may affect the price of our Shares being traded. Prospective investors should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares. Prospective investors are also reminded to carefully consider the risk factors as set out in Section 9 of this Prospectus before deciding to invest in our Shares.

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4.5 SHARE CAPITAL AND RANKING OF THE SHARES

4.5.1 Share capital

Upon completion of our IPO, our enlarged issued share capital will be as follows:

	No. of Shares	(RM)
Issued share capital		
As at the date of this Prospectus	840,000,000	57,876,093
To be issued pursuant to the Public Issue	210,000,000	*50,400,000
Enlarged issued share capital upon Listing	**1,050,000,000**	**108,276,093**

* *Calculated based on the IPO Price and before deducting the estimated listing expenses of approximately RM5.03 million which is directly attributable to our Public Issue.*

4.5.2 Classes and ranking of our Shares

We only have 1 class of shares, being ordinary shares, all of which rank equally with each other. The Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of our Issue Shares. The Offer Shares shall rank equally in all respects with the existing Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of transfer of our Offer Shares to the successful applicants.

Subject to any special rights attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the whole of the profits paid out by us in the form of dividends and other distributions and the whole of any surplus in the event of our liquidation, such surplus to be distributed among the shareholders in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

At any general meeting of our Company, each shareholder shall be entitled to vote in person, or by his/its Representative. On a vote by show of hands, each shareholder present (either in person, or by proxy, or by Representative) shall have 1 vote. On a vote by way of poll, each shareholder present (either in person, or by proxy, or Representative) shall have 1 vote for each Share held or represented. A proxy may but need not be a shareholder of our Company and there shall be no restriction as to the qualification of the proxy save that the proxy must be of full age.

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4.6 DILUTION

Dilution is the amount by which the IPO Price to be paid by the applicants for our IPO Shares will be diluted upon our Listing based on the proforma NA per Share after the IPO. The following table illustrates such dilution to the new investors for the IPO Shares on a per Share basis as well as the accretion in value to the existing shareholders of the Company after the IPO:

	Details	**RM**
IPO Price	(A)	0.24
Audited NA per Share as at 31 December 2024 after the Acquisitions and before adjusting for our IPO	(B)	0.07
Pro forma NA per Share as at 31 December 2024 after our IPO and the utilisation of Public Issue proceeds	(C)	0.10
Increase in pro forma NA per Share attributable to our existing shareholders	(C-B)	0.03
Dilution to our new investors	(A-C)	0.14
Dilution to our new investors as a percentage of the IPO Price (%)	(A-C) / (A)	58.33

Further details of our pro forma NA per Share as at 31 December 2024 is set out in Section 12.5 of this Prospectus.

Save as disclosed below, there is no substantial disparity between the IPO Price and the effective average cost per Share paid by our Promoter, substantial shareholders, Directors, Key Senior Management and/or any persons connected with them since our incorporation up to the LPD:

	No. of Shares held before IPO	**Total consideration (RM)**	**Average Effective cost per Share (RM)**
Promoter and substantial shareholder			
Azman Yusof	840,000,000	57,876,093	0.0689

Save as disclosed above and apart from the Pink Form Allocations, there has been no acquisition or subscription of any of our Shares by our Promoter, substantial shareholders, Directors and/or Key Senior Management or persons connected with them, or any transaction entered into by them, which grants them the right to acquire any of our Shares from the date of our incorporation up to the date of this Prospectus.

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4.7 UTILISATION OF PROCEEDS

Based on the IPO Price, the gross proceeds from the Public Issue amounting to RM50.40 million are intended to be used in the following manner:

Purposes	Estimated timeframe for utilisation upon Listing	(RM'000)	(%)
Capital expenditure	Within 24 months	23,675	46.97
(a) *Purchase of new machinery, equipment and vehicles*	*Within 24 months*	*9,160*	*18.17*
(b) *Purchase of new lorries and mobile cranes*	*Within 24 months*	*9,015*	*17.89*
(c) *Setting up crane depot facility*	*Within 24 months*	*5,500*	*10.91*
Repayment of bank borrowings	Within 6 months	11,650	23.12
Working capital	Within 12 months	10,045	19.93
Estimated listing expenses	Immediate	5,030	9.98
		50,400	**100.00**

Details of the utilisation of Public Issue proceeds are as set out below:

(i) Capital expenditure

(a) Purchase of new machinery, equipment and vehicles for our plant maintenance and turnaround segment

We intend to purchase new machinery, equipment and vehicles to support our plant maintenance and turnaround services. As at the LPD, we have 19 ongoing contracts to provide plant maintenance and turnaround services for various plant and facilities in Johor, Melaka, Terengganu and Pahang. These long-term maintenance contracts are currently valid up to between 2024 and 2029 where some contracts have extension options.

We intend to allocate RM9.16 million or 18.17% of the gross proceeds from our Public Issue to fully fund the purchase the following machinery, equipment and vehicles to support our plant maintenance and turnaround services between 2025 and 2026;

Type of machinery, equipment and vehicles	Purpose	Intended no. of units to be purchased	Total estimated cost (RM'000)
Vacuum trucks	For suctioning, discharging and transporting of liquids, solids, or sludge for cleaning activities	(1)4	2,660
Dozer	To perform desludging and cleaning works inside storage tanks	1	1,500
Flange facing and pipe on-site machining machine and accessories	Includes flange facing machines to resurface the flanges of piping, valves, and heat exchanger tube sheets and covers, cold-cutting machines for cutting through pipes, flanges, and other tubular structures without generating excessive heat, and hydraulic torque wrenches for bolt torquing	29	3,000

Type of machinery, equipment and vehicles	Purpose	Intended no. of units to be purchased	Total estimated cost (RM'000)
Valve servicing equipment and machinery	Includes test bench, lapping machines, hydrotesting pumps and tools to perform valve servicing including cleaning, packing gland replacement, seat lapping machining, calibration and hydrostatic testing of valves	12	2,000
			9,160

Note:

(1) As at the LPD, out of the total 4 units of vacuum trucks that we intend to purchase, we have paid deposits of RM0.13 million via internally generated funds for the purchase of 2 units of vacuum trucks and the remaining balance of RM1.20 million will be financed via IPO proceeds. Upon receipt of our IPO proceeds, we will allocate RM0.13 million to replenish our internally generated funds. The other 2 units of vacuum trucks, which is estimated to cost RM1.33 million will also be financed via IPO proceeds.

As at the LPD, we currently own 4 units of vacuum trucks as disclosed in Section 7.19 of the Prospectus. However, it is not sufficient for us to carry out cleaning activities and we also have to rely on rentals from external suppliers. For the Financial Years Under Review, our rental cost for vacuum trucks from external service providers for our plant maintenance and turnaround services amounted to RM1.30 million (2.45%), RM1.51 million (1.65%), RM2.62 million (2.12%), and RM1.34 million (1.33%) of the total cost of sales for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. As such, we plan to purchase the 4 units of vacuum trucks to reduce reliance on external rentals and reduce rental costs.

In addition, as at the LPD, we do not own any dozers to carry out desludging and cleaning works for large diameter crude oil tanks (72-80 meters). To address this, we plan to purchase a specialised dozer. This dozer is designed to fit through the manholes of these large storage tanks and be remotely controlled by operators from outside the tank, enhancing safety. With this dozer, we can efficiently push thick sludge towards the suction point for removal. Previously, we relied on manual labour (shovels and wheelbarrows) for cleaning smaller tanks (9 to 55 meters). However, this method is time consuming and inefficient for the larger tanks, which often contain thicker sludge.

In addition, as at the LPD, we currently own 5 units of flange facing machines, 1 unit of cold-cutting machine, 3 units of milling and lathe machines, 2 units of hydrotesting pumps and 1 unit of safety and relief valve test bench and we do not own any dozer, hydraulic torque wrenches and lapping machines. However, it is not sufficient for us to carry out on-site machining works and valve servicing and we have to rely on external service providers to perform these maintenance works. For the Financial Years Under Review, our subcontractor costs for flange facing services and valve servicing cumulatively amounted to RM0.54 million (1.01%), RM2.01 million (2.19%), RM2.38 million (1.92%) and RM2.15 million (1.55%) of the total cost of sales for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. As such, we plan to purchase the abovementioned machinery and equipment to carry out these respective maintenance works internally and reduce subcontractor costs for our Group.

Furthermore, as we had carried out the plant turnaround integrated planning for a refinery complex in 2023, moving forward, we are well-positioned to be considered for the plant turnaround execution works at the said refinery complex within PETRONAS' Pengerang Integrated Complex in Pengerang, Johor. Therefore, the new machinery, equipment, and vehicles will be required to support these additional works.

The proposed purchase of new machinery, equipment, and vehicles will improve our ability to perform the abovementioned maintenance works. However, due to the fluctuating nature of maintenance demands, we may still need to engage subcontractors during peak periods. Even with these additions, relying solely on our own resources for all the abovementioned maintenance tasks may not always be feasible.

Any shortfall in proceeds allocated to the purchase of new machinery, equipment and vehicles will be funded through internally generated funds and/or bank borrowings. Conversely, any excess in proceeds allocated to the purchase of new machinery, equipment and vehicles shall be channelled towards our working capital.

(b) Purchase of lorries and mobile cranes for our rental as well as plant maintenance and turnaround business segments

In September 2023, we secured seven (7) new long-term contracts from the PETRONAS Group of companies to provide rental of lifting equipment and vehicles. The scope of this contract includes the supply of mobile cranes, crawler cranes, sky lifts, forklifts, lorries, trailers and low loaders of various types, models and tonnage for day-to-day plant maintenance, various projects, turnaround, and emergency shutdown activities at process and non-process areas. Process area refers to any area within a plant or facility where processing or manufacturing operations are conducted, while non-process area refers to any area within the plant or facility that is not directly involve in the processing or manufacturing operations, but provides support to activities in process areas. These contracts are newly secured by our Group and they are for 3 years from 2023 to 2026 with an option to extend for another 2 years.

Since securing the long-term rental contracts, we have been expanding our fleet of cranes between 1 July 2024 up to the LPD with the purchase of 21 units of mobile cranes totalling RM34.50 million comprising 5 units of 25-tonnes cranes, 4 units of 50-tonnes cranes, 4 units of 60-tonnes cranes, 1 unit of 65-tonnes crane, 1 unit of 120-tonnes crane, 4 units of 200-tonnes cranes, 1 unit of 450-tonnes crane and 1 unit of 650-tonnes crane. As at the LPD, we own 24 units of mobile cranes in total.

Revenue contributed from our rental segment was RM0.27 million (0.39%), RM0.99 million (0.83%), RM0.40 million (0.25%) and RM3.69 million (1.86%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

We acquired these mobile cranes as part of fulfilling our contractual requirements and to gain a strategic advantage. Owning our equipment provides us with the following benefits and advantages:

- Provides better control over our assets, allowing for optimal deployment and maximised utilisation;
- Reduces the risk of project delays caused by shortages of rental equipment in the market;
- Enhances our responsiveness to projects, particularly for high-tonnage cranes, which are less available for rent compared to lower-tonnage cranes; and
- Offers greater flexibility in negotiating pricing, especially during periods when rental equipment availability is limited.

Furthermore, the acquisition of our fleet of cranes aims to meet the future demand for mobile cranes, particularly for plant turnaround and maintenance for our TA4MS contracts in Johor. Based on the integrated planning we conducted for a refinery complex's plant turnaround we estimate that approximately 40 to 50 mobile cranes of various capacities will be required to handle heavy lifting during the execution phase.

In addition to plant turnarounds, high-capacity mobile cranes, especially those exceeding 300 tonnes, will be essential for comprehensive maintenance tasks. These include replacing valves atop storage tanks, servicing heat exchangers and air fin coolers, and repairing misaligned pipes on pipe racks.

Even though we own some of the cranes as mentioned above, it is not sufficient for us and we also have to rely on rentals from third party suppliers. For the Financial Years Under Review, the demand for mobile cranes for plant maintenance and turnaround activities was evident as we incurred rental cost for mobile cranes of RM2.05 million (3.86%), RM2.94 million (3.20%), RM5.69 million (4.60%), and RM6.79 million (4.91%) of our total cost of sales for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

In addition, our rental cost of mobile cranes from external service providers for the said long-term contracts for rental of lifting equipment and vehicles which commenced order in January 2024 amounted to RM0.98 million (0.71%) of the total cost of sales for the FYE 2024.

We intend to allocate RM9.02 million or 17.89% of the gross proceeds from our Public Issue for our rental business segment to finance the purchase of the following lorries and mobile cranes:

Types of lorries and mobile cranes	**No. of units**	***Total estimated cost (RM'000)**
65-tonnes mobile cranes	2	1,825
200-tonnes mobile cranes	1	1,650
500-tonnes mobile crane	1	3,300
Low loaders	4	2,240
		9,015

* *Based on quotation obtained from supplier.*

Furthermore, the new lorries and mobile cranes to be purchased will provide flexibility to our Group, as it can be utilised to support our plant maintenance and turnaround services. Such flexibility reduces any of the lorries and mobile cranes' idle time and as well as our reliance on rentals.

Any shortfall in proceeds allocated to the purchase of lorries and mobile cranes will be funded through internally generated funds and/or bank borrowings. Conversely, any excess in proceeds allocated to the purchase of lorries and mobile cranes shall be channelled towards our working capital.

(c) Setting up crane depot facility

As part of the business expansion, our Group intends to set up a crane depot facility with a workshop in Paka, Terengganu to provide a dedicated space for the maintenance, repair, and temporary storage of our cranes before their deployment to customers' sites. In June 2022, we entered into an agreement to purchase a vacant land measuring 1 acre in Paka, Terengganu, details of which is set out in Section 7.18.2 of this Prospectus, for a purchase consideration of RM0.75 million. As at the LPD, the said acquisition has been completed. The said acquisition was funded entirely using internally generated funds.

The crane depot facility in Paka, Terengganu will be strategically located in close proximity to the companies with whom we have long-term rental contracts, namely those situated in Terengganu, Pahang and Kedah details of which is set out in Section 7.2.4.1 of this Prospectus. Meanwhile, for our Johor-based customers, when required, we will mobilise our cranes to the customers' plants and utilise the designated working area of approximately 1 acre within the Pengerang Integrated Complex (PIC) as a lay down area for our mobile cranes. As one of the main contractors for the TA4MS contract, we have been assigned with the said designated working area to lay down scaffolding materials, trucks, cranes and equipment as well as perform fabrication works.

Our Group intends to allocate RM5.50 million of the gross proceeds from the Public Issue to fund the cost of setting up a crane depot facility which is expected to be completed by the second quarter of 2026, subject to obtaining the relevant approvals such as planning permission, building plan approval and CCC.

Any shortfall in proceeds allocated for the setting up of crane depot facility will be funded through internally generated funds and/or bank borrowings. Conversely, any excess in proceeds allocated for the setting up of crane depot facility shall be channelled towards our working capital.

Pending the receipt of our IPO proceeds, we may proceed with our plans as set out above by utilising our internally generated funds and/or bank borrowings. Upon receipt of the IPO proceeds, we will replenish our internally generated funds and/or repay our bank borrowings.

(ii) Repayment of bank borrowings

As at the LPD, the total outstanding amount of our Group's borrowings stood at approximately RM61.70 million. We intend to allocate RM11.65 million representing approximately 23.12% of the gross proceeds from our Public Issue to partially reduce our bank borrowing, the details of which are as set out below:

Banking facility	**Purpose**	**Commencement date**	**Maturity date**	**Effective Interest rate**	**(1)Balance as at the LPD**	**Proposed repayment**	**(2)Early settlement rebate**
				%	**RM'000**	**RM'000**	**RM'000**
Hire Purchase from Pac Lease Berhad	Purchase of 650-tonnes All Terrain Crane	September 2024	August 2029	6.29	7,949	6,900	705
Hire Purchase from RHB Bank Berhad	Purchase of 450-tonnes All Terrain Crane	August 2024	July 2027	6.60	3,663	3,100	196
Hire Purchase from Maybank Berhad	Purchase of 200-tonnes All Terrain Crane	May 2025	April 2030	6.29	2,067	1,650	264

Notes:

(1) Include the interest in suspense that is payable to Pac Lease Berhad, RHB Bank Berhad and Maybank Berhad.

(2) The early settlement rebate is based on the quotation from Pac Lease Berhad and RHB Bank Berhad dated 2 May 2025 and Maybank Berhad dated 25 May 2025, with the assumption of the early settlement payments are being made on or before 31 July 2025, after netting off any early payment penalties. For clarity, the early payment penalties to be incurred by RHB Bank Berhad is amounting to approximately RM3,285.59 based on the assumption that the early settlement is being made on or before 31 July 2025. There is no early payment penalties expected to be incurred by Pac Lease Berhad and Maybank Berhad.

For the avoidance of doubt, our Group has decided to repay the abovementioned hire purchases instead of other outstanding banking facilities to improve the Group's liquidity position in the future. Hire purchase facilities requires higher fixed monthly payments during its repayment period as compared to other financing facilities.

The repayment of the above-mentioned borrowings is expected to have a positive financial impact on our Group as the Group could enjoy savings from the early settlement rebate on interest in suspense of approximately RM1.17 million (calculated based on the assumption that the early settlement is being made on or before 31 July 2025). Should the repayment be made subsequent to 31 July 2025, the early settlement rebate will decrease proportionally to the remaining repayment period.

Any shortfall in proceeds allocated for the repayment of bank borrowings will be funded through internally generated funds. In this regard, our Company will continue to pursue the early settlement via internally generated funds. Conversely, in the event the actual principal balance at the point of repayment is less than the amount allocated for the repayment of bank borrowings, any excess thereof will be allocated towards our working capital.

(iii) Working capital

Our Group's working capital requirements are expected to increase in tandem with the expected growth in our business. We intend to allocate RM10.05 million representing approximately 19.93% of the gross proceeds from our Public Issue to finance our Group's expected future working capital requirement (based upon the anticipated growth in our business operations) in the following manner:

		Amount of proceeds	
Details	**Description**	**RM'000**	**% of total proceeds**
Payment to suppliers	Including purchase of materials, subcontractor fee, engineering services fee, tools & consumables, and rental of machinery, equipment and vehicles (i.e. pickup trucks, forklifts, lorries, skylifts, backhoe, compressors, cabins, generators and safety equipment) which support the daily maintenance works of our customers	9,500	18.85
General expenses	Comprising, amongst others, utilities charges, upkeep of office and office equipment	545	1.08
		10,045	**19.93**

Our Group had in the past and currently been funding our working capital via bank borrowings and/or internally generated funds. Therefore, the above working capital allocation from our Public Issue is expected to enhance our Group's liquidity and cash flow position to support the expected growth in our daily operations.

Any shortfall in proceeds allocated to the working capital required for our Group will be funded through internally generated funds and/or bank borrowings.

(iv) Estimated listing expenses

The estimated expenses and fees incidental to our Listing amounting to approximately RM5.03 million shall be borne by our Group, the details of which are as follows:

Estimated listing expenses	**RM'000**
Professional fees(1)	2,679
Underwriting, placement and brokerage fees	1,809
Fees to authorities	67
Other miscellaneous expenses and contingencies(2)	475
	5,030

Notes:

(1) Includes fees for the Principal Adviser, Reporting Accountants, Solicitors, Independent Business and Market Research Consultant, Issuing House and other professional advisers.

(2) Includes any other incidental charges or related expenses in relation to our IPO such as fees paid to translator, investor relations consultant, printing expenses, media related expenses, IPO event expenses and sales and service tax.

Any shortfall in proceeds allocated to the listing expenses will be funded through internally generated funds and/or bank borrowings. Conversely, any excess in proceeds allocated to the listing expenses shall be channelled towards our working capital.

For the avoidance of doubt, in the event of any material variation to the manner of utilisation of proceeds, we will ensure our compliance with Rule 8.24 of the Listing Requirements.

Pending the eventual use of the gross proceeds from the Public Issue for the above intended purposes, we will place such funds in interest-bearing fixed deposit accounts with licensed financial institutions or in short-term money market instruments as our Directors may deem appropriate. Any interests derived from the fixed deposits accounts and/or any gains arising from the short-term money market instruments will be allocated for working capital of our Group.

The Offer for Sale is expected to raise gross proceeds of approximately RM25.20 million, which will accrue entirely to our Offeror and we will not receive any of the proceeds. The Offeror shall bear all expenses relating to the Offer for Sale including, but not limited to, the placement fee in relation to the Offer for Sale, the aggregate of which is estimated to be approximately up to RM0.50 million.

4.8 UNDERWRITING COMMISSION, BROKERAGE FEE AND PLACEMENT FEE

(i) Underwriting commission

KAF IB, as our sole Underwriter, has agreed to underwrite 70,816,000 Issue Shares made available for application by the Malaysian Public and the Eligible Persons under the Pink Form Allocation. We are obligated to pay our Underwriter an underwriting commission at the rate of 2.25% of the total value of the Issue Shares underwritten at the IPO Price.

(ii) Brokerage fee

We will bear the brokerage fees in respect of the 52,500,000 Issue Shares at the rate of 1.00% of the IPO Price in respect of successful Applications which bear the stamp of participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association in Malaysia or the Issuing House.

(iii) Placement fee

KAF IB, as our Placement Agent, has agreed to place out 139,184,000 Issue Shares and 105,000,000 Offer Shares to selected investors by way of private placement.

We will bear the placement fee of up to 2.00% of the total value of the Issue Shares placed out via the private placement.

The Offeror will bear the placement of up to 2.00% of the total value of the Offer Shares placed out via the private placement.

4.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The following salient terms are reproduced from the Underwriting Agreement ("**Agreement**") including terms which allow our Underwriter to withdraw from the underwriting obligation after the opening of our IPO. The capitalised terms and numbering references used herein shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:

(i) The obligations of the Underwriter under the Agreement are conditional upon:

(a) the delivery by the Company to the Underwriter before the last date and time for the applications and payment for the Public Issue and Offer for Sale in accordance with the Prospectus and the application form ("**Closing Date**") or the extended Closing Date, to be mutually agreed in writing by the Company and the Underwriter, subject to the prior written approval of the relevant authorities, if required and which will be advertised by the Company in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia ("**Extended Closing Date**"), a written confirmation by the Company that there having been on or prior to the Closing Date or Extended Closing Date, neither any material adverse change, any event of default triggering termination in Clause 8 of the Agreement (Termination / Lapse of Agreement) nor any development reasonably likely to result in any material adverse change, in the condition (financial, business, operations or otherwise) of the Group, which is material in the context of the IPO as set out in the Prospectus, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect which makes any of the representations and warranties contained in Clause 3 of the Agreement (Representations, Warranties and Undertakings) untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in Clause 3 of the Agreement and the said written confirmation shall be in the form and substance as attached in the Second Schedule of the Agreement;

(b) the delivery by the Company to the Underwriter prior to the date of the registration of the Prospectus with Bursa Securities, two (2) certified extracts of all the resolutions/minute of meetings of the board of directors/members of the Company (as the case may be):

(i) approving the IPO and the Listing and the transactions contemplated by each of the same;

(ii) approving and authorising the execution of the Agreement and authorising such person(s) as the board may resolve to execute the Agreement for and on behalf of the Company;

(iii) approving the issue and allotment of the Public Issue Shares under the IPO;

(iv) approving and authorising the issuance of the Prospectus; and

(v) confirming that the Directors, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus;

(c) the delivery by the Company to the Underwriter, a written confirmation that all the resolutions referred in item (b) above are in full force and effect as at the Closing Date or Extended Closing Date and have not been rescinded, revoked, or varied;

(d) the Prospectus being in the form and substance satisfactory to the Underwriter;

(e) the delivery by the Company to the Underwriter on the Closing Date or Extended Closing Date of such reports and confirmations dated the Closing Date or Extended Closing Date from the Directors of the Company as the Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Agreement that will adversely affect the performance or financial position of the Group;

(f) the Underwriter being satisfied that arrangement has been made by the Company to ensure payment of the expenses referred to in Clause 14 of the Agreement (Costs and Expenses);

(g) on the Closing Date or Extended Closing Date, the IPO is not being prohibited or impeded by any statute, order, rule, regulation or directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia, including but not limited to Bursa Securities and the SC;

(h) on the Closing Date or Extended Closing Date, the Company having complied with and that the IPO is in compliance with the Act, the CMSA, policies, guidelines and requirements of Bursa Securities and/or the SC and all revisions, amendments and/or supplements thereto;

(i) the Prospectus having been issued within two (2) months after the date of the Agreement or within such extended period as may be agreed in writing by the Underwriter;

(j) the Underwriter having been satisfied that the Agreement has been duly executed and stamped and the Company has complied with and there is no breach of, or failure on the part of the Company to comply with, any of their obligations under the Agreement, and that the Company has complied with, and that the IPO (including the offer for sale of the Offer Shares and issue of Public Issue Shares), the Listing and the transactions contemplated under the Agreement are in compliance with, all relevant laws;

(k) the acceptance for registration by Bursa Securities of the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the IPO and the lodgment of the registrable Prospectus with the ROC on or before their release under the IPO or in accordance with Section 154 of the Act and the CMSA together with copies of all documents required under the Act and CMSA; and

(l) all approvals, orders, sanctions, consents, authorisations, certificates, filings, registrations and permissions ("**Approvals**") required in relation to the IPO, the admission and the Listing, including but not limited to Approvals from the SC and Bursa Securities having been obtained and are in full force and effect as at the Closing Date or Extended Closing Date and that all conditions of the Approvals (except for any which can only be complied with after the IPO has been completed) have been complied with to the satisfaction of the Underwriter and such Approvals have not been withdrawn, amended, suspended, terminated, lapsed or been revoked.

(ii) If any of the conditions set out in items (a) to (l) above is not satisfied by the Closing Date or Extended Closing Date, the Underwriter shall thereupon be entitled to terminate the Agreement by notice in writing and in that event, except for the liability of the Company for the payment of the underwriting commission, costs and expenses as provided in Clause 14 of the Agreement incurred prior to the termination and any claims pursuant to Clause 3.3.1 of the Agreement, there shall be no further claims by the Underwriter against the Company, and the parties shall be released and discharged from their respective obligations hereunder provided that the Underwriter may at its absolute discretion waive compliance with any of the provisions of item (i) above, except for any conditions required by any laws, rules, regulations and guidelines or by any regulatory or governmental authorities/bodies.

(iii) the Underwriter may by notice in writing to the Company given at any time before the Closing Date or Extended Closing Date, terminate, cancel or withdraw its commitment to underwrite the Public Issue tranche and Eligible Person(s) tranche to be underwritten by the Underwriter ("**Underwritten Shares**") if:

(a) any of the approvals of the SC and/or Bursa Securities for the Listing is revoked, withdrawn; or

(b) there is any breach by the Company of any of the representations, warranties or undertakings contained in Clause 3 of the Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Underwriter within such number of days as stipulated in a notice to be made by the Underwriter to the Company of such breach, or by the Closing Date or Extended Closing Date, whichever is earlier; or

(c) there is withholding of information by the Company which is required to be disclosed to the Underwriter pursuant to the Agreement, and if capable of remedy, is not remedied within such number of days as stipulated in a notice to be made by the Underwriter to the Company of such breach, which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the IPO Shares; or

(d) there shall have occurred, happened or come into effect any material and adverse change to the business or financial conditions of the Company or the Group; or

(e) approval for the IPO is withdrawn, modified and/or subject to terms and conditions not acceptable to the Underwriter and which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Company, the success of the IPO, or the distribution or sale of the IPO Shares, or which has or is likely to have the effect of making any material part of the Agreement incapable of performance in accordance with its terms; or

(f) there is a failure on the part of the Company to perform any of its obligations herein contained; or

(g) any of the conditions precedent set out in item (i) above hereof are not duly satisfied by the Closing Date or Extended Closing Date.

(iv) If the Closing Date or Extended Closing Date is more than two (2) calendar months from the date of the Agreement or falls on any later date as the Company and the Underwriter may mutually agree upon in writing, the Agreement will automatically lapse and thereafter, both parties shall be released and discharged from their obligations under the Agreement and no party shall have any claims against the other, save for antecedent breaches.

(v) Upon such notice(s) being given under item (iii) above, the Underwriter shall be released and discharged of its obligations under the Agreement without prejudice to its rights whereby the Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Agreement, except that the Company shall remain liable in respect of its obligations and liabilities under Clause 3 of the Agreement, the underwriting commission, any antecedent breaches and under Clause 14 of the Agreement for the payment of the costs and expenses already incurred up to the date of termination or in connection with such termination and for the payment of any taxes, duties or levies within seven (7) days from the date of the same being due.

(vi) In the event that the Agreement is terminated due to the Company taking actions to not proceed with the IPO resulting in the Underwriter not being able to perform its obligations under the Agreement, the Underwriter is entitled to the underwriting commission in addition to the costs and expenses incurred thereto.

(vii) In the event that the Agreement is terminated pursuant to item (iii) above, the Underwriter and the Company may confer with a view to defer the IPO by amending its terms or the terms of the Agreement and may enter into a new underwriting agreement accordingly, but neither the Underwriter nor the Company shall be under any obligation to enter into a fresh agreement.

(viii) It will be an event of force majeure if the Underwriter is unable to perform its obligations stipulated herein resulting from any event or series of events beyond the reasonable control of the Underwriter, including without limitation any of the following:

(a) acts of God, national disorder, armed conflict or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour disputes, any unavailability of transportation or severe economic dislocation, earthquake, typhoon, outbreak of war, outbreak of disease, acts of terrorism or the declaration of a state of national emergency;

(b) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing which is likely to have a material adverse effect on the stock market in Malaysia. For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is at the close of normal trading on Bursa Securities, on any Market Day:

(aa) on or after the date of the Agreement; and

(ab) prior to the Closing Date or Extended Closing Date,

lower than eighty-five per centum (85.00%) of the Index level at the close of normal trading on the Market Day immediately prior to the date of the Agreement and remain at or below that level for three (3) or more consecutive Market Days, it shall be deemed a material adverse change in the stock market condition in Malaysia; or

(c) any new law, regulation, directive, policy or ruling or any material change in law, regulation, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority which would prohibit or impede the obligations of the Underwriter or any event or series of events beyond the reasonable control of the Underwriter;

(d) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for one (1) or more consecutive Market Days;

which would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Company or the Group, the success of the IPO, or the distribution or sale of the IPO Shares, or which has or is likely to have the effect of making any material part of the Agreement incapable of performance in accordance with its terms.

(ix) In the event of a force majeure pursuant to item (viii) above, the Underwriter may, subject to prior consultation with the Company, at any time prior to or on the Closing Date or Extended Closing Date:

(a) terminate the Agreement by giving notice to the Company in the manner as set out in Clause 8 of the Agreement; or

(b) request for the Closing Date or Extended Closing Date to be extended to such reasonable date as the Underwriter may decide.

(x) Upon delivery of the notice of termination pursuant to item (ix)(a) above and in the manner as set out in Clause 8 of the Agreement, the Agreement will terminate hereafter and each party's rights and obligations will cease and none of the parties will have any claim against each other save and except for any antecedent breach, claims in respect of the costs and expenses of the Underwriter in Clause 14 of the Agreement and the underwriting commission set out in the Agreement.

(xi) In the event of a delivery of a request under item (ix)(b) above, the Company shall consent to such request for the extension of the Closing Date or Extended Closing Date.

(xii) The delivery of a request under item (ix)(b) above shall not preclude the Underwriter from giving a further request for extension pursuant to item (ix)(b) above or giving a notice to terminate pursuant to item (ix)(a) above.

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5. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Shareholdings of Promoter and substantial shareholders

The details of our Promoter and substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

Promoter and substantial shareholders	Country of incorporation / Nationality	Before our IPO / After the Acquisitions				After our IPO and Share Transfer			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)(%)	No. of Shares	(1)(%)	No. of Shares	(2)(%)	No. of Shares	(2)(%)
Promoter and substantial shareholder									
Azman Yusof	Malaysian	840,000,000	100.00	-	-	105,000,000	10.00	(3)630,000,000	60.00
Substantial shareholder									
299 Global(4)	Malaysia	-	-	-	-	630,000,000	60.00	-	-

Notes:

(1) Based on our issued share capital of 840,000,000 Shares after the Acquisitions but before our IPO.

(2) Based on our enlarged issued share capital of 1,050,000,000 Shares after our IPO and Share Transfer.

(3) Deemed interested by virtue of his shareholding in 299 Global pursuant to Section 8(4) of the Act.

(4) Azman Yusof is the sole shareholder of 299 Global.

The Shares held by our Promoter and substantial shareholders have the same voting rights as other shareholders of our Company and there is no arrangement with any third parties which may result in a change in control of our Company.

Save for the above, there are no other persons who can, directly or indirectly, jointly or severally, exercise control over our Company.

5.1.2 Changes in Promoter's and substantial shareholders' shareholdings

Save as disclosed below, there have been no other changes in the shareholdings of our Promoter and substantial shareholders in our Company since our incorporation on 16 August 2024 up to the LPD:

Promoter and substantial shareholders	(1)As at 16 August 2024				(2)After the Acquisitions				(3)As at the LPD			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(1)(%)	No. of Shares	(1)(%)
Promoter and substantial shareholder												
Azman Yusof	90	90.00	-	-	840,000,000	100.00	-	-	840,000,000	100.00	-	-
Substantial shareholder												
Dato' Ir Wan Othman bin Wan Ab Rahman(4)	10	10.00	-	-	-	-	-	-	-	-	-	-

Notes:

(1) Based on our issued share capital of 100 Shares as at the incorporation date of our Company.

(2) Based on our issued share capital of 840,000,000 Shares after the Acquisitions and the transfer of 10 subscriber's shares to Azman Yusof.

(3) Based on our issued share capital of 840,000,000 Shares before the IPO.

(4) Ceased to be a shareholder of the Company after the Acquisitions.

5.1.3 Profiles of Promoter and substantial shareholders

The profiles of our Promoter and substantial shareholders are as follows:

(i) Azman Yusof
Promoter, substantial shareholder and Group Managing Director

Azman Yusof, male, a Malaysian aged 58 is our Promoter, substantial shareholder and Group Managing Director. He was appointed to our Board on 16 August 2024. He currently oversees the overall strategic direction of our Group including business development, operations and marketing.

He graduated with a Bachelor in Electrical Engineering with Honours from Universiti Teknologi Malaysia, Kuala Lumpur in September 1990.

He started his career in July 1990 as a Product Engineer at Intel Technologies Sdn Bhd ("**Intel**"), Penang where he was involved in the testing of microprocessor chips products. In January 1991, he was nominated to participate in a product testing facility technology transfer where he was assigned to Intel Corporation's plant in Chandler, Arizona, USA. He was then promoted as Senior Engineer in Intel in January 1994.

He left Intel in September 1994 and joined Hexagon Tower Sdn Bhd ("**Hexagon**"), a construction engineering company as Sales Manager. He led and managed sales and project deliveries in various industries in the east coast region of Peninsular Malaysia (i.e. Terengganu and Pahang). He assisted to establish Hexagon's branch in Kemaman in 1995 and led the company to diversify into chemicals, petrochemicals, O&G industries in the region. He left Hexagon in September 1999 where his last position was Regional Head.

After leaving Hexagon, he headed the operations of EMSB in September 1999 and commenced a trading business in mechanical spares, corrosion resistant product application and non-metallic products (i.e. thermoplastic and composite process piping) to the petrochemical industries and served process piping projects for surrounding petrochemical, O&G industries as a direct supplier, contractor and sub-contractor. He led EMSB to diversify the services offered to include mechanical and construction services to the PETRONAS Group of Companies upon obtaining the PETRONAS licence by EMSB in 2007. He also oversees the operations of EHSB, a joint venture company formed between EMSB and Hydrodyne in April 2019, with the purpose of undertaking the TA4MS contract. He has been instrumental in the growth and expansion of our Group throughout the years.

Please refer to Section 5.2.3 (ii) of this Prospectus for the details of his directorships and shareholdings outside our Group as at the LPD.

(ii) 299 Global
Substantial shareholder

299 Global was incorporated on 13 March 2018 in Malaysia under the Act as a private limited company under its present name. 299 Global is principally an investment holding company.

As at the LPD, the issued share capital of 299 Global is RM1,000,000 comprising 1,000,000 ordinary shares. Azman Yusof is the sole director and sole shareholder of 299 Global.

5.1.4 Promoter's and substantial shareholders' remuneration and benefits

Save for the aggregate remuneration and benefits paid or intended to be paid or given to our Promoter and substantial shareholders for services rendered to our Group in all capacities for the FYE 2024 and FYE 2025 as set out in Section 5.2.4 of this Prospectus, there are no other amounts or benefits that have been paid or intended to be paid or given to our Promoter and substantial shareholders within the 2 years preceding the date of this Prospectus.

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

5.2 DIRECTORS

5.2.1 Shareholdings of Directors

The details of our Directors and their respective shareholdings in our Company before and after our IPO are as follows:

		Before our IPO / After the Acquisitions				After our IPO and Share Transfer			
		Direct		Indirect		Direct		Indirect	
Name	Designation	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Datuk Hashim bin Majid	Non-Independent Non-Executive Chairman	-	-	-	-	(3)875,000	0.08	-	-
Azman Yusof	Group Managing Director	840,000,000	100.00	-	-	105,000,000	10.00	630,000,000	(4)60.00
Dato' Wan Asmadi bin Wan Ahmad	Independent Non-Executive Director	-	-	-	-	(3)875,000	0.08	-	-
Nurini binti Kassim	Independent Non-Executive Director	-	-	-	-	(3)875,000	0.08	-	-
Rozainah binti Baharuddin	Independent Non-Executive Director	-	-	-	-	(3)875,000	0.08	-	-

Notes:

(1) Based on our issued share capital of 840,000,000 Shares after the Acquisitions but before our IPO.

(2) Based on our enlarged issued share capital of 1,050,000,000 Shares after our IPO and Share Transfer.

(3) Assuming he/she will fully subscribe for his/her respective allocations under the Pink Form Allocation.

(4) Deemed interested by virtue of his shareholding in 299 Global pursuant to Section 8(4) of the Act.

5.2.2 Profiles of Directors

Save for the profile of Azman Yusof as set out in Section 5.1.3 (i) of this Prospectus, the profiles of our other Directors are as follows:

(i) Datuk Hashim bin Majid
Non-Independent Non-Executive Chairman

Datuk Hashim bin Majid, male, a Malaysian aged 63 is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 6 November 2024.

He graduated from the University of Glamorgan, Wales in the UK with a Bachelor of Chemical Engineering with Honours in June 1996. He then obtained his Master in Business Administration from Universiti Teknologi Mara in May 2006. He is also the holder of several awards including the Green Technology Excellence Award, issued by the Melaka Green Technology Corporation in 2017, the Occupational Safety and Health Chief Executive Officer of the Year by DOSH in 2018, the Safety Excellence Award issued by the British Safety Council, UK in 2019 as well as the Safety Influencer of the Year by The Royal Society for Prevention of Accidents, UK in 2019.

He started his career in July 1981 as a Teller in Southern Bank Berhad in Melaka until July 1983 where he left to pursue his Diploma in Industrial Chemistry from Institute Teknologi Mara. After receiving his Diploma in 1987, he joined Colgate Palmolive (M) Sdn Bhd as a Plant Technician in September 1987 where he was involved in the commissioning and overseeing the soap production line and left in December 1989.

He began his career in the O&G industry in January 1990 when he joined PETRONAS Penapisan (Terengganu) Sdn Bhd ("**PPTSB**") as a Process Supervisor where he was in charge of supervising, coordinating and scheduling the activities of workers who operate the refinery, and utility plants. His primary responsibility is to ensure that the plants are operating in a safe, efficient and optimum manner. In February 1993, he was assigned to Malaysian Refining Company Sdn Bhd ("**MRCSB**") as a Process Supervisor and assumed the similar responsibilities as the Process Supervisor in PPTSB. In 1994, he was sponsored by PETRONAS to pursue his Bachelor of Chemical Engineering in the UK. He returned to MRCSB upon his graduation in June 1996 and resumed his role and responsibility as a Process Supervisor. In February 2002, he was promoted to Shift Manager where he managed the shift operations of the MRCSB's plant. Beginning from March 2006 to March 2011, he served as an Asset Manager of 1 of the 5 plant complexes in Melaka. In March 2008, he was assigned to Dung Quat Refinery (part of Binh Son Refinery) in Vietnam as a Commissioning Manager where he was tasked with the development and implementation of the procedures and practices for the commissioning of the refinery before returning to Malaysia in October 2008. Subsequently, he rose to the position as Operation Manager in March 2011 primarily overseeing and co-ordinating the refinery operations in MRCSB until March 2012.

He was reassigned to PPTSB in April 2012 as a Plant Manager where he was in charge of the Kerteh refinery and aromatic plant. He was elevated to the position of Managing Director / Chief Executive Officer of PPTSB in March 2014 where he managed the overall business development and strategic operations of PPTSB. In September 2016, he was assigned to PETRONAS Penapisan (Melaka) Sdn Bhd as a Plant Manager where he was in charge of the entire Melaka refinery complex, and was later elevated to the position of Managing Director / Chief Executive Officer of MRCSB in September 2017 where he managed the overall business development and strategic operation of MRCSB. In March 2020, he took on the position as the Head of Transformation Office, Refining & Trading as well as Downstream Leadership Coach. In February 2021, he took on the role as the Head of Manufacturing in PRefChem in Pengerang where he was responsible for managing the entire PRefChem plant before he retired in February 2023.

Please refer to Section 5.2.3 (i) of this Prospectus for the details of his directorships and shareholdings outside our Group as at the LPD.

Following his retirement and before his appointment as the Non-Independent Non-Executive Chairman of our Group, he was appointed as the independent non-executive director/ chairman of EMSB in March 2023 prior to the incorporation of our Company, with the intention of securing his availability and continuity in leadership for our Group. During this interim period, he assumed a non-executive role, which did not involve participation in the day-to-day operations of the business but included responsibilities such as attending official functions and giving motivational talks to our Group's employees.

Please refer to Section 5.2.3 (i) of this Prospectus for the details of his directorships and shareholdings outside our Group as at the LPD.

(ii) Dato' Wan Asmadi bin Wan Ahmad
Independent Non-Executive Director

Dato' Wan Asmadi bin Wan Ahmad, male, a Malaysian aged 59 is our Independent Non-Executive Director. He was appointed to our Board on 14 November 2024. He is also the Chairman of our Nomination Committee and a member of our Audit and Risk Management Committee and Remuneration Committee.

He graduated with a Bachelor of Business Administration in Accounting from Temple University in Philadelphia, USA in May 1989. He subsequently obtained his Master in Business Administration in Finance ("**MBA**") from the same university in January 1996. He was previously a member of Bursa Securities Market Participation Committee from July 2014 until December 2022 and is currently a corporation member of Pahang State Development Corporation since January 2019.

He started his career in July 1989 as a Tax and Audit Assistant in Price Waterhouse Tax Services (M) Sdn Bhd handling tax computation and performing audit for companies. He then left to begin his career in the O&G industry in August 1990 where he joined Mobil Oil (M) Sdn Bhd as a Financial Executive primarily responsible for products costing. In December 1990, he left Mobil Oil (M) Sdn Bhd and joined Petronas Carigali Sdn Bhd in January 1991 as a Unit Head of the Budget and Management Accounting of the Finance and Admin Department where he was involved in the preparation, implementation, and administration of budgets for the Peninsular Malaysia Operations. He left Petronas Carigali Sdn Bhd in August 1994 to pursue his MBA.

In February 1996, he joined Maybank Investment Bank Berhad ("**Maybank-IB**") as an Assistant Manager in the Corporate Finance department, before being promoted as Deputy Manager in January 1997 and Manager in January 1998. During his tenure in Maybank-IB, he was involved in structuring and implementation of corporate proposals including listings on Bursa Securities, acquisitions and disposals, equity and equity-linked funds raising. He left Maybank-IB in May 2000 and joined Affin Merchant Bank Berhad ("**AMBB**") in the same month as an Assistant General Manager. His main responsibilities at AMBB included supervision of corporate finance, privatisation and project advisory teams. He left AMBB in July 2002 as a First Vice President. He joined Malaysian International Merchant Bankers Berhad, (a member of the EON Bank Group) ("**MIMB**") in July 2002 as a General Manager where he was responsible to head the corporate finance team focusing on initial public offerings, equity fund raising, corporate restructuring as well as mergers and acquisitions. He left MIMB in October 2004 and joined Maybank-IB in the same month as the Vice President / Head of Equities where he supervised a division involved in the equity underwriting in initial public offerings and fund raisings. In October 2005, he was promoted to Executive Director of Maybank Securities Sdn Bhd primarily responsible for overseeing the overall business which included institutional / commercial dealing, retail broking, branch network, strategic planning, corporate finance and research. In July 2007, he served as the Head of Islamic Capital Markets of Maybank-IB, being tasked with the supervision of the Islamic Capital Markets division and was involved in research, product development and issuance of Islamic debt, equities and equity-linked securities.

Between January 2009 to February 2012, he was assigned to work in Jeddah, Saudi Arabia as Chief Operating Officer of Anfaal Capital, a joint venture between Maybank-IB, Islamic Development Bank and other Saudi investors, where he assisted in setting up of Anfaal Capital and oversaw the corporate finance division of Anfaal Capital. He returned to Malaysia in July 2012 and subsequently left Maybank-IB and took a career break to focus and explore personal interests and opportunities.

In January 2013, he founded DWA Advisory Sdn Bhd, a boutique financial advisory firm licensed by the SC in 2013 to carry out regulated activities advising on corporate finance pursuant to the Capital Markets and Services Act 2007. He is currently the Managing Principal of DWA Advisory Sdn Bhd. In April 2015, he founded DWA Private Equity Sdn Bhd, which was registered with the SC as a Private Equity Management Corporation. In September 2021, he disposed DWA Private Equity Sdn Bhd and subsequently relinquished his position as a Non-Executive Director.

Please refer to Section 5.2.3 (iii) of this Prospectus for the details of his directorships and shareholdings outside our Group as at the LPD.

(iii) Nurini binti Kassim
Independent Non-Executive Director

Nurini binti Kassim, female, a Malaysian aged 62 is our Independent Non-Executive Director. She was appointed to our Board on 14 November 2024. She is also the Chairperson of our Remuneration Committee and a member of our Audit and Risk Management Committee and Nomination Committee.

She graduated from Oxford Brookes University, UK with a Bachelor of Science (Hons) in Computer Studies and Economics in July 1985 and obtained her Master in Business Administration from the University of Hull, UK in July 1994. She is a Member of the Institute of Corporate Directors Malaysia (ICDM) since May 2022 and a member of Lead Women since 2023.

She started her career as an Analyst Programmer in Bank Utama (M) Berhad (now part of the RHB Banking Group) from December 1985 to January 1989, tasked with maintaining and updating programmes for the retail banking system. She joined KPMG Peat Marwick Consultants Sdn Bhd as an Associate Consultant in February 1989, where she provided clients with information technology consultancy services. In December 1990, she joined Hewlett Packard (M) Sdn Bhd as a Project Consultant specialising in both pre-sales and post-sales project management services, where she provides technology solutions and support for clients in various industries. She left Hewlett Packard (M) Sdn Bhd in March 1994 and joined Sapura Systems (M) Sdn Bhd in April 1994 as Marketing & Channels Manager where she led the marketing, communications and channel management for the company. From January 1997 to December 1998, she was a Marketing Manager at Informix (M) Sdn Bhd, handling marketing, communications, channel management and business development for Malaysia and Singapore. She joined Edelman PR Malaysia Sdn Bhd in April 1999 until July 2000 as a Director in IT Practice, where she led the sales and business development department in Malaysia.

She joined the SC in August 2000 as Assistant General Manager / Head of Corporate Affairs Department, where she led corporate issues and crisis communications, reputation and event management. In March 2004, she was transferred to the Capital Market Development Fund ("**CMDF**") as Head of Secretariat where she in charge of the operations of the CMDF. In July 2009, she was transferred to the Capital Market Promotions Unit as the Head of the unit where she was responsible for engaging with foreign investors and intermediaries and worked closely with Malaysian Islamic Financial Centre. In August 2015, she was transferred as the Head of Islamic Capitals Market Promotions Unit, where she responsible for marketing, promotions and development of the Malaysian Islamic capital market.

In October 2015, she joined the Employees Provident Fund ("**EPF**") as General Manager of Corporate Affairs where she led corporate issues and crisis communications, reputation and brand management across EPF, and worked closely with various government bodies such the Prime Minister's Office of Malaysia, the Ministry of Finance, BNM and other government agencies on financial literacy programmes until December 2018.

She was appointed as Chief Executive Officer of the national news agency, Bernama Berhad ("**BERNAMA**") in January 2019, overseeing the entire operations comprising of the newsroom, television and radio, while spearheading BERNAMA's efforts in media convergence, fact checking and combating fake news. She joined Bursa Malaysia Berhad ("**Bursa Malaysia**") in July 2020 as Executive Vice President, Group Strategic Communications where she led the corporate issues and crisis communications, reputation and brand management across the Bursa Malaysia group. She left in June 2023 at the point where her contract ended.

She is currently retired and involved in freelance communications and public relations consultancy works where she advises clients on, among others, developing effective communications, marketing and brand strategies in order to build a positive public image. She also provides mentoring and coaching for projects related to youth and young professional development.

Please refer to Section 5.2.3 (iv) of this Prospectus for the details of her directorships and shareholdings outside our Group as at the LPD.

(iv) Rozainah binti Baharuddin
Independent Non-Executive Director

Rozainah Binti Baharuddin, female, a Malaysian aged 51 is our Independent Non-Executive Director. She was appointed to our Board on 14 November 2024. She is also the Chairperson of our Audit and Risk Management Committee and a member of our Remuneration Committee and Nomination Committee.

She graduated from the University of Exeter, UK with a Bachelor of Arts in Social Studies with Honours in Business Economics in July 1996. She was certified as a member of The Malaysian Association of Certified Public Accountants (now known as The Malaysian Institute of Certified Public Accountants) in December 2000. She is also a member of the Malaysian Institute of Accountants since April 2001, and is a member of the Institute of Corporate Directors Malaysia (ICDM) since October 2024.

She began her career in January 1997 as an Audit Assistant in KPMG Peat Marwick Malaysia (now known as KPMG)) and left as Audit Semi-Senior in May 2000. During her tenure with KPMG, she was responsible for providing support in audit field works for the statutory audits and internal control reviews of numerous clients in various industries as well as assisting in the preparation of consolidated group financial statements. Upon leaving KPMG, she joined Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) ("**Aseambankers**") in June 2000 as a Senior Officer in the Corporate Finance Department where she was involved in the preparation of financial models and submission documents for corporate proposals to be submitted to regulatory bodies.

She left Aseambankers in April 2002 to join Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) ("**CIMB**") in May 2002 as an Executive in the Corporate Finance Department where she was involved in numerous corporate proposals and was progressively promoted to Manager. In May 2005, she was transferred to the Group Finance division of CIMB where she was involved in numerous finance-related projects and assignments. She was subsequently promoted to Senior Manager in January 2006 and subsequently transferred internally to the International Banking and Transaction Services ("**IBTS**") Department of the Investment Banking division in August 2007. Her role in the IBTS Department included, among others, supporting various business initiatives undertaken and challenges faced by the business units within IBTS.

She was promoted to the position of Associate Director and subsequently transferred to the Group Human Resource division of CIMB in August 2008, where she was involved in a number of human resource assignments including succession planning, employee branding and post-acquisition integration exercise.

In December 2009, she joined the Group Chief Executive Officer's office of CIMB reporting to the Chief Executive Officer of CIMB where she worked alongside the unit heads of the Investment Banking Division on a number of business enhancement initiatives and was the lead-coordinator for group-wide projects. She was subsequently promoted to the position of Director, Group Chief Executive Officer's Office in April 2012.

She left CIMB in November 2013 to join Khazanah Nasional Berhad where she was tasked with establishing and setting up of Khazanah Research Institute ("**KRI**"), a non-profit research organisation sponsored by Khazanah Nasional Berhad. Upon the readiness of KRI to commence operations, she was transferred to KRI and took on the role of the Chief Operating Officer in February 2014 and was promoted as Director and Chief Operating Officer in June 2016. Her role in KRI included overseeing the operations of the company as well as managing the overall development and expansion of the company.

She left KRI in May 2019 to take a career break. During her career break, she joined Kausar Wealth Management Sdn Bhd, a company involved in the provision of estate planning consultancy as an Inheritance Planning Consultant for Muslims in August 2019 on a part time basis, where she is still presently involved in this role. In April 2021, she joined Wellfarer Group Sdn Bhd, a company involved in the provision of family office and wealth management services as a Director where she was involved in the overall management of the company, before leaving the company in March 2025.

Please refer to Section 5.2.3 (v) of this Prospectus for the details of her directorships and shareholdings outside our Group as at the LPD.

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5.2.3 Involvement of our Directors in other Businesses and Corporations outside our Group

Save as disclosed below, none of our Directors have any other principal directorships held and principal business activities performed by them in other businesses or corporations outside our Group within the past 5 years up to the LPD:

(i) Datuk Hashim bin Majid

Company/ entity	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Past involvement						
CEFS Pengerang Integrated Complex	Provision of firefighting and emergency services to member's plants located in or near Pengerang, including the provision of firefighting equipment, fire audit services, training and other off-site technical assistance	Director	10 February 2022	19 May 2023	-	-

(ii) Azman Yusof

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
AY299	Property investment holding company	Director / Shareholder	28 February 2014	-	100.00	-
299 Niaga	Activities of real estate agents and brokers for buying, selling and renting of real estate; raising and breeding of pet animals.	Director / Shareholder	01 March 2022	-	100.00	-
299 Global	Investment holding company	Director / Shareholder	20 June 2024	-	100.00	-
299 Café & Lodge Sdn Bhd	Cafe business	Shareholder	-	-	100.00	-
Komdag Komposit Sdn Bhd	Manufacture of plastic building materials	Shareholder	-	-	60.00	-

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Past Involvement						
TNN Global	Rental of equipment, scaffolding and heavy machineries	Director / Shareholder	27 December 2021	30 August 2024	100.00	-
FMV	Manufacture of prefabricated structural components for building or civil engineering of cement, concrete or artificial stone; manufacture of any other fabricated metal products	Director / Shareholder	12 August 2015	30 August 2024	100.00	-
Enpro Marine Sdn Bhd	Marine related equipment and machineries	Director / Shareholder	13 February 2019	1 February 2024	100.00	-
Dua Cekal Sdn Bhd	Intended for farming activities *(Dissolved on 23 February 2023)*	Director	23 February 2023	31 July 2023	-	-
299 Café & Lodge Sdn Bhd	Cafe business	Director	13 July 2022	1 December 2024	-	-

(iii) Dato' Wan Asmadi bin Wan Ahmad

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Present involvement						
DWA Advisory Sdn Bhd	Corporate finance and advisory services	Director / Shareholder	18 January 2013	-	100.00	-
Past involvement						
IDSK Equity Sdn Bhd *(formerly known as DWA Private Equity Sdn Bhd)*	Investment advisory services	Director	10 April 2015	09 September 2021	-	-

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Perak Transit Berhad *(a company listed on the Main Market of Bursa Securities)*	Investment holding company in operations of integrated public transportation terminals	Independent Non-Executive Director	25 August 2015	25 May 2021	-	-
Ovanti Limited *(previously known as IOUpay Limited)*	Providing fintech and digital commerce software solutions to institutional clients	Director	30 June 2022	5 March 2023	-	-

(iv) Nurini binti Kassim

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Present involvement						
Hong Bao Media (Malaysia) Sdn Bhd	Business of media and communication training; providing web content; website development and design services	Director	29 April 2024	-	-	-
Excelvite Holdings Sdn Bhd	Investment holding of a company involved in the production and promotion of palm-based phytonutrients.	Director	28 May 2024	-	-	-
Polymer Link Holdings Berhad	Investment holding company for a manufacturer of plastic powder for general and specialty applications, trading of equipment and products, toll manufacturing and contract roto-moulding.	Independent Non-Executive Director	5 February 2025	-	-	-
Past Involvement						
Uxera Sdn Bhd	Providing real time information and data dissemination services, information technology solutions, systems and technical services	Director	01 March 2019	16 May 2020	-	-
Bernama Berhad	National News Agency	Director	31 December 2019	10 September 2020	-	-

(v) Rozainah binti Baharuddin

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Present involvement						
Elridge Energy Holdings Berhad *(a company listed on the ACE Market of Bursa Securities)*	Holding Company of Bio Eneco Sdn Bhd, which is primarily involved in the manufacturing and trading of biomass fuel products.	Independent Non-Executive Director / Shareholder	1 February 2024	-	0.025	-
Past Involvement						
Wellfarer Group Sdn Bhd	Family office and wealth management services	Director	31 March 2021	31 March 2025	-	-

As at the LPD, all of our Directors are in compliance with Rule 15.06 of the Listing Requirements as none of our Directors hold more than 5 directorships in public listed companies on Bursa Securities.

Our Board is of the view that the involvement of our Directors mentioned above in the other principal business activities outside our Group does not preclude them from allocating or committing their time and effort to our Group in their respective roles as our Directors, as:

(i) our Non-Executive Directors are not involved in the day-to-day operations of our Group; and

(ii) our Promoter, substantial shareholder and Group Managing Director, Azman Yusof is not actively involved in the management and day-to-day operations of his businesses outside our Group. His involvement in the aforesaid companies is minimal and will not affect his contributions and ability to perform his roles and responsibilities towards our Group.

Save as disclosed in Section 11.1 of this Prospectus, there is no conflict of interest or potential conflict of interest identified based on the present and past involvements of our Directors outside of our Group as set out above in view that their present and past involvements as directors and in other business activities outside our Company are not similar to our Group's business.

5.2.4 Directors' remuneration and benefits

The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our Directors for services rendered to our Group in all capacities for the FYE 2024 and FYE 2025 are as follows:

FYE 2024 (paid)	**Salary**	**Director's Fee**	**Bonus**	**Allowances**	**[1]Statutory Contribution**	**Benefits-in-kind**	**Total**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**
Executive Director							
Azman Yusof	960	-	600	-	116	-	1,676
Non-Executive Directors							
Datuk Hashim bin Majid[3]	-	[4]180	-	-	-	-	180
Dato' Wan Asmadi bin Wan Ahmad[5]	-	[6]5	-	-	-	-	5
Nurini binti Kassim[5]	-	[6]5	-	-	-	-	5
Rozainah binti Baharuddin[5]	-	[6]5	-	-	-	-	5

FYE 2025 (proposed)	**Salary**	**Director's Fee**	**[2]Bonus**	**Allowances**	**[1]Statutory Contribution**	**Benefits-in-kind**	**Total**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**
Executive Director							
Azman Yusof	1,200	660	-	-	144	-	2,004
Non-Executive Directors							
Datuk Hashim bin Majid[3]	-	180	-	-	-	-	180
Dato' Wan Asmadi bin Wan Ahmad[5]	-	60	-	-	-	-	60
Nurini binti Kassim[5]	-	60	-	-	-	-	60
Rozainah binti Baharuddin[5]	-	60	-	-	-	-	60

Notes:

(1) Comprising contributions to the Employees Provident Fund Board, Social Security Organisation and Employment Insurance System, where applicable.

(2) The bonuses to our Executive Director for FYE 2025, if any, will be determined at a later date based on our Group's financial performance for the FYE 2025 and his performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.

(3) Appointed on 6 November 2024.

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

(4) The fees are for the month of November 2024 and December 2024 and includes the fees paid to him from January 2024 to October 2024 amounting to RM150,000 in fulfilment of our contractual obligation which began prior to his formal appointment as a director upon incorporation of our Company and in anticipation of our Listing.

(5) Appointed on 14 November 2024.

(6) The fees are for the month of December 2024.

The remuneration of our Directors including salaries, fees, bonuses, other emoluments and benefits-in-kind are based on individual contributions to our Group's overall performance and value. Such remuneration must be considered and recommended by our Remuneration Committee and subsequently be approved by our Board. The Directors' fees and any benefits payable to our Directors shall be subject to approval by our shareholders pursuant to an ordinary resolution to be passed at a general meeting in accordance with our Constitution.

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5.3 BOARD PRACTICES

5.3.1 Term of office

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the periods for which our Directors have served in that office are as follows:

Name	Designation	Date of appointment	Date of expiration of the current term of office	Duration in office as at LPD (years)
Datuk Hashim bin Majid (M)	Non-Independent Non-Executive Chairman	6 November 2024	Subject to retirement and re-election at our first AGM in 2025	Less than 1
Azman Yusof (M)	Group Managing Director	16 August 2024	Subject to retirement and re-election at our first AGM in 2025	Less than 1
Dato' Wan Asmadi bin Wan Ahmad (M)	Independent Non-Executive Director	14 November 2024	Subject to retirement and re-election at our first AGM in 2025	Less than 1
Nurini binti Kassim (F)	Independent Non-Executive Director	14 November 2024	Subject to retirement and re-election at our first AGM in 2025	Less than 1
Rozainah binti Baharudin (F)	Independent Non-Executive Director	14 November 2024	Subject to retirement and re-election at our first AGM in 2025	Less than 1

Notes:

(M) Male.

(F) Female.

In accordance with our Constitution, all the Directors shall retire from office at the first AGM of our Company and 1/3 (or the number nearest to 1/3) of our Directors for the time being, shall retire at the AGM of our Company in every subsequent year and shall be eligible for re-election provided always that all the Directors shall retire at least once in each 3 years but shall be eligible for re-election. Any Director appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next AGM and shall then be eligible for re-election. None of our Directors has been appointed for a fixed term.

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5.3.2 Responsibility of our Board

Subject to the limitations of our Constitution, our Board has adopted a charter ("**Board Charter**"), which sets out, among others the following principal responsibilities of our Board for effective discharge of its functions:

(i) Review and adopt strategic plans and directions of the Group including setting performance objectives, approving operating budgets and ensuring the strategies promote sustainability (environmental, social and economic aspects). The Board is also responsible for monitoring the implementation of such plans and directions by the management.

(ii) Review and adopt corporate objectives of the Group which include performance targets and long-term and medium-term goals.

(iii) Identify the principal risks affecting the Group and recognise that business decisions involve the taking of appropriate risks.

(iv) Set risk appetite within which the Board expects the management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage, and monitor significant financial and non-financial risks.

(v) Oversee the implementation of the Anti-Bribery & Anti-Corruption Policy, Whistleblowing Policy, and Code of Conduct and Ethics, which shall articulate the acceptable practices and guide the behaviour of Directors, management, and employees.

(vi) Succession planning for the management, including the implementation of appropriate systems for recruiting, training, and determining the appropriate compensation benefits.

(vii) Oversee the implementation of a shareholders' communication policy and investors' relations program for the Group, to enable effective communications with its shareholders and stakeholders.

(viii) Review the adequacy and integrity of the Group's internal control systems and management information systems and ensure regulatory compliance with applicable laws, regulations, rules, and guidelines.

(ix) Oversee that both safety and security risks are managed effectively to ensure the protection of personnel, information, and other assets.

(x) Encourage employees and related stakeholders to report to the Group any legitimate concerns over any wrongdoing relating to unlawful conduct, financial malpractice, or dangers to the public or the environment within as well as any suspected and/or real corruption incidents.

(xi) Initiate a Board's self-evaluation program and follow-up action to deal with issues arising and arrange for Directors to attend courses, seminars and participate indevelopment programs as the Board judges appropriate.

(xii) Delegate certain responsibilities to the various Board committees with clearly defined terms of reference to assist the Board in the discharge of its responsibilities.

(xiii) Set sustainability strategies, priorities, and targets of the Group and ensuring communication with both internal and external stakeholders.

(xiv) Take appropriate action to ensure that they stay abreast of and understand the sustainability issues relevant to the Group and its businesses including climate-related risks and opportunities.

5.3.3 Audit and Risk Management Committee

Our Audit and Risk Management Committee comprises the following members:

Name	Designation	Directorship
Rozainah binti Baharuddin	Chairperson	Independent Non-Executive Director
Dato' Wan Asmadi bin Wan Ahmad	Member	Independent Non-Executive Director
Nurini binti Kassim	Member	Independent Non-Executive Director

The Audit and Risk Management Committee's duties and responsibilities as stated in its terms of reference include, among others, the following:

Internal Audit

(i) To review and report to the Board on the adequacy of the scope, functions, competency, and resources of the internal audit functions ensuring that they have the necessary authority to carry out their work.

(ii) To review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken, and to ensure appropriate action is taken by management on the recommendations.

(iii) To review any appraisal or assessment of the performance of members of the internal audit function.

(iv) To approve any appointment or termination of senior staff members of the internal audit function if the internal audit function is performed in-house.

(v) To take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reason for resigning if the internal audit function is performed in-house.

(vi) To ensure the person responsible for the internal audit reports directly to the Audit and Risk Management Committee.

External Audit

(i) To review with the external auditors, the audit report, the nature and scope of their audit plan and report the same to the Board.

(ii) To review with the external auditors, their audit report and evaluation of accounting policies and systems of internal controls and report the same to the Board.

(iii) To review internal audit findings and the management's responses or action plans, including the status of the previous audit recommendations.

(iv) To review the assistance given by employees of the Group to the external auditors.

(v) To review and report to the Board any letter of resignation from the Company's external auditors and consider whether there are grounds to believe that the Company's external auditors are not suitable for re-appointment.

(vi) To make recommendations concerning the external auditors' appointment and remuneration to the Board.

(vii) To review the non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the external auditors' firm.

(viii) In assessing the suitability, objectivity, and independence of the external auditors, the Audit and Risk Management Committee establishes policies and procedures should take into account:

(a) The criteria to guide decisions on the appointment and re-appointment of the external auditor. The criteria should include an assessment of the competence, audit quality and resource capacity of the external auditor in relation to the audit. The assessment should also consider information presented in the Annual Transparency Report of the audit firm. If the audit firm is not required to issue an Annual Transparency Report, the Audit and Risk Management Committee is encouraged to engage the audit firm on matters typically covered in an Annual Transparency Report including the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks;

(b) The appropriateness of audit fees to support a quality audit;

(c) Requirement for non-audit services to be approved by the Audit and Risk Management Committee before they are rendered by the external auditor and its affiliates while taking into account the nature and extent of the non audit services and the appropriateness of the level of fees. The Audit and Risk Management Committee should avoid situations where the audit firm inadvertently assumes the responsibilities of management in the course of providing non-audit services. Such a situation may be a breach of the independence requirements on the part of the audit firm;

(d) Requirement to obtain written assurance from the external auditor confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and

(e) The conduct of an annual evaluation on the performance of the external auditor and undertaking follow-up measures, where required.

Audit Reports

The reports of the Audit and Risk Management committee and the external and internal auditors and corrective action taken shall be tabled for discussion by the Board.

Financial Reporting

(i) To review quarterly results and year-end financial statements prior to the approval of the Board, focusing particularly on:

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

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

(c) compliance with accounting standards and other legal requirements.

(ii) To review and provide advice on whether the financial statements taken as a whole provide a true and fair view of the Company's financial position and performance.

(iii) To ensure the financial statements are consistent with operational and other information known, where there are significant matters requiring judgement.

Related Party Transactions

To review any related recurrent related party transactions and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure, or course of conduct that raises questions of management integrity.

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

Allocation of Options

To review and verify the allocation of options to employees under the employees share option scheme.

Risk Management

(i) To review with management the primary elements comprising the Company's risk culture, including establishing "a tone from the top" that reflects the Company's core values and the expectation that employees act with integrity and promptly escalate non-compliance in and outside of the Company; accountability mechanisms designed to ensure that employees at all levels understand the Company's approach to risk as well as its risk-related goal.

(ii) To review with management the Company's risk appetite and risk tolerance and assess whether the Company's strategy is consistent with the agreed-upon risk appetite and tolerance for the Company;

(iii) To maintain and establish a clear framework to hold management accountable for building and maintaining an effective risk appetite framework and providing the Board with regular, periodic reports on the Company's risk status;

(iv) To review with management the design of the Company's risk management functions, as well as the qualifications and backgrounds of senior risk personnel and the policies applicable to risk management, to assess whether they are appropriate given the Company's size and scope of operations;

(v) To oversee the conduct and review the results of company-wide risk assessments, including the identification and reporting of critical risks;

(vi) To review with management the categories of risk the Company faces, including any risk concentrations and risk interrelationships, as well as the likelihood of occurrence, the potential impact of those risks, mitigating measures and action plans to be employed if a given risk materialises;

(vii) To review with management the ways in which risk is measured on an aggregate, company-wide basis, the setting of aggregate and individual risk limits (quantitative and qualitative, as appropriate), the policies and procedures in place to hedge against or mitigate risks and the actions to be taken if risk limits are exceeded;

(viii) To review with management the assumptions and analysis underpinning the determination of the Company's principal risks and ensure that adequate procedures are in place to identify, understand, and account new materially changed risk.

(ix) To review management's implementation of its risk policies and procedures, to assess their effectiveness, and ensure they are followed;

(x) To provide advice to the Board on risk strategies and coordinate the activities of the various standing board committees for risk oversight;

(xi) To review internal systems of formal and informal communication across divisions and control functions to encourage the prompt and coherent flow of risk-related information within and across business units and, as needed, the prompt escalation of information to senior management (and to the Board or Board committees as appropriate).

(xii) To review reports from management, independent auditors, internal auditors, legal counsel, regulators, stock analysts, and outside experts as considered appropriate regarding risks the Company faces and the Company's risk management function, and consider whether, based on each individual Director's experience, knowledge and expertise, the Board or Audit and Risk Management Committee primarily tasked with carrying out the Board's risk oversight function is sufficiently equipped to oversee all facets of the Company's risk profile — including specialised areas such as cybersecurity — and determine whether subject-specific risk education is advisable for such Directors;

(xiii) To review the Company's internal control and risk management framework, strategy, policies, processes, responsibilities, and actions and assess whether any changes are to be made;

(xiv) To solicit feedback on the adequacy and effectiveness of risk management and internal control from the management, internal auditors and external auditors at least annually; and

(xv) To review the Statement on Risk Management and Internal Control in the Company's Annual Report to ensure relevant information as prescribed in the Listing Requirements of Bursa Securities.

Listing Requirements

To report any breach of Listing Requirements, which have not been satisfactory resolved to Bursa Securities.

Other Matter

(i) To ensure the inclusion of corruption risk as one of the risks assessed in the Group's risk register.

(ii) To review the Anti-Bribery & Corruption Policy and Whistleblowing Policy at least once every 3 years and to make recommendations to the Board thereon.

(iii) To consider other topics as defined by the Board.

5.3.4 Nomination Committee

Our Nomination Committee comprises the following members:

Name	Designation	Directorship
Dato' Wan Asmadi bin Wan Ahmad	Chairman	Independent Non-Executive Director
Rozainah binti Baharuddin	Member	Independent Non-Executive Director
Nurini binti Kassim	Member	Independent Non-Executive Director

The Nomination Committee's duties and responsibilities as stated in its terms of reference include, among others, the following:

(i) to propose, consider, and recommend to the Board suitable person(s) for appointment as Directors of the Group. In making its recommendations, the Nomination Committee should consider (but not be limited to) the following criteria:

- skills, knowledge, expertise, and experience;
- professionalism;
- integrity;
- boardroom diversity (including gender diversity); and

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

- in the case of candidates for the position of Independent Non-Executive Directors, the committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

The Nomination Committee shall also consider candidates for directorships proposed by the Group Managing Director and, within the bounds of practicability, by any other senior executive or any Director or shareholder. If the selection of candidates is based on recommendations made by existing Directors, management, or major shareholders, the committee should explain why these source(s) suffice and why other sources were not used.

(ii) to recommend to the Board candidates to fill the seats on Board committees.

(iii) to assist the Board in reviewing on an annual basis the required mix of skills, independent experience, and other qualities, including core competencies, which Non-Executive Directors should bring to the Board.

(iv) to assess on an annual basis the effectiveness of the Board as a whole, the committees of the Board, and the contribution of each individual Director including the Chairman of the Board, Non-Executive Directors, as well as the Group Managing Director, the Chief Executive Officer, and the Chief Financial Officer. All assessments and evaluations carried out by the committee in the discharge of all its functions should be properly documented.

(v) to review the tenure of each Director with the aim of ensuring that the composition of the Board is refreshed periodically and the annual re-election of a Director is based on the satisfactory evaluation of the Director's performance and contribution to the Board, and the Director has submitted the Fit and Proper Declaration Form.

(vi) to lead the succession planning and oversee the development of a diverse pipeline for the Board and management succession, including the future Chairman of the Board, Managing/Executive Directors, Chief Executive Officer, Corporate Affairs Officer, and Chief Financial Officer.

(vii) assess the skill gaps of the Directors and recommend appropriate training and development programs for the Directors.

(viii) to review the term of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether the Audit and Risk Management Committee and members have carried out their duties in accordance with their terms of reference.

(ix) to carry out such other responsibilities as may be delegated by the Board from time to time.

(x) where there is an Independent Non-Executive Director whose term will exceed/has exceeded nine (9) years tenure, the committee shall justify the recommendation to retain the Independent Non-Executive Director after the ninth (9th) year to the Board for consideration.

(xi) recommend to the Board the re-election of Directors who retire by rotation pursuant to the Company's Constitution.

(xii) to establish and review the board diversity policy and Directors' Fit and Proper Policy for the Board and senior management and to ensure that the Company takes concrete action to achieve the numerical targets as stated in the policies.

5.3.5 Remuneration Committee

Our Remuneration Committee comprises the following members:

Name	Designation	Directorship
Nurini binti Kassim	Chairperson	Independent Non-Executive Director
Dato' Wan Asmadi bin Wan Ahmad	Member	Independent Non-Executive Director
Rozainah binti Baharuddin	Member	Independent Non-Executive Director

The Remuneration Committee's duties and responsibilities as stated in its terms of reference include, among others, the following:

(i) to set, review, recommend, and advise the policies and procedures on all elements of the remuneration of the Directors and Key Senior Management.

(ii) to review and recommend to the Board the remuneration packages of Executive Directors and Key Senior Management including, where appropriate, bonuses, incentives, benefits-in-kind, severance payments, any grant of entitlement under the share scheme based on the merit, qualification, and competence while having regard to the operating results, individual performance, and comparable market statistics.

(iii) to review and recommend to the Board the remuneration packages for Non-Executive Directors, which shall be subjected to shareholders' approval at the annual general meeting, based on the level of expertise, commitment, and responsibilities undertaken.

(iv) to review and assess the adequacy and relevance of the remuneration policies and procedures annually and recommend any changes it considers necessary to the Board.

(v) to carry out such other responsibilities as may be delegated by the Board from time to time.

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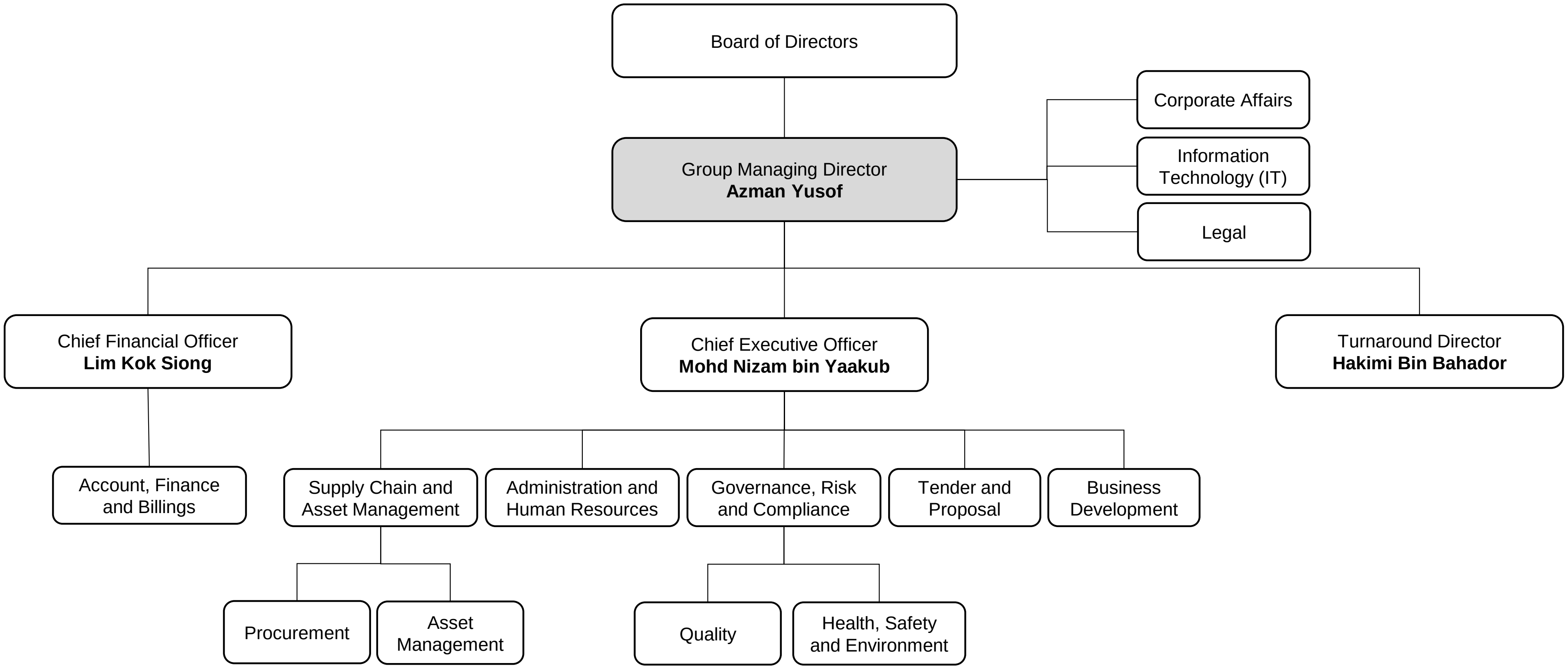
5.4 MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



5.5 KEY SENIOR MANAGEMENT

5.5.1 Shareholdings of Key Senior Management

Save for the shareholdings of Azman Yusof which are as set out in Section 5.2.1 of this Prospectus, the details of our other Key Senior Management and their respective shareholdings in our Company before and after our IPO are as follows:

	Before our IPO				After our IPO[(1)]			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mohd Nizam bin Yaakub	-	-	-	-	[(2)]2,084,000	0.20	-	-
Hakimi bin Bahador	-	-	-	-	[(2)]2,084,000	0.20	-	-
Lim Kok Siong	-	-	-	-	[(2)]250,000	0.02	-	-

Notes:

(1) Based on our enlarged issued share capital after our IPO of 1,050,000,000 Shares.

(2) Assuming he will fully subscribe for his respective allocations under the Pink Form Allocation.

5.5.2 Profiles of Key Senior Management

The profiles of Azman Yusof are as set out in Section 5.1.3 (i) of this Prospectus.

The profiles of our other Key Senior Management are as follows:

(i) Mohd Nizam bin Yaakub
Chief Executive Officer

Mohd Nizam bin Yaakub, male, a Malaysian aged 54 is our Group's Chief Executive Officer and currently oversees and manages our Group's entire operations.

He obtained his Diploma in Manufacturing Technology from Port Dickson Polytechnic in June 1994. He obtained his Bachelor of Engineering in Manufacturing Systems Engineering with Honours from the University of Portsmouth, UK in June 1996.

Upon completion of his studies, he took a study break before commencing his career in September 1996 as a Project Engineer at Maju Egatt (M) Sdn Bhd where he was involved in project site works, management and execution of various infrastructure development projects. In August 2002, he was seconded to another member of the Maju Group named PFC Engineering Sdn Bhd as a Cost and Contract Manager. There, he was involved in the company's project bidding proposals, costing and budgeting as well as project management and supervision. He steadily rose through the ranks in the company, being promoted to the position of Project Manager in 2009 and then as a Senior Manager in the Tender and Contracting department in 2014 before leaving the company in December 2017.

He then joined MIE Infrastructure & Energy Sdn Bhd in January 2018 as a Manager, bearing the same job scope of his managerial positions at PFC Engineering Sdn Bhd prior to his departure. He left the company in November 2020 and subsequently joined us in the same month as a Manager in the Proposal and Contracting department. His responsibilities were similar to his previous positions up until January 2021 when he was elevated to the position of Chief Executive Officer in EMSB. His responsibilities include overseeing, managing and developing operation strategies, short-term and long-term objectives for the operations of the company in its 4 business regions at Melaka, Terengganu, Johor and Putrajaya as well as assisting our Group Managing Director in the Group's sales and marketing activities.

(ii) Hakimi bin Bahador
Turnaround Director

Hakimi bin Bahador, male, a Malaysian aged 57 is our Group's Turnaround Director and currently oversees our Group's entire Turnaround operations.

He graduated from the University of Texas at El Paso, USA with a Bachelor of Science degree in Mechanical Engineering in May 1991. He obtained an additional Diploma (Plant Maintenance) from JICA Kyushu, Japan in April 1997. He obtained his Master in Business Administration (Strategic Management) from Universiti Teknologi Malaysia in March 2004.

He started his career in April 1991 as a Project Engineer in Mechanical Operations at Perwaja Steel Sdn Bhd where he was involved in the management and maintenance operations at a steel manufacturing plant before leaving the company as the Division Head of Maintenance in December 2001. In January 2002, he joined PFC Engineering Sdn Bhd as a Chief Operating Officer where he was involved in the management of the company's EPCC projects. He steadily rose in the company and was promoted to the position of Project Manager where he oversaw the entire operations of PFC Engineering Sdn Bhd before leaving the company in July 2015.

He joined MIE Infrastructure & Energy Sdn Bhd in the same month as a Project Manager, carrying out a similar responsibility as his previous position at PFC Engineering Sdn Bhd prior to his departure. He was promoted to the position of Head of O&G in September 2018 where he was involved in overseeing all activities relating to the group's oil and gas operations before leaving the company in October 2019. He joined EMSB in October 2019 as a General Manager of Operations, mainly tasked with overseeing the operational and managerial activities at our Pengerang Business Unit up until December 2021 before being promoted to the position of Chief Operating Officer in January 2022. As our Chief Operating Officer, he managed the operational activities of EMSB. He was promoted as our Turnaround Director in January 2023 with the task of overseeing the overall operational and commercial aspects related to our Group's turnaround division which is primarily related to scheduled plant shutdown.

Please refer to Section 5.5.3 (i) of this Prospectus for the details of his directorships and shareholdings outside our Group as at the LPD.

(iii) Lim Kok Siong
Chief Financial Officer

Lim Kok Siong, male, a Malaysian aged 35, is our Group's Chief Financial Officer. He currently oversees our Group's finances and heads our Group's finance department.

He graduated from Universiti Utara Malaysia with a Bachelor of Accounting with First Class Honours in November 2014. He is a member of the Malaysian Institute of Certified Public Accountants since November 2017 and a member of the Malaysian Institute of Accountants since July 2018.

He started his career as an Audit Associate in BDO Malaysia PLT in February 2014 and participated in diverse audit engagements and corporate assignments, before leaving as an Audit Assistant Manager in September 2017. He joined Leon Fuat Berhad in October 2017 as its Group Finance Manager, where he was responsible for the financial reporting, annual budgeting and forecast and the tax planning and compliance of the group and left Leon Fuat Berhad in August 2019.

He joined Advance Synergy Berhad as a Senior Finance Manager in September 2019 where he managed the group's finance department and oversaw the group's overall finance and reporting, tax planning and compliance, treasury and funding management and corporate exercises. In July 2021, he left Advance Synergy Berhad and joined Smart Glove Holdings Berhad in the same month while performing similar functions to his roles as in his previous position in Advance Synergy Berhad. In December 2022, he joined Pecca Group Berhad as a Senior Finance Manager where he led the group's accounts and treasury team in addition to preparing the group's financial reports, annual financial budget, monthly financial and forecast analysis. He joined our Group in January 2024 and assumed his current position.

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5.5.3 Involvement of our Key Senior Management in other businesses / corporations

Save as disclosed in Section 5.2.3 (ii) and below, none of our other Key Senior Management have any other principal directorships held and principal business activities performed by them in other businesses or corporations outside our Group within the past 5 years up to the LPD:

(i) Hakimi bin Bahador

					% of shareholdings held	
Company/ entity	**Principal activities**	**Involvement**	**Date of appointment**	**Date of resignation**	**Direct**	**Indirect**
Past involvement						
PFCE Central Sdn Bhd	Fabrication works, foundry castor, trading and plant maintenance *(In the process of winding up pursuant to a court order on 25 March 2024)*	Director	23 June 2010	-	-	-

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5.5.4 Key Senior Management's remuneration and benefits

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our other Key Senior Management for services rendered in all capacities to our Group for the FYE 2024 and FYE 2025 (in the bands of RM50,000) are as follows:

	Remuneration band	
Key Senior Management	**FYE 2024 (paid)**	**(1)FYE 2025 (proposed)**
Mohd Nizam bin Yaakub	200,000 – 250,000	300,000 – 350,000
Hakimi bin Bahador	150,000 – 200,000	200,000 – 250,000
Lim Kok Siong	200,000 – 250,000	200,000 – 250,000

Note:

(1) Excluding bonuses for FYE 2025 which will be determined at a later date based on their respective performance review, subject to the recommendation of our Remuneration Committee and approval of our Board.

The remuneration of our Key Senior Management, which includes salaries, bonus, other emoluments and benefits-in-kind, must be considered and recommended by our Remuneration Committee and subsequently approved by our Board.

5.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no other relations or association between our Promoter, substantial shareholders, Directors and Key Senior Management in our Group:

Name	Designation / Position	Nature of relations or associations
299 Global	Substantial shareholder	A company in which Azman Yusof is the sole director and sole shareholder
Azman Yusof	Promoter / substantial shareholder / Group Managing Director	Shareholder and director of 299 Global

5.7 EXISTING AND PROPOSED SERVICE AGREEMENTS

As at the LPD, none of our Directors and/or Key Senior Management has any existing or proposed service agreement which provide for benefits upon termination of employment with our Group.

5.8 DECLARATIONS BY OUR PROMOTER, DIRECTORS AND KEY SENIOR MANAGEMENT

None of our Promoter, Directors and Key Senior Management is or was involved in any of the following events, whether within or outside Malaysia:

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

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

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

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

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

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

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

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

(viii) any unsatisfied judgment against such person.

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6. INFORMATION ON OUR GROUP

6.1 OVERVIEW OF THE GROUP

6.1.1 History and background

Our Company was incorporated in Malaysia under the Act on 16 August 2024 as a private limited company under the name of Enproserve Group Sdn Bhd. On 14 November 2024, it was converted into a public limited company and we assumed our present name.

Our Company is an investment holding company and was incorporated to facilitate our Listing on Bursa Securities. Through our Subsidiaries, we are a mechanical and civil engineering services provider focusing on providing plant maintenance and turnaround services, EPCC, as well as FM services. We also provide other related activities including the rental of equipment and vehicles, and supply of manpower.

We principally operate in Malaysia where our head office is located in Cyberjaya, Selangor with operational facilities in Johor, Melaka, and Terengganu for our plant maintenance and turnaround, and EPCC segments.

The history of our Group can be traced back to 1997 when our Group Managing Director, Azman Yusof, founded EMSB with his wife, Jawiah Binti Abdullah and a third-party individual, Mazlan Bin Hashim. EMSB was incorporated under the former name of Igatech Corporation Sdn Bhd in 1997 and changed to its present name in the same year. In 1999, Mazlan Bin Hashim disposed his shares to Azman Yusof, where Azman Yusof held 80.00% equity interest in EMSB, while the remaining 20.00% equity interest was held by Jawiah Binti Abdullah. In 2011, Jawiah Binti Abdullah disposed majority of her shares to Azman Yusof, and the remaining to Azman Yusof's father namely, Yusof Bin Jusoh. Pursuant to the completion of the disposal in 2011, Azman Yusof held 99.92% of the equity interest while Yusof Bin Jusoh held the remaining 0.08% equity interest. Subsequently in 2018, Azman Yusof acquired the remaining equity interest in EMSB and became the sole shareholder.

Meanwhile, in March 2018, AY299, of which Azman Yusof is the sole shareholder and sole director, acquired 60.00% equity interest in RBPS from a third-party individual, namely Dato' Ahmad Fadzil Bin Mohamad (18.00%) and a third-party company, Right Balance Sdn Bhd (42.00%). During the same year in November 2018, 299 Global, of which Azman Yusof is also the sole shareholder and sole director, acquired the entire 60.00% equity interest in RBPS from AY299. In January 2019, 299 Global acquired the remaining 40.00% equity interest in RBPS from Right Balance Sdn Bhd. Subsequently in July 2024, Azman Yusof acquired the entire 100.00% equity interest in RBPS from 299 Global and became the sole shareholder.

The key events and milestones of our business operations are as follows:

Year	Key events and milestones
1997	• EMSB was incorporated under the former name of Igatech Corporation Sdn Bhd and assumed its present name in the same year.
2001	• EMSB commenced operations in Chukai, Kemaman in Terengganu to carry out pipe maintenance and fabrication works mainly for chemical and petrochemical plants. • EMSB became a registered CIDB contractor.
2006 / 2007	• EMSB is registered with PETRONAS in 2006 and received its PETRONAS licence in 2007. • EMSB is registered with DOSH as a gas piping contractor in 2006.
2009	• We secured our first plant maintenance services for PETRONAS Group from PETRONAS Penapisan (Terengganu) Sdn Bhd ("**PPTSB**"). • We secured another contract from PETRONAS Group, namely from PETRONAS Methanol (Labuan) Sdn Bhd which involved the design, fabrication, supply, delivery and installation of glass-reinforced plastic pipes for replacement of defect sea water piping.
2011	• We established our head office in Puchong, Selangor. As at the LPD, we no longer operate at this premise.

Year	Key events and milestones
2013	• We secured a contract in 2013 which involves the replacement of underground firewater piping from carbon steel to glass-reinforced plastic pipes for PETRONAS Gas Berhad in Kerteh, Terengganu. In 2015, we received another contract for the same scope of work for PETRONAS Gas Berhad facilities in Kerteh, Terengganu.
2014	• We secured a contract from PPTSB covering defect piping works for their plant turnaround in 2014. Subsequently, we were also involved in the defect piping works for PPTSB's plant turnaround in 2016. • We secured a contract which involves the engineering, procurement and construction of burner management system for PETRONAS Chemicals Ethylene Sdn Bhd in 2014.
2015	• We relocated our operations from Chukai, Kemaman and established operations in our own office and facility in Paka, Terengganu namely EMSB Paka Operational Facilities. As at the LPD, we are presently operating at this premise.
2017	• We secured a contract which involves the EPCC of steam trap improvement project for Gas Processing Plant - Santong owned by PETRONAS Gas Berhad in Paka, Terengganu.
2018	• RBPS was acquired by Azman Yusof, via AY299 and 299 Global. RBPS was incorporated in 2010 and commenced operations in the same year to carry out the business of onshore facilities maintenance services including civil, structure, mechanical, piping, instrumentation and electrical engineering works, and provision of other fabrication yard facilities. As at the LPD, RBPS currently carries out maintenance of pipes and pipe fittings, provision of non-destructive testing, flange management, valve servicing and machining. • We secured a contract which involves the EPCC of propane and butane importation facilities at the Tanjung Sulong Export Terminal for PETRONAS Gas Berhad. • EMSB entered into a joint venture agreement with Hydrodyne for a joint-business collaboration to bid and secure an integrated TA4MS contract from PETRONAS Group (**"EMSB and Hydrodyne JV"**). Hydrodyne is a company established in Thailand that is principally involved in the management of turnaround, shutdown service, maintenance mechanical static, and industrial cleaning services. The Directors of Hydrodyne are Yajit Mangkornthong and Anusorn Sornkajorn. The shareholders of Hydrodyne are Hydro Posh Holding Co., Ltd (99.99%) and the remaining 0.01% shares in Hydrodyne are equally held by Yajit Mangkornthong, Anusorn Sornkajorn, Boonyanuch Sornkajorn and Thanit Sornkajorn, respectively. The shareholders of Hydro Posh Holding Co., Ltd are Yajit Mangkornthong (35.00%), Anusorn Sornkajorn (25.00%), Boonyanuch Sornkajorn (20.00%) and Thanit Sornkajorn (20.00%). All of the shareholders of Hydrodyne are family members. The joint venture between EMSB and Hydrodyne forms part of the requirement by PETRONAS and is to set out the duties and obligations of each party in connection with the collaboration with each other for the purpose of pursuing and securing the TA4MS contract which is part of PETRONAS' initiative to streamline its plant maintenance and turnaround management. Under this joint venture, EMSB will be responsible for the following: (i) overall project management of plant maintenance and turnaround activities; (ii) execution of daily comprehensive maintenance comprising corrective and preventive maintenance works as well as small-scale plant turnaround execution; (iii) integrated planning of plant turnaround; and (iv) provision of skilled and non-skilled manpower in the large-scale plant turnaround execution; while Hydrodyne will be involved in the large-scale plant turnaround by supplying the following: (i) specialised equipment and machineries; and (ii) provision of skilled manpower. • We expanded our operations to Melaka with the establishment of our Melaka Operational Facility in 2018. In 2018, we secured our first contract in Melaka for the EPCC assistance of flare gas recovery unit for Malaysian Refinery Company Sdn Bhd ("**MRCSB**"). • We expanded our operations to Johor with the rental of a vacant land in Bandar Penawar, Johor for our projects in Pengerang where we set-up our workshop and office. We subsequently acquired the said land in 2020. As at the LPD, we have vacated the said premise.

Year	Key events and milestones
2019	• EMSB and Hydrodyne JV was awarded a group-wide master service agreement for an integrated TA4MS contract from PETRONAS (**"TA4MS – PETRONAS contract"**) to provide plant maintenance and turnaround services for PETRONAS Group's OPUs As at the LPD, we entered into contracts directly with the six (6) operating units that require our services. • EHSB was incorporated in 2019 where our Group Managing Director, Azman Yusof, held 60.00% equity interest in EHSB and Hydrodyne's President, Anusorn Sornkajorn, held the remaining 40.00% equity interest in EHSB. • In 2019, we commenced plant maintenance and turnaround works for the central utilities and facilities in Pengerang, Johor where we received our first purchase order from PRPC Utilities and Facilities Sdn Bhd (**"PRPC UF"**) under the TA4MS – PETRONAS contract. Subsequently in 2021, we entered into a TA4MS contract directly with PRPC UF which was valid for three (3) years from 2021 until 2024. We entered into a new contract with PRPC UF in 2024 which is valid for three (3) years from 2024 until 2027 with an option to extend for two (2) years. • In 2019, we also commenced plant maintenance and turnaround works for a refinery and petrochemical complex in Pengerang, Johor where we received our first purchase order from Pengerang Refining Company Sdn Bhd ("**PRC**") and Pengerang Petrochemical Company Sdn Bhd ("**PPC**") under the TA4MS – PETRONAS contract. Subsequently in 2022, we entered into the TA4MS contract directly with PRC and PPC which were valid for two (2) years from 2022 until 2024 with an option to extend for three (3) years plus two (2) years. As at the LPD, the contracts were extended for its first extension period until 2027. • We secured a term contract for the provision of non-metallic piping rectification for PRPC UF. The contract was valid for two (2) years from 2019 to 2021. Subsequently in 2021, we secured another contract from PRPC UF for the same scope and it is valid for three (3) years up to December 2024.
2020	• In 2020, we also commenced plant maintenance and turnaround works for the regasification terminal in Pengerang, Johor where we received our first purchase order from REGAS Terminal (Sg. Udang) Sdn Bhd (**"RGT"**) under the TA4MS – PETRONAS contract. Subsequently in 2024, we entered into the TA4MS contract directly with RGT which was valid for five (5) years from 2024 until 2029 and it is subsisting, as at LPD. • We secured 2 term contracts for civil and structural maintenance services from PRC and PPC, respectively. Both contracts are valid for four (4) years from 2020 until 2024, with the option to renew for an additional one (1) year. They are subsisting as at the LPD.
2021	• We received our first purchase order from an additional PETRONAS Group's OPUs namely PRPC Water Sdn Bhd (**"PRPC Water"**) under the TA4MS – PETRONAS contract. This is the commencement of plant maintenance and turnaround works for the PAMER raw water supply in Pengerang, Johor. Subsequently in 2024, we entered into a TA4MS contract directly with PRPC Water which is valid for three (3) years from 2024 until 2027, with the option to extend for additional two (2) years. It is subsisting, as at LPD. • We secured our first FM services contract from Perbadanan Putrajaya for the maintenance of government quarters apartment in Precinct 14, Putrajaya. The contract is for five (5) years from 2021 until 2026.

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Year	Key events and milestones
2022	• We secured another FM services contract from Jabatan Kerja Raya for the maintenance of the Ministry of Tourism, Arts and Culture building and the Ministry of Higher Education building located at Precinct 5, Putrajaya. The contract is for five (5) years from 2022 until 2027. • We secured three (3) contracts from MRCSB, PPTSB and PGB under the Master Service Agreement for atmospheric storage tank maintenance services. The scope of work includes among others, tank cleaning and desludging, welding, blasting, painting, inspection and testing services. The contract is for five (5) years from 2022 until 2027. • We secured a contract from MRCSB for the EPCC of an aluminium geodesic dome roof and full contact internal floating roof for a crude oil tank. As at the LPD, this project is ongoing. • We secured our first contract for the upstream O&G industry from Customer F as a subcontractor for the fabrication, installation, testing and reinstatement of GRE pipes for the central processing platform topside, wellhead deck and living quarters built by Customer F to be used for the Jerun gas field located offshore Sarawak. • EMSB and RBPS obtained ISO 9001 for Quality Management System, and EMSB obtained ISO 45001 for Occupational Health and Safety Management System in 2022. Subsequently, in 2023, EMSB obtained ISO 14001 for Environmental Management System. As at the LPD, these ISO certifications are subsisting.
2023	• We secured a contract from MRCSB for the EPCC of Fourier Transform Near-Infrared (FTNIR) Analysers which are to be integrated into the refinery's process piping system for real-time tracking of critical process parameters. This project is expected to be completed by 2025. • We secured seven (7) contracts from PETRONAS Group for the provision of mobile crane and other heavy lifting equipment and services including PGB, PETRONAS Chemicals Polyethylene Sdn Bhd, PETRONAS Chemicals Ammonia Sdn Bhd, PETRONAS Chemicals Olefins Sdn Bhd, PETRONAS Chemicals Derivatives Sdn Bhd, PETRONAS Chemicals Fertiliser Kedah Sdn Bhd and PETRONAS Chemicals LDPE Sdn Bhd. The scope of the contract covers the supply of mobile cranes, crawler cranes, sky lifts, forklifts, lorries and trailer/low loaders of various types, models and tonnage for day-to-day plant maintenance, projects, turnaround and emergency shutdown activities at the respective plants. The contract is for three (3) years from 2023 until 2026 with the option to extend for another two (2) years. • We secured our first maintenance contract as a lead maintenance contractor from PCG PCC Oxyalkylates Sdn Bhd (**"PPOXY"**), a joint venture company between PETRONAS Chemicals Group Berhad and PCC SE. As part of this contract, we are the lead maintenance manager and coordinator to develop and implement the plant's overall maintenance strategy. The contract is for two (2) years from 2023 to 2025 with the option to extend for not more than an additional three (3) years.
2024	• We secured a TA4MS contracts with Pengerang Power Sdn Bhd to provide plant maintenance and turnaround services for its 1,220 MW co-generation power plant. This is also our first maintenance contract for a large-scale power generation plant. This contract is for three (3) years from 2024 to 2027, with the option to extend for another two (2) years. • We have entered into sale and purchase agreements with Joyful Star Sdn Bhd to acquire an office building in Cyberjaya to be used as our new head office. In September 2024, we relocated our head office to the Cyberjaya Office. • In November 2024, EMSB was appointed as a panel contractor by Customer I for construction and modification works (CMW) for their downstream operating units in the West Coast, East Coast and Southern regions of Malaysia. This covers engineering, procurement, construction, installation, and commissioning works for plant modifications and improvement projects. The appointment duration is effective for three (3) years from 2024 until 2027, with an option to extend for one (1) year and another year thereafter. As a panel contractor, we are required to go through a mini-bid selection exercise to secure any contracts. Since then and up to the LPD, we have not secured any contracts through this appointment.

6.1.2 Key awards and recognition

The awards, recognitions and certifications that we have received in the Financial Years Under Review and up to the LPD include the following:

Year	Awards, recognitions and certifications
2022	Focused recognition from PRPC Utilities and Facilities Sdn Bhd on the timely completion of repair works on the high-pressure boiler feed water piping system during an unplanned plant shutdown without any health, safety and environment incident.
2022	Letter of appreciation from Johor Petroleum Development Corporation Berhad to EMSB for its contribution to the Skills in O&G - Pengerang Integrated Complex (SOGA PIC) Program by providing employment opportunities for local youths.
2023	Malaysian Society for Occupational Safety and Health (MSOSH) OSH Gold Class 1 Award to EMSB (Pengerang Business Unit) for 2022 under the Petroleum, Gas, Petrochemical and Allied Sectors for a very good OSH performance.
2024	MSOSH OSH Gold Class 1 Award to EMSB Melaka Business Unit for 2023 under the Petroleum, Gas, Petrochemical and Allied Sectors for a very good OSH performance.
2024	MSOSH OSH Gold Class 1 Award to EMSB Pengerang Business Unit for 2023 under the Petroleum, Gas, Petrochemical and Allied Sectors for excellent OSH performance.

As at the LPD, we have also been accredited with the following management systems:

Company within our Group	Accreditation	Scope	Issuing party	Validity period
EMSB	ISO 45001: 2018 (Occupational Health and Safety Management System)	Provision of mechanical and civil engineering services to oil, gas and petrochemical industries	Value & Professional Certification Sdn Bhd	13 October 2022 to 12 October 2025
	ISO 9001:2015 (Quality Management System)	Provision of mechanical and civil engineering services to oil, gas and petrochemical industries	Value & Professional Certification Sdn Bhd	13 October 2022 to 12 October 2025
	ISO 14001:2015 (Environmental Management System)	Provision of mechanical, civil, electrical and instrumental engineering and support services (for project and maintenance) to oil, gas, petrochemicals, and facility management industries	Value & Professional Certification Sdn Bhd	18 October 2023 to 17 October 2026
RBPS	ISO 9001:2015 (Quality Management System)	Provision of in-situ machining and servicing of valves, piping and fittings, and non-destructive testing	Value & Professional Certification Sdn Bhd	5 April 2025 to 5 April 2028

6.1.3 Principal place of business

As at LPD, the location of our head office and operational facilities are as follows:

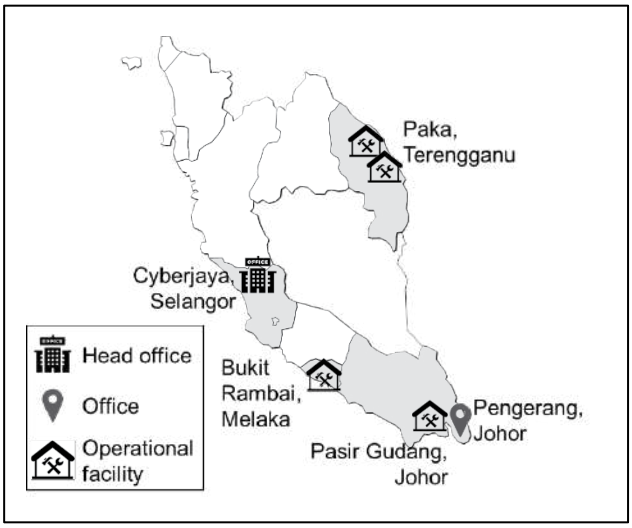
Main functions	Location	Approximate built-up area (sq. m.)	Description of use / premise	Ownership	Address
Plant maintenance and turnaround and EPCC					
Head office	Cyberjaya Office	2,003	Office	Owned	13-G-01, Star Central @ Cyberjaya, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor
Operational office / facilities	Pengerang Office	443		Rented	Block M-G-15 & 1-15 Jalan Rengit 3, Pusat Perdagangan Rapid Pengerang, 81600 Pengerang, Johor
	EMSB Paka Operational Facilities	4,172	Office and workshop	Owned	PT 17659 – 17660 (Lot 71696 – 71697), Taman Industri Paka, 23100 Dungun, Terengganu
	Melaka Operational Facilities(1)	4,182		Owned	Lot 3686, Jalan PBR1, Kawasan Perindustrian Bukit Rambai 75250, Melaka Tengah, Negeri Melaka
	RBPS Paka Operational Facilities	864		Owned	PT 17681 (Lot 71718), Taman Industri Paka, 23100 Paka, Terengganu Darul Iman
	Pasir Gudang Operational Facilities	1,068	Office and storage area	Rented	PLO 819N, Jalan Platinum 4, Kawasan Perindustrian Pasir Gudang (Zon 12B), 81700 Pasir Gudang, Johor

Note:

(1) Please refer to Section 7.20(e) of this Prospectus for the details of the past non-compliances.

For information and in addition to the above, our Group also occupies a site office in buildings that we provide FM services to facilitate the provision of our services. For further information, please refer to Section 7.2.3.3 of this Prospectus.

The following diagram sets out our head office and operational facilities in Malaysia, as at LPD:



6. INFORMATION ON OUR GROUP *(Cont'd)*

Our head office in Cyberjaya, Selangor

Our operational facility in Bukit Rambai, Melaka

Our operational facility in Pasir Gudang, Johor

Our office in Pengerang, Johor

Our operational facility in Paka, Terengganu

6.2 SHARE CAPITAL

As at the LPD, the share capital of our Company is RM57,876,093 comprising 840,000,000 Shares. The changes in the share capital of our Company since incorporation up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Type of Issue / Consideration	No. of cumulative Shares	Cumulative share capital (RM)
16 August 2024	100	Cash / Subscriber's share	100	100
7 April 2025	786,473,050	Consideration shares issued pursuant to the Acquisition of EMSB	786,473,150	54,188,093
7 April 2025	20,377,358	Consideration shares issued pursuant to the Acquisition of EHSB	806,850,508	55,592,093
7 April 2025	33,149,492	Consideration shares issued pursuant to the Acquisition of RBPS	840,000,000	57,876,093

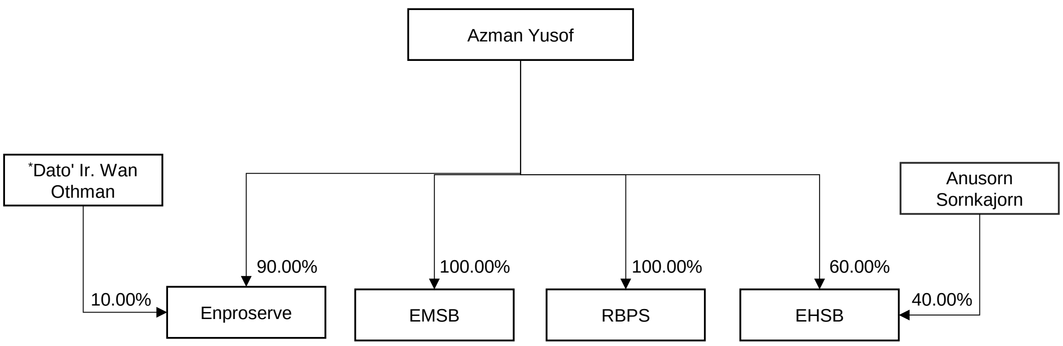
As at the LPD, our Company does not have any outstanding warrants, options, convertible securities or uncalled capital. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our Company's existing issued share capital will increase from 840,000,000 Shares to 1,050,000,000 Shares.

6.3 GROUP STRUCTURE

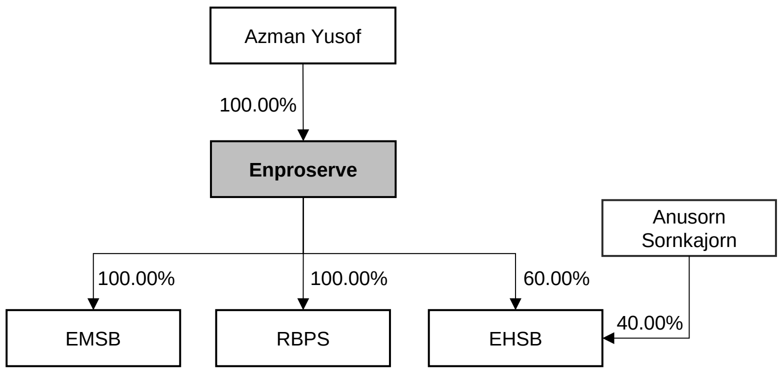
Our Group structure is as follows:

Before the Acquisitions



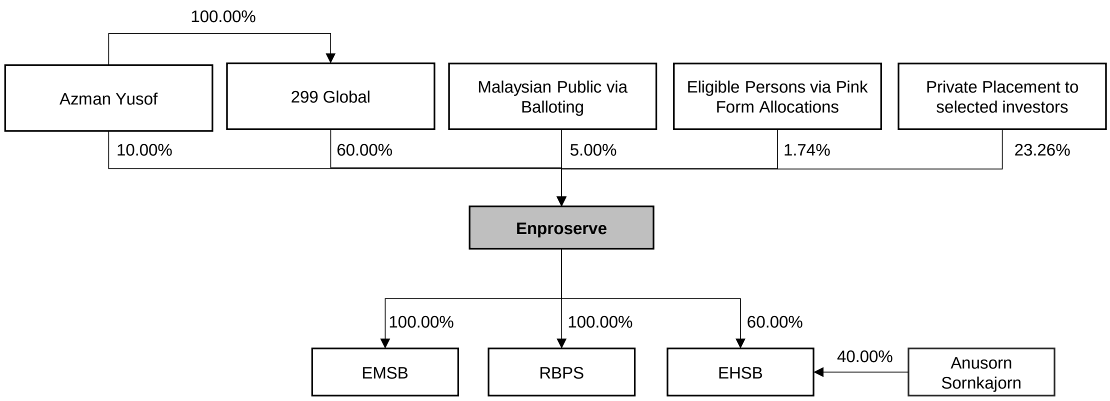
* *Dato' Ir. Wan Othman is the subscriber shareholder of Enproserve and is not a related party to the Group. The subscriber shares have been transferred to Azman Yusof on 26 May 2025 and this transfer does not form part of the Acquisitions.*

After the Acquisitions but before the IPO*



* *Based on our issued share capital of 840,000,000 Shares.*

After the IPO and Share Transfer*



* *Based on our enlarged issued share capital of 1,050,000,000 Shares.*

6.4 INFORMATION ON OUR SUBSIDIARIES

The details of our Subsidiaries as at the LPD is summarised as follows:

Name and Registration number	Date / Country of incorporation	Principal place of business	Effective equity interest (%)	Principal activities
EMSB (199701002338 (417834 – X))	21 January 1997 / Malaysia	Malaysia	100.00	Plant maintenance and turnaround, EPCC, FM, rental of equipment and vehicles, and manpower supply
EHSB (201901015353 (1324681-K))	29 April 2019 / Malaysia	Malaysia	60.00	Plant turnaround services
RBPS (201001019758 (903468-D))	7 June 2010 / Malaysia	Malaysia	100.00	Maintenance of pipes and pipe fittings, non-destructive testing, flange management, valve servicing and machining

As at the LPD, we do not have any associated company.

6.4.1 EMSB

(i) Background and history

EMSB was incorporated in Malaysia under the Companies Act 1965 on 21 January 1997 as a private limited company under the present name and is deemed registered under the Act.

EMSB is principally involved in the provision of plant maintenance and turnaround, EPCC, FM, rental of equipment and vehicles, and manpower supply.

(ii) Share capital

As at the LPD, the issued share capital of EMSB is RM10,000,000 comprising 10,000,000 ordinary shares. There have been no change in the issued share capital of EMSB for the past 3 years preceding the LPD.

(iii) Substantial shareholder and directors

As at the LPD, EMSB is our wholly owned subsidiary and Azman Yusof is the sole director of EMSB.

(iv) Subsidiary, associate company and joint venture

As at the LPD, EMSB does not have any subsidiary, associate company or joint venture.

6.4.2 EHSB

(i) Background and history

EHSB was incorporated in Malaysia under the Act on 29 April 2019 as a private limited company under the present name and is deemed registered under the Act.

EHSB is principally involved in the provision of plant turnaround services.

(ii) Share capital

As at the LPD, the issued share capital of EHSB is RM500,000 comprising 500,000 ordinary shares. There have been no changes in the issued share capital of EHSB for the past 3 years preceding the LPD.

(iii) Substantial shareholder and directors

As at the LPD, our Company owns 60% of the equity interest in EHSB and Anusorn Sornkajorn owns 40% of the equity interest in EHSB. The directors of EHSB are Azman Yusof, Anusorn Sornkajorn and Charnack Vorravut bin Nga Sa Nga.

(iv) Subsidiary or associated company

As at the LPD, EHSB does not have any subsidiary, associate company or joint venture.

6.4.3 RBPS

(i) Background and history

RBPS was incorporated in Malaysia under the Companies Act 1965 on 7 June 2010 as a private limited company under the present name and is deemed registered under the Act.

RBPS is principally involved in the maintenance of pipes and pipe fittings, non-destructive testing, flange management, valve servicing and machining.

(ii) Share capital

As at the LPD, the issued share capital of RBPS is RM2,500,000 comprising 2,500,000 ordinary shares. There have been no changes in the issued share capital of RBPS for the past 3 years preceding the LPD.

(iii) Substantial shareholder and directors

As at the LPD, RBPS is our wholly owned subsidiary and Azman Yusof is the sole director of RBPS.

(iv) Subsidiary, associate company and joint venture

As at the LPD, RBPS does not have any subsidiary, associate company or joint venture.

6.5 LISTING SCHEME

In conjunction with and as an integral part of our Listing, our Company undertook a Listing Scheme which involved the following:

(i) Acquisitions

Our Company had, on 5 November 2024 entered into a conditional share sale agreement (as varied by a supplemental share sale agreement dated 4 March 2025) with Azman Yusof to acquire:

(a) The entire issued shares in EMSB comprising 10,000,000 ordinary shares for a purchase consideration of RM54,187,993, which was fully satisfied by the issuance of 786,473,050 new Shares at an issue price of RM0.0689 to Azman Yusof.

The purchase consideration of RM54,187,993 was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of EMSB as at 30 June 2024 of RM54,227,837.

(b) 60% of the total number of issued shares in EHSB comprising 300,000 ordinary shares for a purchase consideration of RM1,404,000, which was fully satisfied by the issuance of 20,377,358 new Shares at an issue price of RM0.0689 to Azman Yusof.

The purchase consideration of RM1,404,000 was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of EHSB as at 30 June 2024 of RM2,340,857.

(c) The entire issued shares in RBPS comprising 2,500,000 ordinary shares for a purchase consideration of RM2,284,000, which was fully satisfied by the issuance of 33,149,492 new Shares at an issue price of RM0.0689 to Azman Yusof.

The purchase consideration of RM2,284,000 was arrived at on a "willing-buyer willing-seller" basis after taking into the audited NA of RBPS as at 30 June 2024 of RM2,284,616.

The Acquisitions were completed on 7 April 2025 and EMSB, EHSB and RBPS became our subsidiaries.

The new Shares issued pursuant to the Acquisitions rank equally in all respects with our existing Shares including voting rights and are entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

(ii) IPO

The details of our IPO are set out in Section 4.3 of this Prospectus.

(iii) Share Transfer

During the prescription period (i.e. one (1) day after the issuance of the Prospectus up to a period of 30 days), Azman Yusof will transfer a total of 630,000,000 or 60.00% equity interest in Enproserve, to 299 Global. Further details of the Share Transfer are set out below:

	No. of Shares held after the IPO but before the Share Transfer	**No. of Shares to be transferred to 299 Global**	**No. of Shares held after the Share Transfer**	***%**
Azman Yusof	735,000,000	630,000,000	105,000,000	10.00

Note:

* *Based on the enlarged issued share capital of 1,050,000,000 Shares after the IPO.*

299 Global is an investment holding company, with sole purpose of holding Enproserve Shares for Azman Yusof pursuant to the Share Transfer. Azman Yusof is the sole director and sole shareholder of 299 Global.

(iv) Listing of and quotation for our Shares

Upon completion of our Listing Scheme, our Company will be admitted to the Official List and our entire enlarged issued share capital of 1,050,000,000 Shares shall be listed and quoted on the ACE Market.

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6.6 MATERIAL INVESTMENTS AND DIVESTITURES

6.6.1 Material investments

Save as disclosed below, our Group has not made any other material investments during the Financial Years Under Review and up to the LPD:

Capital expenditure	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	From 1 January 2025 up to LPD RM'000
<u>Property, plant and equipment</u>					
Freehold building	-	-	-	11,157	-
Plant, machineries and tools	435	1,151	-	30,526	8,855
Motor vehicles	579	2,350	374	3,648	283
Office equipment, computer and software	6	76	246	768	231
Furniture and fittings	1	17	141	542	2
Cabin	7	10	-	25	-
Electrical installation and renovation	7	18	25	912	804
<u>Rights-of-use</u>					
Vacant land in Paka, Terengganu	-	-	-	750	-
	1,035	**3,622**	**786**	**48,328**	**10,175**

The above capital expenditure was for our operations in Malaysia and financed by a combination of loans and borrowings (including hire purchases) and internally generated funds.

For FYE 2021, our capital expenditure was RM1.04 million which mainly comprised the following:

- RM0.58 million for the purchase of motor vehicles, namely 6 units of pickup trucks and 1 unit of car; and
- RM0.44 million for the purchase of plant, machineries and tools, mainly 1 unit of mobile crane.

For FYE 2022, our capital expenditure was RM3.62 million which mainly comprised the following:

- RM2.35 million for the purchase of motor vehicles, namely 5 units of vans, 7 units of cars, 4 units of pickup trucks, and 1 unit of lorry;
- RM1.15 million for the purchase of plant, machineries and tools, namely 2 units of vacuum trucks and 1 unit of sky lift; and
- RM0.40 million for the deposits paid for the purchase of a vacant land in Paka, Terengganu for a purchase consideration of RM0.75 million.

For FYE 2023, our capital expenditure was RM0.79 million which mainly comprised the following:

- RM0.37 million for the purchase of motor vehicles, namely 2 units of cars and 1 unit of lorry;
- RM0.25 million for the purchase of office equipment, computer and software mainly payroll software, and facial recognition and fingerprint system;
- RM0.20 million for additional deposits paid for the purchase of a vacant land in Paka, Terengganu. As at the LPD, we are currently pending the transfer of the land title and settlement of the remaining balance of 20.00% or RM0.15 million which is anticipated to be completed by first quarter of 2025; and

- RM0.14 million for the purchase of furniture and fittings for our operational facilities in Melaka and Pengerang.

For FYE 2024, our capital expenditure was RM48.33 million which mainly comprised the following:

- RM30.53 million for the purchase of plant, machinery and tools, mainly 12 units of mobile cranes, 11 units of forklifts, and 2 units of high-pressure pumps;
- RM11.16 million for the purchase of a freehold building, namely 10 units of offices in Star Central @ Cyberjaya for our Group's new head office;
- RM3.65 million for the purchase of motor vehicles, mainly 16 units of lorries;
- RM2.22 million for the purchase of office equipment, computer and software, furniture and fittings, electrical installation and renovation mainly for our new head office in Cyberjaya; and
- RM0.75 million for the purchase of the vacant land in Paka, Terengganu.

From 1 January 2025 up to the LPD, our capital expenditure was RM10.17 million which mainly comprised the following:

- RM8.85 million for the purchase of plant, machineries and tools primarily 9 units of mobile cranes, 3 units of sky lifts, 2 units of vacuum trucks, and 2 units of forklifts;
- RM1.04 million for electrical installation, renovation works, and purchase of office equipment, computer and software for our head office in Cyberjaya; and
- RM0.28 million for the purchase of motor vehicles, mainly 2 units of passenger cars.

6.6.2 Material divestitures

Save as disclosed below, our Group has not made any other material divestitures for the Financial Years Under Review up to the LPD:

Capital divestitures (at cost)	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	From 1 January 2025 up to LPD RM'000
<u>Property, plant and equipment</u>					
Plant, machineries and tools	-	-	9	1,014	-
Motor vehicles	-	1,230	75	572	-
Office equipment, furniture and fittings, and computer and software, cabin, electrical installation, and renovation	-	-	471	961	-
<u>Rights-of-use assets</u>					
Leasehold land	-	-	-	16	-
	-	**1,230**	**555**	**2,563**	**-**

For FYE 2021, there was no capital divestitures.

For FYE 2022, our capital divestitures of RM1.23 million includes the disposal of motor vehicles namely 5 units of cars and 1 unit of lorry.

For FYE 2023, our capital divestitures of RM0.55 million includes mainly the write offs of office equipment, computer and software of RM0.47 million.

For FYE 2024, our capital divestitures of RM2.56 million includes mainly the following:

- Disposals of a land in Puchong of RM0.02 million;
- Write offs of plant, machineries and tools of RM1.01 million as they are no longer in use or in bad condition. As at 31 December 2024, the net book value of these written-off assets was RM0.08 million; and
- Write offs of office equipment, furniture and fittings, computer and software, cabin, electrical installation, and renovation of RM0.96 million as they are no longer in use or in bad condition. As at 31 December 2024, the net book value of these written off assets was RM0.01 million.

From 1 January 2025 up to the LPD, there was no capital divestitures.

6.7 PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to the LPD, there were:

(i) no public take-over offers by third parties in respect of our Shares; and

(ii) no public take-over offers by our Company in respect of other companies' shares.

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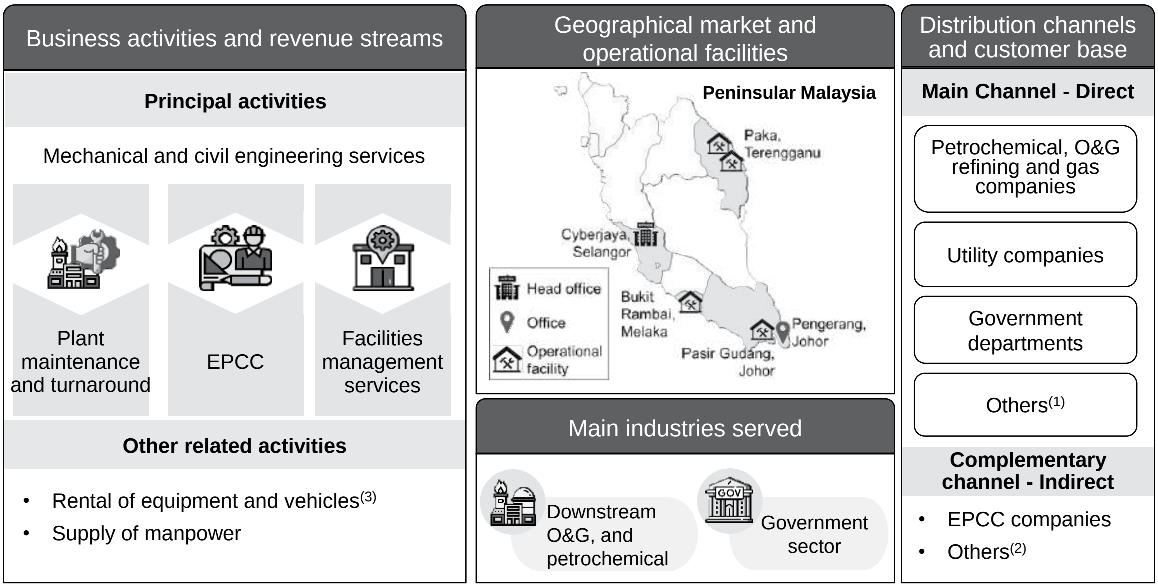
7. BUSINESS OVERVIEW

7.1 PRINCIPAL ACTIVITIES AND PRODUCTS

7.1.1 Our business model

Our business model is depicted in the following diagram:



Notes:

(1) Other direct customers include mainly terminal facility providers, as well as manufacturers of pigments and additives, and other products.

(2) Other indirect customers include mainly construction companies, plant maintenance service providers and engineering companies.

(3) In some situations, the rental of equipment and vehicles includes licensed operators.

7.1.2 Business activities and revenue streams

We are a mechanical and civil engineering service provider focusing on providing plant maintenance and turnaround, EPCC, as well as FM services. Within our plant maintenance and turnaround segment, we provide M&R of static equipment and structures covering comprehensive maintenance and plant turnaround. Our EPCC segment is focused on major upgrades and replacement of existing plant facilities, as well as construction of new amenities and facilities. Our FM segment is focused on mechanical and electrical, cleaning and value-added services for the built environment of government office and residential buildings.

We also provide other related activities including the rental of equipment and vehicles, and supply of manpower.

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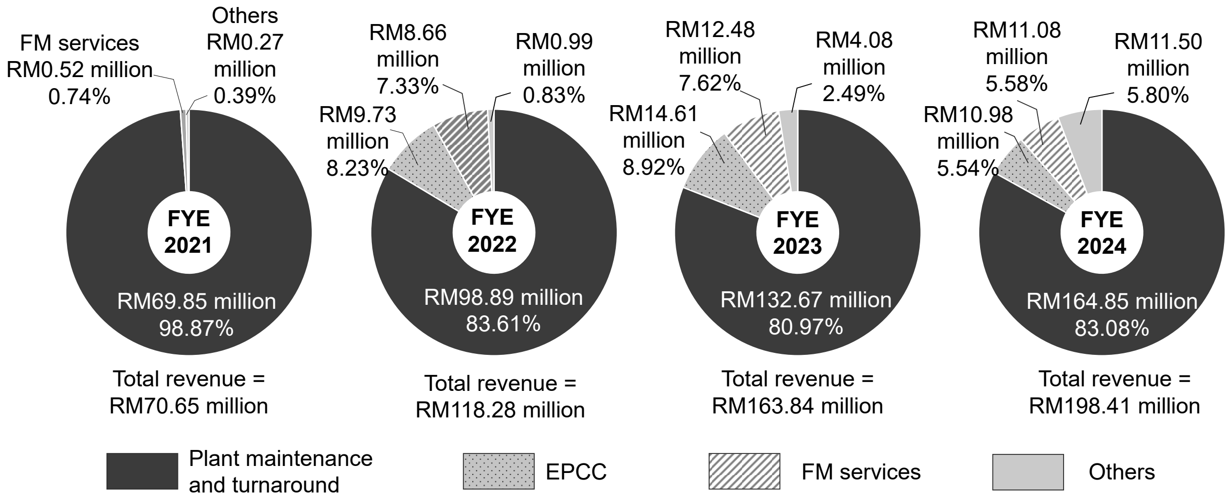
Our revenue segmentation by business activities is as follows:

Our revenue segmentation by business activities



FM = Facilities Management; Others include rental of equipment and vehicles and manpower supply

(i) Plant maintenance and turnaround

Our plant maintenance and turnaround segment are focused on providing M&R of static equipment and structures covering comprehensive maintenance and plant turnaround. Our comprehensive maintenance includes routine preventive maintenance and corrective maintenance including emergency shutdown for static equipment and structures such as fired and unfired pressure vessels, heat exchangers, columns, separators, storage tanks, piping systems, valves and steel structures. We also provide civil and structural maintenance for the built environment of industrial plants and/or facilities.

We have long-term maintenance contracts with our customers, mainly PETRONAS Group's downstream OPUs to carry out plant maintenance and turnaround services in Peninsular Malaysia including Pengerang, Johor; Kerteh, Terengganu; Gebeng, Pahang; and Melaka. We provide scheduled and unscheduled M&R of static equipment and structures to ensure our customers' industrial plant's safe, efficient, reliable and uninterrupted operation. We are also responsible for jointly planning, coordinating and executing minor and major compulsory plant turnaround and shutdown activities periodically. We are also capable of assuming the role as a lead maintenance manager and coordinator to plan out the plant's maintenance strategy.

Our comprehensive maintenance of static equipment and structure encompasses external inspection, monitoring and record keeping; repair, welding and minor fabrication; blasting and painting; valve servicing; machining; hydraulic bolt torquing and tensioning; insulation; scaffolding; cleaning; hydrotesting and NDT services.

For the Financial Years Under Review, revenue from plant maintenance and turnaround segment accounted for the majority of our revenue at RM69.85 million (98.87%), RM98.89 million (83.61%), RM132.67 million (80.97%) and RM164.85 million (83.08%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

(ii) EPCC

Our EPCC activities are focused on major upgrades and replacement of existing plant facilities, as well as the construction of new amenities and facilities. Our major upgrades and replacement of existing plant facilities include modifications to existing facilities, installation of new machinery, or replacement of equipment and structures.

We have undertaken EPCC projects encompassing the full spectrum of EPCC including project planning and management, engineering, procurement, construction, fabrication, or installation, as well as inspection, testing and commissioning. Under the supervision of our project managers, we engage subcontractors and professionals including engineers to support our Group.

For the Financial Years Under Review and up to the LPD, we mainly carry out the EPCC of plant facilities and amenities including piping systems and structures, roof tank structures, and process instrumentation.

Revenue contribution from EPCC segment accounted for RM9.73 million (8.23%), RM14.61 million (8.92%), and RM10.98 million (5.54%) of our total revenue for the FYE 2022, FYE 2023, and FYE 2024 respectively. There was no revenue from the EPCC segment in FYE 2021 as we did not have any EPCC projects in FYE 2021.

(iii) FM services

FM services refer to the maintenance and management of the built environment such as buildings, civil structures, infrastructures, and surrounding amenities and facilities to ensure safe and smooth operation, the overall well-being of the built environment, as well as the safety and comfort of occupants and visitors.

We provide FM services for government office and residential buildings. As at the LPD, we have two (2) ongoing contracts for FM services of government apartment quarters and government ministry buildings.

Revenue contribution from FM services accounted for RM0.52 million (0.74%), RM8.66 million (7.33%), RM12.48 million (7.62%) and RM11.08 million (5.58%) of our total revenue for FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

(iv) Other related activities

Our other related activities include the rental of equipment and vehicles, and the supply of manpower which are complementary to our existing plant maintenance and turnaround and EPCC, as well as for standalone services. The types of equipment that we provide rental includes heavy lifting equipment such as cranes, sky lifts, and forklifts, while the types of vehicles that we provide rental includes lorries, low loaders and trailers. In some situations, the rental of equipment and vehicles includes licensed operators. For the Financial Years Under Review and up to the LPD, the supply of manpower was skilled manpower for fabrication services to an EPCC company. We source external subcontracted labour to fulfil our purchase orders for the supply of manpower.

Revenue contributed from other related activities accounted for RM0.27 million (0.39%), RM0.99 million (0.83%), RM4.08 million (2.49%), and RM11.50 million (5.80%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

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7.1.3 Geographical markets and operational facilities

We operate only in Peninsular Malaysia, with our head office in Cyberjaya, Selangor. We have operational facilities in Johor, Melaka and Terengganu to serve our customers for plant maintenance and turnaround, and EPCC.

For the Financial Years Under Review, all our revenues were from Malaysia where we largely derived revenues from customers' operating plants located in Johor and Melaka. The breakdown of our revenue by geographical markets (based on the location of the project) for the Financial Years Under Review is as follows:

Project location	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Johor	64,622	91.47	98,244	83.06	113,476	69.26	142,120	71.63
Melaka	2,508	3.55	7,027	5.94	29,272	17.87	26,618	13.42
Putrajaya	523	0.74	8,664	7.32	12,480	7.62	11,077	5.58
Terengganu	2,992	4.23	4,020	3.40	7,547	4.60	17,629	8.88
Others[(1)]	5	0.01	320	0.28	1,062	0.65	965	0.49
	70,650	**100.00**	**118,275**	**100.00**	**163,837**	**100.00**	**198,409**	**100.00**

Note:

(1) Include Pahang, Sarawak, Selangor, Kedah and Kuala Lumpur.

7.1.4 Main industries served

We mainly serve customers in the downstream O&G industry comprising petrochemical, O&G refining, and gas companies. Revenue contributed from the downstream O&G industry accounted for 98.21% (RM69.39 million), 90.48% (RM107.01 million), 87.01% (RM142.55 million), and 88.98% (RM176.55 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

Since 2021, we have provided services to the government sector through our FM services. Revenue contributed from the government sector accounted for 0.74% (RM0.52 million), 7.32% (RM8.66 million), 7.62% (RM12.48 million), and 5.58% (RM11.08 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

The breakdown of our revenue by industries served for the Financial Years Under Review is as follows:

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
Industries served	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
O&G								
• Downstream	69,388	98.21	107,013	90.48	142,548	87.01	176,548	88.98
• Upstream	-	-	1,382	1.17	8,227	5.02	9,811	4.95
Government sector	523	0.74	8,664	7.32	12,480	7.62	11,077	5.58
Others[(1)]	739	1.05	1,216	1.03	582	0.35	973	0.49
	70,650	**100.00**	**118,275**	**100.00**	**163,837**	**100.00**	**198,409**	**100.00**

Note:

(1) Include certain customers which may serve various industries.

7.1.5 Distribution channel and customer base

We mainly adopt a direct distribution channel strategy for our marketing and sales which accounted for 97.63%, 97.63%, 94.44%, and 94.08% of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

Direct distribution channel refers to contracts and purchase orders secured directly from customers who are the owners or operators of the manufacturing and/or processing plants or facilities, utilities and properties. Our direct distribution channel strategy focuses our sales and marketing activities directly with the ultimate decision-makers, which enables us to work closely with our customers to meet their technical specifications and requirements, as well as business objectives.

A small proportion of our revenue was contributed by sales through the indirect distribution channel. For the Financial Years Under Review, indirect distribution channel accounted for 2.37%, 2.37%, 5.56%, and 5.92% of our total revenue for FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. This mainly includes EPCC companies, who work directly with project owners or operators and are responsible for delivering a complete facility to the facility owner or operator. In this situation, we work as a subcontractor to our customers.

The revenue breakdown by direct and indirect distribution channels are as set out below:

Distribution channel and type of customers	**FYE 2021**		**FYE 2022**		**FYE 2023**		**FYE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Direct distribution channel	**68,978**	**97.63**	**115,474**	**97.63**	**154,732**	**94.44**	**186,655**	**94.08**
• Petrochemical, O&G refining, and gas companies	39,516	55.93	79,207	66.97	107,691	65.73	134,951	68.02
• Utility companies	28,454	40.27	26,617	22.51	33,559	20.48	39,424	19.87
• Government departments	523	0.74	8,664	7.32	12,480	7.62	11,077	5.58
• Others[(1)]	485	0.69	986	0.83	1,002	0.61	1,203	0.61
Indirect distribution channel	**1,672**	**2.37**	**2,801**	**2.37**	**9,105**	**5.56**	**11,754**	**5.92**
• EPCC companies	776	1.10	1,331	1.13	8,485	5.18	9,899	4.99
• Others[(2)]	896	1.27	1,470	1.24	620	0.38	1,855	0.93
	70,650	**100.00**	**118,275**	**100.00**	**163,837**	**100.00**	**198,409**	**100.00**

Notes:

(1) Other direct customers include terminal facility providers, as well as manufacturer of pigments and additives, and other products.

(2) Other indirect customers include mainly construction companies, plant maintenance service providers and engineering companies.

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7.2 OUR SERVICES

7.2.1 Plant maintenance and turnaround services

7.2.1.1 Overview

In the context of industries, a plant is an industrial facility to carry out its main function which may be manufacturing, processing, extraction, or power generation. An industrial plant comprises the following facilities:

- plant machinery and equipment required to carry out its main function;
- building mechanical, electrical and process utility to support the plant operation; and
- built environment including buildings, amenities and civil structures to support, accommodate and facilitate the total operation and administration.

(i) Plant machinery and equipment

Maintenance of plant machinery and equipment is a crucial process to minimise operational downtime, premature replacement of parts, components, machinery, and equipment, and extending the life of the machinery and equipment.

Generally, the machinery and equipment involved directly in carrying out its main function within industrial plants are categorised into the following:

- static equipment
- rotating equipment;
- structures; and
- balance of plant.

Static equipment refers to equipment that is fixed in place within an industrial facility and does not have any moving parts during its normal operation. Examples of static equipment include fired pressure vessels (which include boilers), unfired pressure vessels, shell and tube heat exchangers, air-fin coolers, furnaces, columns, separators, reactors, scrubbers, process piping systems and valves.

Rotating equipment refers to machinery that uses a power source to provide rotating motion to perform work. Examples of rotating equipment include gas and steam turbines, internal combustion engines, electric motors, gears and gearboxes, agitators, mixers, compressors, pumps, blowers, and fans.

Structures are objects not directly involved in the processing function but are part of the overall plant facilities. Some examples of structures include storage tanks, pipe racks and support, flare stacks, skids and modules.

Balance of plant refers to all other supporting and auxiliary systems and equipment that are part of the manufacturing, processing, extraction, or power generation facilities. The main ones include industrial automation, instrumentation and control, power distribution and protection, electrical systems, and backup power.

(ii) Building mechanical, electrical and process utility

Building mechanical, electrical and process utility facilities are focused on supporting the operations of the plant as well as enabling people to work within the premises in a comfortable, efficient, secure and safe manner. The main mechanical, electrical and process utility facilities include the following:

- plumbing, gas, sewerage, and drainage;
- heating, ventilation, and air conditioning;
- lighting;
- elevators;
- security and firefighting;
- utilities and wastewater treatment; and
- building management systems.

(iii) Built environment

This segment focuses on the physical buildings such as the factory, administration, car park and other buildings, infrastructures and amenities, as well as civil works in maintaining the site incorporating pavements, landscape and groundworks.

Generally, the overall plant maintenance and turnaround is focused on the works and processes involved in ensuring the smooth, reliable, effective, efficient, secure and safe operation of the entire facility. This is also to ensure downtime is minimised by identifying and addressing issues.

For the Financial Years Under Review and up to the LPD, we provide plant maintenance and turnaround services focusing on M&R services for onshore oil, gas and petrochemical manufacturing and processing plants and its associated facilities covering the following:

- comprehensive maintenance comprising M&R of plant machinery and equipment mainly static equipment and structures, as well as M&R of built environment of the plant; and
- plant turnaround.

We, through RBPS, also carry out maintenance of rotating equipment, albeit it contributes a small proportion to our Group's total revenue.

The term maintenance includes maintenance, repairs, replacement of parts, components and consumables, and minor part upgrades. It does not include major upgrades, rejuvenation, retrofitting or fabrication as this is covered under EPCC. Additionally, we do not offer other forms of plant maintenance services, such as predictive maintenance which forecasts probable equipment failure by employing data and analytics that use methods and technologies like vibration analysis, oil analysis, and thermography.

For the Financial Years Under Review, our revenue segmentation for plant maintenance and turnaround segment is as follows:

Plant maintenance and turnaround segment	**FYE 2021**		**FYE 2022**		**FYE 2023**		**FYE 2024**	
	RM'000	**%***	**RM'000**	**%***	**RM'000**	**%***	**RM'000**	**%***
Comprehensive maintenance	66,821	94.58	97,924	82.79	102,972	62.85	151,114	76.16
Plant turnaround	3.032	4.29	969	0.82	29,694	18.13	13,736	6.92
	69,853	**98.87**	**98,893**	**83.61**	**132,666**	**80.98**	**164,850**	**83.08**

* *Represents the proportion of total revenue of RM70.65 million, RM118.28 million, RM163.84 million, and RM198.41 million for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.*

7.2.1.2 Comprehensive maintenance

M&R of plant machinery and equipment

We provide comprehensive maintenance services comprising M&R of plant machinery and equipment mainly for static equipment and structures, ensuring their optimal performance throughout their entire lifecycle. Our comprehensive maintenance services include routine preventive maintenance and corrective maintenance as follows:

- **Preventive maintenance** – a proactive method which involves scheduled maintenance activities as well as identifying and addressing potential issues before they lead to major breakdowns. This includes regular physical inspections, cleaning, adjustments, replacement of parts and consumables, and carrying out minor repairs. These tasks are typically scheduled based on manufacturer's recommendations, equipment manuals, historical data, and condition monitoring.
- **Corrective maintenance** – a reactive, ad hoc or emergency M&R which involves addressing unexpected issues and equipment failures as they occur or addressing imminent failures or problems to restore the customers' plant, machinery or equipment to operational level or prevent potential issues from arising.

Comprehensive maintenance is provided regularly, and some are daily while the plant is in operation. As part of the planned preventive maintenance programme, certain equipment or areas within the plant are scheduled for shutdown every few months to a year on rotation to perform maintenance. These equipment or areas may also be shut down if there are any unplanned or emergency repairs to be done.

Our contractual arrangements

We provide M&R of plant machinery and equipment for static equipment and structures based on the following arrangements:

- As the lead maintenance contractor with a long-term maintenance contract to develop and plan the overall plant maintenance strategy as well as coordinate, manage and execute the maintenance activities. As at the LPD, EMSB has one (1) subsisting contract with PCG PCC Oxyalkylates Sdn Bhd under this arrangement for two years with an option to extend.
- As one of several maintenance contractors that is responsible for maintaining our designated portion of the plant or facility. In this case, we are jointly involved in detailed planning and coordination with the customer's lead maintenance manager, as well as in managing and executing the maintenance work. Typically, under this arrangement, we will have a long-term maintenance contract which ranges mainly between two (2) and five (5) years with an option to extend. As at the LPD, we have 15 subsisting contracts under this arrangement.
- As one of the service providers or suppliers of manpower for specific maintenance work where individual purchase or work orders are given by the customer. For the Financial Years Under Review and up to the LPD, RBPS operates mainly on individual purchase/release orders from customers.

We have operational facilities in Terengganu, Johor, and Melaka to service our customers, mainly PETRONAS' OPUs. We have a team of personnel at each operational facility comprising project managers, engineers and planners, Quality, Health, Safety and Environment manager, and regional and/or operation managers that will oversee, manage and monitor the planned preventive maintenance for each of our customers. Additionally, for certain customers, we are required to station a coordinator on-site at our customer's plant/facility. This coordinator is responsible for coordinating and liaising with the customer's lead maintenance manager and is on standby for any corrective maintenance that needs immediate attention.

While we mostly work on premises where the equipment and structures are located, there are occasions when we need to remove some equipment or structures to our facilities for M&R.

Our responsibilities as the maintenance contractor are focused on the following:

- ensure the maintenance activities are carried out based on the maintenance plan and procedures provided by the customer;
- ensure timely completion of scheduled maintenance tasks;
- ensure all necessary approval and permits required for the works are obtained;
- provide detailed planning and allocation of resources;
- manage, liaise and coordinate all parties engaged in the plant maintenance;
- manage and mitigate any unforeseen circumstances, conditions or occurrences;
- ensure workers' health and safety;
- ensure the quality of the maintenance carried out; and
- ensure security and protection of machinery, equipment, and other assets on customer's site.

In addition, as the lead maintenance contractor, we are responsible to develop and plan the overall plant maintenance strategy considering factors such as budget, risk tolerance, and equipment criticality. This includes defining the specific maintenance tasks for each piece of static equipment and structure including the frequency, procedures and necessary resources required, as well as planning the shutdown of critical equipment.

Part of the detailed planning includes resources planning covering the following:

- **Direct labour and subcontractors** – We use our in-house personnel, as well as engage external service providers. As at the LPD, we have 435 in-house personnel at our operational facilities in Terengganu, Johor and Melaka for plant maintenance. They include, among others, turnaround managers, safety officers, safety supervisors, quality engineers, quality supervisors, scaffolding supervisors, static planners, schedulers, area coordinators, area supervisors, repair work supervisors, joint integrity supervisors/inspectors, workshop supervisors, work leaders, fire watchers and safety watchers.

  Additionally, we select and engage specialised companies for their expertise in specific fields. In such instances, we will subcontract the operational tasks to these external service providers. This typically involves companies specialising in refractory works, scaffolding, catalyst changeout, insulation, blasting, painting, high pressure hydro jetting and cleaning.

- **Machinery, equipment, and vehicles** – We utilise a combination of our machinery, equipment, and vehicles, as well as lease some of them from third party and related party providers. These include, among others, mobile cranes, forklifts, hydraulic bundle extractors, high-pressure and conventional water jet machines, air compressors, electric generators, blowers, welding machines, hydro-testing pumps, lorries, boom trucks, trailers, and low loaders. Some of the machinery, equipment and vehicles that we lease from related party providers includes pickup trucks, lorries, mobile cranes, sky lifts, gas detectors, and welding sets.
- **Tools and consumables** – We procure tools and consumables used in our maintenance. These include, among others, torque wrenches, rigging equipment, ladders, hoses, rags, diesel and hardware tools.
- **Materials and spare parts** – We procure materials and spare parts such as, among others, pipes, fittings, valves, paints, sealants, cladding materials, and fasteners.

Comprehensive maintenance tasks

The following are the operational tasks we provide to our customers for comprehensive maintenance of static equipment and structures:

1. External inspection, monitoring and record keeping

We carry out routine visual inspections of the static equipment and structures for plant/facilities that we are tasked to monitor and maintain daily. We will look for signs of damage, cracks, corrosion, leaks, bulges, loose bolts, faulty parts, fouling and unusual sound or vibrations. We also monitor and record operating parameters such as temperature, pressure, flow rate, and vibrations to track trends and identify potential problems. These activities are carried out by in-house personnel.

2. Blasting and painting works

This involves abrasive blasting and protective coating of the internal and external surfaces of static equipment and structures. We provide on-site and yard abrasive blasting and painting works. For small to medium-sized equipment or structures such as valves or piping spools, the equipment is removed and blasting works are carried out in a blasting chamber. For larger equipment such as tanks and vessels, we utilise on-site blasting techniques such as open blasting or tent enclosures. We mainly engage third-party service providers to provide blasting and painting services.

3. Repair, welding and minor fabrication

We provide welding and minor fabrication such as threading, drilling, cutting, grinding, welding, and minor fabrication works to carry out any repair on-site. We perform this work internally as well as subcontract to third-party service providers under our supervision.

4. Valve servicing

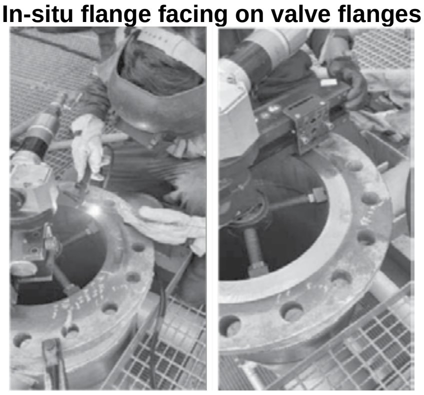
This involves the removal, reinstatement, overhaul, servicing, testing and painting of valves including manual valves, control valves, pressure safety valves, isolation valves and pressure relief valves. This is to ensure they function properly and safely within the piping system. Valve servicing includes cleaning, packing gland replacement, seat lapping machining, calibration and hydrostatic testing of valves. We also replace worn-out packing gland inside the valves to create a tight seal. We also provide machining services using a lapping machine to polish and restore the sealing surfaces of the valve seat and disc. Finally, the valves are calibrated to its specified parameters and tested prior to its reinstallation. We mainly perform this work internally as well as subcontract to third-party service providers under our supervision.

5. On-site machining works

We provide on-site machining including flange facing, tube sheet groove milling, and pipe cold cut and bevelling. Through RBPS, we are equipped with specialised portable machining tools to perform work on customers' premises.

- **Flange facing** – this involves the process of resurfacing the flanges of piping, valves, equipment, and heat exchanger tube sheets and covers. It is performed on flat surfaces (flanges) to create a perfectly flat and parallel surface for optimal sealing to ensure leakages are reduced. We use portable flange-facing machines to perform the machining in situ at customers' plants. We perform this work internally as well as subcontract to third-party service providers under our supervision.

In-situ flange facing on valve flanges



- **Tube sheet groove milling** – this involves the process of cleaning or resurfacing the grooves within a tube sheet where heat exchanger tubes are inserted. Over time, due to factors such as erosion, corrosion or mechanical wear, the grooves in the tube sheet become worn, contaminated or damaged. We mainly subcontract this works to third-party service providers under our supervision.

Tube sheet groove milling

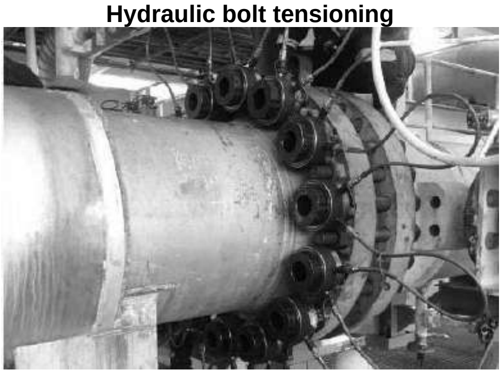
- **Pipe cold cut and bevelling** – this involves cutting and bevelling of pipes using a cutting wheel tool without applying heat to cleanly sever the pipe. This method is applied to existing pipes that are damaged and need removal or replacement, to cut a pipe to isolate valves or equipment for maintenance, and to create a branch connection in an active piping system. We mainly perform this work internally.

Pipe cold cut and bevelling

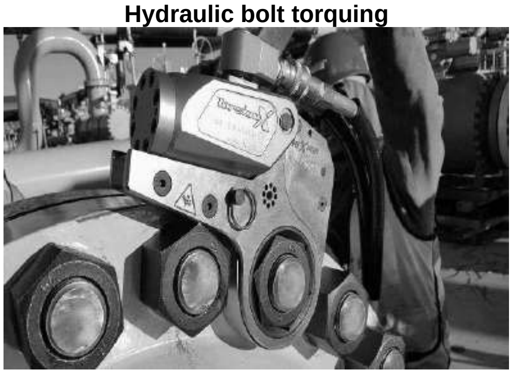
6. Hydraulic bolt torquing and tensioning

This involves bolt tensioning and torquing which are two different methods to adjust the tension on a bolt. Hydraulic bolt torquing is a method which uses a hydraulic torque wrench to apply a controlled and consistent rotational force to ensure that the bolting system are tightened to precise specifications for optimal structure integrity. Meanwhile, hydraulic bolt tensioning uses a hydraulic tensioner to stretch the bolt to its targeted elongation and simultaneously tighten the nuts to secure it. This is a more accurate method of bolting system as it achieves a high bolt load tolerance and friction losses are minimised. We mainly perform this work internally.

Hydraulic bolt tensioning



Hydraulic bolt torquing



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7. Insulation

This process involves removing or dismantling insulation materials around pipes and equipment to facilitate cleaning or repairs, followed by reinstalling the insulation materials. It also includes insulating new piping and equipment. We subcontract the insulation to a third-party service provider under our supervision.

Insulation on piping systems

8. Scaffolding

This involves assembling, inspecting, certifying, and dismantling scaffoldings or working platforms for conducting maintenance and repair work. We perform this work internally and subcontract it to third-party service providers under our supervision.

9. General and high-pressure cleaning works

This involves cleaning various components such as nozzles, manways, demisters, strainers, and filters, as well as the internal surfaces of vessels, columns, furnaces, air-fin coolers, shell and tube heat exchangers, and storage tanks. We remove all loose scale, heavy hydrocarbon, deposits, sludge, or dirt from the internal surfaces of the equipment and structures. For heat exchangers, we remove the tube bundle and clean tubes using high-pressure water jet equipment. For storage tanks, we perform cleaning when they are scheduled for desludging or product change. Methods employed for cleaning include blast cleaning, power tool cleaning, solvent cleaning, high-pressure hydro jetting, and tool cleaning. We perform this work internally and subcontract it to third-party service providers under our supervision.

Cleaning heat exchanger tube bundles

Cleaning storage tanks

10. Hydrotesting

Hydrotesting is a pressure testing method used to verify the integrity and leak tightness of static equipment, especially those designed to handle high pressures. It involves filling the equipment with water and pressurising it using a pump to a specific level exceeding the normal operating pressures. The pressure is maintained for a set duration while inspecting for signs of leaks, bulging, or deformation. We perform this work internally and subcontract it to third-party service providers under our supervision.

11. Non-destructive testing (NDT) services

NDT services are material testing and inspection methods to assess the characteristics of a component without altering or destroying the material. Through RBPS, we provide the following NDT services:

- **Radiography testing** – usage of short electromagnetic wavelength to inspect hidden flaws, defects or internal features of materials.

- **Dye penetrant inspection** – usage of red dye solvent removable liquid to detect surface-breaking defects such as porosity, cracks, seams, laps and cold shuts of open surface of nonporous metals and other materials

- **Positive material identification (PMI)** – used to analyse and identify material grade and alloy composition for quality and safety control.

- **Magnetic particle inspection (MPI)** – used magnetic current through an object or material to detect surface and shallow subsurface cracks or discontinuities in steel and iron products.

- **Ultrasonic testing (UT)** – used ultrasonic waves through an object or material to detect flaws.

PMI testing

<u>M&R of plant's built environment</u>

We also provide M&R for the plant's built environment. This includes physical buildings such as the factory, administration building, car park, and other buildings, structures, and amenities, as well as civil works in maintaining the site incorporating pavements, drainage, landscape and groundworks.

As at the LPD, we have three (3) ongoing contracts with Malaysian Refining Company Sdn Bhd, Pengerang Refining Company Sdn Bhd and Pengerang Petrochemical Company Sdn Bhd for the M&R of building and civil structures. Please refer to Section 7.2.1.6 of this Prospectus for the details.

We are required to set up a daily maintenance team stationed at the customer's premises to carry out routine inspections and maintenance. For the Financial Years Under Review and up to the LPD, we have performed infrastructure work (civil repair work such as drainage and road repairs), as well as building maintenance (mechanical, electrical (to the extent of lightings and fixtures only) and plumbing).

We use a combination of in-house and third-party personnel and service providers to perform the relevant tasks.

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7.2.1.3 Plant turnaround

Plant turnaround is a planned, complex and extensive maintenance event where commonly an entire plant is shut down to allow for complete inspection, repair, maintenance, replacement, recalibration and overhaul of machinery and equipment. As general plant maintenance is carried out when the plant is largely still operational, many parts of the plant are unable to undergo maintenance while the plant is still operating. As such, to carry out maintenance of these parts of the machinery and equipment, it is necessary to have a complete plant shutdown to enable access.

The focus of our plant turnaround is on static equipment such as process equipment, process piping as well as related structures.

Plant turnaround is carried out periodically and is compulsory to ensure the safety, integrity and reliability of the plant's operation. The frequency and duration of plant turnarounds depend on various factors such as the following:

- condition of machinery and equipment including;
    - age;
    - production cycle time;
    - level of wear and tear;
    - inspection findings; and
    - predictive maintenance data and analytics.
- manufacturers' specifications; and
- safety and regulatory requirements.

The plant turnaround cycle varies for certain sections of the plant and the whole plant. Typically, some units of the plant with high wear and tear operations would be required to carry out turnaround once every 18 months to 36 months. Most commonly, plant turnaround is carried out in conjunction with compulsory renewal of the Certificate of Fitness (CF) for critical machinery and equipment such as steam boilers and unfired pressure vessels. Additionally, for refinery and petrochemical plants, catalyst changeouts are usually scheduled during plant turnarounds.

In 2014, DOSH introduced the Factories and Machinery (Special Scheme Inspection) (Risk-Based Inspection) Regulations 2014 which aim to, amongst others:

- shift from time-based Certificate of Fitness (CF) renewals to a risk-based approach;
- enable companies to self-regulate and determine the safety and usability of machinery during operation; and
- reduce the number of inspections, allowing companies to focus on operations.

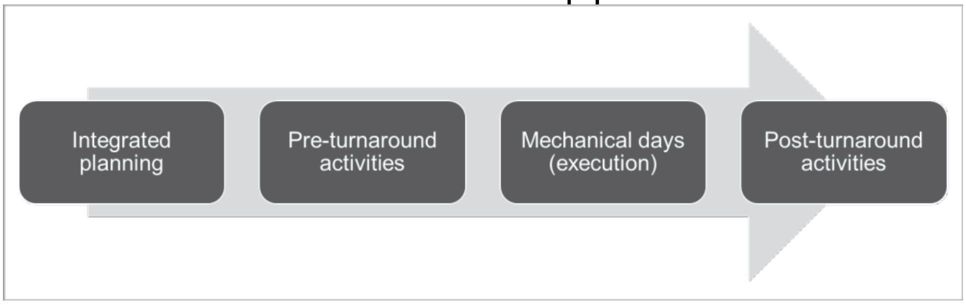
To be certified as a self-regulated operator, companies must undergo a structured application process and demonstrate compliance with occupational safety and health (OSH) regulations and risk-based inspection standards. This mainly applies to high-risk operations such as O&G, petrochemical, chemical, power generation, and manufacturing plants that use pressurised equipment including companies such as PETRONAS Group and PRefChem.

In 2018, PETRONAS Group and PRefChem introduced a self-regulation framework, namely, the Pengerang Integrated Complex OSH Administration Transformation (PICOAT), and transitioned to become self-regulated operators. This status would allow PETRONAS Group and PRefChem to manage, oversee, and ensure the safe operation and integrity of its assets and facilities within the Pengerang Integrated Complex. This also enables PETRONAS Group and PRefChem to optimise their inspection and maintenance schedules based their equipment's assessed risk and condition.

When PETRONAS Group and PRefChem become self-regulated operators, the intervals between major plant turnarounds could be extended and scheduled based on risk assessment rather than fixed schedules.

Plant turnaround activities involve the following:

Plant turnaround activities for static equipment and structures



As our focus is only on static equipment and structures, our turnaround plans and activities must be integrated with the total plant turnaround plan involving other machinery and equipment such as rotating equipment, industrial automation, instrumentation and control, power distribution and protection, electrical systems, and backup power. As such, we work under the supervision of the customer's lead turnaround manager for the entire plant turnaround exercise. We are one of several maintenance contractors responsible for managing and executing maintenance activities in our designated portion of the plant.

Details of plant turnaround activities include the following:

(i) Integrated planning

We carry out the integrated planning of the plant turnaround jointly with the customer's lead turnaround manager to prepare for the turnaround and shutdown. The intensive planning and preparation are carried out several months or years in advance.

The integrated planning is facilitated through weekly meetings with the customer and other stakeholders involving personnels of various competencies such as turnaround manager, scheduler, static planner, logistic coordinator, static supervisors, scaffolding supervisors, and insulation supervisors.

The integrated plant turnaround planning includes the following:

- **Developing a detailed turnaround execution plan** – This includes defining the job method statement, scope of inspection, material planning, ventilation planning, escape and rescue plan, scaffolding plan, insulation plan, equipment and battery limit isolation plan, lifting plan, logistics arrangement, mobilisation, detailed scheduling, and progress reporting for execution.
- **Procurement of material and equipment** – This includes ensuring all necessary materials such as spare parts, consumables, and tools, as well as machinery, equipment and vehicles such as cranes, forklifts, jet cleaning machines, welding machines, generators, and air compressors, are available at the appropriate time.
- **Engagement of contractors and personnel** – This includes securing reputable contractors and hiring competent persons and skilled labour for specialised tasks.
- **Training and competency certification** – This includes providing training to all personnel that will be involved in the plant turnaround activity on safety procedures, work tasks and emergency protocols, as well as obtaining competency certification.
- **Approvals and regulatory compliance** – This include obtaining the necessary permits and approvals to ensure compliance with all the relevant safety and environmental regulations throughout the plant turnaround exercise.
- **Risk assessment and mitigation plan** – This includes analysing potential risks associated with the turnaround execution including equipment failures, safety hazards and environmental concerns, and developing mitigation strategies to address them.

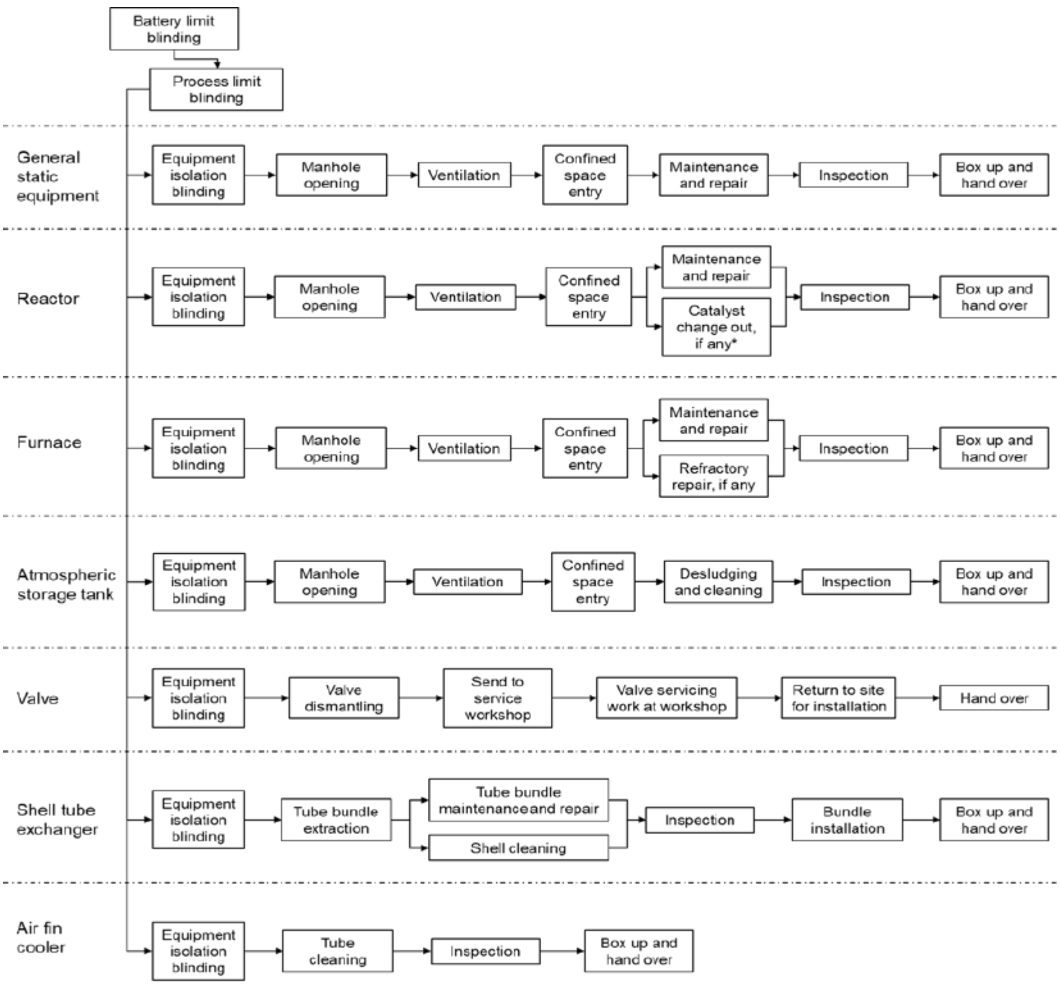
(ii) Pre-turnaround activities

To minimise the time required to complete our tasks during plant turnaround, we will carry out as much of the pre-turnaround activities as possible, such as the following:

- mobilisation and staging of machinery, equipment and vehicles at the turnaround site;
- procurement and delivery of parts and consumables to the site;
- setting up of scaffoldings;
- removing or dismantling insulation materials around pipes and equipment to facilitate cleaning or repairs;
- testing of isolation valves to facilitate isolating specific segments of a pipeline or system during turnaround execution;
- tagging equipment and system scheduled for maintenance;
- preparation of relevant electronic and paper documentation for a checklist of activities and recording of activities; and
- preparation of workspace inside and outside of the plant.

(iii) Mechanical days (execution)

Typically, the plant turnaround execution involves shutting down the entire or the relevant portion of the plant for a period ranging from 3 weeks to 4 months, depending on the complexity of the turnaround and the size of the plant. The following are some of the activity flows undertaken for static equipment and structures during the mechanical day's execution:



Note: *Catalyst changeout is not part of our scope of work*

- **Blinding** – Upon commencement of plant turnaround, we would first carry out blinding or temporary isolation of specific sections/equipment of the plant using prefabricated plates (blinds). The blinds are inserted into flanges or other connection points to block flow and prevent personnel exposure to hazardous materials during maintenance.

  Battery limit blinds isolate the process plant from the surrounding facilities such as external utilities including power, steam and water; process limit blinds isolate specific sections within the process plant itself; and equipment isolation blinds isolate individual pieces of equipment within the plant.

- **Manhole opening and confined space entry** – Working inside confined spaces like manholes requires strict adherence to safety protocols. A confined space is an enclosed or partially enclosed area with limited openings for entry and exit. These spaces are not typically designed for continuous occupancy and may contain known or potential hazards such as low oxygen levels, flammable gases or toxic fumes. Additionally, they often lack proper ventilation. Examples of confined spaces include, among others, reactors, furnaces, pressure vessels, columns, flare stacks, boilers, storage tanks, and large-diameter pipes. We ensure our personnel and subcontractors are certified and trained for confined space entry.

- **Desludging and cleaning** – This involves the removal of sediment/sludge built up in static equipment to carry out the repair and maintenance works.

- **Maintenance and repair** – We perform cleaning, blasting, painting, welding, minor fabrication, valve servicing and on-site machining such as flange facing, tube sheet grove milling, pipe cold cut and bevelling. Please refer to Section 7.2.1.2 of this Prospectus for details of our maintenance and repair on static equipment and structures.

- **Refractory –** This involves the removal, repair, and replacement of refractory materials for, among others, furnaces, heaters, boilers, incinerators, reactors, heat exchangers and flares. Refractory materials are specialised non-metallic materials that can withstand high temperatures and sometimes harsh chemical environments. This includes, among others, refractory ceramic fibre (RCF) materials, bricks, monolithic materials, mortars, cement, and plaster. We subcontract out refractory works to third-party specialist.

- **Inspection –** This involves external and internal inspection including NDT services such as radiography testing, dye penetrant inspection, positive material identification (PMI), magnetic particle inspection (MPI), and ultrasonic testing (UT). In addition, for pressurised machinery such as steam boilers and unfired pressure vessels, inspection by DOSH for the renewal of the machinery's Certificate of Fitness is also carried out at this stage. If the machinery fails the DOSH inspection, the customer is responsible for rectifying the issue and providing us with instructions to carry out the necessary rectification work.

(iv) Post-turnaround activities

Upon the completion of the plant turnaround, we would assist the customer with the following:

- perform pre-startup checks and preparation such as hose connection, opening of vent/drain point, system de-blinding, spacer installation, strainer cleaning and other associated work;
- reinstate insulation;
- perform any emergent repair works before plant start-up; and
- attend to any leakages and ensure bolts are tightened effectively.

We use a combination of our employees as well as third-party service providers for the plant turnaround activities.

7.2.1.4 Our mode of operation

Our mode of operations for our plant maintenance and turnaround segment in terms of securing contracts and purchase/release orders, payment terms, and other main contractual terms and conditions are as follows:

(i) Securing contract and purchase/release orders

Our mode of operation for the plant maintenance and turnaround segment is mainly based on unit rate contracts as the exact scope of work and materials cannot be accurately determined at the point of securing the contract. The contract specifies the duration of the contract, scope of services, list of materials, labour and equipment required, as well as the agreed unit price for each service, material, labour, and equipment needed. During the contract period, we would conduct inspection and identify the areas and scope of maintenance work to be carried out. We would prepare a quotation specifying the scope of maintenance work including the quantity of materials required, the number of hours and headcount of different labour skills needed, and the number of hours and quantity of equipment required. Thereafter, the customer will review, amend, and once agreed, the purchase/release orders will be issued.

In addition to unit rate contracts, we may also operate based on standalone fixed lump sum contracts or purchase/release orders issued from customers. For the Financial Years Under Review and up to the LPD, RBPS operates mainly on standalone fixed lump sum contracts or purchase/release orders from customers.

We mainly secure our contracts through direct distribution channel, namely directly from the plant owner or operator. In this case, we work as the main plant maintenance contractor and are responsible for liaising with all parties such as the authorities, suppliers, engineers, consultants, and subcontractors for the project. We report directly to the customer who is the ultimate decision-maker. As for projects secured through indirect distribution channel, mainly through RBPS we work as a subcontractor where we report directly to our customers who are the main contractor of the project.

(ii) Maintenance contract period obligation

For the Financial Years Under Review and up to the LPD, our plant maintenance and turnaround segment contracts were for fixed durations ranging from 6 months up to 5 years. Some of our maintenance contracts have renewal options.

During the contract period, the customer issues purchase/release orders specifying the scope of maintenance, duration and pricing. We commonly complete the services within the agreed timeframe, as follows:

- **Comprehensive maintenance segment:** We typically take approximately 1 day and up to 3 weeks to complete our maintenance services. For certain maintenance works such as tank maintenance or major unscheduled plant maintenance works, it may take approximately 6 months up to 1 year to complete. We invoice our customers upon completion of the work.
- **Plant turnaround segment:**
  - For integrated planning phase, we typically take several months up to a year to carry out the planning and preparation works. We invoice our customer monthly based on the resources utilised and task completed.
  - For plant turnaround execution phase, we typically take approximately 3 weeks up to 4 months to complete the services, depending on the complexity of the turnaround and the size of the plant. We invoice our customers based on progressive claims.

(iii) Performance bond

For our plant maintenance and turnaround work we are required to issue a performance bond in the form of a bank guarantee. The bond for comprehensive maintenance works is a fixed amount stated in the contract and it generally remains valid until the expiry of the maintenance contract. Meanwhile, the bond for plant turnaround works is for a fixed value for each turnaround works and it is valid until 3 months after the plant start-up.

(iv) Post completion

For our plant maintenance and turnaround segment, the DLP is 3 to 12 months following the completion of maintenance work, and 3 months after plant start-up for turnarounds. We are responsible for any rectification works together with the respective subcontractors who are contracted by our Group and work under our supervision and project management. If there is a defect liability claim that is attributable to the works carried out by our subcontractor, we usually require the subcontractor to perform the rectification works and related costs will be borne by the said subcontractor. The terms of our letter of awards to certain subcontractors allow us to claim any damages or compensation in the event of poor, late, non-performance by our customers. The cost of all defect liability claims not attributable to our subcontractors will be fully borne by us.

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7.2.1.5 Our plant maintenance and turnaround contracts

For the Financial Years Under Review and up to the LPD, the following table summarises our responsibilities as a plant maintenance contractor for PETRONAS' Group, PRefChem and other companies in Peninsular Malaysia by location:

		Our responsibility and coverage in the Financial Years Under Review and up to the LPD	
Plant/facilities name	**Our customer**	**Comprehensive maintenance**	**Plant turnaround**
Johor			
• Pengerang Refinery Complex	Pengerang Refining Company Sdn Bhd	✓ All(1) & BE(2)	✓
• Pengerang Petrochemical Complex	Pengerang Petrochemical Company Sdn Bhd	✓ All(1) & BE(2)	✓
• Utilities Pengerang	PRPC Utilities & Facilities Sdn Bhd	✓ All(1)	✓
• Regasification Terminal Pengerang	Regas Terminal (Sg Udang) Sdn Bhd	✓ All(1)	✓
• PAMER raw water supply	PRPC Water Sdn Bhd	✓ All(1)	✓
• Pengerang Cogeneration Plant	Pengerang Power Sdn Bhd	✓ All(1)	✓
• Pasir Gudang LPG Terminal	Customer E	✓ All(1)	-
• Pasir Gudang Fuel Terminal	Customer E	✓ All(1)	-
• Senai Aviation Terminal	Customer E	✓ All(1)	-
Melaka			
• Melaka Refinery Complex (currently known as Melaka Energy Park)	Malaysian Refining Company Sdn Bhd	✓ Tank(3) & BE(2)	-
• Melaka Fuel Terminal	Customer E	✓ All(1)	-
• Melaka LPG Terminal	Customer E	✓ All(1)	-
Terengganu			
• PCG PCC Oxyalkylates Plant	PCG PCC Oxyalkylates Msia Sdn Bhd	✓ All(1)	✓
• Kerteh Refinery	PETRONAS Penapisan (Terengganu) Sdn Bhd	✓ Tank(3)	-
• Utilities Kerteh	PETRONAS Gas Berhad	✓ Tank(3)	-
• PETChem Ammonia Plant	PETRONAS Chemicals Ammonia Sdn Bhd	✓ Machining and manpower(4)(6)	-
• PETChem Derivatives Plant	PETRONAS Chemicals Derivatives Sdn Bhd	✓ Machining and manpower(4)(6)	-
• PETChem Ethylene Plant	PETRONAS Chemicals Ethylene Sdn Bhd	✓ Manpower(5)(6)	-
• PETChem LDPE Plant	PETRONAS Chemicals LDPE Sdn Bhd	✓ Manpower(5)(6)	-
• Kerteh LPG, Fuel and Aviation Terminal	Customer E	✓ All(1)(6)	-
• Kuala Terengganu Aviation Terminal	Customer E	✓ All(1)(6)	-
Pahang			
• Utilities Gebeng	PETRONAS Gas Berhad	✓ Tank(3)	-
• Kuantan Fuel Terminal	Customer E	✓ All(1)(6)	-
• Chemical plant	Customer D	✓ All(1)(6)	-

7. BUSINESS OVERVIEW *(Cont'd)*

Notes:

(1) Our scope of work covers maintenance on all static equipment including fired and unfired pressure vessels, shell and tube heat exchangers, air-fin cooler, furnaces, columns, separators, reactors, scrubbers, process piping system and valves, as well as structures such storage tanks, piping racks and support, flare stacks, skids and modules.

(2) Our scope of work covers maintenance of the plant's built environment.

(3) Our scope of work covers maintenance of atmospheric storage tank only.

(4) Our scope of work covers machining and manpower supply only.

(5) Our scope of work covers manpower supply only.

(6) As at the LPD, this contract has been completed. Please refer to Section 7.2.1.6 of this Prospectus for details of our ongoing and completed contracts.

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7.2.1.6 Our ongoing contracts and completed contracts

The following are our ongoing and completed unit-rate plant maintenance and turnaround contracts for the Financial Years Under Review and up to the LPD:

No.	Subsidiary	Customer	Contract details	Contract period	Status as at LPD
Ongoing contracts					
1.	EHSB	Pengerang Refining Company Sdn Bhd[(1)]	Group wide master service agreement (MSA) for integrated turnaround main mechanical & maintenance static (**"TA4MS – Refinery"**)	**First contract period** April 2022 to March 2024 **First extended period** March 2024 to March 2027, with optional contract extension for further 2 years	Ongoing based on first extension
2.	EHSB	Pengerang Petrochemical Company Sdn Bhd[(1)]	Group wide master service agreement (MSA) for integrated turnaround main mechanical & maintenance static	**First contract period** April 2022 to March 2024 **First extended period** March 2024 to March 2027, with optional contract extension for further 2 years	Ongoing based on first extension
3.	EHSB	REGAS Terminal (Sg. Udang) Sdn Bhd[(1)]	Group wide master service agreement (MSA) for integrated turnaround main mechanical & maintenance static (**"TA4MS – Regasification Terminal Pengerang"**)	March 2024 to March 2029	Ongoing
4.	EHSB	PRPC Water Sdn Bhd[(1)]	Group wide master service agreement (MSA) for integrated turnaround main mechanical & maintenance static	March 2024 to March 2027, with optional contract extension for further 2 years	Ongoing
5.	EHSB	Pengerang Power Sdn Bhd[(1)]	Group wide master service agreement (MSA) for integrated turnaround main mechanical & maintenance static	March 2024 to March 2027, with optional contract extension for further 2 years	Ongoing
6.	EHSB	PRPC Utilities and Facilities Sdn Bhd[(1)]	Group wide master service agreement (MSA) for integrated turnaround main mechanical & maintenance static (**"TA4MS – Utilities Pengerang"**)	March 2024 to March 2027, with optional contract extension for further 2 years	Ongoing

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Subsidiary	Customer	Contract details	Contract period	Status as at LPD
7.	EMSB	Pengerang Refining Company Sdn Bhd	Term contract for civil and structural maintenance and services	December 2020 to December 2024, with optional contract extension for further 1 year	Ongoing based on first extension
8.	EMSB	Pengerang Petrochemical Company Sdn Bhd	Term contract for civil and structural maintenance and services	December 2020 to December 2024, with optional contract extension for further 1 year	Ongoing based on first extension
9.	EMSB	Malaysian Refining Company Sdn Bhd	MSA for atmospheric storage tank maintenance services (**"MSA tank – Melaka Refinery Complex"**)	March 2022 to January 2027	Ongoing
10.	EMSB	PETRONAS Gas Berhad	MSA for atmospheric storage tank maintenance services	March 2022 to January 2027	Ongoing
11.	EMSB	PETRONAS Penapisan (Terengganu) Sdn Bhd	MSA for atmospheric storage tank maintenance services (**"MSA tank – Kerteh Refinery"**)	March 2022 to January 2027	Ongoing
12.	EMSB	Malaysian Refining Company Sdn Bhd	Term contract for civil structure and building services for process area	November 2022 to November 2025	Ongoing
13.	EMSB	Pengerang Petrochemical Company Sdn Bhd	Term contract for underground non-metallic piping rectification works	June 2023 to May 2025	Ongoing
14.	EMSB	Pengerang Refining Company Sdn Bhd	Term contract for underground non-metallic piping rectification works	June 2023 to May 2025	Ongoing
15.	EMSB	PCG PCC Oxyalkylates Sdn Bhd	Maintenance alliance contract (includes turnaround management works, planning and scheduling, and execution)	June 2023 to June 2025, with optional contract extension for further 3 years	Ongoing
16.	EMSB	PETRONAS Penapisan (Terengganu) Sdn Bhd	Provision of fabrication, machining and material supply	August 2023 to August 2026	Ongoing

No.	Subsidiary	Customer	Contract details	Contract period	Status as at LPD
17.	EMSB	Customer E	Term contract for provision of mechanical maintenance works and services for Customer E's Terminals Package C (Southern)	April 2024 to March 2028	Ongoing
18.	EMSB	Customer G	Master Service Agreement for preventive and corrective maintenance works	November 2024 to October 2027, with optional contract extension for further 1 year	Ongoing
19.	EMSB	Customer H	Provision of non-metallic piping rectification works (services and supply)	February 2025 to February 2028	Ongoing
Completed contracts					
1.	EHSB	PETRONAS[(1)]	Group wide master service agreement (MSA) for integrated turnaround main mechanical & maintenance static (**"TA4MS – PETRONAS"**)	March 2019 to March 2024	Completed[(1)]
		OPU buyers: • *PRPC Utilities and Facilities Sdn Bhd* • *Pengerang Refining Company Sdn Bhd* • *Pengerang Petrochemical Company Sdn Bhd* • *REGAS Terminal Sg. Udang Sdn Bhd* • *PRPC Water Sdn Bhd*		• *From May 2019[(1)]* • *From December 2019[(1)]* • *From December 2019[(1)]* • *From March 2020[(1)]* • *From July 2021[(1)]*	
2.	EMSB	PRPC Utilities and Facilities Sdn Bhd	Term contract to perform non-metallic piping rectification works	June 2019 to June 2021	Completed
3.	EMSB	PETRONAS Chemicals Ammonia Sdn Bhd	Provision for manpower supply	October 2020 to September 2023	Completed
4.	EMSB	Customer E	Price agreement for the mechanical maintenance works at Customer E's fuel, LPG and aviation terminals (Eastern)	December 2020 to December 2023	Completed
5.	EMSB	PETRONAS Chemicals Ethylene Sdn Bhd	Provision for manpower supply	March 2021 to September 2023	Completed
6.	EMSB	PETRONAS Chemical LDPE Sdn Bhd	Provision for manpower supply	August 2021 to September 2023	Completed

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Subsidiary	Customer	Contract details	Contract period	Status as at LPD
7.	EHSB	PRPC Utilities and Facilities Sdn Bhd[(1)]	Group wide master service agreement (MSA) for integrated turnaround main mechanical & maintenance static ("**TA4MS – Utilities Pengerang**")	September 2021 to March 2024	Completed
8.	EMSB	PETRONAS Chemicals Derivatives Sdn Bhd	Provision for manpower supply	October 2021 to September 2023	Completed
9.	EMSB	Customer D	Provision of labour, materials, consumables, equipment and facilities necessary for general plant maintenance	March 2022 to October 2023	Completed
10.	EMSB	Malaysian Refining Company Sdn Bhd	Provision of civil and building infrastructure maintenance for non-process area	February 2023 to July 2023	Completed
11.	EMSB	PRPC Utilities and Facilities Sdn Bhd	Provision of non-metallic piping rectification works (services and supply)	December 2021 to December 2024	Completed

Note:

(1) For the TA4MS contract with PETRONAS, the respective OPU provides us with the purchase/release orders for plant maintenance and turnaround services. In view of the initiative by PETRONAS from 2021 onwards to allow the OPU to independently execute their respective contracts, we entered into individual TA4MS contracts with the respective OPU which require our services. The start date is in reference to either the date of the purchase order or the commencement date provided by the respective OPU's, unless stated otherwise.

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7.2.2 Engineering, Procurement, Construction and Commissioning (EPCC)

7.2.2.1 Overview

Our EPCC activities are focused on major upgrades and replacement of existing plant facilities, as well as the construction of new plant amenities and facilities for O&G facilities.

Industrial plants require attention and improvement to maintain operational efficiency, effectiveness, safety and compliance with regulatory matters and standards. We provide major upgrades and replacement of existing plant facilities to enhance a plant's capability and performance. This often involves extensive modifications to existing equipment, installation of new machinery, or complete replacement of equipment and structures. These upgrades are targeted at increasing a plant's production capacity, and efficiency, or to integrate new technologies or systems. In most cases, this is often an extension of a plant's comprehensive maintenance program to extend the lifespan of ageing equipment and structures.

We also construct new amenities and facilities for an industrial plant's built environment to support its efficient operation, employee well-being and expand capacity. This focuses on the physical buildings and facilities such as new buildings, infrastructure and amenities.

Typically, under the EPCC segment, we are responsible for the full spectrum of works involving the following:

- **Project planning and management** – As the EPCC contractor, we are responsible for the overall management of the project. Once we secure a contract, we will form a project team that will oversee, manage and monitor the execution of the project. This covers the various stages of project planning and implementation up to the completion and handover to our customers. We are also responsible for liaising with all stakeholders including authorities, suppliers, subcontractors and consultants such as engineers.
- **Engineering** – This includes establishing the project's feasibility and conceptual design, developing a more detailed design with process flow diagrams, equipment specifications and preliminary layouts, as well as comprehensive construction drawings, equipment data sheets and material lists. In most cases, the detailed engineering design and drawings are subcontracted to the nominated engineering consultants appointed by the customer.
- **Procurement** – This involves procurement of materials and consumables to perform the work, as well as engagement of labour comprising in-house personnel and external service providers.
- **Construction, fabrication and installation** – This involves the project execution stage to construct, fabricate and install the respective equipment and structure according to the detailed drawings prepared by the engineers.
- **Inspection, testing and commissioning** – This involves carrying out inspection and testing of the completed project, and commissioning the facilities before handover to our customers.

Revenue contribution from EPCC segment accounted for RM9.73 million (8.23%), RM14.61 million (8.92%), and RM10.98 million (5.54%) of our total revenue for the FYE 2022, FYE 2023, and FYE 2024 respectively. There was no revenue from the EPCC segment in FYE 2021.

For the Financial Years Under Review and up to the LPD, our EPCC projects were mainly for the following types of plant facilities and amenities:

- piping systems and structures;
- roof tank structures;
- process instrumentation; and
- industrial building amenities and facilities.

7.2.2.2 Piping system and structures

In oil, gas and petrochemical plants, piping systems are essential components to transport fluids throughout the facility as well as for sales and distribution. We carry out piping for non-metallic and metallic pipes, as well as underground and above-ground pipes, as follows:

- Non-metallic pipes such as glass-reinforced epoxy (GRE) pipes, glass-reinforced vinyl ester (GRVE) pipes, and glass-reinforced plastic (GRP) pipes, which are often used in underground applications or for transporting corrosive fluids and water;
- Metallic pipes such as carbon and stainless steel pipes for above and underground applications; and
- Pipe truss and structures.

Generally, our scope of work for piping works involves the following:

- Procurement of pipes, pipe fittings and flanges;
- Fabrication of pipe spools and pipe support;
- Installation and tie-in of the prefabricated pipe spools with the existing piping system on the customer's site; and
- Civil construction works such as excavation, dewatering, grading, levelling, compacting and backfilling works are carried out for underground piping systems.

Pipe spool fabrication is the process of creating prefabricated sections of piping systems in a controlled workshop environment before they are transported to the final installation site. We mainly carry out pipe spool fabrication at our operational facilities, and in some cases, our customers' fabrication facilities. We provide the following pipe spool fabrication for our piping projects:

(i) **Pipe cutting and bevelling** – Pipes are cut to precise lengths following design drawings. For welded connections, pipe ends are bevelled at specific angles using machining tools or bevelling machines to prepare for butt welding.

(ii) **Fitting and assembly** – The cut pipes and fittings are temporarily assembled using clamps or jigs to ensure proper alignment and fit-up before welding.

(iii) **Pipe joining** – We provide several methods of pipe joining technique such as welding, grooving, threading, flanging and socket welding depending on the pipe diameter and pressure rating, as follows:

- **Welding** – Welding is a permanent joining method that uses intense heat to melt and fuse the pipe ends together, creating a strong and secure connection. We use in-house and externally sourced qualified welders to join pipes, fittings and flanges using arc welding techniques such as submerged arc welding, tungsten inert gas welding, and gas metal arc welding.
- **Grooving** – Grooving is a mechanical joining method by creating grooves on pipe ends. These grooves interlock with specially designed gaskets and clamps to form a leak-proof connection.
- **Threading** – Pipes are threaded using threading machines to create male and female threads that can be screwed together. Thread sealant is applied for additional leak prevention.
- **Flanging** – This method involves bolting together two flanged pipe ends with a gasket in between to create a leak-proof seal. Flanges are typically welded or threaded onto the pipe ends.
- **Socket welding** – Socket welding is used for joining smaller diameter pipes where the pipe end is inserted into a socket in a fitting, and the joint is then welded to create a permanent connection.

(iv) **Testing** – We provide NDT services such as dye penetrant inspection, radiography testing to verify weld integrity, and hydrostatic pressure testing to assess the structural integrity and leakage resistance.

Fabrication of a pipe spool at our customer's facilities

(v) **Surface finishing** – The completed pipe spool is cleaned, painted with a protective coating to prevent corrosion, and marked with identification tags for tracking purposes.

Pipe installation and tie-in is the physical placement and connection of pipes at a designated location. Pipe tie-ins involve the process of connecting a new pipe section to an existing piping system. We provide the following services for pipe installation and tie-ins:

- **Site preparation** – This includes the installation of pipe support structures and scaffoldings. For underground piping systems, civil construction works may be required. For pipe tie-ins, the tie-in point on the existing pipe is isolated using valves or blinds to prevent flow and pressure.
- **Pipe lifting and hoisting** – Pipes are carefully lifted and maneuvered into position using cranes or other lifting equipment.
- **Alignment and fitting** – Pipes are aligned with each other and with supports using alignment tools and clamps.
- **Pipe joining** – This includes welding, threading, flanging, grooving, and socket welding used to connect the pipe sections.
- **Testing** – We also provide NDT services such as dye penetrant inspection, eddy current test and radiography testing to verify weld integrity and hydrostatic pressure testing to assess the structural integrity and leakage resistance.
- **Insulation** – For piping systems which require temperature control, the pipes are insulated with appropriate materials.

Installation of pipe spool on the offshore platform at our customers' fabrication yard in Pasir Gudang, Johor

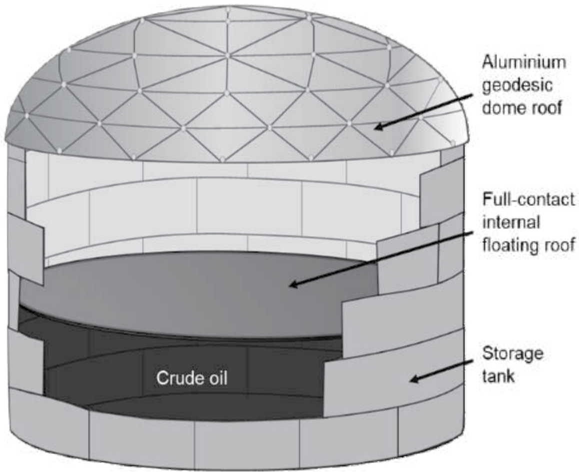
7.2.2.3 Roof tank structures

In December 2022, we were awarded a contract to carry out the EPCC of an aluminium geodesic dome roof and full contact internal floating roof for 1 unit of crude oil tank for Malaysian Refining Company Sdn Bhd.

An aluminium geodesic dome roof is a type of self-supporting roof structure made from aluminium struts interconnected using triangular units namely geodesic triangles. These triangles form a strong and lightweight latticework dome that can span large distances without requiring internal support beams and columns. This type of roof design is a common design for covering large storage tanks as they are lightweight and can withstand large pressures.

A full-contact internal floating roof is a specialised type of roof that floats and sits directly on top of the stored liquid's surface. It is typically made of prefabricated aluminium or stainless-steel panels connected to form a flexible airtight cover. It functions to seal along the internal perimeter of the storage tank minimising emissions and vaporisation of the stored liquid.

A storage tank with full contact internal floating roof and aluminium geodesic dome



The objective of the internal floating roof is to prevent hydrocarbon emission, the volatile organic compounds emitted from crude oil. As the crude oil is pumped out of the storage tank, the volume of crude oil in the storage tank will start to decrease, thus increasing the gap between the surface of the crude oil and the top of the storage tank. As such, the internal floating roof is placed on top of the surface of the crude oil to prevent hydrocarbon emission as crude oil is pumped out of the storage tank.

Although there is a seal between the internal floating roof and the side of the storage tank, inevitably there will be leakages as the internal floating roof is movable, designed to move up or down following the surface of the crude oil. Thus, to further minimise hydrocarbon emission from escaping to the atmosphere, a geodesic dome is placed over the entire top of the storage tank to capture any hydrocarbon emission. Hydrocarbon emission is flammable and explosive posing risks to life and property. In addition, hydrocarbon emission is a form of air pollution and contributes to the greenhouse effect.

Our scope of work for this contract encompasses:

- Detail engineering and assessment of the design including structural calculation and studies for the aluminium geodesic dome roof and full contact internal floating roof as well as finite element analysis on the aluminium geodesic dome roof, as well as the procurement of the geodesic dome roof and full contact internal floating roof. We subcontract the design and procurement of the roof from a third party.
- Procurement of other necessary materials such lifting equipment and metal sheet.
- Modifying the existing tank to remove the existing roof system and subsequently fabricate and install the aluminium geodesic dome roof and internal floating roof in the said existing tank.
- Performing housekeeping and cleaning up after the installation of the tank roof and conducting tank commissioning.

While we are fully responsible for the EPCC and project management of the geodesic dome and full contact floating roof, the engineering design and material procurement are carried out by a third party who owns the intellectual property of the geodesic dome design and the intellectual property of the full contact floating roof.

Our role is focused on project management, liaising with third parties and our customers, obtaining all relevant registrations, licences, permits and approvals, as well as being involved in the installation and commissioning through the provision of on-the-ground workers and technical personnels.

7.2.2.4 Process instrumentation

In July 2023, we were awarded a contract to assist the EPCC of Fourier transform near-infrared (FTNIR) analysers for Malaysian Refining Company Sdn Bhd.

The project involves the installation of two individual online FTNIR analysers on the customer's processing facility to improve their process control and optimise yield production and quality.

Our scope of work for this contract encompasses:

- Performing detailed design engineering including simulation, calculation, studies, assessment, specification, and reports for the project based on the basic engineering design provided by the customer. This was carried out by a third-party engineering consultant which was nominated by the customer.
- Procurement of equipment and materials such as the FTNIR analysers, electrical equipment and components, piping system, and field instrumentation. Some of the critical equipment such as the FTNIR analysers, power distribution system, and instrumentation is specified by engineering consultant.
- Fabrication, inspection, testing, blasting, painting, erection, and mechanical completion activities. We will carry out the installation and tie-in of the process instrumentation.
- Pre-commissioning and commissioning to start up the activity of the whole FTNIR system which will be carried out by the instrumentation provider and assisted by our personnels.

We have a team of personnel to manage, schedule, administer, supervise, and control all the work to ensure the timely delivery of the project.

7.2.2.5 Mode of operation

Our mode of operations for our EPCC segment in terms of securing purchase orders, payment terms, and other main contractual terms and conditions are as follows:

(i) Securing projects/works

The revenue model for the EPCC segment is based on lump sum contracts issued by customers. We secure these contracts through the submission of tender bids or quotations through invitation or request for quotations from prospective customers. All our contracts are project specific. While most project contracts cover all scope of work and delivery schedules for a specific project, some contracts also involve the issuance of purchase orders within the project contract. All contracts are lump sum contracts, which may or may not have variation orders.

In addition, as a panel contractor under our appointment contract with Customer I, we are subject to the ceiling unit rates specified in the contract. Throughout the appointment term, we must participate in mini-bid selection process and negotiate the contract price on a lump sum basis to secure any works. However, the negotiated rates must not exceed the ceiling rates stated in the appointment contract.

We secure projects through both direct and indirect distribution channels. For projects secured through direct distribution channel, we work as the main contractor or project manager where we are responsible for liaising with all parties such as the authorities, suppliers, engineers, consultants, and subcontractors for the project. We report directly to the customer who is the ultimate decision-maker. As for projects secured through indirect distribution channel, we work as a subcontractor where we report directly to our customers who are the main contractor of the project.

(ii) Project contract period obligation

We are obligated to complete the project within the period stipulated in the contract. For the Financial Years Under Review and up to the LPD, our EPCC contract are mainly approximately two (2) years. In the event of any delays in the completion of a project, we are subject to liquidated ascertained damages ("**LAD**") claims by the customer as stipulated in the contract.

If the project encounters any unforeseen circumstances that may affect our completion date, we will seek an EOT from the customer which is subject to approval by the customer.

(iii) Progressive claims

During the various stages of the project, we will submit progress claims based on agreed project milestones. The approval of the progressive claims is subject to the engineer's certification which allows us to invoice the customer.

(iv) Variation order

In some cases, during or soon after the completion of a project, the customer may request variation orders for the project which may include additions, omissions, substitutions, alterations and/or changes to the work scope. We are usually notified of a variation order in writing describing the details of the variation works and, where required, accompanied with revised drawings. We will submit our costing and the expected timeframe for the variation work to the customer for their approval. Variation orders are generally addendums to existing contracts where all general conditions of the original project contracts still hold for the variation orders except for the additional scope of work, price and time extension to complete the additional work.

(v) Retention sum and performance bond

Our EPCC contracts are subjected to a retention sum of our invoices which our customers will retain for an agreed period after the completion of our work. Typically, a retention sum equivalent to 5% of the total contract sum will be retained by the customer for a period of 12 months. Depending on the terms of the contract, the retention sum will usually be released upon the expiration of the DLP.

Similarly, we are entitled to retain payment of part of our subcontractors' invoices as retention sum up to a maximum of 5% of the total contract sum as stipulated in our contracts with subcontractors.

Depending on the specific contract terms, we may be required to issue a performance bond. This bond is typically 5% to 10% of the total contract value and is issued in the form of a bank guarantee. In the event of failure to fulfil our contractual obligations, our customer may claim part or all of the performance bond. The performance bond generally remains valid until the issuance of the project completion certificate. Thereafter, the performance bond is replaced with a warranty bond during the DLP. In some cases, we require a performance bond from our subcontractors.

(vi) Post completion

We are responsible for the rectification of defects during the DLP which is for 12 months from the issuance of the project completion certificate. We are responsible for any rectification works together with the respective subcontractors who are contracted by our Group and work under our supervision and project management. If there is a defect liability claim that is attributable to the works carried out by a subcontractor, we usually require the subcontractor to perform the rectification works and related costs will be borne by the said subcontractor. The terms of our letter of awards to certain subcontractors allow us to claim any damages or compensation in the event of poor, late, non-performance by our customer. The cost of all defect liability claims not attributable to our subcontractors will be fully borne by us.

7.2.2.6 Our EPCC contracts

The following are our ongoing and completed EPCC contracts above RM1.00 million which contributed to our revenue for the Financial Years Under Review and up to the LPD:

No.	Subsidiary	Customer	Contract details	(1)Contract value (RM'000)	(2)Start date	End date	Status as at the LPD	(3)Remaining order book as at LPD (RM'000)
1.	EMSB	Malaysia Refining Company Sdn Bhd	Provision of detailed engineering design, procurement, construction, and commissioning assistance of FTNIR analysers (**"FTNIR EPCC contract"**)	22,629	July 2023	(4)May 2025	Ongoing	6,856
2.	EMSB	Malaysia Refining Company Sdn Bhd	Provision of EPCC of aluminum geodesic dome roof and full contact internal floating roof for crude tank (**"Geodesic Dome Roof EPCC contract"**)	14,870	December 2022	(5)August 2025	Ongoing	4,334
3.	EMSB	Customer F	GRE pipe works – Package 2 (Fabrication, installation, testing and reinstatement) for SK408W Jerun Development Project (**"GRE Pipe Works contract"**)	9,484	August 2022	(6)January 2025	Completed	-
4.	EMSB	PRPC Utilities & Facilities Sdn Bhd	Provision of EPCC of treated water piping replacement from isolation valve to air separation unit (**"Water Piping Replacement EPCC contract"**)	7,835	January 2022	(6)June 2022	Completed	-

Notes:

(1) Includes variation orders, as at the LPD.

(2) Based on the start date as stated in the contract.

(3) Refers to the contract value of ongoing contracts (including variation orders) less revenue recognised up to the LPD.

*(4) Based on the Extension of Time (**"EOT"**) provided by the customer. As at the LPD, we have completed the mechanical activities and achieved the mechanical completion date in April 2024. However, the testing and commissioning phase has encountered a delay due to a technical issue during the site acceptance test and the customer extended the commissioning duration. The revised schedule is currently being finalised with the customer before another EOT submission can be made.*

(5) Based on the official letter from the customer on the contract extension period up until 31 August 2025.

(6) Completion date is based on the physical completion date which is based on the initial acceptance certificate of completion issued by the customer.

7.2.2.7 Our appointment contract as the panel contractor for EPCC works

The following are our appointment contracts as panel contractors for EPCC works, as at the LPD:

No.	Subsidiary	Customer	Appointment details	Appointment duration
1.	EMSB	Customer I	Provision of panel contractor for construction and modification works (CMW) for Customer I's Downstream Operating Units – Package A: East Coast Region	November 2024 to November 2027, with optional contract extension for further 1 year and another year
2.	EMSB	Costumer I	Provision of panel contractor for construction and modification works (CMW) for Customer I's Downstream Operating Units – Package B: West Coast Region	November 2024 to November 2027, with optional contract extension for further 1 year and another year
3.	EMSB	Customer I	Provision of panel contractor for construction and modification works (CMW) for Customer I's Downstream Operating Units – Package C: Southern Region	November 2024 to November 2027, with optional contract extension for further 1 year and another year

As a panel contractor, we are required to go through a mini-bid selection exercise to secure any contracts. Since then and up to the LPD, we have not secured any contracts through this appointment.

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7.2.3 FM Services

7.2.3.1 Overview

FM services refer to the maintenance and management of built environments such as buildings, civil structures, infrastructures, and surrounding facilities and amenities to ensure smooth operation and overall well-being of the built environment, as well as the comfort of the occupants and visitors.

We provide FM services for government office and residential buildings. As at the LPD, we have 2 ongoing contracts for FM services of government quarters and ministry buildings. For the Financial Years Under Review, revenue generated from FM services accounted for RM0.52 million (0.74%), RM8.66 million (7.33%), RM12.48 million (7.62%), and RM11.08 million (5.58%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

A centralised command centre in a commercial building that we provide FM services

7.2.3.2 Our scope of services

Our FM services focus on the technical and physical aspects of the built environment. This involves maintenance and management of the building's infrastructure and systems including the maintenance and repair of building and civil structures, mechanical systems, electrical systems, and landscaping works. In some cases, it also includes cleaning and janitorial services, pest control services, and energy efficiency management of mechanical and electrical systems.

For facilities management, our scope of services involves preventive, corrective and major maintenance works on the following facilities and systems:

(i) Building and civil structure

Building and civil structure includes roof, gutter and rainwater fittings, ceiling, walls, floors, internal partitions, doors (including fire rated doors, blast doors and heavy-duty doors), windows, handrails, guardrails, grills, signages, carpets, timber structures, steel structures, wallpaper, fencing, gates, footpaths, roads, built-in furniture, grease traps, drain sumps, grating and culvert, sealants, plumbing and sanitary system, as well as sewer line and manholes.

Some of the repair and maintenance works for building and civil structures include:

- Inspection and repairs of cracks, leaks, corrosion, as well as water and mould damages;
- Repair and repaint wall surfaces;
- Repair and replace damaged flooring, tiles and carpets;
- Greasing of hinges and locks; and
- Clearing of debris and cleaning of gutters.

(ii) Mechanical systems

Mechanical systems include air handling unit, chiller, chilled water pump, variable speed drive, variable air volume, fan coil unit, air conditioning split unit, precision air, fire alarm system, sprinkler system, wet riser system, hose reel system, smoke detector, kitchen hood, mini chiller, hand dryer, water tank, ventilation system, sump pump, roller shutters, pumps, intercom, fire hydrant, fire extinguisher, fire suppression system, elevators and building control systems.

Some of the repair and maintenance works for mechanical systems include:

- Inspection and repair of cracks, leaks, damages and corrosion;
- Regularly greasing moving parts, including motors and bearings;
- Cleaning of air filters, condenser and coils;
- Inspection and testing of fire safety and alarm systems;
- Inspection and repair of elevators for wear, lubrication and alignment;
- Vibration and alignment inspection and repair for pumps and motors; and
- Regularly test and maintain the fire alarm system.

We also provide energy efficiency management of air-conditioning and mechanical ventilation (ACMV) systems including monitoring temperature and perform energy audit to monitor energy consumption of the building.

(iii) Electrical systems

Electrical systems include high voltage systems, transformers, low voltage systems, luminaries, outdoor lighting, electrical lighting, generator sets, UPS systems and equipment, lightning protection systems, telecommunication systems and equipment, audiovisual projection systems, conference systems, public address systems, master antenna television (MATV), card access management systems, closed-circuit television (CCTV), stage lighting and rigging systems and motorise stage curtain systems.

Some of the repair and maintenance works for electrical systems include:

- Inspection and repair of electrical components such as switches and outlets;
- Inspection of cable and wirings for fraying, damage or exposure;
- Repair and replacement of lighting; and
- Inspection and maintenance of electrical panels, transformers, generators, and UPS systems.

We also provide energy efficiency management of lighting systems including utilisation of energy-efficient bulbs and management of sensor-controlled lighting.

(iv) Landscaping works

Some of the landscaping works that we provide include watering, cutting, fertilising, mulching, spraying insecticides and upgrading shrubs, hedges, groundcover plants, grasses, flowers, and trees, as well as maintenance of outdoor garden furniture.

(v) Janitorial and cleaning services

We provide janitorial and cleaning services including but not limited to, sweeping, mopping, buffing, and scrubbing floors; vacuuming carpets; cleaning surfaces of windows, glass panels, sanitary wares, furniture, fittings and accessories; emptying of waste bins and disposal of rubbish and waste materials; cleaning of common toilets and showers, replenishing toilets and shower consumables such as hand and body wash, paper towels, toilet paper, sanitisers and deodorisers.

(vi) Pest control services

We provide pest control services including but not limited to, pest inspection, monitoring, and surveillance, application of baits, traps, and treatments to control and eliminate pests; and mosquito fogging services.

7.2.3.3 Our FM services

(i) FM for the Ministry of Tourism, Arts, and Culture, and the Ministry of Higher Education ("MOTAC and MOHE FM contract")

As at the LPD, EMSB has an ongoing contract with the Jabatan Kerja Raya for the provision of FM of the built environment of the Ministry of Tourism, Arts and Culture, and Ministry of Higher Education buildings as follows:

Customer	:	Jabatan Kerja Raya
Building occupants	:	Ministry of Tourism, Arts and Culture (Tower 1) and Ministry of Higher Education (Tower 2)
Location	:	Lot 5G2, Precinct 5, W.P. Putrajaya
Contract period	:	1 June 2022 to 31 May 2027
Approximate tenure	:	5 years
Contract value	:	RM 46.47 million

Ministry of Tourism, Arts, and Culture building (right) and Ministry of Higher Education building (left) in W.P. Putrajaya

Mode of operation

The mode of operation for this contract is based on a fixed lump sum contract for 5 years. The contract specifies the scope of services encompassing:

- facilities management services such as financial management, quality management, Health, Safety and Environment management, risk management, human resource management, transition management services, utilities management services, incident response and disaster recovery management services, customer care management services, management information system services, energy management and conservation services, and waste and redundant materials management services; and
- facilities engineering, operation and maintenance such as mechanical services, electrical services, civil, structure and architectural services, call centre services and landscape services.

During the contract period, every scheduled and ad hoc maintenance and repair work orders are logged into the computerised maintenance management system (CMMS) and at the end of the month these work orders are submitted to our customer, Jabatan Kerja Raya, for billings. Maintenance will be billed monthly depending on the progress.

Our customer will pay us monthly subject to any Ascertained Performance Deduction (APD). APD is an amount deducted from our monthly payment based on our performance and service level. APD is calculated based on certain key performance indicators (KPI) set by our customer at the beginning of the contract, the number of complaints obtained and ratings by building occupants. Since the commencement of this contract and up to 30 April 2025, we have been subjected to RM0.16 million of APD.

(ii) FM services of government quarters ("Putrajaya Precinct 14 FM contract")

As at the LPD, EMSB has an ongoing contract with Perbadanan Putrajaya for the provision of FM of the built environment of the government quarters in Phase 14-7 and 14-12, Precinct 14, Putrajaya, as follows:

Customer name	:	Perbadanan Putrajaya
Building details and location	:	5 blocks of apartments in Phase 14-7 and 2 blocks of apartments in Phase 14-12, Precinct 14, Putrajaya
Contract period	:	1 September 2021 to 31 August 2026
Approximate tenure	:	5 years
Contract value	:	RM 16.42 million

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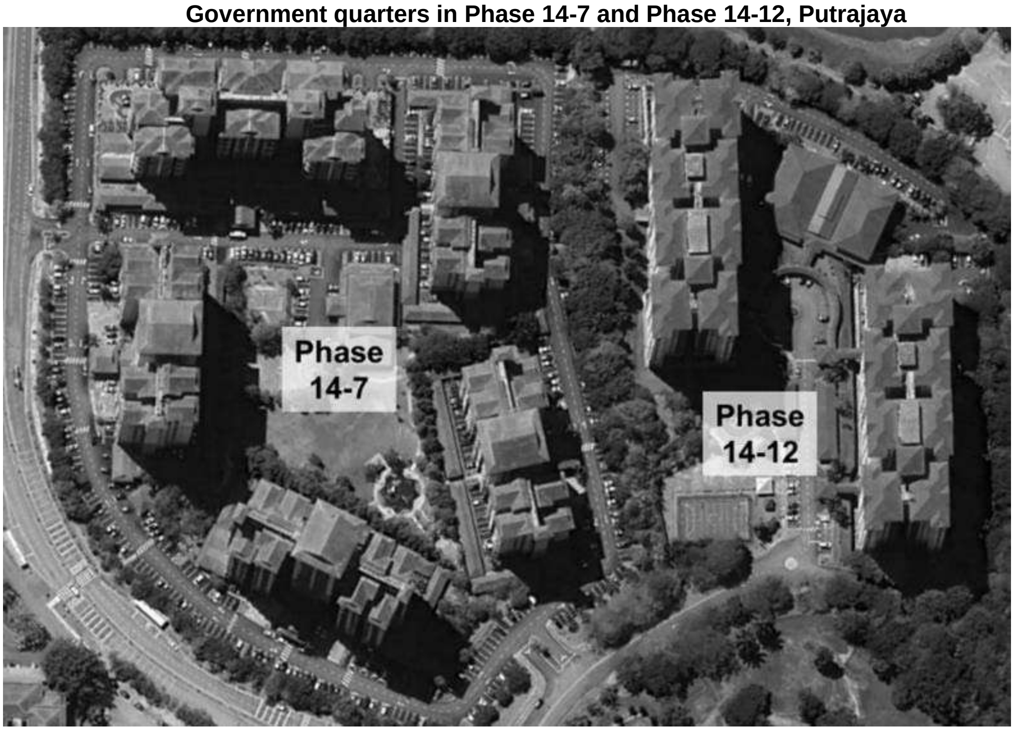
Government quarters in Phase 14-7 and Phase 14-12, Putrajaya



Mode of operation

The mode of operation for this contract is based on a fixed lump sum contract for 5 years. The contract specifies the scope of services encompassing civil and structural work, mechanical works, electrical works, housekeeping and pest control services, landscaping services and security service.

During the contract period, every scheduled and ad hoc maintenance and repair work orders are logged into a computerised system. These work orders are submitted to our customer for billings in the following month and payments are made monthly subject to any penalties.

We are subjected to a penalty which is based on our performance and service level. The penalty is calculated based on certain KPI set by our customer at the beginning of the contract. Since the commencement of this contract and up to LPD, we have not been subjected to any penalty.

7.2.4 Other related activities

Our other related activities include the rental of equipment and vehicles, and the supply of manpower which are complementary to our existing plant maintenance and turnaround, and EPCC, as well as for standalone services. Revenue contributed from other related activities accounted for RM0.27 million (0.39%), RM0.99 million (0.83%), RM4.08 million (2.49%), and RM11.50 million (5.80%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

7.2.4.1 Rental of equipment and vehicles

Through our Subsidiaries, EMSB and RBPS, we provide rental of equipment and vehicles based on the following arrangement:

- to customers with existing maintenance contracts, the rental revenue is captured under the plant maintenance and turnaround segment; and
- to customers without any existing maintenance contract, we will secure a long-term agreements or purchase orders as needed.

EMSB provides rental of lifting equipment and vehicles, while RBPS provides rental of maintenance and testing equipment.

Lifting equipment refers to machinery or vehicles that are specially designed to handle, manoeuvre and lift objects, commonly heavy objects, or people. These machines or vehicles are crucial for various industries particularly construction and plant maintenance where heavy plant machinery and equipment are required to be lifted for removal and/or installation and provide accessibility to workers to have height access for inspection, maintenance and repair works.

We provide rental of the following types of lifting equipment:

- **Mobile cranes** – a type of crane that combines lifting capability with mobility. Mobile cranes can travel to worksites and set up for operation relatively quickly. The most common type of mobile crane is rubber-tired carriers that have wheels and can travel on roads and relatively smooth surfaces. We provide all terrain cranes, truck mounted cranes, and rough terrain cranes.

Left: Truck-mounted crane; Right: Rough terrain crane

- **Crawler cranes** – a specific type of mobile crane designed for heavy lifting tasks and has superior stability on uneven or soft terrain. Crawler cranes is equipped with continuous tracks to distribute the weight of the crane over a larger area, providing stability on uneven ground, mud, or sand.
- **Sky lifts** – a type of vehicle that is designed with a platform to hold workers and their tools, and provide a temporary and elevated workspace for people. They allow workers to reach high places safely and efficiently for maintenance, inspection and construction. There are various mechanisms to elevate the platform such as scissor lifts, which move straight up and down on a scissor-like mechanism; and boom lifts, which have a hydraulic arm that extends and elevates the platform. Sky lift is also known as aerial work platform (AWP), aerial device, elevating work platform (EWP), or aerial lift.
- **Forklifts** – a type of vehicle that is designed to lift and move materials over short distances. They are equipped with a metal fork platform at the front that can be inserted under a pallet or cargo to lift and transport it.

We also provide rental of vehicles such as lorries, low loaders and trailers.

Our rental of lifting equipment is inclusive of a licenced operators such as lifting engineer, lifting supervisor, crane operator, signalman and rigger. For our rental business, we utilise a combination of our own equipment and vehicles, as well as lease units from external service providers.

7. BUSINESS OVERVIEW *(Cont'd)*

As at LPD, we own the following lifting equipment and vehicles, as follows:

Types of lifting equipment and vehicles	No of units as at the LPD
Mobile cranes (all terrain, rough terrain and truck mounted)	24
• 10 Tonnes	1
• 25 Tonnes	5
• 35 Tonnes	1
• 45 Tonnes	1
• 50 Tonnes	4
• 60 Tonnes	4
• 65 Tonnes	1
• 120 Tonnes	1
• 200 Tonnes	4
• 450 Tonnes	1
• 650 Tonnes	1
Sky lifts	4
Forklifts	24
Vacuum trucks	4
Excavator	1

As part of our business strategies and plans, we intend to purchase additional lifting equipment and vehicles. Please refer to Section 7.14.2 of this Prospectus for further details on our plans.

As at the LPD, we have 1 completed and 7 ongoing long-term contracts for the rental of lifting equipment and vehicles, as follows:

No.	Subsidiary	Customer	Contract details	Contract period	Status as at LPD
(i)	EMSB	PETRONAS Gas Berhad	Provision of mobile crane and other heavy lifting equipment and services[(1)]	August 2023 to August 2026, with optional contract extension for further 2 years	Ongoing
(ii)	EMSB	PETRONAS Chemicals LDPE Sdn Bhd	Provision of mobile crane and other heavy lifting equipment and services[(1)]	September 2023 to August 2026 with optional contract extension for further 2 years	Ongoing
(iii)	EMSB	PETRONAS Chemicals Ammonia Sdn Bhd	Provision of mobile crane and other heavy lifting equipment and services[(1)]	September 2023 to August 2026 with optional contract extension for further 2 years	Ongoing
(iv)	EMSB	PETRONAS Chemicals Polyethylene Sdn Bhd	Provision of mobile crane and other heavy lifting equipment and services[(1)]	September 2023 to August 2026 with optional contract extension for further 2 years	Ongoing
(v)	EMSB	PETRONAS Chemicals Olefins Sdn Bhd	Provision of mobile crane and other heavy lifting equipment and services[(1)]	September 2023 to August 2026 with optional contract extension for further 2 years	Ongoing
(vi)	EMSB	PETRONAS Chemicals Derivatives Sdn Bhd	Provision of mobile crane and other heavy lifting equipment and services[(1)]	September 2023 to August 2026 with optional contract extension for further 2 years	Ongoing
(vii)	EMSB	PETRONAS Chemicals Fertilisers Kedah Sdn Bhd	Provision of mobile crane and other heavy lifting equipment and services[(1)]	September 2023 to August 2026 with optional contract extension for further 2 years	Ongoing

No.	Subsidiary	Customer	Contract details	Contract period	Status as at LPD
(viii)	EMSB	Venator Asia Sdn Bhd	Supply of mobile crane and sky lift services	July 2021 to June 2023	Completed

Note:

(1) The scope of this contract includes, but is not limited to, the supply of mobile cranes, crawler cranes, sky lifts, forklifts, lorries and trailer/low loaders of various types, models and tonnage for day-to-day plant maintenance, projects, turnaround and emergency shutdown activities at process and non-process area.

7.2.4.2 Manpower supply

We provide manpower supply based on the following arrangement:

- to customers with existing maintenance contracts where the revenue is captured under the plant maintenance and turnaround segment; and
- to customers via individual purchase orders where the revenue is captured under other related activities.

We source external subcontracted labour to fulfil our purchase orders for the supply of manpower. For the Financial Years Under Review and up to the LPD, the supply of manpower was skilled manpower for fabrication services to an EPCC company.

7.3 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS

7.3.1 We have a proven track record spanning 24 years, serving as a reference and foundation for business sustainability and growth

We have an established track record that spans approximately 24 years since the commencement of our business operations in 2001 providing pipe maintenance and fabrication services. Since then, we have secured various types of plant maintenance and turnaround, and EPCC projects enlarging our experience and track record to help us win new jobs.

Since our first plant maintenance services with PETRONAS Group in 2009, we have established a strong track record and reputation as one of the key providers of maintenance of static equipment and structures. This has positioned us well to secure the TA4MS contract from PETRONAS in 2019 to provide maintenance and plant turnaround for its facilities. As at the LPD, we have six (6) subsisting TA4MS contract where we are providing plant maintenance and turnaround services to facilities in Pengerang, Johor including the refinery and petrochemical complex, the central utilities and facilities, the co-generation power plant, the regasification terminal, and the PAMER raw water supply. These contracts have extension options up to 2029. In addition, in 2023, we secured our first maintenance alliance contract with PCG PCC Oxyalkylates Sdn Bhd where we are the lead plant maintenance manager and coordinator to develop and implement the plant's overall maintenance strategy.

As at the LPD, we have 19 ongoing contracts for plant maintenance and turnaround services which are currently valid up to between 2024 and 2029 where some contracts have extension options.

In 2021, we expanded our business operations to provide FM services to government apartment quarters and office buildings in Putrajaya.

Furthermore, in November 2024, we were appointed as panel contractors by Customer I for construction and modification works for their downstream operating units in East Coast, West Coast and Southern regions of Malaysia. This appointment is valid up to 2027 and with extension options up to 2029. With this appointment, we would have the opportunity to bid for more EPCC contracts.

Our track record will serve as the platform for securing new jobs as well as sustaining and growing our business. Over the past 24 years, we have built a strong customer base and established relationship with key players in the O&G and petrochemical industries including PETRONAS Group, PRefChem and its affiliates. Additionally, we have expanded our reach to new sectors, such as the government sector. This will position us favourably to secure new opportunities from both existing and new customers.

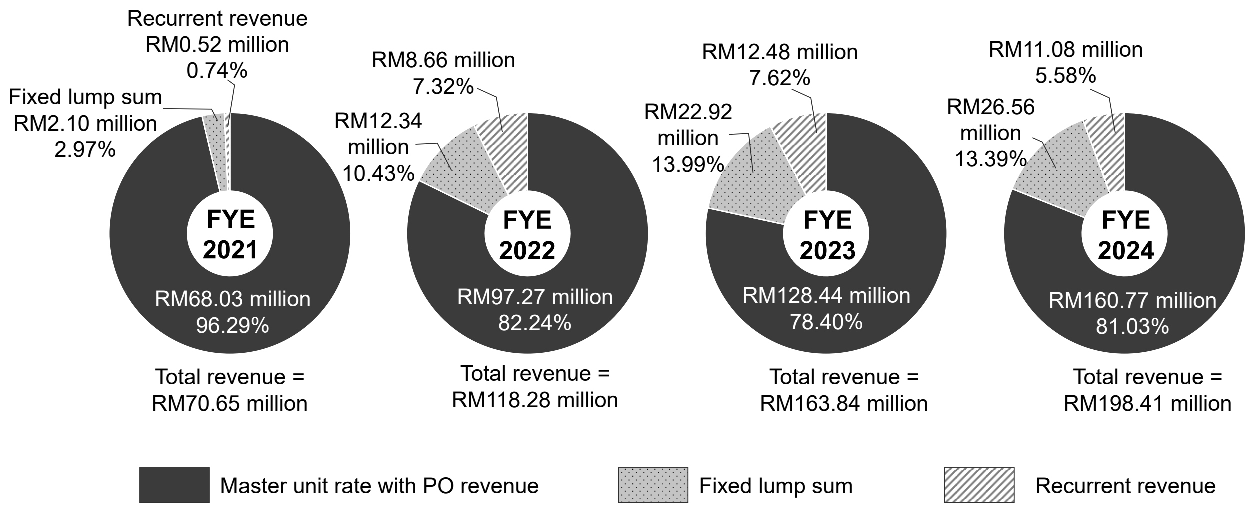
7.3.2 We have recurrent revenue streams that provide us with a reliable cash flow, supplemented by master unit rate contracts with issued purchase orders to complement our fixed lump sum revenue

Our business revenue streams are characterised by:

- master unit rate contracts which involve the issuance of purchase orders;
- recurrent revenue from long-term contracts, providing steady income throughout the contract duration; and
- project-based fixed lump sum contracts.

Our revenue segmentation by types of contracts is as follows:

Our revenue segmentation by types of contracts



Our recurrent revenue and master unit rates with issuance of purchase orders revenue accounted for 97.04%, 89.57%, 86.01%, and 86.61% for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. Recurrent revenue contracts generally have a fixed total contract sum to be paid over the contract period, commonly there are adjustments including deduction for failure to meet certain key performance indicators and metrics as well as additional top-up for specified conditions and situations. Although our master unit rate contracts do not guarantee recurring revenue, we regularly receive purchase orders that provide us with a steady income stream. For the Financial Years Under Review, the master unit rate contracts with purchase orders revenue accounted for more than 78.00% of our total revenue.

While our recurrent revenue business provides us with some assurance of cashflow during the contract period, there is no assurance that any one or more of these recurrent revenue contracts will not be prematurely terminated, modified, or subject to deductions as per contractual arrangements and due to other unforeseen circumstances.

7.3.3 Our customers include some of the largest O&G and petrochemical companies in Malaysia providing us with reference sites to secure new contracts and to expand our business

We serve some of the largest operators in the O&G and petrochemical industry in Malaysia namely PETRONAS Group and PRefChem. For the Financial Years Under Review, we served 20 wholly owned and partially owned subsidiaries of PETRONAS which accounted for 46.44%, 31.37%, 48.00%, and 43.94% of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. Meanwhile, we served PRefChem comprising Pengerang Refining Company Sdn Bhd and Pengerang Petrochemical Company Sdn Bhd which accounted for 49.77%, 59.07%, 43.08%, and 47.59% of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

PETRONAS is a global Malaysian energy company with a presence in over 100 countries. PETRONAS is entrusted with the responsibility of developing and adding value to the O&G resources in Malaysia.

Our 16-year track record of serving PETRONAS Group and 6-year track record serving PRefChem, as at the LPD, stands as a testament to our ability to deliver services that meet their needs and quality standards. These references will serve as the platform for securing new contracts from both new and existing customers, facilitating the sustainability and growth of our business.

7.3.4 We have PETRONAS licences and registrations for several SWEC codes to enable us to participate in the O&G industry in Malaysia

Operators in Malaysia who seek to participate in the downstream sector of the O&G industry in Malaysia are required to have and keep valid their licences and/or registrations for the relevant SWEC codes. There are commercial and technical conditions attached to the granting or renewal of PETRONAS licences and registrations for various SWEC codes. This forms a barrier to entry for operators seeking to participate in the downstream sector of the O&G industry in Malaysia.

We have valid PETRONAS licences and registrations for the relevant SWEC codes that enable us to provide services to the downstream sector O&G industry in Malaysia. Please refer to Section 7.16 of this Prospectus for further details. These valid registrations of SWEC codes will provide us with the basis to continue to serve the downstream O&G and petrochemical industry in Malaysia to sustain and grow our business.

7.3.5 We have an experienced Group Managing Director and key senior management team to grow our business

We have an experienced management team headed by our Group Managing Director, Azman Yusof who brings with him approximately 31 years of experience in the O&G industry. As the director of our Group, Azman Yusof have been instrumental in the growth and development of our Group. He is supported by our key senior management team as follows:

- Mohd Nizam bin Yaakub, our Chief Executive Officer with 29 years of experience in projects management execution and supervision as well as project bidding, costing and budgeting for various proposals. He is currently responsible to oversee, manage and develop operation strategies, short-term and long-term objectives for our businesses in Melaka, Terengganu, Johor and Putrajaya;
- Hakimi bin Bahador, our Turnaround Director with 34 years of experience in engineering and energy sectors, with focus on maintenance operations and project management. He is currently responsible for the management of our Group's plant turnaround business and operational activities; and
- Lim Kok Siong, our Chief Financial Officer with 11 years of experience in accounting and finance matters. He is currently overseeing our Group's finances and heads our Group's finance department.

7.4 SEASONALITY OF THE BUSINESS

For the Financial Years Under Review, our revenue from plant maintenance and turnaround segment is as follows:

Plant maintenance and turnaround	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	***%**	**RM'000**	***%**	**RM'000**	***%**	**RM'000**	***%**
Comprehensive maintenance	66,821	94.58	97,924	82.79	102,972	62.85	151,114	76.16
Plant turnaround	3,032	4.29	969	0.82	29,694	18.12	13,736	6.92
	69,853	**98.87**	**98,893**	**83.61**	**132,666**	**80.97**	**164,850**	**83.08**

Note:

* *% against total revenue of RM70.65 million, RM118.28 million, RM163.84 million, and RM198.41 million for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.*

Our comprehensive maintenance representing the majority of our revenue for the Financial Years Under Review are not subject to seasonal or cyclical fluctuations. However, our plant turnaround service is subjected to cyclical revenue trends.

As illustrated in the table above, there was a surge in revenue contributed from plant turnaround segment in FYE 2023 as we carried out plant turnaround activities for three facilities in FYE 2023 including plant turnaround execution for two facilities, and integrated planning for a large refinery in Pengerang, Johor. This is mainly due to the cyclical nature of plant turnaround activities as well as the size of the plant/facility.

Plant turnaround activities typically occur every 18 or 36 months, resulting in cyclical revenue patterns. We may have surges in plant turnaround revenue in certain years when we carry out major or several simultaneous turnaround projects and revenue troughs during periods of lower turnaround activities. Nevertheless, as we are servicing multiple petrochemicals, O&G refining, and gas processing plants in Malaysia their turnaround activities are planned independently and their turnaround activities are unlikely to coincide which provides for some smoothening of yearly revenue fluctuations.

Furthermore, as plant turnaround activities are typically scheduled months or even years in advance, we can proactively plan and manage our resources to effectively address concurrent turnarounds, if any. This proactive approach minimises the risk of service disruptions or failing to meet customer demand during periods of multiple simultaneous turnarounds.

However, if there are delays in plant turnaround activities, this could affect the typical seasonality of the business, leading to revenue fluctuations across financial years. Any postponement may result in lower than expected revenue in the affected period, followed by a surge when the delayed turnaround activities are eventually executed.

Moving forward, once PETRONAS Group and PRefChem become self-regulated operators, there may be fewer fixed-interval plant turnarounds replaced by more regular smaller-scale unit shutdowns, as well as maintenance and repair works. This may potentially remove any seasonality arising from fixed-interval large plant turnaround.

Meanwhile, our other business segments namely EPCC, FM services, and other related activities are not subject to seasonal or cyclical fluctuations.

7.5 PRODUCTION CAPACITY, OUTPUT AND UTILISATION

Production output, capacity and utilisation do not apply to our business operations as our business activities are service-based and we carry out most of our work at customer's operating premises.

Nevertheless, certain factors may influence our ability to execute our plant maintenance and turnaround services including the following:

(i) Availability of skilled manpower

As the execution of plant maintenance and turnaround services is labour-intensive, the availability of skilled manpower with the required specialised knowledge and experience is essential to perform the specialised tasks. As at the LPD, we have 435 in-house personnel (comprising 361 operation personnels and 74 Quality, Health, Safety and Environment personnels) to carry out plant maintenance and turnround services at our operational facilities in Terengganu, Johor and Melaka. Notwithstanding that we have our in-house skilled manpower, we also rely on external manpower supply or outsource some parts of our work, particularly for larger tasks which are required to be completed within a short time frame such as plant turnaround.

(ii) Availability of machinery, equipment and vehicles

We require machinery, equipment and vehicles to carry out our plant maintenance and turnaround services. This includes, among others, mobile cranes, forklifts, lorries, boom trucks, trailers, low loaders, hydraulic bundle extractors, high-pressure and conventional water jet machines, air compressors, electric generators, blowers, welding machines, and hydro-testing pumps. Please refer to Section 7.19 for the details of our materials machinery, equipment and vehicles. Notwithstanding that we have our own machinery, equipment, and vehicles equipment, we also rely on external rentals. We rely on external rentals of mobile cranes, lorries, vacuum trucks, high pressure water jetting machines, bundle pullers, and generators.

(iii) Availability of funds for performance bonds

For our plant maintenance and turnaround work we are required to issue a performance bond in the form of a bank guarantee. The bond for comprehensive maintenance works generally remains valid until the expiry of the maintenance contract, while the bond for plant turnaround works remains valid until 3 months after the plant start-up. As such, we would require sufficient funds to pledge as fixed deposits to secure bank guarantees. As at 31 December 2024, our cash position is at RM16.00 million and of this, RM7.32 million were short-term deposits that were pledged to the bank for bank guarantees and other credit facilities. As at 31 December 2024, we had a total of RM5.67 million in outstanding performance bonds issued to customers.

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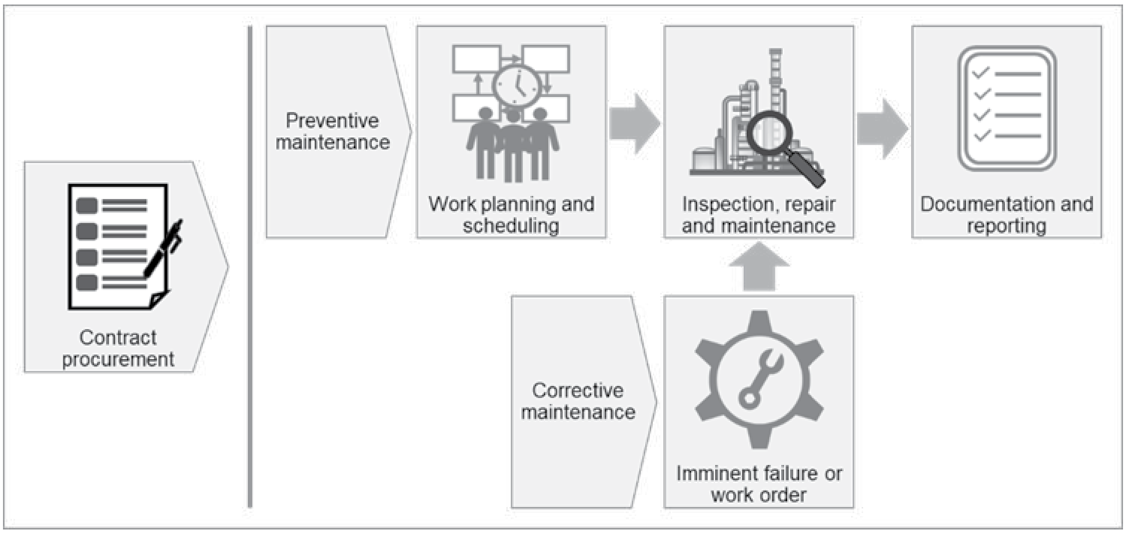
7.6 OUR BUSINESS AND OPERATIONAL PROCESS

7.6.1 Plant maintenance and turnaround services

Our plant maintenance and turnaround segment are focused on industrial facilities providing M&R of static equipment and structures covering comprehensive plant maintenance and plant turnaround.

7.6.1.1 Comprehensive plant maintenance

The general process flow for our comprehensive maintenance is depicted in the diagram below:



- **Contract procurement**

  Our contracts for comprehensive maintenance are secured through a tendering or submission of proposal process. Our contracts department will provide their input on the unit rate for materials, labour and equipment requirements for the preparation of tender bid documents or quotation proposals.

  The comprehensive maintenance contract includes, among others, the contract period, scope of work for preventive maintenance, and scheduled pricing including the unit rate for materials, consumables, labour (by various skill levels) and equipment. Corrective maintenance is ad hoc or emergency in nature, and as such the scope of work will depend on the nature of the ad hoc work required and the emergency. Nevertheless, preventive and corrective services use the same set of unit rates.

  The comprehensive maintenance contracts are for continuous maintenance over a period commonly between 3 years and 5 years. Existing customers have the option to extend their contracts for a further agreed period.

- **Work planning and scheduling**

  The contract is deemed secured when we receive the letter of award, after which we will set up a dedicated team for each contract to carry out work planning and scheduling jointly with the customer or its representative. We will plan and schedule various types of preventive maintenance works depending on the type of equipment and processes carried out in the plant. We will assign a team stationed at the customers' sites to coordinate as well as to carry out the maintenance work.

- **M&R services**

We perform M&R services according to the stipulated schedule to minimise disruption to the daily operation of the plant. Our scheduled routine maintenance includes daily as well as periodic tasks for various static equipment and structures. The frequency of these tasks is tailored to the customers' requirements, and manufacturers' specifications as well as when deemed necessary.

Our preventive maintenance tasks include carrying out our regular inspections, cleaning, adjustments, replacement of parts and consumables, and carrying out minor repairs.

Corrective maintenance is reactive, comprising ad hoc or emergencies requiring maintenance and repair. For emergencies due to equipment failure or imminent problems, we would carry out the M&R within the specified time duration according to our contract.

For ad hoc work, our customer will provide us with a work order which will specify the nature of the maintenance or repair required.

- **Documentation and reporting**

For preventive maintenance, we will prepare a monthly report documenting the tasks performed, consumables and material used, parts and components replaced, time taken, and number and skill level of personnel and number of days to carry out the tasks.

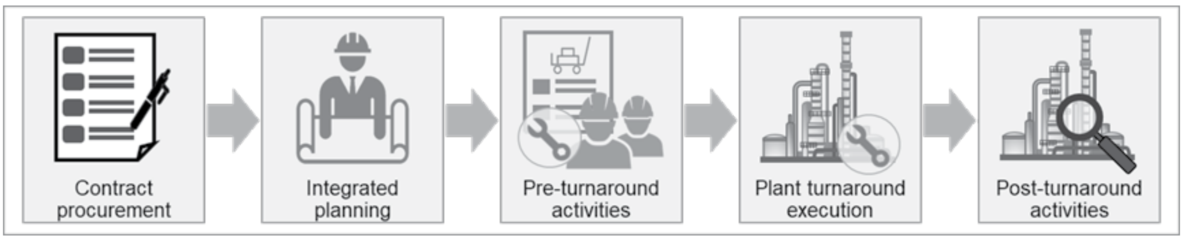
For corrective maintenance, details similar to preventive maintenance are documented as well as additional information on the emergency and the result of the repair is added to the report. This is to provide a collection of information into a database to prevent such occurrences in the future. As for ad hoc maintenance, the tasks to be carried out are provided by our customer, and on completion, documentation and reporting are as per preventive maintenance.

These service reports are used to prepare our monthly invoice, which we commonly submit to our customers within one month after the end of each month.

We will provide maintenance and servicing during the defect liability period as stipulated in the contract, which is typically for 3 to 12 months following the completion of maintenance work.

7.6.1.2 Plant turnaround

A plant turnaround involves various parties of which we are only responsible for static equipment and structure, while others are responsible for rotating equipment and balance of system. The general process flow for our plant turnaround segment is depicted in the diagram below:



- **Contract procurement**

Our contracts are secured through a tendering or submission of proposals process. Our contracts department will provide their input on the unit rate for materials, labour and equipment requirements for the preparation of tender bid documents or quotation proposals.

The turnaround contract includes, among others, the contract period, scope of work, and scheduled pricing including the unit rate for materials, labour and equipment for the turnaround services to be provided. In a plant turnaround, the focus is on promptly carrying out specified tasks to minimise the plant shutdown period. However, there is a dependency on other service providers to carry out certain tasks before we can do our tasks. As such, the plant turnaround contract will have provision for a time extension until such time the plant is operational again.

- **Integrated planning**

The contract is deemed secured when we receive the letter of award, after which we will carry out integrated planning of the plant turnaround with the customer or its representative. A detailed turnaround execution plan will include, among others, procurement of materials and consumables, arranging for tools and equipment, obtaining the necessary permits and approvals, engagement of contractors and personnel, as well as developing workers' safety and health plan, and risk assessment, and mitigation and emergency plans.

A turnaround job also involves other external teams such as those responsible for rotating equipment and balance of plant. As such, our planning will need to take into consideration the timing of other external teams to ensure the entire turnaround exercise is coordinated and completed promptly, efficiently, effectively and safely. Depending on the size of the turnaround job, integrated planning commonly takes a longer time compared to planning comprehensive maintenance jobs. This is because of the interdependency with other teams responsible for other machinery, equipment and balance of plant. The entire turnaround project is managed and coordinated by the customer or its representative.

- **Pre-turnaround activities**

Once the planning is done, our team will begin the pre-turnaround activities. This phase is to gather information in preparation for the plant turnaround as well as carrying out preparation work and simple tasks that can be done before the commencement of the plant turnaround exercise. A turnaround exercise commonly takes approximately 4 weeks to 8 weeks depending on the complexity of the turnaround and the size of the plant.

Some pre-turnaround activities that we carry out include, among others, site preparation and resource mobilisation, conducting pre-turnaround inspections and equipment assessments, procuring necessary materials, tools, and spare parts, as well as establishing communication channels and reporting procedures, and conducting pre-job briefing and safety training to all personnel.

- **Plant turnaround execution**

This phase begins immediately once the plant is shut down. Some activities that we carry out include, among others, the following:

  - mechanical services such as cleaning, repair, welding, fabrication, in-situ machining, and valve servicing;
  - surface preparation and protection such as blasting, painting, and insulation;
  - structural and support such as scaffolding and refractory works; and
  - conducting inspection and non-destructive testing for work done or work to be done such as borescope inspection, dye penetration test, eddy current test, hydrostatic test, and magnetic particle test.

If any defects are detected, we will carry out the necessary repair services and machining activities. Parts that cannot be repaired will be replaced with new parts that are either sourced from suppliers or provided by customers. Where possible, we will remanufacture parts and components. All repairs are carried out following the specifications of our customers or according to manufacturers' specifications.

- **Post-turnaround activities**

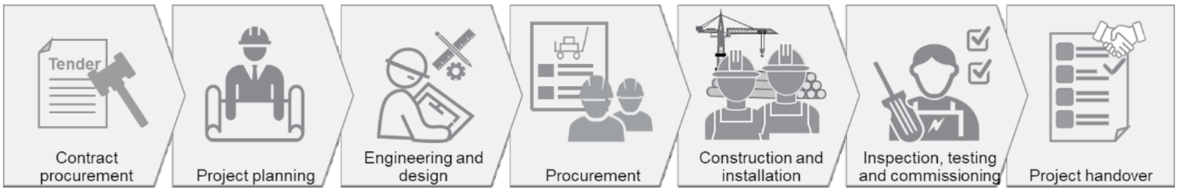
  Upon the completion of the plant turnaround execution, a final inspection will be conducted before the start-up of the plant operations to ensure all equipment and systems are in operational order.

  Subsequently, we will prepare a report for our customers. The service report includes details such as the maintenance tasks performed, and any repairs or replacements made throughout the plant turnaround period. Once the plant turnaround is completed and the plant is operational, the customer will be responsible for obtaining the relevant regulatory equipment fitness certificates.

  We will provide maintenance and servicing during the defect liability period as stipulated in the contract, which is typically for 3 months upon the plant start-up.

7.6.2 EPCC

The general process flow for our EPCC is depicted in the diagram below:



- **Contract procurement**

  Our EPCC contracts are secured through a tendering or submission of the proposal process. Before participating in the tender or providing a quotation to the prospective customer, we will conduct a preliminary assessment of the contract terms, the creditworthiness of the prospective customer as well as the financial attractiveness of the project.

  Once the preliminary assessment has been carried out and we decide to participate in the project, our contract department will commence the preparation of the tender bid documents or quotation for the project. During the preparation of tender bid documents or quotation proposals, we would carry out site assessment, costing, identification of statutory and regulatory requirements, evaluation of predetermined design and specification, project scheduling as well as resource planning including financial, manpower, and supply and logistics of materials.

  The commercial proposal with the pricing is then submitted along with our technical proposal and supporting documents. In some cases, a tender bond is required to be submitted along with the tender bid document to provide a guarantee to the customer that we will undertake the project upon successful tender.

  Following the submission of the tender bid or quotation proposal, we will attend an interview with the prospective customer to review, negotiate and provide clarification on the terms of the tender bid or quotation proposal. Typically, the review process takes approximately 3 to 6 months from our tender bid or quotation proposal submission to the issuance of the letter of award after which a contract will be signed. Generally, some of the terms stipulated in the contract include, among others, our scope of work, contract value, date of commencement and completion of work, DLP, insurance coverage, payment terms and terms on liquidated ascertained damages ("**LAD**").

- **Project planning**

  Upon receiving the contract or purchase order from the customer, we will set up a project team commonly comprising a project manager, engineers, technical personnel, safety officers, supervisors and general workers. The project team would then finalise the agreement with the customer in terms of the required specifications, detailed design, construction, installation and commissioning.

The project planning phase involves the preparation of a detailed master project development plan including, among others, project schedule and deliverables, workflow, costing, financial resources, team members' roles and responsibilities, insurance policies, logistics arrangement, waste removal, worker's health and safety practices, and quality requirements. During this stage, we will also register with the local authority and obtain all the necessary registrations, licences, approvals and permits before the commencement of construction works.

- **Engineering and design**

The design process is only applicable for projects that include engineering and design as part of the scope of the contract.

Our engineering and design involve planning and coordinating with professionals for developing the conceptual design, schematic and detailed design covering various areas including, civil, structural and architectural drawings, and in some situations including mechanical and electrical systems. We engage third parties for carrying out the engineering and design works. In some cases, the engineering consultants are nominated by our customers.

- **Procurement**

Our procurement activities involve procurement of construction materials, rental of machinery and equipment, sourcing of labour, and appointment of subcontractors. Generally, our procurement of construction materials and rental of machinery and equipment are based on the issuance of purchase orders. The selection of suppliers is based on their price quotation, timeliness of delivery, track record, reputation, reliability and quality.

We appoint subcontractors to carry out certain works under our management and supervision. Our contracts department will identify potential subcontractors and request for quotations or call for tenders. The identification of potential subcontractors is mainly through their application to our procurement department or referrals and recommendations from customers.

Once we receive the quotation from the subcontractors, we will review the proposed quotation and conduct a background check on the subcontractors. The appointment of subcontractors will be based on the result of their performance evaluation conducted by our contracts department based on criteria such as quality of work, experience, record of timely completion of work, responsiveness to instruction, resources including manpower, machinery and equipment, materials and financing, as well as their Quality, Safety and Health (QSH) compliance track record. Our contract department will prepare a letter of award to subcontractors based on the contract value and terms negotiated and agreed upon. Some of the information stipulated in the letter of award include the contract value, scope of work, timeline for the commencement and completion of work, and payment terms.

- **Construction and installation**

We are responsible for construction and installation work for our projects. Our project team will be stationed on-site to ensure that the works are carried out as per the engineering design, drawing plans and specifications, as well as the works comply with the relevant regulations and standards. The customer, consultants and/or architects will also perform periodic site visits together with our project team to monitor the project's progress and adherence to specifications.

- **Inspection, testing and commissioning**

Upon the completion of construction works, our project manager will carry out inspection, testing and commission, where required, under the supervision of an authorised officer by our customer or its representative to ensure the works are completed as stipulated in the respective contracts.

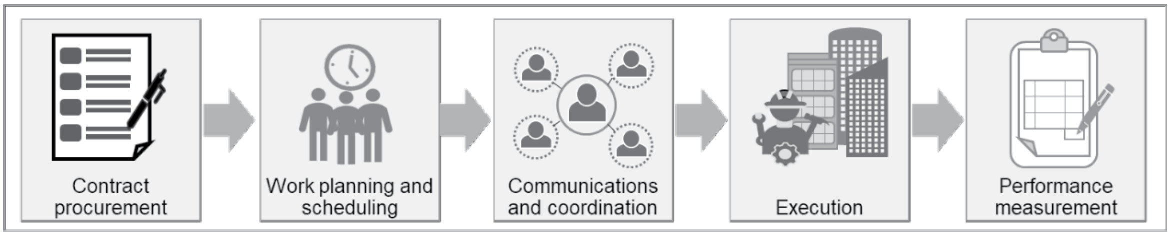
Any defects identified during the inspection, testing and commissioning will be promptly rectified. At the same time, we will also demobilise resources and materials from the site, and prepare as-built drawings, operations and maintenance manuals as well as warranty certificates for our customers.

- **Project completion and handover**

  The project is deemed to be completed upon receiving a project completion certificate issued by the customer. Upon the issuance of the project completion certificate, we are liable for the rectification of defects during the defect liability period, which is for 12 months. Upon the expiration of the defect liability period, we will be able to claim our final retention sum. For the Financial Years Under Review and up to the LPD, there have not been any defect liability claims from our customers.

7.6.3 FM services

The general process flow for our FM services is depicted in the diagram below:



- **Contract procurement**

  Our contracts for FM services are secured through a tendering process. Upon receiving an invitation to tender from prospective customers, we will carry out a preliminary assessment based on the project requirements and background of the customer before deciding to participate in the tender.

  Once we have decided to bid, we will commence the preparation of our tender documents or proposals which involve a commercial proposal focusing on pricing, payment schedules and terms, warranty and defect liability period, as well as a technical proposal focusing on our capabilities, track record and experience profile, scope of work, specification of materials, equipment and software, and completion date. We will then submit our tender together with a tender bond if required.

  Our FM bid is based on a fixed sum for the contract period with an agreed payment schedule over the contract period.

- **Work planning and scheduling**

  The contract is deemed secured when we receive the letter of award, after which we will carry out work planning and scheduling. During this stage, we will review and have a more detailed understanding of the customer's requirements. In addition, we also study the technical aspects of the facility to identify internal and external factors that may impact the facility and consider various critical issues that could potentially arise.

  Based on the information gathered, we will set up a FM team comprising facility project managers, unit managers, engineers, technicians, administrative staff and general workers.

  We will then customise our workflows and processes that include amongst others, preventive maintenance plans that include the scheduling of our daily, weekly, monthly, bi-monthly and other periodic maintenance works. While we cannot plan for corrective maintenance as they are either ad hoc or emergencies, we also have an emergency team on call which allows us to react and resolve issues promptly within our contract-specified timeframe. The workflows and processes must be developed holistically with input from our customers as well as the occupants of the premises. For our FM contracts, our customers are the owners of the premises, while the occupants are separate organisations or groups from the owners.

- **Communications and coordination**

  Once the workflows and processes have been established, we will communicate and coordinate them among the FM team, across the various departments within the customer and end-user organisations, as well as third-party service providers. All relevant stakeholders will be kept well-informed about the FM activities that affect their respective areas of work.

- **Execution**

  Our FM contract varies in the scope of work across different contracts. This is mainly due to the different usage of premises with different facilities available in each premises. For the Financial Years Under Review and up to the LPD, we have two contracts comprising a government quarters apartment contract and a government office building contract.

  Our FM contracts mainly comprise the following scope of work:

  - repair and maintenance of mechanical and electrical systems;
  - repair and maintenance of the building and civil structure;
  - building management systems;
  - landscaping and groundworks;
  - janitorial and cleaning services; and
  - pest control services.

  Maintenance comprises preventive maintenance carried out on a regular or periodic basis, and corrective maintenance carried out on an ad hoc to prevent escalation of imminent or minor problems, or emergency basis requiring immediate attention and repair.

  While we can carry out many of the repair and maintenance works, we also rely on third parties to complement our workforce, skill base as well as specialised equipment. In some situations, due to equipment warranty reasons, we engage the manufacturer or supplier's specialists to carry out preventive, corrective and major maintenance according to warranties and service contracts, Examples of specialised equipment such as elevators, telecommunication systems, CCTV systems, audiovisual systems, UPS system, boom gate system, and fire prevention system. In such cases, we will provide support where necessary.

  With all our FM contracts, we have personnel stationed at our customers' sites. This is to ensure the uninterrupted functioning of the building and premises for the comfort and safety of occupants and visitors.

  All our FM contracts are service-based, and any purchases of replacement equipment, parts, components, materials and consumables are charged back to our customers. Any requirement to engage additional workers beyond our normal maintenance contract will also be charged to our customers.

- **Performance measurement**

  We will collect and track relevant information such as maintenance records, emergency repairs and warranty information for machinery and equipment covered by the contract, manpower rates and hours, inventory levels as well as equipment downtime. This information will allow for complete visibility into all aspects of our FM and allow for the establishment of operational benchmarks. We will measure the metrics of our FM operations against set benchmarks to identify gaps or inefficiencies. Upon identifying any gaps or inefficiencies, we will review existing workflows and processes to identify root causes and take immediate steps to eliminate the gaps or inefficiencies.

7. BUSINESS OVERVIEW *(Cont'd)*

7.7 TYPES, SOURCES AND AVAILABILITY OF MATERIALS

The following are the types of materials and services that we purchased for our business operations for the Financial Years Under Review:

Purchases of Materials and Services

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Plant maintenance and turnaround segment	**37,397**	**99.12**	**54,910**	**81.54**	**71,187**	**76.13**	**81,363**	**80.48**
• Subcontracted services, materials, equipment and labour	22,036	58.40	37,678	55.95	44,228	47.30	52,416	51.85
• Rental of machinery and equipment	5,998	15.90	8,236	12.23	15,182	16.24	16,584	16.40
• Materials, tools and consumables	7,357	19.50	6,718	9.98	8,659	9.26	9,792	9.69
• Others[1]	2,006	5.32	2,278	3.38	3,118	3.33	2,571	2.54
EPCC segment	**-**	**-**	**5,881**	**8.73**	**12,283**	**13.14**	**4,998**	**4.94**
• Subcontracted services, materials, equipment and labour	-	-	4,564	6.78	11,174	11.95	1,468	1.45
• Materials, tools and consumables	-	-	925	1.37	850	0.91	3,216	3.18
• Others[2]	-	-	392	0.58	259	0.28	314	0.31
FM segment	**288**	**0.77**	**5,880**	**8.73**	**7,339**	**7.85**	**7,167**	**7.09**
• Subcontracted services, materials, equipment and labour	285	0.76	4,448	6.61	5,546	5.93	6,833	6.76
• Others[3]	3	0.01	1,432	2.12	1,793	1.92	334	0.33
Other related activities	**44**	**0.12**	**673**	**1.00**	**2,693**	**2.88**	**7,569**	**7.49**
• Subcontracted labour	-	-	-	-	2,490	2.66	5,475	5.42
• Rental of machinery and equipment	43	0.11	666	0.99	197	0.21	1,927	1.91
• Others[3]	1	0.01	7	0.01	6	0.01	167	0.16
	37,729	**100.00**	**67,344**	**100.00**	**93,502**	**100.00**	**101,097**	**100.00**

Notes:

(1) Includes mainly rental of vehicles, site expenses, safety equipment, transportation and freight charges.

(2) Includes mainly rental of heavy lifting equipment and vehicles, project levy, and consumables.

(3) Includes mainly materials, tools and consumables, site expenses, and rental of equipment.

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7. BUSINESS OVERVIEW *(Cont'd)*

Purchases of Materials and Services by Sources of Supply

	FYE 2021			FYE 2022			FYE 2023			FYE 2024		
	Purchases RM'000	Locally sourced (%)	Imported (%)	Purchases RM'000	Locally sourced (%)	Imported (%)	Purchases RM'000	Locally sourced (%)	Imported (%)	Purchases RM'000	Locally sourced (%)	Imported (%)
Plant maintenance segment	**37,397**	**100.00**	**-**	**54,909**	**99.74**	**0.26**	**71,186**	**99.68**	**0.32**	**81,363**	**99.37**	**0.63**
• Subcontracted services, materials, equipment and labour	22,036	100.00	-	37,678	100.00	-	44,228	100.00	-	52,416	100.00	-
• Rental of machinery and equipment	5,998	100.00	-	8,236	100.00	-	15,182	100.00	-	16,584	100.00	-
• Materials and consumables	7,356	100.00	-	6,718	98.77	1.23	8,659	97.35	2.65	9,792	95.13	4.87
• Others(1)	2,006	100.00	-	2,278	97.46	2.54	3,118	100.00	-	2,571	98.77	1.23
EPCC segment	**-**	**-**	**-**	**5,881**	**100.00**	**-**	**12,283**	**49.54**	**50.46**	**4,998**	**100.00**	**-**
• Subcontracted services, materials, equipment and labour	-	-	-	4,564	100.00	-	11,174	48.49	51.51	1,468	100.00	-
• Materials, tools and consumables				925	100.00	-	850	62.31	37.69	3,216	100.00	-
• Others(2)	-	-	-	392	100.00	-	259	52.87	47.13	314	100.00	-
FM segment	**288**	**100.00**	**-**	**5,881**	**100.00**	**-**	**7,340**	**100.00**	**-**	**7,167**	**98.64**	**1.36**
Other related activities	**44**	**100.00**	**-**	**673**	**100.00**	**-**	**2,693**	**100.00**	**-**	**7,569**	**100.00**	**-**
	37,729	**100.00**	**-**	**67,344**	**99.79**	**0.21**	**93,502**	**93.13**	**6.87**	**101,097**	**99.40**	**0.60**

Notes:

(1) Includes mainly rental of vehicles, site expenses, safety equipment, transportation and freight charges.

(2) Includes mainly materials, rental of vehicles, project levy, and consumables.

(3) Includes mainly materials, tools and consumables, site expenses, and rental of equipment.

(i) Plant maintenance and turnaround segment

Within our plant maintenance and turnaround segment, purchases of subcontracted services, materials, equipment and labour accounted for 58.40% (RM22.04 million), 55.95% (RM37.68 million), 47.30% (RM44.23 million), and 51.85% (RM52.42 million) of our total purchases of materials and services for FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. The services that we mainly subcontracted out, include scaffolding works, blasting and painting works, repair, welding and fabrication works, valve servicing, on-site machining, hydraulic bolt torquing and tensioning, cleaning works, refractory works, catalyst change out, and manpower supply.

In some cases, these subcontractors are also responsible for the procurement of materials and consumables, and rental of machinery and equipment. For the Financial Years Under Review, all our subcontracted services for plant maintenance segment are sourced locally.

Within our plant maintenance and turnaround segment, rental of machinery and equipment from external providers accounted for 15.90% (RM6.00 million), 12.23% (RM8.24 million), 16.24% (RM15.18 million), and 16.40% (RM16.58 million) of our total purchases of materials and services for FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. This includes rental of cranes, vacuum trucks, forklifts, excavators, low loaders, boom trucks, sky lifts, lorries, vans, water pumps, air blowers, gas detectors, industrial vacuum cleaners, pressure hoses, gensets, air compressors, water jets, and welding sets. In some cases, the rental of machinery and equipment includes the licensed operators. For the Financial Years Under Review, all our rental of machinery and equipment are sourced locally.

Within our plant maintenance and turnaround segment, purchases of materials, tools and consumables accounted for 19.50% (RM7.36 million), 9.98% (RM6.72 million), 9.26% (RM8.66 million), and 9.69% (RM9.79 million) of our total purchases of materials and services for FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. The materials, tools and consumables that we purchased for our plant maintenance and turnaround segment include, among others, diesel, torque wrenches, lubricants, hose, rags, hardware tools, paints, pipes, fittings, sealants, and fasteners. For the Financial Years Under Review, purchases of materials, tools and consumables were mainly sourced from local suppliers. In FYE 2022, FYE 2023 and FYE 2024, approximately 1.23%, 2.65%, and 4.87% of our purchases of materials, tools and consumables were from foreign suppliers.

(ii) EPCC segment

Within our EPCC segment, purchases of subcontracted services, materials, equipment and labour accounted for 6.78% (RM4.56 million), 11.95% (RM11.17 million), and 1.45% (RM1.47 million) of our total purchases of materials and services for FYE 2022, FYE 2023, and FYE 2024 respectively. There were no purchases in FYE 2021. We mainly engage subcontractors to carry out certain works including, among others, scaffolding works, and blasting and painting works. For the Geodesic Dome EPCC contract which was entered into in December 2022, we engage subcontractors for detailed engineering design and procurement of the dome and floating roof. In certain projects, we also engaged external supply of manpower. In FYE 2023, approximately 51.51% of our purchases of subcontracted services, materials, equipment and labour were sourced from a foreign supplier based in Singapore that was pre-selected by our customer.

Within our EPCC segment, purchases of materials, tools and consumables accounted for 1.37% (RM0.93 million), 0.91% (RM0.85 million), and 3.18% (RM3.22 million) of our total purchases of materials and services for FYE 2022, FYE 2023, and FYE 2024 respectively. This include mainly purchases of materials such as pipes and fittings, and instrumentation. In FYE 2023, approximately, 37.69% of our purchases of materials, tools and consumables within the EPCC segment were sourced from a foreign supplier based in Singapore.

In FYE 2022 and FYE 2024, all our purchases of materials and services for the EPCC segment were sourced locally.

(iii) FM segment

Within our FM segment, subcontracted services, materials, equipment and labour accounted for 0.76% (RM0.29 million), 6.61% (RM4.45 million), 5.93% (RM5.55 million), and 6.76% (RM6.83 million) of our total purchases for FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. We mainly engage subcontractors to carry out repair and maintenance of specialised mechanical and electrical systems such as, among others, elevators, telecommunication systems, CCTV systems, audiovisual systems, UPS system, boom gate system, and fire prevention system. In addition, we also engage external manpower supply for certain works such as housekeeping, landscaping works, and minor repair works. In some cases, these subcontractors are also responsible for the procurement of materials and consumables.

Within our FM segment, other purchases accounted for 0.01% (approximately RM3,000), 2.12% (RM1.43 million), 1.92% (RM1.79 million), and 0.33% (RM0.33 million) of our total purchases of materials and services for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively. This include mainly purchases of materials such as UPS systems and public address systems for replacement.

For the Financial Years Under Review, all our purchases of materials and services for the FM segment were mainly sourced locally. In FYE 2024, a small proportion of our purchases of materials within the FM segment were imported.

(iv) Other related activities

For our supply of manpower segment, in FYE 2023 and FYE 2024, subcontracted labour accounted for 2.66% (RM2.49 million) and 5.42% (RM5.48 million) of our total purchases respectively. We engaged external manpower supply from a related company, namely FMV, to fulfil our purchase orders to supply manpower for fabrication works to an EPCC company.

For our rental of equipment and vehicles segment, rental of machinery and equipment from external service providers accounted for 0.11% (RM0.04 million), 0.99% (RM0.67 million), 0.21% (RM0.20 million), and 1.91% (RM1.93 million) of our total purchases for FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

For the Financial Years Under Review, all our purchases of materials and services for the other related activities were sourced locally.

7.8 SALES AND MARKETING ACTIVITIES

Our marketing positioning and activities to address business opportunities, retain existing customers, and secure new customers are focused on the following:

Our market positioning

- We position ourselves as an established operator in the field of plant maintenance and turnaround comprising M&R of static equipment and structures covering comprehensive plant maintenance, and plant turnaround services, backed by our established track record of approximately 24 years since the commencement of our business operations in 2001.
- We position and market ourselves as a service provider to the O&G and petrochemical industries backed by our track record of serving these industries for approximately 24 years.
- We position ourselves as having supporting facilities including facilities in Paka, Terengganu; Pasir Gudang and Pengerang, Johor; and Bukit Rambai, Melaka that are near O&G and petrochemical processing plants in Peninsular Malaysia.
- We position ourselves as being able to meet the requirements of PETRONAS to serve as a testimony of our capabilities and reference sites for our work.

- We position ourselves as being to extend our capabilities from maintenance of plant and facilities to provide FM for government office and residential buildings since 2021.

Our sales and marketing activities

Some of our sales and marketing strategies and approaches include the following:

- We are licensed with PETRONAS with the relevant SWEC code to enable us to provide services to the O&G industry in Malaysia.
- We actively participate in tenders or requests for proposals for new projects relating to plant maintenance and turnaround services, EPCC, and FM.
- We continue with business development activities by establishing and maintaining good business relationships with existing and prospective customers.

Sales and marketing activities including business development is headed by our Group Managing Director, Azman Yusof and supported by our Chief Executive Officer, Mohd Nizam bin Yaakub, as well as our engineers and other management professionals.

7.9 RESEARCH AND DEVELOPMENT ACTIVITIES / POLICIES

Due to the nature of our Group's business, we do not have any research and development activities, and we have not recognised any research and development expenditure for the Financial Years Under Review.

7.10 TECHNOLOGY USED

We do not use any specialised technology for our plant maintenance and turnaround, EPCC and FM services projects, and other related business activities.

7.11 MATERIAL INTERRUPTIONS TO BUSINESS AND OPERATIONS

We did not experience any material interruptions to our business operations during the past 12 months of our operations before the LPD. Additionally, as the O&G industry was deemed as an essential service, we did not experience any material interruptions to our business operations because of the novel coronavirus disease 2019 (COVID-19) during the Financial Years Under Review and up to the LPD.

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7.12 MAJOR CUSTOMERS

Our top 5 major customers for the Financial Years Under Review are as follows:

FYE 2021

No.	Customers	Location	Principal activities	Types of products / services	Length of relationship (years) [(1)]	RM'000	% of total revenue
1.	PRefChem[(2)]	Malaysia	Manufacturing of refined petroleum and petrochemical products	Plant maintenance and turnaround services	2	35,163	49.77
2.	PETRONAS Group[(3)]	Malaysia	Refining and sales of crude oil and petroleum products; manufacturing and sales of specialty chemicals and derivatives; supply of utilities	Plant maintenance and turnaround services, EPCC, and rental of heavy lifting equipment and vehicles	12	32,808	46.44
3.	Customer A Group	Malaysia	EPCC services, and plant maintenance service provider	Non-destructive testing	2	906	1.28
4.	Perbadanan Putrajaya	Malaysia	Government agency to manage and administer the Federal Territory of Putrajaya	FM services of government apartment quarters	<1	523	0.74
5.	TNN Global[(4)]	Malaysia	Rental of equipment, motor vehicles, scaffolding and heavy machineries	Supply of manpower for maintenance services	4	150	0.21
					Revenue from top 5 customers	**69,550**	**98.44**
					Total revenue	**70,650**	**100.00**

FYE 2022

No.	Customers	Location	Principal activities	Types of products / services	Length of relationship (years) [(1)]	RM'000	% of total revenue
1.	PRefChem[(2)]	Malaysia	Manufacturing of refined petroleum and petrochemical products	Plant maintenance and turnaround services	3	69,866	59.07
2.	PETRONAS Group[(3)]	Malaysia	Refining and sales of crude oil and petroleum products; manufacturing and sales of specialty chemicals and derivatives; supply of utilities	Plant maintenance and turnaround services, EPCC, and rental of heavy lifting equipment and vehicles	13	37,105	31.37
3.	Jabatan Kerja Raya	Malaysia	Government department for construction and maintenance of public infrastructure	FM services for government office buildings	<1	5,371	4.54
4.	Perbadanan Putrajaya	Malaysia	Government agency to manage and administer the Federal Territory of Putrajaya	FM services for government apartment quarters	1	3,293	2.78
5.	Customer B	Malaysia	General and maintenance contractor	EPC piping works	3	673	0.57
					Revenue from top 5 customers	**116,308**	**98.33**
					Total revenue	**118,275**	**100.00**

FYE 2023

No.	Customers	Location	Principal activities	Types of products / services	Length of relationship (years) [(1)]	RM'000	% of total revenue
1.	PETRONAS Group[(3)]	Malaysia	Refining and sales of crude oil and petroleum products; manufacturing and sales of specialty chemicals and derivatives; supply of utilities	Plant maintenance and turnaround services, EPCC, and rental of heavy lifting equipment and vehicles	14	78,644	48.00
2.	PRefChem[(2)]	Malaysia	Manufacturing of refined petroleum and petrochemical products	Plant maintenance and turnaround services	4	70,585	43.08
3.	Jabatan Kerja Raya	Malaysia	Government department for construction and maintenance of public infrastructure	FM services for government office buildings	1	9,350	5.71
4.	Perbadanan Putrajaya	Malaysia	Government agency to manage and administer the Federal Territory of Putrajaya	FM services for government apartment quarters	2	3,130	1.91
5.	Customer C	Malaysia	Operation, management and maintenance of terminal facilities	Comprehensive maintenance services	1	320	0.20
					Revenue from top 5 customers	**162,029**	**98.90**
					Total revenue	**163,837**	**100.00**

7. BUSINESS OVERVIEW *(Cont'd)*

FYE 2024

No.	Customers	Location	Principal activities	Types of products / services	Length of relationship (years) [(1)]	RM'000	% of total revenue
1.	PRefChem[(2)]	Malaysia	Manufacturing of refined petroleum and petrochemical products	Plant maintenance and turnaround services	5	94,423	47.59
2.	PETRONAS Group[(3)]	Malaysia	Refining and sales of crude oil and petroleum products; manufacturing and sales of specialty chemicals and derivatives; supply of utilities	Plant maintenance and turnaround services, EPCC, and rental of heavy lifting equipment and vehicles	15	87,186	43.94
3.	Jabatan Kerja Raya	Malaysia	Government department for construction and maintenance of public infrastructure	FM services for government office buildings	2	8,085	4.07
4.	Perbadanan Putrajaya	Malaysia	Government agency to manage and administer the Federal Territory of Putrajaya	FM services for government apartment quarters	3	2,992	1.51
5.	PCG PCC Oxyalkylates Sdn Bhd[(5)]	Malaysia	Manufacturing of inorganic compounds, basic organic chemicals and wholesale of industrial chemicals	Comprehensive maintenance services	1	2,347	1.18
					Revenue from top 5 customers	**195,033**	**98.29**
					Total revenue	**198,409**	**100.00**

Notes:

(1) Length of relationship is determined as at the end of the respective FYE 2021, FYE 2022, and FYE 2023 and FYE 2024.

(2) Includes Pengerang Refining Company Sdn Bhd and Pengerang Petrochemical Company Sdn Bhd. For the Financial Years Under Review, PRefChem comprised the following:

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Pengerang Refining Company Sdn Bhd	34,486	48.81	68,115	57.59	68,744	41.96	92,257	46.50
Pengerang Petrochemical Company Sdn Bhd	677	0.96	1,751	1.48	1,841	1.12	2,166	1.09
Total revenue from PRefChem	**35,163**	**49.77**	**69,866**	**59.07**	**70,585**	**43.08**	**94,423**	**47.59**
Total revenue	**70,650**	**100.00**	**118,275**	**100.00**	**163,837**	**100.00**	**198,409**	**100.00**

(3) Includes wholly-owned and partially owned subsidiaries of PETRONAS. For the Financial Years Under Review, PETRONAS Group comprised the following wholly-owned and partially owned subsidiaries of PETRONAS:

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
Company	RM'000	%	RM'000	%	RM'000	%	RM'000	%
PRPC Utilities & Facilities Sdn Bhd	28,001	39.63	26,157	22.12	31,815	19.42	30,958	15.60
Malaysian Refining Company Sdn Bhd	-	-	3,645	3.08	19,957	12.18	24,751	12.47
Customer F	-	-	1,380	1.17	8,144	4.97	9,626	4.85
PETRONAS Penapisan (Terengganu) Sdn Bhd	-	-	-	-	2,882	1.76	5,621	2.83
PETRONAS Gas Berhad	17	0.03	377	0.32	1,662	1.01	8,163	4.11
PETRONAS Penapisan (Melaka) Sdn Bhd	-	-	-	-	927	0.57	1,347	0.68
Regas Terminal (Sg Udang) Sdn Bhd	2,508	3.55	3,381	2.85	10,208	6.23	4,327	2.18
Others	2,282	3.23	2,165	1.83	3,049	1.86	2,393	1.22
Total revenue from PETRONAS Group	**32,808**	**46.44**	**37,105**	**31.37**	**78,644**	**48.00**	**87,186**	**43.94**
Total revenue	**70,650**	**100.00**	**118,275**	**100.00**	**163,837**	**100.00**	**198,409**	**100.00**

(4) TNN Global is a related party. The amount transacted with TNN Global for *supply of manpower for maintenance services is not material to the Group. TNN Global is also a supplier to our Group for the leasing of equipment and machinery, and provision of supply of manpower. Please refer to Section 10.1.2 of this Prospectus for details on the transactions with TNN Global.*

*(5) PCG PCC Oxyalkylates Sdn Bhd is a joint venture entity where 50% is held by PETRONAS Chemicals Group Berhad (**"PCGB"**), and 50% is held by PCC SE (**"PCC"**). PCGB is a 64.35% owned subsidiary of PETRONAS. PCC is a company incorporated and domiciled in Germany.*

For the Financial Years Under Review, we are dependent on PETRONAS Group and PRefChem based on their historical revenue contribution where each of these customer groups represented more than 30.00% of our total revenue as illustrated below:

(i) PETRONAS Group

Our revenue contribution from PETRONAS Group collectively accounted for 46.44% (RM32.81 million), 31.37% (RM37.11 million), 48.00% (RM78.64 million), and 43.94% (RM87.19 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

Our long-established business relationship of 16 years, as at the LPD, supported by repeated extension and additional contracts since our first project with PETRONAS Group in 2009, serves as a basis for a continuing business relationship. Since then, we have secured various contracts from PETRONAS Group including the group-wide TA4MS contract to provide maintenance and plant turnaround services for some of its petrochemical, chemical and gas processing plants in Peninsular Malaysia.

As at the LPD, we have 20 ongoing contracts with PETRONAS Group of which 18 are master/unit rate contracts with no specified contract value and, 2 are fixed rate contracts/purchase order with an outstanding order book of RM11.19 million. As most of our contracts with PETRONAS Group of companies are master/unit rate contracts, there can be no assurance that the respective companies within the PETRONAS Group will engage us for jobs under these contracts and as a result there can be no assurance that we will recognise revenue from these contracts in the future.

Please refer to Section 9.1.1 (a) of the Prospectus for further details.

(ii) PRefChem

Our revenue contribution from PRefChem accounted for 49.77% (RM35.16 million), 59.07% (RM69.87 million), 43.08% (RM70.59 million), and 47.59% (RM94.42 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

PRefChem includes Pengerang Refining Company Sdn Bhd and Pengerang Petrochemical Company Sdn Bhd, which are two joint ventures formed between PETRONAS and Saudi Arabian Oil Company, the national oil company of Saudi Arabia. Pengerang Refining Company Sdn Bhd owns and operates the refinery and steam cracker plant, while Pengerang Petrochemical Company Sdn Bhd owns and operates the petrochemical plants in the Refinery and Petrochemical Complex which forms a significant part of the Pengerang Integrated Complex (PIC) in Pengerang, Johor.

We have been dealing with PRefChem providing plant maintenance services since 2019 supported by the repeated purchase/release orders which provide the basis for a continuing business relationship. Since then and up to the LPD, we have been involved in the daily comprehensive maintenance services as well as plant turnaround exercise including integrated planning. As at the LPD, we have 6 ongoing contracts with PRefChem of which all are master/unit rate contracts with no specified contract value. These contracts are currently valid up to between December 2024 and March 2027, with options to extend for further 1 to 2 years. As these contracts with PRefChem are master/unit rate contracts, there can be no assurance that Pengerang Refining Company Sdn Bhd and/or Pengerang Petrochemical Company Sdn Bhd will engage us for jobs under these contracts and as a result there can be no assurance that we will be able to recognise any revenue from these contracts in the future.

Please refer to Section 9.1.1 (b) of the Prospectus for further details.

7.13 MAJOR SUPPLIERS

Our top 5 major suppliers for the Financial Years Under Review are as follows:

FYE 2021

No.	Suppliers	Location	Principal activities	Main types of products / services	Length of relationship (years)[1]	RM'000	% of total purchases
1.	Bestrich Star Sdn Bhd	Malaysia	Engineering services, rental and transportation activities	Scaffolding services	9	5,347	14.17
2.	Hills Land Enterprise	Malaysia	Piping, civil, structure work, manpower supply and mechanical work	Piping works	3	2,796	7.41
3.	TNN Global[2]	Malaysia	Rental of equipment, scaffolding and heavy machineries	Rental of machinery and vehicles	4	2,617	6.94
4.	TLH group of companies[3]	Malaysia	Rental of construction equipment and supply of industrial hardware and transport agent, and workshop	Rental of machinery and equipment	11	2,338	6.20
5.	Khal Engineering (M) Sdn Bhd	Malaysia	Engineering services	Manpower supply and painting works	<1	1,858	4.92
					Purchase from top 5 suppliers	**14,956**	**39.64**
					Total purchases	**37,729**	**100.00**

FYE 2022

No.	Suppliers	Location	Principal activities	Main types of products / services	Length of relationship (years)(1)	RM'000	% of total purchases
1.	Supplier A	Malaysia	Provision of engineering and maintenance services, and supply of skilled labour; manufacture of engineering components and consumables	Subcontracted mechanical maintenance works	1	6,945	10.31
2.	Boilermaster Sdn Bhd	Malaysia	Provision of marine engineering services and rental of equipment	Subcontracted mechanical maintenance works and hydro jetting services	10	5,303	7.87
3.	Hills Land Enterprise	Malaysia	Piping, civil, structure work, manpower supply and mechanical work	Piping works	4	3,361	4.99
4.	TLH group of companies	Malaysia	Rental of construction equipment and supply of industrial hardware and transport agent, and workshop	Rental of machinery and equipment	12	2,881	4.28
5.	Multi Trada Alam Sdn Bhd	Malaysia	Manpower supply, tools and materials and rental	Scaffolding services	<1	2,817	4.18
					Purchase from top 5 suppliers	**21,307**	**31.63**
					Total purchases	**67,344**	**100.00**

FYE 2023

No.	Suppliers	Location	Principal activities	Main types of products / services	Length of relationship (years)[(1)]	RM'000	% of total purchases
1.	TNN Global[(2)]	Malaysia	Rental of equipment, motor vehicles scaffolding and heavy machinery	Manpower supply, scaffolding services and rental of machinery	6	9,524	10.19
2.	HMT Pte Ltd	Singapore	Design, construction, maintenance, inspection, and repairs of aboveground storage tanks	Design, engineering and supply of geodesic dome roof and full contact internal floating roof	<1	6,199	6.63
3.	FMV[(2)]	Malaysia	Manufacture of prefabricated structural components for building or civil engineering of cement, concrete or artificial stone; manufacture of any other fabricated metal products	Manpower supply	6	6,106	6.53
4.	TLH group of companies[(3)]	Malaysia	Rental of construction equipment and supply of industrial hardware and transport agent, and workshop	Rental of machinery and equipment	13	6,047	6.47
5.	Multi Trada Alam Sdn Bhd	Malaysia	Manpower supply, tools and materials and rental	Scaffolding services	1	4,258	4.55
					Purchase from top 5 suppliers	**32,134**	**34.37**
					Total purchases	**93,502**	**100.00**

FYE 2024

No.	Suppliers	Location	Principal activities	Types of products / services	Length of relationship (years)[(1)]	RM'000	% of total purchases
1.	Boilermaster Sdn Bhd	Malaysia	Provision of marine engineering services and rental of equipment	Subcontracted mechanical maintenance works	12	10,691	10.58
2.	Mega 128 Enterprise	Malaysia	Labour contract, equipment supply, material supply, hardware, structure work, piping work, electrical and instrumentation work, mechanical work, restaurant, groceries	Manpower supply	1	5,575	5.51
3.	TLH group of companies[(3)]	Malaysia	Rental of construction equipment and supply of industrial hardware and transport agent, and workshop	Rental of machinery and equipment	14	4,563	4.51
4.	TMTS Work Enterprise	Malaysia	General construction contractor, supply of building material, manpower supply, staging, maintenance and services for facility maintenance	Manpower supply for scaffolding services	3	3,905	3.86
5.	Trengco Energy (M) Sdn Bhd	Malaysia	Construction and installation, general trading, engineering service and consultant	Inspection and cleaning services for tank maintenance	1	3,264	3.23
					Sub-total for top 5 customers	**27,998**	**27.69**
					Total purchases	**101,096**	**100.00**

Notes:

(1) Length of relationship is determined as at the end of the respective FYE 2021, FYE 2022, FYE 2023, and FYE 2024.

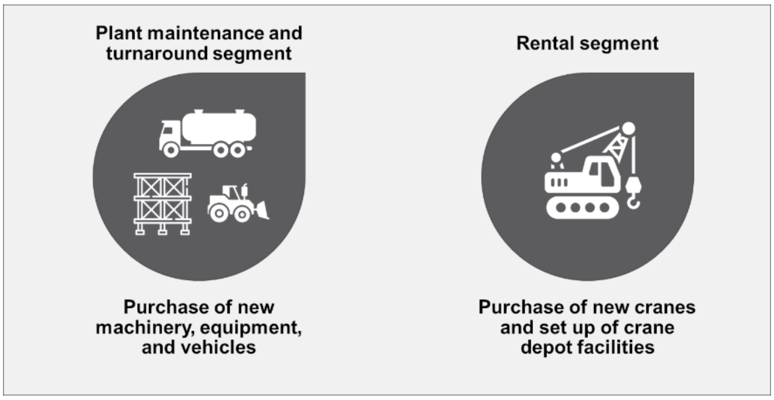
(2) TNN Global and FMV are related parties during the Financial Years Under Review. Please refer to Section 10.1.2 of this Prospectus for details on related party transactions.

(3) TLH Hardware & Machinery Group includes TLH Hardware & Machinery (JB) Sdn Bhd, TLH Hardware & Machinery Sdn Bhd and TLH Scaffolding Sdn Bhd which are related by common shareholders.

Although our purchases from Bestrich Star Sdn Bhd accounted for 14.13% of our total purchases of materials and services in FYE 2021, Supplier A accounted for 10.28% of our total purchases of materials and services in FYE 2022, TNN Global accounted for 10.08% of our total purchases of materials and services in FYE 2023, and Boilermaster Sdn Bhd accounted for 10.58% of our total purchases of materials and services in FYE 2024, we are not dependent on these suppliers as we can purchase scaffolding services or subcontracted mechanical maintenance works from other service providers. In addition, we are not dependent on the remaining of our top 5 suppliers for the purchases of materials and services as they accounted for less than 10.00% of our total purchases of materials and services for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

7.14 BUSINESS STRATEGIES AND PLANS

The following are our business strategies and plans:



7.14.1 Purchase of new machinery, equipment and vehicles for our plant maintenance and turnaround segment

We intend to purchase new machinery, equipment and vehicles to support our plant maintenance and turnaround services. These purchases are also intended to reduce our rental costs and subcontractor costs for our Group. As at the LPD, we have 19 ongoing contracts to provide plant maintenance and turnaround services for various plant and facilities in Johor, Melaka, Terengganu, and Pahang. These long-term maintenance contracts are currently valid up to between 2024 and 2029 where some contracts have extension options.

We intend to purchase the following machinery, equipment and vehicles to support our plant maintenance and turnaround services between 2025 and 2026:

Type of machinery, equipment and vehicles	Purpose	Intended no. of units to be purchased	Total estimated cost (RM'000)
Vacuum trucks	For suctioning, discharging and transporting of liquids, solids, or sludge for cleaning activities	(1)4	2,660
Dozer	To perform desludging and cleaning works inside crude oil tanks	1	1,500
Flange facing and pipe on-site machining machines and accessories	Includes flange facing machines to resurface the flanges of piping, valves, and heat exchanger tube sheets and covers, cold-cutting machines for cutting through pipes, flanges, and other tubular structures without generating excessive heat, and hydraulic torque wrenches for bolt torquing.	29	3,000

Type of machinery, equipment and vehicles	Purpose	Intended no. of units to be purchased	Total estimated cost (RM'000)
Valve servicing equipment and accessories	Includes test bench, lapping machines, hydrotesting pumps and tools to perform valve servicing including cleaning, packing gland replacement, seat lapping machining, calibration and hydrostatic testing of valves	12	2,000
High pressure water jetting machines	For cleaning and removal of dirt, grease or contaminant using extremely high-pressure stream of water	4	1,800
			10,960

Note:

(1) As at the LPD, out of the total 4 units of vacuum trucks that we intend to purchase, we have paid deposits of RM0.13 million via internally generated funds for the purchase of 2 units of vacuum trucks and the remaining balance of RM1.20 million will be financed via IPO proceeds. Upon receipt of our IPO proceeds, we will allocate RM0.13 million to replenish our internally generated funds. The other 2 units of vacuum trucks, which is estimated to cost RM1.33 million will also be financed via IPO proceeds.

As at the LPD, we currently own 4 units of vacuum trucks, as disclosed in Section 7.19 of the Prospectus. However, it is not sufficient for us to carry out cleaning activities, and we also have to rely on rentals from external suppliers. For the Financial Years Under Review, our rental cost for vacuum trucks from external service providers for our plant maintenance and turnaround services amounted to RM1.30 million (2.45%), RM1.51 million (1.65%), RM2.62 million (2.12%), and RM1.34 million (1.33%) of the total cost of sales for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. As such, we plan to purchase the 4 units of vacuum trucks to reduce reliance on external rentals and reduce rental costs.

In addition, as at the LPD, we do not own any dozers to carry out desludging and cleaning works for large diameter crude oil tanks (72-80 meters). To address this, we plan to purchase a specialised dozer. This dozer is designed to fit through the manholes of these large storage tanks and be remotely controlled by operators from outside the tank, enhancing safety. With this dozer, we can efficiently push thick sludge towards the suction point for removal. Previously, we relied on manual labour (shovels and wheelbarrows) for cleaning smaller tanks (9 to 55 meters). However, this method is time consuming and inefficient for the larger tanks, which often contain thicker sludge.

In addition, as at the LPD, we currently own 5 units of flange facing machines, 1 unit of cold-cutting machine, 1 unit of hydraulic tube bundle extractor, 3 units of milling and lathe machines, 6 units of high pressure water jetting pumps, 2 units of hydrotesting pumps, and 1 unit of safety and relief valve test bench and we do not own hydraulic torque wrenches and lapping machines. However, it is not sufficient for us to carry out desludging and cleaning works, on-site machining works, valve servicing, tube bundle extraction, and high pressure water jet cleaning works, and we have to rely on external service providers to perform these maintenance works. For the Financial Years Under Review, our subcontractor costs for flange facing services, valve servicing, tube bundle extraction, and water jetting services cumulatively amounted to RM1.10 million (2.07%), RM3.00 million (3.26%), RM3.62 million (2.93%), and RM4.04 million (4.00%) of the total cost of sales for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. As such, we plan to purchase the abovementioned machinery and equipment to carry out these respective maintenance works internally and reduce subcontractor costs for our Group.

Furthermore, as we had carried out the plant turnaround integrated planning for a refinery complex in 2023, moving forward, we are well-positioned to be considered for the plant turnaround execution works at the said refinery complex within PETRONAS' Pengerang Integrated Complex in Pengerang, Johor. Therefore, the new machinery, equipment, and vehicles will be required to support these additional works.

The proposed purchase of new machinery, equipment, and vehicles will improve our ability to perform the abovementioned maintenance works. However, due to the fluctuating nature of maintenance demands, we may still need to engage subcontractors during peak periods. Even with these additions, relying solely on our own resources for all the abovementioned maintenance tasks may not always be feasible.

The total cost for the purchase of the machinery, equipment and vehicles for our plant maintenance and turnaround segment is estimated at RM10.96 million, which will be funded through gross proceeds from the Public Issue as well as internally generated funds and/or bank borrowings by 2026, as follows:

		Source of funding	
Details	**Estimated cost**	**IPO proceeds**	**Internally generated funds and/or bank borrowings**
	(RM'000)	**(RM'000)**	**(RM'000)**
Purchase of new machinery, equipment, and vehicles	10,960	(1)9,160	1,800
	10,960	**9,160**	**1,800**

Note:

(1) As at the LPD, out of the total 4 units of vacuum trucks that we intend to purchase, we have paid deposits of RM0.13 million via internally generated funds for the purchase of 2 units of vacuum trucks and the remaining balance of RM1.20 million will be financed via IPO proceeds. Upon receipt of our IPO proceeds, we will allocate RM0.13 million to replenish our internally generated funds. The other 2 units of vacuum trucks, which is estimated to cost RM1.33 million will also be financed via IPO proceeds.

We intend to allocate RM9.16 million or 18.17% of the gross proceeds from our Public Issue to finance the purchase of the new machinery, equipment and vehicles for our plant maintenance and turnaround operations.

7.14.2 Purchase of machinery and set-up of crane depot facility

In September 2023, we secured seven (7) new long-term contracts from PETRONAS Group of companies to provide rental of lifting equipment and vehicles. The scope of this contract includes the supply of mobile cranes, crawler cranes, sky lifts, forklifts, lorries, trailers and low loaders of various types, models and tonnage for day-to-day plant maintenance, various projects, turnaround, and emergency shutdown activities at process and non-process areas. Process area refers to any area within a plant or facility where processing or manufacturing operations are conducted, while non-process area refers to any area within the plant or facility that is not directly involve in the processing or manufacturing operations, but provides support to activities in process areas. These contracts are for 3 years from 2023 to 2026 with an option to extend for another 2 years.

Since securing the long-term rental contract, we have been expanding our fleet of cranes between 1 July 2024 up to the LPD with the purchase of 21 units of mobile cranes totalling RM34.50 million comprising 5 units of 25-tonnes cranes, 4 units of 50-tonnes cranes, 4 units of 60-tonnes cranes, 1 unit of 65-tonnes crane, 1 unit of 120-tonnes crane, 4 units of 200-tonnes cranes, 1 unit of 450-tonnes crane and 1 unit of 650-tonnes crane. As at the LPD, we own 24 units of mobile cranes in total.

Revenue contributed from our rental segment was RM0.27 million (0.39%), RM0.99 million (0.83%), RM0.40 million (0.25%) and RM3.69 million (1.86%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

We acquired these mobile cranes as part of fulfilling our contractual requirements and to gain a strategic advantage. Owning our equipment provides us with the following benefits and advantages:

- Provides better control over our assets, allowing for optimal deployment and maximised utilisation;
- Reduces the risk of project delays caused by shortages of rental equipment in the market;

- Enhances our responsiveness to projects, particularly for high-tonnage cranes, which are less available for rent compared to lower-tonnage cranes; and
- Offers greater flexibility in negotiating pricing, especially during periods when rental equipment availability is limited.

Furthermore, the acquisition of our fleet of cranes aims to meet the future demand for mobile cranes, particularly for plant turnaround and maintenance for our TA4MS contracts in Johor. Based on the integrated planning we conducted for a refinery complex's plant turnaround we estimate that approximately 40 to 50 mobile cranes of various capacities will be required to handle heavy lifting during the execution phase.

In addition to plant turnarounds, high-capacity mobile cranes, especially those exceeding 300 tonnes, will be essential for comprehensive maintenance tasks. These include replacing valves stop storage tanks, servicing heat exchangers and air fin coolers, and repairing misaligned pipes on pipe racks. For the Financial Years Under Review, the demand for mobile cranes for plant maintenance and turnaround activities was evident as we incurred rental cost for mobile cranes of RM2.05 million (3.86%), RM2.94 million (3.20%), RM5.69 million (4.60%), and RM6.79 million (6.72%) of our total cost of sales for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

We plan to establish a crane depot facility in Paka, Terengganu to provide a dedicated space for the maintenance, repair, and temporary storage of our cranes before their deployment to customers' sites. In December 2024, we purchased a vacant land measuring 1 acre in Paka, Terengganu, details of which is set out in Section 7.18.2 of this Prospectus, for a purchase consideration of RM0.75 million utilising internally generated funds.

Subsequently, we plan to construct an open workshop and floor load strengthening which will cost approximately RM5.50 million. The said workshop will be mainly used for maintenance and repair of the cranes and other lifting equipment. The construction is expected to be completed by the second quarter of 2026, subject to obtaining the relevant approvals such as planning permission, building plan approval and CCC.

The crane depot facility in Paka, Terengganu will be strategically located in close proximity to the companies with whom we have long-term rental contracts, namely those situated in Terengganu, Pahang and Kedah details of which is set out in Section 7.2.4.1 of this Prospectus. Meanwhile, for our Johor-based customers, when required, we will mobilise our cranes to the customers' plants and utilise the designated working area approximately 1 acre within the Pengerang Integrated Complex (PIC) as a lay down area for our mobile cranes. As one of the main contractors for the TA4MS contract, we have been assigned with the said designated working area to lay down scaffolding materials, trucks, cranes and equipment as well as perform fabrication works.

In addition, we also intend to purchase the following machinery to support our rental business segment by fourth quarter of 2025:

Types of machinery	No of units	Total estimated cost (RM'000)
65-tonnes mobile cranes	2	1,825
200-tonnes mobiles crane	1	1,650
500-tonnes mobile crane	1	3,300
Low loaders for rental as well as to transport the cranes' components to customer's site	4	2,240
		9,015

The total cost for the purchase of machinery and set-up of crane depot facility is estimated at RM14.52 million, which will be fully funded through gross proceeds from the Public Issue, by 2026, as follows:

		Source of funding	
Details	Estimated cost RM'000	IPO proceeds RM'000	Internally generated funds and/or bank borrowings RM'000
Purchase of machinery	9,015	9,015	-
Set-up of crane depot facility in Terengganu	5,500	5,500	-
	14,515	**14,515**	**-**

We intend to allocate RM14.52 million or 28.80% of the gross proceeds from our Public Issue to finance the purchase of machinery and set-up of crane depot facility.

7.15 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENTS AND OTHER ARRANGEMENTS

Save as disclosed below, as at the LPD, our Group is not dependent on any contracts or agreements including commercial and financial contracts which are material to our business or profitability. These contracts are considered to be materially dependent by our Group on a qualitative basis because we are unable to determine the contract value as the contracts are based on unit rates. Historically, the work orders from these contracts had contributed substantially to the revenue of the Group, accounting for 81.88%, 67.19%, 58.06% and 58.87% of the Group's total revenue for FYE 2021, FYE 2022, FYE 2023 and FYE 2024, respectively.

(i) Pengerang Refining Company Sdn Bhd – Service Agreement for Integrated Turnaround Main Mechanical & Maintenance Mechanical Static ("TA4MS") dated 1 April 2022 and Letter of Addendum No.1 dated 2 January 2024

Parties	EHSB and Pengerang Refining Company Sdn Bhd ("**PRCSB**")
Contract Period	1 April 2022 – 14 March 2024, which has been extended from 15 March 2024 – 14 March 2027 ("**First Extension Period**"). PRCSB has the right to extend for a period of two (2) years at the end of the First Extension Period by giving not less than 30 days prior to the expiry of the First Extension Period.
Scope of Works	Amongst others, maintenance of equipment, piping and structures, and plant turnarounds for PRCSB's refinery in Pengerang, Johor for set periods of time for carrying out repairs and catalyst replacement for malfunctioned equipment along with the supply of material and manpower for the works.
Contract Price	Based on the unit rates prescribed by PRCSB.
Permit, Licence and Approval	EHSB must obtain all applicable permits, licences and approvals as stipulated and under the laws before commencing the works and EHSB warrants that it shall continue to maintain the necessary certification(s) and/or licence(s) required by the governing body or authority on the works.
Performance Guarantee	EHSB shall furnish separate bank guarantees and a Parental Guarantee which shall remain valid until 90 days after the expiry of the defect liability period.
Insurances	EHSB is hereby required to obtain the necessary insurance(s) relevant to the contract to cover the Extension Period at its own cost and expenses, carry and maintain in full force throughout the duration of the contract.

Confidentiality	(i) "**Confidential Information**" means all documents, manuals, drawings, specifications, letters, facsimile or any other material containing any information or records, whether marked confidential or otherwise, whether or not related to the contract and the Order, at any one time disclosed to EHSB by or on behalf of PRCSB or by PRCSB in writing, pictorial, drawing, electronic, computer program or in any other form disclosed and/or supplied by PRCSB or PRCSB to EHSB and/or acquired by EHSB from PRCSB including data derived therefrom to the extent that such knowledge and information at the time of such disclosure or acquisition is not already in the possession of EHSB or become part of public knowledge. (ii) EHSB shall not disclose or publish the Confidential Information except: (a) With the prior written consent of PRCSB; or (b) If the information so disclosed has already been published generally in the public domain prior to EHSB's receipt of the information; or (c) As required by law or regulatory bodies; or (d) In accordance with any order of a court of competent jurisdiction. (iii) The obligation relating to confidentiality in the contract shall continue in force notwithstanding the completion of the Order or earlier termination of the contract. (iv) Upon completion of the Order or termination of the contract, EHSB shall return the Confidential Information to PRCSB. EHSB shall delete all Confidential Information from any computer, word processor or other device containing it. EHSB shall certify in writing to PRCSB that it has complied with the requirements of this clause. (v) EHSB shall indemnify and hold PRCSB harmless against and from all claims, damages, losses, liabilities, proceedings, costs, expenses and charges arising directly or indirectly out of any breach of EHSB's obligations under this clause.
Termination	(i) <u>Contract and Order Termination with Cause</u> PRCSB is entitled to terminate the contract or the Order (as the case may be) if EHSB: (a) Fails to perform the works or part thereof in accordance with the scope of works; or (b) Fails to remedy the breach specified by PRCSB; or (c) Fails to maintain a valid PETRONAS' licence and/or registration throughout the contract period; or (d) Fails to comply with Article 3 - PETRONAS' Code of Conduct and Business Ethics and PETRONAS' Code of Conduct on Human Rights and/or Article 12 – Health, Safety and Environment Requirement; or (f) Fails to furnish or maintain the requisite performance guarantee and/or fails to effect or maintain insurance as required; or (g) Fails, neglects or refuses to carry out its obligations under the contract or the Order; (h) Subcontracts or assign the contract or the Order without the prior written approval of PRCSB; or (i) The making by EHSB of an assignment for the benefits of creditors, the filing by or against EHSB of a petition in bankruptcy or for corporate re-organization, or the appointment of a receiver or trustee for EHSB or the properties of EHSB or EHSB becomes insolvent or suspends payment of its debts generally or is unable to pay its debt as and when the fall due or an order is made or a resolution is passed for the winding-up, liquidation and/or dissolution of EHSB; or (j) Fails to satisfy within 30 days of its entry any judgment upon which execution is possible or the attachment of any general liens against the real or personal property of EHSB.

7. BUSINESS OVERVIEW *(Cont'd)*

Effect of Termination for the Contract and/or Order	(i) Effect of termination for the contract (a) PRCSB will not be issuing any Order after the effective date of termination. (b) EHSB shall continue to complete the Works for existing Order that was issued prior to the effective date of termination. However, PRCSB may terminate any Order if the reason(s) for termination made by PRCSB substantially affect the Order for their intended purpose. The effect of termination for the said Order shall be as stated in item (ii) below. (c) EHSB shall return all Confidential Information and comply with the confidentiality requirements in the contract. (ii) Effect of termination for the Order EHSB shall: (a) Immediately cease words for the Order affected by termination order unless instructed otherwise by PRCSB for the purpose of protecting the interest of PRCSB. (b) Not remove any goods that have been delivered and/or documentation submitted to PRCSB. (c) Deliver all goods and contract deliverables, if any, which in any way commenced, partly executed, or completed under the contract and/or the order. (d) Return all Confidential Information and comply with the confidentiality requirements in the contract. (e) Remove EHSB's equipment (if any) from the site. (f) Clear away EHSB's equipment, any rubbish and debris from the site and shall ensure the site in clean and safe condition.
Dispute Resolution	(i) Any dispute between PRCSB and EHSB as to the performance of the contract or the Order or the rights or liabilities of the parties herein or any matter arising out of the same or connected therewith, which cannot be settled amicably shall be referred to the higher management of the parties. (ii) If the said dispute cannot be settled amicably, the parties may refer the dispute to arbitration in accordance with Arbitration Act 2010 and other provisions provided in the contract. (iii) Pending the resolution of the said dispute, EHSB shall perform and/or continue performing all its obligations specified in the contract and/or the Order.
Governing Law	This contract shall be governed and construed in accordance with the laws of Malaysia.

(ii) PRPC Utilities and Facilities Sdn Bhd ("PRPC UF") – Contract for the Provision of Integrated Turnaround Main Mechanical & Maintenance Mechanical Static ("TA4MS") dated 14 March 2024

Parties	EHSB and PRPC UF
Contract Period	15 March 2024 – 14 March 2027 ("**Initial Contract Period**"). PRPC UF has the option to extend the contract period for a period of two (2) years by providing prior written notice to EHSB not less than 30 days prior to the expiry of the Initial Contract Period.
Scope of Works	Amongst others, maintenance of static equipment, piping and structures, and plant turnarounds for PRPC UF's central utilities and facilities in Pengerang, Johor for set periods of time for carrying out repairs and replacement for malfunctioned equipment along with the supply of material and manpower.
Contract Price	Based on the unit rates prescribed by PRPC UF.

Permit, Licence and Approval	EHSB's obligations under the contract shall include, without limitation, obtaining all necessary or appropriate licences or import licences or customs clearances or permits wherever applicable.
Liquidated Ascertained Damages ("LAD")	If EHSB fails to deliver the works and/or goods on or before the scheduled delivery date, then EHSB shall be liable to pay PRPC UF the following LAD: (i) Maintenance works: 1% per day up to the maximum of 5% of the order value; and/or (ii) Turnaround/shutdown works: 2.5% per day up to a maximum of 10% of the original order value. PRPC UF and EHSB agree that the LAD shall not exceed the value as specified above and in the event that the delay exceeds the number of days allowed within the aforementioned limit of the LAD, PRPC UF reserves its right to terminate the contract.
Performance Guarantee	EHSB shall furnish separate bank guarantees for the maintenance and plant turnaround works with a value of RM425,000.00 and RM2,000,000.00, respectively.
Insurance	EHSB shall procure and maintain in full force the following insurance throughout the duration of the contract: (i) Workmen's Compensation and/or Employer's Liability Insurance and/or similar statutory social insurance; and; (ii) Comprehensive General Liability or Third-Party Liability or Public Liability covering all operations hereunder against bodily injury, death, loss of property or property damage to third parties with minimum limit RM1,000,000.00. Such insurance shall include contractual liability coverage. (iii) All Risks Physical Damage Insurance
Liabilities and Indemnities	For the purposes of this clause, "PRPC UF Group" shall mean PRPC UF and its subsidiaries, its co-venturers, its respective affiliates, its respective directors, officers and employees. (i) The liabilities and indemnities include, among others, the following: (a) <u>Personnel of PRPC UF</u> PRPC UF shall be responsible for and shall protect, defend, indemnify and hold EHSB harmless from and against any and all claims, liabilities, costs, damages and expenses of every kind and nature, with respect to illness, injury or death or damage to or loss of property of any person employed by PRPC UF, howsoever arising. (b) <u>Personnel of EHSB</u> EHSB shall be responsible for and shall protect, defend, indemnify and hold PRPC UF Group harmless from and against any and all claims, liabilities, costs, damages and expenses of every kind and nature, with respect to illness, injury or death or damage to or loss of property of any person employed by EHSB and/or the sub-contractor(s) howsoever arising. (c) <u>Third Party</u> EHSB shall be responsible for and shall protect, defend, indemnify and hold PRPC UF Group harmless from and against any and all claims, liabilities, cost, damages and expenses of every kind and nature, with respect to illness, injury or death of, or damage to or loss of property of any third party (including pollution other than from PRPC UF's wells and facilities, and/or equipment and/or property and/or vessel owned, leased, chartered or hired by EHSB and its sub-contractor(s)), arising during and/or as a result of the performance of the contract without regard to whether any act or omission of PRPC UF Group contributed to such injury, death or damage to or loss of property. However, EHSB shall not be held responsible nor be liable to indemnify and hold PRPC UF Group harmless for injury, death or property damage caused by gross

	negligence and/or wilful misconduct of PRPC UF Group. EHSB's indemnity hereunder shall not exceed RM1,000,000 per occurrence. In respect of claims, liabilities, costs, damages and expenses in excess of RM1,000,000 per occurrence, the respective liabilities of EHSB and PRPC UF as to the amount over and above RM1,000,000 shall be determined according to the governing law. (d) PRPC UF Group's Property EHSB shall be liable for and shall indemnify PRPC UF Group against any damage to or destruction or loss of property operated and/or owned by PRPC UF Group arising during, and/or as a result of the performance of the contract, without regard to whether any act or omission of PRPC UF Group contributed to the loss. EHSB's indemnity hereunder, shall not exceed RM1,000,000 per occurrence. (ii) Unless provided to the contrary elsewhere within the contract, EHSB shall be solely responsible for the costs of all loss or damage caused by the negligence, gross negligence and/or wilful misconduct of EHSB and/or its sub-contractor(s).
Confidentiality	EHSB hereby represents and warrants, and undertakes that during the contract period and after its expiration or termination, EHSB shall: (i) not use any confidential information furnished by PRPC UF under the contract for any purpose other than in connection with the WORKS under the contract; (ii) not divulge, publish or disclose to any third party, any confidential information except with PRPC UF's prior written consent in which case EHSB shall require such third party to abide by of this clause herein; and (iii) preserve the secrecy of any confidential information. This clause shall continue in force notwithstanding the completion or earlier termination of the contract.
Termination	Termination without Cause (i) PRPC UF may, at any time, terminate the contract without cause by giving thirty (30) days prior written notice to EHSB that PRPC UF intends to terminate the contract and specifying the effective date of termination. (ii) EHSB shall submit its final invoice to PRPC UF within 30 days of the effective termination stating: (a) all amounts incurred for the works performed up to the termination and; (b) all auditable expenses resulting directly from the termination. (iii) EHSB shall waive all claims against PRPC UF and release, protect, indemnify and hold harmless PRPC UF from and against any claims, demands, causes of action, liabilities or losses arising from or connected with termination by PRPC UF under the contract. Termination with Cause PRPC UF shall be entitled to terminate the contract in the event that the following defaults by EHSB is not capable of remedy or in the event that EHSB fails to remedy a default (or overcome its effects) within the period specified by PRPC UF: (i) EHSB commits a breach under the contract and/or applicable law; (ii) Any attempted transfer, novation or assignment by EHSB of the contract without the prior written approval of PRPC UF; (iii) The making by EHSB of an assignment for the benefits of creditors, the filing by or against EHSB of a petition in bankruptcy or for corporate re-organization, or the appointment of a receiver or trustee for EHSB or the properties of EHSB or EHSB becomes insolvent or suspends payment of its debts generally or is unable to pay its debt as and when the debts fall due or an order is made or a resolution is passed for the winding-up, liquidation and/or dissolution of EHSB;

	(iv) The failure of EHSB to satisfy within thirty (30) days of its entry any judgment upon which execution is possible or the attachment of any general liens against the real or personal property of EHSB; (v) If EHSB is incompetent or has acted in a manner prejudicial to PRPC UF's best interest or has engaged in graft or any malpractices for doing or forbearing to do or for having done or forborne to do any act in relation to the obtaining or executing of the contract or any other contract with PRPC UF; (vi) If EHSB has failed to perform the works or part thereof, in a diligent, skillful and professional manner as required herein, failed to comply with PRPC UF's safety or other rules or regulations, has produced sub-standard works, the works and/or goods supplied or to be supplied and delivered or to be delivered are not in conformance with the requirement of the contract or EHSB has failed to adhere to any of its duties and obligations under the contract; (vii) If EHSB fails, neglects, omits or refuses to carry out its obligations under the contract; (viii) The failure by EHSB to supply and deliver the works and/or goods by the due date or failure to rectify or replace defective works and/or goods to PRPC UF's satisfaction within the time period stipulated herein; (ix) The failure by EHSB (including its sub-contractor) to maintain a valid PETRONAS' licence and/or registration; (x) If EHSB has breached the representations and warranties under the contract; (xi) If EHSB has failed to comply with PRPC UF's applicable Health, Safety and Environmental laws, rules and regulations; (xii) If EHSB has failed to submit the requisite Performance Guarantee(s) (xiii) If EHSB has failed to comply with the relevant insurance requirements under the contract; (xiv) If EHSB has breached any critical law provisions under the contract; (xv) If EHSB has breached its confidentiality obligations under the contract; (xvi) The change in the financial position of EHSB which materially affects EHSB's business, operations and EHSB's performance of the contract.
Dispute Resolution	(i) Any dispute between PRPC UF and EHSB or difference arising out of or in connection with the contract or the implementation of any of the provisions of the contract shall be referred to the respective parties' senior management for resolution. (ii) Where the dispute cannot be settled amicably within 30 days from being referred to the parties senior management, the dispute shall be submitted to arbitration by a panel of three (3) arbitrators, one (1) to be appointed by the claimant, one (1) to be appointed by the respondent (or if there is more than one claimant or respondent, the one (1) arbitrator in question shall be appointed jointly by such claimants or respondents) and the third, who shall be the chairman, to be jointly appointed by the arbitrators appointed by the claimant and respondent. (iii) The place of arbitration shall be Kuala Lumpur, Malaysia. The arbitration shall be conducted in accordance with the Rules of Asian International Arbitration Centre. The language of the arbitration shall be English. (iv) Any award of the arbitration shall be final and binding upon the parties to the dispute. The parties shall have the right to apply to any court having competent jurisdiction for leave to enforce an arbitration award in the same manner as a judgment or order of the said court having jurisdiction, and, where leave is so given, judgment may be entered in terms of the arbitration award.
Governing Law	The contract shall be governed and construed in accordance with the laws of Malaysia.

These contracts are non-exclusive, whereby the customer has the right to appoint other contractors for the works and are not obligated to award any minimum order for the works to our Group. Please refer to Section 9.1.1 of this Prospectus for details of risk factor concerning the non-exclusivity.

7.16 MAJOR APPROVALS, LICENCES AND PERMITS OBTAINED

Save as disclosed below, there are no other major licences, approvals, and permits which our Group is materially dependent on for the operation of our business and the status of compliance are as set out below:

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
1.	EMSB	CIDB	Certificate of Registration in respect of the following categories and grades: **<u>Category B: Building Construction</u>** Grade: G7 Specialisation: B02 – Construction of buildings and plants with steel frame structure B04 – General building construction works B07 – Interior decoration work B12 – Installation of glass work B13 – Tile installation works B14 – Paint works B24 – Building maintenance work	0120010903 – TR065288	**<u>Issuance date</u>** 29 September 2023 **<u>Validity period</u>** 29 September 2023 – 22 September 2026	(i) This certificate is non-transferable.	Noted.
						(ii) EMSB shall not participate in any tender or undertake any construction works after this certificate has expired and until it is renewed.	Complied.(2)
						(iii) EMSB shall not undertake any construction projects which exceed the value of construction works specified under the registration grade and shall not execute any construction works which are outside its registered category.	Complied.
						(iv) EMSB shall submit information regarding any new construction works or contracts within 14 days of the award or before the commencement or work, whichever is earlier.	Complied.(3)
						(v) EMSB shall apply for renewal of registration at any time within 60 days before the expiry date specified in this certificate.	Noted.
						(vi) EMSB shall appoint skilled construction workers and accredited site supervisors who are certified by CIDB.	Complied.

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
			Category CE: Civil Engineering and Construction Grade: G7 Specialisation: CE01 – Construction, maintenance and repair of road and pavement CE04 – Construction of dams CE10 – Piling works CE13 – Billboard installation CE21 – Construction of civil engineering CE36 – Earthworks **Category ME: Mechanical and Electrical** Grade: G7 Specialisation: M01 – Air-conditioning and ventilation systems M15 – Installation, testing and commissioning of various mechanical systems M19 – Installation of plant equipment			(vii) All workers on the construction site shall have valid construction personnel cards.	Complied.

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
			Grade: G2 Specialisation: E04 – Low voltage installation **<u>Category F: Facilities</u>** Grade: G7 Specialisation: F01 – Building and infrastructure facility ***Notes:*** • *Grade G7:* *No limit on grade and limit of tender/ value of work* • *Grade G2:* *Tender/ value of work not exceeding a limit of RM500,000*				

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
2.	EMSB	CIDB	Certificate of Government Procurement Works in respect of the following categories and grades: (i) Grade G7 for categories B (Building Construction), CE (Civil Engineering), ME (Mechanical and Electrical Engineering) and F (Facilities); and (ii) Grade G2 for category ME. (Mechanical and Electrical)	0120010903 – TR065288	**<u>Issuance date</u>** 29 September 2023 **<u>Validity period</u>** 29 September 2023 – 22 September 2026	(i) This certificate shall not be used as a licence for commencing or undertaking any construction works. This certificate can only be used to participate in work procurement for the government or other government agencies.	Complied.
						(ii) This certificate shall be cancelled if the Certificate of Registration has expired or revoked or suspended according to Regulation 15 of the Registration of Contractors (Construction Industry) Regulations 1995.	Noted.
						(iii) This certificate must be submitted together with the Certificate of Registration in work tender for the government or other government agencies.	Complied.
						(iv) This certificate should be renewed together with the Certificate of Registration.	Noted.
						(v) EMSB shall not borrow, lease, transfer, cause or allow any event whatsoever which results in this certificate being used by the person who has not been named in the certificate for the purpose of procuring the government works.	Complied.

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(vi) EMSB shall not participate in any tender or undertake any construction works after the expiry of this certificate and until such time this certificate has been renewed.	Complied.(2)
						(vii) Only officers of EMSB named in this certificate are authorised to execute contracts, to obtain the tender documents and to attend to the site/location for the purpose of voting, bidding and tendering. EMSB is not allowed to authorise any other representatives for above purposes.	Complied.
						(viii) EMSB shall ensure compliance with the terms and conditions attached to this certificate throughout the period of validity of this certificate.	Noted.
						(ix) The company / certificate holder whose certificate has been cancelled or revoked shall be removed from the register of CIDB. Such company who wishes to obtain the certificate is required to comply with the terms of issuance of a new application. Any blacklisted authorised key management personnel are prohibited from obtaining the certificate for a period of 3 years.	Noted.

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(x) Any company / certificate holder who has been blacklisted through the disciplinary proceedings, will not be removed from the CIDB checklist. However, such company or/ certificate holder will only be allowed to participate or be involved in the tender or in government procurement works after the prescribed blacklist period.	Noted.
3.	EMSB	Ministry of Entrepreneur Development and Cooperatives ("**MEDC**")	Bumiputera Status Certification in respect of the following categories and grades: (i) Grade G7 for categories B (Building Construction), CE (Civil Engineering), ME (Mechanical and Electrical Engineering, and F (Facilities); and (ii) Grade G2 for category ME. (Mechanical and Electrical)	0120010903 – TR065288	**<u>Issuance date</u>** 19 October 2023 **<u>Validity period</u>** 19 October 2023 – 22 September 2026	(i) Bumiputera Status Certification is issued after EMSB has successfully renewed its Certificate of Registration and Certificate of Government Procurement Works with CIDB.	Noted.
						(ii) EMSB shall immediately submit any change of information made to CIDB, to the Pusat Khidmat Kontraktor ("**PKK**"), MEDC in the prescribed form and manner used by PKK from time to time.	Noted.
						(iii) EMSB shall at all times meet the following conditions for the recognition of its Bumiputera status: (a) At least 51% of the shares of EMSB must be owned by Bumiputera for G2-G7 contractors whereas 100% of the shares must be owned by Bumiputera for G1 contractors.	Complied.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(b) The ownership of the shares held by Bumiputera individuals must be more than non-Bumiputera individuals. (c) At least 51% of the board of directors of EMSB must be Bumiputera for G2-G7 contractors, whereas 100% of board of directors must be Bumiputera for G1 contractors. (d) Positions such as chief executive officer, chief operating officer or general manager and the other key positions must be held by a Bumiputera. (e) At least 51% of the workers for G2-G7 contractors must be Bumiputera, whereas workers for G1 contractors must be 100% Bumiputera. (f) Organisation chart and corporate management shall demonstrate the position held by Bumiputera.	

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
4.	EMSB	MOF	Certificate of Registration – Provision of supply and service under the following sectors, areas and sub-sectors: (i) Code 060102: Chemical, chemicals and laboratory equipment/ chemistry / industrial chemistry (ii) Code 120601: Defense and security/ fire protection/ fire prevention system (iii) Code 120602: Defense and security/ fire protection/ fire control equipment (iv) Code 130101: Engineering equipment and production machinery/ workshop machines and equipment (v) Code 130202: Engineering equipment and production machinery/ electrical power and generator equipment/ spare parts/ machinery and equipment	K28642786213882611	**Issuance date** 19 June 2024 **Validity period** 19 June 2024 – 18 June 2027	(i) EMSB must ensure that the registered sectors in the Certificate of Registration shall not overlap with the approved sectors for any other companies which: (a) have similar shareholders or board of directors, management and employees; or (b) operate on the same premise as EMSB.	Complied.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
			(vi) Code 140101: Electrical and electronic engineering equipment/electricity generator and distribution machines and machinery as well as accessories/motors and tools/spare parts (vii) Code 140301: Electrical and electronic engineering equipment/ cables, electrical wires and accessories/ electrical cables and accessories (viii) Code 140503: Electrical and electronic engineering equipment/ systems, electrical components, electronics, lighting and accessories/ lighting, lighting components and accessories (ix) Code 220301: Service/ maintenance/ repair of air conditioners/ air conditioners (window/ split/ centralized)				

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
			(x) Code 220502: Service/ maintenance/ repair of engineering and communication/ containers/ tanks (xi) Code 221001: Services/ cleaning services and treatment/ cleaning of buildings and offices (xii) Code 221002: Services/ cleaning services and treatment/ cleaning the area (xiii) Code 221003: Services/ cleaning services and treatment/ garbage removal				
5.	EMSB	MOF	Certificate of Registration of Bumiputera Company	BP28642786213 882611	**Issuance date** 19 June 2024 **Validity period** 19 June 2024 – 18 June 2027	(i) EMSB shall at all times maintain and enhance its position so that: (a) There must be more than 51% Bumiputera in terms of equity ownership, in the composition of the board of directors, the position of chief executive officer, managing director, or general manager, other key positions, employees of the company at the management-level, and employees.	Complied.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(b) The majority of Bumiputera shall play an important role in EMSB's transactions, the financial management of EMSB, decision making processes and representation of EMSB in meetings and other official matters.	
						(ii) MOF reserves the right to revoke and cancel EMSB's Bumiputera status in the event MOF discovers that EMSB has violated the conditions specified in the certificate or has transferred the management of EMSB and the obtained contract to other parties.	Noted.
						(iii) EMSB must ensure that its registration with the MOF remains valid throughout the contract period.	Noted.
6.	EMSB	PETRONAS	Licence to exploration and oil / gas companies in Malaysia[(1)]	199701002338	**Issuance date** 18 June 2024 **Validity period** 8 May 2024 – 4 July 2027	(i) EMSB is required to register, obtain a licence, permit or authorisation from the relevant authorities to carry out the services or supply of product or material used in EMSB's operations and activities.	Noted.
						(ii) This licence is not transferable to any company / other party.	Noted.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(iii) EMSB shall inform PETRONAS of any changes related to EMSB's position such as equity ownership, board of directors and management staff within 14 days. Failure to do so can result in revocation of licence.	Noted.
						(iv) This licence is only valid for services and supply of products as stated in its appendix.	Noted.
7.	EMSB	DOSH	Certificate of Registration for Competent Firm for KPD 01 (Onshore petroleum contractor (pipeline) and KPD 02 (Onshore petroleum contractor (reticulation pipe)	JKKP/2023/26/150	**Issuance date** 15 September 2023 **Validity period** 15 September 2023 – 14 September 2026	(i) Before commencement of any installation work, EMSB must first obtain permission to install ("**PTI**") from DOSH.	Complied.
						(ii) Installation works, upon the receipt of PTI, has to be carried out by EMSB.	Complied.
						(iii) All welding works must be carried out by welder who is approved by DOSH or inspecting authorities recognised by DOSH following the approved Welding Procedure Specification. All welding works must be carried out under close supervision of EMSB's quality control officer.	Complied.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
8.	EMSB	DOSH	Certificate of Registration for Competent Firm for SBR 01 (Steam boiler repairer)	JKKP/2024/20/98	**Issuance date** 14 August 2024 **Validity period** 14 August 2024 – 13 August 2025(4)	(i) Before commencement of any installation work, EMSB must first obtain PTI from DOSH. (ii) All welding works must be carried out by welder who is approved by DOSH or inspecting authorities recognized by DOSH following the approved Welding Procedure Specification. All welding works must be carried out under close supervision of EMSB's quality control officer.	Complied. Complied.
9.	EMSB	DOSH	Certificate of Registration for Competent Firm for SBR 02 (Fired Pressure Vessel Repairer) and PVR 01 (Unfired Pressure Vessel Repairer)	JKKP/2024/19/195	**Issuance date** 14 August 2024 **Validity period** 14 August 2024 – 13 August 2025(4)	(i) Before commencement of any installation work, EMSB must first obtain PTI from DOSH. (ii) All welding works must be carried out by welder who is approved by DOSH or inspecting authorities recognised by DOSH following the approved Welding Procedure Specification. All welding works must be carried out under close supervision of EMSB's quality control officer.	Complied. Complied.
10.	EMSB	MPD	Business premise licence at PT 17659-17660 (Lot 71696-71697) Taman Industri Paka, 23100 Dungun, Terengganu	L-0000958-01	**Issuance date** 11 January 2025 **Validity period** 1 January 2025 – 31 December 2025	Renewal of the licence must be done on or before 31 March every year.	Noted.

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
11.	EMSB	MBMB	Business premise licence at Lot 3686, Jalan PBR 1, Kawasan Perindustrian Bukit Rambai, 75250 Melaka Tengah, Melaka	412073147862023 / / L4.14786	**Issuance date** 19 February 2025 **Validity period** 19 February 2025 – 20 February 2026	NIL	N/A
12.	EMSB	MPP	Business premise licence at Block M, G-15&1-15, Jalan Rengit 3, Pusat Perdagangan Rapid Pengerang, 81600 Pengerang, Johor	PBTP/L/04/13891	**Issuance date** 1 January 2025 **Validity period** 1 January 2025 – 31 December 2025	Renewal of the licence must be done latest by 31 December every year. MPP reserves the right to take any enforcement action upon the failure to renew this licence.	Noted.
13.	EMSB	MPS	Business premise licence at 13-G-01, Block 13A, Lingkaran Cyber Point Timur, Star Central Corporate Park, Cyber 12, 63000 Cyberjaya	331201035141	**Issuance date:** 20 December 2024 **Validity period** 20 December 2024 – 31 December 2025	Renewal must be done before 31 December each year. MPS reserves the right to take any enforcement action upon the failure to renew this licence.	Noted.
14.	EMSB	MPS	Business premise licence at Block 13A, Lingkaran Cyber Point Timur, Star Central Corporate Park, Cyber 12, 63000 Cyberjaya at the following units: (i) 13-02-01 (ii) 13-03-01 (iii) 13-06-01 (iv) 13-06-02 (v) 13-07-01 (vi) 13-07-02	(i) 331201035588 (ii) 331201035590 (iii) 331201035586 (iv) 331201035587 (v) 331201035585 (vi) 331201035589	**Issuance date:** 20 December 2024 **Validity period** 20 December 2024 – 31 December 2025	Renewal must be done before 31 December each year. MPS reserves the right to take any enforcement action upon the failure to renew this licence.	Noted.

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
15.	EMSB	MBPG	Business premise licence at Plot 819N Jalan Platinum 4 Kawasan Perindustrian Pasir Gudang Zon 12B 81700 Pasir Gudang, Johor	L0217451	**Issuance date:** 19 November 2024 **Validity period** 19 November 2024 – 31 December 2025	Renewal of the licence can be done starting from 1 September to 31 December every year. Penalty will be imposed starting on 1 January until 31 March of the following year and revocation of licence will be enforced starting from 1 April.	Noted.
16.	EHSB	CIDB	Certificate of Registration in respect of the following categories and grades: **Category B: Building Construction** Grade: G6 Specialisation: B04 – General building construction works **Category CE: Civil Engineering and Construction** Grade: G6 Specialisation: CE21 – Construction of civil engineering	0120240126 – WP132021	**Issuance date** 1 February 2024 **Validity period** 1 February 2024 – 1 February 2026	(i) This certificate is non-transferable.	Noted.
						(ii) EHSB shall not participate in any tender or undertake any construction works after this certificate has expired and until it is renewed.	Complied.
						(iii) EHSB shall not undertake any construction projects which exceed the value of construction works specified under the registration grade and shall not execute any construction works which is outside its registered category.	Complied.
						(iv) EHSB shall submit information regarding any new construction works or contracts within 14 days of the award or before the commencement or work, whichever is earlier.	Complied.[3]
						(v) EHSB shall apply for renewal of registration at any time within 60 days before the expiry date specified in this certificate.	Noted.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
			<u>Category ME: Mechanical and Electrical</u> Grade: G6 Specialisation: M15 – Installation, testing and commissioning of various mechanical systems *Note:* • *Grade G6: Tender / value of work not exceeding a limit of RM10,000,000*			(vi) EHSB shall appoint skilled construction workers and accredited site supervisors who are certified by CIDB	Complied.
						(vii) All workers on the construction site shall have valid construction personnel cards.	Complied.
17.	EHSB	PETRONAS	Licence to supply product / service to exploration and oil / gas companies in Malaysia(1)	1324681K	**<u>Issuance date</u>** 19 May 2025 **<u>Validity period</u>** 19 May 2025 – 8 June 2028	(i) EHSB is required to register, obtain a licence, permit or authorisation from the relevant authority to carry out the services or supply of product or material used in EHSB's operation and activities.	Noted.
						(ii) This licence is not transferable to any company / other party.	Noted.
						(iii) EHSB shall inform PETRONAS of any changes related to EHSB's position such as equity ownership, board of directors and management staff within 14 days. Failure to do so can result in revocation of licence.	Noted.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
						(iv) EMSB is not allowed to take another company as principal, agent, sub-contractor or otherwise to provide any service or supply of any facility, fittings or equipment on its behalf without prior written consent from PETRONAS	Noted.
						(v) This licence is only valid for services and supply of products as stated in its appendix.	Noted.
18.	EHSB	MPS	Business premise licences at 13-G-01, Block 13A, Lingkaran Cyber Point Timur, Star Central Corporate Park, Cyber 12, 63000 Cyberjaya	331201035141	**Issuance date** 20 December 2024 **Validity period** 20 December 2024 – 31 December 2025	Renewal must be done before 31 December each year. MPS reserves the right to take any enforcement action upon the failure to renew this licence.	Noted.
19.	RBPS	CIDB	Certificate of Registration in respect of the following categories and grades: **Category B: Building Construction** Grade: G3 Specialisation: B04 – General building construction works	0120131223 – WP154111	**Issuance date** 4 November 2024 **Validity period** 4 November 2024 – 18 December 2025	(i) This certificate is non-transferable.	Noted.
						(ii) RBPS shall not participate in any tender or undertake any construction works after this certificate has expired and until it is renewed.	Complied.
						(iii) RBPS shall not undertake any construction projects which exceed the value of construction works specified under the registration grade and shall not execute any construction works which is outside its registered category.	Complied.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
			<u>Category CE: Civil Engineering and Construction</u> Grade: G3 Specialisation: CE21 – Construction of civil engineering			(iv) RBPS shall submit information regarding any new construction works or contracts within 14 days of the award or before the commencement or work, whichever is earlier.	Complied.[3]
						(v) RBPS shall apply for renewal of registration at any time within 60 days before the expiry date specified in the certificate.	Noted.
			<u>Category ME: Mechanical and Electrical</u> Grade: G3 Specialisation: M15 – Installation, testing and commissioning of various mechanical systems			(vi) RBPS shall appoint skilled construction workers and accredited site supervisors who are certified by CIDB.	Complied.
			Note: • *Grade G3: Tender / value of work not exceeding a limit of RM1,000,000*			(vii) All workers on the construction site shall have valid construction personnel cards.	Complied.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
20.	RBPS	MOF	Certificate of Registration – Provision of supply and service under the following sectors, areas and sub-sectors: 130401: *Engineering equipment and production machine/ oil industry equipment and upstream industrial equipment* 140401: *Electrical and electronic engineering equipment/ equipment for atomic and nuclear energy/ nuclear reactors and instruments*	K101127404439 10585	**Issuance date** 23 July 2024 **Validity period** 23 July 2024 – 22 July 2027	(i) RBPS must ensure that the registered sectors in the Certificate of Registration shall not overlap with the approved sectors for any other companies which: (a) have similar shareholders or board of directors, management and employees; or (b) operate on the same premise as RBPS.	Complied.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
21.	RBPS	MOF	Certificate of Registration of Bumiputera Company	BP10112740443 910585	**Issuance date** 23 July 2024 **Validity period** 23 July 2024 – 22 July 2027	(i) RBPS shall at all times maintain and enhance its position so that: (a) There must always be more than 51% Bumiputera equity ownership, composition of the board of directors, the position of chief executive officer, managing director, or general manager, other key positions, employees of the company at the management-level, and employees. (b) The majority of Bumiputera shall play an important role in the company's transactions, the financial management of the company, decision making processes and representation of the company in meetings and other official matters of the kind.	Complied.
						(ii) MOF reserves the rights to revoke and cancel RBPS's Bumiputera status in the event MOF discovers that RBPS has violated the conditions specified in the certificate or has transferred the management of RBPS and the obtained contract to other parties.	Noted.
						(iii) RBPS must ensure that its registration with the MOF remains valid throughout the contract period.	Noted.

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
22.	RBPS	Atomic Energy Licensing Board (**"AELB"**)	Atomic licence in respect of the following classes: A – Manufacture, trade in, produce, process, purchase, own, possess, use, transfer, handle, sell or store radioactive material B – manufacture, trade in, produce, process, purchase, own, possess, use, transfer, handle, sell or store nuclear material D – Transport radioactive materials, nuclear materials, prescribed substances or their wastes	LPTA/A/2254	**<u>Issuance date</u>** 28 December 2023 **<u>Validity period</u>** 10 January 2024 – 9 January 2026	(i) RBPS shall update AELB within 14 days when there are changes to the ownership of the irradiating apparatus.	Noted.
						(ii) RBPS shall ensure that the irradiating apparatus is only handled by the personnel recognised by AELB only.	Noted.
						(iii) RBPS shall obtain the approval of AELB at least 14 days prior to any changes of the person responsible for the licence or personnel recognised by AELB for the handling of irradiating apparatus.	Noted.
						(iv) RBPS shall notify AELB and any other relevant authorities soonest possible within 24 hours from the date of the radiation incident / accident and shall ensure that the hazard is under control.	Noted.
						(v) RBPS shall obtain the prior approval of AELB of any change in the location of the irradiating apparatus.	Noted.
						(vi) The licencee is forbidden to carry out any modification towards all licensed irradiating apparatus without the prior approval of AELB.	Noted.
						(vii) The licence issued by AELB is not transferable.	Noted.

No.	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Registration/ Certificate/ Account No.	Issuance date / Validity period	Major conditions imposed	Status of compliance
23.	RBPS	MPD	Business premise licence at PT 17681 (Lot 71718), Taman Industri Paka, 23100 Dungun, Terengganu	L-0000963-01	**Issuance date** 1 January 2025 **Validity period** 1 January 2025 – 31 December 2025	Renewal of the licence can be done on or before 31 March each year.	Noted.

Notes:

(1) As at the LPD, our Group (excluding RBPS) has 80 SWEC registered under our PETRONAS licences, but we currently rely on 33 SWECs in the performance of our ongoing contracts. The categories of products and services authorised by these 33 SWECs are set out in the table below:

No.	*SWEC*	*Description of service*	*Minimum Bumiputera Requirements (%)*	*Status of compliance*	*Ongoing contracts (type of services)*
(i)	*24242100S*	*Pressure & Unpressurized Vessel*	*51.0*	*Complied*	*Provision of manpower, materials, consumables, equipment and facilities necessary for cleaning, repair, testing maintenance and commissioning of pressure and unpressurised vessels*
(ii)	*27111000S*	*Minor Onshore Fabrication*	*51.0*	*Complied*	*Provision of manpower, services, equipment, materials and facilities for minor onshore fabrication works for civil/ mechanical/electrical and instrumentation/structural onshore fabrication works*
(iii)	*11180000S*	*Scaffolding Services & Inspection*	*51.0*	*Complied*	*Provision of manpower, materials, equipment, services and facilities for scaffolding services and inspection*
(iv)	*28141300S*	*Relief Valve*	*51.0*	*Complied*	*Provision of manpower, materials, consumables, equipments and facilities necessary for repair, maintenance, testing, setting and commissioning of relief valve*
(v)	*19121000S*	*General Manpower*	*51.0*	*Complied*	*Provision of general manpower supply such as but not limited to labour supply, non-technical manpower for office and security personnel*
(vi)	*24241200S*	*Columns, Stripper & Corrugated Plate Interceptor*	*51.0*	*Complied*	*Provision of manpower, materials, consumables, equipments and facilities necessary for cleaning, repair, testing and maintenance of columns, strippers and corrugated plate interceptor*

7. BUSINESS OVERVIEW *(Cont'd)*

No.	*SWEC*	*Description of service*	*Minimum Bumiputera Requirements (%)*	*Status of compliance*	*Ongoing contracts (type of services)*
(vii)	*15141911S*	*Non-Metallic - PVC, HDPE, Fibreglass & etc*	*51.0*	*Complied*	*Provision of manpower, materials, consumables, equipment and facilities necessary for fabrication, repair and maintenance of non-metallic piping and structure*
(viii)	*28120000S*	*Insulation Services*	*51.0*	*Complied*	*Provision of insulation work for hot insulation, acoustic insulation, cold insulation and personnel protection insulation*
(ix)	*19121200S*	*Skilled Manpower*	*51.0*	*Complied*	*Provision of skilled manpower services such as but not limited to skilled technician, skilled electrical manpower, skilled coded welders, switchboard operators, skilled machinist, skilled offshore crane operator, skilled instrument manpower, skilled welding inspector, painting inspector and drilling, completion and workover support staff*
(x)	*24241500S*	*Heat Exchangers, Condensers & Cooler*	*51.0*	*Complied*	*Provision of manpower, materials, consumables, equipments and facilities necessary for cleaning, repair, maintenance, pressure testing and commissioning of heat exchanger*
(xi)	*24241700S*	*Hydrojetting*	*51.0*	*Complied*	*Provision of manpower, materials, consumables and equipment necessary for cleaning by hydrojetting*
(xii)	*24242200S*	*Reactors*	*51.0*	*Complied*	*Provision of manpower, materials, consumables, equipment and facilities necessary for cleaning, repair, testing and maintenance of reactors*
(xiii)	*16271600P*	*Pneumatic Tools & Air Compressors*	*51.0*	*Complied*	*Supply and deliver pneumatic tools and air compressors*
(xiv)	*11111400S*	*Road & Pavement Construction & Maintenance*	*51.0*	*Complied*	*Provision of labour, materials, equipment, services and facilities for road and pavement construction and maintenance*
(xv)	*27131100S*	*Onshore Pipeline Inspection & Repair*	*30.0*	*Complied*	*Provision of labour, material, equipment, services and facilities for onshore pipeline inspection and repair*
(xvi)	*11111000S*	*Building & Structure Construction*	*51.0*	*Complied*	*Provision of manpower, materials, equipment, services and facilities necessary for building and structure construction*
(xvii)	*24181200S*	*Heavy Lift Services*	*51.0*	*Complied*	*Provision of services/rental/supply of heavy lift equipment*
(xviii)	*15141910S*	*Metallic - Carbon Steel, Stainless Steel, Non-Ferrous, Internally Lined Pipe & etc.*	*51.0*	*Complied*	*Provision of labour, materials, consumables, equipments and facilities necessary for fabrication, repair and maintenance of metallic piping, internally lined pipe and structure*
(xix)	*16191100S*	*Machining Workshop*	*51.0*	*Complied*	*Provision of labour, materials, consumables, equipments and facilities necessary for machining workshop*
(xx)	*11191200S*	*General Structural/Building Painting*	*51.0*	*Complied*	*Supply of manpower, materials, services and facilities for internal and external painting/repainting of buildings and general structures*

7. BUSINESS OVERVIEW *(Cont'd)*

No.	*SWEC*	*Description of service*	*Minimum Bumiputera Requirements (%)*	*Status of compliance*	*Ongoing contracts (type of services)*
(xxi)	*11191300S*	*Interior Decoration/Renovation*	*51.0*	*Complied*	*Provision of manpower, materials, equipment, services and facilities for interior decoration/renovation of buildings*
(xxii)	*15142100S*	*Tank/Tank Farms*	*51.0*	*Complied*	*Design, supply, deliver, install and test of tank/tank farms*
(xxiii)	*15141610S*	*Major Fabrication*	*30.0*	*Complied*	*Provision to perform construction for integrated construction work including but not limited to mechanical, instrumentation, electrical, structural and civil work*
(xxiv)	*25191200S*	*Portacabins & Portable Toilets Leasing/Rental*	*51.0*	*Complied*	*Leasing or rental of portacabins and portable toilets including the manpower, materials, equipment, services and facilities required for the construction, maintenance and dismantling*
(xxv)	*14141500S*	*Other General Electrical Services*	*51.0*	*Complied*	*Provision of labour, materials, consumables, equipment and facilities necessary to undertake the general electrical services*
(xxvi)	*19121300S*	*Specialist Manpower*	*30.0*	*Complied*	*Provision of specialist manpower services such as but not limited to health, safety and environment specialist, skilled construction technical personnel, drilling, completion and workover specialist, geoscience specialist, lecturing and training personnel, competent manpower for marine operation, experienced and competent manpower for naval architecture in the field of mooring, hydrodynamics and stability, specialist civil & structural personnel, specialist electrical manpower, instrumentation manpower, mechanical/piping specialist, mechanical rotating manpower, specialist pipeline manpower, manpower specialist in the field of process, utility and waste water and advance control and subsea specialist.*
(xxvii)	*28141200S*	*Mechanical Valve*	*51.0*	*Complied*	*Provision of manpower, materials, consumables, equipment and facilities necessary for repair, maintenance, testing and commissioning of mechanical valve*
(xxviii)	*27121400S*	*Shutdown/Plant Turnaround Project Management*	*30.0*	*Complied*	*Shutdown/plant turnaround project management*
(xxix)	*24181400S*	*Mobile Crane Leasing & Rentals*	*30.0*	*Complied*	*Provision of services/rental/supply of onshore mobile crane*
(xxx)	*24222211S*	*Hydraulic Turbine*	*51.0*	*Complied*	*Provision of manpower, materials, consumables, equipment and facilities necessary for maintenance, repair, overhaul, refurbishment and performance test of hydraulic turbine and auxiliaries*
(xxxi)	*11141400S*	*Other Foundation Works*	*51.0*	*Complied*	*Provision of labour, materials, equipment, services and facilities for installation of other foundation works (excluding piling) such as but not limited to pad footing, strip footing and raft foundation*

No.	***SWEC***	***Description of service***	***Minimum Bumiputera Requirements (%)***	***Status of compliance***	***Ongoing contracts (type of services)***
(xxxii)	*11191100S*	*Fencing*	*51.0*	*Complied*	*Provision of manpower, materials, equipment, services and facilities for construction, installation and maintenance of fencing*
(xxxiii)	*16120000S*	*Equipment Chemical Cleaning*	*51.0*	*Complied*	*Provision of expert advice, labour, equipment and chemical for equipment chemical cleaning services and post cleaning services*

(2) The Certificate of Registration and the Certificate of Government Procurement Works issued by CIDB to EMSB had expired on 23 September 2023. However, the said licences were only renewed on 29 September 2023. As at the LPD, there have been no fines or penalties imposed on our Group in relation to this incident.

(3) In the past, our Group did not declare certain maintenance contracts to CIDB and hence did not make the necessary levy payments, where applicable. As at the LPD, our Group has made the necessary declarations and payment of levy to CIDB and there have been no fines or penalities imposed on our Group for the said non-compliance. Please refer to Section 7.20 (c) of this Prospectus for further details.

(4) Our Group has commenced the renewal process of the certificate.

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7.17 INTELLECTUAL PROPERTY

As at the LPD and save as disclosed below, our Group does not have any other intellectual property rights registered and/or in the process of registration.

No.	Trademark	Issuing authority	Registered owner	Trademark number	Description	Place of Registration / Validity Period
1.	ENPROSERVE	MyIPO	EMSB	Application No: TM2024013804	Class 37: O&G pipeline maintenance and repair services.	Malaysia / 15 May 2024 – 15 May 2034

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7.18 PROPERTIES, PLANT AND EQUIPMENT

7.18.1 Material properties owned by our Group

As at the LPD, the details of the material properties owned and utilised by our Group for business operations are set as below:

No.	Registered owner	Title details / address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. m.)	Date of issuance of CF / CCC	Audited NBV as at 31 December 2024 (RM'000)
1.	EMSB(1)(2)	**Title details** Master Title Geran 339485, Lot 111284, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor(2) **Address** 13-G-01, 13-01-01, 13-02-01, 13-03-01, 13-04-01, 13-04-02, 13-06-01, 13-06-02, 13-07-01, 13-07-02, Star Central @ Cyberjaya, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor(1)	**Description** 10 office units in an 8 storey office building **Existing use** Office / head office	**Category of land use** Building **Express condition of land use** Commercial building **Tenure of property** Freehold	**Restriction in interest** This land cannot be transferred, mortgaged or leased unless with the approval of the state authority **Material encumbrances** NIL	-(2) / 2,003	20 May 2016	11,120

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Registered owner	Title details / address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. m.)	Date of issuance of CF / CCC	Audited NBV as at 31 December 2024 (RM'000)
2.	EMSB	**Title details** (i) PN 10955, Lot 71697, Mukim Kuala Paka, Daerah Dungun, Negeri Terengganu (ii) PN 10954, Lot 71696, Mukim Kuala Paka, Daerah Dungun, Negeri Terengganu **Address** PT 17659 – 17660 (Lot 71696 – 71697), Taman Perindustrian Paka, 23100 Dungun, Terengganu	**Description** (i) 3 and a half storey office building (ii) workshop **Existing Use** Office and workshop	**Category of land use** Industrial **Express condition of land use** 1. This land and any erection of building thereof shall be used for commercial purpose. 2. Within 2 years from the date of ownership, the land and any erection of building shall be for commercial use, in accordance with the plan approved by the local authority. **Tenure of property** 60 years leasehold expiring on 7 August 2070	**Restriction in interest** 1. This land shall not be transferred, leased or mortgaged unless with the approval of state authority. 2. This land shall not be subdivided. 3. The restriction under item 1 is not applicable to the first owner. 4. The restriction under item 1 is not applicable to first transferee the Lembaga Tabung Amanah Warisan Negeri Terengganu for the purpose of being mortgaged for the first time only. **Material encumbrances** 1. Charge (presentation no.796/2017) registered in favour of Bank Islam Malaysia Berhad on 11 June 2017; 2. Charge (presentation no. 797/2017) registered in favour of Bank Islam Malaysia Berhad on 11 June 2017; and 3. Charge (presentation no. 815/2021) registered in favour of Bank Islam Malaysia Berhad on 18 July 2021.	(i) 4,110 / 2,478 (ii) 4,172 / 1,910	(i) 15 March 2016 (ii) 11 November 2015	5,665

No.	Registered owner	Title details / address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. m.)	Date of issuance of CF / CCC	Audited NBV as at 31 December 2024 (RM'000)
3.	EMSB	**Title details** PM 173, Lot 3686, Mukim Bukit Rambai, Daerah Melaka Tengah, Negeri Melaka **Address** Lot 3686, Jalan PBR1, Kawasan Perindustrian Bukit Rambai, 75250 Melaka Tengah, Negeri Melaka	**Description** (i) a workshop(3) and a 2 storey office building (ii) 1 storey office with workshop **Existing use** Office and workshop	**Category of land use** Commercial **Express condition of land use** For commercial use only **Tenure of property** 99 years leasehold expiring on 27 January 2079	**Restriction in interest** This land shall not be transferred, leased or mortgaged without the approval of the state authority. **Material encumbrances** Charge (presentation no. 0401SC2019005147) registered in favour of Maybank Islamic Berhad on 19 August 2019.	15,920 / 4,182	(i) 17 April 2012 (ii) -(4)	3,718
4.	RBPS	**Title details** PN 10976, Lot 71718, Mukim Kuala Paka, Daerah Dungun, Negeri Terengganu Darul Iman **Address** PT 17681 (Lot 71718), Taman Industri Paka, 23100 Paka, Terengganu Darul Iman	**Description** A workshop with a 2-storey office building **Existing use** Workshop and warehouse	**Category of land use** Industrial **Express condition of land use** 1. This land and any erection of building thereof shall be used for commercial purpose. 2. Within 2 years from the date of ownership, the land and any erection of building shall be for commercial use, in accordance with the plan approved by the local authority. **Tenure of property** 60 years leasehold expiring on 7 August 2070	**Restriction in interest** 1. This land shall not be transferred, leased or mortgaged unless with the approval of state authority. 2. This land shall not be subdivided. 3. The restriction under item 1 is not applicable to the first owner. 4. The restriction under item 1 is not applicable to first transferee from the Lembaga Tabung Amanah Warisan Negeri Terengganu for the purpose of being mortgaged for the first time only.	11,510 / 864	25 October 2024	3,100

No.	Registered owner	Title details / address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. m.)	Date of issuance of CF / CCC	Audited NBV as at 31 December 2024 (RM'000)
					Material encumbrances Charge (presentation no.1375/2022) registered in favour of Maybank Islamic Berhad on 2 August 2022.			

Notes:

(1) Our Group had on 28 June 2024 entered into 10 sale and purchase agreements with the developer, Joyful Star Sdn Bhd for the purchase of 10 units of offices. The acquisition of the Cyberjaya Office was completed on 13 December 2024.

(2) As at the LPD, the properties are still under the master title (total land area of 41,870 sq.m.) which has yet to be subdivided into separate strata titles for each individual unit.

(3) The workshop is rented to Mech Weld C & S Sdn Bhd via a tenancy agreement dated 7 June 2024, for a period of three (3) years commencing from 1 January 2024, with an option to renew for another three (3) years with a monthly rental of RM22,000.

*(4) The 1 storey office with workshop which is currently unoccupied does not have a CCC. Our Group had in January 2025 received approval from the Fire and Rescue Department of Malaysia ("**BOMBA**") on the Mechanical & Electrical ("**M&E**") plan. Once BOMBA carry out the relevant inspection on the workshop and upon obtaining the updated building plan approval, our Group will submit the relevant forms for the application of CCC. Our Group expects to obtain the CCC by the third quarter of 2025. Please refer to Section 7.20 (e) of this Prospectus for further details.*

7. BUSINESS OVERVIEW *(Cont'd)*

7.18.2 Other properties owned by our Group

As at the LPD, the details of the other properties owned and not utilised by our Group for business operations are set as below:

No.	Registered owner	Title details / Address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. m.)	Date of issuance of CF / CCC	Audited NBV as at 31 December 2024 (RM'000)
1.	EMSB	**Title details** HS(D) 32192, PT 45588, Mukim Dengkil, Daerah Sepang, Negeri Selangor **Postal address** No. 2, Jalan MJ 13, Taman Perindustrian Meranti Jaya, 47120 Puchong, Selangor	**Description** 3 storey office building and a storage area **Existing use** Vacant	**Category of land use** Industrial **Express condition of land use** Medium Industry **Tenure of property** 99 years leasehold expiring on 21 September 2109	**Restriction in interest** This land may be transferred, leased or mortgaged upon obtaining approval from the state authority. **Material encumbrances** 1. Charge (presentation no. 001SC103101/2012) registered in favour of Maybank Islamic Berhad on 1 October 2012; and 2. Charge (presentation no. 001SC78804/2020) registered in favour of Maybank Islamic Berhad on 18 November 2020.	2,007 / 1,003	18 August 2014	3,453

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No.	Registered owner	Title details / Address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. m.)	Date of issuance of CF / CCC	Audited NBV as at 31 December 2024 (RM'000)
2.	EMSB	**Title details** HS(D) 52528, PTB 18058, Mukim Tanjung Surat, Daerah Kota Tinggi, Negeri Johor **Postal address** HS(D) 12728 - 1, PTB 1215, Mukim Tanjung Surat, Persimpangan Bandar Penawar, 81930, Kota Tinggi, Johor	**Description** 3 units of workshops and 2 units of 2 storey offices **Existing use** Vacant	**Category of land use** Commercial / Industrial **Express condition of land use** 1. This land shall be used as a Medium Industrial Area and other uses related to it, built in accordance with a plan approved by the relevant local authority. 2. All waste products and pollution resulting from the activity must be disposed to places determined by the relevant authority. 3. All policies and conditions established and enforced by the relevant authority from time to time must be complied with **Tenure of property** 60 years leasehold expiring on 29 June 2080	**Restriction in interest** NIL **Material encumbrances** NIL	13,466 / 4,728	-[(1)]	6,336

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Registered owner	Title details / Address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. m.)	Date of issuance of CF / CCC	Audited NBV as at 31 December 2024 (RM'000)
3.	EMSB	**Title details** PN 14804, Lot 61108, Mukim Teluk Kalung Daerah Kemaman, Negeri Terrenganu **Postal address** N/A	**Description** Vacant land **Existing use** N/A	**Category of land Use** Industrial **Express condition of land use** 1. This land shall be used for the industry of pipe and structure fabrication, works related to plant shutdown and turnaround and services for the oil and gas industry and for the erection of buildings related to the said uses only. 2. Within 2 years from the date of ownership or within an extended period approved by the Pejabat Tanah dan Galian Terengganu, this land is to be used for activities of fabrication and maintenance for the petrochemical, oil and gas industry and any erection of building related to it must be constructed in accordance with the approval of the local authority. **Tenure of property** 60 years leasehold expiring on 16 August 2077	**Restriction in interest** 1. This land can only be transferred, mortgaged or leased after the completion of the proposed project and with the permission of the State Authority. 2. This land must not be subdivided except with the approval of the State Authority. **Material encumbrances** NIL	20,000 / N/A	N/A	754

No.	Registered owner	Title details / Address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. m.)	Date of issuance of CF / CCC	Audited NBV as at 31 December 2024 (RM'000)
4.	EMSB(2)	**Title details** PN10956, Lot 71698, Mukim Kuala Paka, Daerah Dungun, Negeri Terengganu **Postal address** N/A	**Description** Vacant land **Existing use** N/A	**Category of land Use** Industrial **Express condition of land use** 1. This land and any erection of building thereof shall be used for industry purpose. 2. Within 2 years from the date of ownership, the land and any erection of building shall be for industry use, in accordance with the plan approved by the local authority. **Tenure of property** 60 years leasehold expiring on 7 August 2070	**Restriction in interest** 1. This land shall not be transferred, leased or mortgaged unless with the approval of state authority. 2. This land shall not be subdivided. 3. The restriction under item 1 is not applicable to the first owner. 4. The restriction under item 1 is not applicable to first transferee from the Lembaga Tabung Amanah Warisan Negeri Terengganu the Terengganu State Heritage Trust Board for the purpose of being mortgaged for the first time only. **Material encumbrances** NIL	4,111 / N/A	N/A	749

Notes:

(1) The property does not have a CCC and is currently unoccupied. Our Group had in March 2025 received the building plan approval from MPP to commence on-site rectification works. As at the LPD, our Group is in the midst of rectifying and complying with the requirements and conditions imposed by the relevant authorities. Upon completion of the rectification works, our Group will submit the relevant forms for the application of CCC to MPP. Our Group expect to obtain the CCC by fourth quarter of 2025. Please refer to Section 7.20 (e) of this Prospectus for further details.

(2) On 28 June 2022, our Group had entered into a letter agreement with Boilermaster Sdn Bhd for the purchase of the land. The acquisition has been completed on 25 November 2024.

Save as disclosed in Section 7.20(e) of this Prospectus and as at the LPD, the properties owned by our Group are not in breach of any land use conditions, laws, regulations, rules and requirements in relation to land and buildings.

7.18.3 Material properties rented by our Group

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

No.	Tenant / Landlord	Title details / Postal address	Description/ Existing use	Land / Built-up area (sq. m.)	Date of issuance of CF / CCC	Tenure	Rental per annum (RM)
1.	EMSB / Attack Fashion House Sdn Bhd	**Title details** PN 15009, Lot 3091, Mukim Pantai Timur, Daerah Kota Tinggi, Negeri Johor **Postal address** Block M, G15 & 1-15, Jalan Rengit, 3, Pusat Perdagangan Rapid Pengerang 81600 Pengerang, Johor	**Description** 2 storey shoplot **Existing use** Office	316 / 443	24 January 2022	1 March 2025 to 28 February 2027	13,000
2.	EMSB / Kota Prasarana Land Sdn Bhd	**Title details** HSD 625150, PTD 223093, Mukim Plentong, Daerah Johor Bahru, Negeri Johor **Postal address** Plot 819N, Jalan Platinum 4, Kawasan Perindustrian Pasir Gudang, (Zon 12B), 81700 Pasir Gudang, Johor	**Description** 2 storey office building and a storage area **Existing use** Office and warehouse	2,292 / 1,068	28 April 2016	1 September 2024 to 31 August 2025(1)	(2)14,655

Notes:

(1) EMSB will submit a renewal application for the premise rented from Kota Prasarana Land Sdn Bhd before the rental's expiry date.

(2) Following the novation arrangement as further detailed in Section 7.20(b) of this Prospectus and prior to the receipt of business premise licence by EMSB for the use of this premise, EMSB has been paying the rental fee to Kota Prasarana Land Sdn Bhd.

7.19 MATERIAL MACHINERY AND EQUIPMENT

The following are key machinery, equipment and vehicles utilised for our plant maintenance and turnaround services, EPCC services, and rental of equipment and vehicles:

	As at LPD		
Key machinery, equipment and vehicles	**Number of Unit(s)**	**Average age (years)**	**Net Book Value (RM'000)**
Heavy lifting equipment and vehicles			
Mobile cranes – all terrain	7	1	22,288
Mobile cranes – rough terrain	14	2	8,019
Mobile cranes – truck mounted	3	1	1,947
Vacuum trucks	4	2	1,845
Sky lifts	4	1	1,563
Forklifts	24	4	1,486
Excavator	1	5	61
Boom trucks	2	12	-
Machinery and equipment			
High pressure water jetting pumps	6	4	1,671
Flange facing machines	5	5	458
Hydraulic bundle extractor	1	6	212
Cutting machine	4	7	102
Testing equipment[(1)]	9	2	105
Welding machine	37	9	43
Drilling machine	2	6	49
Generator	12	8	43
Other pumps[(2)]	8	5	41
Balancing machine	1	8	23
Milling and lathe machine	3	7	26
Scaffolding	110,000 $metre^3$	12	-

Notes:

(1) Include a laser scanning equipment, an X-ray fluorescence analyser, pressure chart recorders, thickness meters, and a safety and relief valve test bench.

(2) Includes 6 units of water pumps and 2 units of hydrotest manual hand pumps.

The average useful life for our machinery, equipment, and vehicles above is 10 years which is also the depreciation rate for our machinery, equipment, and vehicles.

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7.20 GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarised below. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made. As at the LPD, save for the non-compliances by our Group as disclosed below, our Group complies with the material regulatory requirements.

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

The PDA 1974 provides for, amongst others, exploration and exploitation of petroleum whether onshore or offshore by a corporation in which will be vested the entire ownership in and the exclusive rights, powers, liberties and privileges in respect of the said petroleum, and to control the carrying on of downstream activities and development relating to petroleum and its products. The PDA 1974 provides that the Prime Minister may make regulations for the purpose of carrying into effect the provisions of the PDA 1974.

Pursuant to the PR 1974, permission to commence or continue any business of processing or refining of petroleum or manufacturing of petrochemical products from petroleum must be applied and obtained under the PDA 1974 from the MITI. A person who initiates or continues any business or continues providing services as aforementioned without a licence or does not comply with any condition of the licence shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not more than 2 years or to both and in the case of continuing offence, it is subject to further fine of RM1,000 for every 1 day or any part of 1 day which the offence continues after the first conviction is recorded.

In view of our Group's dealings with PETRONAS, a licence must be obtained in compliance with PR 1974 to commence or continue any business or service involving, the supply of equipment and facilities and services required in connection with the exploration, exploitation, winning and obtaining of petroleum.

As at the LPD, our Group holds valid and subsisting PETRONAS licences. In addition, we have obtained several SWEC codes required for our business operations. To maintain those SWEC codes, we are required to comply some SWEC requirements relevant to our business such as the "Minimum Technical Requirements" which include, among others, the company's minimum number of years of experience, the availability of relevant facilities and equipment and availability of key personnel, their minimum qualifications and years of relevant experience which are subject to change from time to time. Please refer to Section 7.16 of this Prospectus for further details of the licences and relevant SWEC codes that we require for our operations.

(b) Local Government Act 1976 ("LGA 1976")

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

As our Group's business activities are mainly carried out in Sepang, Dungun, Kota Tinggi, Pasir Gudang and Melaka, all of which are under the jurisdictions of MPS, MPD, MPP, MBPG and MBMB. As at the LPD, the relevant by-laws governing the conduct of our Group's businesses would be the Licensing of Trade, Business and Industries (Sepang Municipal Council) By-Laws 2007, Licensing of Trade, Business and Industries (Dungun Municipal Council) By-Laws 1993, Licensing of Trade, Business and Industries (Pengerang Municipal Council) By-Laws 2017, Licensing of Trade, Business and Industries (Pasir Gudang City Council) By-Laws 2017 and Licensing of Trade (Malacca Historic City Council) By-Laws 2010.

In August 2024, Kota Prasarana Land Sdn Bhd (being the landlord), FMV (being the previous tenant) and EMSB (being the new tenant) entered into a novation cum assignment agreement for our Pasir Gudang Operational Facilities to novate the rental arrangement from FMV to EMSB. Subsequent to the transfer, EMSB had moved into the Pasir Gudang Operational Facilities and submitted the business premise licence application to MBPG to apply for a business premise licence for EMSB's business activities in Pasir Gudang Operational Facilities in October 2024. During the course of the business premise licence application, EMSB was informed by MBPG that a fire safety inspection by BOMBA is required to ensure the premise meets the necessary fire safety standards. The BOMBA had on 14 October 2024 conducted the inspection and had on 16 October 2024 issued the business premise licence supporting letter to EMSB. On 29 October 2024, our Group had submitted the complete business premise licence application to MBPG. In view of the aforementioned, our Group had in October 2024 implemented a flexi work arrangement for our 10 employees in Pasir Gudang Operational Facilities to perform their administrative tasks remotely from home or at our site office at our client's premises. Our Group had subsequently in November 2024 obtained a valid business premise licence and relocated our employees into the Pasir Gudang Operational Facilities.

However, in the event that MBPG imposes a penalty on the non-compliance, the maximum penalty amount payable under the By-Laws3(3) of the Licensing of Trade, Business and Industries (Pasir Gudang Municipal Council) By-Laws 2017 is RM2,000 or to imprisonment for a term not exceeding 1 year or to both. Nonetheless, our Group is of the view that the non-compliance, is not expected to have a material impact on our Group after considering inter-alia, that no penalty in relation such non-compliance has been imposed on the Group to-date and that the Group has obtained the said licence.

As at the LPD, our Group holds valid business premise licences issued by the relevant local authorities for our business activities, details of which are set out in Section 7.16 of this Prospectus.

(c) Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 ("CIDB Act")

Under the CIDB Act, no person shall carry out or complete, undertake to carry out or complete any construction work or hold himself as a contractor, unless he is registered with the CIDB and holds a valid certificate of registration issued by CIDB under the CIDB Act. Any person who contravenes this legal requirement shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM100,000.

As at the LPD, our Group holds valid and subsisting certificates of registration issued by CIDB. Please refer to Section 7.16 for further details of the certificates of registration.

Under Section 34 of the CIDB Act, a contractor is required to declare and submit to CIDB any construction works contract which it has been awarded. For every awarded contract having a contract sum of above RM500,000, the main contractor shall be liable to pay to the CIDB a levy at the rate of 0.125% of the contract sum. A failure to comply with such requirements in Section 34 will result in us being liable on conviction to a fine not exceeding RM5,000. In addition, we may also be liable to, among others, a penalty not exceeding RM500,000 on conviction if we fail to notify and submit CIDB any information or documents relating to construction works, whether new or otherwise.

In the past, our Group did not declare certain maintenance contracts which includes but not limited to atmospheric storage tank maintenance, civil and structural maintenance and mechanical maintenance works to CIDB as our Group was not aware of the obligations to declare such maintenance contracts under the CIDB Act and hence did not make the necessary levy payments, where applicable. The estimated total amount of levies to be paid by our Group based on the completed projects for the Financial Years Under Review is approximately RM17,300. As at the LPD, our Group has made the necessary declarations and payment of levy to CIDB in respect of its ongoing projects and there have been no fines or penalties imposed on our Group in relation to our abovementioned non-compliance. However, in the event of any potential penalty imposed on our Group in relation to any non-compliance for completed projects, our Group shall be liable to pay the maximum penalty of approximately RM505,000 and the required levy payments. Nonetheless, our Group is of the view that the non-compliance, is not expected to have a material impact on our Group after considering inter-alia, that no penalty in relation such non-compliance has been imposed on the Group to-date and that the Group has implemented necessary procedures to ensure the notification and any levy payment payable to CIDB will be made in a timely manner. In addition, CIDB had in 2023 conducted a contractor compliance audit on EMSB and our Group was found to have complied with the requirements of the CIDB Act and regulations made thereunder.

As at the LPD, our Group has complied with the requirement to notify and submit the details of our awarded construction works contracts on the CIDB portal and has made, where required, the necessary levy payments on our ongoing construction works contracts to CIDB.

(d) Occupational Safety and Health Act 1994 (as amended by the Occupational Safety and Health (Amendment) Act 2022) ("OSHA")

OSHA makes provisions for securing the safety, health and welfare of persons at work, to protect others against risks to safety or health in connection with the activities of persons at work.

Pursuant to Section 16 of the OSHA, it shall also be the duty of every employer to prepare a general policy with respect to the safety and health of his employees and the organisation and arrangements for the time being in force for carrying out that policy. The policy shall be revised as needed and shall be brought to the notice of all employees. A person who contravenes these provisions shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or to both.

In addition to the above, Section 27D (1) of the OSHA further states that no person shall operate or cause or permit to be operated any machinery in respect of which a CF is prescribed, unless there is in force in relation to the operation of the machinery a valid CF issued by an officer or a licensed person under OSHA. In the case of any contravention, the person shall be liable of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

Pursuant to Section 29 of the OSHA, an occupier of a place of work to which this section applies shall employ a competent person to act as a safety and health officer at the place of work. An occupier who contravenes the provisions of this section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to a term of imprisonment not exceeding 6 months or to both. The employer of the class or description of industries that shall employ a safety and health officer can be found under Order 3 of the Occupational Safety and Health (Safety and Health Officer) Order 1997, which includes any gas processing activity or petrochemical industries employing more than a hundred employees.

Section 29A(1) of the OSHA also states that an employer shall appoint one of his employees to act as an occupational safety and health coordinator if he employs five or more employees at the place of work. Any person who fails to do so shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 6 months or to both.

Pursuant to Section 30 of the OSHA, every employer shall establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work or the Director General of the Department of Occupational Safety and Health directs the establishment of such a committee at the place of work. A person who contravenes the provisions of this section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

During the Financial Years Under Review and up to the LPD, there is no material non-compliance by our Group in relation to the OSHA. Our Group has formulated a documented standard operating policies and procedure on occupational safety, health and environmental plan. Our Group has obtained valid certificates of fitness for the applicable machinery. We have established safety and health committee and identified and appointed occupational safety and health officers or coordinator at its operating level, as the case may be, for the purpose of managing matters relating to workplace safety and health.

(e) Town and Country Planning Act 1976 ("TCPA 1976") and Street, Drainage and Building Act 1974 ("SDBA 1974")

The TCPA 1976 governs planning permission which lays down the rules and guidelines for land use and development to promote orderly and sustainable growth in Peninsular Malaysia.

Section 19 of the TCPA 1976 provides that no person shall commence, undertake or carry out any development unless planning permission in respect of the development has been granted.

The SDBA 1974 governs matters relating to streets, drainage and buildings in Peninsular Malaysia. It provides a requirement to have a CF or CCC to ensure that the building is safe and fit for occupation. Pursuant to Section 70(1) of SDBA 1974, no person shall erect any building without the prior written permission of the local authority and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or to both. Further, Section 70(27)(f) of SDBA 1974 provides that any person who occupies or permits to occupy any building or any part thereof without CCC shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

As at the LPD, all our Group's owned and rented properties have been issued with a CCC, save as disclosed below:

(i) EMSB constructed three (3) units of workshops and two (2) units of two (2) storey offices on a vacant land in Bandar Penawar, Johor ("**Bandar Penawar Property**") without obtaining planning permission, building plan approval and occupied the said facility without a CCC. Our Group had in April 2024 vacated Bandar Penawar Property and relocated our business operations to Pengerang Office. In March 2025, our Group had received the building plan approval from MPP to commence on-site rectification works. As at the LPD, our Group is in the midst of rectifying and complying with the requirements and conditions imposed by the relevant authorities.

Upon completion of the rectification works, our Group will submit the relevant forms for the application of CCC to MPP. The Group expects to obtain the CCC by fourth quarter of 2025. The total cost of rectification is estimated at RM970,000 representing 4.78% of the Group's audited PAT attributable to owners of the Company for the FYE 2024. As at the LPD, EMSB has been imposed with a total penalty of RM93,534 (i.e. fine for failure to submit planning permission of RM40,032 and fine for failure to submit the building plan of RM53,502) representing 0.46% of our Group's audited PAT attributable to owners of the Company for the FYE 2024 for this non-compliance incident.

There is no material impact to our Group's business operations and financial condition as EMSB being appointed as one of the main contractors for the TA4MS contract, has also been assigned with a designated working area in the Pengerang Integrated Complex (PIC) in Pengerang, Kota Tinggi, Johor. The working area is of approximately 1 acre and was assigned to EMSB at no cost. EMSB is allowed to utilise the said area to lay down scaffolding materials, trucks, cranes and equipment as well as perform fabrication works. Furthermore, our Group performs the maintenance services on our customers' premises where the equipment and structure are located. Our employees have also been relocated to the Pengerang Office.

(ii) EMSB constructed one (1) storey office building with a workshop on Melaka Operational Facilities without building plan approval and occupied the said facility without CCC. Our Group had in July 2024 vacated the said office building and workshop. In January 2025, our Group had received approval from the Fire and Rescue Department of Malaysia ("**BOMBA**") on the Mechanical & Electrical ("**M&E**") plan. Once BOMBA carry out the relevant inspection on the workshop and upon obtaining the updated building plan approval, our Group will submit the relevant forms for the application for CCC. The Group expects to obtain the CCC by the third quarter of 2025.The total cost of rectification is estimated at RM175,000 representing 0.87% of the Group's audited PAT attributable to owners of the Company for the FYE 2024. As at the LPD, EMSB has been imposed with a total penalty of RM37,007 (i.e. fine for failure to submit building plan) representing 0.18% of our Group's audited PAT attributable to owners of the Company for the FYE 2024 for this non-compliance incident.

There is no material impact to our Group's business operations and financial condition as our Group performs the maintenance services on our customers' premises where the equipment and structure are located. Our employees have also been relocated to the existing office building on the same land with valid CCC.

Steps taken to prevent the recurrence of non-compliance incidents

Our Group has implemented the following measures to enhance our internal control system to prevent the recurrence of similar incidents particularly relating to the compliance with rules and regulations governing the property assets owned or rented by our Group as well as our operational licensing requirements.

Our Group has identified and established a list of relevant laws, regulations, rules and requirements for its business operations and premises with date of expiry to monitor and submit renewal application prior to the expiry of the relevant approvals, licences and certificates. Further, our Group undertakes to adhere with all relevant laws, rules, regulations, requirements and guidelines by establishing an internal compliance committee ("**Compliance Committee**"). The Compliance Committee has been established to enhance internal control of the Group to prevent the recurrence of non-compliance incidents. The Compliance Committee will report on all areas of compliance to the Audit and Risk Management Committee, which in turn will report to our Board on a quarterly basis where majority of our Board comprises independent non-executive directors to ensure oversight on the compliance of all relevant laws, rules, regulations, requirements and guidelines.

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7.21 EMPLOYEES

As at the LPD, we have a total workforce of 659 local employees. The following table sets out the breakdown of our employees in our Group based on job functions as at FYE 2024 and as at the LPD:

	No. of employees					
	FYE 2024			As at the LPD		
	Permanent	**Contract(1)**	**Total**	**Permanent**	**Contract(1)**	**Total**
Management	5	0	5	5	0	5
Accounts, Finance and Billings	8	8	16	8	10	18
Administration and Human Resources	9	16	25	9	21	30
Quality, Health, Safety and Environment ("**QHSE**")	4	69	73	4	70	(2)74
Information Technology (IT)	3	2	5	3	3	6
Operation	40	416	456	(3)37	460	(4)497
Others (including procurement, tender and proposal and corporate affairs, legal)	10	10	20	14	15	29
	79	**521**	**600**	**80**	**579**	**659**

Notes:

(1) The period of the contract of our contract employees generally ranges between 1 and 2 years. Majority of our employees are employed on contractual basis as the nature of the projects awarded to our Group may require employees with different set of expertise, experience and technical skills, among others proficiency, familiarity and past experiences in the operation of various types of cranes, vehicles such as lorries and trailers as well as heavy machineries such as excavators, forklifts and loaders, which will differ based on the relevant project's requirements and duration. This contractual arrangement is a common industry practice to allow effective allocation of resources for each project and to promote cost-effectiveness and flexibility to our Group by hiring contract employees on as and when needed basis.

(2) 54 are skilled labour who are experienced and well versed in identifying, monitoring, adopting and ensuring compliance with the necessary established QHSE standards.

(3) Mainly consist of employees of senior level or management of our Group, including senior managers, managers and operation heads.

(4) 261 are skilled labour and 44 are licensed operators who equipped with the knowledge and expertise in operating machines and machining tools, maintenance, repair, installations and systems; occupational, safety and health standards and requirements; Malaysian regulations and standards including technical specification and requirements, some of whom have the relevant educational or professional certifications from accredited institutions and/or body or licence to operate machinery or vehicles.

None of our employees belongs to any trade unions and there has been no industrial dispute since we commenced operations.

7.22 EXCHANGE CONTROLS

As at the date of this Prospectus, we do not have any foreign subsidiary or associated company which requires repatriation of capital and remittance of profits by or to our Group.

7.23 ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") PRACTICES

Our Group recognises the importance of adopting ESG practices such as ensuring environmentally responsible operations, provision of conducive workplaces for our employees and good corporate governance for sustainable value creation. As such, our Group focuses on the following ESG practices:

(i) Environmental

Our Group aims to integrate sustainability and eco-friendly practices into our operations to minimise our environmental impact. As part of our commitment to sustainability, we have implemented the following practices:

- We dispose the schedule waste generated during maintenance services at our customer's premises based on their established protocols to ensure all waste is handled in compliance with the regulatory requirements.
- We implement recycling programs to encourage paperless operations and recycling of printing papers to minimise consumable waste and ensure proper disposal methods. Further, we also promote the use of energy-efficient equipment, including LED light bulbs and inverter air conditioners.

(ii) Social

We recognise that the safety and health of our employees are our priorities. We strive to create a conducive environment to promote employee wellbeing and through the following:

- We are committed to safeguarding the well-being and health of our employees by maintaining a safe and healthy workplace. In accordance with OSHA, we have established a quality, health, safety and environmental (QHSE) policy, a safety and health committee and certified safety and health officers or coordinator, as the case may be, to monitor the safety and health matters of our Group.
- We provide personal protective equipment (i.e. safety helmet, safety shoes, protective eyewear and flame-resistant coverall) to our workers in operation sites to minimise the risk of injury.
- We promote employee health and well-being by offering medical benefits, team building programs and foster a positive workplace culture.
- We empower and retain skilled employees and attract new talents through supporting their personal and professional growth. We seek to enhance our employees' capabilities through competency training programs for our welders, mechanical fitters and riggers. By doing so, we believe that we are supporting our employees' professional development which would enhance their performance and productivity while increasing their value and future marketability.
- We have undertaken various corporate social responsibility (CSR) initiatives, such as charity and community cleaning works to show our commitment in supporting local communities.

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(iii) Governance

We are committed in upholding the good corporate governance and conducting our business ethically. In maintaining good corporate governance, our Group has adopted the recommendations under the MCCG. Save for certain practices of the MCCG, the compliance of which could only be achieved or becomes applicable upon the listing of the Company (such as the recommended disclosures to be made in the Company's Annual Report and Corporate Governance Report), the MCCG practices our Group has adopted are as follows:

(a) at least half of our Board are independent directors;

(b) at least 30% of our Board are women directors;

(c) our Audit and Risk Management Committee comprises solely of independent directors; and

(d) our Non-Independent Non-Executive Chairman is not a member of any of our board committees.

In addition, we have zero tolerance towards any form of bribery and corruption in our business operations. As such, we have established various policies such as anti-bribery and corruption policy, whistle-blowing policy and conflict of interest policy to ensure the sufficiency and integrity of our Group's risk management and internal control system.

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Creating Winning Business Solutions

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11 June 2025

The Board of Directors
Enproserve Group Berhad
13-G-01, Star Central @ Cyberjaya,
Lingkaran Cyber Point Timur, Cyber 12,
63000 Cyberjaya, Selangor

Dear Sirs and Madams

Independent Assessment of the Oil and Gas Maintenance Industry in Malaysia

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

We have been engaged to provide an independent assessment of the industry for inclusion in the prospectus of Enproserve Group Berhad for its listing on the ACE Market of Bursa Securities. This report has been prepared independently and objectively, with all reasonable care taken to ensure its accuracy and completeness.

In our opinion, the report provides a true and fair assessment of the industry, considering the limitations of timely information and analyses based on secondary and primary market research as of the report date. Please note that our assessment pertains to the overall industry and may not reflect the performance of any specific company.

We accept no responsibility for the decisions or actions of the readers of this document. This report should not be interpreted as a recommendation to buy or not buy the securities of any company.

Our report may contain information, assessments, opinions, and forward-looking statements subject to uncertainties and contingencies. These statements are based on secondary information and primary market research, and, despite careful analysis, the industry is influenced by various known and unforeseen factors that could cause actual events and future results to differ materially.

Yours sincerely

Wooi Tan
Managing Director

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

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Date of Report: 11 June 2025

INDEPENDENT ASSESSMENT OF THE OIL AND GAS MAINTENANCE INDUSTRY IN MALAYSIA

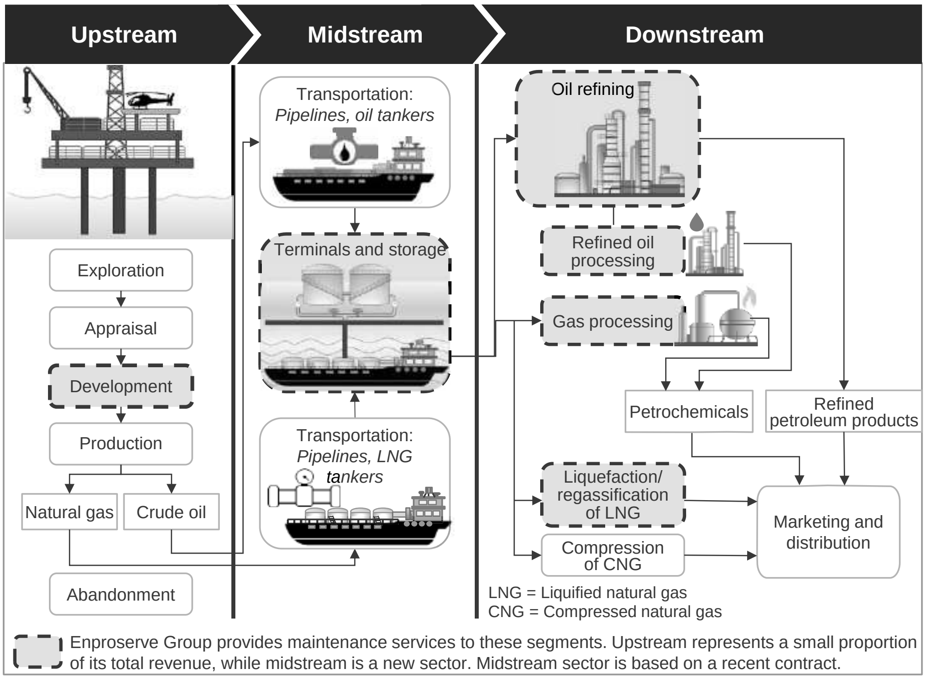
1. OVERVIEW OF ENPROSERVE GROUP'S BUSINESS AND REPORT PARAMETERS

- Enproserve Group Berhad and its subsidiaries (Enproserve Group) are involved in providing mechanical and civil engineering services, focusing on plant maintenance and turnaround, and engineering, procurement, construction and commissioning (EPCC) of facilities primarily serving the downstream sector of the oil and gas (O&G) industry in Malaysia. This report will focus on these sectors accordingly. In this report, all references to maintenance include repairs, and may also include turnaround and shutdown, all data and information refer to Malaysia unless specified otherwise.

2. INDUSTRY OVERVIEW

2.1 Structure of the O&G Industry

- The O&G industry can be categorised into three main sectors as follows:



Upstream

- Upstream activities can be segmented into the following subsectors:

Exploration and appraisal	Involves geological and geophysical surveys, tests to locate O&G deposits, and technical and commercial assessment of the viability of extracting discovered O&G.
Development	Involves constructing facilities to extract O&G. It includes drilling and completion of production wells, and design and construction of extraction systems, pipelines, storage and offloading facilities.
Production	Involves extracting and initial processing of O&G from developed fields.
Abandonment	Involves decommissioning activities aimed at concluding the productive life of facilities through removing installed assets, and restoring sites to safe and environmentally stable conditions.

- In Malaysia, the upstream sector of the O&G industry is mainly offshore. A small proportion of Enproserve Group's revenue is from the upstream sector of the O&G industry, which includes engineering, procurement, construction and commissioning (EPCC) of pipes for offshore platforms, and supply of manpower for fabrication work.

Midstream

- The midstream sector of the O&G industry encompasses facilities and processes related to transporting the extracted O&G from production sites to storage, processing and refinery facilities. This mainly includes the operation of offshore transportation vessels and pipelines, and onshore terminals and storage facilities. Enproserve Group has recently been involved in the midstream sector of the O&G industry.

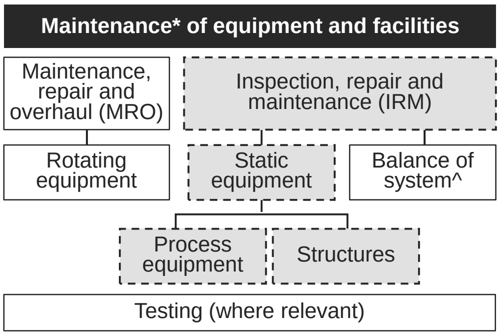
Downstream

- The downstream sector involves refining crude oil, processing and liquefaction of natural gas, manufacturing petroleum and petrochemical products, and marketing, retailing and distributing petroleum products to end-users. Downstream facilities also involve storage and piping systems. A significant proportion of Enproserve Group's revenue is derived from the provision of plant maintenance and turnaround services, EPCC of facilities, and other related activities in the downstream sector of the O&G industry.

2.2 Maintenance of equipment and facilities in the O&G industry

- Operations in the O&G industry rely heavily on equipment and facilities, which require significant upfront investments and ongoing maintenance to ensure optimal and safe performance.

- MRO focuses on rotating equipment such as gas and steam turbines, engines, motors, compressors, pumps, fans and blowers. MRO includes routine maintenance tasks like oil changes, and filter replacements, as well as repairs and scheduled overhauls, where equipment is disassembled for cleaning, refurbishment, and part replacement to restore them to optimal and safe performance.



* Includes plant turnaround and shutdown
^ Includes instrumentation and control, electrical, safety and environmental systems

Enproserve Group is mainly involved in these activities except for inspection which is carried out by third-party experts

- IRM focuses on the following:
  - process equipment such as fired and unfired pressure vessels, heat exchangers, chillers, separators, reactors, columns, flare systems, and dehydrators;
  - structures such as storage tanks, piping systems, and support structures; and
  - balance of systems such as instrumentation and control, electrical, safety and environmental systems.

  IRM commonly comprise three key areas:
  - Inspection. This activity is typically performed by specialists using specialised inspection equipment. Routine inspections are conducted regularly to identify potential issues before they escalate, enabling effective planning for maintenance and repair activities.
  - Maintenance and repair: See Section 2.3 of this report.
  - Testing: For certain process equipment and structures, testing of the repaired or maintained areas is required to ensure their integrity and safe operations. They may include the following:

- destructive testing including tensile, Charpy impact, and hardness testing, and macroscopic examination;
- non-destructive testing such as dye penetrant, ultrasonic, radiographic, magnetic particle, eddy current and visual testing;
- performance testing such as pressure, leak, functional, flow, heat transfer, corrosion, vibration, noise and insulation testing; and
- calibration to ensure instruments and control equipment are functioning accurately.

- Enproserve Group provides maintenance and repair for static equipment for onshore oil, gas and petrochemical manufacturing and processing equipment and facilities.

2.3 Types of maintenance

- Maintenance, which includes repair, is classified into the following types:

  - **Preventive maintenance** involves planned or scheduled inspections, servicing, and repairs to identify and address potential issues before they cause major disruptions or costly breakdowns.
  - **Corrective maintenance** addresses issues after they occur, such as sudden equipment failures or problems identified during routine inspections. This process involves repairing or replacing faulty components or equipment to restore normal functionality as quickly as possible, or to prevent imminent breakdowns. However, corrective maintenance can also lead to unplanned downtime and may incur higher costs compared to preventive maintenance.
  - **Predictive maintenance** utilises advanced techniques such as machine learning and data analytics to anticipate equipment failures or performance degradation. This allows for optimised maintenance activities, performing preventive and corrective actions at the most opportune time to avoid unexpected breakdowns.

  Enproserve Group is involved in preventive and corrective maintenance.

- Maintenance, covering rotating and static equipment, also includes **plant turnaround and shutdown**, where a facility, either partially or entirely, ceases operation to allow for comprehensive maintenance activities. These shutdowns are essential for maintenance tasks that cannot be performed while the plant is operational, such as major inspections, cleaning, repairs, overhauls, upgrades and retrofitting. Plant turnaround and shutdowns are commonly regulatory requirements, and in some cases, equipment manufacturers' requirements or recommendations. The frequency of a plant turnaround and shutdown, ranging from twice a year to once every five years or more, is dependent on factors such as plant technology, importance of assets, and regulatory requirements.

- While plant turnaround would require shutdown, often smaller shutdowns not amounting to full plant turnaround, are needed for one or several types of equipment or part of the facility to facilitate maintenance work. These smaller shutdowns may range from one to several days.

- In plant turnaround and shutdown, securing and managing human resources efficiently and effectively is essential as large manpower resources including engineers, technicians, craftsmen, and skilled and specialist maintenance personnel need to work in a coordinated manner to minimise the shutdown period.

3. Malaysia's investments in the O&G industry

- The growth of Malaysia's O&G industry is driven by various investments benefiting service providers like Enproserve Group. These benefits include providing maintenance services once facilities are completed and operational, as well as EPCC for major upgrades, replacement of existing facilities, and construction of new amenities and facilities. This section will focus on Malaysia's investments in the O&G industry, specifically the Pengerang Integrated Petroleum Complex (PIPC) for the downstream sector, which is a key operational area for Enproserve Group, as well as the investment landscape of the O&G industry.

3.1 PIPC for downstream O&G industry

- **PIPC** is an industrial development located in Pengerang, Johor, overseen by the Johor Petroleum Development Corporation Berhad (JPDC), a government agency. PIPC was established to coordinate and promote the downstream O&G industry in Johor and is designed to encompass various facilities, including refineries, petrochemical plants, storage terminals and supporting infrastructure. For its financial year ended 31 December 2024, approximately two-thirds of Enproserve Group's total revenue was from Johor mainly providing services to Pengerang Integrated Complex within the larger PIPC.

- PIPC spans over 22,904 acres and is scheduled for a 25-year development between 2013 and 2037 in four phases. PIPC comprises several key development areas, including, among others, the following:

  - **Pengerang Integrated Complex (PIC)**, a 6,242-acre integrated refinery and petrochemical complex developed by Petroliam Nasional Berhad (PETRONAS). The PIC comprise the refinery and petrochemical integrated development (RAPID) which includes **refineries, steam crackers and petrochemical complexes**. RAPID produces premium differentiated petrochemicals to meet the domestic demand for petroleum products, with support from six associated facilities:
    - Raw Water Supply Project (PAMER) that provides a dedicated water supply for the complex;
    - Pengerang Deepwater Terminal 2 (PDT2) that offers storage facilities for crude oil and other petroleum products;
    - Air Separation Unit (ASU) that supplies industrial gases required for various processes within the complex;
    - Pengerang Cogeneration Plant (PCP) that generates electricity and steam to power the complex's operations;
    - Liquified natural gas (LNG) Regasification Terminal 2 (RGT2) that facilitates the import and processing of liquefied natural gas; and
    - Centralised Utilities and Facilities (CUF) provide essential shared utilities and infrastructure for the entire complex.

  - **Pengerang Deepwater Terminals (PDT)**, a multi-phased storage facility for crude oil, gas and petroleum products with a total future storage capacity of up to 5 million cubic metres. This is in addition to the PDT2 under PIC.

- Following are some of the data for PIPC as of 31 December 2023:

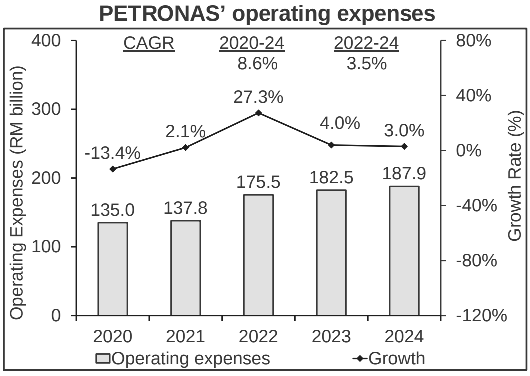
	Status as of 2023	Target by 2037
Land area	Committed: 10,415 acres; Utilised: 6,256 acres	22,904 acres
Investment	Committed: RM139.7 billion; Utilised: RM124.8 billion	RM330.6 billion
Liquid storage capacity	4.1 million cubic metres	5 million cubic metres
Refining capacity	300,000 barrels per day	1 million barrels per day
Petrochemical production	3.6 million tonnes per annum	11.3 million tonnes/annum

(Latest available information. Source: Malaysia Petroleum Resources Corporation (MRPC))

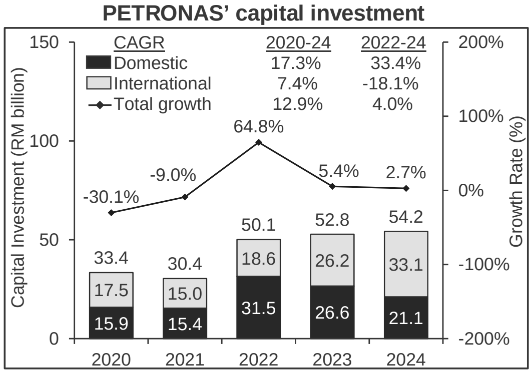
3.2 Operation and investment landscape of the O&G industry

- Operators providing plant maintenance and turnaround services, including Enproserve Group, would benefit from a growing PETRONAS' operating expenses. Increasing operating expenses by PETRONAS indicate increasing costs associated with maintaining current operations. This growth may be attributed to higher maintenance and upgrades for existing facilities. Between 2022 and 2024, PETRONAS' operating expenses grew at a CAGR of 3.5%.

PETRONAS' operating expenses



PETRONAS' capital investment



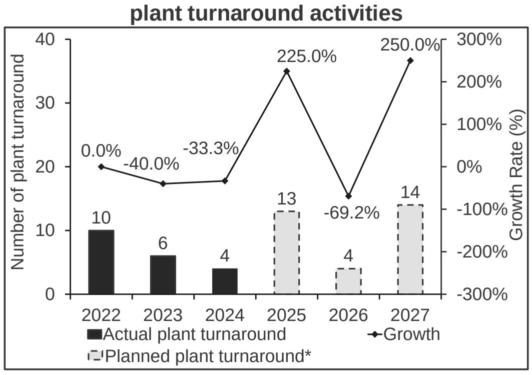
(Source: PETRONAS)

- PETRONAS' increasing capital investment reflects its commitment to new O&G projects, creating future demand for maintenance services. Between 2019 and 2023, PETRONAS experienced a CAGR of 2.5% in capital investment, primarily due to reduced capital expenditures in 2020 and 2021 to safeguard liquidity during the COVID-19 pandemic. In 2023, capital investment rose by 5.4% to RM52.8 billion, driven by increased domestic spending on near-shore floating LNG projects in Sabah, as well as the Kasawari Gas Field Development and Carbon Dioxide Sequestration Facilities in Sarawak. In 2024, capital investment increased by 2.7% to RM54.2 billion compared to RM52.8 billion in 2023, largely focused on development and exploration activities in the upstream sector. *(Source: PETRONAS)*

- In 2024, the majority of PETRONAS' capital investment was allocated to the upstream sector (52%), followed by the gas and maritime segment (21%), clean and renewable energy solutions segment (11%), downstream sector (9%), and others (7%) of the O&G industry. *(Source: PETRONAS)*

- In 2023 and 2024, PETRONAS executed six and four turnaround activities, respectively, which was lower than expected due to schedule deferrals. However, the outlook for the next three years is expected to be positive, driven by the upcoming plant turnaround requirements at facilities in Peninsular Malaysia (East Coast), Pengerang, and Sarawak. *(Source: PETRONAS)*

PETRONAS' actual and planned* plant turnaround activities



** Includes activities which may have been contracted out at the time of PETRONAS' reporting (Source: PETRONAS)*

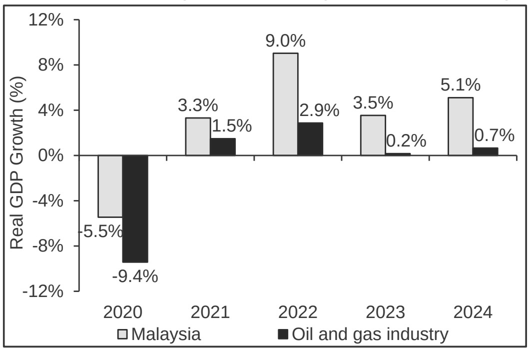
- Additionally, PETRONAS is implementing a Self-Regulation (SR) initiative, which is expected to decrease plant turnaround and increase maintenance activities after SR certification. As of 31 December 2023, two PIC occupiers and four pilot PETRONAS operating units have reached 75% readiness for SR certification. *(Source: PETRONAS)*

4. PERFORMANCE OF THE ECONOMY AND THE O&G INDUSTRY

- The O&G industry supplies the main energy source for transportation, power generation, heating, and industrial processes, while also providing raw materials for the petrochemical sector to manufacture intermediate and end products such as plastics, synthetic rubber, chemicals, and fertilisers. O&G is the primary energy source for power generation, essential to all facets of the economy and society. As a result, economic and social development drives demand for energy and O&G products. An increase in this demand will lead to higher operational expenditures and capital investments in the O&G sector, ultimately benefiting service operators within the industry.

4.1 Malaysia's economic activities and O&G industry

Real GDP of Malaysia's economy and O&G industry



(Source: Department of Statistics Malaysia (DOSM))

- Gross Domestic Product (GDP) measures the gross value added to the output of goods and services in a country or sector during a specified period. Real GDP measures the "real" changes in output over time, due to changes in the quantity of goods and services produced, rather than changes in their prices.

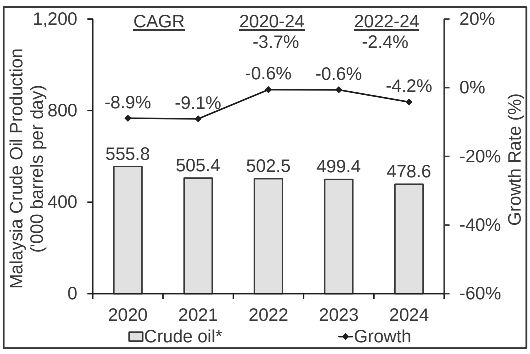
- In 2023, Malaysia's real GDP grew by 3.5%, mainly supported by resilient domestic demand, a rebound in tourism and improvements in labour market conditions. In 2024, Malaysia's real GDP grew by 5.1%, supported by continued expansion in domestic demand and a rebound in exports. In the first quarter (Q1) of 2025, the real GDP of Malaysia's economy grew by 4.4% compared to Q1 2024, mainly driven by sustained household spending, steady expansion in investment activities, and continued export growth supported by electrical and electronics exports and tourism activities. *(Source: Bank Negara Malaysia (BNM))*

- Meanwhile, in 2023, the real GDP of Malaysia's O&G industry grew by 0.2%, mainly due to lower O&G production in the second and third quarters of 2023 attributed to scheduled plant maintenance activities. In 2024, the real GDP of Malaysia's O&G industry grew by 0.7%. In Q1 2025, the real GDP of O&G industry declined by 3.2% compared to Q1 2024, mainly attributed to lower O&G production. *(Source: BNM)*

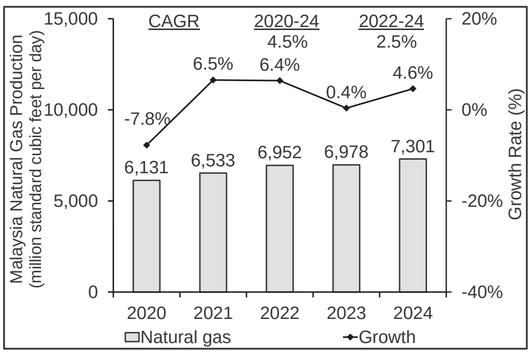
4.2 Malaysia's O&G conditions

- Increasing production of crude oil and natural gas creates opportunities for increased activity, benefiting operators in the O&G industry. Between 2022 and 2024, Malaysia's average daily production volume of crude oil (including condensates) declined at an annual average rate of 2.4%, primarily due to maturing oil fields, a lack of significant discoveries, and disruption to O&G production amid increased maintenance activities *(Source: BNM)*. In 2024, Malaysia's average daily production volume of crude oil declined by 4.2% to 478,600 barrels per day compared to 499,400 barrels per day in 2023.

Malaysia average daily crude oil* production



Malaysia average daily natural gas production

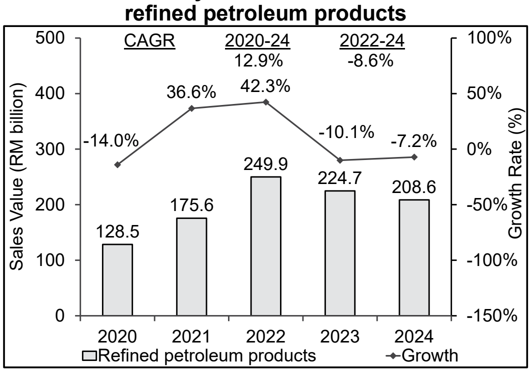


** Include condensates (Source: BNM)*

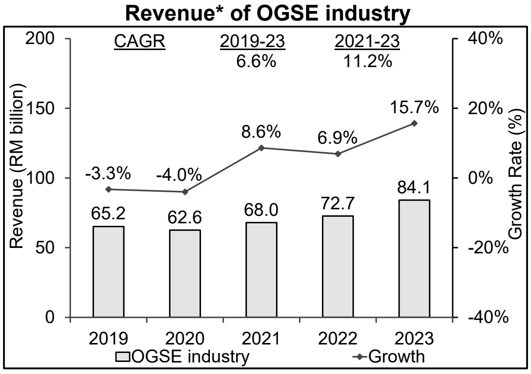
- Meanwhile, natural gas experienced a CAGR of 2.5% between 2022 and 2024. In 2024, Malaysia's average daily production volume of natural gas grew by 4.6% to 7.3 billion standard cubic feet per day on average, compared to 7.0 billion standard cubic feet per day on average in 2023.

- In the downstream sector, the sales value of domestically manufactured refined petroleum products in Malaysia grew at a CAGR of 13.1% between 2021 and 2023, mainly supported by the ramp-up in output at a major oil refinery in 2022. In 2023, the sales value of domestically manufactured refined petroleum products in Malaysia declined by 10.1% to RM224.7 billion, affected by upstream supply disruptions and maintenance of refineries. *(Source: BNM)* In 2024, the sales value of domestically manufactured refined petroleum products declined by 7.2% to RM208.6 billion compared to RM224.7 billion in 2023.

Malaysia sales value of refined petroleum products



Revenue* of OGSE industry



** Based on the aggregation of the revenue of 1,855 OGSE companies which include revenue derived from Malaysia and foreign countries operations. Latest available information. (Source: DOSM; MPRC)*

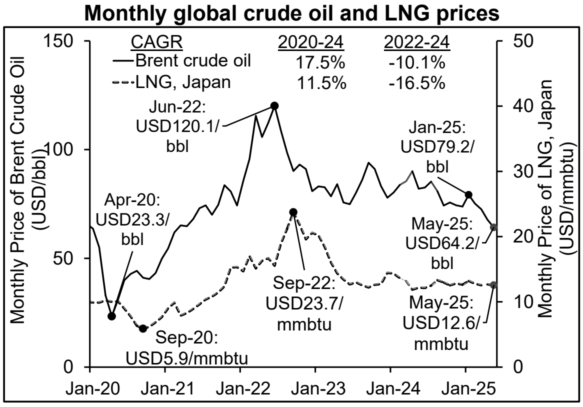
- Malaysia's O&G services and equipment (OGSE) industry refers to the supporting industry to the overall O&G industry through the supply of goods and services. Between 2021 and 2023, the revenue of OGSE industry grew at a CAGR of 11.2%, with a growth of 15.7% to RM84.1 billion in 2023. The growth in 2023 was mainly attributed to the higher average jack-up rig utilisation rate, as well as an increase in daily charter rates due to a shortage of offshore support vessels. (*Source: MPRC)*

4.3 Global crude oil and natural gas prices

- Crude oil and natural gas are globally traded products and their prices have a major impact on activities relating to the O&G and petrochemical industries. Higher crude oil and natural gas prices will stimulate increased exploration and production activities. However, higher crude oil and natural gas prices may adversely impact the downstream sector as petrochemical products become more expensive.

- In April 2020, the Brent crude oil price initially plunged due to decreased demand amid the COVID-19 pandemic and oversupply from the Russia-Saudi Arabia oil price war. Subsequently, prices surged to USD120.1 per barrel in June 2022, driven by factors including, production cuts by the Organization of the Petroleum Exporting Countries (OPEC) and the leading non-OPEC oil-exporting countries (also known as OPEC+), reopening of economies, and geopolitical tensions between Russia and Ukraine. However, prices began declining in the second half of 2022 amid reduced demand and rising global oil supply, despite a brief spike in the third quarter of 2023 due to geopolitical concerns in the Middle East. In 2024, Brent crude oil prices were influenced by competing forces including geopolitical risks in the Middle East that pushed the

Monthly global crude oil and LNG prices



LNG= Liquefied natural gas; bbl = barrel; mmbtu = million British thermal units (Source: Vital Factor analysis) countries, and spare capacity held by OPEC+ countries exerted downward pressure. In early 2025, Brent crude oil prices dropped from USD79.2 per barrel in January 2025 to USD64.2 per barrel in May 2025 following a sharp increase in global trade tensions.

- Similarly, Japan's LNG prices declined in September 2020 due to reduced demand but rebounded in 2021 amid economic recovery and extreme weather events. Prices peaked in September 2022 after Russia curtailed gas supplies to Europe amid the Russia-Ukraine conflict, leading to increased demand for Japan's LNG. Subsequently, prices declined due to favourable winter weather and sufficient gas inventories.

5. COMPETITIVE LANDSCAPE

- The following companies offer maintenance services to the O&G downstream industry sorted in decreasing order of total revenue. This is not an exhaustive list:

	FYE(1)	Rev(2) (RM mil)	Rev CAGR(3)	GP(2) (RM mil)	GP growth(4)	GP margin	NP/(NL)(2) (RM mil)	NP/(NL) margin
HRSB Holdings S/B(5)	Dec-23	409.7	60.1%	38.7	(7.3%)	9.4%	(1.7)	(0.4%)
Sankyu (Malaysia) S/B(6)	Dec-24	246.7	(7.5%)	n.a.	n.a.	n.a.	14.7	6.0%
U B F Maintenance S/B(7)	Dec-23	211.4	19.4%	24.6	53.6%	11.7%	9.5	4.5%
Amalgamated Plant Engineering S/B(8)	Jun-23	205.3	78.5%	19.3	7.6%	9.4%	13.9	6.8%
Enproserve Group	**Dec-24**	**198.4**	**29.5%**	**60.1**	**49.3%**	**30.3%**	**21.1**	**10.6%**
Mushtari Maintenance Services S/B(9)	Dec-23	158.9	21.7%	25.6	16.1%	16.1%	10.8	6.8%
Newwin Engineering (M) S/B(10)	Dec-23	154.2	42.2%	23.1	46.8%	15.0%	5.3	3.5%
Dialog Plant Services S/B(11)	Jun-24	154.2	(14.1%)	0.8	154.9%	0.5%	6.6	4.3%
Pioneer Engineering S/B(12)	Dec-23	132.4	25.4%	26.2	19.6%	19.8%	1.9	1.4%
BWS Engineering S/B(13)	Dec-23	104.6	(0.6%)	9.2	(7.5%)	8.8%	4.1	3.9%
Weighted average			**20.5%(a)**		**23.6%(b)**	**13.2%(c)**		**4.4%(d)**

(a) CAGR of the sum of the revenue of all of the above companies for their latest three financial years; (b) Growth of the sum of the GP of all of the above companies with information compared to the sum of their GP for their previous financial year; (c) (Sum of the GP of all of the above companies with information divided by the sum of their revenue) x 100%; (d) (Sum of the NP of all of the above companies divided by the sum of their revenue) x 100%; FYE = financial year end; Rev = revenue; mil = million; GP = gross profit; NP = net profit after tax; NL = net loss after tax; S/B = Sdn Bhd; n.a. = information not available

(1) Latest available audited financial information from the Companies Commission of Malaysia and Enproserve Group.
(2) May include other business activities, products and revenue from foreign countries.
(3) 3-year revenue CAGR for the respective companies' latest past three financial years.
(4) Compared to each of the company's respective past financial years.
(5) Mainly engaged as construction and engineering contractors, maintenance and services providers and hauliers.
(6) Mainly involved in the provision of plant engineering, logistics and operation support.
(7) Mainly engaged as a general and maintenance contractor.
(8) Mainly engaged as a general contractor. Subsequent to the FYE June 2023, the latest statistics provided were 6 months for the financial period ending December 2023.
(9) Mainly involved in maintaining onshore O&G plant, cleaning and painting of storage tanks and accessories, and related activities.
(10) Mainly involved in providing turnaround, mechanical, maintenance and fabrication services to the O&G industries.
(11) Mainly involved in the provision of engineering, procurement, construction, and commissioning services, and provision of plant turnaround and specialist maintenance work. A subsidiary of DIALOG Group Berhad, a listed entity on Bursa Securities. DIALOG Group Berhad provides a diverse range of services within the O&G industry, which may comprise other subsidiaries that provide similar or related activities to Dialog Plant Service S/B.
(12) Mainly involved in the provision of maintenance and engineering services.
(13) Mainly involved in engineering contract works.

- The criteria for the selection of the above are as follows:
  - provides mainly maintenance and repair services for static equipment and structures for onshore O&G facilities and equipment;
  - has operations in Malaysia; and
  - availability of relatively recent financial information.

- **Appraisal of Enproserve Group:** Based on the above comparative list of companies, Enproserve Group's revenue CAGR, GP growth, GP margin and NP margin are higher than the weighted average.

6. BARRIERS TO ENTRY

- One of the main barriers to entry to the O&G industry in Malaysia is meeting regulation requirements. The O&G industry in Malaysia is mainly governed by the Petroleum Development Act 1974 (PDA 1974) and Petroleum Regulations 1974. Under PDA 1974, PETRONAS is granted full ownership and exclusive rights to O&G resources found in Malaysia and is also granted control over the carrying on of downstream activities and development relating to petroleum and its products.

- A company wishing to supply goods or services to the O&G industry in Malaysia must have a valid licence and/or registration in the relevant Standardised Work and Equipment Categories (SWEC) code from PETRONAS. PETRONAS defines SWEC codes to provide detailed product and service categorisation for the O&G industry. To obtain registration of a SWEC code for each of the goods and services that it wishes to supply in Malaysia, a company must meet both general and minimum technical requirements (where applicable). Enproserve Group is a PETRONAS-licensed company with the relevant SWEC codes to provide goods and services to the O&G industry in Malaysia.

- Other barriers to entry may include financial resources to purchase equipment and working capital for materials, labour, and leasing of premises, as well as securing skilled workers and having a proven track record and experience in supplying goods and services according to the specific SWEC codes.

- Among the top 100 O&G services and equipment (OGSE) companies in 2023, 60 of them provide operations and maintenance services, and turnaround and shutdown services. *(Latest available information. Source: MPRC)*

7. MARKET POSITION

- The O&G services and equipment (OGSE) industry encompasses a wide range of O&G services and equipment providers including O&G maintenance service providers. While PETRONAS' operating expenses represent only a portion of the O&G maintenance industry, they provide an indication of the market position of Enproserve Group within the industry:

	Total revenue/expenses (RM billion)[a]	Enproserve Group (RM million)[b][2]	Market position[3]
2023-Revenue of OGSE industry	84.1[1]	150.8	Less than 1%
2024-PETRONAS operating expenses	187.9	186.4	Less than 1%

Source: (a) MPRC; PETRONAS; (b) Enproserve Group.

(1) Based on the aggregation of the revenue of 1,855 OGSE companies which includes revenue derived from Malaysian companies with domestic and foreign operations in 2023, which is the latest available information.

(2) Enproserve Group's revenue from servicing customers in the O&G industry for FYE 31 December 2023 and FYE 31 December 2024 respectively.

(3) ((b) divided by (a)) x 100%.

8. INDUSTRY PROSPECTS AND OUTLOOK

Some factors impacting the prospects and outlook of the O&G maintenance industry are as follows:

- The economy of Malaysia remained resilient where **real GDP** grew by 3.6% in 2023. In 2024, the real GDP of Malaysia's economy grew by 5.1% compared to 2023. In Q1 2025, the real GDP expanded by 4.4% compared to Q1 2024. Overall, in 2025, the real GDP of Malaysia's economy is forecasted to grow between 4.5% and 5.5% *(Source: BNM).*

- Meanwhile, the **mining and quarrying sector**, which includes O&G, grew by 0.5% in 2023 mainly driven by an increase in oil production in existing fields as well as the operationalisation of new fields in Sarawak and Peninsular Malaysia. The increase was offset by lower O&G production amidst plant maintenance shutdown. In 2024, the mining and quarrying sector, and O&G industry grew by 0.9% and 0.7% respectively compared to 2023. In Q1 2025, the real GDP of mining and quarrying sector declined by 2.7% compared to Q1 2024. Overall, in 2025, the real GDP is forecasted to decline by 0.8% due to scheduled maintenance at key O&G facilities, coupled with declining production in maturing fields. *(Source: BNM).*

- The demand for O&G maintenance services is largely dependent on **PETRONAS' operating expenses and capital investments** in the O&G industry in Malaysia for the short and long term respectively. Between 2022 and 2024, PETRONAS' operating expenses grew at a CAGR of 3.5%. In 2024, PETRONAS' operating expenses grew by 3.0% to RM187.9 billion compared to 2023. In the same year, PETRONAS' capital investment grew by 2.7% to RM54.2 billion, of which RM28.0 billion and RM4.7 billion were for the upstream and downstream sectors respectively. In 2023 and 2024, PETRONAS executed lower turnaround activities than expected due to schedule deferrals. However, the outlook for the next three years is positive, driven by the upcoming plant turnaround requirements at facilities in Peninsular Malaysia (East Coast), Pengerang, and Sarawak. Additionally, PETRONAS is implementing a Self-Regulation (SR) initiative, which is expected to decrease plant turnaround and increase maintenance activities after SR certification. As of 31 December 2023, two PIC occupiers and four pilot PETRONAS operating units have reached 75% readiness for SR certification. *(Source: PETRONAS)*

- Additionally, the **ongoing development of the PIPC** will create maintenance needs within the downstream O&G industry. PIPC houses several key projects, including, among others, refineries, steam crackers, and petrochemical plants. These O&G and petrochemical facilities require regular maintenance including periodic plant turnaround and shutdown.

- Any **significant fluctuations in global crude oil and/or natural gas prices** create uncertainties for the overall O&G industry. A prolonged period of low oil and gas prices may discourage exploration and development of new O&G fields, reducing overall activities and future maintenance needs; or make the production from existing marginal and low-yielding fields become economically unviable, leading to decreased O&G output and a drop in downstream maintenance needs for refineries.

- The growing awareness and adoption of **clean or alternative energy sources** pose a potential threat to the O&G industry. The transition towards more sustainable and renewable energy options could lead to a decrease in the demand for O&G in the long term, which in turn may impact operators in the O&G maintenance industry. In May 2023, the Government of Malaysia set out to achieve 70% renewable energy installed capacity in the power mix by 2050, and this will be supported by the Net Energy Transition Roadmap introduced to expedite energy transition initiatives. In addition, PETRONAS is committed to achieving net zero carbon emissions by 2050 through among others, capping operational emissions in Malaysia at 49.5 million tonnes of carbon dioxide equivalent by 2024 and achieving a 50% reduction in methane emissions from PETRONAS groupwide natural gas value chain operations by 2025, as prescribed in the PETRONAS Pathway to Net Zero Carbon Emissions 2050. As such, O&G maintenance players may need to transform and adapt to the changing needs and market expectations to be sustainable.

- The O&G maintenance industry in Malaysia is **labour-intensive**, requiring a skilled workforce with specialised knowledge and experience to perform critical tasks across high-risk environments, such as offshore operations or on-shore processing plants, to avert unfavourable situations or accidents. This may pose a threat to operators in the O&G maintenance industry.

- O&G maintenance activities may be affected by **Petroleum Sawarak Berhad (PETROS)** being appointed as the sole Gas Aggregator to procure all natural gas produced in Sarawak by upstream gas producers, for the distribution, supply and sale to all downstream gas buyers starting 1 February 2024. There is potential for disruption in O&G operations, and this may affect PETRONAS' capital expenditure in the future.

9. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING KEY RISK FACTORS WHICH MAY HAVE A MATERIAL ADVERSE IMPACT ON OUR BUSINESS OPERATIONS, FINANCIAL POSITION AND THE FUTURE PERFORMANCE OF OUR GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE INVESTING IN OUR COMPANY.

9.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

9.1.1 We are dependent on PETRONAS Group and PRefChem as our major customers based on their historical revenue contribution, where each of these customer groups represented more than 30.00% of our total revenue

For the Financial Years Under Review, we are dependent on PETRONAS Group and PRefChem as our major customers based on their historical revenue contribution where each of these customer groups represented more than 30.00% of our total revenue as illustrated below:

(a) PETRONAS Group

For the Financial Years Under Review, our revenue contribution from PETRONAS Group collectively accounted for 46.44% (RM32.81 million), 31.37% (RM37.11 million), 48.00% (RM78.64 million) and 43.94% (RM87.19 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

Our long-established business relationship of 16 years as at the LPD, supported by repeated extension and additional contracts since our first project with PETRONAS Group in 2009, has served as a basis for a continuing business relationship. Since then, we secured various contracts from PETRONAS Group including the group-wide TA4MS contract to provide maintenance and plant turnaround services for some of its petrochemical, chemical and gas processing plants in Peninsular Malaysia.

As at the LPD, we have 20 ongoing contracts with PETRONAS Group of which 18 are master/unit rate contracts with no specified contract value, 2 are fixed rate contracts/purchase order with an outstanding order book of RM11.19 million.

(b) PRefChem

For the Financial Years Under Review, our revenue contribution from PRefChem accounted for 49.77% (RM35.16 million), 59.07% (RM69.87 million), 43.08% (RM70.59 million) and 47.59% (RM94.42 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively. PRefChem includes Pengerang Refining Company Sdn Bhd and Pengerang Petrochemical Company Sdn Bhd, which are two joint ventures formed between PETRONAS and Saudi Arabian Oil Company, the national oil company of Saudi Arabia. Pengerang Refining Company Sdn Bhd owns and operates the refinery and steam cracker plant, while Pengerang Petrochemical Company Sdn Bhd owns and operates the petrochemical plants in Johor.

We have been dealing with PRefChem by providing plant maintenance services since 2019 supported by repeated purchase/release orders which provided the basis for a continuing business relationship. Since then and up to the LPD, we have been involved in daily comprehensive maintenance services as well as plant turnaround including integrated planning. As at the LPD, we have 6 ongoing contracts with PRefChem of which all are master/unit rate contracts with no specified contract value.

As a result of our dependency on PETRONAS Group and PRefChem, we are exposed to the risks that we may not secure sufficient purchase/release orders or contracts in the future, or encounter delays in payments or non-payments from PETRONAS Group and/or PRefChem, which may adversely affect our business operations and financial performance.

In addition, in 2018, PETRONAS Group and PRefChem commenced the implementation of a self-regulation framework and transitioned to become self-regulated operators for plants and facilities in the Pengerang Integrated Complex. This allows them to assess equipment integrity based on risk rather than fixed timelines, allowing for more flexible maintenance scheduling.

As of 31 December 2023, two PIC occupiers and four pilot PETRONAS operating units have reached 75% readiness for SR certification. The potential impact on our Group when PETRONAS Group and PRefChem becomes self-regulated operators is as follows:

- The frequency and scope of plant turnaround will be reduced, replaced by an increase in the number of smaller-scale unit shutdowns, as well as maintenance and repair schedules. There is a risk that this may negatively affect our financial performance; and
- There may be increased competition among contractors capable of performing smaller-scale unit shutdowns, as well as maintenance and repair works, rather than large-scale plant turnaround. There is a risk that this may negatively affect our business operation and financial performance.

In addition, the TA4MS contract entered into by our Group with PETRONAS Group and PRefChem is a non-exclusive agreement, whereby the customer has the right to appoint other contractors for the works. Additionally, the contract does not grant our Group the first right of refusal for work orders. The contract does not imply any commitment by our customers to the volume of the work to be awarded to us and does not guarantee any minimum order for the works to be undertaken by our Group. The absence of such exclusivity provides no assurance of future revenue as there is no guarantee that our customers will issue purchase/release orders to us during the contract validity period.

Furthermore, if there are any delays, interruptions or cancellations to our contract or if we fail to obtain sufficient purchase/release orders with PETRONAS Group and PRefChem, our financial performance will be adversely affected. Although we have an established 16-year business relationship with PETRONAS Group and a 6-year business relationship with PRefChem, and have not encountered any major disputes with them, there is no assurance that we can maintain the business relationship, continue to secure or secure sufficient purchase/release orders for our master unit rate and future contracts, or obtain prompt payments from PETRONAS Group and/or PRefChem.

9.1.2 Our subsisting long-term maintenance and rental contracts which are based on unit rates do not assure future revenue

As at the LPD, we have 19 ongoing maintenance contracts and 7 active rental contracts based on unit rates. These agreements typically outline the general terms and conditions for our provision of services and supply of products and equipment, including validity periods. The scope of work, materials and equipment cannot be accurately determined at the point of securing the contract as they are based on unit rates. The contract specifies the duration of the contract, scope of services, list of materials, labour and equipment required, as well as the agreed unit price for each service, material, labour, and equipment needed, where applicable.

For the Financial Years Under Review and up to the LPD, our plant maintenance and turnaround segment contracts with customers were mainly for fixed durations ranging from 2 years to 5 years, where some of the maintenance contracts have optional extensions. Additionally, we have ongoing long-term contracts for the rental of lifting equipment and vehicles for the Financial Years Under Review and up to the LPD. The contracts for the rental of lifting equipment and vehicles were fixed at 3 years with optional extensions.

During the contract period, the customer will issue purchase/release orders periodically or on an ad-hoc basis specifying the scope of services, duration of work and pricing. The pricing will depend on the quantity of materials required, the number of hours and headcount of different labour skills needed, and the number of hours and quantity of equipment required.

These contracts do not oblige our customers to place purchase/release orders with us. In this respect, these unit rate contracts do not provide any assurance of future revenue as there is no guarantee that the customer will issue purchase/release orders during the validity period of the contract.

9.1.3 We are dependent on PETRONAS licences and we are required to comply with SWEC requirements

Operators and service providers in the O&G industry in Malaysia must adhere to PETRONAS' licensing and registration requirements, including compliance with PETRONAS' SWEC requirements. Our revenue from the O&G industry in Malaysia accounted for 98.21% (RM69.39 million), 91.65% (RM108.39 million), 92.03% (RM150.78 million) and 93.93% (RM186.36 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

We must have valid PETRONAS licences for the relevant SWEC codes for the services and equipment we provide to our customers in the O&G industry in Malaysia. As at the LPD, we have PETRONAS licences for the relevant SWEC codes and we are reliant on 33 of SWEC codes.

Even though we have obtained the required PETRONAS licences and have been approved for several SWEC codes, we are subject to continuous review under PETRONAS' conditions, general guidelines and minimum technical requirements which are subject to change from time to time. Please refer to Section 7.16 of this Prospectus for details of our PETRONAS licences and the relevant SWEC codes that we require for our operations.

We face the risk that our PETRONAS licences may not be renewed, revoked, suspended or blacklisted if we fail to fulfil any conditions, general guidelines or minimum technical requirements set by PETRONAS or if we fail to meet our SWEC requirements. If we do not have a valid PETRONAS licences and the relevant SWEC codes, we will not be able to bid for new contracts from PETRONAS Group and PRefChem, which will adversely affect our business operations and financial performance.

Some of the conditions/guidelines/requirements as stated in the PETRONAS' conditions, general guidelines and SWEC requirements relevant to our business which may cause our PETRONAS' licences not to be renewed, revoked, suspended or blacklisted are as follows:

(i) Commercial/financial conditions, such as if we are found to be in the process of liquidation, winding-up or dissolution and having negative net worth.

(ii) Operational conditions, such as:

- failure to execute the awarded job until completion;
- failure to perform a contractual obligation or any other obligation under the law to partners, principals, agents, subcontractors, and other O&G service and equipment providers;
- take another company as principal, agent, subcontractor or provide any other service or supply of any facility, fittings or equipment without prior written consent from PETRONAS; or
- reject any contract or tender awarded.

(iii) SWEC requirements, such as failure to meet "Minimum Technical Requirements" including the following, among others:

- availability of key personnel, their minimum qualifications and years of relevant experience;
- availability of relevant facilities and equipment;
- company's minimum number of years of experience; and
- relevant quality and standard accreditations.

For the Financial Years Under Review and up to the LPD, we have not encountered any non-renewal of our PETRONAS licences and SWEC codes that we are reliant on. Nevertheless, moving forward, any failure to comply with the requirements of our PETRONAS licences and SWEC requirements may lead PETRONAS to act against us, such as not renewing our licences and/or cancelling one or more of our SWEC registrations, which could have a material adverse effect on our business operations and financial performance.

9.1.4 We are subject to regulatory requirements for our business operations

Our business is subject to various laws, rules, and regulations. In the event of non-compliance, these licences, registrations, permits and/or approvals may be revoked or may not be renewed upon expiry. Similarly, any breach of these conditions, laws and regulations can result in penalties, fines, potential prosecution against us and/or our directors, restrictions on operations and/or remedial liabilities, any one or all of which may negatively affect our business and financial performance.

We are principally involved in the provision of mechanical and civil engineering services, focusing on providing plant maintenance and turnaround services, EPCC, as well as FM services. Pursuant to the CIDB Act, it is a mandatory requirement for all contractors who carry out or complete any construction works to hold a valid certificate of registration issued by CIDB. As at the LPD, our Group has valid certificates of registration. Please refer to Section 7.16 of this Prospectus for more details of the said certificates.

In general, laws and regulations applicable to the O&G industry have become more stringent with penalties and potential liabilities increasing over the years. Furthermore, there is no guarantee that the O&G industry will not be affected by future regulatory and legal changes which may include:

(i) new implementation or changes to current laws, regulations and policies;

(ii) introduction of new laws, regulations and policies by authorities; and/or

(iii) imposition of additional conditions to our existing licences, permits and registrations to conduct or operate in.

The above could increase the cost of our operations or those of our customers and reduce the area of operations for the O&G industry, which could, in turn, reduce the demand for our services resulting in material and adverse effect on our operations and financial performance.

Save as disclosed in Section 7.20 of this Prospectus, as at the LPD, our Group has in place all major licences, registrations, permits and/or approvals from various governmental authorities for our business operations.

9.1.5 We are dependent on our subcontractors to carry out certain works for our projects

We engage subcontractors to perform certain works including, among others, scaffolding works, blasting and painting works, refractory works, manpower supply, catalyst change out, and insulation works. Subcontractor costs for services, materials, equipment and labour accounted for 42.06% (RM22.32 million), 50.79% (RM46.69 million), 51.34% (RM63.44 million) and 47.87% (RM66.19 million) of our total cost of sales for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

We select subcontractors after considering their track record, financial strength, quality of service, efficiency, reliability, capacity and pricing. In some cases, our subcontractors, particularly for our EPCC works, are pre-selected or nominated by our customers. The work scope, terms, conditions, retention sum, and completion period are specified in the contract awarded to the subcontractors. This allows us to claim any damages or compensation in the event of poor, late or non-performance by our subcontractors.

We are exposed to the risks associated with poor, late or non-performance by our subcontractors, which could tarnish our reputation and potentially lead to punitive actions from our customers and/or relevant authorities. While we may seek compensation from our subcontractors, there may be instances where we must compensate our customers before receiving compensation from our subcontractors.

Additionally, we may not be able to recover the full or any portion of the claims from the subcontractors. Consequently, we may incur some or all the costs associated with these claims, negatively impacting our financial performance and operational results. Moreover, if the performance of our subcontractors falls short of our customers' expectations, it could harm our reputation, making it more challenging for us to secure new projects.

For the Financial Years Under Review and up to the LPD, we did not experience any material claims from our customers relating to the work carried out or completed by our subcontractors. We cannot assure that we will not face claims from our customers in the future due to the poor, late, or non-performance of our subcontractors.

9.1.6 We are dependent on the skilled manpower supply and any shortages may interrupt our business operations

The execution of plant maintenance and turnaround services is labour-intensive and it relies on skilled manpower with specialised knowledge and experience to perform critical and specialised tasks. This includes turnaround managers, safety officers, safety supervisors, quality engineers, quality supervisors, scaffolding supervisors, static planners, schedulers, area coordinators, area supervisors, repair work supervisors, joint integrity supervisors/inspectors, workshop supervisors, work leaders, fire watchers and safety watchers. In addition, we also rely on skilled manpower supply for our EPCC services, rental of heavy lifting equipment, as well as manpower supply segments.

As at the LPD, we have a total of 659 employees of which 511 are skilled employees. For the Financial Years Under Review, labour costs for our employees for plant maintenance and turnaround, EPCC, rental and manpower supply operations accounted for RM15.20 million (28.65%), RM23.23 million (25.27%), RM27.18 million (22.00%) and RM34.61 million (25.03%) of our total cost of sales for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

Notwithstanding that we have our in-house skilled manpower, we also rely on external manpower supply, particularly for larger tasks which are required to be completed within a short time frame such as plant turnaround.

Although we have access to a large pool of skilled manpower, there is no guarantee that we will continue to have access to the necessary skilled workforce. Shortages in skilled manpower, whether in the form of potential employees or subcontractors, difficulties in training and retaining current staff, or challenges in replacing lost skilled personnel could negatively impact the quality and timely delivery of our projects. This, in turn, could harm our reputation, disrupt our business operations, and affect our financial performance.

9.1.7 We may face unanticipated increases in costs for our plant maintenance and turnaround services, EPCC and FM contracts

Our plant maintenance and turnaround segment are based on unit rate contracts where the unit rates are agreed upon and specified in the contract. Meanwhile, our EPCC and FM segments are based on fixed lump-sum contracts where the contract value is agreed upon and specified in the contract.

As such, if there are any unanticipated increases in costs during the duration of our maintenance contract and project execution where we are unable to pass on such increases to our customers, we would have to absorb these costs which will affect our financial performance. Some of these unanticipated increases in cost may include, among others, increases in costs of materials, products, services and labour due to price increases, inflation, shortages, supply chain disruptions and other factors, as well as delays attributed to external factors such as site conditions and interactions with third-party contractors working at the site.

Unanticipated cost increases may arise due to the time gap between when we estimate costs during the submission of tender bids or quotation proposals and when the contract is awarded, which can take from 3 to 6 months. Additionally, project completion in our EPCC segment may take up to 24 months, plant maintenance and turnaround contracts ranges between 6 months up to 10 years including extension period, while our FM contracts last for 5 years. Despite our experience in project budgeting, which includes incorporating buffers for potential increases in labour and material costs, there is no guarantee that we will not encounter unforeseen cost increases in the future.

For our TA4MS contracts, there is an annual price revision mechanism based on consumer price index, however, this is only applicable to manpower rates. If there are any increments in prices of materials or services, we would have to renegotiate the increased prices with the customer. However, this is subject to customers' approval. If we are unable to renegotiate the price increment particularly for material costs, this would adversely affect our profitability and financial performance.

For the Financial Years Under Review and up to the LPD, we encountered an increase in diesel prices in June 2024. In this situation, we were able to renegotiate the increase in the unit rates for materials, products, services and equipment with certain customers during the renewal of the TA4MS contracts.

In the event where our Group is unable to successfully renegotiate for increases to the unit rates, then we will have to bear the increase in cost in relation to the unit rate contracts, in turn affecting our profitability and financial performance.

9.1.8 We face the risk relating to occupational health and safety work practices

Our business operations involve health and safety risks. Failure to ensure the health and safety of our workers or subcontractors' workers, including complying to worksite safety requirements, may result in workplace accidents or other incidents. In addition, we are required to comply with health, safety and environment (**"HSE"**) laws and regulations that address, among others, occupational safety and health of employees and other aspects of our business operations. Failure to comply with any relevant HSE laws and regulations, as well as injuries or other damages caused by such failure, may result in financial penalties, administrative or legal proceedings and/or termination of our business activities.

PETRONAS Group, PRefChem, and other operators in the O&G industry place a high degree of importance on workplace health and safety. The occurrence of health and safety issues including workplace accidents may result in, among others, one or more of the following:

- imposition of penalties for non-compliance by the relevant regulatory authorities and customers, including suspension, termination and/or non-renewal of licences, registrations, permits and other approvals that are necessary for our business;
- suspension or termination of contracts;
- work stoppage from legal injunctions or stop-work orders;
- monetary fines, administrative or civil proceedings taken against us;
- termination, suspension or non-extension of contracts, or declining to issue additional work orders under subsisting contracts;
- not extending an invitation to participate in future tenders; and
- damage to our reputation.

For the Financial Years Under Review and up to the LPD, we have zero lost-time-injury ("**LTI**") incidences for our operations in the O&G industry. However, during these periods, we have one workplace incident resulting in a finger fracture for our MOTAC and MOHE FM contract. The incident involved an employee of EMSB (a mechanical technician at the time of the incident) who was performing a comprehensive Planned Preventive Maintenance (PPM) inspection on an air handling unit (AHU) as it was reported with an unusual noise. During the inspection, despite the AHU being powered down, the pulley unexpectedly moved while the employee was adjusting the belt, resulting his finger to be caught and fractured.

The incident was resulted from an unforeseen mechanical condition of the AHU and was not due to any non-compliance with HSE protocols. EMSB's safety procedures were properly understood and followed in accordance with the company's standard operating procedures which include among others, the use of appropriate personal protective equipment. This incident did not have material impact to our business operations and financial performance. In addition, for the Financial Years Under Review and up to the LPD, there have been no material incidences of non-compliance with the applicable HSE laws and regulations by our Group.

While we take all precautions and practice prudent workplace health and safety procedures, there can be no assurance that we will not encounter workplace safety and health incidences that may adversely affect our business operations and financial performance.

9.1.9 We are exposed to the risk of defect liability claims from our customers

For our plant maintenance and turnaround segment, the defect liability period (DLP) is 3 to 12 months following the completion of maintenance work, and 3 months after plant start-up for turnarounds. In our EPCC segment, the DLP extends to 12 months after the issuance of the work completion certification or the handover of the project to the customer.

During the DLP, we are responsible for repairing, rectifying, and making good any defects which may surface or be identified at our cost and expenses. For materials supplied by our suppliers or works undertaken by our subcontractors, we will require them to either replace defective materials or restore defective works to the required specification without additional cost or expense to us.

The terms of our letters of award to subcontractors allow us to claim any damages or compensation in the event of poor, late or non-performance by our subcontractors. To the extent we are unable to seek recourse from our suppliers or subcontractors, we would be liable for the repair, rectification, or making good of any defects which will, in turn, increase our costs. If such defects are material, our reputation, business operation and financial performance will be adversely affected.

In the event we fail to repair, rectify, and make good any defects, our customer is entitled to claim against our bank guarantee to recover the cost of remedying the defective works or may take legal action against us for our breach. During the Financial Years Under Review and up to the LPD, we have not experienced any claims against our bank guarantee from our customers.

During the Financial Years Under Review and up to the LPD, we have not experienced any defect liability claims that materially affected our operations and financial performance. Nevertheless, there can be no assurance that we will not be subjected to any material defect liability claims in the future which may adversely impact our business operations and financial performance.

9.1.10 We are dependent on our Group Managing Director and Key Senior Management for continued success and the loss of their continued service may affect our business operations

Our achievements are largely attributed to the continued efforts of our Group Managing Director and Key Senior Management who are responsible for the vision, strategic direction, leadership, business planning and development, as well as management and running our day-to-day operations.

Our Group Managing Director, Azman Yusof is responsible for our Group's overall strategic direction including business development, operations, and marketing. He is supported by our team of Key Senior Management for their experience and technical knowledge in their respective areas of expertise and responsibilities. Our Chief Executive Officer, Mohd Nizam bin Yaakub is responsible for overseeing, managing and developing operation strategies, as well as short-term and long-term objectives for our business operations in Johor, Terengganu, Melaka and Putrajaya. Our Chief Financial Officer, Lim Kok Siong, is responsible for overseeing our Group's finances, while our Turnaround Director, Hakimi bin Bahador, is responsible for overseeing the overall operational and commercial aspects related to our Group's turnaround division which is primarily related to scheduled plant shutdown.

The loss of services from any of our Group Managing Director and/or any of our Key Senior Management, and our subsequent inability to recruit suitable replacements promptly, may adversely affect our business operations and financial performance as well as our continuing ability to compete effectively in the industry. Please refer to Sections 5.1.3 and 5.5.2 of this Prospectus for the profiles of our Group Managing Director and Key Senior Management.

As part of our management succession plan, we have identified suitable personnel to facilitate knowledge transfer and to build upon their capabilities to take on senior management and operational positions to ensure the continuity of our business. While we believe we offer competitive remuneration packages and have succession plans in place, there is no assurance that we can retain the services of our Group Managing Director, and Key Senior Management or secure suitable replacements if needed.

9.1.11 We are subject to the risk of insurance claims against our assets, employees, and projects

We are exposed to operational risks including accidents at the customers' plant and facilities as well as physical damage to our properties, machinery, equipment and vehicles. As part of our operational practice, we have maintained certain insurance policies including, comprehensive general liability, workmen compensation insurance, all risks physical damage insurance, coverage for our lifting equipment and vehicles, fire, and key man insurance for our Group Managing Director.

While we have insurance coverage for various aspects of our business, there is no assurance that it is sufficient to cover all the losses, damages or liabilities that we may suffer in the course of our business operations. Any losses or damages above our insured sum or in areas for which we are not insured at all could harm our business operations, financial performance and results of operations.

For the Financial Years Under Review and up to the LPD, there have been no material insurance claims against us.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We are subject to the risks of dependency on the O&G industry

For the Financial Years Under Review, our revenue from the O&G industry accounted for 98.21% (RM69.39 million), 91.65% (RM108.39 million), 92.03% (RM150.78 million) and 93.93% (RM186.36 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

Within the O&G industry, we serve customers in the:

(i) downstream sector mainly for our maintenance of petrochemical, refinery and gas processing plants, including the associated facilities such as terminals and storage tanks, as well as for our EPCC projects; and

(ii) upstream sector mainly for our fabrication of piping works for offshore platforms, and supply of manpower.

In this respect, we are exposed to the risk of dependency on the O&G industry. Some of the factors affecting the performance of the O&G industry include the following:

(i) **Market prices of crude oil and natural gas**. Crude oil and natural gas are internationally traded commodities where prices fluctuate due to changes in global economic conditions and outlook, geopolitical factors, unexpected supply disruptions, demand conditions, and other factors. A sustained low crude oil or natural gas prices would negatively affect operators and service providers in the O&G industry.

(ii) **Capital and operational expenses from PETRONAS**. PETRONAS typically budgets for yearly capital and operational expenses which affects activities within the O&G industry in Malaysia. Increased expenses will provide opportunities while lower expenses may negatively affect operators and service providers in the Malaysian O&G industry.

(iii) **Global economic and consumption conditions.** The downstream sector of the O&G industry focuses on refining and processing crude oil and natural gas to produce petroleum and petrochemical products. These products are used across various industries to manufacture both industrial and consumer goods spanning from plastic products to fertilisers, and serving as fuel for air, marine, and land transportation. Additionally, they are essential for the operation of machinery and equipment for manufacturing, processing, and power generation. Any slowdown in global economic conditions and overall consumption of goods and services can impact the demand for petroleum and petrochemical products, consequently affecting operators and service providers within the downstream sector of the O&G industry.

Although the provision of plant maintenance and turnaround services is regarded as critical in extending the life of a plant's assets, there is no certainty that our financial performance or prospects of our business would not be materially affected by the risks relating to the O&G industry in Malaysia.

9.2.2 We face competition from other operators within the O&G maintenance industry

We face competition from other operators within the O&G maintenance industry that offer similar services. We may also face competition from new entrants to the industry from time to time.

The barriers to entry for the O&G maintenance industry are mainly the PETRONAS licence and the relevant SWEC codes, capital investment in machinery, equipment, working capital for the purchase of materials and services, as well as the talent pool for skilled manpower.

We generally compete on a variety of factors including, among others, track record, price competitiveness, financial strengths, quality of services, timeliness of delivery, availability of skilled manpower, and market reputation.

There can be no assurance that we will continue to remain competitive against existing and prospective competitors. Consequently, there can be no assurance that our existing customers will continue to issue purchase/release orders to us in the future. Failure to remain competitive, adapt quickly to changing market conditions and trends, and ability to secure new purchase orders will have an adverse effect on our future business and financial performance.

9.2.3 We are subject to political, economic, social, market and regulatory considerations and the occurrence of force majeure events

Any adverse changes in the political, social, economic and regulatory conditions in Malaysia may harm our business operations and financial performance. Our business is also susceptible to the risks of any outbreak of diseases that could result in localised epidemics or pandemics causing interruptions to business operations while adversely affecting our financial performance.

Changes in the political, social, economic and regulatory conditions could arise from, among others, changes in political leadership, geopolitical events, general economic and business conditions, fluctuations in interest rates, acts of terrorism, riots, wars and/or sanctions, prolonged pandemic or the emergence of new epidemics or pandemics, fiscal and monetary policies, inflation, deflation, methods of taxation, tax policies, foreign worker levy, unemployment trends, deterioration of international bilateral relationships, and other matters that may influence consumer and business confidence and spending.

Some of our customers, as well as addressable customer groups, are dependent on global demand for their products and events that directly or indirectly affect their business operations and financial conditions. As such, our business prospects are also directly and indirectly affected by global events such as, among others, geopolitical events, financial crises, trade conflicts and sanctions, technological changes and shifts in industrial, business and consumer trends and behaviour.

As a result, this may cause our addressable customer group to revise, defer, halt or abandon their development or expansion plans. As such, there can be no assurance that any adverse economic, social, political, and regulatory developments which are beyond our control, will not materially affect our business operations and financial performance.

9.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

9.3.1 No prior market for our Shares

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

There also can be no assurance that the IPO Price which has been determined after taking into consideration the factors set out in Section 4.4 of this Prospectus will correspond to the price at which our Shares will be traded on the ACE Market upon or subsequent to our Listing.

9.3.2 Delay in or failure of our Listing

The occurrence of certain events, including the following, may cause a delay in, or abortion of, our Listing:

(a) our Company or our Underwriter fails to honour its obligations under the Underwriting Agreement;

(b) identified investors fail to subscribe for the portions of the IPO Shares allotted to them; and/or

(c) we are unable to meet the public shareholding spread requirements of the Listing Requirements, i.e. at least 25.00% of our issued share capital for which listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of Listing.

In the event that we fail to fulfil any of the events above, we will return in full, without interest, monies paid in respect of all applications, in compliance with Section 243(2) of the CMSA.

Nevertheless, we will endeavour to ensure compliance of the various listing requirements for our successful listing on the ACE Market.

9.3.3 Volatility of share prices traded on Bursa Securities

The trading price and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include material variations in our results and operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and global stock exchanges and the flows of foreign funds. Market sentiment is also influenced by factors such as the prevailing economic and political climate of the country, and the potential for growth in various sectors of the economy. Other factors that may negatively affect investor sentiment include natural disasters, and health epidemics including outbreaks of contagious diseases. These factors contribute to the volatility of trading volumes on Bursa Securities, and of the market price of our Shares.

9.3.4 Our Promoter and substantial shareholders will be able to exert significant influence over our Company

Our Promoter and substantial shareholders collectively hold 735,000,000 Shares, representing 70.00% of our enlarged share capital upon Listing. As a result of their shareholdings, our Promoter and substantial shareholders will collectively be able to control the business direction and management of our Group. This includes the election of Directors, the timing and payment of dividends as well as having voting control over our Group. As such, our Promoter and substantial shareholders will likely influence the outcome of certain matters requiring the vote of our shareholders except where they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. We cannot assure you that the interests of our Promoter and substantial shareholders will be aligned with those of our other shareholders.

9.3.5 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 1,050,000,000 Shares, of which up to 315,000,000 Shares, will be held by investors participating in our Listing (representing approximately 30.00% of our enlarged issued Shares) and 70.00% will be held by the Promoter and substantial shareholders via their direct interests in our Company. Our Shares will be tradable on the ACE Market of Bursa Securities following our Listing.

It is possible that our Promoter and substantial shareholders may dispose of some or all of their Shares after the moratorium period pursuant to their own investment objectives. If Promoter and our substantial shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares that they hold, the market price for our Shares could be adversely affected.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

10.1.1 Related party transactions

Under the Listing Requirements, a "**related party transaction**" is a transaction entered into by a listed issuer or its subsidiaries that involves the interest, direct or indirect, of a related party. A "**related party**" of a listed issuer is:

(i) a director, having the meaning given in Section 2(1) of the CMSA, and includes any person who is or was within the preceding 6 months of the date in which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or

(ii) a major shareholder, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:

(a) 10.00% or more of all the voting shares in the corporation; or

(b) 5.00% or more of all the voting shares in the corporation where such person is the largest shareholder of the corporation; or

(iii) a person connected with such director or major shareholder.

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10.1.2 Material related party transactions entered into by our Group

Save for the Acquisitions and as disclosed below and in Section 10.3 of this Prospectus, there is no material related party transaction, existing or proposed, entered or to be entered into by our Group which involves the interests, direct or indirect, of our Directors, major shareholders and/or persons connected with them for the Financial Years Under Review and up to the LPD.

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	1 January 2025 up to the LPD (RM'000)
1.	EMSB and ETSB	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Nurul Ezzah Diana Binti Azman is the sole director and sole shareholder of ETSB and is the daughter of Azman Yusof.	Provision of supply of engineering items and trading of industrial materials by ETSB to EMSB(1)	945 (1.78% of our Group's cost of sales)	436 (0.47% of our Group's cost of sales)	830 (0.67% of our Group's cost of sales)	242 (0.18% of our Group's cost of sales)	51 (0.13% of our Group's cost of sales)
2.	EMSB and TNN Global	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Azman Yusof was the sole director and sole shareholder of TNN Global.	Lease of equipment and machineries by TNN Global to EMSB(2)	2,617 (4.93% of our Group's cost of sales)	801 (0.87% of our Group's cost of sales)	1,336 (1.08% of our Group's cost of sales)	734 (0.53% of our Group's cost of sales)	-
3.	EMSB and TNN Global	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Azman Yusof was the sole director and sole shareholder of TNN Global.	Provision of supply of manpower by TNN Global to EMSB(3)	-	-	8,188 (6.63% of our Group's cost of sales)	-	-
4.	EMSB and 299 Niaga	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Azman Yusof is the sole director and sole shareholder of 299 Niaga.	Lease of pickup trucks and van by 299 Niaga to EMSB(4)	310 (0.58% of our Group's cost of sales)	520 (0.57% of our Group's cost of sales)	564 (0.47% of our Group's cost of sales)	513 (0.37% of our Group's cost of sales)	169 (0.43% of our Group's cost of sales)

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

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	1 January 2025 up to the LPD (RM'000)
5.	EMSB and AY299	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Azman Yusof is the sole director and sole shareholder of AY299.	Rental expenses paid to AY299 for rental of properties by EMSB from AY299(5)	432 (3.85% of our Group's administrative expenses)	336 (2.33% of our Group's administrative expenses)	336 (1.82% of our Group's administrative expenses)	120 (0.54% of our Group's administrative expenses)	-
6.	EMSB and FMV	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Azman Yusof was the sole shareholder and sole director of FMV.	Provision of supply of manpower by FMV to EMSB(6)	234 (0.44% of our Group's cost of sales)	1,386 (1.51% of our Group's cost of sales)	6,106 (4.94% of our Group's cost of sales)	1,190 (0.86% of our Group's cost of sales)	-
7.	RBPS and FMV	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Azman Yusof was the sole shareholder and sole director of FMV.	Provision of supply of manpower by RBPS to FMV(7)	-	-	117 (0.07% of our Group's revenue)	425 (0.21% of our Group's revenue)	-

Notes:

(1) EMSB sources its supply of engineering items such as safety valve and trading of industrial materials from ETSB via purchase orders, as and when required for the projects undertaken by EMSB. This arrangement may subsist after the Listing on an arm's length basis, and on an as and when required basis.

(2) EMSB leases certain equipment and machinery such as pickup trucks, lorries, cranes, gas detector, welding set and walkie talkies from TNN Global via purchase orders, as and when required for the projects undertaken by EMSB. As at the LPD, Azman Yusof has disposed his entire interest in TNN Global to a non-related party. Moving forward, our Group will source the equipment and machinery on a project-to-project basis from other third-party suppliers.

(3) EMSB sourced its supply of manpower from TNN Global via purchase orders, as and when required by our Group's customers on a project-to-project basis. EMSB has since October 2023 ceased the said transactions with TNN Global. As at the LPD, Azman Yusof has disposed his entire interest in TNN Global to a non-related party. Moving forward, our Group will source the manpower on a project-to-project basis from other third-party suppliers.

(4) EMSB leases certain vehicles and pick-up trucks from 299 Niaga for our Group's project via purchase orders, as and when required by the projects undertaken by EMSB. This arrangement may subsist after the Listing on an arm's length basis, and on an as and when required basis.

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

(5) EMSB rented the following properties from AY299 which were used as a storage yard for equipment for the period commencing 1 January 2021 to 31 December 2024:

a. Lot 2012, Mukim Sungai Karang, Kuantan

*b. Lot 71695 (PT 17658) PN 10953, HS(D) 1336, Mukim Kuala Paka, Dungun, Terengganu**

*c. Lot 71694 (PT 17657) PN 10952, HS(D) 1335, Mukim Kuala Paka, Dungun, Terengganu**

** The property is a vacant land and thus does not possess a postal address.*

The tenancies for all 3 properties have ceased in April 2024. Our Group has since moved the equipment back to EMSB Paka Operational Facilities.

(6) EMSB sourced skilled manpower (comprising of both contract and casual workers) from FMV in relation to the projects undertaken in Pasir Gudang, Johor via purchase orders. EMSB has since May 2024 ceased the said transactions with FMV. As at the LPD, Azman Yusof has disposed his entire interest in FMV to a non-related party. Moving forward, EMSB will source the skilled manpower on a project-to-project basis from other third-party suppliers.

(7) RBPS supplied manpower to FMV on purchase order basis. This transaction has ceased in May 2024. As at the LPD, Azman Yusof has disposed his entire interest in FMV to a non-related party.

The aggregate purchases from related parties of our Group for the Financial Years Under Review were RM4.18 million, RM3.15 million, RM17.02 million, and RM2.70 million, respectively, accounting for 7.88%, 3.43%, 13.78%, and 1.95% of the Group's total purchases, respectively. Notwithstanding the purchases from related parties of our Group for the Financial Years Under Review were material, subsequently from FYE 2024 onwards, the related party transactions have reduced significantly based on the actions taken by the Promoter which includes ceasing transactions with or disposing his equity interest in the above-mentioned related companies.

Our Group has commissioned a tax adviser to perform an independent transfer pricing review of our Group's related party transactions during the FYE 2021, FYE 2022, FYE 2023 and FYE 2024. Based on the comparable analysis in accordance with the Malaysian Transfer Pricing Guideline 2012 (Updated 2017) issued by the Inland Revenue Board of Malaysia, it is reasonable to conclude that the mark-up applied in the related party transactions of our Group complies with the arm's length principle for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024.

In relation to our Group's related party transactions during the Financial Years Under Review and up to the LPD, the Directors having considered all aspects of the related party transactions, are of the opinion that all the above transactions were carried out on an arm's length basis, and on normal commercial terms which are not more favourable to the related parties than those generally available to the public but are nonetheless not to the detriment of our Group. The Director will continue to monitor the transfer pricing arrangements of our Group to ensure compliance with the arm's length principle. In addition to the above, our Directors also confirmed that our Group has not entered into other material transactions which involve the interest of our Directors, substantial shareholders and/or persons connected with them but not yet effected up to the date of this Prospectus.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transactions and the terms thereof and report to our Board for any further action, as set out in Section 10.4 of this Prospectus. When necessary, our Board will make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

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

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, our Directors and major shareholders, and/or persons connected with them which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Director and/or major shareholders will also undertake to ensure that the person connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

10.2 TRANSACTIONS THAT ARE UNUSUAL IN NATURE OR CONDITION

There are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which our Company and our Subsidiaries were a party in respect of the Financial Years Under Review and up to the LPD.

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

Save as disclosed below, our Board has confirmed that there are no outstanding loan and/or financial assistance (including guarantees of any kind) made to our Group or by our Group to or for the benefit of any related parties for the Financial Years Under Review and up to the LPD:

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

Our Promoter has jointly and severally provided personal guarantees for the banking and leasing facilities extended by several financial and non-financial institutions, the details of which are set out below:

Financiers	Type of Facilities	Guarantors	Facility limit (RM'000)	Amount outstanding as at LPD (RM'000)
Bank Islam Malaysia Berhad	Trade facilities and bank guarantees (EMSB)	Azman Yusof	83,975	13,733
Maybank Islamic Bank	(i) Term loan and trade facilities (EMSB)	Azman Yusof	14,120	7,040
	(ii) Term loan (EMSB)	Azman Yusof	13,000	12,601
	(iii) Term loan and trade facilities (RBPS)	Azman Yusof Alias Bin Mohamad(1)	2,700	2,062
	(iv) Hire purchase (EMSB)	Azman Yusof	771	64
	(v) Hire purchase (EMSB)	Azman Yusof	17,000	10,912
RHB Islamic Bank Berhad	Trade facilities (EMSB)	Azman Yusof	10,000	1,189
RHB Bank Berhad	Hire purchase (EMSB)	Azman Yusof	16,830	12,409
Affin Islamic Bank Berhad	(i) Hire purchase (EMSB)	Azman Yusof	1,667	772
	(ii) Hire purchase (RBPS)	Alias Bin Mohamad(1) Jawiah Binti Abdullah(1)	80	5
BMW Credit (Malaysia) Sdn Bhd	Hire purchases (EMSB)	Azman Yusof	855	739

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

Financiers	Type of Facilities	Guarantors	Facility limit (RM'000)	Amount outstanding as at LPD (RM'000)
PAC Lease Berhad	(iii) Hire purchase (EMSB)	Azman Yusof	8,000	6,975

Note:

(1) Former director of RBPS.

In conjunction with our Listing, our Group has applied to our financiers for the release and/or discharge of these personal guarantees by substituting the same with a corporate guarantee from our Company.

As at the LPD, we have received the conditional approvals from all our financiers to discharge the above-mentioned personal guarantees by substituting the same with corporate guarantees upon the completion of our Listing.

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

(ii) Outstanding loans or advances made to or for the benefit of related parties

Transacting parties	Interested related party and nature of relationship	Nature of transaction	FYE 2021	FYE 2022	FYE 2023	FYE 2024	From 1 January 2025 up to LPD
			RM'000	RM'000	RM'000	RM'000	RM'000
EMSB and AY299	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Azman Yusof is the sole director and sole shareholder of AY299.	Advances by EMSB to AY299 for the purpose of working capital	709 (1.06% of our Group's total assets)	561 (0.70% of our Group's total assets)	561 (0.60% of our Group's total assets)	-	-
EMSB and FMV	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Azman Yusof was the sole director and shareholder of FMV.	Advances by EMSB to FMV for the purpose of working capital	-	460 (0.58% of our Group's total assets)	-	-	-
EMSB and ETSB	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Nurul Ezzah Diana Binti Azman is the sole director and sole shareholder of ETSB and is the daughter of Azman Yusof.	Outstanding balance of consideration for disposal of building from EMSB to ETSB	234 (0.35% of our Group's total assets)	234 (0.29% of our Group's total assets)	-	-	-
RBPS and ETSB	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Nurul Ezzah Diana Binti Azman is the sole director and sole shareholder of ETSB and is the daughter of Azman Yusof.	Outstanding balance of consideration for disposal of motor vehicle from RBPS to ETSB	-	15 (0.02% of our Group's total assets)	1 (0.001% of our Group's total assets)	-	-

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

Transacting parties	Interested related party and nature of relationship	Nature of transaction	FYE 2021	FYE 2022	FYE 2023	FYE 2024	From 1 January 2025 up to LPD
			RM'000	RM'000	RM'000	RM'000	RM'000
EMSB and 299 Global	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Azman Yusof is the sole director and sole shareholder of 299 Global.	Outstanding balance of consideration for disposal of FMV shares from EMSB to 299 Global	300 (0.45% of the Group's total assets)	1 (0.001% of the Group's total assets)	-	-	-

(iii) Outstanding loans or advances from related parties to our Group

Transacting parties	Interested related party and nature of relationship	Nature of transaction	FYE 2021	FYE 2022	FYE 2023	FYE 2024	From 1 January 2025 up to LPD
			RM'000	RM'000	RM'000	RM'000	RM'000
EMSB and Azman Yusof	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group.	Advances by Azman Yusof to EMSB for the purpose of working capital	578 (1.47% of our Group's total liabilities)	578 (1.23% of our Group's total liabilities)	568 (1.12% of our Group's total liabilities)	-	-
RBPS and Azman Yusof	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group.	Advances by Azman Yusof to RBPS for the purposes of working capital	-	318 (0.67% of our Group's total liabilities)	318 (0.63% of our Group's total liabilities)	-	-

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

Transacting parties	Interested related party and nature of relationship	Nature of transaction	FYE 2021	FYE 2022	FYE 2023	FYE 2024	From 1 January 2025 up to LPD
			RM'000	RM'000	RM'000	RM'000	RM'000
RBPS and TNN Global	Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. Azman Yusof was the sole director and sole shareholder of TNN Global	Advances by TNN Global to RBPS for the purpose of working capital	-	-	140 (0.28% of our Group's total liabilities)	-	-

Our Board is of the view that the advances or loan by our Group were not made on an arm's length basis as the advances were not on normal commercial terms as they were for short terms, non-trade in nature, interest-free, unsecured and without fixed repayment terms. However, the possible interest that may be earned by our Group from these advances to related parties are minimal and does not materially impact the financials of our Group. As at the LPD, there is no outstanding balance to or from any related party and our Group's management undertakes that no new advances will be given to the related parties moving forward.

Moving forward, our Group has put in place internal control and compliance procedures in relation to advances, loans and financial assistance from or to third parties, and no further advances, loans or financial assistance will be taken from or provided to any related parties by our Group unless such advances and loans are on an arm's length basis and as permitted under the law and the Listing Requirements.

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10.4 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.4.1 Audit and Risk Management Committee review

In order to avoid any potential conflicts of interest, our Audit and Risk Management Committee will review the terms of all related party transactions (including the adequacy of the procedures and processes set to monitor the same) and ensure that any related party transactions (including recurrent related party transactions) are:

- Carried out on normal commercial terms not more favourable to the related parties than those generally available to third parties dealing at arm's length basis; and
- Not to the detriment of our Group as a whole.

In addition, our Directors will report and disclose all recurrent related party transactions (if any) annually in our Company's annual report, documenting the required details i.e. nature of the transactions made, names of the related parties involved and their relationship with our Group.

10.4.2 Our Group's policy on related party transactions

We will be required to seek our shareholders' approval each time we enter into related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate. The interested person shall abstain from deliberation and voting on resolution(s) pertaining to the respective transaction.

Our Group will seek such relevant shareholders' approval and an independent adviser may be required to be appointed to comment whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instance, the independent adviser shall also advise the minority shareholders on whether they should vote in favour of the transaction. Further, we will make disclosures in our annual report of the aggregate value of the recurrent related party transactions entered into by us based on the nature of the transactions made, names of the related parties involved and their relationship with our Group.

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11. CONFLICT OF INTEREST

11.1 CONFLICT OF INTEREST

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

Name of company	Principal activities	Nature of transaction	Nature of interest
299 Niaga	Management of real estate and rental of assets	Lease of vehicles by 299 Niaga to EMSB	• Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. • Azman Yusof is the sole director and sole shareholder of 299 Niaga.
ETSB	Consultancy and engineering works	Provision of engineering items and trading of industrial materials by ETSB to EMSB	• Azman Yusof is the Promoter, substantial shareholder and Group Managing Director of our Group. • Nurul Ezzah Diana Binti Azman is the sole director and sole shareholder of ETSB and is the daughter of Azman Yusof.

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

(1) 299 Niaga

(a) 299 Niaga is not a major supplier of our Group. The total purchases were 0.58%, 0.57%, 0.47% and 0.37% of our Group's cost of sales in FYE 2021, FYE 2022, FYE 2023 and FYE 2024, respectively. The transactions with 299 Niaga were on arm's length basis and on normal commercial terms.

(b) Further, our Group is not dependent on 299 Niaga for the supply of certain vehicles and pickup trucks as our Group is able to source from alternative suppliers with similar price, quantity and quality.

(c) Moving forward, our Group will obtain quotations from third parties and may consider leasing vehicles from 299 Niaga provided that rates are on arm's length basis and are on terms not more favourable to 299 Niaga.

(2) ETSB

(a) ETSB is not a major supplier of our Group. The total purchases were 1.78%, 0.47%, 0.67% and 0.18% of our Group's cost of sales for FYE 2021, FYE 2022, FYE 2023 and FYE 2024, respectively. The transactions with ETSB were on arm's length basis and on normal commercial terms.

(b) Further, our Group is not dependent on ETSB for the supply of engineering items such as safety valve and trading of industrial materials as our Group is able to source for alternative suppliers for the said products with similar price, quantity and quality.

(c) Our Group serves as a licensed O&G service provider to some of the largest operators in O&G and petrochemical industry in Malaysia namely PETRONAS and PRefChem while ETSB is not a licensed entity with any O&G companies in Malaysia and acts solely as a supplier of engineering items and industrial materials to business in various industries.

(d) Our Promoter, being Azman Yusof is not involved in the day-to-day management of ETSB and ETSB has its own management teams to undertake its respective day-to-day management and operations.

(e) Moving forward, our Group will obtain quotations from third parties and may consider sourcing its supply of engineering items and industrial materials from ETSB provided the rates are on an arm's length basis and are on terms not more favourable to ETSB.

Moving forward, following our Listing, our Audit and Risk Management Committee will continue to review and assess the financial risk and matters in relation to any related party transactions and potential conflict of interest situations that may arise to ensure that transactions are carried out in the best interest of our Group. These matters may include any transaction, procedure or course of conduct within our Group that raise questions of management integrity.

11.2 MONITORING AND OVERSIGHT OF CONFLICT OF INTEREST

Upon Listing, our Audit and Risk Management Committee will assess the financial risk and matters relating to any potential conflict of interest situation that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity, to ensure that transactions are carried out on terms that are not detrimental and in the best interest of our Group. Any future dealings with parties in which the Directors and substantial shareholders of our Company have interest, direct or indirect, will be based on established procedures for related party transactions to ensure that they are carried out on an arms' length basis.

Notwithstanding the above, the interests that are held by our Directors and substantial shareholders and the interests that may be held by our Directors and substantial shareholders in the future in other businesses or corporations which are carrying on a similar trade as our Group and/or our customers 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 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 interest. Such transactions will be carried out on arm's length basis and on normal commercial terms.

11.3 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

11.3.1 Principal Adviser, Sponsor, Underwriter and Placement Agent

KAF IB has confirmed that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent in relation to the Listing.

11.3.2 Solicitors

WBT has confirmed that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Solicitors to our Group in relation to the Listing.

11.3.3 Reporting Accountants

Baker Tilly has confirmed that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Reporting Accountants to our Group in relation to the Listing.

11.3.4 Independent Business and Market Research Consultants

Vital Factor has confirmed that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Independent Business and Market Research Consultants to our Group in relation to the Listing.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our historical financial information throughout the Financial Years Under Review have been prepared in accordance with the MFRS and IFRS. The selected financial information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

The Subsidiaries are assumed to be under the common control of the Company during the Financial Years Under Review. As such, the historical financial information of our Group for the Financial Years Under Review is presented based on the combined audited financial statements of our Group.

12.1.1 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 Financial Years Under Review which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 12.3 and 13 respectively.

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	70,650	118,275	163,837	198,409
Cost of sales	(53,072)	(91,928)	(123,574)	(138,281)
GP	**17,578**	**26,347**	**40,263**	**60,128**
Other income	820	590	569	892
Administrative expenses	(11,210)	(14,421)	(18,429)	(22,056)
Other operating expenses	(3,207)	(3,778)	(3,939)	(8,020)
Operating profit	**3,981**	**8,738**	**18,464**	**30,944**
Finance costs	(779)	(813)	(1,330)	(2,206)
PBT	**3,202**	**7,925**	**17,134**	**28,738**
Income tax expense	(1,077)	(2,500)	(4,810)	(7,613)
PAT	**2,125**	**5,425**	**12,324**	**21,125**
PAT/Total comprehensive income attributable to:-				
Owners of the Group	2,126	5,392	12,201	20,218
Non-controlling interests	(1)	33	123	907
	2,125	**5,425**	**12,324**	**21,125**
EBIT(1)	3,872	8,595	18,242	30,672
EBITDA(1)	6,724	11,534	21,061	35,129
GP margin (%)(2)	24.88	22.28	24.58	30.31
PBT margin (%)(3)	4.53	6.70	10.46	14.48
PAT margin (%)(4)	3.01	4.59	7.52	10.65
Basic/Diluted EPS (sen)(5)	0.20	0.51	1.16	1.93

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12. FINANCIAL INFORMATION *(Cont'd)*

Notes:

(1) EBIT and EBITDA are calculated as follows:

	Audited			
	FYE 2021	***FYE 2022***	***FYE 2023***	***FYE 2024***
	RM'000	***RM'000***	***RM'000***	***RM'000***
PAT	*2,125*	*5,425*	*12,324*	*21,125*
Less:				
Interest income	*(109)*	*(143)*	*(222)*	*(272)*
Add:				
Finance costs	*779*	*813*	*1,330*	*2,206*
Income tax expense	*1,077*	*2,500*	*4,810*	7,613
EBIT	***3,872***	***8,595***	***18,242***	***30,672***
Add:				
Depreciation	*2,852*	*2,939*	*2,819*	*4,457*
EBITDA	***6,724***	***11,534***	***21,061***	***35,129***

(2) Computed based on GP divided by revenue.

(3) Computed based on PBT divided by revenue.

(4) Computed based on PAT divided by revenue.

(5) Computed based on PAT attributable to owners of the Company divided by the issued share capital of 1,050,000,000 Shares after our IPO. There are no potential dilutive securities in issue during the respective Financial Years Under Review.

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12.1.2 Combined statements of financial position

The following table sets out the combined statements of financial position of our Group as at 31 December 2021, 2022, 2023 and 30 June 2024 which have been extracted from the Accountants' Report. It should be read with the Management's Discussion and Analysis of Financial Condition and Results of Operations and Accountants' Report set out in Sections 12.3 and 13 respectively.

	Audited			
	As at 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
ASSETS				
Non-current assets				
Property, plant and equipment	10,125	11,058	9,760	53,440
Right-of-use assets	24,664	24,037	24,235	24,798
Trade and other receivables	-	569	1,379	2,142
Total non-current assets	**34,789**	**35,664**	**35,374**	**80,380**
Current assets				
Trade and other receivables	14,938	17,684	18,320	27,001
Contract assets	4,763	9,623	16,784	(1)37,535
Cash and short-term deposits	12,056	16,753	23,222	16,001
Current tax assets	56	59	38	-
Total current assets	**31,813**	**44,119**	**58,364**	**80,537**
TOTAL ASSETS	**66,602**	**79,783**	**93,738**	**160,917**
EQUITY AND LIABILITIES				
Equity attributable to owners of the Group				
Invested equity	12,800	12,800	12,800	12,800
Retained earnings	14,209	19,601	29,802	45,020
	27,009	**32,401**	**42,602**	**57,820**
Non-controlling interests	195	228	351	1,258
TOTAL EQUITY	**27,204**	**32,629**	**42,953**	**59,078**
Non-current liabilities				
Loans and borrowings	13,189	13,688	11,540	41,336
Lease liabilities	64	16	433	614
Deferred tax liabilities	805	883	1,032	2,127
Total non-current liabilities	**14,058**	**14,587**	**13,005**	**44,077**
Current liabilities				
Trade and other payables	21,669	25,872	20,920	36,766
Loans and borrowings	1,656	5,229	8,946	17,014
Lease liabilities	103	92	382	494
Current tax liabilities	1,912	1,374	1,371	1,031
Contract liabilities	-	-	(2)6,161	2,457
Total current liabilities	**25,340**	**32,567**	**37,780**	**57,762**
TOTAL LIABILITIES	**39,398**	**47,154**	**50,785**	**101,839**
TOTAL EQUITY AND LIABILITIES	**66,602**	**79,783**	**93,738**	**160,917**

Notes:

(1) The increase in contract assets from RM16.78 million as at 31 December 2023 to RM37.54 million as at 31 December 2024 is mainly due to the increase in unbilled progress payments for our plant maintenance and turnaround work orders. The increase in unbilled progress payments is mainly due to the increase in plant maintenance and turnaround works that were completed in FYE 2024, which are pending to be billed to customers.

(2) The increase in contract liabilities from nil as at 31 December 2022 to RM6.16 million as at 31 December 2023 is mainly due to the billings issued in accordance to the contractual payment milestones and consideration received from a customer for the FTNIR EPCC contract where the EPCC work is expected to be carried out in the subsequent financial years.

12. FINANCIAL INFORMATION *(Cont'd)*

12.1.3 Combined statements of cash flows

The following table sets out the combined and consolidated statements of cash flows of our Group for the Financial Years Under Review, which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report set out in Sections 12.3 and 13, respectively.

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities				
PBT	3,202	7,925	17,134	28,738
Adjustments for:				
Depreciation of:				
- Property, plant and equipment	2,178	2,257	2,011	3,498
- Right-of-use assets	674	682	808	959
Deposit written off	-	-	-	5
Loss on disposal of property, plant and equipment	-	118	-	87
Gain on disposal of right-of-use asset	-	-	-	(205)
Gain on lease modification	(6)	-	*	(18)
Impairment losses on trade and other receivables	-	300	55	62
Reversal of impairment losses on trade and other receivables	-	-	-	(7)
Finance costs	779	813	1,330	2,206
Interest income	(109)	(143)	(222)	(272)
Property, plant and equipment written off	-	-	1	93
Operating profit before changes in working capital	**6,718**	**11,952**	**21,117**	**35,146**
Changes in working capital:				
Trade and other receivables	(3,339)	(3,291)	(2,210)	(10,066)
Contract assets	266	(4,860)	(7,161)	(20,751)
Trade and other payables	3,640	3,890	(5,358)	17,630
Contract liabilities	-	-	6,161	(3,704)
Net cash generated from operations	**7,285**	**7,691**	**12,549**	**18,255**
Income tax paid	(1,023)	(2,963)	(4,643)	(7,091)
Interest income	42	79	111	116
Net cash from operating activities	**6,304**	**4,807**	**8,017**	**11,280**
Cash flows from investing activities				
Purchase of property, plant and equipment	(506)	(1,894)	(528)	(6,807)
Purchase of right-of-use assets	-	-	-	(750)
Proceeds from disposal of property, plant and equipment	-	314	72	220
Change in pledged deposits	(250)	(1,027)	(1,362)	(1,263)
Net cash used in investing activities	**(756)**	**(2,607)**	**(1,818)**	**(8,600)**
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	-	-	-	*
Drawdown of term loan	-	1,038	-	3,310
Repayment of term loans	(213)	(604)	(645)	(1,101)
Net change in lease liabilities	(103)	(114)	(299)	(466)
Repayment of hire purchase payables	(1,203)	(1,245)	(1,754)	(4,511)
(Repayment)/drawdown of trade financing	(935)	563	3,051	(896)
Net change in amount owing by related parties	14	(324)	1,125	146
Net change in amount owing to a director	(399)	313	(10)	(887)
Interest paid	(779)	(813)	(1,330)	(2,206)
Dividend paid	-	-	(2,000)	(5,000)
Net cash used in financing activities	**(3,618)**	**(1,186)**	**(1,862)**	**(11,611)**
Net increase/(decrease) in cash and cash equivalents	**1,930**	**1,014**	**4,337**	**(8,931)**
Cash and cash equivalents at the beginning of the financial year	**6,786**	**8,716**	**9,730**	**14,067**
Cash and cash equivalents at the end of the financial year	**8,716**	**9,730**	**14,067**	**5,136**

* *Denotes < RM1,000*

12.2 CAPITALISATION AND INDEBTEDNESS

The table below sets out our capitalisation and indebtedness as at 30 April 2025 and after adjusting for the effects of Public Issue and Offer for Sale and utilisation of proceeds.

	Unaudited	I	II
	As at 30 April 2025	After Public Issue and Offer for Sale	After I and utilisation of proceeds
	RM'000	RM'000	RM'000
INDEBTEDNESS			
Current			
Secured and guaranteed			
Term loans	2,850	2,850	2,850
Trade financing	2,555	2,555	2,555
Hire purchase payables	10,115	10,115	6,831
Bank overdrafts	7,122	7,122	7,122
	22,642	**22,642**	**19,358**
Non-current			
Secured and guaranteed			
Term loans	22,208	22,208	22,208
Hire purchase payables	21,911	21,911	13,545
	44,119	**44,119**	**35,753**
Total indebtedness	**66,761**	**66,761**	**55,111**
CAPITALISATION			
Share capital	57,876	108,276	106,601
Reorganisation reserve	(45,076)	(45,076)	(45,076)
Retained earnings	49,813	49,813	48,791
Total equity attributable to owners of our Company	**62,613**	**113,013**	**110,316**
Non-controlling interests	1,447	1,447	1,447
Total capitalisation	**64,060**	**114,460**	**111,763**
TOTAL CAPITALISATION AND INDEBTEDNESS	**130,821**	**181,221**	**166,874**
Gearing ratio (times)(1)	1.07	0.59	0.50

Note:

(1) Computed based on total indebtedness divided by total capitalisation (excluding non-controlling interests).

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

The following discussion and analysis should be read together with the Accountants' Report and related notes as set out in Section 13 of this Prospectus.

12.3.1 Overview of our business operations

We are principally a mechanical and civil engineering services provider focusing on providing plant maintenance and turnaround services, EPCC, as well as FM services. We also provide other related activities including the rental of equipment and vehicles, and supply of manpower.

We principally operate in Malaysia where our head office is in Cyberjaya, Selangor with operational facilities and offices in Johor, Melaka, and Terengganu for our plant maintenance and turnaround services, and EPCC.

Please refer to Section 7 of this Prospectus for further information about our business activities.

12.3.2 Segmental analysis by revenue

The revenue recognition from our business activities are as follows:

(i) **Plant maintenance and turnaround services:** Revenue for this segment is recognised over time based on percentage of completion method using the cost incurred method and based on services rendered, depending on nature of works.

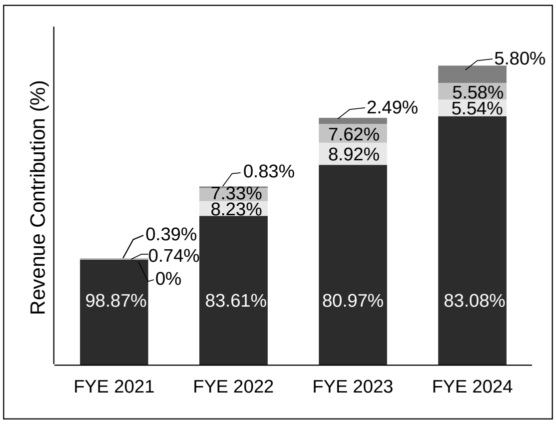
(ii) **EPCC:** Revenue for this segment is recognised over time based on percentage of completion method using the cost incurred method.

(iii) **FM services:** Revenue in this segment is recognised over time based on services rendered.

(iv) **Other related activities** comprise rental of equipment and vehicles, and supply of manpower. Revenue from rental of equipment and vehicles, and supply of manpower are recognised over time based on services are rendered.

Please refer to Note 3.5 and Note 4(a) of the Accountants' Report as set out in Section 13 of this Prospectus.

Our total revenue increased at a compounded annual growth rate of 41.09% between FYE 2021 and FYE 2024 from RM70.65 million in FYE 2021 to RM198.41 million in FYE 2024.



Revenue contribution	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
Plant maintenance and turnaround services	69,853	98,893	132,666	164,850
EPCC	-	9,731	14,614	10,982
FM services	523	8,664	12,480	11,077
Other related activities	274	987	4,077	11,500
Total revenue	**70,650**	**118,275**	**163,837**	**198,409**

In FYE 2024, plant maintenance and turnaround segment represents our largest revenue contributor of 83.08% (RM164.85 million) of our total revenue. This is followed by our EPCC and FM services, which accounted for 5.54% or RM10.98 million, and 5.58% or RM11.08 million of our total revenue for FYE 2024 respectively. Other related activities comprising rental of equipment and vehicles, and manpower supply collectively accounted for 5.80% or RM11.50 million of our total revenue for FYE 2024.

Our Group's head office is in Cyberjaya, Selangor, and we have various operational facilities in Malaysia, namely Johor, Melaka, and Terengganu. As such, our revenue is entirely generated from Malaysia.

Please refer to Section 12.3.2 (i) of this Prospectus for the year-on-year analysis of revenue by business activities and products.

(i) Revenue by business activities

The table below sets out the breakdown of our total revenue by business activities:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Plant maintenance and turnaround	**69,853**	**98.87**	**98,893**	**83.61**	**132,666**	**80.97**	**164,850**	**83.08**
• *Comprehensive maintenance*	*66,821*	*94.58*	*97,924*	*82.79*	*102,972*	*62.85*	*151,114*	*76.16*
• *Plant turnaround*	*3,032*	*4.29*	*969*	*0.82*	*29,694*	*18.12*	*13,736*	*6.92*
EPCC	**-**	**-**	**9,731**	**8.23**	**14,614**	**8.92**	**10,982**	**5.54**
FM services	**523**	**0.74**	**8,664**	**7.33**	**12,480**	**7.62**	**11,077**	**5.58**
Other related activities(1)	**274**	**0.39**	**987**	**0.83**	**4,077**	**2.49**	**11,500**	**5.80**
	70,650	**100.00**	**118,275**	**100.00**	**163,837**	**100.00**	**198,409**	**100.00**

Note:

(1) Includes rental of equipment and vehicles, and manpower supply.

(ii) Commentary on revenue

(a) FYE 2022 compared to FYE 2021

Our total revenue increased by 67.41% or RM47.63 million from RM70.65 million in FYE 2021 to RM118.28 million in FYE 2022. This was attributed to the increase in revenue from all our business segments, as follows:

Plant maintenance and turnaround services

Revenue from plant maintenance and turnaround services increased by 41.57% or RM29.04 million to RM98.89 million in FYE 2022 (FYE 2021: RM69.85 million). This was mainly due to the increase in comprehensive maintenance, as follows:

Comprehensive maintenance

Revenue from comprehensive maintenance increased by 46.55% or RM31.10 million to RM97.92 million in FYE 2022 (FYE 2021: RM66.82 million), which was mainly attributed to the following projects:

- increase in revenue from the TA4MS – PETRONAS and TA4MS - Refinery contracts by RM34.33 million for the provision of comprehensive maintenance services for a refinery facility in Johor. In FYE 2022, we carried out major unscheduled and corrective maintenance works at the refinery facility to address unexpected issues and equipment failures. This includes, among others, pigtail piping replacement works for the Hydrogen Production Units, refractory works for the Sulphur Production Units, sulphur lock piping repair works, reactor catalyst sampling and inspection works, and Crude Distillation Unit heat exchanger maintenance works;
- revenue contribution from MSA Tank – Melaka Refinery Complex contract of RM3.65 million mainly attributed to the major maintenance works for 2 atmospheric storage tanks at a refinery facility in Sungai Udang, Melaka. The major maintenance works for the 2 tanks commenced in April 2022 and September 2022 respectively;
- revenue contribution from steel pipe patching and repair works of RM1.45 million for a central utilities and facilities in Pengerang, Johor; and
- increase in revenue from the provision of civil and structural maintenance works contract for the process area of a refinery facility in Johor by RM1.39 million. In FYE 2022, some of the civil and structural maintenance works that we carried out includes paving works, office renovation, roof leak repair, and excavation work. We also supplied manpower to perform civil works.

The increase in revenue from comprehensive maintenance was partially offset by the decrease in revenue from the TA4MS PETRONAS and TA4MS - Utilities Pengerang contracts by RM10.68 million for the provision of comprehensive maintenance services for a central utilities and facilities in Pengerang, Johor in FYE 2022. The decrease in revenue for comprehensive maintenance from the said contracts was mainly due to major repair works carried out in the previous FYE 2021. In FYE 2021, we carried out major pipe patching works for leaked water pipelines for the central utilities and facilities in Pengerang.

Plant turnaround

The increase in revenue was partially offset by the decrease in revenue from plant turnaround by 68.04% or RM2.06 million to RM0.97 million in FYE 2022 (FYE 2021: RM3.03 million). This was mainly attributed to the decrease in revenue from the TA4MS – PETRONAS and TA4MS – Refinery contracts by RM2.31 million as the refinery facility completed its plant turnaround services in FYE 2021. In the previous FYE 2021, we carried out refractory works as part of plant shutdown for incinerators at a refinery complex in Johor which was completed within one and a half months. Plant turnaround activities typically occur every 18 to 36 months, resulting in cyclical revenue patterns. We may have surges in plant turnaround revenue in certain years when we carry out turnaround activities and subsequent revenue troughs during periods of lower turnaround activities. The lower revenue of RM0.97 million in FYE 2022 was mainly due to the completion of plant turnaround services for the refinery facility in Pengerang performed in FYE 2021.

EPCC

In FYE 2022, revenue from our EPCC segment was RM9.73 million. This was mainly attributed to the following projects:

- revenue contribution from the Water Piping Replacement EPCC contract of RM7.76 million from the commencement of works involving the EPCC of treated water piping replacement works for a central utilities and facilities in Pengerang. The project commenced in January 2022 and completed in June 2022; and

- revenue contribution from the GRE Pipe Works contract of RM1.38 million from the commencement of works involving mobilisation of manpower to carry out the fabrication of GRE pipes and pipe support for an EPCC company. The project commenced in August 2022.

FM services

Revenue from FM services increased by 1,556.60% or RM8.14 million to RM8.66 million in FYE 2022 (FYE 2021: RM0.52 million). This was attributed to the following:

- revenue contribution from the MOTAC and MOHE FM contract of RM5.37 million as the contract commenced in June 2022 for the provision of FM services for the Ministry of Tourism, Arts and Culture, and Ministry of Higher Education buildings in Putrajaya; and
- increase in revenue from the Putrajaya Precinct 14 FM contract by RM2.77 million mainly attributed to the full year contribution from the services rendered in FYE 2022 pertaining to the ongoing contract for the FM services of government quarters in Precinct 14, Putrajaya. In comparison, in previous FYE 2021, the revenue was contributed from four months of services rendered as the contract commenced in September 2021.

Other related activities

Revenue from other related activities increased by 260.22% or RM0.71 million to RM0.99 million in FYE 2022 (FYE 2021: RM0.27 million). This was mainly attributed to the increase in revenue from rental segment by RM0.71 million largely due to the increase in rental of mobile cranes and sky lifts to a customer in FYE 2022.

(b) FYE 2023 compared to FYE 2022

Our total revenue increased by 38.52% or RM45.56 million from RM118.28 million in FYE 2022 to RM163.84 million in FYE 2023. This was driven by the overall increase in revenue from all business segments, as follows:

Plant maintenance and turnaround services

Revenue from plant maintenance and turnaround services increased by 34.15% or RM33.77 million to RM132.67 million in FYE 2023 (FYE 2022: RM98.89 million). This was attributed to plant turnaround and comprehensive maintenance, as follows:

Plant turnaround

Revenue from plant turnaround increased by 2,964.40% or RM28.73 million to RM29.69 million in FYE 2023 (FYE 2022: RM0.97 million). This was mainly due to the following:

- increase in revenue from the TA4MS - Refinery contract by RM14.54 million mainly attributed to the commencement of integrated planning for the next plant turnaround exercise for a refinery complex in Johor. The integrated planning, which commenced in January 2023, involves development of detailed turnaround execution plan for approximately 1,700 equipment including the job method statement, scope of inspection, material planning, ventilation planning, escape and rescue plan, scaffolding plan, insulation plan, equipment and battery limit isolation plan, lifting plan, logistics arrangement, mobilisation, detailed scheduling, and progress reporting for execution. The process units that are involved in the integrated planning includes the Crude Distillation Units (CDU), Hydrogen Production Unit (HPU), and Sulphur Recovery Unit (SRU).

The integrated planning was facilitated through weekly meetings with the customer and other stakeholders involving the participation of approximately 80 personnels of various competencies such as turnaround manager, scheduler, static planner, logistic coordinator, static supervisors, scaffolding supervisors, and insulation supervisors.

- revenue contribution from the TA4MS - PETRONAS contract of RM7.17 million mainly attributed to the plant turnaround services undertaken at the regasification terminal in Pengerang, Johor. The plant turnaround exercise was performed progressively from September 2023 to December 2023 for the inspection, repair and maintenance of certain static equipment such as heat exchanger, pressure vessels, and boilers for the renewal of its certificate of fitness.
- increase in revenue from the TA4MS - Utilities Pengerang contract by RM7.02 million attributed to the plant turnaround services undertaken at the central utilities and facilities in Pengerang, Johor. The plant turnaround exercise was performed progressively from January 2023 to April 2023 for the inspection, repair and maintenance of certain static equipment such as heat exchanger, pressure vessels, and boilers for the renewal of its certificate of fitness.

Comprehensive maintenance

Revenue from comprehensive maintenance increased by 5.16% or RM5.05 million to RM102.97 million in FYE 2023 (FYE 2022: RM97.92 million), attributed mainly the following contracts:

- increase in revenue from the TA4MS - Utilities Pengerang contract by RM7.11 million for comprehensive maintenance services rendered at a central utilities and facilities in Pengerang, Johor. Some of the maintenance works that we carried out during the financial year include, among others, ion exchange resin and carbon filter change out, desludging and cleaning works, rectification and repair works, rubber lining replacement, scaffolding works, supply of skilled manpower, as well as rental of heavy lifting equipment and vehicles.
- increase in revenue from the MSA Tank – Melaka Refinery Complex contract by RM4.26 million mainly attributed to the completion of maintenance works for 2 atmospheric storage tanks in June 2023 and July 2023 respectively, as well as the commencement of major maintenance works for 2 additional atmospheric storage tanks since July 2023 and September 2023 at a refinery in Sungai Udang, Melaka.
- revenue contribution from the MSA Tank – Kerteh Refinery Complex contract of RM2.83 million mainly for the maintenance of 4 atmospheric storage tanks at a refinery in Kerteh, Terengganu.

The increase in revenue from comprehensive maintenance was partially offset by the decrease in revenue from the TA4MS - Refinery contract by RM13.02 million in FYE 2023 for the provision of comprehensive maintenance services of a refinery facility in Johor. The decrease in revenue was mainly due to lower work orders in FYE 2023, as compared to the work orders for major unscheduled maintenance works carried out in FYE 2022, as mentioned above.

EPCC

Revenue from EPCC increased by 50.18% or RM4.88 million to RM14.61 million in FYE 2023 (FYE 2022: RM9.73 million). This was mainly attributed to the following projects:

- revenue contribution from the Geodesic Dome Roof EPCC contract of RM7.36 million attributed from the design and supply of an aluminium geodesic dome roof and full contact internal floating roof for 1 unit of crude oil tank which commenced in December 2022; and

- increase in revenue from the GRE Pipe Works contract by RM4.75 million for the fabrication, installation and testing of GRE pipes at the onshore fabrication yard for an EPCC company and this onshore work was completed in November 2023.

The increase in revenue of the EPCC segment was partially offset by the decrease in revenue from the Water Piping Replacement EPCC contract by RM7.69 million due to the physical completion of project by June 2022.

FM services

Revenue from FM services increased by 44.04% or RM3.82 million to RM12.48 million in FYE 2023 (FYE 2022: RM8.66 million). This was attributed to the increase in revenue from the MOTAC and MOHE FM contract by RM3.98 million mainly attributed to the full year contribution in FYE 2023 for the maintenance services rendered for the government buildings in Putrajaya. In comparison, in previous FYE 2022, the revenue was contributed from seven months of services rendered as the contract commenced in June 2022.

This was partially offset by the decrease in revenue from the ongoing Putrajaya Precinct 14 FM contract by RM0.16 million for the services rendered for the government quarters in Precinct 14, Putrajaya.

Other related activities

Revenue from other related activities increased by 313.07% or RM3.09 million to RM4.08 million in FYE 2023 (FYE 2022: RM0.99 million). This was mainly due to the increase in revenue by RM3.67 million for manpower supply for fabrication services to an EPCC company in FYE 2023.

(c) FYE 2024 compared to FYE 2023

Our revenue increased by 21.10% or RM34.57 million from RM163.84 million in FYE 2023 to RM198.41 million in FYE 2024. This was mainly due to the following business segments:

Plant maintenance and turnaround services

In FYE 2024, our revenue from plant maintenance and turnaround services increased by 24.26% or RM32.18 million to RM164.85 million in FYE 2024 (FYE 2023: RM132.67 million). This was mainly due to the increase in revenue from comprehensive maintenance services by 46.75% or RM48.14 million to RM151.11 million in FYE 2024 (FYE 2023: RM102.97 million).

Comprehensive maintenance

The increase in revenue from comprehensive maintenance services was mainly attributed to the following contracts:

- increase in revenue from the TA4MS – Refinery contract by RM23.13 million in FYE 2024 for comprehensive maintenance services rendered at the refinery complex in Johor. In FYE 2024, there were major repair works for the internal tubes for 8 units of heat exchangers in the refinery.
- increase in revenue from the TA4MS – Utilities Pengerang contract by RM7.43 million in FYE 2024 for comprehensive maintenance services rendered at the central utilities and facilities in Pengerang, Johor. Some of the maintenance works that we carried out in FYE 2024 include, among others, corrosion inspection, realignment and repair of piping system, and vessel repair works.

- increase in revenue from the MSA tank – Melaka Refinery Complex contract by RM4.36 million in FYE 2024, mainly for the maintenance works for 4 units of atmospheric storage tanks at a refinery in Sungai Udang, Melaka.
- increase in revenue from the provision of civil and structural maintenance works contract for a refinery facility in Melaka by RM2.54 million. In FYE 2024, some of the civil and structural maintenance works that we carried out mainly include the provision of office renovation works at the facilities' production planning office.
- increase in revenue from the PCG PCC Oxyalkylates maintenance alliance contract by RM2.26 million in FYE 2024 for the provision of comprehensive maintenance services for the petrochemical plant in Terengganu.

Plant turnaround

The increase in revenue from this business segment was partially offset by the decrease in revenue from plant turnaround by 53.74% or RM15.96 million to RM13.74 million in FYE 2024 (FYE 2023: RM29.69 million). This was mainly attributed to the decrease in revenue from the TA4MS – Utilities Pengerang and the TA4MS – Regasification Terminal Pengerang contracts by RM7.81 million and RM7.17 million respectively, as there were no plant turnaround activities scheduled for these two facilities in FYE 2024.

In addition, the decrease in revenue from this segment was also partially attributed to the slight decrease in revenue from the TAM4S – Refinery contract by RM0.92 million for the integrated planning of the refinery facility in Pengerang. In FYE 2024, there was a lower revenue of RM13.65 million contributed from the ongoing integrated planning activities of the refinery plant (FYE 2023: RM14.57 million) due to the lesser manhours utilised in FYE 2024.

EPCC

Our revenue from the EPCC segment decreased by 24.85% or RM3.63 million to RM10.98 million in FYE 2024 (FYE 2023: RM14.61 million), mainly due to the following contracts:

- decrease in revenue from the Geodesic Dome Roof EPCC contract by RM6.01 million due to the delay in the installation and commissioning of the geodesic dome roof arising from late delivery of the project site from the customer; and
- decrease in revenue from the GRE Pipe Works contract by RM4.36 million due to the completion of the onshore piping works for an EPCC company in November 2023. In FYE 2024, the project recorded revenue of RM1.97 million, attributed to 2 variation orders received for the GRE Pipe Works contract in FYE 2024. One variation order was pertaining to the final revaluation of additional work done in the previous year and another variation order was pertaining to additional scope for offshore works.

The decrease in revenue from the EPCC segment was partially moderated by the increase in revenue from the FTNIR EPCC contract by RM6.04 million in FYE 2024 for detailed engineering design, procurement of materials, namely the analyser package, civil construction, electrical and instrumentation installation, and piping fabrication. In FYE 2023, this project recorded minimal revenue of RM0.80 million as it only commenced works in July 2023.

FM services

Our revenue from FM services decreased by 11.24% or RM1.40 million to RM11.08 million in FYE 2024 (FYE 2023: RM12.48 million) due to the following:

- decrease in revenue from the ongoing MOTAC and MOHE FM contract by RM1.27 million, mainly due to lower valued equipment being repaired and replaced in the buildings. In FYE 2023, we repaired and replaced the air-conditioning controller system, PA system, telephone system, audio-visual system, and CCTV system, and performed air handling unit duct cleaning works, while in FYE 2024, we repaired and replaced the telephone system, audio-visual, public address system, conference system, roller blinds and wallpapers; and
- decrease in revenue from the ongoing Putrajaya Precinct 14 FM contract by RM0.14 million for the services rendered for the government quarters in Precinct 14, Putrajaya.

Other related activities

Our revenue from other related activities increased by 182.07% or RM7.42 million to RM11.50 million in FYE 2024 (FYE 2023: RM4.08 million) due to the increase in revenue from the supply of manpower of RM3.29 million, and rental of equipment and vehicles of RM4.14 million.

The increase in revenue from the supply of manpower was attributed to additional purchase orders for manpower supply to an EPCC company for additional fabrication services. The increase in revenue from the rental of equipment and vehicles was largely attributed to the new rental contract for the supply of mobile cranes, lorries, and forklifts to two gas processing plants and two central utilities in Terengganu and Pahang, which was commenced in September 2023.

12.3.3 Segmental analysis by cost of sales

(i) Cost of sales by compositions

The table below sets out the breakdown of our cost of sales by compositions:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
Cost of sales by compositions	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Subcontractor costs for services, materials, equipment and labour	22,321	42.06	46,690	50.79	63,438	51.34	66,193	47.87
Labour costs	15,343	28.91	24,584	26.74	30,072	24.33	37,184	26.89
Machinery and equipment related costs	6,041	11.38	9,194	10.00	15,390	12.45	18,551	13.41
Material, tools and consumable costs	7,357	13.86	9,012	9.81	11,095	8.98	13,340	9.65
Other costs(1)	2,010	3.79	2,448	2.66	3,579	2.90	3,013	2.18
	53,072	**100.00**	**91,928**	**100.00**	**123,574**	**100.00**	**138,281**	**100.00**

Note:

(1) Includes mainly site expenses, project insurance costs, as well as transportation and freight charges.

(ii) Cost of sales by business activities

The table below sets out the breakdown of our cost of sales by business activities:

	Audited							
Cost of sales by business activities	**FYE 2021**		**FYE 2022**		**FYE 2023**		**FYE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Plant maintenance and turnaround services	52,484	98.89	77,808	84.64	96,615	78.18	110,767	80.10
• *Comprehensive maintenance*	*50,295*	*94.77*	*77,153*	*83.93*	*78,635*	*63.63*	*99,502*	*71.95*
• *Plant turnaround*	*2,189*	*4.12*	*655*	*0.71*	*17,980*	*14.55*	*11,265*	*8.15*
EPCC	-	-	5,993	6.52	13,165	10.65	7,344	5.31
FM services	428	0.81	7,234	7.87	10,228	8.28	9,737	7.04
Other related activities(1)	160	0.30	893	0.97	3,566	2.89	10,433	7.55
	53,072	**100.00**	**91,928**	**100.00**	**123,574**	**100.00**	**138,281**	**100.00**

Note:

(1) Includes rental of equipment and vehicles, and manpower supply.

(a) Subcontractor costs for services, materials, equipment and labour

During the Financial Years Under Review, we mainly engaged subcontractors for our plant maintenance and turnaround services, EPCC, FM services, and other related activities as follows:

- **Plant maintenance and turnaround services** – We engage subcontractors to carry out certain services including, among others, blasting and painting works, repair, welding and fabrication works, valve servicing, on-site machining, hydraulic bolt torquing and tensioning, insulation works, scaffolding works, cleaning works, refractory works, and catalyst change out. In some cases, these subcontractors are also responsible for the procurement of materials and consumables, and rental of heavy lifting equipment and vehicles. In addition, we engaged external manpower supply for our plant maintenance and turnaround services.

- **EPCC** – We engage subcontractors to carry out certain works including, among others, scaffolding works, and blasting and painting works. For certain projects, we engage subcontractors for detailed engineering design and procurement of materials. In addition, we engaged external manpower supply for some of our EPCC projects.

- **FM services** – We engage subcontractors to mainly carry out repair and maintenance of specialised mechanical and electrical systems such as, among others, elevators, telecommunication systems, CCTV systems, audiovisual systems, UPS system, boom gate system, and fire prevention system. In addition, we engaged external manpower supply for certain works such as housekeeping, landscaping works, and minor repair works. In some cases, these subcontractors are also responsible for the procurement of materials and consumables.

- **Other related activities** – In FYE 2023 and FYE 2024, we engaged external manpower supply from a related company, namely FMV, to fulfil our purchase orders to supply manpower for fabrication works to an EPCC company.

Subcontractor costs accounted for 42.06%, 50.79%, 51.34% and 47.87% of the total cost of sales for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

For FYE 2022, our subcontractor costs increased by 109.18% or RM24.37 million mainly due to the increase in the engagement of subcontractors for our comprehensive plant maintenance services, EPCC and FM services in FYE 2022, as follows:

- increase in subcontractor costs for services, materials, equipment, and labour mainly for the provision of comprehensive maintenance services for a refinery facility in Johor, and maintenance of atmospheric storage tanks for a refinery facility in Melaka.
- contribution of subcontractor costs for services, materials, equipment, and labour for EPCC segment for scaffolding works, blasting and painting works, and manpower supply mainly for our EPCC piping works projects in FYE 2022.
- increase in subcontractor costs for services, materials, equipment and labour for FM services for the MOTAC and MOHE FM contract, and the Putrajaya Precinct 14 FM contract. This includes mainly housekeeping, landscaping works, minor repair works, as well as repair and maintenance of elevators and UPS system.

For FYE 2023, our subcontractor cost increased by 35.87% or RM16.75 million mainly due to the increase in the engagement of subcontractors for our plant maintenance and turnaround services, EPCC, FM services, and manpower supply in FYE 2023, as follows:

- increase in subcontractor costs for services, materials, equipment and labour mainly for plant turnaround services performed in FYE 2023 for a central utilities and facilities, and regasification terminal in Pengerang;
- increase in subcontractor costs for services, materials, equipment and labour for EPCC segment mainly for the design and supply of an aluminium geodesic dome roof and full contact internal floating roof for our Geodesic Dome Roof EPCC contract, as well as for manpower supply for our GRE Pipe Works contract;
- engagement of external manpower supply from a related party, FMV, to fulfil our purchase orders to supply manpower for fabrication works to an EPCC company; and
- increase in subcontractor costs for services, materials, equipment and labour for FM services mainly for the replacement of telephone, and audio visual systems pertaining to the MOTAC and MOHE FM contract.

For FYE 2024, our subcontractor cost increased by 4.34% or RM2.76 million, mainly due to the increase in the engagement of subcontractors for our comprehensive maintenance services, FM services, and manpower supply in FYE 2024, as follows:

- increase in subcontractor costs for services, materials, equipment and labour mainly for the provision of comprehensive maintenance services for central utilities and facilities and refinery facility in Johor, and maintenance of atmospheric storage tanks for refinery facilities in Melaka and Terengganu.
- increase in cost incurred for the engagement of external manpower supply from a related party, FMV, to fulfil our purchase orders to supply manpower for fabrication works to an EPCC company; and
- increase in subcontractor costs for services, materials, equipment and labour for FM services mainly for the general maintenance and landscaping works, maintenance service on audio-visual, PA and CCTV systems, replacement of building control and fire system, air handling units, electrical wiring and battery for generator set.

(b) Labour costs

Labour costs comprise salaries, allowances and employee contribution plan for our permanent and contractual employees from operations to carry out our plant maintenance and turnaround services, EPCC, FM services, and other related activities.

For FYE 2022, labour costs increased by 60.23% or RM9.24 million mainly due to the increase in our Group's number of employees from operations which increased from a monthly average of 335 personnels in FYE 2021 to a monthly average of 491 personnels in FYE 2022. This includes the hiring of additional employees mainly for our plant maintenance and turnaround contracts for Pengerang operations, as well as for the commencement of our FM contracts.

For FYE 2023, labour costs increased by 22.32% or RM5.49 million mainly due to the increase in labour cost for plant turnaround attributed to the increase in the number of employees for the plant turnaround integrated planning activities for a refinery in Johor. The number of employees for our plant turnaround segment increased from a monthly average of 13 personnels in FYE 2022 to a monthly average of 122 personnels in FYE 2023. This includes the hiring of skilled personnels with higher average salary such as turnaround manager, scheduler, static planner, logistic coordinator, static supervisors, scaffolding supervisors, and insulation supervisors.

For FYE 2024, labour costs increased by 23.65% or RM7.11 million mainly due to the increase in our Group's number of employees which increased from a monthly average of 467 personnels in FYE 2023 to a monthly average of 594 personnels in FYE 2024. This includes the hiring of additional employees for comprehensive maintenance services. The increase in labour costs was also partly attributed to the reclassification of staff costs for certain operations employees' salaries in EPCC segment, from administrative expenses to cost of sales, effective from January 2024. Initially, the EPCC team's salaries were recorded under administrative expenses, given the small headcount. However, following the expansion of the team and the increase in EPCC-related activities, these salaries were reclassified to cost of sales in FYE 2024 to align with their direct role in project execution.

(c) Machinery and equipment related costs

Machinery and equipment related costs comprised rental of machinery and equipment from external service providers.

For FYE 2022, the machinery and equipment related costs increased by 52.19% or RM3.15 million. This was mainly driven by the increased requirements for additional heavy lifting equipment in FYE 2022 for us to support our comprehensive plant maintenance services. This was also reflected in the increase in our revenue from comprehensive plant maintenance services by 46.55% in FYE 2022.

For FYE 2023, the machinery and equipment related costs increased by 67.39% or RM6.20 million. This was mainly driven by the increased requirements for additional heavy lifting equipment in FYE 2023 for us to support our plant turnaround activities that was undertaken for a central utilities and facilities, and a regasification terminal in Pengerang during the financial year.

For FYE 2024, machinery and equipment related costs increased by 20.54% or RM3.16 million mainly due to the increase in cost of renting lifting equipment from external parties to fulfil our purchase orders for the rental business segment.

(d) Materials, tools and consumable costs

For our plant maintenance and turnaround services, and EPCC segments, material, tools and consumable costs mainly consist of materials such as pipes, fittings, valves, paints, sealants, cladding materials, and fasteners, as well as tools and consumables such as diesel, torque wrenches, rigging equipment, ladders, hoses, and hardware tools. For our FM segment, material and consumable costs mainly consist of purchases of UPS system, telephone and public address system.

For FYE 2022, our material, tools, and consumable costs increased by 22.50% or RM1.66 million mainly due to the materials procured for our FM segment namely UPS systems for replacement works carried out for our MOTAC and MOHE FM contract in FYE 2022.

For FYE 2023, our materials, tools, and consumable costs increased by 23.11% or RM2.08 million mainly due to the increased materials, tools, and consumables procured for our plant maintenance and turnaround services, in line with the increase in revenue from this segment.

For FYE 2024, materials, tools and consumable costs increased by 20.23% or RM2.25 million, mainly due to the materials procured for our FTNIR EPCC contract.

(e) Other costs

Other costs include project related expenditures such as rental of vehicles for employees, project insurance, safety equipment, inspection and testing, repair and maintenance, site expenses, transportation and freight charges, and project levy.

Other costs increased by RM0.44 million and RM1.13 million in FYE 2022 and FYE 2023 respectively. This was mainly due to the increase in the project related expenditures, mainly rental of vehicles for employees and project insurance, on the back of our business growth and reflected in the increase in our revenue for FYE 2022 and FYE 2023 respectively. In FYE 2024, other costs decreased by RM0.57 million mainly due to the decrease in rental of vehicles mainly for plant maintenance and turnaround segment as we purchased our own vehicles, mainly 16 units of lorries, during the financial year.

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12.3.4 Segmental analysis by GP and GP margin

(i) GP and GP margin by business activities and products

	Audited											
	FYE 2021			FYE 2022			FYE 2023			FYE 2024		
	GP RM'000	% of total GP	GP margin (%)	GP RM'000	% of total GP	GP margin (%)	GP RM'000	% of total GP	GP margin (%)	GP RM'000	% of total GP	GP margin (%)
Plant maintenance and turnaround	17,369	98.81	24.87	21,085	80.03	21.32	36,051	89.54	27.17	54,083	89.95	32.81
• *Comprehensive maintenance*	*16,526*	*94.01*	*24.73*	*20,771*	*78.84*	*21.21*	*24,337*	*60.45*	*23.63*	*51,612*	*85.84*	*34.15*
• *Plant turnaround*	*843*	*4.80*	*27.80*	*314*	*1.19*	*32.40*	*11,714*	*29.09*	*39.45*	*2,471*	*4.11*	*17.99*
EPCC	-	-	-	3,738	14.19	38.41	1,449	3.60	9.92	3,638	6.05	33.13
FM services	95	0.54	18.16	1,430	5.43	16.51	2,252	5.59	18.04	1,340	2.23	12.10
Other related activities[1]	114	0.65	41.61	94	0.35	9.52	511	1.27	12.53	1,067	1.77	9.28
	17,578	**100.00**	**24.88**	**26,347**	**100.00**	**22.28**	**40,263**	**100.00**	**24.58**	**60,128**	**100.00**	**30.31**

Note:

(1) Includes rental of equipment and vehicles, and manpower supply.

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(a) FYE 2022 compared to FYE 2021

Our GP increased by 49.89% or RM8.77 million from RM17.58 million in FYE 2021 to RM26.35 million in FYE 2022. Meanwhile, our GP margin decreased from 24.88% in FYE 2021 to 22.28% in FYE 2022. This was mainly due to the following:

Plant maintenance and turnaround

The GP of plant maintenance and turnaround segment increased by 21.39% or RM3.72 million to RM21.09 million in FYE 2022 (FYE 2021: RM17.37 million). Meanwhile, our GP margin for plant maintenance and turnaround services decreased from 24.87% in FYE 2021 to 21.32% in FYE 2022. This was mainly due to comprehensive maintenance as follows:

Comprehensive maintenance

GP from comprehensive maintenance services increase by 25.69% or RM4.24 million to RM20.77 million in FYE 2022 (FYE 2021: RM16.53 million). This was also reflected in the increase in revenue of comprehensive maintenance services by 46.55% in FYE 2022. The increase in GP mainly attributed to the following:

- increase in GP by RM7.47 million from the comprehensive maintenance services rendered for a refinery facility in Johor arising from higher maintenance services requested and rendered during the FYE 2022;
- increase in GP by RM0.82 million from civil maintenance services rendered for the built environment of a refinery facility in Johor; and
- GP contribution of RM0.37 million from the steel pipe patching and repair works for a central utilities and facilities in Johor.

The increase in GP from the comprehensive maintenance services was partially offset mainly by the decrease in GP by RM3.34 million from the TA4MS - Utilities Pengerang contract which was in line with the decrease in revenue from this said contract during the FYE 2022, as mentioned above.

GP margin from comprehensive maintenance decreased from 24.73% in FYE 2021 to 21.21% in FYE 2022. This was mainly due to the decrease in GP margin for the plant maintenance services rendered for refinery facility in Johor. The decrease in GP margin was mainly due to the increase in proportion of works that was subcontracted out coupled with the increase in labour costs due to the hiring of additional workforce for our operations in Pengerang. In FYE 2022, the proportion of subcontractor costs was 38.19% for our comprehensive maintenance as compared to 31.38% in FYE 2021.

Plant turnaround

The increase in GP from comprehensive maintenance was partially offset by the decrease in GP from plant turnaround by 62.75% or RM0.53 million to RM0.31 million in FYE 2022 (FYE 2021: RM0.84 million). The decrease was mainly attributed to the decrease in GP by RM0.60 million from the plant turnaround services rendered for a refinery in Johor on the back of lower revenue generated in 2022.

The GP margin from the plant turnaround services increased from 27.80% in FYE 2021 to 32.40% in FYE 2022, which was mainly due to the decrease in the proportion of labour cost and subcontractor cost incurred as there were lesser plant turnaround activities in FYE 2022.

EPCC

The GP contribution from the EPCC segment of RM3.74 million in FYE 2022 (FYE 2021: NIL), which was mainly contributed by RM3.19 million from the Water Piping Replacement EPCC contract that commenced and completed during FYE 2022.

In FYE 2022, the GP margin for our EPCC segment was at 38.41%, which was mainly contributed by the new Water Piping Replacement EPCC contract with a relatively high margin.

FM services

In FYE 2022, GP from FM services increased by 1,405.26% or RM1.34 million to RM1.43 million (FYE 2021: RM0.10 million), which was contributed by the GP from the new MOTAC and MOHE FM contract and the ongoing Putrajaya Precinct 14 FM contract. This was reflected in the increase in revenue of 1,556.60% from the FM services segment.

The GP margin from FM services decreased from 18.16% in FYE 2021 to 16.51% in FYE 2022, mainly due to the commencement of a new MOTAC and MOHE FM contract with a lower margin due to the requirement to replace certain equipment such as UPS systems upon commencement of the contract.

Other related activities

GP from other related activities decreased by 17.54% or RM0.02 million to RM0.09 million in FYE 2022 (FYE 2021: RM0.11 million). The GP margin from other related activities decreased from 41.61% in FYE 2021 to 9.52% in FYE 2022.

This was mainly due to the decrease in GP and GP margin from the rental segment. This was attributed to the increased costs incurred for renting external lifting equipment from external providers to fulfil customer orders for specific types and capacity of lifting equipment that we did not own.

(b) FYE 2023 compared to FYE 2022

Our GP increased by 52.82% or RM13.91 million from RM26.35 million in FYE 2022 to RM40.26 million in FYE 2023. Our GP margin improved from 22.28% in FYE 2022 to 24.58% in FYE 2023. This was mainly due to the following:

Plant maintenance and turnaround

The GP of plant maintenance and turnaround segment increased by 70.98% or RM14.97 million to RM36.05 million in FYE 2023 (FYE 2022: RM21.09 million). Our GP margin for plant maintenance and turnaround improved from 21.32% in FYE 2022 to 27.17% in FYE 2023. This was attributed to the following:

Plant turnaround

The GP for plant turnaround increased by 3,630.57% or RM11.40 million to RM11.71 million in FYE 2023 (FYE 2022: RM0.31 million). This was also reflected in the higher revenue from this segment which increased by 2,964.40% in FYE 2023. The increase in GP was mainly attributed to the following:

- increase in GP by RM5.39 million from the commencement of integrated planning for the next plant turnaround exercise for a refinery facility in Johor. As mentioned above, the integrated planning involves the development of detailed work activities for approximately 1,700 equipment which is facilitated through weekly meetings.

- GP contribution of RM3.55 million from plant turnaround activities carried out for a regasification terminal in Pengerang for the renewal of its static equipment certificate of fitness.
- increase in GP by RM2.46 million from plant turnaround activities carried out for a central utilities and facilities in Pengerang for the renewal of its static equipment certificate of fitness.

The GP margin for plant turnaround improved from 32.40% in FYE 2022 to 39.45% in FYE 2023. This was mainly contributed by the decrease in the proportion of cost of sales from 67.60% in FYE 2022 to 60.55% in FYE 2023 on the back of higher revenue by 2,964.40% for plant turnaround activities. The decrease in the proportion of cost of sales against the back of higher revenue was mainly attributed to the distribution of cost and resources amongst three plant turnaround activities performed in FYE 2023, namely plant turnaround execution for two facilities in Pengerang and integrated planning for a refinery in Pengerang.

Comprehensive maintenance

The GP from comprehensive maintenance increased by 17.17% or RM3.57 million to RM24.34 million in FYE 2023 (FYE 2022: RM20.77 million). This was also reflected in the increase revenue from this segment by 5.16% in FYE 2023. The increase in GP was mainly attributed to the following:

- increase in GP by RM2.11 million from the plant maintenance services rendered for a central utilities and facilities in Pengerang, mainly arising from higher maintenance services rendered including preventive and corrective maintenance.
- increase in GP by RM1.67 million from maintenance services of atmospheric storage tanks for a refinery facility in Melaka mainly arising from the maintenance services rendered for additional storage tanks.

The GP margin from the comprehensive maintenance improved from 21.21% in FYE 2022 to 23.63% in FYE 2023, which was mainly contributed by the improvement in GP margin of the maintenance activities performed for facilities in Pengerang and Melaka, as mentioned above. This was partly due to the decrease in the proportion of labour cost incurred on the back of higher revenue by 5.16% for comprehensive maintenance services in FYE 2023.

EPCC

The GP of EPCC segment decreased by 61.24% or RM2.29 million to RM1.45 million in FYE 2023 (FYE 2022: RM3.74 million). This was mainly contributed by the decrease in GP by RM3.16 million from the Water Piping Replacement EPCC contract as the project was physically completed in July 2022.

The decrease was partially moderated by the following:

- GP contribution from the Geodesic Dome Roof EPCC contract and FTNIR EPCC contract which collectively amounted to RM0.94 million as the projects commenced in December 2022 and July 2023 respectively.
- increase in GP by RM0.24 million from the GRE Pipe Works contract as there was higher piping works completed during the financial year.

The GP margin decreased from 38.41% in FYE 2022 to 9.92% in FYE 2023. This was mainly due to the following:

- Lower GP contribution from a high margin project due to completion namely the Water Piping Replacement EPCC contract with a margin of approximately 40%;

- GP contribution of low margin projects including the GRE Pipe Works contract, Geodesic Dome Roof EPCC contract and FTNIR EPCC contract with margin ranging between 10% to 16%.

FM services

In FYE 2023, GP from FM services increased by 57.48% or RM0.82 million to RM2.25 million (FYE 2022: RM1.43 million), which was mainly contributed by the higher GP contribution from two ongoing FM contracts, namely MOTAC and MOHE FM contract and Putrajaya Precinct 14 FM contract. This was also reflected in the increase in revenue by 44.04% from this segment in FYE 2023.

The GP margin for FM services improved from 16.51% in FYE 2022 to 18.04% in FYE 2023. This was mainly attributed to the improvement in GP margin from the FM services rendered for the MOTAC and MOHE FM contract.

Other related activities

GP from other related activities increased by 443.62% or RM0.42 million to RM0.51 million in FYE 2023 (FYE 2022: RM0.09 million). This was mainly attributed to higher requirement of manpower supply services for fabrication works in FYE 2023 which was also reflected in the revenue growth for the said services.

The GP margin from other related activities improved from 9.52% in FYE 2022 to 12.53% in FYE 2023. The GP margin improvement was partly attributed to a higher GP margin from the rental segment. The higher GP margin from the rental segment was mainly due to the increase in rental of own equipment to fulfil customers' orders.

(c) FYE 2024 compared to FYE 2023

Our GP increased by 49.34% or RM19.87 million to RM60.13 million in FYE 2024 (FYE 2023: RM40.26 million), and our GP margin improved from 24.58% in FYE 2023 to 30.31% in FYE 2024. This was mainly due to the following business segments:

Plant maintenance and turnaround services

GP from plant maintenance and turnaround services increased by 50.02% or RM18.03 million to RM54.08 million in FYE 2024 (FYE 2023: RM36.05 million), and GP margin from plant maintenance and turnaround services improved from 27.17% in FYE 2023 to 32.81% in FYE 2024. This is due to the following:

Comprehensive maintenance

GP from comprehensive maintenance increased by 112.07% or RM27.27 million to RM51.61 million in FYE 2024 (FYE 2023: RM24.34 million). This was also reflected in the increase in revenue of comprehensive maintenance services by 46.75% in FYE 2024. The increase in GP was mainly attributed to the following:

- increase in GP by RM14.53 million from the comprehensive maintenance services for a refinery facility in Johor, arising from higher maintenance services requested and rendered during the FYE 2024;
- increase in GP by RM6.56 million from the comprehensive maintenance services rendered for the central utilities and facilities in Pengerang, arising from higher maintenance services requested and rendered during the FYE 2024;
- increase in GP by RM1.44 million from maintenance services of atmospheric storage tanks for a refinery in Melaka; and
- increase in GP by RM1.06 million from the civil and structural maintenance works for a refinery facility in Melaka.

The GP margin from comprehensive maintenance improved from 23.63% in FYE 2023 to 34.15% in FYE 2024, which was mainly attributed to the improvement in GP margin for the maintenance activities performed for facilities in Pengerang and Melaka, as mentioned above. The growth in GP and revenue on these maintenance activities performed in FYE 2024 reduced the proportional impact of fixed costs, thus resulting in an improvement in GP margins. In addition, the improvement in GP margin was partly due to the higher margin earned from the major heat exchanger repair works carried out for the refinery facility in Johor, in view of its urgency and criticality.

Plant turnaround

The increase in GP from this business segment was partially offset by the decrease in GP from plant turnaround services by 78.91% or RM9.24 million to RM2.47 million in FYE 2024 (FYE 2023: RM11.71 million). This was mainly attributed to the decrease in GP by RM6.25 million from plant turnaround services for the central utilities and facilities, as well as the regasification terminal in Pengerang. This was in line with the decrease in revenue for this segment, as there were no plant turnaround activities scheduled for these facilities in FYE 2024. This was also partly attributed to the decrease in GP from the integrated planning activities for the refinery in Johor by RM2.92 million. In FYE 2024, there was revenue and its corresponding GP contributed from integrated planning activities, as it is an ongoing activity.

The GP margin for plant turnaround services decreased from 39.45% in FYE 2023 to 17.99% in FYE 2024. This decrease was mainly due to the concentration of staff and other fixed costs in FYE 2024. In FYE 2023, these costs were spread across three plant turnaround activities (two plant turnaround execution and one integrated planning), reducing their proportional impact on each job's profitability. However, in FYE 2024, with only one plant turnaround activity (the ongoing integrated planning), the GP margin was affected.

EPCC

The GP from the EPCC segment increased by 151.07% or RM2.19 million to RM3.64 million in FYE 2024 (FYE 2023: RM1.45 million). This was mainly due to the following:

- increase in GP from the FTNIR EPCC contract by RM1.47 million in line with the increase in its revenue for detailed engineering design, procurement of materials, namely the analyser package, civil construction, electrical and instrumentation installation, and piping fabrication; and
- increase in GP from the GRE Pipe Works contract by RM0.71 million despite the decrease in revenue from this project in FYE 2024. The GP was mainly attributed to the revenue from a variation order received in FYE 2024 for final revaluation of additional work done in the previous year and the cost incurred in the previous year.

The increase in GP from this segment was partially offset by the decrease in GP by RM0.23 million from the Geodesic Dome Roof EPCC contract in FYE 2024, in line with the decrease in its revenue in FYE 2024. The decrease in GP and revenue from this project was attributed to the delay in the installation and commissioning of the geodesic dome roof, arising from the late delivery of the project site by the customer.

The GP margin from EPCC segment increased from 9.92% in FYE 2023 to 33.13% in FYE 2024, mainly due to the high GP margin from GRE Pipe Works contract in FYE 2024 arising from the variation order for the final revaluation of additional work done where most of the cost has been incurred and recognised in the previous year. In addition, the improvement in GP margin was also partly attributed to the higher GP and GP margin contribution from the FTNIR EPCC contract in FYE 2024, on the back of higher revenue and work done during the financial year.

FM services

The GP from FM services decreased by 40.50% or RM0.91 million to RM1.34 million in FYE 2024 (FYE 2023: RM2.25 million). This was mainly due to the decrease in GP from the ongoing MOTAC and MOHE FM contract, and the ongoing Putrajaya Precinct 14 FM contract by RM0.65 million and RM0.14 million respectively in FYE 2024. This was in line with the decrease in revenue from both contracts in FYE 2024, mainly due to lower-valued equipment being replaced from one of the ongoing FM contracts.

The GP margin from FM services decreased from 18.05% in FYE 2023 to 12.10% in FYE 2024. This was mainly attributed to the higher-than-anticipated costs for certain repair and replacement works, which exceeded the pre-agreed contract price. The variation arose due to actual site conditions requiring a larger scope of work than initially estimated during the tender stage, particularly in terms of the extent of replacement works needed.

Other related activities

The GP from other related activities increased by 108.81% or RM0.56 million to RM1.07 million in FYE 2024 (FYE 2023: RM0.51 million). This was mainly due to the increase in GP from the supply of manpower by RM0.45 million, and the rental segment by RM0.10 million, in line with the increase in revenue from both segments.

Meanwhile, the GP margin from other related activities decreased from 12.53% in FYE 2023 to 9.28% in FYE 2024. This was mainly due to the decrease in GP margin from the rental segment, attributed to the increased costs associated with renting external lifting equipment. We incurred these costs to meet customer demand for specialised lifting equipment that was not part of our existing fleet at the time.

12.3.5 Other income

The table below presents the breakdown of our other income:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
Other income	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Rental income	264	32.20	264	44.74	320	56.24	345	38.68
Interest income	109	13.29	143	24.24	222	39.02	272	30.49
Gain on disposal of rights-of-use asset	-	-	-	-	-	-	205	22.98
Wage subsidy(1)	440	53.66	178	30.17	-	-	-	-
Others(2)	7	0.85	5	0.85	27	4.74	70	7.85
	820	**100.00**	**590**	**100.00**	**569**	**100.00**	**892**	**100.00**

Notes:

(1) Wage subsidy received from the Government as part of the economic stimulus package amidst the novel coronavirus disease 2019 (COVID-19) relief fund.

(2) Others include mainly gain on lease modification in FYE 2021 and rebate on settlement of hire purchase payables in FYE 2023 and FYE 2024.

FYE 2022 compared to FYE 2021

In FYE 2022, our other income decreased by 28.05% or RM0.23 million, mainly due to a decrease in wage subsidy received from the Malaysian Government by RM0.26 million as part of the economic stimulus package amidst the COVID-19 relief fund.

FYE 2023 compared to FYE 2022

In FYE 2023, our other income decreased by 3.56% or RM0.02 million, mainly due to the decrease in wage subsidy by RM0.18 million, as we did not receive any wage subsidy in FYE 2023. This was partially offset by an increase in interest income of RM0.08 million and rental income of RM0.06 million.

FYE 2024 compared to FYE 2023

Other income increased by 56.77% or RM0.32 million, mainly due to the gain on disposal of rights-of-use asset of RM0.21 million relating to a land in Pulau Meranti, Selangor. This was also partly due to the increase in interest income by RM0.05 million due to the increase in fixed deposit balances during the FYE 2024.

12.3.6 Administrative expenses

The table below presents the breakdown of our administrative expenses:

Administrative expenses	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff related costs	7,252	64.69	8,880	61.58	12,777	69.33	11,863	53.79
Directors' fees and remuneration	792	7.06	1,444	10.02	1,480	8.03	2,087	9.46
Travelling expenses	786	7.01	1,092	7.57	1,134	6.16	1,753	7.95
Service tax	34	0.30	118	0.82	168	0.92	1,485	6.73
Road tax and insurance	248	2.21	327	2.27	321	1.74	1,058	4.80
Rental expenses	612	5.46	521	3.61	581	3.15	583	2.64
Upkeep expenses	547	4.88	792	5.49	577	3.13	698	3.17
Others[(1)]	939	8.38	1,247	8.64	1,391	7.55	2,529	11.47
	11,210	**100.00**	**14,421**	**100.00**	**18,429**	**100.00**	**22,056**	**100.00**

Note:

(1) Includes mainly bank guarantee charges, processing fees, office expenses, utilities, entertainment expenses, security charges, auditors' remuneration, telephone and internet charges, licences, subscription and registration fees, gift and donations and printing and stationery. In FYE 2022, it also includes penalty charges relating to the late submission of building plans for the workshop in Bandar Penawar.

FYE 2022 compared to FYE 2021

In FYE 2022, our administrative expenses increased by 28.64% or RM3.21 million, mainly due to the following:

- increase in staff-related costs by 22.45% or RM1.63 million, largely attributed to the increase in the number of employees (non-operations) from a monthly average of 97 personnel in FYE 2021 to a monthly average of 132 personnels in FYE 2022. This was mainly attributed to the increase in employees from QSHE, procurement, administration, and billings staff at our Pengerang and Melaka business units;
- increase in directors' fees and remuneration by 82.32% or RM0.65 million largely attributed to the increase in directors' allowances and salaries in FYE 2022;
- increase in other expenses by 38.57% or RM0.47 million largely attributed to the increase in bank guarantee charges and penalty charges relating to the late submission of building plans for the workshop in Bandar Penawar, Johor in FYE 2022; and
- increase in travelling expenses by 38.93% or RM0.31 million primarily due to the increased inter-facility employee travel between our operational facilities in Peninsular Malaysia.

FYE 2023 compared to FYE 2022

In FYE 2023, our administrative expenses increased by 27.79% or RM4.01 million mainly due to the increase in staff related costs by 43.89% or RM3.90 million largely attributed to the increase in the number of employees (non-operations) from a monthly average of 132 personnels in FYE 2022 to a monthly average of 201 personnels in FYE 2023. This was mainly attributed to the increase in employees, particularly from QSHE and procurement staff from the Pengerang business unit, and administration staff from our head office.

FYE 2024 compared to FYE 2023

Our administrative expenses increased by 19.68% or RM3.63 million, mainly due to the following:

- increase in service tax by 783.93% or RM1.32 million in view of the implementation of service tax on maintenance services from 1 March 2024;
- increase in road tax and insurance by 229.60% or RM0.74 million arising from the purchase of new machinery, equipment, and motor vehicles in FYE 2024;
- increase in other administrative expenses by 81.81% or RM1.14 million largely attributed to the increase in security charges by RM0.31 million, processing fees by RM0.26 million, and license, subscription and registration by RM0.16 million;
- increase in travelling expenses by 54.59% or RM0.62 million, primarily due to the increased inter-facility employee travel between our operational facilities in Peninsular Malaysia; and
- increase in directors' fees and remuneration by 41.01% or RM0.61 million, largely attributed to the increase in directors' allowances and salaries in FYE 2024.

The increase in administrative expenses was partially offset by the decrease in staff-related salaries by 7.15% or RM0.91 million, largely attributed to the reclassification of staff cost for certain operations employees' salaries in EPCC segment, from administrative expenses to cost of sales, effective from January 2024. Initially, the EPCC team's salaries were recorded under administrative expenses, given the small headcount. However, following the expansion of the team and the increase in EPCC-related activities, these salaries were reclassified to cost of sales in FYE 2024 to align with their direct role in project execution.

12.3.7 Other operating expenses

The table below presents the breakdown of our other operating expenses:

	Audited							
Other operating expenses	**FYE 2021**		**FYE 2022**		**FYE 2023**		**FYE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Depreciation costs	2,852	88.93	2,939	77.79	2,819	71.57	4,457	55.57
Professional fees	159	4.96	124	3.28	502	12.74	2,305	28.74
Zakat	150	4.68	250	6.62	342	8.68	580	7.23
Realised loss on foreign exchange	1	0.03	5	0.13	156	3.96	45	0.56
Impairment loss on trade and other receivables	-	-	300	7.94	55	1.40	62	0.77
Loss on disposal of PPE	-	-	118	3.13	-	-	87	1.09
Others(1)	45	1.40	42	1.11	65	1.62	484	6.04
	3,207	**100.00**	**3,778**	**100.00**	**3,939**	**100.00**	**8,020**	**100.00**

Note:

(1) Includes quit rent and assessment, and penalty charges. In FYE 2024, it includes PPE written off of RM0.09 million.

FYE 2022 compared to FYE 2021

For FYE 2022, our other operating expenses increased by 17.80% or RM0.57 million mainly due to the following:

- impairment losses on trade and other receivables of RM0.30 million in FYE 2022 arising from the impairment on amount owing by a related party, namely 299 Global, due to no repayment or indication of recoverability during FYE 2022. This was pertaining to EMSB's sale of shares in FMV to 299 Global in 2018. 299 Global undertakes to repay the outstanding amount to EMSB in the FYE 2025;
- loss on the disposal of PPE of RM0.12 million relating to the disposal of motor vehicles;
- increase in zakat payments by RM0.10 million; and
- increase in depreciation expenses by RM0.09 million.

FYE 2023 compared to FYE 2022

For FYE 2023, our other operating expenses increased by 4.26% or RM0.16 million mainly due to the following:

- increase in professional fees by RM0.38 million relating to fees paid to professionals for our IPO exercise;
- increase in the realised loss on foreign exchange of RM0.15 million relating to purchases of materials from a supplier in Singapore for the Geodesic Dome EPCC contract; and
- increase in zakat payments by RM0.09 million.

This was partially offset by the decrease in impairment loss on trade and other receivables of RM0.25 million, decrease in depreciation costs of RM0.12 million, and decrease in loss on disposal of PPE of RM0.12 million. In FYE 2023, there was impairment loss on trade receivables of RM0.06 million pertaining to RBPS's customers.

FYE 2024 compared to FYE 2023

In FYE 2024, our other operating expenses increased by 103.60% or RM4.08 million, mainly due to the following:

- increase in professional fees by RM1.80 million relating to fees paid to professionals for our IPO exercise;
- increase in depreciation expenses by RM1.64 million attributed to the purchase of new machinery, equipment, and motor vehicles in FYE 2024; and
- increase in others by RM0.42 million, largely attributed to the increase in penalty charges of RM0.29 million in FYE 2024 mainly arising from the underestimation of income tax expenses for the year of assessment 2020, 2021, and 2022. It also includes PPE written off, amounting to RM0.09 million.

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12.3.8 Finance costs

The table below presents the breakdown of our finance costs:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest expenses on:								
• term loans	487	62.52	521	64.08	589	44.29	633	28.69
• bank overdraft	-	-	39	4.80	236	17.74	523	23.71
• trade financing	39	5.01	30	3.69	278	20.90	180	8.16
• hire purchase	243	31.19	214	26.32	186	13.98	810	36.72
• lease liabilities	10	1.28	9	1.11	41	3.08	60	2.72
	779	**100.00**	**813**	**100.00**	**1,330**	**100.00**	**2,206**	**100.00**

FYE 2022 compared to FYE 2021

For FYE 2022, our finance costs increased by 4.36% or RM0.03 million mainly due to the increase in interest expenses on term loans attributable to the drawdown of loan coupled with increase in effective interest rates, as well as on bank overdraft attributable to the increase in utilisation coupled with increase in effective interest rates.

FYE 2023 compared to FYE 2022

For FYE 2023, our finance costs increased by 63.59% or RM0.52 million mainly due to the increase in interest expenses on bank overdraft and trade financing attributable to the increase in its utilisation for working capital purposes coupled with the increase in effective interest rates in FYE 2023. In addition, there was an increase in interest expenses on term loans attributable to the increase in effective interest rates.

FYE 2024 compared to FYE 2023

In FYE 2024, our finance costs increased by 65.86% or RM0.88 million, mainly due to the increase in interest expenses on hire purchases by RM0.62 million and term loans by RM0.04 million in view of the drawdown of new hire purchases and term loans to finance the purchase of machinery, equipment, and motor vehicles, as well as our new head office in Cyberjaya. The increase was also partly attributed to the increase in interest expense on bank overdraft by RM0.29 million in view of its higher utilisation during the FYE 2024 for working capital financing purposes.

12.3.9 PBT, PAT and income tax expense

The table below presents our PBT, PAT and effective tax rate:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
PBT (RM'000)	3,202	7,925	17,134	28,738
PBT margin (%)	4.53	6.70	10.46	14.48
Income tax expense (RM'000)	1,077	2,500	4,810	7,613
Effective tax rate (%)	33.64	31.55	28.07	26.49
Statutory tax rate (%)	24.00	24.00	24.00	24.00
PAT (RM'000)	2,125	5,425	12,324	21,125
PAT margin (%)	3.01	4.59	7.52	10.65

FYE 2022 compared to FYE 2021

Our PBT increased by 147.50% or RM4.72 million in FYE 2022, which was mainly due to the increase in our GP by 49.89% or RM8.77 million on the back of an increase in revenue by 67.41% in FYE 2022. This was mainly attributed to the increase in revenue from plant maintenance and turnaround services, EPCC and FM services.

Our PBT margin improved from 4.53% in FYE 2021 to 6.70% in FYE 2022, which was mainly due to the lower proportion of administrative expenses against revenue of 12.19% in FYE 2022 as compared to 15.87% in FYE 2021.

Correspondingly, our PAT increased by 155.29% or RM3.30 million in FYE 2022 and our PAT margin improved from 3.01% in FYE 2021 to 4.59% in FYE 2022.

For the FYE 2021 and FYE 2022, our effective tax rate was at 33.64% and 31.55% respectively, which was higher than the statutory tax rate of 24.00%. In FYE 2021, the higher effective tax rate was mainly due to adjustments for non-deductible expenses mainly depreciation of PPE and right-of-use assets of RM0.20 million, and deferred tax not recognised on tax losses of RM0.11 million arising from RBPS. In FYE 2022, the higher effective tax rate was mainly due to adjustments for non-deductible expenses of RM0.60 million mainly pertaining to impairment loss on non-trade receivables and the loss of disposal of motor vehicles. For further details, please refer to Note 20 of the Accountants' Report set out in Section 13 of this Prospectus.

FYE 2023 compared to FYE 2022

Our PBT increased by 116.20% or RM9.21 million in FYE 2023, which was mainly due to the increase in our GP by 52.82% or RM13.92 million on the back of an increase in revenue by 38.52% in FYE 2023. This was mainly contributed by the increase in revenue from plant maintenance and turnaround services, EPCC, FM services and other related activities.

Our PBT margin improved from 6.70% in FYE 2022 to 10.46% in FYE 2023, which was mainly due to the improvement in GP margin from 22.28% in FYE 2022 to 24.58% in FYE 2023, coupled with the lower proportion of administrative expenses against revenue of 11.25% in FYE 2023 as compared to 12.19% in FYE 2022.

Correspondingly, our PAT increased by 127.17% or RM6.90 million in FYE 2023 and our PAT margin improved from 4.59% in FYE 2022 to 7.52% in FYE 2023.

For the FYE 2023, our effective tax rate was at 28.07% which was higher than the statutory tax rate of 24.00%. The higher effective tax rate was mainly due to adjustments for non-deductible expenses of RM0.70 million mainly pertaining to additional professional fees incurred, and impairment loss on trade receivables, and deferred tax not recognised on tax losses of RM0.03 million arising from RBPS. For further details, please refer to Note 20 of the Accountants' Report set out in Section 13 of this Prospectus.

FYE 2024 compared to FYE 2023

Our PBT increased by 67.72% or RM11.60 million in FYE 2024, which was mainly due to the increase in our GP of 49.34% or RM19.87 million on the back of an increase in revenue by 21.10% in FYE 2024. This was mainly attributed to the increase in revenue and GP from our comprehensive plant maintenance services.

Our PBT margin improved from 10.46% in FYE 2023 to 14.48% in FYE 2024, which was mainly due to the improvement in GP margin from 24.58% in FYE 2023 to 30.31% in FYE 2024.

Correspondingly, our PAT increased by 71.41% or RM8.80 million in FYE 2024, and our PAT margin improved from 7.52% in FYE 2023 to 10.65% in FYE 2024.

For the FYE 2024, our effective tax rate was 26.49%, which was higher than the statutory tax rate of 24.00%. The higher effective tax rate was mainly due to adjustments for non-deductible expenses of RM1.01 million, mainly pertaining to depreciation expenses and the professional fees for IPO exercise. This was partially offset by the tax adjustments due to overprovision of income tax in the previous financial year of RM0.19 million, and the utilisation of previously unrecognised tax losses of RM0.11 million. For further details, please refer to Note 20 of the Accountants' Report set out in Section 13 of this Prospectus.

12.3.10 Significant factors materially affecting our operations and financial results

Significant factors affecting our business include, but are not limited to, the following:

(i) We are dependent on PETRONAS Group and PRefChem as our major customers

We are dependent on PETRONAS Group and PRefChem as our major customers based on their historical revenue contribution where each of these customer group represented more than 10.00% of our total revenue for the Financial Years Under Review. For the Financial Years Under Review, our revenue contribution from PETRONAS Group collectively accounted for 46.44% (RM32.81 million), 31.37% (RM37.11 million), 48.00% (RM78.64 million), and 43.94% (RM87.19 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively. For the Financial Years Under Review, our revenue contribution from PRefChem accounted for 49.77% (RM35.16 million), 59.07% (RM69.87 million), 43.08% (RM70.59 million), and 47.59% (RM94.42 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.
As a result of our dependency on PETRONAS Group and PRefChem, we are exposed to the risks that we may fail to secure sufficient purchase/release orders or contracts in the future, or encounter delays in payments or non-payments from PETRONAS Group and PRefChem, which may adversely affect our business operations and financial performance. In addition, we may also fail to renew our licences, registrations, and SWEC codes promptly which is a requirement to provide services to PETRONAS Group and PRefChem.

Although we have an established 16-year business relationship with PETRONAS Group and a 6-year business relationship with PRefChem, and have not encountered any major disputes with them, there is no assurance that we will continue to be able to maintain the business relationship, continue to secure purchase orders for our master service agreements and future contracts or obtain prompt payments from PETRONAS Group and PRefChem.

For further details on risk factors, please refer to Section 9.1.1 of this Prospectus.

(ii) Our subsisting plant maintenance and turnaround, and rental contracts do not assure future revenue

As at the LPD, we have 19 ongoing plant maintenance and turnaround contracts, and 7 active long-term rental contracts which are unit rate contracts. These agreements typically outline the general terms and conditions for our provision of services and supply of products, including validity periods. As the scope of work, materials and equipment cannot be accurately determined at the point of securing the contract these agreements are based on unit rates. The master service agreement specifies, among others, contract duration, service scope, materials, labour and equipment required, and agreed unit price for each service, material, labour or equipment needed. These master service agreements do not oblige our customers to place purchase orders with us.

During the contract period, the customer will issue purchase/release orders periodically or on an ad hoc basis specifying the scope of services, duration of work and pricing. The pricing will depend on the quantity of materials required, the number of hours and headcount of different labour skills needed, and the number of hours and quantity of equipment required.

For further details on risk factors, please refer to Section 9.1.2 of this Prospectus.

(iii) We are dependent on subcontractors to carry out certain works for our projects

We engage subcontractors to perform certain works including, among others, scaffolding works, blasting and painting works, refractory works, manpower supply, catalyst change out, and insulation works. Subcontractor costs for services, materials, equipment and labour accounted for 42.06% (RM22.32 million), 50.79% (RM46.69 million), 51.34% (RM63.44 million), and 47.87% (RM66.19 million) of our total cost of sales for the FYE 2021, FYE 2022, FYE 2023, and FYE 2024 respectively.

We select subcontractors after considering their track record, financial strength, quality of service, efficiency, reliability, capacity and pricing. In some cases, our subcontractors, particularly our EPCC works, are pre-selected or nominated by our customers. The work scope, terms, conditions, retention sum and completion period are specified in the contract awarded to the subcontractors. This allows us to claim any damages or compensation in the event of poor, late or non-performance by our subcontractors.

We are exposed to the risks associated with poor, late, or non-performance by our subcontractors, which could tarnish our reputation and potentially lead to punitive actions from our customers and/or relevant authorities. While we may seek compensation from our subcontractors, there may be instances where we must compensate our customers before receiving compensation from our subcontractors. Additionally, we may not be able to recover the full or any portion of the claims from the subcontractors. Consequently, we may incur some or all of the costs associated with these claims, negatively impacting our financial performance and operational results. Moreover, if the performance of our subcontractors falls short of our customers' expectations, it could harm our reputation, making it more challenging to secure new projects.

For the Financial Years Under Review and up to the LPD, we did not experience any material claims from our customers relating to the work completed by our subcontractors.

For further details on risk factors, please refer to Section 9.1.5 of this Prospectus.

(iv) Impact on interest rate fluctuations

As at 31 December 2024, our total borrowings including hire purchase payables were RM58.35 million which were all interest bearing, and was based on floating and fixed interest rates. Our finance cost increased from RM0.78 million for the FYE 2021 to RM0.81 million for the FYE 2022 and RM1.33 million for the FYE 2023. In FYE 2024, our finance costs further increased from RM2.21 million. In this respect, any increases in interest rates may adversely affect our financial performance. Our finance cost mainly comprises interest charges on banking facilities including term loans, bank overdrafts, trade financing, and hire purchase payables, that are granted by bank and financial institutions.

Except for hire purchase payables, all our borrowings were based on the prevailing bank's base lending rate or base financing rate plus/minus a margin agreed with our banking institutions when respective loans and financing were granted. Meanwhile, our hire purchase payables were charged based on fixed rates.

In this respect, we face financial risks relating to the increase in interest rates which may impact on our financial performance including profitability and margins. For the Financial Years Under Review and up to the LPD, we have not defaulted on any payments of either principal sums and/or interests in relation to our borrowings.

(v) Impact of inflation

Our financial performances for the Financial Years Under Review were not materially affected by the impact of inflation. However, we believe that we would not be able to pass on all future increases in the costs of materials and services of our operations to our customers. Accordingly, there can be no assurance that future inflation would not have an impact on our business and financial performance.

(vi) Government/economic/fiscal/monetary policies

Our business is subject to risks relating to government, economic, fiscal or monetary policies in Malaysia. Any unfavourable changes in such government policies, economic conditions, or fiscal or monetary policies may materially affect our operations in Malaysia. Please refer to Section 9.2.3 of this Prospectus for further details on political, economic and regulatory risks.

12.3.11 Liquidity and capital resources

(i) Working Capital

Our business has been financed by both internal and external sources of funds. Our internal sources of funds comprise cash generated from our business operations and shareholders' equity, while our external sources were mainly banking facilities from financial institutions. These funds were used for our business operations and growth.

As at 31 December 2024, our cash and short-term deposits amounted to RM16.00 million, and our total borrowings (including hire purchases) were RM58.35 million. As at 31 December 2024, our gearing ratio is 0.99 times and the current ratio is 1.39 times. As at the LPD, we have banking facilities of RM77.30 million including term loans, bank overdraft, and trade financing facilities, of which RM69.79 million has yet to be utilised.

Based on the above and taking into consideration our funding requirements for our committed capital expenditure, expected cash flow to be generated from our operations, the amount that is available under our existing banking facilities, as well as proceeds to be raised from the Public Issue, our Board believes that we have adequate working capital to meet our present and foreseeable requirements for 12 months from the date of this Prospectus.

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(ii) Cash flows

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

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net cash from operating activities	6,304	4,807	8,017	11,280
Net cash used in investing activities	(756)	(2,607)	(1,818)	(8,600)
Net cash used in financing activities	(3,618)	(1,186)	(1,862)	(11,611)
Net increase/(decrease) in cash and cash equivalents	**1,930**	**1,014**	**4,337**	**(8,931)**
Cash and cash equivalents at the beginning of the financial year	6,786	8,716	9,730	14,067
Cash and cash equivalents at the end of the financial year[(1)]	**8,716**	**9,730**	**14,067**	**5,136**

Note:

(1) The components of our cash and cash equivalents are set out as below:

	Audited			
	FYE 2021	***FYE 2022***	***FYE 2023***	***FYE 2024***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Cash and bank balances	*8,716*	*12,322*	*17,318*	*8,678*
Short term deposits	*3,340*	*4,431*	*5,904*	*7,323*
	12,056	*16,753*	*23,222*	*16,001*
Less:				
Bank overdrafts[(a)]	*-*	*(2,592)*	*(3,251)*	*(3,542)*
Pledged deposits	*(3,340)*	*(4,431)*	*(5,904)*	*(7,323)*
	8,716	**9,730**	**14,067**	**5,136**

Note:

(a) The increase in bank overdraft from RM2.59 million as at 31 December 2022 to RM3.25 million and RM3.54 million as at 31 December 2023 and 31 December 2024 respectively is due to the utilisation for working capital financing.

(a) Net cash from operating activities

<u>FYE 2021</u>

For the FYE 2021, our net cash from operating activities was RM6.30 million after taking into account, mainly, the following:

- increase of RM3.64 million in trade and other payables, mainly due to higher outstanding trade payable and accrual balances of RM17.08 million as at 31 December 2021 due to higher trade accruals in relation to the increase in cost incurred for purchases of services and materials which are pending receipt of invoices from suppliers;
- increase of RM3.34 million in trade and other receivables mainly due to the increase in trade receivables by RM3.57 million largely attributed to the increase in billings to customers; and
- income tax paid of RM1.02 million and offset by interest income received of RM0.04 million.

FYE 2022

For the FYE 2022, our net cash from operating activities was RM4.81 million after taking into account, mainly, the following:

- increase of RM4.86 million in contract assets mainly due to an increase in unbilled progress payments for our comprehensive maintenance work orders;
- increase of RM3.89 million in trade and other payables mainly due to the increase in trade payable to third parties by RM4.66 million in view of the increase in purchases of materials and services from third party suppliers. This was partially offset by the decrease in trade payables to related parties by RM1.78 million mainly due to the improvement in payments to TNN Global. In addition, there was a decrease in trade accruals by RM0.69 million mainly arising from the increase in receipt of invoices from suppliers;
- increase of RM3.29 million in trade and other receivables mainly due to an increase in trade receivables by RM2.19 million largely attributed to the increase in billings to customers; and
- income tax paid of RM2.96 million and offset by interest income received of RM0.08 million.

FYE 2023

For the FYE 2023, our net cash from operating activities was RM8.02 million after taking into account, mainly, the following:

- increase of RM7.16 million in contract assets mainly due to an increase in unbilled progress payments for our plant maintenance and turnaround work orders, EPCC contract and FM services;
- increase of RM6.16 million in contract liabilities mainly attributed to the RM5.95 million pertaining to the billings issued to customer and consideration received from customer for the FTNIR EPCC contract where the EPCC work is expected to be carried out in the subsequent financial years;
- decrease of RM5.36 million in trade and other payables mainly due the decrease in trade accruals by RM3.62 million and trade payables by RM1.52 million;
- increase of RM2.21 million in trade and other receivables mainly due to the increase in trade receivables by RM1.72 million largely attributed to the increase in billings to customers; and
- income tax paid of RM4.64 million and offset by interest income received of RM0.11 million.

FYE 2024

For the FYE 2024, our net cash from operating activities was RM11.28 million after taking into account, mainly, the following:

- increase of RM20.75 million in contract assets, mainly due to the increase in unbilled progress payments for work orders that were completed in FYE 2024, which are pending to be billed to customers;
- increase of RM17.63 million in trade and other payables, mainly due to the increase in trade payables and accruals by RM10.81 million largely attributed to the increase in purchases of materials and services towards the end of FYE 2024, coupled with slow payments to certain suppliers, and other payables and accrual liabilities by RM6.55 million largely arising from sales and service tax (SST) payables;

- increase of RM10.07 million in trade and other receivables, mainly due to the increase in trade receivables by RM7.23 million largely attributed to the increase in billings to customers towards the end of FYE 2024, and other receivables, deposits and prepayments by RM2.83 million largely attributed to deposits paid for new machinery, equipment, and vehicles;
- decrease of RM3.70 million in contract liabilities, mainly due to the revenue recognised from the FTNIR EPCC contract for service rendered in the FYE 2024; and
- income tax paid of RM7.09 million and offset by interest income of RM0.12 million.

(b) Net cash used in investing activities

FYE 2021

For FYE 2021, our net cash used in investing activities was RM0.76 million, mainly attributed to cash outflow of RM0.51 million for the purchase of PPE of RM1.04 million comprising motor vehicles, namely 6 units of pickup trucks, and 1 unit of car, as well as plant, machineries and tools, namely 1 unit of mobile crane. The remaining RM0.25 million was deposit pledged to banks.

FYE 2022

For FYE 2022, our net cash used in investing activities was RM2.61 million, mainly attributed to cash outflow of RM1.89 million for the purchase of PPE of RM3.62 million mainly comprising motor vehicles namely 5 units of vans, 7 units of cars, 4 units of pickup trucks, and 1 unit of lorry, as well as plant, and tools, namely 2 units of vacuum trucks and 1 unit of sky lift. The remaining RM1.03 million was deposits pledged to banks.

The cash outflow was partially offset by proceeds of RM0.31 million received from the disposal of motor vehicles namely, 5 units of cars and 1 unit of lorry.

FYE 2023

For FYE 2023, our net cash used in investing activities was RM1.82 million, mainly attributed to cash outflow of RM1.36 million for deposit pledged to banks. In addition, there was cash outflow of RM0.53 million for the purchase of PPE of RM0.79 million comprising mainly motor vehicles namely 2 units of cars and 1 unit of lorry as well as office equipment, computer and software mainly payroll software, and facial recognition and fingerprint system.

This was partially offset by proceeds of RM0.07 million received from the disposal of PPE.

FYE 2024

For FYE 2024, our net cash used in investing activities was RM8.60 million, mainly attributed to the following cash outflow:

- RM6.81 million to fund the purchase of PPE of RM47.58 million, comprising mainly the purchase of our new head office at Star Central @ Cyberjaya, as well as plant, machinery and tools, namely 12 units of mobile cranes, and 11 units of forklifts, as well as motor vehicles, mainly 16 units of lorries. The purchase of mobile cranes, forklifts and lorries is to be utilised for our plant maintenance and turnaround segment, and rental of lifting equipment and vehicle segment;
- RM1.26 million of deposits pledged to banks for banking facilities such as bank overdraft and bank guarantee; and

- RM0.75 million to fund the addition of ROU assets of RM1.08 million, comprising mainly the purchase of leasehold land, namely the vacant land in Paka, Terengganu.

This was partially offset by proceeds received of RM0.22 million from the disposal of PPE.

(c) Net cash used in financing activities

FYE 2021

For FYE 2021, our net cash used in financing activities was RM3.62 million, which was mainly attributed to the following cash outflow:

- RM1.20 million of repayment of hire purchase payables;
- RM0.94 million of repayment of trade financing facilities;
- RM0.78 million of interest payments for our loans and borrowings;
- RM0.40 million of net payment from RBPS to a director, namely Azman Yusof pertaining to repayment of advances;
- RM0.20 million of repayment of term loans; and
- RM0.10 million of net payment of lease liabilities.

FYE 2022

For FYE 2022, our net cash used in financing activities was RM1.19 million, which was mainly attributed to the following cash outflow:

- RM1.25 million of repayment of hire purchase payables;
- RM0.81 million of interest payments for our loans and borrowings;
- RM0.60 million of repayment of term loans;
- RM0.32 million of net payment from EMSB to FMV pertaining to manpower supply services provided to EMSB; and
- RM0.11 million of net payment of lease liabilities.

The net cash used in financing activities were partially offset by cash inflow including RM1.03 million of net cash from the drawdown of term loan for the partial financing of the construction of a workshop in Bandar Penawar, Johor including purchase of machineries, RM0.56 million from the drawdown of trade financing facilities for working capital purposes, and RM0.31 million of advances to RBPS from a director, namely Azman Yusof for working capital purposes.

FYE 2023

For FYE 2023, our net cash used in financing activities was RM1.86 million, which was mainly attributed to the following cash outflow:

- RM2.00 million of dividend payment to EMSB's shareholder namely Azman Yusof;
- RM1.75 million of repayment of hire purchase payables;
- RM1.33 million of interest payments for our loans and borrowings;
- RM0.65 million of repayment of term loans; and
- RM0.30 million of net payment of lease liabilities.

The net cash used in financing activities were partially offset by cash inflow mainly due to drawdown of trade financing facilities of RM3.05 million for working capital purposes.

In addition, there was repayment of advances from ETSB and FMV totalling RM 0.69 million, and advances from TNN Global to RBPS of RM0.14 million.

FYE 2024

For FYE 2024, our net cash used in financing activities of RM11.61 million, which was mainly attributed to the following cash outflow:

- RM5.00 million of dividend payment to EMSB's shareholder, namely Azman Yusof;
- RM4.51 million of repayment of hire purchase payables;
- RM2.20 million of interest payments for our loans and borrowings;
- RM1.10 million of repayment of term loans;
- RM0.90 million of repayment of trade financing facilities;
- RM0.89 million of settlement of the amount outstanding to a director, namely Azman Yusof; and
- RM0.46 million of payment of lease liability.

The net cash used in financing activities was partially offset by cash inflows, including mainly RM3.31 million of net cash from the drawdown of the term loan for the partial financing of the purchase of PPE and ROU assets.

(iii) Borrowings

As at 31 December 2024, our Group's total interest-bearing bank borrowings was RM58.35 million, all of which are denominated in RM, as set out below:

	<------------------------As at 31 December 2024		------------------->
	Payable within 12 months	**Payable after 12 months**	**Total**
	RM'000	**RM'000**	**RM'000**
Term loans[(1)]	2,515	22,507	25,022
Hire purchase payables[(2)]	8,102	18,829	26,931
Bank overdrafts[(3)]	3,542	-	3,542
Trade financing facilities[(3)]	2,855	-	2,855
Total	**17,014**	**41,336**	**58,350**
Gearing ratio[(4)]			0.99

Notes:

(1) Term loans were used to purchase an office in Puchong, refinancing of industrial land in Melaka, construction of a workshop at Bandar Penawar, purchase and renovation of our new head office in Cyberjaya and purchase of machinery and equipment.

(2) Hire purchase payables were used to purchase machinery and equipment, and motor vehicles.

(3) Bank overdrafts and trade financing facilities were mainly used for working capital purposes.

(4) Computed based on total borrowings (including hire purchase) over total equity.

The maturity profile and effective interest rates of our bank borrowings as at 31 December 2024 are set out below:

		<---------------As at 31 December 2024------------------>			
	Effective interest rates	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Term loans	4.05% to 7.72%	2,515	10,064	12,443	25,022
Hire purchase payables	4.42% to 7.97%	8,102	18,829	-	26,931
Bank overdrafts	6.65% to 8.20%	3,542	-	-	3,542
Trade financing facilities	7.72% to 7.95%	2,855	-	-	2,855
		17,014	**28,893**	**12,443**	**58,350**

As at 31 December 2024, our Group's floating and fixed-rate borrowings are set out below:

	RM'000
Floating rate borrowings [(1)]	31,419
Fixed-rate borrowings [(2)]	26,931
	58,350

Notes:

(1) Include term loans, bank overdraft and trade financing facilities.

(2) Include hire purchase payables.

As at the LPD, we have banking facilities of RM77.30 million including term loans, bank overdraft and trade financing facilities, of which RM69.79 million has yet to be utilised, as follows:

Type of banking facilities	**Credit limit RM'000**	**Balance unutilised as at the LPD RM'000**
Term loans	10,000	7,494
Bank overdraft	16,300	12,221
Trade financing facilities	51,000	50,080
	77,300	**69,795**

As at the LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency. Our Group has not defaulted on payments of principal sums and/or interests concerning any borrowings for the Financial Years Under Review and up to the LPD.

We do not encounter seasonality in the trend of our borrowings and there is no restriction on the use of our committed banking facilities.

As at the LPD, our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans, which can materially affect the financial position and results of business operations or investments by holders or securities in our Company.

As at the LPD, save as disclosed above, our Group did not use any other financial instruments.

(iv) Treasury policies and objectives

Our Group's operations have been funded through shareholders' equity, cash generated from our business operations and external sources of funds. The external sources of funds consist primarily of banking facilities from financial institutions. The normal credit terms granted by our suppliers are 30 days to 90 days in FYE 2023 and FYE 2024.

As at the LPD, our Group's banking facilities from financial institutions mainly consist of the following:

- term loans mainly for the purchase of land, building, plant and machinery;
- bank overdraft and trade financing facilities for working capital purposes; and
- hire purchases for the purchase of plant and machinery, and motor vehicles.

The interest rates for our bank borrowings are based on the market rates prevailing at the dates of the respective transactions. As at the LPD, our Group has available banking facilities amounting to RM77.30 million, including term loans, bank overdraft and trade financing facilities, of which RM69.79 million has yet to be utilised.

The main objective of our capital management is to ensure that we maintain a strong credit rating and healthy capital ratios in order to support our business and maximise shareholders' value. We manage our capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. We monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt.

(v) Financial instruments for hedging purposes

For the Financial Years Under Review and up to the LPD, we do not have foreign currency hedging facility.

(vi) Financial guarantees

As at 31 December 2024 and the LPD, our financial guarantees comprised secured bank guarantees for projects performance and tender bonds as follows:

	As at 31 December 2024	As at LPD
	RM'000	RM'000
Secured bank guarantees for:		
• Performance bonds	5,587	5,488
• Tender bonds	2,170	1,310

(vii) Material litigation, claims or arbitration

As at the LPD, neither our Company nor our subsidiaries are involved in any material litigation, claim or arbitration either as plaintiff or defendant and we are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially or adversely affect our position or business.

(viii) Material contingent liabilities

As at the LPD, there are no indirect and/or material contingent liabilities which, if incurred by our Group, would have a substantial impact on the financial position of our Group.

(ix) Material commitment for capital expenditures

As at the LPD, our Group's material capital commitments are summarised as follows:

		Source of funds	
	Capital commitment RM'000	**Internally generated funds/ bank borrowings RM'000**	**IPO proceeds RM'000**
Approved and contracted for:			
• Purchase of vacuum trucks(1)	1,197	-	1,197
• Purchase of high-pressure water jetting machine(2)	197	197	-
• Purchase of a factory in Gebeng, Kuantan(3)	4,508	4,508	-
	5,902	**4,705**	**1,197**
Approved but not contracted for:			
• Purchase of machinery, equipment and vehicles for plant maintenance and turnaround(4)	9,630	1,800	7,830
• Purchase of cranes and low loaders for rental business segment(4)	9,015	-	9,015
• Set-up of crane depot facilities(4)	5,500	-	5,500
	24,145	**1,800**	**22,345**
	30,047	**6,505**	**23,542**

Notes:

(1) We have a capital commitment of RM1.20 million for the purchase of 2 units of vacuum trucks. As at the LPD, we have paid deposits of RM0.13 million, and the remaining balance will be financed using IPO proceeds.

(2) We have a capital commitment of RM0.20 million for the purchase of 1 unit of high-pressure water jetting machine. As at the LPD, we have made instalment payments of RM0.16 million, and the remaining balance will be financed using internally generated funds.

(3) We have a capital commitment of RM4.51 million for the purchase of a factory building in Gebeng, Kuantan which will serve as our new operational facility in Pahang to service our existing and potential customers for plant maintenance and turnaround, EPCC, and rental segments. In addition, it will also be used as a centralised storage facility for our plant and machinery, such as high-pressure water jetting machines, bundle pullers, welding machines, and consumables. As at the LPD, we have made payment of RM0.09 million as earnest deposit via internally generated funds, and the remaining balance will be financed using internally generated funds and/or bank borrowings.

(4) We have a capital commitment of RM24.15 million for our business strategy and plans. This includes the purchase of machinery, equipment and vehicles for plant maintenance and turnaround, purchase of cranes and low loaders and the set-up of crane depot facilities. Please refer to Section 7.14 of this Prospectus for further details of our business strategy and plans.

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12.3.12 Key financial ratios

The following table provides the key financial ratios for the Financial Years Under Review:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Average trade receivables turnover period (days)[(1)]	59	44	35	36
Average trade payables turnover period (days)[(2)]	74	40	32	35
Current ratio (times)[(3)]	1.26	1.35	1.54	1.39
Gearing ratio (times)[(4)]	0.55	0.58	0.48	0.99

Notes:

(1) Computed based on average opening and closing trade receivables over revenue for each of the respective financial years, multiplied by 365 days for FYE 2021, FYE 2022, FYE 2023, and FYE 2024:

	Audited			
	FYE 2021	*FYE 2022*	*FYE 2023*	*FYE 2024*
	RM'000	*RM'000*	*RM'000*	*RM'000*
Opening net trade receivables	*9,637*	*13,207*	*15,395*	*16,301*
Closing net trade receivables	*13,207*	*15,395*	*16,301*	*22,715*
Revenue	*70,650*	*118,275*	*163,837*	*198,409*
Average trade receivables turnover period (days)	*59*	*44*	*35*	*36*

(2) Computed based on average opening and closing trade payables over cost of sales for the respective financial years, multiplied by 365 days for FYE 2021, FYE 2022, FYE 2023, and FYE 2024:

	Audited			
	FYE 2021	*FYE 2022*	*FYE 2023*	*FYE 2024*
	RM'000	*RM'000*	*RM'000*	*RM'000*
Opening trade payables	*13,110*	*8,551*	*11,431*	*9,907*
Closing trade payables	*8,551*	*11,431*	*9,907*	*16,346*
Cost of sales	*53,072*	*91,928*	*123,574*	*138,281*
Average trade payables turnover period (days)	*74*	*40*	*32*	*35*

(3) Computed based on current assets over current liabilities as at each financial year end.

(4) Computed based on total borrowings (include hire purchase) over total equity as at each financial year end.

(i) Trade receivables

The breakdown of our Group's trade receivables is as set out below:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Trade receivables	13,207	15,395	16,356	22,825
Less:				
Impairment loss	-	-	(55)	(110)
Net trade receivables	13,207	15,395	16,301	22,715
Revenue	70,650	118,275	163,837	198,409
Average trade receivables turnover period (days)[(1)]	59	44	35	36

Note:

(1) Computed based on average opening and closing trade receivables over revenue for each of the respective financial years, multiplied by 365 days for FYE 2021, FYE 2022, FYE 2023, and FYE 2024.

For the Financial Years Under Review, the normal credit terms granted to customers ranges from 30 days to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

For the Financial Years Under Review, our average trade receivables turnover period ranges between 35 days and 59 days, which were within the normal credit period granted to our customers.

For the FYE 2022, our average trade receivables turnover period improved from 59 days in FYE 2021 to 44 days in FYE 2022. This was mainly due to the improvement in collections from certain customers as reflected in the higher proportion of outstanding trade receivables that were not past due of 96.06% of total trade receivables as at 31 December 2022 compared to 94.18% as at 31 December 2021.

For the FYE 2023, our average trade receivables turnover period improved from 44 days in FYE 2022 to 35 days in FYE 2023. This was mainly due to the improvement in collections from certain customers as reflected in the higher proportion of outstanding trade receivables that were not past due of 97.09% of total trade receivables as at 31 December 2023 compared to 96.06% as at 31 December 2022.

For the FYE 2024, our average trade receivables turnaround period increased slightly from 35 days in FYE 2023 to 36 days in FYE 2024. This was mainly due to the slight decrease in collections as reflected in the lower proportion of outstanding trade receivables that were not past due, at 94.06% of total trade receivables as at 31 December 2024, compared to 97.09% of total trade receivables as at 31 December 2023.

The ageing analysis of our trade receivables as at 31 December 2024 is as follows:

		Not past	**Past due (days)**				
		due	**1 – 30**	**31 – 60**	**61 - 90**	**>90**	**Total**
Net trade receivables (RM'000)	A	21,365	491	42	589	228	22,715
Proportion of net trade receivables (%)		*94.06*	*2.16*	*0.19*	*2.59*	*1.00*	*100.00*
Subsequent collections as at the LPD (RM'000)	B	(21,046)	(420)	(27)	(589)	(139)	(22,221)
% of subsequent collections up to the LPD	*C = B/A*	*98.51*	*85.54*	*64.29*	*100.00*	*60.96*	*97.83*
Outstanding trade receivables (RM'000)	**D= A-B**	**319**	**71**	**15**	**-**	**89**	**494**

As at the LPD, RM22.22 million or 97.83% of our total net trade receivables as at 31 December 2024 has been collected. The remaining RM0.49 million or 2.17% of our total trade receivables as at 31 December 2024 is still outstanding as at LPD.

(ii) Trade payables

The breakdown of our Group's trade payables is as set out below:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	8,551	11,431	9,907	16,346
Cost of sales	53,072	91,928	123,574	138,281
Average trade payables turnover period (days)[(1)]	74	40	32	35

Note:

(1) Computed based on average opening and closing trade payables over the total cost of sales for the respective financial years and multiplied by 365 days for FYE 2021, FYE 2022, FYE 2023, and FYE 2024.

We deal with our suppliers on credit terms and the normal credit terms granted to us range from 30 days to 90 days for the Financial Years Under Review.

For the Financial Years Under Review, our average trade payables turnover period was between 32 days and 74 days, which were within the credit period granted to our suppliers.

In FYE 2022, our average trade payables turnover period improved to 40 days from 74 days in FYE 2021. This was mainly due to the improvement in payments to related party suppliers mainly TNN Global as reflected in the higher proportion of outstanding trade payables that were not past due of 50.58% of total trade payables as at 31 December 2022 compared to 38.08% of total trade payables as at 31 December 2021.

In FYE 2023, our average trade payables turnover period improved to 32 days from 40 days in FYE 2022. This was mainly due to improvement in payments to related party suppliers mainly TNN Global as reflected in the higher proportion of outstanding trade payables that were not past due of 72.85% of total trade payables as at 31 December 2023 compared to 50.58% of total trade payables as at 31 December 2022.

For the FYE 2024, our average trade payables turnover period increased from 32 days in FYE 2023 to 35 days in FYE 2024. This was mainly due to the slow payment to third-party suppliers, as reflected in the lower proportion of outstanding trade payables that were not past due, of 47.36% of total trade payables as at 31 December 2024, compared to 72.85% of total trade payables as at 31 December 2023.

The ageing analysis of our trade payables as at 31 December 2024 is as follows:

		Not past due	**Past due (days)**				**Total**
			1-30	**31-60**	**61-90**	**>90**	
Trade payables (RM'000)	A	7,741	5,066	2,031	1,015	493	16,346
Proportion of trade payables (%)		*47.36*	*30.99*	*12.42*	*6.21*	*3.02*	*100.00*
Subsequent payments as at the LPD (RM'000)	B	(4,277)	(4,752)	(1,981)	(1,008)	(366)	(12,384)
% of subsequent payments as at the LPD	C=B/A	55.25	93.80	97.54	99.31	74.24	75.76
Outstanding trade payables (RM'000)	**D=A-B**	**3,464**	**314**	**50**	**7**	**127**	**3,962**

As at the LPD, RM12.38 million or 75.76% of the trade payables outstanding as at 31 December 2024 has been paid. The remaining RM3.96 million or 24.24% of the trade payables as at 31 December 2024 is still outstanding, as at the LPD.

(iii) Inventories

We do not maintain any inventory balances due to the nature of our business activities in plant maintenance and turnaround services, EPCC and FM services.

(iv) Current ratio

The table below sets out a summary of our current ratio for the financial years indicated:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
Current assets (RM'000)	31,813	44,119	58,364	80,537
Current liabilities (RM'000)	25,340	32,567	37,780	57,762
Current ratio (times)[(1)]	1.26	1.35	1.54	1.39

Note:

(1) Computed based on current assets over current liabilities.

As at 31 December 2022, our current ratio was 1.35 times, which was higher compared to 1.26 times as at 31 December 2021. This was mainly due to increase in our current assets position comprising mainly contract assets, cash and short-term deposits, and trade receivables, which was in line with the increase in our revenue and profit in FYE 2022. The improvement of current assets position was partly offset by the increase in current liabilities arising from higher utilisation of bank overdraft.

As at 31 December 2023, our current ratio was 1.54 times, which was higher compared to 1.35 times as at 31 December 2022. This was mainly due to increase in in our current assets position comprising mainly contract assets, as well as cash and short-term deposits, which was in line with the increase in our revenue and profit in FYE 2023. This was partially offset by the increase in current liabilities arising from the increase in contract liabilities.

As at 31 December 2024, our current ratio was 1.39 times, which was lower compared to 1.54 times as at 31 December 2023. This was mainly due to the increase in current liabilities arising from the increase in trade and other payables by RM15.85 million, and loan and borrowings by RM8.07 million. This was partially offset by the increase in our current assets position, largely attributed to the increase in contract assets by RM20.75 million due to the increase in unbilled progress payments.

(v) Gearing ratio

The table below sets out a summary of our gearing ratio for the financial years indicated:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
Total borrowings[(1)] (RM'000)	14,845	18,917	20,486	58,350
Total equity (RM'000)	27,204	32,629	42,953	59,078
Gearing ratio (times)[(2)]	0.55	0.58	0.48	0.99

Notes:

(1) Includes borrowings (including hire purchase payables) on plant and machinery, and motor vehicles.

(2) Computed based on borrowings (including hire purchase payables) on plant and machinery and motor vehicles over total equity.

As at 31 December 2022, our gearing ratio was 0.58 times, which was higher compared to 0.55 times as at 31 December 2021. This was mainly due to utilisation of bank overdraft with bank overdraft balances of RM2.59 million as at 31 December 2022.

As at 31 December 2023, our gearing ratio was 0.48 times, which was lower compared to 0.58 times as at 31 December 2022. This was mainly due to increase in retained earnings from RM19.60 million as at 31 December 2022 to RM29.80 million as at 31 December 2023.

As at 31 December 2024, our gearing ratio was 0.99 times, which was higher compared to 0.48 times as at 31 December 2023. This was mainly due to the increase in total loan and borrowings by RM37.86 million, mainly for the purchase and renovation of our new head office in Star Central @ Cyberjaya, as well as the purchase of 12 units of mobile cranes, 16 units of lorries, and 11 units of forklifts for our rental, and plant maintenance and turnaround segments.

12.3.13 Order Book

For our plant maintenance and turnaround services segment, we do not maintain an order book based on contracts due to the nature of our plant maintenance and turnaround business.

During the contract period, as part of our responsibility to provide plant maintenance on a daily basis, we would prepare quotations based on our inspection of the areas for maintenance. The customer then issues purchase/release orders specifying the scope of maintenance, duration and pricing. We commonly complete the services within the agreed timeframe, as follows:

- **Comprehensive maintenance segment:** We typically take approximately 1 day and up to 3 weeks to complete our maintenance services. For certain maintenance works, such as tank maintenance or major unscheduled plant maintenance works, it may take approximately 6 months up to 1 year to complete.

- **Plant turnaround segment:**

  - For the integrated planning phase, we typically take several months up to a year to carry out the planning and preparation works.

  - For the plant turnaround execution phase, we typically take approximately 3 weeks up to 4 months to complete the services, depending on the complexity of the turnaround and the size of the plant.

For our EPCC and FM services segment, as at the LPD, our order book stood at RM45.54 million, the details of which are set out below:

	Order book as at the LPD	Expected timeline to be recognised		
		FYE 2025	FYE 2026	FYE 2027
	RM'000	RM'000	RM'000	RM'000
EPCC	11,190	11,190	-	-
FM services	27,865	9,068	10,310	8,487
	39,055	**20,258**	**10,310**	**8,487**

12.3.14 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, save as disclosed in this section and Sections 7 and 9 of this Prospectus;

(ii) material commitment for capital expenditure, as set out in Section 12.3.11(ix) of this Prospectus;

(iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected our financial performance, position and operations, save as disclosed in this section and Sections 7 and 9 of this Prospectus;

(iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our revenue and/or profits as well as our liquidity and capital resources, save as disclosed in this section and Sections 7, 8 and 9 of this Prospectus; and

(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, save as disclosed in this section and Sections 7 and 9 of this Prospectus.

Our Board is optimistic about the prospects of our Group after taking into consideration our Group's competitive advantages and key strengths, as well as business strategies as set out in Section 7 of this Prospectus.

12.3.15 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 the FYE 2024 and up to the LPD.

12.3.16 Accounting policies which are peculiar to our Group

There are no accounting policies which are peculiar to our Group. For further information on the significant accounting policies of our Group, please refer to Note 3 of the Accountants' Report included in Section 13 of this Prospectus.

12.4 DIVIDEND POLICY

Our Company does not have any formal dividend policy. As we are an investment holding company, our ability to declare and pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our Subsidiaries, present and future. The payment of dividends by our Subsidiaries is dependent upon various factors, including but not limited to, their distributable profits, financial performance, and cash flow requirements for operations and capital expenditures, as well as other factors that their respective boards of directors deem relevant.

In addition to the factors above which may affect the ability of our Subsidiaries to pay dividends to us, our Board will also consider, among others the following, when recommending the actual dividends for approval by shareholders or when declaring any interim dividends:

(i) the level of our cash, gearing, return on equity and retained earnings;

(ii) our expected financial performance;

(iii) our working capital requirements;

(iv) our other investment plans;

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

(vii) any restrictive covenants contained in our current and future financial arrangements; and

(viii) the general economic and business conditions and other factors deemed relevant by our Board.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modifications (including non-declaration thereof) at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. See Section 9.3 of this Prospectus for risk relating to investment in our shares.

The dividends declared and paid for the Financial Years Under Review are as follows:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Dividend declared	-	2,000	-	5,000
Dividend paid	-	-	(1)2,000	5,000
PAT	2,125	5,425	12,324	21,125
Dividend payout ratio (%)(2)	-	36.87	-	23.67

Notes:

(1) Dividends paid in FYE 2023 comprised the interim dividends amounting to RM1.50 million and RM0.50 million in respect of FYE 2022 which were paid out in FYE 2023.

(2) Computed based on the dividend declared divided by PAT.

During the Financial Years Under Review, all the dividends declared and paid were funded entirely by internally generated funds.

As at the LPD, there is no outstanding dividends declared but remained unpaid. Subsequent to the LPD, no dividend was declared, made or paid by our Group. Our Company has no intention to declare further dividends prior to the Listing.

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12.5 REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

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Baker Tilly Monteiro Heng PLT
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Chartered Accountants (AF 0117)
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info@bakertilly.my
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Date: 27 May 2025

The Board of Directors
Enproserve Group Berhad
13-G-01, Tower 13, Star Central @ Cyberjaya,
Lingkaran Cyber Point Timur, Cyber 12,
63000 Cyberjaya Selangor

Dear Sirs,

ENPROSERVE GROUP BERHAD ("ENPROSERVE" OR THE "COMPANY")

REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 FOR INCLUSION IN THE PROSPECTUS IN RELATION TO THE LISTING

We have completed our assurance engagement to report on the compilation of the pro forma combined statement of financial position of Enproserve and its subsidiaries, Enproserve (M) Sdn Bhd, Enproserve Hydrodyne Sdn Bhd and RB Plant Services Sdn Bhd (the "Group"). The pro forma combined statement of financial position consists of the pro forma combined statement of financial position as at 31 December 2024 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the Directors of Enproserve have compiled the pro forma combined statement of financial position are as described in Note 2 to the pro forma combined statement of financial position and in accordance with the requirements of the *Prospectus Guidelines* issued by the Securities Commission Malaysia ("Prospectus Guidelines") ("Applicable Criteria").

The pro forma combined statement of financial position of Enproserve has been compiled by the Directors of Enproserve, for illustrative purposes only, for inclusion in the prospectus of Enproserve ("Prospectus") in conjunction with the listing of and quotation for the entire enlarged issued share capital of Enproserve on the ACE Market of Bursa Malaysia Securities Berhad comprising the Public Issue and Offer for Sale ("IPO"), after making certain assumptions and such adjustments to show the effects on the pro forma audited financial position of Enproserve as at 31 December 2024 adjusted for the Acquisition of Subsidiaries, Public Issue, Offer for Sale, Acquisition of property, plant and equipment by way of hire purchase arrangements and Utilisation of Proceeds as described in Notes 1.2.1, 1.2.2, 1.2.3, 1.3.1, and 3.2.1 respectively.

As part of this process, information about Enproserve's pro forma combined financial position has been extracted by the Directors of Enproserve from the accountants' report of the Group for the financial years ended ("FYE(s)") 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, which were reported by us to the Directors of Enproserve on 27 May 2025 without any modification.

Directors' Responsibility for the Pro Forma Combined Statement of Financial Position

The Directors of Enproserve are responsible for compiling the pro forma combined statement of financial position based on the Applicable Criteria.

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institutes of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies *International Standard on Quality Management 1 (ISQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, on whether the pro forma combined statement of financial position has been compiled, in all material respects, by the Directors of Enproserve based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors of Enproserve have compiled, in all material respects, the pro forma combined statement of financial position based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma combined statement of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma combined statement of financial position.

The purpose of the pro forma combined statement of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of Enproserve as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

ENPROSERVE GROUP BERHAD
Reporting Accountants' Report on the Compilation of the
Pro Forma Combined Statement of Financial Position
as at 31 December 2024 for inclusion in the Prospectus in relation to the Listing

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Reporting Accountants' Responsibilities (Continued)

A reasonable assurance engagement to report on whether the pro forma combined statement of financial position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors of Enproserve in the compilation of the pro forma combined statement of financial position of Enproserve provide a reasonable basis for presenting the significant effects directly attributable to Listing Scheme as described in Note 1.2 to the pro forma combined statement of financial position, and to obtain sufficient appropriate evidence about whether:

(a) The related pro forma adjustments give appropriate effect to those criteria; and

(b) The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma combined statement of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma combined statement of financial position.

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

Our opinion

In our opinion the pro forma combined statement of financial position of Enproserve has been compiled, in all material respects, on the basis as described in the notes thereon on the pro forma combined statement of financial position and in accordance with the requirements of the Prospectus Guidelines.

Other matter

This report has been prepared for inclusion in the Prospectus of Enproserve in connection with the IPO. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

Baker Tilly Monteiro Heng PLT	Paul Tan Hong
201906000600 (LLP0019411-LCA) & AF 0117	No. 03459/11/2025 J
Chartered Accountants	Chartered Accountant

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ENPROSERVE GROUP BERHAD

PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION

1. INTRODUCTION

The pro forma combined statement of financial position of Enproserve Group Berhad ("Enproserve" or "Company") and its subsidiaries Enproserve (M) Sdn Bhd, Enproserve Hydrodyne Sdn Bhd and RB Plant Services Sdn Bhd (the "Group") has been compiled by the Directors of Enproserve, for illustrative purposes only, for inclusion in the prospectus of Enproserve ("Prospectus") in conjunction with the initial public offering, offer for sale and listing of and quotation for the entire enlarged issued shares in Enproserve ("Enproserve Shares") on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

1.1 In conjunction with the admission of Enproserve to the Official List of Bursa Securities and the listing of and quotation for its entire enlarged issued Enproserve Shares on the ACE Market of Bursa Securities ("Listing"), Enproserve had undertaken the following transactions:

1.2 Listing Scheme

1.2.1 **Acquisition of Subsidiaries ("Acquisitions")**

(a) **Acquisition of Enproserve (M) Sdn Bhd ("EMSB")**

Enproserve had on 5 November 2024 entered into a conditional share sale agreement (as varied by a supplemental share sale agreement dated 4 March 2025) with the vendor of EMSB, namely Azman Bin Yusof to acquire the entire issued share capital of EMSB comprising 10,000,000 ordinary shares for a purchase consideration of RM54,187,993, which was fully satisfied by the issuance of 786,473,050 new Enproserve Shares at an issue price of RM0.0689 per Enproserve Share to Azman Bin Yusof.

The purchase consideration of RM54,187,993 was arrived at a "willing-buyer-willing-seller" basis after taking into consideration the audited net assets ("NA") of EMSB as at 30 June 2024 of RM54,227,837.

(b) **Acquisition of Enproserve Hydrodyne Sdn Bhd ("EHSB")**

Enproserve had on 5 November 2024 entered into a conditional share sale agreement (as varied by a supplemental share sale agreement dated 4 March 2025) with the vendor of EHSB, namely Azman Bin Yusof to acquire 60% issued share capital of EHSB comprising 300,000 ordinary shares for a purchase consideration of RM1,404,000, which was fully satisfied by the issuance of 20,377,358 new Enproserve Shares at an issue price of RM0.0689 per Enproserve Share to Azman Bin Yusof.

The purchase consideration of RM1,404,000 was arrived at a "willing-buyer-willing-seller" basis after taking into consideration the audited NA of EHSB as at 30 June 2024 of RM2,340,857.

ENPROSERVE GROUP BERHAD

PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (CONTINUED)

1. INTRODUCTION (CONTINUED)

1.2 Listing Scheme (continued)

1.2.1 Acquisition of Subsidiaries ("Acquisitions") (continued)

(c) Acquisition of RB Plant Services Sdn Bhd ("RBPS")

Enproserve had on 5 November 2024 entered into a conditional share sale agreement (as varied by a supplemental share sale agreement dated 4 March 2025) with the vendor of RBPS, namely Azman Bin Yusof to acquire 100% issued share capital of RBPS comprising 2,500,000 ordinary shares for a purchase consideration of RM2,284,000, which was fully satisfied by the issuance of 33,149,492 new Enproserve Shares at an issue price of RM0.0689 per Enproserve Share to Azman Bin Yusof.

The purchase consideration of RM2,284,000 was arrived at a "willing-buyer-willing-seller" basis after taking into consideration the audited NA of RBPS as at 30 June 2024 of RM2,284,616.

The acquisitions were completed on 7 April 2025, whereby EMSB, EHSB and RBPS became subsidiaries of Enproserve.

1.2.2 Public Issue

The public issue of 210,000,000 new Enproserve Shares at an issue price of RM0.24 per Enproserve Share, representing approximately 20.00% of the issued share capital of Enproserve , will be allocated in the following manner:

(i) 52,500,000 new Enproserve Shares made available to the Malaysian public by way of balloting, of which at least 50.00% will be set aside for Bumiputera investors;

(ii) 18,316,000 new Enproserve Shares made available for application by the eligible Directors, employees and business associates of the Group including any other persons who have contributed to the Group's success; and

(iii) 139,184,000 new Enproserve Shares made available by way of private placement to selected investors.

(Collectively hereinafter referred to as "Public Issue").

1.2.3 Offer for Sale

Offer for sale of 105,000,000 existing Enproserve Shares at an offer price of RM0.24 per Enproserve Share representing 10.00% of the enlarged issued share capital of Enproserve by way of private placement to selected investors.

ENPROSERVE GROUP BERHAD

PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (CONTINUED)

1. INTRODUCTION (CONTINUED)

1.2 Listing Scheme (continued)

1.2.4 Listing

The admission of Enproserve to the Official List of Bursa Securities and the listing of and quotation for its entire enlarged issued share capital of RM108,276,093 comprising 1,050,000,000 Enproserve Shares on the ACE Market of Bursa Securities.

1.3 Subsequent to FYE 31 December 2024

1.3.1 Acquisition of Property, Plant and Equipment ("Acquisition of PPE") by way of hire purchase arrangement ("HP")

Subsequent to FYE 31 December 2024 and as at 27 May 2025, the latest practicable date ("LPD"), Enproserve had entered into agreement to purchase 1 unit of 200T All Terrain Crane amounting to RM1.65 million entirely financed by way of HP. The proceeds from the Public Issue will be used to repay the hire purchase facility.

2. BASIS OF PREPARATION OF THE PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION

2.1 The pro forma combined statement of financial position has been prepared to illustrate the pro forma combined financial position of Enproserve and its subsidiaries as at 31 December 2024, adjusted for the Acquisitions, Public Issue, Offer for Sale, Acquisition of PPE, and Utilisation of Proceeds as described in Notes 1.2.1, 1.2.2, 1.2.3, 1.3.1, and 3.2.1 respectively.

2.2 The accountants' report of the Enproserve for the FYEs 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 were reported by the auditors to the Directors of Enproserve on 27 May 2025 without any modifications.

2.3 The pro forma combined statement of financial position of Enproserve has been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of Enproserve and does not purport to predict the future financial position and results of Enproserve.

2.4 The pro forma combined statement of financial position of Enproserve have been properly prepared on the basis set out in the accompanying notes to the pro forma combined statement of financial position based on the accountants' report of Enproserve for FYE 31 December 2024, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

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ENPROSERVE GROUP BERHAD

2. BASIS OF PREPARATION OF THE PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (CONTINUED)

2.6 The pro forma combined statement of financial position of Enproserve have been prepared in a manner consistent with both the format of the financial statements and accounting policies adopted by the Group in the preparation of its accountants' report for the FYE 31 December 2024 and the adoption of the following new accounting policies, which had been adopted by the Group as its group accounting policies.

Merger accounting

The subsidiaries are accounted for using the merger method of accounting.

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

Acquisition of entities under common control does not result in any change in economic substance. Accordingly, the Group is a continuation of the acquired entity and is accounted for as follows:

- the assets and liabilities of the acquired entity is recognised and measured in the combined financial statements at the pre-combination carrying amounts;
- the retained earnings and other equity balances of acquired entity immediately before the business combination are those of the Group; and
- the equity structure, however, reflects the equity structure of the Group and the difference arising from the change in equity structure of the Group will be accounted for in merger reserve/deficit.

2.7 In connection with the Listing, the pro forma combined statement of financial position of Enproserve as at 31 December 2024 have been presented after adjusting for the Acquisitions, Public Issue, Offer for Sale, Acquisition of PPE, and Utilisation of Proceeds as described in Notes 1.2.1, 1.2.2, 1.2.3, 1.3.1, and 3.2.1 respectively.

ENPROSERVE GROUP BERHAD

3. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD

3.1 The pro forma combined statement of financial position of Enproserve as set out below, for which the Directors of Enproserve are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited statement of financial position of Enproserve as at 31 December 2024, had the Acquisitions, Public Issue, Offer for Sale, Acquisition of PPE, and Utilisation of Proceeds as described in Notes 1.2.1, 1.2.2, 1.2.3, 1.3.1, and 3.2.1 respectively, been effected on that date, and should be read in conjunction with the notes accompanying thereto.

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
	Audited Statement of Financial Position as at 31 December 2024 RM'000	After the Acquisitions RM'000	After Pro Forma I and Acquisition of PPE RM'000	After Pro Forma II, Public Issue and Offer for Sale RM'000	After Pro Forma III and Utilisation of Proceeds RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	-	53,440	55,090	55,090	56,420
Rights-of-use assets	-	24,798	24,798	24,798	24,798
Trade and other receivables	-	2,142	2,142	2,142	2,142
	-	80,380	82,030	82,030	83,360
Current assets					
Trade and other receivables	-	27,001	27,001	27,001	26,868
Contract assets	-	37,535	37,535	37,535	37,535
Cash and short-term deposits	&	16,001	16,001	66,401	50,579
	&	80,537	80,537	130,937	114,982
TOTAL ASSETS	&	**160,917**	**162,567**	**212,967**	**198,342**

Note:
& RM100

ENPROSERVE GROUP BERHAD

3. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)

3.1 (Continued)

	Audited Statement of Financial Position as at 31 December 2024 RM'000	Pro Forma I After the Acquisitions RM'000	Pro Forma II After Pro Forma I and Acquisition of PPE RM'000	Pro Forma III After Pro Forma II, Public Issue and Offer for Sale RM'000	Pro Forma IV After Pro Forma III and Utilisation of Proceeds RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	&	57,876	57,876	108,276	106,601
Reorganisation reserve	-	(45,076)	(45,076)	(45,076)	(45,076)
Retained earnings	(54)	45,020	45,020	45,020	43,720
	(54)	57,820	57,820	108,220	105,245
Non-controlling interests	-	1,258	1,258	1,258	1,258
TOTAL EQUITY	**(54)**	**59,078**	**59,078**	**109,478**	**106,503**
Non-current liabilities					
Loans and borrowings	-	41,336	42,674	42,674	34,308
Lease liabilities	-	614	614	614	614
Deferred tax liabilities	-	2,127	2,127	2,127	2,127
	-	44,077	45,415	45,415	37,049
Current liabilities					
Trade and other payables	54	36,766	36,766	36,766	36,766
Loans and borrowings	-	17,014	17,326	17,326	14,042
Lease liabilities	-	494	494	494	494
Current tax liabilities	-	1,031	1,031	1,031	1,031
Contract liabilities	-	2,457	2,457	2,457	2,457
	54	57,762	58,074	58,074	54,790
TOTAL LIABILITIES	**54**	**101,839**	**103,489**	**103,489**	**91,839**
TOTAL EQUITY AND LIABILITIES	&	**160,917**	**162,567**	**212,967**	**198,342**

Note:
& *RM100*

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ENPROSERVE GROUP BERHAD

3. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)

3.1 (Continued)

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
	Audited Statement of Financial Position as at 31 December 2024	After the Acquisitions	After Pro Forma I and Acquisition of PPE	After Pro Forma II, Public Issue and Offer for Sale	After Pro Forma III and Utilisation of Proceeds
Number of ordinary shares in issue ('000)	#	840,000	840,000	1,050,000	1,050,000

Net Assets ("NA") attributable to the owners of the Company (RM'000)	(54)	57,820	57,820	108,220	105,245
NA per share attributable to the owners of the Company (RM)	N/A	0.07	0.07	0.10	0.10
Interest-bearing borrowings (RM'000)	-	58,350	60,000	60,000	48,350
Gearing (times) ^	N/A	1.01	1.04	0.55	0.46

Note:

\# *100 shares*

^ *Gearing ratio is calculated based on total interest-bearing borrowings divided by total equity attributable to the owners of the Group*

N/A Not meaningful

3. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)

3.2 Notes to the pro forma combined statement of financial position are as follows:

3.2.1 The proceeds from the Public Issue would be used in the following manner:

Purposes	**RM'000**	**%**	**Estimated time for defrayment (from listing date)**
Capital expenditure			
(a) Purchase of new machinery, equipment and vehicles (1)(2)	9,160	18.17	Within 24 months
(b) Purchase of new lorries and mobile cranes (2)	9,015	17.89	Within 24 months
(c) Setting up crane depot facility (2)	5,500	10.91	Within 24 months
Repayment of bank borrowings (3)	11,650	23.12	Within 6 months
Working capital	10,045	19.93	Within 12 months
Estimated listing expenses	5,030	9.98	Immediate
Total	50,400	100.00	

Notes:

(1) During FYE 31 December 2024, Enproserve issued purchase orders and paid a deposit of RM0.13 million for the acquisition of 2 units of vacuum trucks, with a total purchase price of RM1.33 million. As at the LPD, the acquisition had not been completed. Accordingly, only RM1.20 million (excluding the deposit of RM0.13 million that has been paid during FYE 31 December 2024) of the RM9.16 million allocated from the utilisation of proceeds earmarked for purchase of new machinery, equipment and vehicles specifically for these 2 units of vacuum trucks is reflected in the pro forma combined statement of financial position.

(2) As at the LPD, Enproserve has yet to enter into any contractual binding agreement or issue any purchase orders in relation to the purchase of new machinery, equipment and vehicles (other than the 2 units of vacuum trucks referenced in note (1)), new lorries and mobile cranes, and the setting up of a crane depot facility. Accordingly, the utilisation of proceeds earmarked for capital expenditure purpose is not reflected in the pro forma combined statement of financial position.

(3) Enproserve intend to allocate RM11.65 million of proceeds from the Public Issue as repayment for the three hire purchase facilities, a 650T All Terrain Crane, a 450T All Terrain Crane and a 200T All Terrain Crane. As at the LPD, the outstanding balance for these hire purchase facilities, including interest in suspense, was approximately RM13.68 million. Accordingly, RM11.65 million of the utilisation of proceeds earmarked for the repayment of hire purchases is reflected in the pro forma combined statement of financial position.

3. **PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)**

3.2 (continued)

3.2.2 The pro forma combined statement of financial position should be read in conjunction with the notes below:

(a) **Pro Forma I**

Pro Forma I incorporates the following effects:

(i) Acquisitions as described in Note 1.2.1 on the audited financial statements of Enproserve as at 31 December 2024:

	RM'000
Purchase consideration	57,876
Less: Share capital of acquired subsidiaries	(12,800)
Reorganisation reserve	45,076

	Increase/(Decrease) Effects on Total Assets RM'000	Effects on Total Equity/ Total Liabilities RM'000
Property, plant and equipment	53,440	-
Right-of-use assets	24,798	-
Trade and other receivables - non-current	2,142	-
Trade and other receivables - current	27,001	-
Contract assets	37,535	-
Cash and short-term deposits	16,001	-
Share capital	-	57,876
Reorganisation reserve	-	(45,076)
Retained earnings	-	45,074
Non-controlling interests	-	1,258
Loans and borrowings - non-current	-	41,336
Lease liabilities - non-current	-	614
Deferred tax liabilities	-	2,127
Trade and other payables	-	36,712
Loans and borrowings - current	-	17,014
Lease liabilities - current	-	494
Current tax liabilities	-	1,031
Contract liabilities	-	2,457
	160,917	160,917

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ENPROSERVE GROUP BERHAD

3. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)

3.2 (continued)

3.2.2 (continued)

(b) **Pro Forma II (continued)**

Pro Forma II incorporates the cumulative effects of Pro Forma I and the Acquisition of PPE as described in Note 1.3.1.

	Increase	
	Effects on Total Assets RM'000	**Effects on Total Liabilities RM'000**
Property, plant and equipment	1,650	-
Loans and borrowings - non-current	-	1,338
Loans and borrowings - current	-	312
	1,650	1,650

ENPROSERVE GROUP BERHAD

3. **PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)**

3.2 (continued)

3.2.2 (continued)

(c) **Pro Forma III**

Pro Forma III incorporates the cumulative effects of Pro Forma II and the Public Issue and Offer for Sale as described in Notes 1.2.2 and Note 1.2.3 respectively.

The Public Issue will have the following impact on the audited statement of financial position of Enproserve as at 31 December 2024:

	Increase	
	Effects on Total Assets RM'000	**Effects on Total Equity RM'000**
Cash and bank balances	50,400	-
Share capital	-	50,400
	50,400	50,400

Upon the completion of the Public Issue of 210,000,000 Enproserve Shares, its entire enlarged issued share capital would amount to RM108,276,093 comprising 1,050,000,000 Enproserve Shares.

The Offer for Sale does not have an impact on the audited statement of financial position as at 31 December 2024.

3. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)

3.2 (Continued)

3.2.2 (Continued)

(d) **Pro Forma IV**

Pro Forma IV incorporates the cumulative effects of Pro Forma III and the utilisation of proceeds from the Public Issue of RM45.37 million after deducting RM5.03 million of estimated listing expenses.

Out of the proceeds from Public Issue, RM23.67 million has been earmarked for capital expenditure purposes. However, only RM1.20 million earmarked for the purchase of 2 units of vacuum trucks (excluding the deposit of RM0.13 million that has been paid during FYE 31 December 2024) is reflected in the pro forma combined statement of financial position as Enproserve has issued purchase orders and entered into contractual binding agreements for this acquisition. As such, the remaining Public Issue proceeds of RM22.47 million will be included in Cash and Bank Balances Account. Any shortfall in proceeds allocated to the purchase of new machinery, equipment and vehicles will be funded through internally generated funds and/or bank borrowings. Conversely, any excess in proceeds allocated to the purchase of new machinery, equipment and vehicles shall be channelled towards our working capital.

As at the LPD, the outstanding balance for the three hire purchase facilities, a 650T All Terrain Crane, a 450T All Terrain Crane and a 200T All Terrain Crane, including interest in suspense, was approximately RM13.68 million. Early settlement rebate of approximately RM1.17 million was calculated based on the assumption that the early settlement is being made on or before 31 July 2025. RM11.65 million of the Public Issue proceeds earmarked for repayment of bank borrowings is reflected in the pro forma combined statement of financial position. The interest in suspense and early settlement rebate for these hire purchase facilities are not being reflected in the pro forma combined statement of financial position. Any shortfall in proceeds allocated for the repayment of bank borrowings will be funded through internally generated funds. Conversely, in the event the actual principal balance at the point of repayment is less than the amount allocated for the repayment of bank borrowings, any excess thereof will be allocated towards our working capital.

The proceeds arising from the Public Issue of RM10.05 million earmarked for working capital purposes will be debited to Cash and Bank Balances Account.

ENPROSERVE GROUP BERHAD

3. **PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)**

3.2 (Continued)

3.2.2 (Continued)

(d) **Pro Forma IV (continued)**

As at 31 December 2024, out of the total estimated expenses of RM5.03 million, RM2.05 million had been charged to the Retained Earnings Account. Of the remaining RM2.98 million, RM1.30 million will be charged to Retained Earnings Account and the remaining RM1.68 million will be capitalised in the Share Capital Account upon listing as these are directly attributable expenses relating to the new issuance of shares.

The utilisation of proceeds will have the following impact on the audited statement of financial position of Enproserve as at 31 December 2024:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Equity/ Total Liabilities RM'000**
Property, plant and equipment	1,330	-
Trade and other receivables - current	(133)	-
Cash and bank balances	(15,822)	-
Share capital	-	(1,675)
Retained earnings	-	(1,300)
Loans and borrowings - non-current	-	(8,366)
Loans and borrowings - current	-	(3,284)
	(14,625)	(14,625)

ENPROSERVE GROUP BERHAD

3. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)

3.2 (Continued)

3.2.3 Movements in share capital and reserves are as follows:

	← Share Capital	→				
	Number of shares '000	**Amount RM'000**	**Reorganisation Reserve RM'000**	**Non-controlling interests RM'000**	**Retained Earnings RM'000**	**Total RM'000**
Audited as at 31 December 2024	#	&	-	-	(54)	(54)
Arising from the Acquisitions	840,000	57,876	(45,076)	1,258	45,074	59,132
As per Pro Forma I	**840,000**	**57,876**	**(45,076)**	**1,258**	**45,020**	**59,078**
Arising from the Acquisition of PPE	-	-	-	-	-	-
As per Pro Forma II	**840,000**	**57,876**	**(45,076)**	**1,258**	**45,020**	**59,078**
Arising from the Public Issue and Offer for Sale	210,000	50,400	-	-	-	50,400
As per Pro Forma III	**1,050,000**	**108,276**	**(45,076)**	**1,258**	**45,020**	**109,478**
Arising from Utilisation of Proceeds	-	(1,675)	-	-	(1,300)	(2,975)
As per Pro Forma IV	**1,050,000**	**106,601**	**(45,076)**	**1,258**	**43,720**	**106,503**

Note:

& RM100

 # 100 shares

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ENPROSERVE GROUP BERHAD

3. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)

3.2 (Continued)

3.2.4 Movements in trade and other receivables are as follows:

	RM'000
Audited as at 31 December 2024	**-**
Arising from the Acquisitions	29,143
As per Pro Forma I	**29,143**
Arising from the Acquisition of PPE	-
As per Pro Forma II	**29,143**
Arising from Public Issue and Offer for Sale	-
As per Pro Forma III	**29,143**
Arising from Utilisation of Proceeds	(133)
As per Pro Forma IV	**29,010**

3.2.5 Movements in cash and bank balances are as follows:

	RM'000
Audited as at 31 December 2024	**&**
Arising from the Acquisitions	16,001
As per Pro Forma I	**16,001**
Arising from the Acquisition of PPE	-
As per Pro Forma II	**16,001**
Arising from Public Issue and Offer for Sale	50,400
As per Pro Forma III	**66,401**
Arising from Utilisation of Proceeds	(15,822)
As per Pro Forma IV	**50,579**

Note:
& RM100

ENPROSERVE GROUP BERHAD

3. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF ENPROSERVE GROUP BERHAD (CONTINUED)

3.2 (Continued)

3.2.6 Movements in loans and borrowings are as follows:

	RM'000
Audited as at 31 December 2024	-
Arising from the Acquisitions	58,350
As per Pro Forma I	**58,350**
Arising from the Acquisition of PPE	1,650
As per Pro Forma II	**60,000**
Arising from Public Issue and Offer for Sale	-
As per Pro Forma III	**60,000**
Arising from Utilisation of Proceeds	(11,650)
As per Pro Forma IV	**48,350**

ENPROSERVE GROUP BERHAD

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Director of Enproserve Group Berhad in accordance with a resolution dated 27 MAY 2025

………………………………	………………………………
Azman Bin Yusof	**Datuk Hashim Bin Majid**
Director	**Director**

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA)
Chartered Accountants (AF 0117)
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Bangsar South City
59200 Kuala Lumpur, Malaysia

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info@bakertilly.my
www.bakertilly.my

Date: 27 May 2025

The Board of Directors
Enproserve Group Berhad
13-G-01, Tower 13,Star Central @ Cyberjaya,
Lingkaran Cyber Point Timur,
Cyber 12, 63000 Cyberjaya,
Selangor Darul Ehsan.

Dear Sirs/Madam,

Reporting Accountants' opinion on the Combined Financial Statements contained in the Accountants' Report of Enproserve Group Berhad ("Enproserve" or the "Company")

Opinion

We have audited the accompanying combined financial statements of the Company and its combining entities as defined in Note 2 to the combined financial statements (the "Group"), which comprise of the combined statements of financial position as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 of the Group, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended ("FYE(s)") 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and notes to the combined financial statements, including a material accounting policy information, as set out on pages 6 to 73.

In our opinion, the accompanying combined financial statements contained in the Accountants' Report of the Company gives a true and fair view of the combined financial positions of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and of its financial performance and its cash flows for the FYEs 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

ENPROSERVE GROUP BERHAD
(Incorporated in Malaysia)

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Responsibilities of the Directors for the Combined Financial Statements

The directors of the Company are responsible for the preparation of the combined financial statements contained in the Accountants' Report of the Company, so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

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

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

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

ENPROSERVE GROUP BERHAD
(Incorporated in Malaysia)

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

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 Reporting Accountants' report to the related disclosures in the combined financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Reporting Accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

ENPROSERVE GROUP BERHAD
(Incorporated in Malaysia)

Other Matter

This report is made solely to the board of directors of the Company and has been prepared solely to comply with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia and for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon any other purpose. We do not assume responsibility to any other person for the content of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2025 J
Chartered Accountant

Kuala Lumpur

Date: 27 May 2025

STATEMENT BY DIRECTORS

We, **AZMAN BIN YUSOF** and **DATUK HASHIM BIN MAJID,** being two of the directors of ENPROSERVE GROUP BERHAD, do hereby state that in the opinion of the directors, the accompanying combined financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and of its financial performance and cash flows for the financial years then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

…………………………………………………….
AZMAN BIN YUSOF
Director

…………………………………………………….
DATUK HASHIM BIN MAJID
Director

Kuala Lumpur

Date: 27 May 2025

ENPROSERVE GROUP BERHAD
Accountants' Report

COMBINED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			
	Note	**2021 RM'000**	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**
ASSETS					
Non-current assets					
Property, plant and equipment	**5**	10,125	11,058	9,760	53,440
Right-of-use assets	**6**	24,664	24,037	24,235	24,798
Trade and other receivables	**7**	-	569	1,379	2,142
Total non-current assets		**34,789**	**35,664**	**35,374**	**80,380**
Current assets					
Trade and other receivables	**7**	14,938	17,684	18,320	27,001
Contract assets	**8**	4,763	9,623	16,784	37,535
Cash and short-term deposits	**9**	12,056	16,753	23,222	16,001
Current tax assets		56	59	38	-
Total current assets		**31,813**	**44,119**	**58,364**	**80,537**
TOTAL ASSETS		**66,602**	**79,783**	**93,738**	**160,917**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Group					
Invested equity	**10**	12,800	12,800	12,800	12,800
Retained earnings		14,209	19,601	29,802	45,020
		27,009	**32,401**	**42,602**	**57,820**
Non-controlling interests		195	228	351	1,258
TOTAL EQUITY		**27,204**	**32,629**	**42,953**	**59,078**

COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

		As at 31 December			
	Note	**2021 RM'000**	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**
Non-current liabilities					
Loans and borrowings	**11**	13,189	13,688	11,540	41,336
Lease liabilities	**12**	64	16	433	614
Deferred tax liabilities	**13**	805	883	1,032	2,127
Total non-current liabilities		**14,058**	**14,587**	**13,005**	**44,077**
Current liabilities					
Trade and other payables	**14**	21,669	25,872	20,920	36,766
Loans and borrowings	**11**	1,656	5,229	8,946	17,014
Lease liabilities	**12**	103	92	382	494
Current tax liabilities		1,912	1,374	1,371	1,031
Contract liabilities	**8**	-	-	6,161	2,457
Total current liabilities		**25,340**	**32,567**	**37,780**	**57,762**
TOTAL LIABILITIES		**39,398**	**47,154**	**50,785**	**101,839**
TOTAL EQUITY AND LIABILITIES		**66,602**	**79,783**	**93,738**	**160,917**

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

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Note	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
		FYE 31 December			
Revenue	15	70,650	118,275	163,837	198,409
Cost of sales		(53,072)	(91,928)	(123,574)	(138,281)
Gross profit		**17,578**	**26,347**	**40,263**	**60,128**
Other income	16	820	590	569	892
Administrative expenses		(11,210)	(14,421)	(18,429)	(22,056)
Other operating expenses		(3,207)	(3,778)	(3,939)	(8,020)
Operating profit		**3,981**	**8,738**	**18,464**	**30,944**
Finance costs	17	(779)	(813)	(1,330)	(2,206)
Profit before tax	18	**3,202**	**7,925**	**17,134**	**28,738**
Income tax expense	20	(1,077)	(2,500)	(4,810)	(7,613)
Profit for the financial year representing total comprehensive income for the financial year		**2,125**	**5,425**	**12,324**	**21,125**
Total comprehensive income for the financial year		**2,125**	**5,425**	**12,324**	**21,125**
Profit attributable to:					
Owners of the Group		2,126	5,392	12,201	20,218
Non-controlling interests		(1)	33	123	907
		2,125	**5,425**	**12,324**	**21,125**
Total comprehensive income attributable to:					
Owners of the Group		2,126	5,392	12,201	20,218
Non-controlling interests		(1)	33	123	907
		2,125	**5,425**	**12,324**	**21,125**
Earnings per share (RM)					
- Basic	22	0.17	0.42	0.95	1.58

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

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to owners of the Group			Non-controlling interests	Total equity
		Invested equity	Retained earnings	Sub-Total		
		RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021		**12,800**	**12,083**	**24,883**	**196**	**25,079**
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive profit for the financial year		-	2,126	2,126	(1)	2,125
At 31 December 2021		**12,800**	**14,209**	**27,009**	**195**	**27,204**
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income for the financial year		-	5,392	5,392	33	5,425
At 31 December 2022		**12,800**	**19,601**	**32,401**	**228**	**32,629**

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Note	Attributable to owners of the Group Invested equity RM'000	Retained earnings RM'000	Sub-Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2023		12,800	19,601	32,401	228	32,629
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income for the financial year		-	12,201	12,201	123	12,324
Transactions with owners						
Dividends paid on shares	**21**	-	(2,000)	(2,000)	-	(2,000)
At 31 December 2023		**12,800**	**29,802**	**42,602**	**351**	**42,953**
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income for the financial year		-	20,218	20,218	907	21,125
Transactions with owners						
Issue of ordinary shares		*	-	*	-	*
Dividends paid on shares	**21**	-	(5,000)	(5,000)	-	(5,000)
At 31 December 2024		**12,800**	**45,020**	**57,820**	**1,258**	**59,078**

** Represents RM100*

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

COMBINED STATEMENTS OF CASH FLOWS

	Note	FYE 31 December 2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		3,202	7,925	17,134	28,738
Adjustments for:					
Depreciation of:					
- Property, plant and equipment		2,178	2,257	2,011	3,498
- Right-of-use assets		674	682	808	959
Deposit written off		-	-	-	5
Loss on disposal of property, plant and equipment		-	118	-	87
Gain on disposal of right-of-use asset		-	-	-	(205)
Gain on lease modification		(6)	-	*	(18)
Impairment losses on trade and other receivables		-	300	55	62
Reversal of impairment losses on trade and other receivables		-	-	-	(7)
Finance costs		779	813	1,330	2,206
Interest income		(109)	(143)	(222)	(272)
Property, plant and equipment written off		-	-	1	93
Operating profit before changes in working capital		**6,718**	**11,952**	**21,117**	**35,146**
Changes in working capital:					
Trade and other receivables		(3,339)	(3,291)	(2,210)	(10,066)
Contract assets		266	(4,860)	(7,161)	(20,751)
Trade and other payables		3,640	3,890	(5,358)	17,630
Contract liabilities		-	-	6,161	(3,704)
Net cash generated from operations		**7,285**	**7,691**	**12,549**	**18,255**
Income tax paid		(1,023)	(2,963)	(4,643)	(7,091)
Interest income		42	79	111	116
Net cash from operating activities		**6,304**	**4,807**	**8,017**	**11,280**
Cash flows from investing activities					
Purchase of property, plant and equipment	**9(i)**	(506)	(1,894)	(528)	(6,807)
Purchase of right-of-use assets	**9(ii)**	-	-	-	(750)
Proceeds from disposal of property, plant and equipment		-	314	72	220
Change in pledged deposits		(250)	(1,027)	(1,362)	(1,263)
Net cash used in investing activities		**(756)**	**(2,607)**	**(1,818)**	**(8,600)**

** Denotes < RM1,000*

ENPROSERVE GROUP BERHAD
Accountants' Report

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

		FYE 31 December			
		2021	2022	2023	2024
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities	**9(iii)**				
Proceeds from issuance of ordinary shares		-	-	-	*
Drawdown of term loans		-	1,038	-	3,310
Repayment of term loans		(213)	(604)	(645)	(1,101)
Net change in lease liabilities		(103)	(114)	(299)	(466)
Repayment of hire purchase payables		(1,203)	(1,245)	(1,754)	(4,511)
(Repayment)/Drawdown of trade financing		(935)	563	3,051	(896)
Net change in amount owing by related parties		14	(324)	1,125	146
Net change in amount owing to a director		(399)	313	(10)	(887)
Interest paid		(779)	(813)	(1,330)	(2,206)
Dividends paid		-	-	(2,000)	(5,000)
Net cash used in financing activities		**(3,618)**	**(1,186)**	**(1,862)**	**(11,611)**
Net increase/(decrease) in cash and cash equivalents		**1,930**	**1,014**	**4,337**	**(8,931)**
Cash and cash equivalents at the beginning of the financial year		6,786	8,716	9,730	14,067
Cash and cash equivalents at the end of the financial year	**9**	**8,716**	**9,730**	**14,067**	**5,136**

** Represents RM100*

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

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Enproserve Group Berhad ("Enproserve" or the "Company") was incorporated on 16 August 2024 as a private limited liability company and is domiciled in Malaysia. The Company was converted to a public company limited by shares and assumed its present name on 14 November 2024. The registered office of the Company is located at Unit 30-01, Level 30, Tower A, The Vertical Business Suite, Avenue 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Federal Territory of Kuala Lumpur. The principal place of business of the Company is located at 13-G-01, Tower 13,Star Central @ Cyberjaya, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The details of the combining entities for the purposes of the listing on the ACE Market of Bursa Malaysia Securities Berhad are as follows:

Combining entities	Principal place of business/ country of incorporation	Effective equity interest 2021 %	2022 %	2023 %	2024 %	Principal activities
Enproserve (M) Sdn Bhd	Malaysia	100	100	100	100	Plant maintenance and turnaround, EPCC, FM, rental of equipment and vehicles, and manpower supply.
Enproserve Hydrodyne Sdn Bhd	Malaysia	60	60	60	60	Plant turnaround services
RB Plant Services Sdn Bhd	Malaysia	100	100	100	100	Maintenance of pipes and pipe fittings, non-destructive testing, flange management, valve servicing and machining

There have been no significant changes in the nature of these activities during the financial years under review.

The combined financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 May 2025.

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION

The combined financial statements of Enproserve Group Berhad consist of the financial statements of the following entities under common control which is accounted using merger method of accounting (collectively hereinafter referred to as the "Group") for each of the financial years.

Entities Under Common Control	FYE 31 December			
	2021	**2022**	**2023**	**2024**
Enproserve (M) Sdn Bhd	√, #	√, #	√, &	√, &
Enproserve Hydrodyne Sdn Bhd	√, #	√, #	√, &	√, &
RB Plant Services Sdn Bhd	√, #	√, #	√, &	√, &
Enproserve Group Berhad	>	>	>	√, &

\> *No financial statements were available as the Company was incorporated on 16 August 2024.*

√ *The combined financial statements of the Group include the financial statements of these combining entities prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and the International Financial Reporting Standards ("IFRSs") for the respective financial years.*

The combined financial statements of the Group for the respective financial years have been prepared based on the audited financial statements which were re-audited by Baker Tilly Monteiro Heng PLT for the purpose of inclusion into the combined financial statements of the Group. The audited financial statements which were lodged with Companies Commission of Malaysia were audited by a firm of chartered accountants other than Baker Tilly Monteiro Heng PLT.

& *The combined financial statements of the Group for the financial year have been prepared based on the audited financial statements which were audited by Baker Tilly Monteiro Heng PLT.*

The audited financial statements of all the combining entities within the Group for the relevant years reported above were not subject to any modifications.

<u>Combined financial statements of the Group for FYEs 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024</u>

The combined financial statements of the Group for the relevant periods were prepared in a manner as if the entities under common control were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of the entities within the Group, if later.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory ("commonly controlled entities"). Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the commonly controlled entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The financial information presented in the combined financial statements may not correspond to those in the combined financial statements of the Group had the relevant transactions to legally constitute a group been incorporated in the combined financial statements for the respective financial years. Such financial information in the combined financial statements does not purport to predict the financial position, results and the cash flows of the entities under common control for those financial years.

The combined financial statements are prepared under the historical cost convention except otherwise indicated in the material accounting policy information.

The accounting policies applied by the Group are consistently applied for all the financial years presented in these combined financial statements.

2.1 Statement of compliance

The combined financial statements of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), and the International Financial Reporting Standards ("IFRSs").

2.2 Adoption of amendments to MFRSs

The Group has adopted the following applicable amendments to MFRSs for the current financial year.

Amendments to MFRSs	
MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statements of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group's existing accounting policies.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective

(a) The Group has not adopted the following new MFRS and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effect of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investment in Associates and Joint Ventures	Deferred

(b) The Group plans to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group are summarised below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group plans to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group are summarised below: (continued)

MFRS 18 Presentation and Disclosure in Financial Statements (continued)

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group plans to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group are summarised below: (continued)

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including:

- clarify how the contractual cash flows on financial assets with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

(c) The initial application of the above applicable new MFRS and amendments to MFRSs are not expected to have any material impact on the combined financial statements.

2.4 Functional and presentation currency

The combined financial statements of the Group are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The combined financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency, and has been round to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The combined financial statements of the Group have been prepared on the historical cost basis, except as otherwise disclosed.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the combined financial statements of the Group.

3.1 Basis of combination

(a) Subsidiaries and business combination

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

(b) Non-controlling interests

Non-controlling interests represent the equity in combining entities not attributable, directly or indirectly, to owners of the Group and are presented separately in the combined statements of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Financial instruments

Financial assets - subsequent measurement and gains and losses

Debt instruments at amortised cost

The Group subsequently measures these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group classifies the financial liabilities at amortised cost.

The Group subsequently measures other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.3 Property, plant and equipment

Property, plant and equipment other than right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

All other property, plant and equipment (other than the right-of-use assets as disclosed in Note 3.4) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Freehold building	50 years
Plant, machineries and tools	10 years
Motor vehicles	10 years
Office equipment	5 years
Furniture and fittings	5 years
Cabin	5 years
Computer and software	5 years
Electrical installation	10 years
Renovation	5 years

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.4 Leases

Lessee accounting

The Group presents right-of-use assets and lease liabilities in Note 6 and Note 12 in the statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

3.5 Revenue

The Group provides plant maintenance and turnaround, engineering, procurement, construction and commissioning ("EPCC") and facilities management services to contract customers.

Under the terms of the contracts, control of the work performed is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Revenue (continued)

Billings are made with a credit term ranges from 30 to 60 days, which is consistent with market practice, therefore, no element of financing is deemed present.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of combined financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's combined financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's combined financial statements within the next financial year are disclosed as follows:

(a) Revenue recognition for contract customers

The Group recognised rendering of services revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the costs incurred for work performed to date bear to the estimated total costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the costs incurred, the estimated total revenue and expenses, as well as the recoverability of the projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of internal and external specialists.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 8.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(b) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history and existing market conditions as well as forward looking estimate at the end of each reporting period.

The assessment of the correlation between historical observed default rates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's financial assets and contract assets are disclosed in Note 23(b)(i).

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Plant, machineries and tools RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Cabin RM'000	Computer and software RM'000	Electrical installation RM'000	Renovation RM'000	Total RM'000
Cost										
At 1 January 2021		12,495	5,997	742	697	466	506	23	745	21,671
Additions		435	579	3	1	7	3	-	7	1,035
At 31 December 2021		12,930	6,576	745	698	473	509	23	752	22,706
Accumulated depreciation										
At 1 January 2021		5,094	2,892	614	547	308	366	13	569	10,403
Depreciation charge for the financial year	**18**	1,272	668	41	51	42	59	2	43	2,178
At 31 December 2021		6,366	3,560	655	598	350	425	15	612	12,581
Carrying amount										
At 1 January 2021		7,401	3,105	128	150	158	140	10	176	11,268
At 31 December 2021		6,564	3,016	90	100	123	84	8	140	10,125

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Plant, machineries and tools RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Cabin RM'000	Computer and software RM'000	Electrical installation RM'000	Renovation RM'000	Total RM'000
Cost										
At 1 January 2022		12,930	6,576	745	698	473	509	23	752	22,706
Additions		1,151	2,350	4	17	10	72	-	18	3,622
Disposals		-	(1,230)	-	-	-	-	-	-	(1,230)
At 31 December 2022		14,081	7,696	749	715	483	581	23	770	25,098
Accumulated depreciation										
At 1 January 2022		6,366	3,560	655	598	350	425	15	612	12,581
Depreciation charge for the financial year	**18**	1,365	659	37	49	42	61	2	42	2,257
Disposals		-	(798)	-	-	-	-	-	-	(798)
At 31 December 2022		7,731	3,421	692	647	392	486	17	654	14,040
Carrying amount										
At 1 January 2022		6,564	3,016	90	100	123	84	8	140	10,125
At 31 December 2022		6,350	4,275	57	68	91	95	6	116	11,058

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Plant, machineries and tools RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Cabin RM'000	Computer and software RM'000	Electrical installation RM'000	Renovation RM'000	Total RM'000
Cost										
At 1 January 2023		14,081	7,696	749	715	483	581	23	770	25,098
Additions		-	374	33	141	-	213	10	15	786
Disposals		-	(75)	-	-	-	-	-	-	(75)
Written off		(9)	-	(231)	-	-	(240)	-	-	(480)
At 31 December 2023		14,072	7,995	551	856	483	554	33	785	25,329
Accumulated depreciation										
At 1 January 2023		7,731	3,421	692	647	392	486	17	654	14,040
Depreciation charge for the financial year	**18**	1,052	724	20	69	44	64	2	36	2,011
Disposals		-	(3)	-	-	-	-	-	-	(3)
Written off		(9)	-	(231)	-	-	(239)	-	-	(479)
At 31 December 2023		8,774	4,142	481	716	436	311	19	690	15,569
Carrying amount										
At 1 January 2023		6,350	4,275	57	68	91	95	6	116	11,058
At 31 December 2023		5,298	3,853	70	140	47	243	14	95	9,760

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Freehold building RM'000	Plant, machineries and tools RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Cabin RM'000	Computer and software RM'000	Electrical installation RM'000	Renovation RM'000	Total RM'000
Cost											
At 1 January 2024		-	14,072	7,995	551	856	483	554	33	785	25,329
Additions		11,157	30,526	3,648	597	542	25	171	123	789	47,578
Disposals		-	-	(572)	-	-	-	-	-	-	(572)
Written off		-	(1,014)	-	(190)	(137)	(217)	(224)	(8)	(185)	(1,975)
Reclassification		-	467	(537)	60	70	-	(60)	-	-	-
At 31 December 2024		11,157	44,051	10,534	1,018	1,331	291	441	148	1,389	70,360
Accumulated depreciation											
At 1 January 2024		-	8,774	4,142	481	716	436	311	19	690	15,569
Depreciation charge for the financial year	**18**	37	2,357	734	83	96	41	65	5	80	3,498
Disposals		-	-	(265)	-	-	-	-	-	-	(265)
Written off		-	(932)	-	(188)	(137)	(217)	(219)	(8)	(181)	(1,882)
Reclassification		-	500	(531)	8	31	-	(8)	-	-	-
At 31 December 2024		37	10,699	4,080	384	706	260	149	16	589	16,920
Carrying amount											
At 1 January 2024		-	5,298	3,853	70	140	47	243	14	95	9,760
At 31 December 2024		11,120	33,352	6,454	634	625	31	292	132	800	53,440

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Assets pledged as security

Motor vehicles and machineries with carrying amount of RM29,169,415 (2023: RM4,208,605, 2022: RM4,594,212 and 2021: RM4,081,705) have been pledged as security for hire purchase arrangement as disclosed in Note 11.

Freehold buildings with carrying amount of RM11,120,077 (2023, 2022 and 2021: Nil) has been pledged as security to secure banking facilities of the Group as disclosed in Note 11.

6. RIGHT-OF-USE ASSETS

Information about leases for which the Group is a lessee are presented below:

	Leasehold land and buildings RM'000	Buildings RM'000	Land RM'000	Total RM'000
Cost				
At 1 January 2021	26,921	337	-	27,258
Additions	-	72	-	72
Adjustment due to lease modification	-	(88)	-	(88)
At 31 December 2021	26,921	321	-	27,242
Additions	-	55	-	55
Derecognition due to end of lease term	-	(75)	-	(75)
At 31 December 2022	26,921	301	-	27,222
Additions	-	541	507	1,048
Derecognition due to end of lease term	-	(119)	-	(119)
Adjustment due to lease modification	-	(183)	-	(183)
At 31 December 2023	26,921	540	507	27,968
Additions	750	593	595	1,938
Disposals	(16)	-	-	(16)
Adjustment due to lease modification	-	(208)	(507)	(715)
At 31 December 2024	27,655	925	595	29,175

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

6. RIGHT-OF-USE ASSETS (CONTINUED)

	Note	Leasehold land and buildings RM'000	Buildings RM'000	Land RM'000	Total RM'000
Accumulated depreciation					
At 1 January 2021		1,857	84	-	1,941
Depreciation charge for the financial year	**18**	566	108	-	674
Adjustment due to lease modification		-	(37)	-	(37)
At 31 December 2021		2,423	155	-	2,578
Depreciation charge for the financial year	**18**	566	116	-	682
Derecognition due to end of lease term		-	(75)	-	(75)
At 31 December 2022		2,989	196	-	3,185
Depreciation charge for the financial year	**18**	495	228	85	808
Derecognition due to end of lease term		-	(119)	-	(119)
Adjustment due to lease modification		-	(141)	-	(141)
At 31 December 2023		3,484	164	85	3,733
Depreciation charge for the financial year	**18**	407	391	161	959
Disposals		(11)	-	-	(11)
Adjustment due to lease modification		-	(125)	(179)	(304)
At 31 December 2024		3,880	430	67	4,377
Carrying amount					
At 31 December 2021		24,498	166	-	24,664
At 31 December 2022		23,932	105	-	24,037
At 31 December 2023		23,437	376	422	24,235
At 31 December 2024		23,775	495	528	24,798

The Group leases lands and buildings for their office space and operations. The leases for the land and buildings generally have lease terms of 2 to 85 years (2023: 2 to 86 years, 2022: 2 to 87 years and 2021: 2 to 88 years).

Assets pledged as security

Leasehold lands and buildings with an aggregate carrying amount of RM15,935,995 (2023: RM16,205,585, 2022: RM16,526,833 and 2021: RM16,848,081) has been pledged as security to secure banking facilities of the Group as disclosed in Note 11.

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

7. TRADE AND OTHER RECEIVABLES

	Note	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
		As at 31 December			
Non current:					
Trade					
Retention sum	**(a)**	-	569	1,379	2,142
Current:					
Trade					
Trade receivables	**(b)**				
- Third parties		13,178	15,386	16,230	22,800
- Related parties		29	9	126	25
		13,207	15,395	16,356	22,825
Less: Impairment losses	**(c)**	-	-	(55)	(110)
		13,207	15,395	16,301	22,715
Non-trade					
Other receivables		165	44	185	884
Deposits		314	972	1,267	2,713
Prepayments		5	2	5	689
Amount owing by related parties	**(d)**	1,247	1,571	862	300
Less: Impairment losses	**(c)**	-	(300)	(300)	(300)
		1,731	2,289	2,019	4,286
Total trade and other receivables (current)		14,938	17,684	18,320	27,001
Total trade and other receivables (current and non-current)		14,938	18,253	19,699	29,143

(a) Retention sum

The retention sum which is receivable upon the expiry of defect liability period is expected to be settled as follows:

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
	As at 31 December			
Within one year	-	-	-	-
Later than one year	-	569	1,379	2,142
Total	**-**	**569**	**1,379**	**2,142**

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group range from 30 to 60 days (2023: 30 to 60 days, 2022: 30 to 60 days and 2021: 30 to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

(c) Impairment losses on trade and other receivables

The Group's other receivables that are impaired at the reporting date and reconciliation of movement in the impairment of trade and other receivables are as follow:

	As at 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade				
At 1 January	-	-	-	55
Charge for the financial year	-	-	55	62
Reversal of impairment losses	-	-	-	(7)
At 31 December	-	-	55	110
Non-trade				
At 1 January	-	-	300	300
Charge for the financial year	-	300	-	-
At 31 December	-	300	300	300

(d) Amount owing by related parties

Amount owing by related parties are unsecured, non-trade in nature, non-interest bearing, repayable on demand and is expected to be settled in cash.

Amount owing by a related party of RM300,000 has been fully repaid subsequent to the financial year ended 31 December 2024.

The information about the credit exposure is disclosed in Note 23(b)(i).

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

8. CONTRACT ASSETS/(LIABILITIES)

	As at 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Contract assets relating to contract service works with customers	4,763	9,623	16,784	37,535
Contract liabilities relating to contract service works with customers	-	-	(6,161)	(2,457)

Significant changes in contract balances

	Increase/(Decrease)							
	2021 Contract assets RM'000	2021 Contract liabilities RM'000	2022 Contract assets RM'000	2022 Contract liabilities RM'000	2023 Contract assets RM'000	2023 Contract liabilities RM'000	2024 Contract assets RM'000	2024 Contract liabilities RM'000
Increase due to revenue recognised for the financial year, but no right to consideration	4,701	-	9,379	-	16,756	-	37,535	-
Transfer from contract assets recognised at the beginning of the period to receivables	(4,967)	-	(4,519)	-	(9,595)	-	(16,784)	-
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	-	-	-	-	-	-	(6,161)
Increase due to consideration received from customers/ progress billings issued, but revenue not recognised	-	-	-	-	-	6,161	-	2,457

9. CASH AND SHORT-TERM DEPOSITS

	As at 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Cash in hand	17	24	22	45
Cash at banks	8,699	12,298	17,296	8,633
Short-term deposits	3,340	4,431	5,904	7,323
	12,056	16,753	23,222	16,001

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

9. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise of the following:

	As at 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term deposits	3,340	4,431	5,904	7,323
Less: Pledged deposits	(3,340)	(4,431)	(5,904)	(7,323)
	-	-	-	-
Cash and bank balances	8,716	12,322	17,318	8,678
Less: Bank overdrafts	-	(2,592)	(3,251)	(3,542)
	8,716	9,730	14,067	5,136

Included in the deposits placed with licensed banks of the Group, RM7,322,752 (2023: RM5,903,936, 2022: RM4,430,920 and 2021: RM3,340,780) is pledged for credit facilities and bank guarantees granted to the Group.

(i) During the financial years under review, the Group made the following cash payments to purchase property, plant and equipment.

	FYE 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Purchase of property, plant and equipment	1,035	3,622	786	47,578
Financed by way of hire purchase arrangements	(529)	(1,728)	(258)	(29,371)
Financed by way of term loan arrangements	-	-	-	(11,400)
Cash payments on purchase of property, plant and equipment	506	1,894	528	6,807

(ii) During the financial years under review, the Group made the following cash payments to purchase right-of-use assets.

	FYE 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Purchase of right-of-use assets	72	55	1,048	1,938
Financed by way of lease arrangements	(72)	(55)	(1,048)	(1,188)
Cash payments on purchase of right-of-use assets	-	-	-	750

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

9. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

(iii) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1.1.2021 RM'000	Cash flows RM'000	Non-cash RM'000	31.12.2021 RM'000
Term loans	11,837	(213)	-	11,624
Hire purchase payables	3,758	(1,203)	529	3,084
Lease liabilities	255	(103)	15	167
Trade financing	1,072	(935)	-	137
Amounts owing by related parties	(1,261)	14	-	(1,247)
Amount owing to a director	983	(399)	-	584
	16,644	(2,839)	544	14,349

	1.1.2022 RM'000	Cash flows RM'000	Non-cash RM'000	31.12.2022 RM'000
Term loans	11,624	434	-	12,058
Hire purchase payables	3,084	(1,245)	1,728	3,567
Lease liabilities	167	(114)	55	108
Trade financing	137	563		700
Amounts owing by related parties	(1,247)	(324)	-	(1,571)
Amount owing to a director	584	313	-	897
	14,349	(373)	1,783	15,759

	1.1.2023 RM'000	Cash flows RM'000	Non-cash RM'000	31.12.2023 RM'000
Term loans	12,058	(645)	-	11,413
Hire purchase payables	3,567	(1,754)	258	2,071
Lease liabilities	108	(299)	1,006	815
Trade financing	700	3,051		3,751
Amounts owing by related parties	(1,571)	1,125	-	(446)
Amount owing to a director	897	(10)	-	887
	15,759	1,468	1,264	18,491

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

9. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

(iii) Reconciliation of changes in liabilities arising from financing activities are as follows: (continued)

	1.1.2024 RM'000	Cash flows RM'000	Non-cash RM'000	31.12.2024 RM'000
Term loans	11,413	2,209	11,400	25,022
Hire purchase payables	2,071	(4,511)	29,371	26,931
Lease liabilities	815	(466)	759	1,108
Trade financing	3,751	(896)	-	2,855
Amounts owing by related parties	(446)	146	-	(300)
Amount owing to a director	887	(887)	-	-
	18,491	(4,405)	41,530	55,616

10. INVESTED EQUITY

For the purpose of these combined financial statements, the invested equity at the end of the respective financial years is the aggregate of the share capital of the combining entities constituting the Group.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Group. All ordinary shares rank equally with regards to the Group's residual assets.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

11. LOANS AND BORROWINGS

		As at 31 December			
	Note	**2021 RM'000**	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**
Non-current:					
Term loans	**(a)**	11,140	11,450	10,696	22,507
Hire purchase payables	**(b)**	2,049	2,238	844	18,829
		13,189	13,688	11,540	41,336
Current:					
Term loans	**(a)**	484	608	717	2,515
Hire purchase payables	**(b)**	1,035	1,329	1,227	8,102
Bank overdrafts	**(c)**	-	2,592	3,251	3,542
Trade financing	**(d)**	137	700	3,751	2,855
		1,656	5,229	8,946	17,014
Total loans and borrowings:					
Term loans	**(a)**	11,624	12,058	11,413	25,022
Hire purchase payables	**(b)**	3,084	3,567	2,071	26,931
Bank overdrafts	**(c)**	-	2,592	3,251	3,542
Trade financing	**(d)**	137	700	3,751	2,855
		14,845	18,917	20,486	58,350

(a) Term loans

Term loan 1 of the Group of RM2,110,129 (2023: RM2,246,184, 2022: RM2,380,297 and 2021: RM2,493,248) bears interest at 4.35% (2023: 4.35%, 2022: 4.10% and 2021: 3.85%) per annum and is repayable by monthly instalments of RM19,408 over 240 months commencing from the day of first drawdown and is secured and supported as follows:

i Fresh master Commodity Murabahah Financing Agreement for RM3,120,000;
ii First party first and second legal charge over the leasehold land as disclosed in Note 6; and
iii Individual guarantee by a director of the Group.

Term loan 2 of the Group of RM3,271,077 (2023: RM3,481,180, 2022: RM3,687,757 and 2021: RM3,898,193) bears interest at 4.75% (2023: 4.75%, 2022: 4.50% and 2021: 4.25%) per annum and is repayable by monthly instalments of RM31,114 over 180 months commencing from the day of first drawdown and is secured and supported as follows:

i First party legal charge over the leasehold land as disclosed in Note 6; and
ii Individual guarantee by a director of the Group.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

11. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 3 of the Group of RM3,153,121 (2023: RM3,544,889, 2022: RM3,727,534 and 2021: RM2,853,701) bears interest at 6.22% (2023: 6.15%, 2022: 5.90% and 2021: 5.65%) per annum and is repayable by monthly instalments of RM34,015 over 180 months commencing from the day of first drawdown and is secured and supported as follows:

i First party third legal charge over the leasehold land and building as disclosed in Note 6;
ii Individual guarantee by a director of the Group; and
iii Specific debenture on machineries or equipment to be financed.

Term loan 4 of the Group of RM2,013,812 (2023: RM2,139,899, 2022: RM2,262,217 and 2021: RM2,378,614) bears interest at 4.65% (2023: 4.72%, 2022: 4.47% and 2021: 3.47%) per annum and is repayable by monthly instalments of RM34,015 over 180 months commencing from the day of first drawdown and is secured and supported as follows:

i First party legal charge over the leasehold land as disclosed in Note 6; and
ii Joint and several guarantee by a director of the Group.

Term loan 5 of the Group of RM1,430,493 (2023, 2022 and 2021: Nil) bears interest at 7.72% (2023, 2022 and 2021: Nil) per annum and is secured and supported as follows:

i First party legal charge over the leasehold land and building as disclosed in Note 6;
ii Irrevocable Letter of Instruction ("ILI") to remit contract proceeds into Non-Checking Current Account ("NCCA");
ii Individual guarantee by a director of the Group; and
iii Specific debenture on machineries or equipment to be financed.

Term loan 6 of the Group of RM11,438,475 (2023, 2022 and 2021: Nil) bears interest at 4.05% (2023, 2022 and 2021: Nil) per annum and is repayable by monthly instalments of RM115,691 over 120 months commencing from the day of first drawdown and is secured and supported as follows:

i First party legal charge over the freehold building as disclosed in Note 5;
ii Individual guarantee by a director of the Group; and
iii Upfront cash deposit of RM347,073 in the form of General Investment Account-i (GIA-i)/Islamic Fixed Deposit-i (IFD-i).

Term loan 7 of the Group of RM1,605,400 (2023, 2022 and 2021: Nil) bears interest at 4.05% (2023, 2022 and 2021: Nil) per annum and is repayable by monthly instalments of RM16,238 over 120 months commencing from the day of first drawdown and is secured and supported as follows:

i First party legal charge over the freehold building as disclosed in Note 5;
ii Individual guarantee by a director of the Group; and
iii Upfront cash deposit of RM48,714 in the form of GIA-i/IFD-i.

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

11. LOANS AND BORROWINGS (CONTINUED)

(b) Hire purchase payables

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	As at 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Minimum lease payments:				
- Not later than one year	1,187	1,455	1,312	9,557
- Later than one year and not later than five years	2,151	2,363	986	20,476
	3,338	3,818	2,298	30,033
Less: Future finance charges	(254)	(251)	(227)	(3,102)
Present value of minimum lease payments	3,084	3,567	2,071	26,931
Present value of minimum lease payments payable:				
- Not later than one year	1,035	1,329	1,227	8,102
- Later than one year and not later than five years	2,049	2,238	844	18,829
	3,084	3,567	2,071	26,931
Less: Amount due within twelve months	(1,035)	(1,329)	(1,227)	(8,102)
Amount due after twelve months	2,049	2,238	844	18,829

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

11. LOANS AND BORROWINGS (CONTINUED)

(c) Bank overdrafts

Bank overdraft 1 of the Group of Nil (2023: RM1,090,670, 2022: RM816,182 and 2021: Nil) bears interest at Nil per annum (2023: 7.15%, 2022: 6.90% and 2021: Nil) and is secured and supported as follows:

i 1st party Deed of Assignment of Contract Proceeds (''DACP'') between the Group and bank;
ii Sinking fund of RM50,000 monthly;
iii First party legal charge over the leasehold land as disclosed in Note 6; and
iv Individual guarantee by a director of the Group.

Bank overdraft 2 of the Group of RM716,838 (2023: RM1,738,938, 2022: RM1,344,250 and 2021: Nil) bears interest at 6.65% (2023: 6.65%, 2022: 6.40% and 2021: Nil) and is secured and supported as follows:

i First party legal charge over the leasehold land as disclosed in Note 6; and
ii Individual guarantee by a director of the Group.

Bank overdraft 3 of the Group of Nil (2023: RM394,013, 2022: RM431,483 and 2021: Nil) bears interest at Nil (2023: 8.20%, 2022: 7.95% and 2021: Nil) and is secured and supported as follows:

i Quaterly Commodity Murabahah Deposit-I (''CMD-I'') of RM25,000; and
ii Individual guarantee by a director of the Group.

Bank overdraft 4 of the Group of RM680,337 (2023, 2022 and 2021: Nil) bears interest at 7.15% (2023, 2022 and 2021: Nil) and is secured and supported as follows:

i First party legal charge over the leasehold land as disclosed in Note 6; and
ii Individual guarantee by a director of the Group;

Bank overdraft 5 of the Group of RM1,259,188 (2023, 2022 and 2021: Nil) bears interest at 8.20% (2023, 2022 and 2021: Nil) and is secured and supported as follows:

i Quaterly CMD-I' of RM25,000; and
ii Individual guarantee by a director of the Group.

Bank overdraft 6 of the Group of Nil (2023: RM27,072, 2022 and 2021: Nil) bears interest at Nil (2023: 7.90%, 2022 and 2021: Nil) and is secured and supported as follows:

i First party legal charge over the leasehold land as disclosed in Note 6; and
ii Joint and several guarantee by a director of the Group.

Bank overdraft 7 of the Group of RM885,123 (2023, 2022 and 2021: Nil) bears interest at 7.72% per annum (2023, 2022 and 2021: Nil) and is secured and supported as follows:

i First party first legal charge over the leasehold land and building of the Group as disclosed in Note 6;
ii Individual guarantee by a director of the Group;
iii Upfront cash deposit of RM400,000 in the form of General Investment Account/ Term Deposit Tawarruq ("GIA/TDT"); and
iv Upfront cash deposit of RM630,000 in the form of GIA/TDT.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

11. LOANS AND BORROWINGS (CONTINUED)

(d) Trade financing

Trade financing 1 of the Group of RM2,414,760 (2023: RM1,482,375, 2022: Nil and 2021: RM334) bears interest at 7.72% (2023: 7.72%, 2022: Nil and 2021: 6.47%) and is secured and supported as follows:

- i Personal guarantee by a director of the Group; and
- ii Sinking fund up to RM10,000,000 by 5% in the form of GIA/TDT; and Irrevocable letter of Instruction (ILI) to remit contract proceeds into Non-Checking Current Account ("NCCA").

Trade financing 2 of the Group of Nil (2023: RM1,289,189, 2022: RM700,006 and 2021: Nil) bears interest at bears interest at Nil per annum (2023: 7.72%, 2022: 7.47% and 2021: Nil) and is secured and supported as follows:

- i First party first legal charge over the leasehold land and building of the Group as disclosed in Note 6;
- ii Personal guarantee by a director of the Group;
- iii Upfront cash deposit of RM400,000 in the form of GIA/TDT; and
- iv Upfront cash deposit of RM630,000 in the form of GIA/TDT.

Trade financing 3 of the Group of RM440,000 (2023: RM979,716, 2022: Nil and 2021: RM136,251) bears interest at 7.95% per annum (2023: 7.95%, 2022: Nil and 2021: 6.70%) and is secured and supported as follows:

- i 5% Commodity Murabahah Deposit (CMD-i) build up to be deducted from each progress payment; and
- ii Individual guarantee by a director of the Group.

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

12. LEASE LIABILITIES

	As at 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Non-current:				
Lease liabilities	64	16	433	614
Current:				
Lease liabilities	103	92	382	494
Total lease liabilities:				
Lease liabilities	167	108	815	1,108

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	As at 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Minimum lease payments:				
- Not later than one year	110	95	422	538
- Later than one year and not later than five years	91	18	460	655
	201	113	882	1,193
Less: Future finance charges	(34)	(5)	(67)	(85)
Present value of minimum lease payments	167	108	815	1,108
Present value of minimum lease payments payable:				
- Not later than one year	103	92	382	494
- Later than one year and not later than five years	64	16	433	614
	167	108	815	1,108
Less: Amount due within twelve months	(103)	(92)	(382)	(494)
Amount due after twelve months	64	16	433	614

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

13. DEFERRED TAX LIABILITIES

	At 1 January 2021 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31 December 2021 RM'000
Deferred tax liability:			
Property, plant and equipment	779	26	805
Deferred tax asset:			
Lease liabilities	(1)	*	*
	778	26	805

	At 1 January 2022 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31 December 2022 RM'000
Deferred tax liability:			
Property, plant and equipment	805	79	884
Deferred tax asset:			
Lease liabilities	*	(1)	(1)
	805	78	883

	At 1 January 2023 RM RM'000	Recognised in profit or loss (Note 20) RM RM'000	At 31 December 2023 RM RM'000
Deferred tax liability:			
Property, plant and equipment	884	152	1,036
Deferred tax asset:			
Lease liabilities	(1)	(3)	(4)
	883	149	1,032

** Denotes < RM1,000*

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

13. DEFERRED TAX LIABILITIES (CONTINUED)

	At 1 January 2024 RM	Recognised in profit or loss (Note 20) RM	At 31 December 2024 RM
Deferred tax liability:			
Property, plant and equipment	1,036	1,111	2,147
Deferred tax asset:			
Lease liabilities	(4)	(16)	(20)
	1,032	1,095	2,127

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	As at 31 December 2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Unused tax losses	794	861	861	629
Unabsorbed capital allowance	132	107	217	-
	926	968	1,078	629

The availability of unused tax losses for offsetting against future taxable profits in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	As at 31 December 2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
2028	452	452	452	220
2029	-	-	-	-
2030	-	-	-	-
2031	342	342	342	342
2032	-	67	67	67
Total	794	861	861	629

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. TRADE AND OTHER PAYABLES

	Note	As at 31 December 2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Trade					
Trade payables	**(a)**				
- Third parties		4,613	9,269	6,661	16,074
- Related parties		3,938	2,162	3,246	272
Trade accruals		8,528	7,837	4,222	8,593
		17,079	19,268	14,129	24,939
Non-trade					
Other payables		628	400	-	2,845
Amount owing to a related party	**(b)**	-	-	416	-
Amount owing to a director	**(b)**	584	897	887	-
Deposits received		88	88	88	88
Accruals		3,234	4,852	4,966	5,813
Sales and service tax ("SST") payables		56	367	434	3,081
		4,590	6,604	6,791	11,827
Total trade and other payables		21,669	25,872	20,920	36,766

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranges from 30 days to 90 days (2023, 2022 and 2021: 30 days to 90 days).

(b) Amount owing to a director and a related party

Amount owing to a director and a related party are non-trade in nature, unsecured, non-interest bearing, repayable upon demand and is expected to be settled in cash.

For explanation on the Group's liquidity risk management processes, refer to Note 23(b)(ii).

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

15. REVENUE

	FYE 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue from contract customers:				
Maintenance and repair services	69,853	98,893	132,666	164,850
Engineering, procurement, construction and commissioning ("EPCC")	-	9,731	14,614	10,982
Facilities management services	523	8,664	12,480	11,077
Other related activities	274	987	4,077	11,500
	70,650	118,275	163,837	198,409
Timing of revenue recognition:				
Over time	70,650	118,275	163,837	198,409

16. OTHER INCOME

	FYE 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Gain on lease modification	6	-	*	18
Gain on disposal of right-of-use asset	-	-	-	205
Interest income	109	143	222	272
Reversal of impairment loss on trade receivables	-	-	-	7
Rental income	264	264	320	345
Wages subsidy	440	178	-	-
Miscellaneous	1	5	27	45
	820	590	569	892

** Denotes < RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

17. FINANCE COSTS

	FYE 31 December 2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Interest expenses on:				
- Bank overdrafts	-	39	236	523
- Trade financing	39	30	278	180
- Hire purchase payables	243	214	186	810
- Term loans	487	521	589	633
- Lease liabilities	10	9	41	60
	779	813	1,330	2,206

18. PROFIT BEFORE TAX

Other than as disclosed elsewhere in the combined financial statements, the following items have been charged in arriving at profit before tax:

	Note	FYE 31 December 2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Auditors' remuneration - statutory audit:					
- Baker Tilly Monteiro Heng PLT		-	-	108	127
- Other auditors		59	62	-	-
Depreciation of:					
- property, plant and equipment	**5**	2,178	2,257	2,011	3,498
- right-of-use assets	**6**	674	682	808	959
Deposit written off		-	-	-	5
Impairment loss on trade and other receivables		-	300	55	62
Property, plant and equipment written off		-	-	1	93
Loss on disposal of property, plant and equipment		-	118	-	87
Employee benefits expense	**19**	23,276	34,798	44,115	50,966
Rental expenses on:					
- Premises		517	432	270	307
- Equipment		33	49	86	215
- Hostel		62	39	225	66
- Motor vehicles		1,646	1,616	2,371	1,937
- Machineries		4,374	6,339	9,968	12,348
Realised loss on foreign exchange		1	5	156	45

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

19. EMPLOYEE BENEFITS EXPENSE

	FYE 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Salaries, allowances and bonuses	20,406	31,159	40,000	46,295
Defined contribution plans	1,899	2,650	3,256	3,383
Other staff related benefits	971	989	859	1,288
	23,276	34,798	44,115	50,966

Included in employee benefits expenses are:

	FYE 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors of the Group				
- Fees, salaries, allowances and other emoluments	792	1,444	1,480	2,087

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

20. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 are as follows:

	FYE 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	1,051	2,422	4,661	6,705
- Adjustment in respect of previous financial year	-	-	-	(187)
	1,051	2,422	4,661	6,518
Deferred tax (Note 13):				
- Origination of temporary differrence	26	78	149	1,033
- Adjustment in respect of previous financial year	-	-	-	62
	26	78	149	1,095
Income tax expense recognised in profit or loss	1,077	2,500	4,810	7,613

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% of the estimated assessable profit for the financial years.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

20. INCOME TAX EXPENSE (CONTINUED)

The reconciliations from the tax amount at the statutory income tax rate to the Group's tax expenses are as follows:

	FYE 31 December			
	2021 RM'000	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**
Profit before tax	3,202	7,925	17,134	28,738
Tax at Malaysian statutory income tax rate of 24%	768	1,902	4,112	6,897
Adjustments:				
- SME tax saving	-	(7)	(29)	(64)
- Non-deductible expenses	195	595	701	1,013
- Deferred tax not recognised on tax losses and capital allowance	114	10	26	-
- Utilisation of previously unrecognised tax losses	-	-	-	(108)
- Overprovision of income tax in the previous financial year	-	-	-	(187)
- Underprovision of deferred tax in the previous financial year	-	-	-	62
Income tax expense	1,077	2,500	4,810	7,613

21. DIVIDENDS

	FYE 31 December			
	2021 RM'000	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**
Recognised during the financial year:				
Dividends on ordinary shares:				
- Single tier interim dividend of RM0.15 per ordinary share in respect of financial year ended 31 December 2022, paid on 18 May 2023	-	-	1,500	-
- Single tier interim dividend of RM0.05 per ordinary share in respect of financial year ended 31 December 2022, paid on 21 September 2023	-	-	500	-
- Single tier interim dividend of RM0.50 per ordinary share in respect of financial year ended 31 December 2024, paid on 30 December 2024	-	-	-	5,000
	-	-	2,000	5,000

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

22. EARNINGS PER SHARE

Basic earnings per ordinary share and diluted earnings per ordinary share

Basic earnings per ordinary share are based on the profit for the financial years attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial years, calculated as follows:

	FYE 31 December			
	2021	**2022**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit attributable to owners of the Group	2,126	5,392	12,201	20,218
Weighted average number of ordinary shares for basic and diluted earnings per share ('000)	12,800	12,800	12,800	12,800
Basic earnings per share (RM)	0.17	0.42	0.95	1.58

Diluted earnings per share

The diluted earnings per share is not applicable as the Group does not have potential dilutive equity investment in issue as at the end of the each of the financial years that have dilutive effect to the basic earnings per share.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM'000	Amortised cost RM'000
At 31 December 2021		
Financial assets		
Trade and other receivables, less prepayments	14,933	14,933
Cash and short-term deposits	12,056	12,056
	26,989	26,989
Financial liabilities		
Loans and borrowings	(14,845)	(14,845)
Trade and other payables, less SST payables	(21,613)	(21,613)
	(36,458)	(36,458)
At 31 December 2022		
Financial assets		
Trade and other receivables, less prepayments	17,682	17,682
Cash and short-term deposits	16,753	16,753
	34,435	34,435
Financial liabilities		
Loans and borrowings	(18,917)	(18,917)
Trade and other payables, less SST payables	(25,505)	(25,505)
	(44,422)	(44,422)
At 31 December 2023		
Financial assets		
Trade and other receivables, less prepayments	18,315	18,315
Cash and short-term deposits	23,222	23,222
	41,537	41,537
Financial liabilities		
Loans and borrowings	(20,486)	(20,486)
Trade and other payables, less SST payables	(20,486)	(20,486)
	(40,972)	(40,972)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM'000	Amortised cost RM'000
At 31 December 2024		
Financial assets		
Trade and other receivables, less prepayments	26,312	26,312
Cash and short-term deposits	16,001	16,001
	42,313	42,313
Financial liabilities		
Loans and borrowings	(58,350)	(58,350)
Trade and other payables, less SST payables	(33,685)	(33,685)
	(92,035)	(92,035)

(b) Financial risk management

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders. The Group does not trade in financial instruments.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposure to credit risk arises from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the combined statements of financial position.

The carrying amounts of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

		Trade receivables						
	Contract assets RM'000	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	> 90 days past due RM'000	> 120 days past due RM'000	Total RM'000
At 31 December 2021								
Gross carrying amount at default	4,763	12,439	74	467	18	21	188	13,207
Impairment losses	-	-	-	-	-	-	-	-
Net balance	4,763	12,439	74	467	18	21	188	13,207

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

		Trade receivables						
	Contract assets RM'000	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	> 90 days past due RM'000	> 120 days past due RM'000	Total RM'000
At 31 December 2022								
Gross carrying amount at default	9,623	14,788	183	213	23	45	143	15,395
Impairment losses	-	-	-	-	-	-	-	-
Net balance	9,623	14,788	183	213	23	45	143	15,395

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

		Trade receivables						
	Contract assets RM'000	**Current RM'000**	**1 to 30 days past due RM'000**	**31 to 60 days past due RM'000**	**61 to 90 days past due RM'000**	**> 90 days past due RM'000**	**> 120 days past due RM'000**	**Total RM'000**
At 31 December 2023								
Gross carrying amount at default	16,784	15,826	180	37	93	14	206	16,356
Impairment losses	-	-	-	-	-	-	(55)	(55)
Net balance	16,784	15,826	180	37	93	14	151	16,301

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

		Trade receivables						
	Contract assets RM'000	**Current RM'000**	**1 to 30 days past due RM'000**	**31 to 60 days past due RM'000**	**61 to 90 days past due RM'000**	**> 90 days past due RM'000**	**> 120 days past due RM'000**	**Total RM'000**
At 31 December 2024								
Gross carrying amount at default	37,535	21,365	491	42	589	12	326	22,825
Impairment losses	-	-	-	-	-	-	(110)	(110)
Net balance	37,535	21,365	491	42	589	12	216	22,715

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than credit terms in making a contractual payment.

Intercompany loans between related parties are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the debtor does not have sufficient highly liquid resources when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the intercompany loan.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Financial guarantee contracts

The Group is exposed to credit risk in relation to financial guarantees given to banks in respect of performance bonds issued to certain customers.

	FYE 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Corporate guarantees given to:				
- Banks for performance bonds issued to certain customers	1,235	4,522	8,223	7,757
	1,235	4,522	8,223	7,757

The maximum exposure to credit risks amounts to RM7,757,123 (2023: RM8,223,005, 2022: RM4,522,263 and 2021: RM1,234,629) representing the maximum amount the Group could pay if the guarantees are called.

As at the reporting date, there was no loss allowance for impairment as determined by the Group for the financial guarantees.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arises principally from trade and other payables and borrowings.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis
The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		← Contractual cash flows →			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2021					
Trade and other payables, less SST payables	21,613	21,613	-	-	21,613
Term loans	11,624	1,148	4,945	11,154	17,247
Hire purchase payables	3,084	1,187	2,151	-	3,338
Trade financing	137	137	-	-	137
Lease liabilities	167	110	91	-	201
	36,625	24,195	7,187	11,154	42,536
At 31 December 2022					
Trade and other payables, less SST payables	25,505	25,505	-	-	25,505
Term loans	12,058	1,234	4,948	9,917	16,099
Hire purchase payables	3,567	1,455	2,363	-	3,818
Bank overdraft	2,592	2,592	-	-	2,592
Trade financing	700	700	-	-	700
Lease liabilities	108	95	18	-	113
	44,530	31,581	7,329	9,917	48,827

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)
The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		← Contractual cash flows →			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2023					
Trade and other payables, less SST payables	20,486	20,486	-	-	20,486
Term loans	11,413	1,237	4,948	8,680	14,865
Hire purchase payables	2,071	1,312	986	-	2,298
Bank overdraft	3,251	3,251	-	-	3,251
Trade financing	3,751	3,751	-	-	3,751
Lease liabilities	815	422	460	-	882
	41,787	30,459	6,394	8,680	45,533
At 31 December 2024					
Trade and other payables, less SST payables	33,685	33,685	-	-	33,685
Term loans	25,022	3,601	13,082	14,092	30,775
Hire purchase payables	26,931	9,557	20,476	-	30,033
Bank overdraft	3,542	3,542	-	-	3,542
Trade financing	2,855	2,855	-	-	2,855
Lease liabilities	1,108	538	655	-	1,193
	93,143	53,778	34,213	14,092	102,083

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when purchases that are denominated in a foreign currency).

	As at 31 December			
	2021	**2022**	**2023**	**2024**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Financial liabilities not held in functional currency:				
Trade payables				
United States Dollar ("USD")	-	-	6	98
Euro ("EUR")	-	-	-	91

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to USD and EUR.

The following table demonstrates the sensitivity to a reasonably possible change in the USD and EUR with all other variables held constant on the Company's total equity and profit for the financial years.

	Change in rate %	**Effect on equity and profit for the financial year RM '000**
31 December 2023		
- USD	+10	*
	-10	*
31 December 2024		
- USD	+10	(7)
	-10	7
- EUR	+10	(7)
	-10	7

** Denotes < RM1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial years.

	Carrying amount RM'000	Change in basis point	Effect on equity and profit for the financial year RM'000
31 December 2021			
Term loans	11,624	+ 50	(44)
		- 50	44
31 December 2022			
Term loans	12,058	+ 50	(46)
		- 50	46
31 December 2023			
Term loans	11,413	+ 50	(43)
		- 50	43
31 December 2024			
Term loans	25,022	+ 50	(95)
		- 50	95

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement

The carrying amount of cash and cash equivalents, short-term receivables and payables reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years.

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2021					
Financial liabilities					
Non-current					
Term loans	11,140	-	-	10,693	10,693
At 31 December 2022					
Financial liabilities					
Non-current					
Term loans	11,450	-	-	9,994	9,994
At 31 December 2023					
Financial liabilities					
Non-current					
Term loans	10,696	-	-	9,367	9,367
At 31 December 2024					
Financial liabilities					
Non-current					
Term loans	22,507	-	-	18,826	18,826

Level 3 fair value

Fair value of financial instruments not carried at fair value The fair value of liability component of term loans are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

24. COMMITMENTS

Capital commitments

The Group has made commitments for the following capital expenditures:

	FYE 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Capital expenditures contracted but not provided for				
- Purchase of property, plant and equipment	-	350	150	3,155

25. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:
(i) Entities in which directors have substantial financial interests; and
(ii) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly and indirectly.

(b) Significant related party transactions

	FYE 31 December			
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Rendering of services to				
Entities in which director has substantial financial interests	44	347	134	460
Purchase of services from				
Entities in which director has substantial financial interests	1,257	1,829	15,124	1,415

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

	FYE 31 December			
	2021 RM'000	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**
Rental expenses paid to				
Entities in which director has substantial financial interests	3,437	1,657	2,236	1,404
Disposal of property, plant and equipment to				
Entities in which director has substantial financial interests	-	66	25	-
Disposal of right-of-use asset to				
Entities in which director has substantial financial interests	-	-	-	210

(c) Compensation of key management personnel

	FYE 31 December			
	2021 RM'000	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**
Directors of the Group				
- Fees, salaries, allowances and other emoluments	792	1,444	1,480	2,087

Significant outstanding balances with related parties at the end of the reporting periods are disclosed in Notes 7 and 14.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

26. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during FYEs 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

The Group monitors capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The Group's policy is to keep the gearing ratio within reasonable levels. The gearing ratio as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 are as follows:

		FYE 31 December			
	Note	**2021 RM'000**	**2022 RM'000**	**2023 RM'000**	**2024 RM'000**
Loans and borrowings	**11**	14,845	18,917	20,486	58,350
Less: Cash and short term deposits	**9**	(12,056)	(16,753)	(23,222)	(16,001)
Net debts		2,789	2,164	(2,736)	42,349
Total equity		27,204	32,629	42,953	59,078
Net Gearing ratio (times)		0.10	0.07	N/A	0.72

There were no changes in the Group's approach to capital management during the financial years under review.

The Group is not subject to externally imposed capital requirements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS

(i) Acquisition/Disposals of properties

(a) On 12 June 2023, the Group entered into a sale and purchase agreement to dispose a piece of leasehold land held under title PT 40163, Kampung Pulau Meranti, Puchong, Selangor and to a related party for a total purchase consideration of RM210,000. The disposal was completed on 27 March 2024.

(b) On 23 May 2024, the Group entered into a sale and purchase agreement to dispose a piece of leasehold land held under title Lot 12445, K-7190, Kawasan Perindustrian Jakar 2, 24000 Kemaman, Terengganu to a related party for a total purchase consideration of RM130,000.

(c) On 28 June 2024, the Group entered into a sale and purchase agreement to purchase 10 semi detached signature corporate office/retail for the level 13-G-01, 13-01-01, 13-02-01, 13-03-01, 13-04-01. 13-04-02, 13-06-01, 13-06-02, 13-07-01 and 13-07-02 held under title 339485, Lot 111284, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor for a total purchase consideration of RM11,157,268. The acquisition was completed on 13 December 2024.

(ii) Acquisition of subsidiaries

On 5 November 2024, the Company entered into a conditional share sale agreement (as varied by a supplemental share sale agreement dated 4 March 2025) with Azman bin Yusof for the acquisition of the following companies pursuant to the proposed listing and restructuring exercise:

(a) Acquisition of Enproserve (M) Sdn. Bhd.

The issuance of 786,473,050 new ordinary shares of the Company at an issue price of RM0.0689 per share for the acquisition of the entire issued share capital of Enproserve (M) Sdn. Bhd. for a purchase consideration of RM54,187,933.

(b) Acquisition of Enproserve Hydrodyne Sdn. Bhd.

The issuance of 20,377,358 new ordinary shares of the Company at an issue price of RM0.0689 per share for the acquisition of 60% issued share capital of Enproserve Hydrodyne Sdn. Bhd. for a purchase consideration of RM1,404,000.

(c) Acquisition of RB Plant Services Sdn. Bhd.

The issuance of 33,149,492 new ordinary shares of the Company at an issue price of RM0.0689 per share for the acquisition of entire issued share capital of RB Plant Services Sdn. Bhd. for a purchase consideration of RM2,284,000.

The acquisition of subsidiaries was completed on 7 April 2025.

28. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 23 March 2025, the Company entered into a sale and purchase agreement to purchase a factory held under title GM 6692, Lot 30969, Mukim Sungai Karang, Kuantan, Pahang for a total purchase consideration of RM4,600,000.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENT INFORMATION

The group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by Directors for the purpose of making decisions about resource allocation and performance assessment.

The four reportable segments are as follows:

Segments

Maintenance and repair services

Engineering, procurement, construction and commissioning

Facilities management services

Other related activities (including the rental of equipment and vehicles, and supply of manpower)

There is no inter-segment pricing.

Factors used to identify reportable segments
The group is organised into business units based on its business segment purposes.

Segment profit
Segment performance is used to measure performance as Directors believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the combined financial statements.

Segment assets and liabilities
Segment assets and liabilities information are neither included in the internal reports nor provided regularly to the Directors, hence no disclosures are made on segment assets and liabilities.

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENT INFORMATION (CONTINUED)

31 December 2021	Maintenance and repair services RM'000	Engineering, procurement, construction & commissioning RM'000	Facilities management services RM'000	Other related activities RM'000	Total RM'000
Revenue:					
Revenue from external customers	69,853	-	523	274	70,650
Results:					
Include in the measure of segment profit are:					
Depreciation of property, plant and equipment					(2,178)
Depreciation of right-of-use assets					(674)
Rental income					264
Interest income					109
Employee benefits expense					(23,276)
Interest expense					(779)
Segment profit					3,202
Income tax expense					(1,077)
Profit for the year					2,125

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENT INFORMATION (CONTINUED)

31 December 2022	Maintenance and repair services RM'000	Engineering, procurement, construction & commissioning RM'000	Facilities management services RM'000	Other related activities RM'000	Total RM'000
Revenue:					
Revenue from external customers	98,893	9,731	8,664	987	118,275
Results:					
Include in the measure of segment profit are:					
Depreciation of property, plant and equipment					(2,257)
Depreciation of right-of-use assets					(682)
Impairment losses on trade and other receivables					(300)
Rental income					264
Interest income					143
Employee benefits expense					(34,798)
Interest expense					(813)
Segment profit					7,925
Income tax expense					(2,500)
Profit for the year					5,425

ENPROSERVE GROUP BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENT INFORMATION (CONTINUED)

31 December 2023	Maintenance and repair services RM'000	Engineering, procurement, construction & commissioning RM'000	Facilities management services RM'000	Other related activities RM'000	Total RM'000
Revenue:					
Revenue from external customers	132,666	14,614	12,480	4,077	163,837

Results:	
Include in the measure of segment profit are:	
Depreciation of property, plant and equipment	(2,011)
Depreciation of right-of-use assets	(808)
Impairment losses on trade and other receivables	(55)
Rental income	320
Interest income	222
Employee benefits expense	(44,115)
Interest expense	(1,330)
Segment profit	17,134
Income tax expense	(4,810)
Profit for the year	12,324

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENT INFORMATION (CONTINUED)

31 December 2024	**Maintenance and repair services RM'000**	**Engineering, procurement, construction & commissioning RM'000**	**Facilities management services RM'000**	**Other related activities RM'000**	**Total RM'000**
Revenue:					
Revenue from external customers	164,850	10,982	11,077	11,500	198,409
Results:					
Include in the measure of segment profit are:					
Depreciation of property, plant and equipment					(3,498)
Depreciation of right-of-use assets					(959)
Impairment losses on trade and other receivables					(62)
Rental income					345
Interest income					272
Employee benefits expense					(50,966)
Interest expense					(2,206)
Segment profit					28,738
Income tax expense					(7,613)
Profit for the year					21,125

14. ADDITIONAL INFORMATION

14.1 EXTRACT OF OUR CONSTITUTION

The following provisions are extracted from our Company's Constitution and are qualified in its entirety by the provisions of our Constitution and by applicable law.

The words and expressions appearing in the following provisions shall bear the same meanings used in our Company's Constitution unless they are otherwise defined or the context otherwise requires.

14.1.1 Remuneration of Directors

The provision in our Constitution dealing with remuneration of Directors are as follows:

Clause 84

A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine.

Clause 89

An Alternate Director:

(1) Has no entitlement to receive remuneration from the Company and any fee paid by the Company to the Alternate Director shall be deducted from the Appointer's remuneration.

(2) is entitled to be reimbursed for all the travelling and other expenses properly incurred by him in attending the Board Meetings on behalf of the Appointer from the Company.

Clause 93

(1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.

(2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

(3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(4) The following expenses shall be determined by the Directors:

   (a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and

   (b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

(5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover.

14.1.2 Voting and Borrowing Powers of Directors

The provisions in our Company's Constitution in respect of the voting and borrowing powers of Directors, including voting powers on contracts or arrangements in which they are interested in, are as follows:

Clause 95

The Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

(1) borrow money;

(2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(3) issue debentures and other Securities whether outright or as security; and/or

(4) (a) lend and advance money or give credit to any person or company;

(b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company.

Clause 105

(a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.

(b) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.

Clause 118

(1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

(2) Each Director is entitled to cast one (1) vote on each matter for determination.

Clause 119

In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.

14.1.3 Changes in capital or variation of class right

The provisions in our Company's Constitution in respect of the changes in capital and variation of class rights, which are no less stringent than those required by law, are as follows:

Clause 8

(1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or

(b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

(2) The provisions of this Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that:

(a) for a meeting other than an adjourned meeting, a quorum is constituted by two (2) persons present holding at least one-third (1/3) of the number of issued shares of such class, excluding any shares of that class held as treasury shares;

(b) if that class of shares only has one holder, a quorum is constituted by one (1) person present holding shares of such class; and

(c) for an adjourned meeting, a quorum is constituted by one (1) person present holding share(s) of such class.

(3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

(a) the terms of the issue of the existing preference shares; or

(b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

Clause 46

(1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:

(a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(b) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

(2) The Company may from time to time by special resolution and subject to other applicable requirements:

(a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or

(b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

(3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof.

14.1.4 Transfer of securities

The provision in our Constitution in respect of the arrangement for the transfer of securities of our Company and restrictions on their free transferability are as follows:

Clause 14

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

Clause 15

Where:

(a) the Securities of the Company are listed on another stock exchange; and

(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.

Clause 17

(1) Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act.

(2) The instrument of transfer must be executed by or on behalf of the transferor and the transferee.

(3) The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively.

Clause 18

(1) To enable the Company to register the name of the transferee, the following items in relation to the transfer of shares or debentures must be delivered by the transferor to the Office of the Company:

 (a) the instrument of transfer duly executed and stamped;

 (b) the certificate of the shares or debentures which the instrument of transfer relates; and

 (c) any other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.

(2) Upon receipt of the items referred to in Clause 18(1), the Company shall, upon the approval of the Board and unless otherwise resolved, register the name of the transferee in the Register of Members or register of debenture holders (as applicable).

Clause 19

(1) The Directors may decline or delay to register the transfer of shares within thirty (30) days from the receipt of the instrument of transfer if:

(a) the shares are not fully paid shares;

(b) the Directors passed a resolution with full justification to refuse or delay the registration of transfer;

(c) the Company has a lien on the shares; and/or

(d) the Shareholder fails to pay the Company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of the sums payable by the Shareholder in accordance with this Constitution.

(2) Where applicable, the Company shall send a notice of the resolution referred to in Clause 19(1)(b) to the transferor and transferee, within seven (7) days of the resolution being passed by the Directors.

Clause 20

On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "Registers") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year.

14.1.5 Rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights

The provisions in the Constitution in respect of the rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights are as follows:

Clause 8

(1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or

(b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

(2) The provisions of this Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that:

(a) for a meeting other than an adjourned meeting, a quorum is constituted by two (2) persons present holding at least one-third (1/3) of the number of issued shares of such class, excluding any shares of that class held as treasury shares;

(b) if that class of shares only has one holder, a quorum is constituted by one (1) person present holding shares of such class; and

(c) for an adjourned meeting, a quorum is constituted by one (1) person present holding share(s) of such class.

(3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

(a) the terms of the issue of the existing preference shares; or

(b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

Clause 12

(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:

(a) issue and allot shares in the Company; and

(b) grant rights to subscribe for shares or options over unissued shares in the Company.

(2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):

(a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;

(b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and

(c) for such consideration as the Directors may determine.

(3) (a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

(b) 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.

(c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to 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.

(4) Subject to Rule 6.07 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue.

14.2 SHARE CAPITAL

(a) As at the date of this Prospectus, we only have 1 class of shares namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(b) None of our Group's capital is under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Prospectus.

(c) 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, except for the Pink Form Allocation.

(d) As at the date of this Prospectus, there is no scheme involving our Directors and employees in the share capital of our Group, except for the Pink Form Allocation.

(e) As at the date of this Prospectus, save as disclosed in Sections 4.3.1 and 6.2 of this Prospectus, there is no shares, outstanding warrants, options, convertible securities or uncalled capital of our Group which have been or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the 2 years preceding the date of this Prospectus.

(f) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

(g) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 6 months after the date of issue of this Prospectus.

(h) Save as disclosed in this Prospectus and save as provided under our Constitution and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares.

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be affected by a Depositor by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 LIMITATION ON THE RIGHT TO OWN SECURITIES

Subject to Section 14.3 above and the clauses below, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares which is imposed by Malaysian law or by our Constitution.

Clause 67

If a Member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, the relevant committee or trustee or such other person as properly appointed under the applicable law to manage his estate may exercise any rights of the Member in relation to a meeting of the Company's Members as if the committee, trustee or other person were the Member.

Clause 68

No member is entitled to attend and vote at any General Meeting unless all calls or other sums presently payable by the Member in respect of shares in the Company have been paid.

14.5 MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, we are not engaged in and do not know of any material litigation, claim and/or arbitration, either as plaintiff or defendant, which has a material effect on our financial position, and our Directors confirm that there are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect our financial position or business.

14.6 MATERIAL CONTRACTS

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the period covered by the Financial Years Under Review as disclosed in this Prospectus up to the date of this Prospectus:

(i) The sale and purchase agreements dated 28 June 2024 between Joyful Star Sdn Bhd (as vendor) and EMSB (as purchaser) for the purchase of 1 parcel of land held under part of master land title GRN 339485, Lot 111284, Bandar Cyberjaya, Daerah Sepang, Selangor, with the parcel numbers 13-G-01, 13-01-01, 13-02-01, 13-03-01, 13-04-01, 13-04-02, 13-06-01, 13-06-02, 13-07-01, 13-07-02 of Star Central @ Cyberjaya, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor, for a for a total cash consideration of RM11,157,268. The transaction was completed on 13 December 2024.

(ii) The conditional share sale agreement and supplemental share sale agreement between Azman Yusof (as vendor) and the Company (as purchaser) dated 5 November 2024 and 4 March 2025, respectively for the Acquisitions. The Acquisitions were completed on 7 April 2025; and

(iii) The sale and purchase agreement dated 23 March 2025 between Petrosystems Sdn Bhd (as vendor) and EMSB (as purchaser) for the purchase of 1 unit detached factory held under title GM 6692, Lot 30969, Mukim Sungai Karang, District of Kuantan, State of Pahang Darul Makmur, for a for a total cash consideration of RM4,600,000. The transaction is pending completion.

(iv) The Underwriting Agreement dated 29 May 2025 entered into between our Company and KAF IB for the underwriting of 70,816,000 IPO Shares as set out in Section 4.3.4 of this Prospectus. Please refer to Section 4.9 of this Prospectus for the salient terms of the Underwriting Agreement.

14.7 CONSENTS

(i) The written consents of Principal Adviser, Sponsor, Underwriter and Placement Agent, Solicitors, Share Registrar, Issuing House and Company Secretary for the inclusion in this Prospectus of their names in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus, and have not subsequently been withdrawn.

(ii) The written consent of the Reporting Accountants for the inclusion in this Prospectus of their name, the Accountants' Report and the Reporting Accountants' Report on the Compilation of the Pro Forma Statements of Financial Position as at 31 December 2023 in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus, and has not subsequently been withdrawn.

(iii) The written consent of the Independent Business and Market Research Consultant for the inclusion in this Prospectus of its name and IMR Report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

14.8 RESPONSIBILITY STATEMENTS

(i) The Principal Adviser acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts relating to our IPO.

(ii) This Prospectus has been seen and approved by our Directors and Promoters and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

14.9 DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:

(i) our Constitution;

(ii) the IMR Report referred to in Section 8 of this Prospectus;

(iii) audited financial statements of our Company for the financial period from 16 August 2024 (date of incorporation) to 31 December 2024;

(iv) audited financial statements of our Subsidiaries for the Financial Years Under Review;

(v) Reporting Accountants' Report on the Compilation of the Pro Forma Combined Statements of Financial Position as included in Section 12.5 of this Prospectus;

(vi) Accountants' Report as included in Section 13 of this Prospectus;

(vii) the material contracts referred to in Section 14.6 of this Prospectus; and

(viii) the letters of consent referred to in Section 14.7 of this Prospectus.

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15. 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 THIS PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in this Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 26 JUNE 2025.

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 8 JULY 2025.

In the event there is any changes to the date or time for closing, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspapers in Malaysia and announce on the website of Bursa Securities accordingly.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATIONS

15.2.1 Application by the Malaysian Public and Eligible Persons

Application must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

No.	Types of Application and category of investors	Application method
(i)	Applications by Malaysian Public:	
	(a) Individuals	▪ **WHITE** Application Form; or ▪ Electronic Share Application; or ▪ Internet Share Application
	(b) Non-Individuals	▪ **WHITE** Application Form only
(ii)	Applications by Eligible Persons	▪ **PINK** Application Form only

15.2.2 Application by selected investors via private placement

No.	Types of Application	Application method
(i)	Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.

The eligible person, selected investors may still apply for our Issue Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

15.3 ELIGIBILITY

15.3.1 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 the list of 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.

15.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfil 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 our Issuing House or an immediate family member of a director or employee of our Issuing House; and

(iii) You must submit Applications by using only one of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

15.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation, as well as detailed procedures on how to subscribe to the allocated Issue Shares. The Eligible Persons must follow the notes and instructions in those documents and where relevant, in this Prospectus.

15.4 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 this Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.24 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 805"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 8 July 2025 or by such other time and date specified in any change to the date and time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to our Issuing House.

15.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

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.

15.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, Malayan Banking Berhad and Public Bank Berhad, RHB Bank, CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd), Malacca Securities Sdn Bhd and Moomoo Securities Malaysia 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.

15.7 AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

Our Issuing House, on the authority of our Board reserves the right to:

(i) reject Applications which:

   (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

   (b) are illegible, incomplete or inaccurate; or

   (c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful / partially successful Applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of our Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER / UNDER-SUBSCRIPTION

In the event of over-subscription, our Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of Applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of IPO Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at https://tiih.online/ within 1 Market Day after the balloting date.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest or any share of revenue or benefits arising therefrom) and if such monies are not returned in full within 14 days after our Company becomes liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

In the event of an under-subscription of our Issue Shares by the Malaysian Public and / or Eligible Persons, subject to the reallocation provisions as set out in Section 4.3.4 of this Prospectus, any of the abovementioned Issue Shares not subscribed for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

15.9 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.

15.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful Applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful Applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House as per items (i) and (ii) above (as the case may be).

(iv) Our Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful Applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15.9.2 For applications by way of Electronic Share Application and Internet Share Application

(i) Our Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 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 our 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. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by our Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 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 our Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

(i) Our IPO Shares allotted to you will be credited into your CDS account.

(ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited in the CDS subject to the provision of the SICDA and the Rules of Bursa Depository. As such, our IPO Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15.11 ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of Application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone number (03) 2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution, Participating Securities Firm and Authorised Financial Institution

The results of the allocation of shares derived from successful balloting will be made available to the public at our Issuing House website at https://tiih.online/, 1 Market Day after the balloting date.

You may also check the status of your Application at the above website, 5 Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of this Prospectus on the website of Bursa Securities.