

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF WASCO GREENERGY BERHAD (“GREENERGY” OR “COMPANY”) DATED 20 NOVEMBER 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, CIMB Investment Bank Berhad (“**CIMB**”) or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from 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

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. Bursa Securities, CIMB and Greenergy 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. on 20 November 2025 and will close at 5:00 p.m. on 28 November 2025. Any change to the timetable will be advertised by Greenergy in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia, and the Company will make the relevant announcement on the Website.

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 as provided by the Company to Bursa Securities 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.



WASCO GREENERY BERHAD

(Registration No. 202301048372 (1542286-P))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING (“IPO”) OF UP TO 150,000,000 ORDINARY SHARES (“IPO SHARES”) IN WASCO GREENERY BERHAD (“GREENERY”) IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARE CAPITAL OF GREENERY ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING AN OFFER FOR SALE OF UP TO 75,000,000 EXISTING ORDINARY SHARES IN GREENERY AND A PUBLIC ISSUE OF 75,000,000 NEW ORDINARY SHARES IN GREENERY (“ISSUE SHARES”) INVOLVING:

- (i) INSTITUTIONAL OFFERING OF UP TO 119,500,000 IPO SHARES TO MALAYSIAN INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY OF MALAYSIA AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING (“INSTITUTIONAL PRICE”); AND
- (ii) RETAIL OFFERING OF 30,500,000 ISSUE SHARES TO THE ELIGIBLE DIRECTORS AND EMPLOYEES OF GREENERY AND ITS SUBSIDIARIES (“GREENERY GROUP”), THE ELIGIBLE DIRECTORS AND EMPLOYEES OF WASCO BERHAD, THE ENTITLED SHAREHOLDERS OF WASCO BERHAD, AND THE MALAYSIAN PUBLIC AT THE RETAIL PRICE OF RM1.00 PER ISSUE SHARE (“RETAIL PRICE”), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS (AS DEFINED IN THIS PROSPECTUS). THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF THE RETAIL PRICE OR THE INSTITUTIONAL PRICE.

Principal Adviser, Joint Bookrunner, Managing Underwriter and Joint Underwriter



CIMB Investment Bank Berhad
(Registration No. 197401001266 (18417-M))

Joint Bookrunner and Joint Underwriter



Investment Bank

Maybank Investment Bank Berhad

(Registration No. 197301002412 (15938-H))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Bookrunner



CGS International Securities Malaysia Sdn Bhd

(Registration No. 197901004504 (48703-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

THE SECURITIES COMMISSION MALAYSIA (“SC”) HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR THE OFFERING UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE APPROVAL OF OUR IPO AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS THAT YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS 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” SET OUT IN SECTION 5 OF THIS PROSPECTUS.

LISTING SOUGHT: **MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD**

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

THIS PROSPECTUS IS DATED 20 NOVEMBER 2025

Wasco Greenery Berhad

(Registration No. 202301048372 (1542286-P))
(Incorporated in Malaysia under the Companies Act 2016)

Prospectus



POWERING TRANSITION TOGETHER



Wasco Greenery Berhad 202301048372 (1542286-P)

Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460
Shah Alam, Selangor, Malaysia

All defined terms used in this Prospectus are defined under “Presentation of Financial and Other Information”, “Definitions” and “Glossary of Technical Terms” commencing on pages viii, xii and xx of this Prospectus, respectively.

RESPONSIBILITY STATEMENTS

Our Directors, our Promoter and the Selling Shareholders 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 there is no false or misleading statement or other facts which, if omitted, would make any statement in this Prospectus false or misleading.

CIMB, being the Principal Adviser and Joint Bookrunner for the Institutional Offering, and the Managing Underwriter and Joint Underwriter for the Retail Offering in relation to our IPO, 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.

It is to be noted that the role of Maybank IB in our IPO is limited to being the Joint Bookrunner for the Institutional Offering and the Joint Underwriter for the Retail Offering.

It is to be noted that the role of CGS in our IPO is limited to being the Joint Bookrunner for the Institutional Offering.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Securities for our Listing. 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 Forms has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should rely on your own evaluation to assess the merits and risks of your investment in our Shares. If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

OTHER STATEMENTS

Investors should note that you 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 this 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 our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

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

Investors should not take the agreement by the Managing Underwriter and the Joint Underwriters named in this Prospectus to underwrite our Shares under the Retail Offering as an indication of the merits of our Shares being offered.

This Prospectus has been prepared in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any 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 by any regulatory authority of any jurisdiction other than Malaysia.

This Prospectus is published solely in connection with our IPO. Our Shares are being offered solely in Malaysia on the basis of the information contained and representations made in this Prospectus. Our Company, our Promoter, the Selling Shareholders, the Principal Adviser, the Joint Bookrunners, the Managing Underwriter and the Joint Underwriters 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, our Promoter, the Selling Shareholders, the Principal Adviser, the Joint Bookrunners, the Managing Underwriter and the Joint Underwriters or any of their respective directors, or any other persons involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. Accordingly, this 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 of our Shares in any jurisdiction or in any circumstance 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. The distribution of this Prospectus and the offering of our Shares under our IPO in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves accordingly and to observe such applicable restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not be deemed to accept any liability whether or not any enquiry or investigation is made in connection to it. We will further assume that you have accepted our IPO in Malaysia and will be subject to the laws of Malaysia in connection to it.

It will 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 subjected to. It will also be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither we nor our Promoter, the Selling Shareholders, the Principal Adviser, the Joint Bookrunners, the Managing Underwriter and the Joint Underwriters nor any other advisers in relation to our IPO will accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS / INTERNET SHARE APPLICATION

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

The internet is not a fully secure medium. Your Internet Share Application may be subject to risks of data transmission, computer security threats including viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions.

If you doubt the validity or integrity of the Electronic Prospectus, you should immediately request a paper/printed copy of this Prospectus from us or the Issuing House. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC will 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 do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we are not responsible for the availability of or the content or any data, information, file 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 are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We are also not responsible for any loss or 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, file or other material provided by the Third-Party Internet Sites; and
- (iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We 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, file or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institution, you are advised that:

- (i) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institution which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently 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 the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and
- (iii) the Internet Participating Financial Institution is not liable (whether in tort or contract or otherwise) for any loss, damage or costs, 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 the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault 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 Institution, 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 time and/or date:

Event	Time and/or Date
Entitlement Date	17 November 2025
Opening of the Institutional Offering	20 November 2025
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 20 November 2025
Closing of the Retail Offering	5:00 p.m., 28 November 2025
Closing of the Institutional Offering	28 November 2025
Price Determination Date	1 December 2025
Balloting of applications for our Issue Shares under the Retail Offering	2 December 2025
Allotment/Transfer of our IPO Shares to successful applicants	10 December 2025
Listing	11 December 2025

In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and make an announcement on the website of Bursa Securities.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” or “Greenery” are to Wasco Greenery Berhad. All references to “Greenery Group” or “our Group” are to our Company and our subsidiaries taken as a whole. All references to “we”, “us”, “our” and “ourselves” are to our Company and where the context otherwise requires, our Group.

All references to the “Selling Shareholders” are to Wasco Berhad and Tema Energy.

All references to the “Promoter” are to Wasco Berhad.

All references to “you” are to our prospective investors.

Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the “Definitions” section and technical terms used in this Prospectus are defined in the “Glossary of Technical Terms” section. Words denoting the singular will, where applicable, include the plural and *vice versa* and words denoting the masculine gender will, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons will, where applicable, include companies and corporations.

Any reference to provisions of the statutes, rules, regulations, enactments or rules of the stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of the stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of the stock exchange for the time being in force and unless otherwise specified, is a reference to an enactment by Malaysia.

Any reference to a date and time shall be a reference to a date and time in Malaysia, unless otherwise stated.

All references to the “LPD” in this Prospectus are to 30 September 2025, being the latest practicable date prior to the registration of this Prospectus with the SC.

The information on our website or any website directly or indirectly linked to our website does not form part of this Prospectus and you should not rely on those information for the purposes of your decision whether or not to invest in our Shares.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding the growth and performance of the industry in which we operate and our estimated market share. 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, provided that where no source is stated, it can be assumed that the information originates from us or is extracted from the IMR Report included in Section 8 of this Prospectus. We have appointed Frost & Sullivan to provide an independent market and industry review. In compiling its data for the review, Frost & Sullivan had relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION *(Cont'd)*

EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the MFRS or IFRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under the MFRS and IFRS and should not be considered as an alternative to net income and any other performance measures derived in accordance with the MFRS or IFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence, a direct comparison of a similarly titled measure between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure. We believe that EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (including the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-MFRS and non-IFRS financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the MFRS and IFRS. Due to these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

(The rest of this page has been intentionally left blank)

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies and prospects are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current view with respect to future events and do not guarantee future performance. Forward-looking statements can be identified by the use of forward-looking terminologies including the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions, and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand and supply for our products and general industry environment;
- (ii) our business strategies and competitive position;
- (iii) our future financial position, earnings, cash flows and liquidity;
- (iv) our ability to enter and operate in certain foreign markets;
- (v) potential growth opportunities; and
- (vi) regulatory environment and the effects of future regulation.

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) changes in activities and financial position of our customers, suppliers and other business partners;
- (ii) delay in the supply of raw materials and shortages in labour;
- (iii) changes in finance costs, interest rates, tax rates and foreign exchange rates;
- (iv) regulatory or government policy changes affecting us or countries where we sell our products to or from which we purchase our raw materials;
- (v) delays or problems with the execution of our expansion plans;
- (vi) changes in the competitive environment of the industry in which we operate;
- (vii) failure to obtain or renew licences, permits and approvals in a material manner;
- (viii) changes in the general economic, business, social, political and investment environment in countries where we operate or sell our products to or purchase our raw materials; and
- (ix) any other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 of this Prospectus on “Risk Factors” and Section 12.2 of this Prospectus on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

FORWARD-LOOKING STATEMENTS *(Cont'd)*

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 our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Act	:	Companies Act 2016
ADA	:	Authorised Depository Agent
Admission	:	Admission of our Shares to the Official List of the Main Market of Bursa Securities
AGM	:	Annual general meeting
AI	:	Artificial intelligence
Application	:	Application of our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form	:	Application form for the application of our IPO Shares under the Retail Offering accompanying this Prospectus
ASME	:	American Society of Mechanical Engineers
ATM	:	Automated teller machine
Auditors or Reporting Accountants	:	PricewaterhouseCoopers PLT
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application in respect of the payment for our IPO Shares
Axcelasia	:	Axcelasia Sdn Bhd (previously known as Tricor Axcelasia Sdn Bhd)
Blue Application Form	:	Application form for the application of our Issue Shares under the Retail Offering by the Entitled Shareholders of Wasco Berhad accompanying this Prospectus
BNM	:	Bank Negara Malaysia
Board or Board of Directors	:	Board of Directors of our Company
BOMBA	:	Fire and Rescue Department of Malaysia
Bonus Issue	:	A bonus issue of 295,596,000 new Shares to our existing shareholders pursuant to the pre-IPO exercise undertaken by our Company as set out in Section 4.2.1(ii) of this Prospectus
BOO	:	Build-own-operate
BOOT	:	Build-own-operate-transfer
Bumiputera	:	In the context of: <ul style="list-style-type: none"> (i) individuals - Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia;

DEFINITIONS (Cont'd)

	(ii)	companies - a company which fulfils, amongst others, the following criteria or such other criteria as may be imposed by the MITI:
	(a)	registered under the Act or Companies Act 1965 as a private company;
	(b)	its shareholders are 100% Bumiputera; and
	(c)	its board of directors (including its staff) are at least 51% Bumiputera; and
	(iii)	cooperatives, a cooperative whose shareholders or cooperative members are at least 95% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CAGR	:	Compound annual growth rate
CCC	:	Certificate of completion and compliance or such certificate by any other name issued pursuant to the Street, Drainage and Building Act 1974 of Malaysia and any by-laws made under it or such relevant legislation applicable at the material time
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CGS	:	CGS International Securities Malaysia Sdn Bhd
CIMB	:	CIMB Investment Bank Berhad
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of our Company
Dato' Seri Robert Tan	:	Dato' Seri Robert Tan Chung Meng
Directors	:	Directors of our Company
Disposal	:	The disposal of our entire 49% equity interest in Shinko Industries Malaysia to Shinko Ind. Ltd. for a total cash consideration of RM4,527,600 pursuant to the SSPA
DOSH	:	Department of Occupational Safety and Health
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
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 (Compact Disc - Read Only Memory)
Electronic Application Share	:	Application for our IPO Shares under the Retail Offering through a Participating Financial Institution's ATM

DEFINITIONS (Cont'd)

Eligible Greenergy Persons	:	Collectively, our Directors and employees of our Group (including directors of our subsidiaries) who are eligible to participate in the Retail Offering
Eligible Wasco Persons	:	Collectively, the directors and employees of the Wasco Berhad group of companies who are eligible to participate in the Retail Offering
Entitled Shareholders of Wasco Berhad	:	Shareholders of Wasco Berhad (except for the Excluded Shareholders) whose names appear in the Record of Depositors of Wasco Berhad as at 5:00 p.m. on the Entitlement Date and who are eligible to apply for the Issue Shares under the Restricted Offering
Entitlement Date	:	17 November 2025, being the date as at the close of business on which the Entitled Shareholders of Wasco Berhad must be registered as a member and whose names appear in the Record of Depositors of Wasco Berhad to be eligible to apply for the Issue Shares under the Restricted Offering
EPS	:	Earnings per Share
Equity Guidelines	:	Equity Guidelines issued by the SC
ERP	:	Enterprise resource planning
ESG	:	Environmental, social and governance
Excluded Shareholders	:	Shareholders of Wasco Berhad as stated in its Record of Depositors who fall into any one of the following categories as at 5.00 p.m. on the Entitlement Date: <ul style="list-style-type: none"> (i) persons with a registered address in jurisdictions outside Malaysia; (ii) persons who are bound under the jurisdictions outside Malaysia in which acceptance under the Restricted Offering would result in the contravention of the laws of such jurisdictions (whether in the absence of any necessary consent and/or compliance with any registration or other legal requirements or for any other reason); or (iii) persons who are, in the opinion of our Board (on the advice of our legal advisers), necessary or expedient to be excluded from participating in the Restricted Offering by reason of legal or regulatory requirements
Final Retail Price	:	Final price per Issue Share to be paid by the Entitled Shareholders of Wasco Berhad, Eligible Greenergy Persons, Eligible Wasco Persons and investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
FPE	:	Financial period ended or where the context otherwise requires, financial period ending
Frost & Sullivan or IMR	:	Frost & Sullivan GIC Malaysia Sdn Bhd, the independent market researcher
FYE	:	Financial year ended or where the context otherwise requires, financial year ending

DEFINITIONS (Cont'd)

GP	:	Gross profit
Greenenergy Company	or :	Wasco Greenenergy Berhad
Greenenergy Group	or :	Collectively, our Company and our subsidiaries
ha	:	Hectares
IFRS	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
IMR Report	:	Independent market research report dated 5 November 2025 prepared by Frost & Sullivan, as set out in Section 8 of this Prospectus
Institutional Offering	:	Offering of up to 119,500,000 IPO Shares at the Institutional Price, subject to the clawback and reallocation provisions, to Malaysian institutional and selected investors, including Bumiputera investors approved by the MITI
Institutional Price	:	Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institution(s)	:	Participating financial institution(s) for the Internet Share Application
Internet Share Application	:	Application for our Issue Shares under the Retail Offering through an Internet Participating Financial Institution or Participating Securities Firms
IPO	:	Initial public offering of up to 150,000,000 IPO Shares via the Offer for Sale and the Public Issue
IPO Shares	:	Collectively, the Offer Shares and the Issue Shares
Issue Shares	:	The 75,000,000 new Shares to be issued by our Company under our Public Issue
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd
Joint Bookrunners	:	CIMB, Maybank IB and CGS
Joint Underwriters	:	CIMB and Maybank IB
Listing	:	Listing of and quotation for the entire enlarged issued Shares on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	30 September 2025, being the latest practicable date prior to the registration of this Prospectus with the SC
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Managing Underwriter	:	CIMB

DEFINITIONS *(Cont'd)*

Market Day	:	A day on which Bursa Securities is open for trading in securities
Maybank IB	:	Maybank Investment Bank Berhad
MCCG	:	Malaysian Code on Corporate Governance issued by the SC
MFRS	:	Malaysian Financial Reporting Standards as issued by the Malaysian Accounting Standards Board
MITI	:	Ministry of Investment, Trade and Industry of Malaysia
Moratorium Provider	:	Wasco Berhad, being our Promoter and Substantial Shareholder, whose securities are subject to moratorium under the Equity Guidelines
MW	:	Megawatt
N/A	:	Not applicable
NA	:	Net assets
Offer for Sale	:	Offer for sale of up to 75,000,000 Offer Shares by the Selling Shareholders
Offer Shares	:	Existing Shares to be offered by the Selling Shareholders under the Offer for Sale
Official List	:	A list specifying all securities listed on Bursa Securities
Participating Financial Institutions	:	Participating financial institutions for the Electronic Share Application
Participating Securities Firms	:	Participating securities firms for the Internet Share Application
PAT	:	Profit after tax
PATAMI	:	Profit after tax and minority interest
PBT	:	Profit before tax
Periods Under Review	:	The financial years and periods under review for the purpose of this Prospectus comprising the FYE 31 December 2022, FYE 31 December 2023 and FYE 31 December 2024 and the FPE 30 June 2025, and where applicable, the comparative FPE 30 June 2024
Pink Application Form	:	Application form for the application of our Issue Shares under the Retail Offering by the Eligible Greenery Persons and Eligible Wasco Persons accompanying this Prospectus
Placement Agreement	:	The placement agreement to be entered into between our Company, the Selling Shareholders and the Joint Bookrunners in respect of such number of IPO Shares to be offered under the Institutional Offering
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
Principal Adviser	:	CIMB

DEFINITIONS (Cont'd)

Promoter	:	Wasco Berhad
Prospectus	:	This Prospectus dated 20 November 2025 issued by our Company
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 75,000,000 Issue Shares by our Company
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
R&D	:	Research and development
Restricted Offering	:	Offering of 15,500,000 Issue Shares to the Entitled Shareholders of Wasco Berhad
Retail Offering	:	Offering of 30,500,000 Issue Shares at the Retail Price, subject to the clawback and reallocation provisions, to be allocated in the following manner: <ul style="list-style-type: none"> (i) 5,000,000 Issue Shares reserved for application by the Eligible Greenergy Persons and Eligible Wasco Persons; (ii) 15,500,000 Issue Shares reserved for application by the Entitled Shareholders of Wasco Berhad; and (iii) 10,000,000 Issue Shares for application by the Malaysian Public, via balloting
Retail Price	:	Initial price of RM1.00 per IPO Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.4.1 of this Prospectus
Retail Underwriting Agreement	:	The retail underwriting agreement dated 3 November 2025 entered into between our Company, the Managing Underwriter and the Joint Underwriters for the underwriting of our Issue Shares under the Retail Offering
Rules of Bursa Depository	:	The rules of Bursa Depository as issued under the SICDA
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
Selling Shareholders	:	Wasco Berhad and Tema Energy, being the parties undertaking the Offer for Sale
Shares or Greenergy Shares	:	Ordinary shares in our Company
Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd
Shinko Industries Malaysia	:	Shinko Industries Malaysia Sdn Bhd (formerly known as Shinko Wasco Turbine Sdn Bhd), a wholly-owned subsidiary of Shinko Ind. Ltd.
SICDA	:	Securities Industry (Central Depositories) Act 1991 of Malaysia
Sq. ft.	:	Square feet

DEFINITIONS *(Cont'd)*

SSA	:	The conditional share sale agreement dated 19 June 2025 entered into between our Company and Tema Energy pursuant to the pre-IPO exercise as set out in Section 4.2.1(i) of this Prospectus
SSPA	:	The share sale and purchase agreement dated 7 July 2025 entered into between WATSB and Shinko Ind. Ltd. for the Disposal
Substantial Shareholders	:	Collectively, Wasco Berhad, Tema Energy, WST, TKYSB, Pauline Tan Suat Ming, TCNSB, Tony Tan Choon Keat, Dato' Seri Robert Tan, Tee Kian Lim, Teh Khim Choon and Soo Hock Tiong
TCNSB	:	Tan Chin Nam Sendirian Berhad
Tema Energy	:	Tema Energy Ventures Sdn Bhd
TKYSB	:	Tan Kim Yeow Sendirian Berhad
TPH	:	Tons per hour
Wasco Berhad	:	Promoter and holding company of Greenergy
Wasco Berhad Group	:	Wasco Berhad and its group of companies
WATSB Factory	:	Our factory located at Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor
White Form	Application	: Application form for the application of our Issue Shares under the Retail Offering by the Malaysian Public accompanying this Prospectus
WMS	:	Wasco Management Services Sdn Bhd, a wholly-owned subsidiary of Wasco Berhad
WPE	:	Wasco Process Engineering Sdn Bhd (formerly known as Jutasama Sdn Bhd), a wholly-owned subsidiary of Wasco Berhad
WST	:	Wah Seong (Malaya) Trading Co Sdn Bhd
WTSB Factory	:	Our factory located at Lot 1944 and Lot 1945, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor

GREENERGY'S SUBSIDIARIES

WATSB	:	Wasco AgroTech Sdn Bhd
WTSB	:	Wasco Thermal Sdn Bhd
PMT (Labuan)	:	PMT Industries (Labuan) Ltd
PMT-Dong Yuan	:	PMT-Dong Yuan Industries Sdn Bhd
PT WATI	:	PT Wasco AgroTech Indonesia
Wasco Saito	:	Wasco Saito Sdn Bhd

DEFINITIONS *(Cont'd)*

CURRENCIES

IDR	:	Indonesian Rupiah
JPY	:	Japanese Yen
RM and sen	:	Ringgit Malaysia and sen
USD	:	United States Dollar

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GLOSSARY OF TECHNICAL TERMS

- Auxiliary facilities** : In the context of this Prospectus, auxiliary facilities refer to equipment which supports the operation of steam boilers, by controlling emissions, improving efficiency, treating water and automating boiler processes
- Biomass steam energy systems** : A boiler system that generates steam or heat by using biomass fuels like agricultural waste or byproducts such as empty fruit bunches, palm kernel shells, palm fibres, wood chips, and rice husks
- Boiler** : A type of pressure vessel that holds water and applies heat (usually from burning fuel) to convert water into steam or hot water which is then used for heating, generating power, or various industrial processes
- Electrostatic precipitators (ESP)** : A device that removes fine particles from flue gases by applying electrostatic charges
- Empty fruit bunch (EFB)** : The residue from a fresh oil palm fruit bunch after the fruits have been removed
- Empty fruit bunch (EFB) press machines** : A machine used in the palm oil milling process to press empty fruit bunches to extract oil
- Engineering, procurement, construction, testing and commissioning (EPCC)** : In the context of this Prospectus, it refers to projects involving steam energy systems and auxiliary facilities where the scope of work includes engineering and/or design, along with procurement, construction, installation and testing and commissioning
- Engineering, procurement, testing and commissioning (EPC)** : In the context of this Prospectus, it refers to projects involving steam energy systems and auxiliary facilities where the scope of work includes engineering and/or design, as well as procurement, and testing and commissioning
- Feedwater** : Water that has been treated and is supplied to the boiler to be heated and converted into steam. This water is sourced externally, such as from municipal water supplies, and before entering the boiler, this water must be treated to meet the required quality standards. Treatment steps may include, amongst others, filtration, softening (to remove hardness caused by minerals like calcium and magnesium), deaeration (to remove dissolved gases in the water, such as oxygen and carbon dioxide), demineralisation (to remove dissolved minerals such as chlorides and sulphates), reverse osmosis (to remove dissolved salts and other impurities) and chemical treatments (which involve the addition of agents such as anti-scaling agent, oxygen scavengers and pH adjustments)
- Gas-fired steam energy systems** : A gas-fired steam energy system typically uses natural gas to heat water and generate steam. The natural gas is burned in a combustion chamber, and the resulting heat generated is transferred to the water, creating steam that can be used for heating, industrial processes, or power generation
- Heat recovery steam generator (HRSG)** : HRSG is a device that captures waste heat from the high-temperature exhaust of gas turbines and converts it into steam. The steam can then be used for various purposes such as producing additional electricity in a combined cycle power plant, or providing heat for drying or other industrial processes

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Steam energy system : Complete boiler setup which includes the boiler itself along with the necessary equipment required to support and ensure efficient operation. This setup includes components such as pumps, pipes, valves, controls, feedwater systems, fuel supply systems, and exhaust systems

Steam turbine generation systems : A steam turbine generator system uses steam to rotate a turbine which powers equipment like pumps, compressors or generators to produce electricity. In this system, high-pressure steam is directed onto the blades of the turbine, causing them to spin. The resulting mechanical energy can then be used to generate electricity, or drive machinery in various industries

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Nationality/ Gender	Address
Halim Bin Haji Din	Non-Independent Non-Executive Chairman	Malaysian / Male	29, Jalan TR 2/5, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan
Ramanathan A/L P.R. Singaram	Non-Independent Non-Executive Director	Malaysian / Male	23 Jalan Bukit Prima 2D, Taman Bukit Prima, 56000 Cheras, W.P. Kuala Lumpur
Ng Ing Peng	Senior Independent Non-Executive Director	Malaysian / Female	D3A KH Villa Hartamas 9, Jalan Sri Hartamas 17, Taman Sri Hartamas, 50480 Kuala Lumpur, W.P. Kuala Lumpur
Roslina Binti Abdul Rahman	Independent Non-Executive Director	Malaysian / Female	46, Jalan Ayer Embun, Taman Tasik Titiwangsa, 53200 Kuala Lumpur, W.P. Kuala Lumpur

AUDIT COMMITTEE

Name	Designation	Directorship
Ng Ing Peng	Chairperson	Senior Independent Non-Executive Director
Ramanathan A/L P.R. Singaram	Member	Non-Independent Non-Executive Director
Roslina Binti Abdul Rahman	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Ng Ing Peng	Chairperson	Senior Independent Non-Executive Director
Ramanathan A/L P.R. Singaram	Member	Non-Independent Non-Executive Director
Roslina Binti Abdul Rahman	Member	Independent Non-Executive Director

BOARD SUSTAINABILITY COMMITTEE

Name	Designation	Directorship
Roslina Binti Abdul Rahman	Chairperson	Independent Non-Executive Director
Ng Ing Peng	Member	Senior Independent Non-Executive Director
Ramanathan A/L P.R. Singaram	Member	Non-Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES	<p>: Rebecca Kong Say Tsui (MAICSA 7039304) SSM Practicing Certificate No.: 202008001003 (Chartered Secretary and Member of Malaysian Institute of Chartered Secretaries and Administrators)</p> <p>Yeng Shi Mei (MAICSA 7059759) SSM Practicing Certificate No.: 202008001282 (Chartered Secretary and Member of Malaysian Institute of Chartered Secretaries and Administrators)</p> <p>Office Suite No. 603 Block C Pusat Dagangan Phileo Damansara 1 No. 9, Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor</p> <p>Tel. No.: +603 7890 0238</p>
REGISTERED OFFICE	<p>: Office Suite No. 603 Block C Pusat Dagangan Phileo Damansara 1 No. 9, Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor</p> <p>Tel. No.: +603 7890 0238</p>
HEAD/MANAGEMENT OFFICE	<p>: Lot 1929, Jalan Bukit Kemuning Seksyen 32 40460 Shah Alam Selangor</p> <p>Tel. No.: +603 5122 5522 Website: www.wascogreenergy.com E-mail: enquiry@wascogreenergy.com</p>
SELLING SHAREHOLDERS	<p>: Wasco Berhad Suite 19.01, Level 19, The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur W.P. Kuala Lumpur</p> <p>Tema Energy Ventures Sdn Bhd No 12/1, Jalan Remia 4/KS6 Bandar Botanic 41200 Klang Selangor</p>
AUDITORS AND REPORTING ACCOUNTANTS	<p>: PricewaterhouseCoopers PLT Level 10, Menara TH 1Sentral Jalan Rakyat, Kuala Lumpur Sentral PO Box 10192, 50706 Kuala Lumpur</p> <p>Tel. No.: +603 2173 1188</p> <p>Partner-in-charge: Tiang Woon Meng Professional qualification: Member of Malaysian Institute of Accountants (MIA) (MIA Membership No.: CA16707)</p>

1. CORPORATE DIRECTORY *(Cont'd)*

**PRINCIPAL ADVISER
AND MANAGING
UNDERWRITER** : **CIMB Investment Bank Berhad**
Level 17, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur

Tel. No.: +603 2261 8888

**JOINT BOOKRUNNERS
(in alphabetical order)** : **CGS International Securities Malaysia Sdn Bhd**
Level 22, Menara IQ
Lingkar TRX, Tun Razak Exchange
55188 Kuala Lumpur

Tel. No.: +603 2276 8888

CIMB Investment Bank Berhad
Level 17, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur

Tel. No.: +603 2261 8888

Maybank Investment Bank Berhad
32nd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

Tel. No.: +603 2059 1888

**JOINT UNDERWRITERS
(in alphabetical order)** : **CIMB Investment Bank Berhad**
Level 17, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur

Tel. No.: +603 2261 8888

Maybank Investment Bank Berhad
32nd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

Tel. No.: +603 2059 1888

LEGAL ADVISERS : *To our Company as to Malaysian law*

Adnan Sundra & Low
Level 25, Menara Etiqa
No. 3, Jalan Bangsar Utama 1
59000 Kuala Lumpur
W.P. Kuala Lumpur

Tel. No.: +603 2279 3288

1. CORPORATE DIRECTORY (Cont'd)

LEGAL ADVISERS
(Cont'd)

To our Company as to Indonesian law

Soemadipradja & Taher
Wisma GKBI Level 9
Jl. Jenderal Sudirman No. 28
Jakarta 10210 Indonesia

Tel. No.: +62 21 50 999 879

To the Joint Bookrunners, Managing Underwriter and Joint Underwriters as to Malaysian law

Rahmat Lim & Partners
Suite 33.01, Level 33
The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Tel No.: +603 2299 3888

INDEPENDENT MARKET RESEARCHER

: **Frost & Sullivan GIC Malaysia Sdn Bhd**
Level 6.06, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor

Tel. No.: +603 2023 2016

Name of signing partner: Narciso Podda
(See Section 8 of this Prospectus for the profile of the firm and signing partner)

INTERNAL CONTROL CONSULTANT

: **Axcelasia Sdn Bhd** (formerly known as Tricor Axcelasia Sdn Bhd)
Unit 301, Level 3, Block E
Pusat Dagangan Phileo Damansara 1
No. 9 Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor

Tel. No.: +603 2028 7450

SHARE REGISTRAR AND ISSUING HOUSE

: **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

Tel. No.: +603 2783 9299

LISTING SOUGHT

: Main Market of Bursa Securities

SHARIAH STATUS

: Approved by the SAC

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

2.1.1 SC

The SC has, via its letter dated 25 September 2025, approved our IPO and our Listing under Section 214(1) of the CMA, subject to compliance with the following condition:

No.	Details of condition imposed	Status of compliance
(i)	CIMB and Greenery to fully comply with the requirements of the Equity Guidelines and Prospectus Guidelines pertaining to the implementation of our Listing	To be complied

The SC has also via the same letter dated 25 September 2025, approved our application under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to our Company allocating shares equivalent to 12.5% of our enlarged number of issued Shares upon our Listing to Bumiputera investors to be approved by the MITI. In addition, we are required to make available at least 50% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors.

2.1.2 Bursa Securities

Bursa Securities has, via its letter dated 17 October 2025, approved our Admission and our Listing ("**Bursa Securities Approval Letter**").

In the Bursa Securities Approval Letter, our Company and CIMB are required to comply with the following conditions:

No.	Details of conditions imposed	Status of compliance
(i)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, we are advised to include the stock code, stock short name and International Securities Identification Number (ISIN) code upon making the announcement on the timetable for our IPO.	To be complied
(ii)	Furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the public security holding spread requirements based on our entire issued share capital on the first day of Listing.	To be complied

2.1.3 MITI

The MITI has, via its letter dated 4 September 2025, stated that it has agreed to our Listing of 500,000,000 Shares on the Main Market of Bursa Securities. In the same letter, the MITI has also taken note that we comply with the Bumiputera equity requirement pursuant to our Listing by allocating 12.5% of our enlarged issued Shares to Bumiputera investors approved by the MITI.

2.1.4 SAC

The SAC had, on 7 October 2025, classified our Shares as Shariah-compliant based on the latest audited consolidated financial statements of our Company for the FYE 31 December 2024.

2. INTRODUCTION *(Cont'd)*

2.2 MORATORIUM ON OUR SHARES

In accordance with the Equity Guidelines, our Shares directly held by the Moratorium Provider as at the date of our Listing, will be placed under moratorium. In this respect, our Shares that are subject to moratorium are as set out below:

Moratorium Provider	No. of Shares	(1)%
Wasco Berhad	312,693,100	62.54

Note:

(1) *Based on our enlarged issued share capital of 500,000,000 Shares upon Listing.*

The Moratorium Provider has fully accepted the moratorium. It is not allowed to sell, transfer or assign any part of its holding in our Shares as at the date of our Listing, for a period of six months from the date of our Listing.

Tema Energy, being a direct shareholder of our Company has voluntarily agreed that, unless with the prior written consent of our Company, it will not sell, transfer or assign all or any part of the remaining 37,306,900 Shares, representing 7.46% of the enlarged issued share capital of our Company held by it upon Listing, on a staggered basis for a period of three years from the date of our Listing. Similarly, the individual shareholders of Tema Energy have also voluntarily agreed that, unless with the prior written consent of our Company, they will not sell, transfer or assign all or any part of their respective shareholdings in Tema Energy on a staggered basis for a period of three years from the date of our Listing. Please refer to Section 4.8.3.2 of this Prospectus for further details on the lock-up arrangements involving Tema Energy and the individual shareholders of Tema Energy.

The above moratorium restrictions are specifically endorsed on the share certificate representing our Shares held by the Moratorium Provider which are under moratorium to ensure that our Share Registrar does not register any transfer that contravenes such restrictions.

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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 whether to invest in our Shares.

3.1 PRINCIPAL DETAILS OF OUR IPO

Our IPO consists of the Institutional Offering and the Retail Offering, totalling up to 150,000,000 IPO Shares, representing up to 30.00% of our enlarged issued share capital.

3.1.1 Institutional Offering

The Institutional Offering involves the offering of up to 119,500,000 IPO Shares (comprising up to 75,000,000 Offer Shares and 44,500,000 Issue Shares), representing up to 23.90% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Institutional Price to the following persons:

- (i) 44,500,000 Issue Shares and up to 18,000,000 Offer Shares, representing 8.9% and up to 3.6% of our enlarged issued share capital of our Company respectively, to Bumiputera investors approved by the MITI; and
- (ii) up to 57,000,000 Offer Shares, representing up to 11.40% of our enlarged issued share capital of our Company to Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI).

3.1.2 Retail Offering

The Retail Offering involves the offering of 30,500,000 Issue Shares, at the Retail Price, representing 6.10% of the enlarged issued share capital of our Company in the following manner:

- (i) **Allocation to the Eligible Greenergy Persons and Eligible Wasco Persons**
5,000,000 Issue Shares, representing 1.00% of the enlarged issued share capital of our Company are reserved for application by the Eligible Greenergy Persons and Eligible Wasco Persons.
- (ii) **Allocation to the Entitled Shareholders of Wasco Berhad**
15,500,000 Issue Shares, representing 3.10% of the enlarged issued share capital of our Company are reserved for application by the Entitled Shareholders of Wasco Berhad via the Restricted Offering.
- (iii) **Allocation via balloting to the Malaysian Public**
10,000,000 Issue Shares, representing 2.00% of our enlarged issued share capital, are reserved for application by the Malaysian Public, of which 5,000,000 Issue Shares or 50.0% of such allocation have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

3.1.3 Moratorium on our Shares

In accordance with the Equity Guidelines, our Shares directly held by the Moratorium Provider as at the date of our Listing, will be placed under moratorium. In this respect, our Shares that are subject to moratorium are as set out below:

Moratorium Provider	No. of Shares	(1)%
Wasco Berhad	312,693,100	62.54

Note:

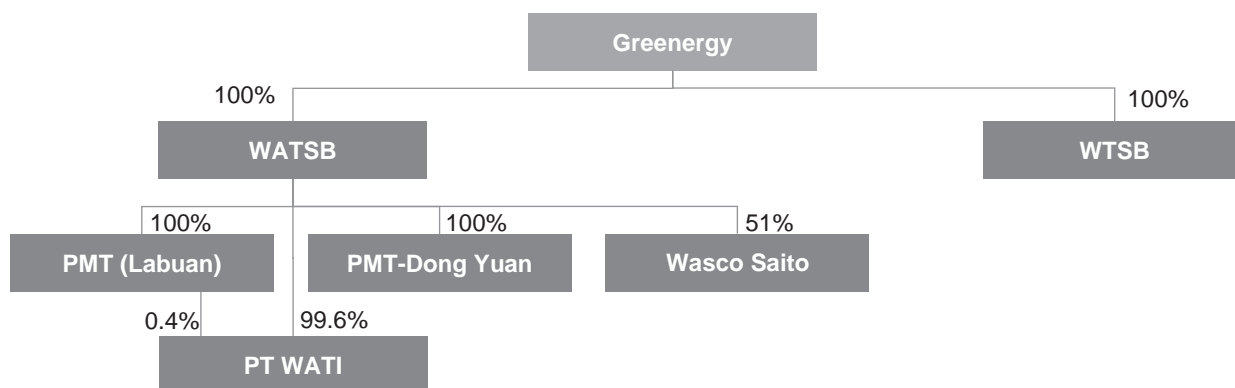
- (1) Based on our enlarged issued share capital of 500,000,000 Shares upon Listing.

3. PROSPECTUS SUMMARY (Cont'd)

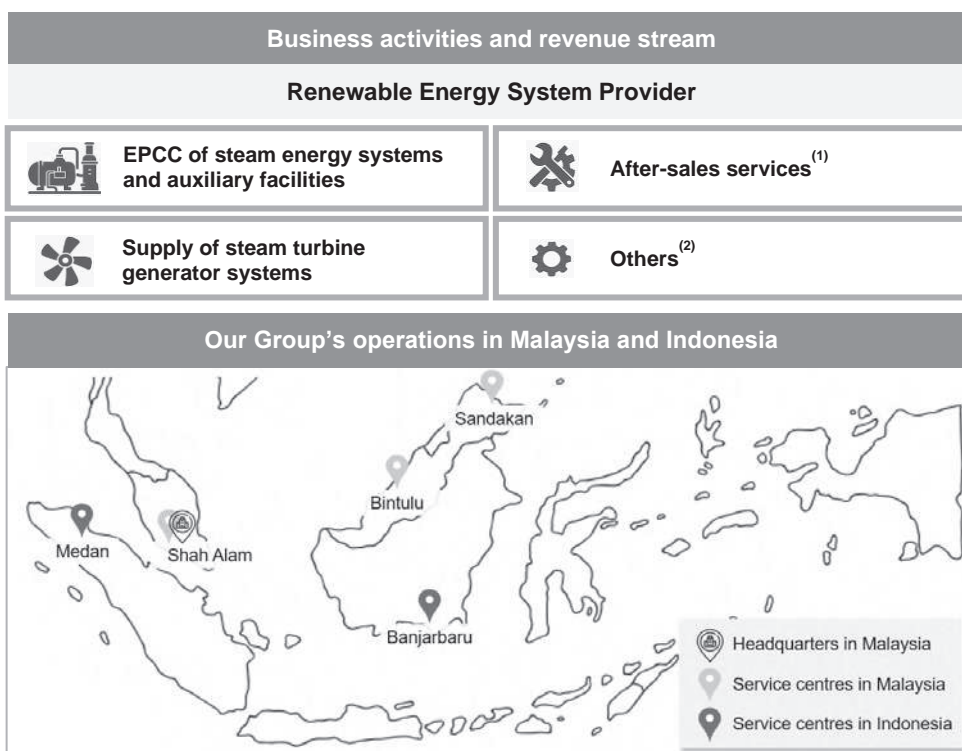
Tema Energy, being a direct shareholder of our Company has voluntarily agreed that, unless with the prior written consent of our Company, it will not sell, transfer or assign all or any part of the remaining 37,306,900 Shares, representing 7.46% of the enlarged issued share capital of our Company held by it upon Listing, on a staggered basis for a period of three years from the date of our Listing. Similarly, the individual shareholders of Tema Energy have also voluntarily agreed that, unless with the prior written consent of our Company, they will not sell, transfer or assign all or any part of their respective shareholdings in Tema Energy on a staggered basis for a period of three years from the date of our Listing. For further details on our IPO, plan of distribution and moratorium on our Shares, see Sections 4.2 and 2.2 of this Prospectus, respectively.

3.2 HISTORY AND BUSINESS

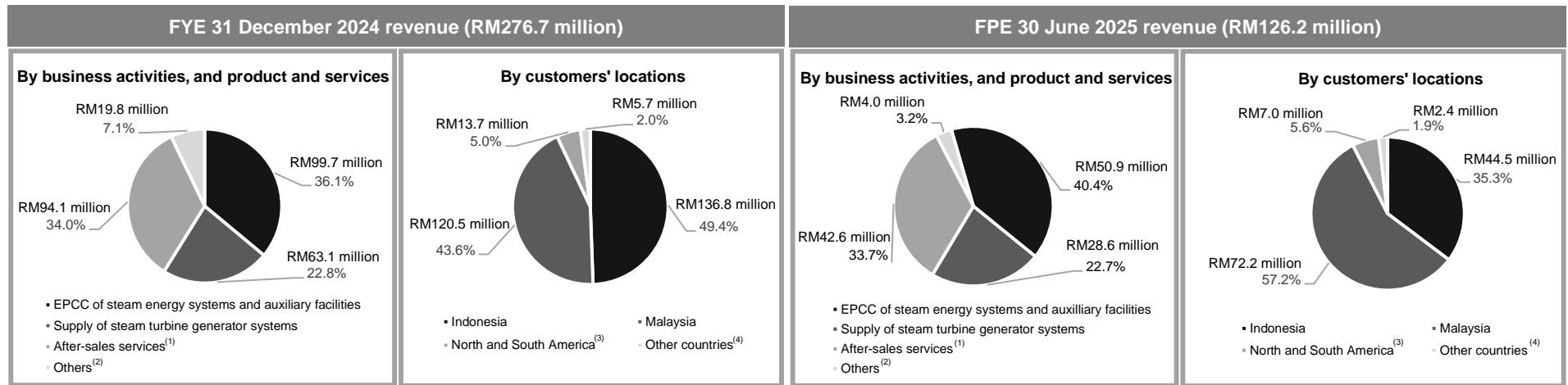
Our Company was incorporated in Malaysia under the Act on 5 December 2023 as a private limited company under the name of Wasco Greenergy Sdn Bhd. On 20 June 2025, our Company was converted into a public company and assumed the name of Wasco Greenergy Berhad. Our Group structure following the completion of the Pre-IPO Exercise is as follows:



The principal activities of our Company are investment holding and provision of management services whilst, together with our subsidiaries, we are engaged in the following business activities, as illustrated in our current business model below:



3. PROSPECTUS SUMMARY (Cont'd)



Notes:

- (1) Include repair and maintenance services, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.
- (2) Include the sales of palm oil milling equipment which are in-house manufactured and externally sourced.
- (3) Includes countries from North and South America, such as Colombia, Mexico, Guatemala, and Honduras.
- (4) Other countries include countries from Africa such as Uganda, Liberia, Ghana, Gabon, Ivory Coast, Cameroon and Nigeria; and Asia Pacific countries such as Thailand, Singapore, Bangladesh, Japan and Myanmar.

For further details on our history, group structure and business, see Sections 6 and 7 of this Prospectus.

3.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our competitive advantages and key strengths are as follows:

- (i) We are a market-leading renewable energy systems provider in Malaysia, the largest provider of steam turbine generator systems and second largest in provider of biomass steam energy systems in 2024 based on revenue, with market shares of 16.8% and 14.1% respectively according to Frost & Sullivan, and well-positioned to capitalise on opportunities within the growing renewable energy space to drive business growth.
- (ii) We design and deliver customised energy systems and engineering solutions that optimise energy efficiency and performance.
- (iii) We serve a broad customer base of more than 1,500 customers by leveraging our direct and indirect distribution channels, strengthening customer loyalty and expanding our market reach.

3. PROSPECTUS SUMMARY *(Cont'd)*

- (iv) We have secured contracts that provide strong revenue visibility in the near to mid-term, underpinned by our robust financial track record and solid foundation, which positions us well for securing new projects, with an outstanding order book of RM249.0 million as at the LPD expected to be recognised as revenue progressively over the next three financial years up to the FYE 31 December 2027, and supported by EBITDA and PAT growth at CAGRs of 27.5% and 24.6% respectively over the period from FYE 31 December 2022 to FYE 31 December 2024.
- (v) We have an experienced key senior management team with vast industry experience to drive our business growth and strategies which is further backed by our corporate shareholder.

For further details on our competitive advantages and key strengths, see Section 7.2.1 of this Prospectus.

3.4 FUTURE PLANS AND GROWTH STRATEGIES

Our future plans and growth strategies are as follows:

- (i) We intend to expand our renewable energy business through an asset ownership model that generates recurring revenue streams. Historically, our revenue model has been driven by fixed lump-sum EPCC contracts and purchase orders which exposes us to earnings cyclicality linked to contract wins and project execution timelines. As part of our long-term growth strategy, we plan to adopt an asset ownership model to own and operate biomass steam power plants and related infrastructure under BOOT and/or BOO frameworks, with the aim of including a more stable and recurring revenue stream to our Group through the provision of steam and/or energy services for a periodic fee. Depending on the opportunities available at such point in time, we intend to fund our expansion through asset ownership via a combination of the proceeds from the Public Issue, internally generated funds and/or bank borrowings.
- (ii) We intend to expand our operations in Indonesia through the establishment of a new sales office in Jakarta and two additional service centres in Pekanbaru and Sulawesi. The expansion costs are to be funded entirely through the proceeds from the Public Issue, with any shortfall to be covered by internally generated funds and/or bank borrowings.
- (iii) We intend to improve and enhance our operational facilities through the purchase of new equipment and machinery to replace and upgrade ageing assets at our WATSB Factory and WTSB Factory, which will enhance production capabilities and consistency, improve operational efficiency through automation, and reduce reliance on manual labour, as well as upgrade our headquarters to accommodate increased operational needs and support our Group's continued growth. The capital expenditure required for such improvements is to be funded entirely through the proceeds from the Public Issue, with any shortfall to be covered by internally generated funds and/or bank borrowings.
- (iv) We intend to develop our digital infrastructure by incorporating AI analytics to streamline our business processes by integrating and digitalising our project management, inventory management, after-sales service and ERP systems with AI driven analytics to reduce reliance on manual processes, enhance operational efficiency and support better decision making as our operations and customer base continue to grow. Such costs are to be funded entirely through the proceeds from the Public Issue, with any shortfall to be covered by internally generated funds and/or bank borrowings.
- (v) We intend to formalise and strengthen our R&D efforts to enhance product innovation and support industrial decarbonisation by developing next-generation steam energy systems with improved fuel flexibility, efficiency and modularity, while exploring advanced biomass feedstocks and pursuing product certifications to ensure regulatory compliance and market acceptance. Such R&D costs are to be funded entirely through the proceeds from the Public Issue, with any shortfall to be covered by internally generated funds and/or bank borrowings.

For further details on our future plans and growth strategies, see Section 7.2.2 of this Prospectus.

3. PROSPECTUS SUMMARY *(Cont'd)*

3.5 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

The following table sets out the direct and indirect shareholdings of our Promoter and Substantial Shareholders in our Company before and after our IPO:

	As at the LPD				After the Pre-IPO Exercise				After our IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
<u>Promoter and Substantial Shareholder</u>												
Wasco Berhad	115,000,000	100.00	-	-	377,693,100	88.87	-	-	312,693,100	62.54	-	-
<u>Substantial Shareholders</u>												
Tema Energy	-	-	-	-	47,306,900	11.13	-	-	37,306,900	7.46	-	-
WST	-	-	(3)115,000,000	100.00	-	-	(3)377,693,100	88.87	(7)4,793,000	0.96	(3)312,693,100	62.54
TKYSB	-	-	(4)115,000,000	100.00	-	-	(4)377,693,100	88.87	(7)1,337,600	0.27	(4)312,693,100	62.54
Pauline Tan Suat Ming	-	-	(5)115,000,000	100.00	-	-	(5)377,693,100	88.87	-	-	(5)312,693,100	62.54
TCNSB	-	-	(4)115,000,000	100.00	-	-	(4)377,693,100	88.87	(7)110,600	0.02	(4)312,693,100	62.54
Tony Tan Choon Keat	-	-	(5)115,000,000	100.00	-	-	(5)377,693,100	88.87	-	-	(5)312,693,100	62.54
Dato' Seri Robert Tan	-	-	(5)115,000,000	100.00	-	-	(5)377,693,100	88.87	(7)238,700	0.05	(5)312,693,100	62.54
Tee Kian Lim	-	-	-	-	-	-	(6)47,306,900	11.13	(8)100,000	0.02	(6)37,306,900	7.46
Teh Khim Choon	-	-	-	-	-	-	(6)47,306,900	11.13	(8)70,000	0.01	(6)37,306,900	7.46
Soo Hock Tiong	-	-	-	-	-	-	(6)47,306,900	11.13	(8)50,000	0.01	(6)37,306,900	7.46

Notes:

- (1) Based on the enlarged issued share capital of 425,000,000 Shares after the Pre-IPO Exercise.
- (2) Based on the enlarged issued share capital of 500,000,000 Shares upon our Listing.
- (3) Deemed interested through shares held in Wasco Berhad pursuant to Section 8 of the Act.
- (4) Deemed interested through shares held in Wasco Berhad and WST pursuant to Section 8 of the Act.
- (5) Deemed interested through shares held in Wasco Berhad, WST and TKYSB pursuant to Section 8 of the Act.
- (6) Deemed interested through shares held in Tema Energy pursuant to Section 8 of the Act.
- (7) Assuming the subscription to their respective entitlements of the Issue Shares under the Restricted Offering which is allocated based on a pro-rata basis according to their respective shareholdings in Wasco Berhad as at the LPD. However, the final shareholdings will depend on the actual number of Issue Shares subscribed and allotted to them in accordance with the basis set out in Section 4.2.3(ii) of this Prospectus.
- (8) Assuming that our Substantial Shareholders who are also our employees will fully subscribe for their respective entitlements under the Pink Form Allocation.

3. PROSPECTUS SUMMARY *(Cont'd)*

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Halim Bin Haji Din*	Non-Independent Non-Executive Chairman
Ramanathan A/L P.R. Singaram*	Non-Independent Non-Executive Director
Ng Ing Peng	Senior Independent Non-Executive Director
Roslina Binti Abdul Rahman	Independent Non-Executive Director
Key senior management	
Lee Yee Chong	Group Chief Executive Officer
Ooi Giap Hwa	Group Head of Finance
Tee Kian Lim	Chief Operating Officer of WTSB

* *Being representative of Wasco Berhad on our Board.*

For further information on our Directors and key senior management, see Sections 9.2 and 9.3 of this Prospectus, respectively.

3.7 RISK FACTORS

An investment in our Shares involves a number of risks. Prospective investors should rely on their own evaluation and carefully consider all the information contained in this Prospectus, including the risks described below before deciding to invest in our Shares.

The following are the risks relating to our business and operations:

- (i) Our business and financial performance are dependent on our ability to secure new projects and grow our order book. We aim to secure new contracts, but there is no guarantee that our order book will be sustained or that project delays or cancellations will not impact our financial performance.
- (ii) Our business and financial performance may be affected by delays in project implementation and completion, delivery of orders or early termination or suspension of projects. Delays, early termination, or suspension of projects due to various factors may lead to financial losses, liability for liquidated damages, damaged customer relationships, and harm our ability to secure future work.
- (iii) Our business is dependent on the performance of the industries in which our customers are operating. Our business is significantly dependent on the palm oil industry, and any downturn or adverse developments in this sector could lower the demand for our products and negatively impact our business operations and financial performance.
- (iv) We require licences, permits, approvals and certificates from relevant regulatory authorities and any failure to obtain or renew necessary licences, permits, approvals or certifications may adversely impact our business operations and financial performance. While we currently hold all necessary licences, permits, and approvals as detailed in Annexure A of this Prospectus, these are subject to renewal and failure to secure or renew them could materially impact our operations, financial performance, and reputation.
- (v) We may be subject to warranty claims and legal proceedings arising from product defects or contractual disputes. Save for the ongoing Kilang Sawit Lembing Sdn Bhd's suit against WTSB as set out in Section 14.7 of this Prospectus, we have not incurred any material costs relating to warranty claims and/or legal proceedings during the Periods Under Review and up to the LPD. There is no assurance that future claims or proceedings will not arise and adversely affect our financial performance.
- (vi) We may not be able to hire, train, manage and retain employees with suitable skill sets including skilled personnel. Our business depends on skilled technical personnel and general labour, including foreign workers, and any changes in labour policies or loss of staff without suitable replacements could disrupt our operations and negatively impact our financial performance.

3. PROSPECTUS SUMMARY *(Cont'd)*

- (vii) We are dependent on our key senior management and the loss of any of these individuals could disrupt our business, hinder strategy execution, and negatively impact our competitiveness and financial performance.
- (viii) We may be subject to unfavourable exchange rate fluctuations from purchases and sales in USD, JPY, and EUR, and fluctuations in these exchange rates against our functional currencies (RM and IDR) could materially affect our costs, sales competitiveness, and profit margins, potentially having an adverse effect on our financial performance.
- (ix) If our supply chain is disrupted for any reason, our business operations and financial performance may be adversely affected. We rely on third-party suppliers for raw materials and finished goods, and any supply chain disruptions, delays, or cost increases such as higher freight rates or tariffs may lead to delays, increased costs, or lost sales, which could adversely affect our business operations, financial performance, and reputation.
- (x) We are exposed to fluctuations in the prices of steel-based materials and any significant increase in the cost of steel and related materials may reduce our profit margins if not fully passed on to customers which may have a material adverse effect on our business operations, and financial performance.
- (xi) We may not be able to invoice our customers or receive the full amount due under our contract assets. Revenue from our steam energy systems is recognised progressively based on work completion, and delays or disputes in customer certification or payment of contract assets may adversely impact our invoicing, cash flow, and overall financial performance.
- (xii) Our insurance coverage may not be adequate to cover all losses, and any changes in policy terms, premiums, or coverage limits may expose us to financial shortfalls and adversely affect our financial position.
- (xiii) We may not be able to implement our business strategies to grow our business which may limit our growth prospects. Further, delays, execution challenges, or failure to realise expected benefits from these initiatives may adversely affect our growth, financial condition, and long-term prospects.
- (xiv) We are exposed to the credit risks of our customers and any delays or defaults in customer payments may result in impairment losses or bad debts, which could adversely affect our financial performance.
- (xv) We may be subject to the risk of penalties for any shortcomings in the quality of our subcontractors' work and any failure on their part to meet required standards or timelines may also result in project delays or reputational damage, which could adversely affect our business operations and financial performance.
- (xvi) We are dependent on Shinko Ind. Ltd. for the supply of steam turbine generator systems, and any adverse changes to this relationship could have a material adverse effect on our business operations, financial performance, and prospects.
- (xvii) We are subject to evolving tax laws and regulatory requirements in Malaysia and Indonesia, and any unforeseen regulatory changes or enforcement could lead to additional tax liabilities, penalties, or fines which could have a material adverse effect on our financial condition, liquidity and results of operations.

The following are the risks relating to our transition into ownership and operation of biomass steam power plants:

- (i) We will be exposed to risks associated with transitioning from a project-based EPCC model to a recurring-revenue asset ownership model. Failure to manage this transition effectively may lead to operational inefficiencies, higher costs and in the long term, may adversely impact our Group's financial performance, ability to scale its utility business, and credibility in the renewable energy sector.

3. PROSPECTUS SUMMARY (Cont'd)

- (ii) We will be exposed to capital investment and financial risks arising from the ownership and operation of a biomass steam plant and any cost overruns or project delays may adversely affect our Group's projected returns, cash flows, and overall financial position.
- (iii) Our Group has no prior track record in owning or operating a biomass steam power plant and any failure in our Group's ability to sustain high plant availability, achieve targeted thermal efficiency, and maintain compliance with regulatory requirements may adversely affect our Group's financial performance, profitability as well as reputation.
- (iv) The successful operation of our biomass steam plant is dependent on our ability to secure stable biomass feedstock supply and any disruption in availability, pricing and/or quality of biomass feedstock may have a material adverse effect on our Group's operational performance, contractual obligations and financial results.

The following are the key risks relating to our Shares and our Listing:

- (i) Any future equity fundraising to support our growth plans or acquisitions may result in the dilution of existing shareholders' interests and/or negatively impact our Share price. There is no assurance that such issuances will not occur or that they will not affect our ability to raise capital in the future.
- (ii) There is no assurance that an active or liquid market for our Shares will develop or be sustained. Shareholders may face difficulties in selling their Shares or may not be able to do so at desired prices. The trading price of our Shares may also not accurately reflect our operations and financial conditions, our growth prospects or the growth prospects of the industry in which we operate.
- (iii) The market price of our Shares may be volatile and subject to fluctuations due to various factors including market conditions, investor sentiment, financial performance, analyst recommendations, regulatory changes, and general economic or political developments. Low trading volume may worsen price volatility, and future Share sales by existing shareholders after the lock-up period could also impact our Share price. There is no assurance that our Shares will not trade lower than the Final Retail Price or reflect our prospects or the prospects of the industry we operate in.

For further details on risk factors, including risks relating to our industry, see Section 5 of this Prospectus.

3.8 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following table sets out our historical consolidated financial data and operational highlights for the Periods Under Review:

	FYE 31 December			FPE 30 June	
	Audited			Unaudited	Audited
	2022	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	266,565	288,844	276,715	119,959	126,159
Cost of sales	(203,313)	(215,740)	(199,200)	(89,071)	(93,888)
GP	63,252	73,104	77,515	30,888	32,271
PBT	33,044	45,648	53,625	28,585	10,477
PAT	25,150	34,941	39,040	21,244	7,883
GP margin (%) ⁽¹⁾	23.7	25.3	28.0	25.7	25.6
PBT margin (%) ⁽²⁾	12.4	15.8	19.4	23.8	8.3
PAT margin (%) ⁽³⁾	9.4	12.1	14.1	17.7	6.2
Dividend payout ratio (%) ⁽⁴⁾	50.6	26.6	-	-	-
Effective tax rate (%)	23.9	23.5	27.2	25.7	24.8
Net cash generated from/(used in) operating activities	33,937	37,802	8,835	(14,083)	2,559

3. PROSPECTUS SUMMARY (Cont'd)

	FYE 31 December			FPE 30 June
	Audited			Audited
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Total equity	149,182	135,870	174,186	178,662
Total borrowings	20,000	14,000	45,396	45,396
Cash and cash equivalents	32,960	52,078	54,782	41,280
Net (cash)/borrowings ⁽⁵⁾	(12,960)	(38,078)	(9,386)	4,116
Gearing ratio (times) ⁽⁶⁾	0.13	0.10	0.26	0.25
Net gearing ratio (times) ⁽⁷⁾⁽⁸⁾	(0.09)	(0.28)	(0.05)	0.02
Trade receivables turnover (days) ⁽⁹⁾	54	45	51	50
Trade payables turnover (days) ⁽¹⁰⁾	51	43	44	38
Inventory turnover (days) ⁽¹¹⁾	109	116	124	128

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 dividends paid divided by the PATAMI for the financial year.
- (5) Computed based on total borrowings less cash and cash equivalents as at the end of the financial year.
- (6) Computed based on total borrowings divided by total equity as at the end of the financial year.
- (7) Computed based on net (cash)/borrowings divided by total equity as at the end of the financial year.
- (8) Negative net gearing ratio denotes a net cash position.
- (9) Computed based on the net trade receivables (excluding contract assets) as at the end of the financial year over revenue for the respective financial years/period, multiplied by the number of days in the financial year.
- (10) Computed based on the trade payables as at the end of the financial year over cost of sales for the respective financial years/period, multiplied by the number of days in the financial year.
- (11) Computed based on the inventory as at the end of the financial year over cost of sales for the respective financial years/period, multiplied by the number of days in the financial year.

For further details on financial information and operational highlights relating to our Group, see Section 12 of this Prospectus.

3.9 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM75.0⁽¹⁾ million in the following manner:

Details of use of proceeds	Estimated timeframe for the use of proceeds upon Listing	RM million	% of total gross proceeds from our Public Issue
1. Business expansion			
(i) Expansion through investments, acquisitions and strategic partnership relating to the ownership and operation of biomass steam power plants (“ Asset Ownership ”)	Within 36 months	38.2	50.9%
(ii) Expansion of our operations in Indonesia	Within 24 months	5.5	7.3%
2. Operational improvement and enhancements			
(i) Capital expenditure for new equipment and machinery, and upgrade of our headquarters	Within 24 months	12.5	16.7%
(ii) Digitalisation of our business systems and processes	Within 36 months	5.0	6.7%
3. Research and development	Within 24 months	4.0	5.3%
4. Estimated listing expenses	Within 3 months	9.8	13.1%
Total		75.0	100.0%

Note:

- (1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

For detailed information relating to the use of proceeds arising from our Public Issue, see Section 4.6 of this Prospectus.

3. PROSPECTUS SUMMARY *(Cont'd)*

3.10 DIVIDEND POLICY

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

We target a payout ratio of approximately 20% to 40% of our PATAMI for each financial year on a consolidated basis after taking into account our Group's working capital requirements, subject to confirmation of our Board as well as any applicable law and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

The following table sets out the dividends paid for the FYE 31 December 2022 and 2023, and the corresponding dividend payout ratio:

	FYE 31 December	
	2022	2023
	RM'000	RM'000
Dividends paid	11,290	7,930
PATAMI	22,333	29,781
Dividend payout ratio ⁽¹⁾	50.6%	26.6%

Note:

(1) Computed based on dividends paid divided by the PATAMI for the financial year.

We have not declared any dividend for the FYE 31 December 2024 and FPE 30 June 2025 as our Company made the repayment of RM40.2 million debt due to Wasco Berhad Group (excluding Greenergy Group) in the FYE 31 December 2024, following an internal restructuring exercise undertaken by Wasco Berhad where our Company had acquired 100% equity interest in WATSB and 60% equity interest in WTSB from WPE (a wholly-owned subsidiary of Wasco Berhad) in the FYE 31 December 2023. We had decided to retain our cash balance for operations and corporate activities.

Save as disclosed above, we have not declared or paid any other dividends to our shareholders for the Periods Under Review up to the LPD. Further, we do not intend to declare any dividends prior to our Listing. All the dividends mentioned above were funded by internal funds generated from our operations.

For further details on our dividend policy, see Section 12.4 of this Prospectus.

3.11 RATIONALE FOR THE CHAIN LISTING

The board of directors of Wasco Berhad considers Greenergy Group's business under the biomass services business segment of the Wasco Berhad Group, a distinct and viable business of its own which merits a separate listing on the Main Market of Bursa Securities. Accordingly, the chain listing is commercially beneficial for the following reasons:

- (i) the chain listing enables Wasco Berhad to unlock and realise the value of its investment in our Company and enhance shareholders' value at Wasco Berhad's level;
- (ii) the chain listing enables our Company to gain recognition through its listing status and enhance its corporate visibility and reputation as a renewable energy system provider;
- (iii) the chain listing will create a more defined business focus and independence between our Group and the Wasco Berhad Group;
- (iv) the chain listing enables our Group to tap into the equity capital markets for equity and/or debt financing to fund our Group's existing operations and/or future expansion without reliance on the Wasco Berhad Group; and
- (v) the chain listing will allow the management of both Wasco Berhad Group and our Group to concentrate more effectively on their respective core operations.

For further details on the rationale for the chain listing, see Section 6.1.4 of this Prospectus.

4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or Date
Entitlement Date	17 November 2025
Opening of the Institutional Offering	20 November 2025
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 20 November 2025
Closing of the Retail Offering	5:00 p.m., 28 November 2025
Closing of the Institutional Offering	28 November 2025
Price Determination Date	1 December 2025
Balloting of applications for our Issue Shares under the Retail Offering	2 December 2025
Allotment/Transfer of our IPO Shares to successful applicants	10 December 2025
Listing	11 December 2025

In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and make an announcement on the website of Bursa Securities.

4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, respectively.

Our IPO consists of the Institutional Offering and the Retail Offering, totalling up to 150,000,000 IPO Shares, representing up to 30.00% of our enlarged issued share capital.

4.2.1 Pre-IPO Exercise

In preparation for our Listing, our Company undertook the Acquisition and the Bonus Issue, respectively.

(i) Acquisition

In order to optimise the corporate structure to further develop our Group's business, our Company had on 19 June 2025 entered into the SSA to acquire the remaining 40% equity interest in WTSB from Tema Energy. Our Directors are of the view that our Company would benefit from being able to consolidate the results of WTSB as a 100%-owned subsidiary of our Company. Further, the investment by Tema Energy in our Shares pursuant to the Acquisition demonstrate the commitment and confidence of the shareholders of Tema Energy in the business performance and operations, strengths and long-term prospects of our Group.

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

4. DETAILS OF OUR IPO (Cont'd)

The purchase consideration was satisfied via the issuance by our Company of 14,404,000 new Shares at an issue price of RM1.34 per Share. The issue price was arrived at based on the audited NA per Share of our Company as at 31 December 2024 of RM1.34 per Share. The Acquisition was completed on 28 October 2025.

Following the completion of the Acquisition, the shareholders and their resultant shareholdings in our Company are as follows:

	Before the Acquisition		After the Acquisition	
	No. of Shares	%	No. of Shares	%
Wasco Berhad	115,000,000	100.00	115,000,000	88.87
Tema Energy	-	-	14,404,000	11.13
Total	115,000,000	100.00	129,404,000	100.00

(ii) Bonus Issue

On 28 October 2025, our Company undertook the Bonus Issue of 295,596,000 new Shares (“**Bonus Shares**”) to our existing shareholders. The basis for the issuance of 295,596,000 Bonus Shares is to increase the number of issued shares in our Company to 425,000,000 Shares to facilitate our IPO and Listing. The Bonus Issue was implemented without capitalising the retained earnings or reserves of our Company and such new Shares were issued at nil consideration.

The Bonus Issue was completed and Shares were credited as fully paid-up on a pro-rata basis to existing shareholders of our Company based on their respective shareholdings in our Company after the Acquisition, as follows:

	Before the Bonus Issue		After the Bonus Issue	
	No. of Shares	%	No. of Shares	%
Wasco Berhad	115,000,000	88.87	377,693,100	88.87
Tema Energy	14,404,000	11.13	47,306,900	11.13
Total	129,404,000	100.00	425,000,000	100.00

4.2.2 Institutional Offering

Institutional Offering at the Institutional Price payable in full upon allocation and determined by way of bookbuilding.

The Institutional Offering involves the offering of up to 119,500,000 IPO Shares (comprising up to 75,000,000 Offer Shares and 44,500,000 Issue Shares), representing up to 23.90% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Institutional Price to the following persons:

- (i) 44,500,000 Issue Shares and up to 18,000,000 Offer Shares, in aggregate, representing up to 12.50% of our enlarged issued share capital of our Company to Bumiputera investors approved by the MITI; and
- (ii) up to 57,000,000 Offer Shares, in aggregate, representing up to 11.40% of our enlarged issued share capital of our Company to Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI).

4. DETAILS OF OUR IPO (Cont'd)

4.2.3 Retail Offering

Retail Offering at the Retail Price of RM1.00 per Share, payable in full upon application. If the Final Retail Price is less than the Retail Price, the difference will be funded to the investors.

The Retail Offering involves the offering of 30,500,000 Issue Shares, at the Retail Price, representing 6.10% of the enlarged issued share capital of our Company in the following manner:

(i) Allocation to the Eligible Greenergy Persons and Eligible Wasco Persons

5,000,000 Issue Shares, representing 1.00% of the enlarged issued share capital of our Company are reserved for application by our Directors, eligible employees of our Group as well as the directors and eligible employees of Wasco Berhad in the following manner:

- (a) 2,370,000 Issue Shares reserved for application by our Directors and eligible employees of our Group as at a date to be determined; and
- (b) 2,630,000 Issue Shares reserved for application by the Directors and eligible employees of the Wasco Berhad Group as at a date to be determined.

A summary of the allocation of the 5,000,000 Issue Shares as described above is set out below:

Eligible persons	No. of eligible persons	Aggregate no. of Issue Shares allocated
Eligible Greenergy Persons⁽¹⁾		
- Our Directors ⁽²⁾	4	400,000
- Eligible employees of our Group ⁽³⁾	Up to 376	1,970,000
Eligible Wasco Persons⁽⁴⁾		
- Directors of Wasco Berhad ⁽⁵⁾	4	400,000
- Eligible employees of the Wasco Berhad Group ⁽⁶⁾	Up to 64	2,230,000

Notes:

- (1) *Subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, all the Eligible Greenergy Persons are eligible to apply for any amount of excess Issue Shares made available to the Eligible Greenergy Persons on top of their pre-determined allocation.*
- (2) *The criteria for allocation to our Directors are based on their respective roles and responsibilities in, and contribution to our Group and they collectively will be allocated a total of 400,000 Issue Shares as follows:*

Name	Designation	No. of Issue Shares allocated
Halim Bin Haji Din	Non-Independent Non-Executive Chairman	100,000
Ramanathan A/L P.R. Singaram	Non-Independent Non-Executive Director	100,000
Ng Ing Peng	Senior Independent Non-Executive Director	100,000
Roslina Binti Abdul Rahman	Independent Non-Executive Director	100,000
Total		400,000

4. DETAILS OF OUR IPO (Cont'd)

- (3) *The allocation to the eligible employees of our Group is to be made to full-time confirmed employees of our Group based on, amongst others, job grade and their past contributions to our Group leading up to our Listing.*
- (4) *Subject to the clawback and reallocation provisions as set out in 4.2.4 of this Prospectus, all Eligible Wasco Persons are eligible to apply for any amount of excess Issue Shares made available to the Eligible Wasco Persons on top of their pre-determined allocation.*
- (5) *The criteria for allocation to the directors of Wasco Berhad (excluding Halim Bin Haji Din, who is a Director of our Group) are based on their respective roles and responsibilities in, and contribution to the Wasco Berhad Group and they collectively will be allocated a total of 400,000 Issue Shares as follows:*

Name	Designation	No. of Issue Shares allocated
<i>Tan Sri Saw Choo Boon</i>	<i>Senior Independent Non-Executive Director</i>	<i>100,000</i>
<i>Datin Wan Daneena Liza Binti Wan Abdul Rahman</i>	<i>Independent Non-Executive Director</i>	<i>100,000</i>
<i>Lily Rozita Binti Mohamad Khairi</i>	<i>Independent Non-Executive Director</i>	<i>100,000</i>
<i>Tan Sri Professor Lin See Yan</i>	<i>Non-Independent Non-Executive Director</i>	<i>100,000</i>
Total		400,000

- (6) *The allocation to the eligible employees of the Wasco Berhad Group are based on, amongst others, job grade and their past contributions to the Wasco Berhad Group leading up to our Listing.*

(ii) Allocation to the Entitled Shareholders of Wasco Berhad

15,500,000 Issue Shares are reserved for application by the Entitled Shareholders of Wasco Berhad via the Restricted Offering, and shall be allocated in the following manner:

- (a) each Entitled Shareholder of Wasco Berhad who applies for at least 100 Issue Shares is guaranteed an allocation of 100 Issue Shares;
- (b) any balance Issue Shares after the allocation under item (a) above shall be allocated to the Entitled Shareholders of Wasco Berhad who applied in excess of 100 Issue Shares on a pro-rata basis, computed based on their respective shareholdings in Wasco Berhad as at the Entitlement Date. For the avoidance of doubt, the allocation under item (b) prioritises the Entitled Shareholders of Wasco Berhad in proportion of their shareholdings held in Wasco Berhad; and
- (c) any balance Issue Shares after the allocation under items (a) and (b) above shall be allocated to the Entitled Shareholders of Wasco Berhad on a pro-rata basis, computed based on the quantum of their respective Issue Shares under application. For clarification, the allocation under item (c) distributes the balance Issue Shares from item (b) above to remaining applicants for excess Issue Shares in proportion to the size of their application,

subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out above is achieved.

4. DETAILS OF OUR IPO (Cont'd)

Any fractional entitlements and odd lots arising from the Restricted Offering will be disregarded and rounded down to the nearest board lot, and the aggregate of such fractions and such odd lots will be dealt with in such manner or on such terms as our Board may deem fit and expedient in the best interest of our Company.

The Restricted Offering is to provide an opportunity and an assured entitlement for the existing shareholders of Wasco Berhad to directly hold equity interest in our Company and to participate in the future growth of our Group through our Listing.

The entitlement of the Entitled Shareholders of Wasco Berhad to participate in the Restricted Offering is non-renounceable and non-tradable. Entitled Shareholders of Wasco Berhad are not allowed to submit multiple applications for the Issue Shares made available under the Restricted Offering and our Board has the absolute discretion to reject multiple applications. However, the Restricted Offering does not preclude the Entitled Shareholders of Wasco Berhad from making additional applications for the Issue Shares made available under the Malaysian Public category using the WHITE Application Forms. The last date of acceptance and payment in relation to the Restricted Offering by the Entitled Shareholders of Wasco Berhad is 28 November 2025.

The notice of allotment of the Issue Shares to the Entitled Shareholders of Wasco Berhad under the Restricted Offering will be sent by ordinary mail prior to our Listing. In respect of unsuccessful/partially successful application, the full amount or the surplus application monies, as the case may be, will be refunded to the Entitled Shareholders of Wasco Berhad without interest by ordinary post to the last address maintained by Bursa Depository within 10 Market Days from the date of the final ballot.

The shareholders of Wasco Berhad had approved our Listing, which includes the Restricted Offering at the extraordinary general meeting of Wasco Berhad held on 3 November 2025. The Entitlement Date is 17 November 2025.

(iii) Allocation via balloting to the Malaysian Public

10,000,000 Issue Shares, representing 2.00% of our enlarged issued share capital are reserved for application by the Malaysian Public, of which 5,000,000 Issue Shares or 50.0% of such allocation have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

4. DETAILS OF OUR IPO (Cont'd)

In summary, our IPO Shares will be allocated subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, in the following manner:

Category	Offer for Sale		Public Issue		Total	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
<u>Retail Offering</u>						
Eligible Greenergy Persons:						
- Our Directors	-	-	400,000	0.08	400,000	0.08
- Eligible employees of our Group	-	-	1,970,000	0.39	1,970,000	0.39
Eligible Wasco Persons:						
- Directors of Wasco Berhad	-	-	400,000	0.08	400,000	0.08
- Eligible employees of the Wasco Berhad Group	-	-	2,230,000	0.45	2,230,000	0.45
Entitled Shareholders of Wasco Berhad	-	-	15,500,000	3.10	15,500,000	3.10
Malaysian Public (via balloting)						
- Bumiputera	-	-	5,000,000	1.00	5,000,000	1.00
- Non-Bumiputera	-	-	5,000,000	1.00	5,000,000	1.00
Sub-total	-	-	30,500,000	6.10	30,500,000	6.10
<u>Institutional Offering</u>						
- Bumiputera investors approved by the MITI	18,000,000	3.60	44,500,000	8.90	62,500,000	12.50
- Other Malaysian institutional and selected investors	57,000,000	11.40	-	-	57,000,000	11.40
Sub-total	75,000,000	15.00	44,500,000	8.90	119,500,000	23.90
Total	75,000,000	15.00	75,000,000	15.00	150,000,000	30.00

Note:

(1) Based on the enlarged issued share capital of our Company of 500,000,000 Shares upon Listing.

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.2.8 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

4.2.4 Clawback and reallocation

The Institutional Offering and the Retail Offering will be subject to the following clawback and reallocation provisions:

- (i) if our IPO Shares allocated to Bumiputera investors approved by the MITI ("**MITI Tranche**") are under-subscribed, such IPO Shares shall be allocated to Bumiputera public investors under the Retail Offering via the balloting process as mentioned in Section 4.2.3(iii) of this Prospectus.

If after the above reallocation, the MITI Tranche is still under-subscribed under the Institutional Offering, and there is a corresponding over-subscription for the IPO Shares under the Institutional Offering, our IPO Shares will be clawed back from the MITI Tranche and allocated firstly, to other Malaysian institutional investors under the Institutional Offering, then to other selected investors under the Institutional Offering, and thereafter to the other Malaysian Public under the Retail Offering;

- (ii) if our Issue Shares allocated to the Eligible Greenergy Persons and/or the Eligible Wasco Persons are under-subscribed, such Issue Shares may be allocated to the other Malaysian institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Joint Bookrunners and us;
- (iii) subject to items (i) and (ii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iv) subject to item (ii) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our Issue Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

Any Issue Shares not taken up by the Eligible Greenergy Persons will be made available for application by the other Eligible Greenergy Persons who have applied for excess Issue Shares on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

- (a) firstly, allocation on a pro-rata basis to the Eligible Greenergy Persons who have applied for the excess Issue Shares based on the number of excess Issue Shares applied for; and
- (b) secondly, to minimise odd lots.

Similarly, any Issue Shares not taken up by the Eligible Wasco Persons will be made available for application by the Eligible Wasco Persons who have applied for excess Issue Shares on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

- (aa) firstly, allocation on a pro-rata basis to the Eligible Wasco Persons who have applied for excess Issue Shares based on the number of excess Issue Shares applied for; and

4. DETAILS OF OUR IPO (Cont'd)

(bb) secondly, to minimise odd lots.

Our Board reserves the right to allot the excess Issue Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (b) and (aa) to (bb) above is achieved. Our Board also reserves the right to accept or reject any excess Issue Shares applied for by the Eligible Greenergy Persons and/or the Eligible Wasco Persons, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (b) and (aa) to (bb) above will not be repeated. Should there be any balance of excess Issue Shares thereafter, such balance will be made available for clawback and reallocation as described in item (ii) above. Any Issue Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Joint Underwriters.

To the best of our knowledge and belief, there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

4.2.5 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable Rules of Bursa Depository.

The Offer Shares rank equally in all respects with our other existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders shall, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4. DETAILS OF OUR IPO (Cont'd)

4.2.6 Share capital

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

	No. of Shares	RM'000
After the Pre-IPO Exercise	425,000,000	⁽¹⁾ 162,307
To be issued under our Public Issue	75,000,000	⁽²⁾ 72,790
Enlarged issued share capital upon Listing	500,000,000	235,097

Notes:

- (1) *Includes a provisional fair value adjustment of RM26.8 million relating to the Acquisition under the Pre-IPO Exercise, as set out in Note 4.3.5 to the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position in Section 12.5 of this Prospectus.*
- (2) *Calculated based on the Retail Price and after adjusting against our share capital, the estimated listing expenses of approximately RM2.21 million assumed to be directly attributable to the issuance of new Issue Shares.*

4.2.7 Priority of the offering

In the event the demand for our IPO Shares is less than 150,000,000 IPO Shares, the Public Issue shall take precedence over the Offer for Sale. The demand for our IPO Shares shall be firstly satisfied with the Issue Shares under our Public Issue, and following that, any excess demand will be satisfied with the Offer Shares under the Offer for Sale.

4.2.8 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised under our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by the public shareholders of our Company to comply with the minimum public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.0% of our Shares held by at least 1,000 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. See Section 5.4.5 of this Prospectus for details in the event there is a delay in or termination of our Listing.

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4. DETAILS OF OUR IPO (Cont'd)

4.3 SELLING SHAREHOLDERS

The Offer Shares to be offered by the Selling Shareholders and their direct shareholdings in our Company before and after our IPO and their material relationship with our Group within the Periods Under Review are as follows:

Selling Shareholders	Material relationship with our Group	Shareholding after the Pre-IPO Exercise		Shares offered pursuant to the Offer for Sale		Shareholding after our IPO	
		No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Wasco Berhad	Promoter and Substantial Shareholder	377,693,100	88.87	65,000,000	13.00	312,693,100	62.54
Tema Energy	Substantial Shareholder	47,306,900	11.13	10,000,000	2.00	⁽³⁾ 37,306,900	7.46
Total		425,000,000	100.00	75,000,000	15.00	350,000,000	70.00

Notes:

- (1) Based on our issued share capital of 425,000,000 Shares after the Pre-IPO Exercise.
- (2) Based on our enlarged issued share capital of 500,000,000 Shares upon Listing.
- (3) In accordance with the SSA, the remaining 37,306,900 Shares, representing 7.46% of the enlarged issued share capital of our Company held by Tema Energy upon Listing will be subject to lock-up on a staggered basis for a period of three years from the date of Listing, as follows:

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

Further, the shares in Tema Energy held by all the shareholders of Tema Energy will similarly be subject to the same lock-up period and proportion as above (Year 1 – 100%; Year 2 – 80%, Year 3 – 50%). The shareholders of Tema Energy have agreed to the said lock-up to enable their continued participation in our Group's future plans and long-term growth following the Offer for Sale. The proportion of our Shares subject to the lock-up each year is structured to provide the shareholders of Tema Energy with the opportunity to further monetise our Shares held by them, should they wish to, within three years from the date of Listing.

4. DETAILS OF OUR IPO (Cont'd)

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.4.1 Retail Price

The Retail Price was determined and agreed upon between our Directors and the Selling Shareholders in consultation with the Joint Bookrunners, after taking into consideration the following factors:

- (i) our Group's historical financial performance for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 as set out in Section 12 of this Prospectus and summarised below:

	FYE 31 December			FPE 30 June
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Revenue	266,565	288,844	276,715	126,159
GP	63,252	73,104	77,515	32,271
PAT	25,150	34,941	39,040	7,883

Our Group's growth in revenue and PAT is demonstrated by the positive CAGR of 1.9% and 24.6%, respectively from FYE 31 December 2022 to FYE 31 December 2024;

- (ii) based on our Group's EPS of 7.8 sen derived from our PAT of RM39.0 million for the FYE 31 December 2024 and the enlarged issued Shares of 500,000,000 Shares upon Listing, this will translate into a price-to-earnings multiple of about 12.8 times;
- (iii) our pro forma consolidated NA per Share of RM0.49 after our IPO and use of proceeds as at 30 June 2025 and the enlarged issued Shares of 500,000,000 upon Listing, representing a price-to-book ratio of about 2.0 times;
- (iv) our competitive advantages and key strengths as set out in Section 7.2.1 of this Prospectus;
- (v) our future plans and growth strategies as set out in Section 7.2.2 of this Prospectus;
- (vi) the overview and prospects of the industry in which we operate based on the IMR Report as set out in Section 8 of this Prospectus; and
- (vii) the prevailing market conditions, including but not limited to, the market performance of key indices, companies listed in the renewables energy sector of Bursa Securities and companies involved in similar businesses listed on Bursa Securities as well as investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of:

- (i) the Retail Price; or
- (ii) the Institutional Price.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. See Section 4.4.3 of this Prospectus for details of the refund mechanism.

4. DETAILS OF OUR IPO (Cont'd)

The Final Retail Price and the Institutional Price will be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for our IPO Shares.

4.4.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process commenced on 20 November 2025 and will end on 28 November 2025. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with the Joint Bookrunners on the Price Determination Date.

4.4.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. The refund will be made:

- (i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form; or
- (ii) by crediting into the accounts of the successful applicants with the Participating Financial Institution for applications made via the Electronic Share Application or by crediting into the accounts of the successful applicants with the Internet Participating Financial Institution for applications made via the Internet Share Application,

within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, see Section 15.10 of this Prospectus.

4.4.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing is RM500.0 million.

You should also note that the market price of our Shares upon our Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

4.5 DILUTION

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by retail, institutional and selected investors for our Shares. Our pro forma consolidated NA per Share as at 30 June 2025 after the Pre-IPO Exercise and before adjusting for our IPO was RM0.42, based on 425,000,000 Shares following the Pre-IPO Exercise.

After taking into account our enlarged issued share capital from the issuance of 75,000,000 Issue Shares and after adjusting for the IPO and use of proceeds from our Public Issue, our pro forma consolidated NA attributable to owners of the Company as at 30 June 2025 would be RM246.8 million. This represents an immediate increase in consolidated NA per Share of RM0.07 to our existing shareholders and an immediate dilution in NA per Share of RM0.51 representing 51.0% of the Retail Price and the Institutional Price (assuming the Final Retail Price and the Institutional Price will equal the Retail Price) to the retail/institutional and selected investors.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

Final Retail Price/Institutional Price	RM 1.00
Pro forma consolidated NA per Share as at 30 June 2025 after the Pre-IPO Exercise and before adjusting for our IPO	0.42
Pro forma consolidated NA per Share as at 30 June 2025, after the Pre-IPO Exercise and after adjusting for the IPO and use of proceeds from our Public Issue	0.49
Increase in consolidated NA per Share to our existing shareholders	0.07
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors	0.51
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors as a percentage of the Retail Price/Institutional Price	51.0%

Save as disclosed below, none of our Promoter, Substantial Shareholders, Directors, key senior management, or persons connected to them had acquired, obtained the right to acquire and/or subscribe for our Shares in the past three years up to the LPD:

Date allotted/ transferred	Name	No. of Shares	Allotted/ Transferred	Total consideration (RM)
30 December 2024	Wasco Berhad	⁽¹⁾ 114,990,000	Allotted	114,990,000
28 October 2025	Tema Energy	⁽²⁾ 14,404,000	Allotted	19,301,360
28 October 2025	Wasco Berhad	⁽³⁾ 262,693,100	Allotted	Nil
28 October 2025	Tema Energy	⁽³⁾ 32,902,900	Allotted	Nil

Notes:

- (1) Pursuant to the capitalisation of amounts owing to holding company arising from the acquisition of 100% equity interest in WATSB and 60% equity interest in WTSB following an internal restructuring exercise. Please see transaction no. 9 of Section 10.1.2 of this Prospectus for further details on the internal restructuring exercise.
- (2) Pursuant to the acquisition of the remaining 40% equity interest in WTSB under the Pre-IPO Exercise as set out in Section 4.2.1(i) of this Prospectus.
- (3) Pursuant to the Bonus Issue under the Pre-IPO Exercise as set out in Section 4.2.1(ii) of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

4.6 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM75.0 million⁽¹⁾ in the following manner:

<u>Details of use of proceeds</u>	<u>Estimated timeframe for the use of proceeds upon Listing</u>	<u>RM million</u>	<u>% of total gross proceeds from our Public Issue</u>
1. Business expansion			
(i) Expansion through investments, acquisitions and strategic partnership relating to the ownership and operation of biomass steam power plants ("Asset Ownership")	Within 36 months	38.2	50.9%
(ii) Expansion of our operations in Indonesia	Within 24 months	5.5	7.3%
2. Operational improvement and enhancements			
(i) Capital expenditure for new equipment and machinery, and upgrade of our headquarters	Within 24 months	12.5	16.7%
(ii) Digitalisation of our business systems and processes	Within 36 months	5.0	6.7%
3. Research and development	Within 24 months	4.0	5.3%
4. Estimated listing expenses	Within 3 months	9.8	13.1%
Total		75.0	100.0%

Note:

(1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

The actual proceeds accruing to our Group will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used for our Group's business expansion through Asset Ownership. Conversely, if the actual proceeds are lower than budgeted above, the proceeds allocated for our Group's business expansion through Asset Ownership will be reduced accordingly. If surplus funds are unavailable for any of the categories of use of proceeds mentioned above, our Group may also explore other options, including using our internally generated funds and/or bank borrowings.

In the event the actual gross proceeds raised from our Public Issue are lower, the proceeds will firstly be utilised for item (4) above followed by items (2) and (3) above. The balance, if any, will be utilised for item (1) above.

To the extent that the gross proceeds from our Public Issue are not immediately required for the above purposes, we will place such funds in Shariah-compliant profit-bearing fixed deposit accounts with licensed financial institutions or in Shariah-compliant short-term money market instruments/funds while pending utilisation.

Our Company will not receive any proceeds from the Offer Shares sold by the Selling Shareholders in our IPO. Assuming the Institutional Price will be the same as the Retail Price of RM1.00 per IPO Share, the gross proceeds of up to RM75.0 million from the Offer for Sale will accrue entirely to the Selling Shareholders. The Selling Shareholders will bear their own placement fees in respect of our IPO, which is estimated to be about RM1.4 million. Save for the placement fees in respect of the Offer Shares offered by the Selling Shareholders in our IPO, the rest of the estimated listing expenses will be borne by us. The net proceeds attributable to the Selling Shareholders for the sale of the Offer Shares (after deducting the Selling Shareholders' share of the estimated listing expenses of about RM1.4 million) will be about RM73.6 million.

4. DETAILS OF OUR IPO (Cont'd)

Further details on the use of proceeds from our Public Issue are as follows:

4.6.1 Business expansion

(i) Business expansion through Asset Ownership

Aside from expanding our business through organic growth, we are also exploring opportunities to expand our renewable energy business by adopting an Asset Ownership model to own and operate energy assets, in particular biomass steam power plants and related infrastructure under a Build-Own-Operate (BOO) or Build-Own-Operate-Transfer (BOOT) framework. Under the Asset Ownership model, our Group will:

- (a) own, operate and maintain biomass steam energy systems and auxiliary facilities to provide steam energy to industrial users; and/or
- (b) enter into strategic partnerships or joint ventures to own and operate biomass steam power plants and related energy assets to supply steam and/or produce electricity to the grid.

This is in line with our long-term strategy to transition towards a more stable and recurring revenue model. Based on the outcome of the preliminary feasibility study conducted by our Company and concluded in February 2025, the estimated capital expenditure (including land costs) for a 30 TPH plant is about RM40 million – RM45 million and 70 TPH plant is about RM65 million – RM75 million. See Section 7.2.2.1 of this Prospectus for further details on our strategies relating to our renewable energy business expansion.

Depending on the opportunities available at such point in time, we intend to fund our expansion through Asset Ownership via a combination of the proceeds from the Public Issue, internally generated funds and/or bank borrowings.

Accordingly, we have allocated RM38.2 million or 50.9% of our gross proceeds from the Public Issue to invest in and/or selectively pursue acquisitions, strategic partnerships and/or joint ventures in respect of projects or businesses through an Asset Ownership model. Any opportunity to own and operate a biomass steam power plant to supply steam and/or produce electricity to the grid is expected to be undertaken via a strategic partnership or joint venture with a feedstock supplier, industrial customers or an existing proven operator of a steam power plant.

Such investment(s) is expected to strengthen our business reputation by demonstrating our commitment to the renewable energy transition through directly participation in clean energy generation, positioning us not only as a service provider but also as an asset owner and operator. This strategic involvement enhances our credibility with industrial stakeholders and potential clients, enabling us to offer end-to-end energy solutions, from design and EPCC to operation and supply of steam or electricity. Ownership of these assets provides a catalyst for a new complementary business stream to our Group which will diversify our Group's earnings by shifting part of our business model from project-based revenue to recurring income through long-term steam supply or electricity purchase agreements, thereby improving earnings visibility and financial resilience.

When evaluating such opportunities, we will also consider factors such as the acquisition of capabilities, skills, technology and/or operational processes which are synergistic to our business. While this represents a new revenue model for our Group, we have built relevant operational experience over the years through our EPCC and maintenance services for biomass steam power plants. We have designed, fabricated, and installed steam energy systems for various industrial clients in the region.

4. DETAILS OF OUR IPO (Cont'd)

This hands-on experience, combined with our project management expertise, technical know-how, and a skilled in-house team of engineers and commissioning personnel, provides a solid foundation for transitioning into Asset Ownership. Furthermore, we plan to address any capability gaps by partnering with established operators or feedstock providers, leveraging on their operational expertise where appropriate.

On 25 July 2025, we had submitted a binding offer to acquire a share in a joint venture that owns and operates a biomass power plant in Malaysia. This joint-venture opportunity, currently under evaluation, is structured under the BOO model. On 21 October 2025, the vendor has informed that they are still in the process of evaluating the offers received and a decision is expected to be made by the first quarter of 2026. Should our offer be successful, we intend to enter into negotiations with the vendor to execute a definitive agreement in relation to the said acquisition. Subject to the timing of the transaction and the availability of financing facilities at the relevant time, the acquisition may be funded through a combination of the proceeds from the Public Issue, internally generated funds and/or bank borrowings. Following our Listing, we will make the necessary announcements on any material developments in relation to the said acquisition, if required, in accordance with the Listing Requirements. Where shareholders' approval is required pursuant to the Listing Requirements, such approval will be sought accordingly.

Save for the above, we have not identified any other suitable investments relating to Asset Ownership as at the LPD. Our Board will evaluate the opportunity, while making sure that any investment, acquisition or partnership in the joint venture is commercially viable and accretive to our Group.

In the event the abovementioned acquisition is not successful and we are unable to identify other suitable investment opportunity relating to Asset Ownership within the specified timeframe, we may consider extending the timeline or reallocate the proceeds for other purposes. In such an event, we will seek shareholders' approval accordingly, if required under the Listing Requirements, for such variation.

(ii) Expansion of our operations in Indonesia

In order to strengthen our market presence in Indonesia, we intend to establish a new sales office in Jakarta and two additional service centres in Pekanbaru and Sulawesi. This will allow our Group to capitalise on potential business opportunities in the EPCC of steam energy systems and auxiliary facilities and respond more promptly to requests from customers in its key market. Having a sales office in Indonesia enables us to engage directly with prospective clients, better understand local market dynamics and navigate local regulatory and environmental requirements more effectively. Further, these new locations will supplement our existing service centres in Medan and Banjarbaru, enabling better national coverage and faster response time across key industrial and plantation zones in Indonesia.

The selection of Jakarta, Pekanbaru, and Sulawesi for the establishment of our new sales office and service centres is based on commercial, operational, and strategic considerations aligned with market demand and customer concentration:

- (a) Jakarta, as Indonesia's administrative and commercial hub, hosts the headquarters of numerous industrial conglomerates and plantation companies. Establishing a sales office in Jakarta will enhance our ability to engage directly with decision-makers and potential clients at the corporate level;
- (b) Pekanbaru, located in Riau province, one of the largest oil palm producing regions in Indonesia, hosts many of our current and prospective clients in the palm oil sector. A service centre in Pekanbaru will enable timely responses to customer needs and reduce travel time for field technician deployments; and

4. DETAILS OF OUR IPO (Cont'd)

- (c) Sulawesi, particularly South Sulawesi, is an emerging industrial and agribusiness corridor with increasing demand for energy infrastructure. Our service centre there is intended to capture growth opportunities in the steam energy and biomass sectors and support future projects across eastern Indonesia.

Accordingly, we have allocated RM5.5 million or 7.3% of the gross proceeds from our Public Issue to fund the expansion of our operations in all three new locations in Indonesia within the next 24 months upon Listing, details of which are as follows:

Details	Total estimated cost (RM'000)
Rental for sales office and two service centres (estimated for 12 months)	1,040
Renovation expenses and administrative costs such as license application and utilities setup	572
Purchase of equipment such as computers, diagnostic tools, furniture and fittings	500
Staff costs ⁽¹⁾	2,400
Purchase of six field service vehicles and one logistic vehicle	988
	5,500

Note:

- (1) Staff costs comprise the estimated salary (12 months) for an estimated total of 42 personnel, allocated as follows:

Location	Remarks	Estimated number of personnel
Sales office in Jakarta	Country manager, business development/sales team, and administrative staff	8
Service centre in Pekanbaru	Branch manager, technical, and support staff	17
Service centre in Sulawesi	Branch manager, technical, and support staff	17

As at the LPD, no amount has been incurred for this expansion plan as we have not commence the process of identifying any suitable properties for our new sales office or service centres. As such, the total estimated cost for the expansion of our operations in Indonesia was computed based on internal management estimates. These costs will be funded entirely using the proceeds from the Public Issue.

The proceeds of our IPO will be denominated in RM whilst the use of proceeds for the expansion of our operations in Indonesia are in IDR. If the actual RM payment amount required as at the payment date is higher than the RM amount set out above due to movements in exchange rate, the deficit will be funded out of the amount allocated for our Group's business expansion through Asset Ownership. However, if the actual RM amount required as at the payment date is lower than the RM amount set out above due to movements in exchange rate, the excess will be used for our Group's business expansion through Asset Ownership. In the event there is a concurrent shortfall in the funding requirements for our Group's business expansion through Asset Ownership, any deficit in the funding requirements for the expansion of our operations in Indonesia will be funded through internally generated funds and/or bank borrowings.

Barring any unforeseen circumstances, the establishment of our sales office is expected to be completed within 12 months following our Listing, while the service centres are expected to be fully established within 24 months after Listing.

See Section 7.2.2.2 of this Prospectus for further details.

4. DETAILS OF OUR IPO (Cont'd)

4.6.2 Operational improvement and enhancements

(i) Capital expenditure for new equipment and machinery, and upgrade of our headquarters

As we expand our business across Malaysia and Indonesia and into regional markets, it is essential for us to upgrade and enhance our existing infrastructure, equipment and machinery to maintain competitiveness, meet customer expectations and ensure alignment with evolving sustainability requirements.

In this regard, we have allocated RM12.5 million or 16.7% of the gross proceeds from our Public Issue on capital expenditure for the purchase of new equipment and machinery, and upgrade of our headquarters in Shah Alam, Selangor, Malaysia, the breakdown of which is as follows:

Details	No. of units	Total estimated cost (RM'000)
Purchase of equipment and machinery:		
- Rolling machine	1	2,500
- Cutting machine	1	1,500
- Milling machine	2	1,000
- Automatic drilling machine	1	2,000
- Automatic welding machine	2	1,000
- Membrane wall welding machine	1	1,500
Upgrade of headquarters (renovation works including general facility upgrades and modernisation)	-	3,000
		12,500

These new equipment and machinery are intended to replace and refurbish our Group's ageing equipment and machinery in WATSB and WTSB's factories, some of which have been in operation for over a decade and are facing wear and tear or obsolescence. Where applicable, such replacement upgrades will also integrate automation technologies to improve operational efficiency and production consistency as well as reduce carbon intensity. Further, these enhancements are expected to support our Group's ability to meet stringent customer and regulatory requirements, while improving productivity and cost efficiency.

The renovation cost (including general facility upgrades and modernisation) for our headquarters was estimated based on contractor's quotations received. Such renovation upgrade is intended to ensure that we have adequate space and infrastructure to cater for the increased operational requirements of our Group. This, in turn, is expected to result in enhanced building functionality and efficiency, revitalised workspaces, and a strengthened corporate image, ultimately improving employee productivity, and creating a positive impression for our clients and stakeholders.

As at the LPD, no amount has been incurred for the abovementioned capital expenditure and we have not entered into any purchase orders for the purchase of these new machinery and equipment as well as for the upgrade of our headquarters. The costs for the purchase of new equipment and machinery, and upgrade of our headquarters will be funded entirely using the proceeds from the Public Issue. Any deficit in the funding requirements for the purchase of new machinery and equipment as well as for the upgrade of our headquarters arising from the shortfall in the gross proceeds from the Public Issue will be funded through internally generated funds and/or bank borrowings.

See Section 7.2.2.3 of this Prospectus for further details.

4. DETAILS OF OUR IPO (Cont'd)

(ii) Digitalisation of our business systems and processes

Our Company has plans to digitalise some of its existing business systems and processes which are currently operating on standalone systems or manual basis. As our Group continues to expand its operations and customer base, we recognise that the integration of digital tools and AI is essential to future-proof our operations, improve decision-making, and enhance operational efficiency. The integration of digital tools and AI to future-proof our operations enables us to better manage complexity, increase agility, and strengthen our resilience in a rapidly evolving digital landscape and meet changing customer expectations by:

- (a) accessing real-time project and inventory data for faster, data-driven decisions;
- (b) standardising workflows across geographies and functions to ensure operational consistency;
- (c) reducing manual errors, increasing traceability, and enhancing internal controls; and
- (d) leveraging predictive analytics and AI to optimise resource utilisation, detect early operational deviations, and provide actionable performance insights.

In this regard, we plan to implement selected digitalisation initiatives to streamline and automate key business functions. While our current investment in this space is modest, it reflects the first phase of a broader and deliberate transformation roadmap.

The initial focus will be on digitalising key business functions that are still reliant on manual processes or standalone systems. These include project execution, inventory management, after-sales management, ERP and cybersecurity with the objective of laying the groundwork for smarter operations, more transparent reporting, better resource optimisation and even evolving into generation of actionable insights with AI recommendations.

We have allocated RM5.0 million or 6.7% of the IPO proceeds for this purpose, to be deployed over a 36-month period. The intent is not to build everything at once, but to establish foundational digital infrastructure with scalable, interoperable systems that meets the Group's business needs.

Our Group intends to outsource the digital integration and system development to specialised third-party vendors, while retaining strategic oversight and internal ownership of system requirements and change management. This hybrid approach allows us to leverage the technical capabilities of established solution providers, while ensuring the solutions are tailored to our industry-specific needs. Key modules including ERP, field service, and inventory, will be sourced from reputable software providers, with AI analytics integration to be implemented in phases based on system readiness and data maturity. Internal resources will coordinate implementation efforts and ensure alignment with operational requirements.

The integration of our existing management systems with AI analytics is expected to enhance our operational productivity and efficiency as well as improve our financial management through making better-informed decisions in our day-to-day operations.

4. DETAILS OF OUR IPO (Cont'd)

The breakdown of the use of proceeds for the digitalisation of our business systems and processes is as follows:

Details	Total estimated cost (RM'000)
Integration of AI systems (including software) and analytics tool	1,700
System implementation and migration	1,000
Investment in cybersecurity	800
Integration of ERP systems and software	1,000
	4,500

The remaining RM0.5 million will be utilised for the various hardware requirements in order to undertake the above.

The costs above were estimated based on internal management estimates as well as historical pricing quotes available as we have yet to engage any particular service provider. Such costs are expected to be utilised over a period of three years and it includes licences, services and maintenance cost for the following year. As at the LPD, we have not incurred any cost relating to our digitalisation plans mentioned above as we are still considering a few AI systems. Upon our Listing, we will commence the first phase of our digitalisation initiatives and fund these using proceeds from the Public Issue as mentioned above. Any deficit in the funding requirements for the digitalisation of our business systems and processes arising from the shortfall in the gross proceeds from the Public Issue will be funded through internally generated funds and/or bank borrowings.

See Section 7.2.2.4 of this Prospectus for further details.

4.6.3 Research and development

Historically, our R&D-related activities have been embedded as part of our project development and engineering efforts, and were expensed directly through project costs. While not tracked as standalone R&D expenditure, these efforts have enabled us to optimise system design and operational performance across various project applications.

Accordingly, we believe that further investments into R&D would enable us to provide better solutions to our customers. The allocation of RM4.0 million or 5.3% of the gross proceeds from our Public Issue towards R&D will allow us to, amongst others, invest in prototypes and carry out the necessary testing with the aim to develop new equipment and/or design new steam energy systems with improved fuel flexibility, energy efficiency and modularity to meet the evolving industrial decarbonisation needs. This also includes the need to design and test various materials of high temperature resistant alloys and composites to ensure functionality and compatibility for use in these new products.

If successful, these new systems are expected to be more versatile, easy to transport, compact and smaller in size compared to the conventional steam energy systems.

In addition, we plan to expand our R&D to explore the use of advanced, sustainable biomass feedstocks that comply with more stringent emissions and sustainability standards. This includes studying alternative feedstock types that offer improved combustion efficiency, greater consistency in performance, and lower lifecycle emissions. The goal is to ensure our systems remain adaptable, efficient, and compliant with a broader range of customer requirements in diverse market environments.

To remain competitive in the industry, we will also explore certifications for our new products, where relevant, to ensure that they meet global standards and the required regulatory compliance.

4. DETAILS OF OUR IPO (Cont'd)

We do not intend to set up a dedicated R&D department at this juncture and will continue to leverage on our existing technical team, which is responsible for enhancing and improving the performance of our products and solutions. This team plays a central role in developing and refining steam energy system designs, incorporating customer feedback, and applying engineering innovations to meet evolving operational requirements.

The allocation of such proceeds will support our technical team's ongoing efforts to strengthen our technical capabilities, improve project outcomes, and respond effectively to emerging industry demands. Our technical team works closely with our project development, engineering, and sustainability functions to ensure that design improvements are commercially viable, performance-tested, and aligned with our Group's broader business objectives.

Any deficit in the funding requirements for our R&D arising from the shortfall in the gross proceeds from the Public Issue will be funded through internally generated funds and/or bank borrowings.

4.6.4 Estimated listing expenses

We estimate that about RM9.8 million or 13.1% of the total gross proceeds from our Public Issue will be used for our listing expenses, details of which are as follows:

Details	RM'000	% of total gross proceeds from the Public Issue
Professional fees	5,140	6.9
Fees to authorities	510	0.7
Brokerage, underwriting and placement fees	1,590	2.1
Marketing related expenses such as printing, advertising, travel and roadshow expenses	1,200	1.6
Miscellaneous expenses and contingencies ⁽¹⁾	1,360	1.8
Total	9,800	13.1

Note:

(1) *This includes other incidental charges or related expenses in connection with our Public Issue, such as fees to be paid to the translator, share registrar, issuing house and funds reserved for contingency purposes.*

If the actual amount of our listing expenses is higher than estimated, the deficit will be funded via our internally generated funds. However, if the actual listing expenses are lower than estimated, the excess will be used for the Group's business expansion through Asset Ownership.

4. DETAILS OF OUR IPO (Cont'd)

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.7.1 Brokerage fee

We will pay brokerage in respect of our Issue Shares under the Retail Offering at the rate of 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholders.

4.7.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, the Managing Underwriter and the Joint Underwriters have agreed to underwrite our Issue Shares under the Retail Offering for an underwriting commission of up to 1.25% (exclusive of applicable tax) of the Retail Price multiplied by the total number of Issue Shares underwritten under the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

4.7.3 Placement fee

The Selling Shareholders for the Offer Shares and us for the Issue Shares will pay the Joint Bookrunners a placement fee and selling commission of up to 1.25% (exclusive of applicable tax) and may pay the Joint Bookrunners a discretionary fee of up to 0.5% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to Malaysian institutional and selected investors in accordance with the terms of the Placement Agreement.

4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

4.8.1 Underwriting

We and the Selling Shareholders have entered into the Retail Underwriting Agreement with the Managing Underwriter and the Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite 30,500,000 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.7.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

- (i) the underwriting obligations of the Managing Underwriter and Joint Underwriters are subject to certain conditions precedent which must be fulfilled or waived on or before the date specified or if none is stated, on or before the closing date of the Retail Offering ("**Closing Date**"), as stated in this Prospectus. To the extent permitted by law, the Joint Underwriters may at their sole discretion, waive the compliance with any of the conditions precedent or extend the deadline for the compliance with any of the same;
- (ii) the Joint Underwriters may at any time before the date of Listing, terminate, cancel and withdraw their respective underwriting commitment by giving written notice to our Company, if:

4. DETAILS OF OUR IPO (Cont'd)

- (a) there is any breach or failure on the part of our Company to perform any obligations contained in this Agreement which would have, or is likely to have a **“Material Adverse Effect”** (being any event, development or occurrence, or series of events, developments or occurrences, which, in the sole opinion of the Joint Underwriters, have or could be expected to have a material adverse effect (including any prospective material adverse effect) or change, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on any of the following: (A) the condition (financial or otherwise), contractual commitments, management, general affairs, business, assets, liquidity, liabilities, prospects, earnings, undertakings, shareholders' equity, properties or results of operations of our Group, taken as a whole or our Company; (B) the ability of our Company or any of the Selling Shareholders to perform our or their obligations under or with respect to, or to consummate the transactions contemplated by, this Prospectus, or the Placement Agreement, the lock-up letter or the Retail Underwriting Agreement (collectively, the **“Transaction Agreements”**); (C) the ability of our Company or any of our subsidiaries to conduct our businesses and to own or lease our assets and properties as described in this Prospectus; (D) our IPO including but not limited to the success of our IPO or the distribution or the sale of our IPO Shares pursuant to our IPO);
- (b) there is an occurrence of any event or discovery of any fact or circumstances rendering any of the warranties set out in the Retail Underwriting Agreement untrue, inaccurate, incorrect or misleading or false or any of the undertakings made by our Company under the Retail Underwriting Agreement not complied with, breached and/or failed to be performed in any respects;
- (c) our Company withholds any information from the Managing Underwriter and the Joint Underwriters which would have, or is likely to have a Material Adverse Effect;
- (d) in the sole and reasonable opinion of the Joint Underwriters, acting bona fide and after consultation with our Company (where practicable), there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Joint Underwriters by reason of Force Majeure (as defined herein) which would have a Material Adverse Effect or which would have or is likely to have the effect of making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms. **“Force Majeure”** means causes which are unpredictable and beyond the reasonable control of the party claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:
 - (1) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of a hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;
 - (2) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military takeover or usurped power;
 - (3) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, or other acts of God; or

4. DETAILS OF OUR IPO (Cont'd)

- (4) any local, national or international occurrence or outbreak of disease, or pandemic (including any material worsening of the existing COVID-19 pandemic or endemic), epidemic, the imposition of lockdowns or similar measures to control the spread of any epidemic, any outbreak or material escalation of hostilities or national emergency, whether war has been declared or not, or insurrection or armed conflict or terrorist event (whether or not involving financial markets), the occurrence of any other calamity or crisis or emergency or any event or series of events in the nature of force majeure, or deterioration of any such condition;
- (e) there shall have occurred any government requisition or other events whatsoever which would have or is likely to have a Material Adverse Effect;
- (f) there shall have occurred any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which would have a Material Adverse Effect, or would have or is likely to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market) on the value or price of our IPO Shares. For the avoidance of doubt, and without prejudice to the foregoing, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
- (1) on or after the date of the Retail Underwriting Agreement; and
 - (2) prior to the Closing Date,
- lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (g) trading in shares or securities generally on Bursa Securities, the Singapore Exchange Securities Trading Limited or the Hong Kong Stock Exchange has been restricted or suspended or minimum prices have been established on Bursa Securities, the Singapore Exchange Securities Trading Limited or the Hong Kong Stock Exchange for three (3) consecutive Market Days or more;
- (h) there shall have been announced or carried into force any new law or change in law in any jurisdiction, interpretation or application by any court or the relevant authorities which may: (i) have a Material Adverse Effect; or (ii) in the sole and reasonable opinion of the Joint Underwriters, acting bona fide and after consultation with our Company (where practicable) prejudice the success of our IPO or the Listing or which would have or is likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer our Shares or making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;
- (i) our IPO is stopped or delayed by our Company or any relevant authorities for any reason whatsoever (unless such delay has been approved by the Managing Underwriter after consultation with the Joint Underwriters);
- (j) the Closing Date does not occur by 28 November 2025 or such other extended date as may be agreed in writing by the Managing Underwriter after consultation with the Joint Underwriters;

4. DETAILS OF OUR IPO (Cont'd)

- (k) the Listing does not take place by 17 December 2025 or such other extended date as may be agreed in writing by the Manging Underwriter after consultation with the Joint Underwriters;
- (l) any commencement of legal proceedings, formal investigations, enquiries or action against any member of our Group or any of our Group's directors or executive officers, which would have or is likely to have a Material Adverse Effect or in the sole and reasonable opinion of the Joint Underwriters, acting bona fide and after consultation with our Company (where practicable) make it impracticable to market our IPO or to enforce contracts to allot and/or transfer our IPO Shares;
- (m) any one of the Transaction Agreements (i) having been terminated or rescinded in accordance with its terms thereof; (ii) ceases to have any effect whatsoever, or (iii) is varied or supplemented upon its terms and such variation or supplementation would have a Material Adverse Effect;
- (n) any of the resolutions or approvals in relation to, among others, our IPO, the Listing, the transactions contemplated by each of the same (including the execution of the Retail Underwriting Agreement), the allotment and issue of our Issue Shares and the issuance, registration and lodgement of this Prospectus, is revoked, withdrawn, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms which would have a Material Adverse Effect;
- (o) in the event the Listing is revoked, withdrawn or not procured or procured but subject to conditions not acceptable to the Joint Underwriters;
- (p) if the SC or any other relevant authority issues an order pursuant to Malaysian law such as to make it impracticable to market our IPO or to enforce contracts to allot and/or transfer our IPO Shares;
- (q) any statements of a material fact contained in this Prospectus and the application forms for our Issue Shares under the Retail Offering accompanying this Prospectus ("**Offer Documents**") has become or been discovered to be untrue, inaccurate or misleading in any respect, or matters have arisen or have been discovered which would, if any of the Offer Documents were to be issued at that time, constitute a material omission therefrom;
- (r) in the sole and reasonable opinion of the Joint Underwriters, acting bona fide and after consultation with our Company (where practicable), there is a change or development in taxation in Malaysia or China or an announcement of such change or development which would have or likely to have a Material Adverse Effect;
- (s) a banking moratorium has been declared by the relevant authorities in Malaysia, Singapore, or Hong Kong, or a material disruption of commercial banking activities or securities settlement or clearance services has occurred in Malaysia, Singapore, or Hong Kong;
- (t) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in any securities of our Company or of any affiliate of our Company listed or quoted on a stock exchange or an over-the-counter market;

4. DETAILS OF OUR IPO (Cont'd)

- (u) if our Company or the Selling Shareholders, as applicable, are prohibited by any applicable laws from issuing or selling our IPO Shares pursuant to the terms of the Offer Documents, the Placement Agreement or the Retail Underwriting Agreement; or
- (v) any other event in which a Material Adverse Effect having occurred or which, in the reasonable opinion of the Joint Underwriters is likely to occur.

4.8.2 Placement

We and the Selling Shareholders expect to enter into the Placement Agreement with the Joint Bookrunners in relation to the placement of up to 119,500,000 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus. We and the Selling Shareholders will be requested to give various representations, warranties and undertakings, and to indemnify the Joint Bookrunners against certain liabilities in connection with our IPO. The terms of the Placement Agreement are subject to negotiations and may include termination events that are different from those under the Retail Underwriting Agreement as set out in Section 4.8.1 of this Prospectus.

4.8.3 Lock-up arrangement

4.8.3.1 Lock-up arrangements under the lock-up letter issued by our Company to the Joint Bookrunners

- (i) We have agreed that, subject to offerings under our IPO and certain exceptions, we shall not without the prior written consent of the Joint Bookrunners, on and from the date of the lock-up agreements until the date falling six months from the date of Listing ("**Listing Date**") (the "**Lock-Up Period**"), directly or indirectly, conditionally or unconditionally:
 - (a) (i) issue, allot, offer, pledge, sell, offer to sell, contract or agree to sell, assign, issue or sell or grant or agree to grant any option, right, warrant or contract to purchase or create security over, purchase any option or contract to sell, hypothecate or create any encumbrance over, lend or otherwise transfer or dispose of, or agree to transfer or dispose of, directly or indirectly, conditionally or unconditionally, any new or existing Shares or any securities convertible into or exercisable or exchangeable for Shares or any securities substantially similar to our Shares (or any interest therein or in respect thereof), including any Shares held in treasury, that are not owned or hereafter acquired held by our Company or with respect to which our Company has or hereafter acquires the power of disposition; or (ii) enter into any swap, hedge or derivative or any other arrangement or agreement or any transaction that transfers, in whole or in part, any of the economic consequence of ownership of our Shares or any securities convertible into or exercisable or exchangeable for Shares or any securities that represent the right to receive or are substantially similar to our Shares, whether any such swap or transaction described in clauses (i) and (ii) above is to be settled by the delivery of any Shares or such other securities, in cash or otherwise;
 - (b) deposit any Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, our Shares) in any depository receipt facilities;

4. DETAILS OF OUR IPO (Cont'd)

- (c) do or announce any intention to do any of the above or an offering or sale of any Shares (or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Shares (or any interest therein or in respect thereof));
- (d) take any action in connection with any Shares which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of our Shares; or
- (e) enter into or effect any transaction with the same economic effect as any transactions described in Section 4.8.3.1(i)(a) to (d) above.

4.8.3.2 Lock-up arrangements under the lock-up agreements entered into between our Company with each of Tema Energy and the individual shareholders of Tema Energy in relation to the lock-up arrangement under the SSA

- (i) Tema Energy has agreed and provided an undertaking to our Company that it will not and shall procure that its subsidiaries, affiliates, nominees or trustees holding Shares on trust for or on its behalf shall not, directly or indirectly, conditionally or unconditionally:
 - (a) (A) issue, allot, offer, pledge, sell, offer to sell, contract or agree to sell, assign, issue or sell or grant or agree to grant any option, right, warrant or contract to purchase or create security over, purchase any option or contract to sell, hypothecate or create any encumbrance over, lend or otherwise transfer or dispose of, or agree to transfer or dispose of, directly or indirectly, conditionally or unconditionally, any Shares (or any securities convertible into or exercisable or exchangeable for Shares or any securities substantially similar to the Shares), including any Shares held in treasury, that are now owned or hereafter acquired by Tema Energy or with respect to which Tema Energy has or hereafter acquires the power of disposition (any such Shares or interests therein now held or hereafter acquired, the "**Lock-Up Shares**"), or (B) enter into any swap, hedge or derivative or any other arrangement or agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequence of ownership of the Lock-Up Shares or any securities convertible into or exercisable or exchangeable for Lock-Up Shares or any securities that represent the right to receive or are substantially similar to the Lock-Up Shares, whether any such swap or transaction described in clauses (A) or (B) above is to be settled by delivery of Lock-Up Shares or such other securities, in cash or otherwise, provided that the foregoing shall not apply to any Shares being offered and sold by Tema Energy in connection with our IPO;
 - (b) deposit any Lock-Up Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Lock-Up Shares) in any depository receipt facilities;
 - (c) sell, transfer or otherwise dispose of any interest in any shares or other equity interests in any company or other entity controlled by it which is directly, or through another company or other entity indirectly, the beneficial owner of any Lock-Up Shares;

4. DETAILS OF OUR IPO (Cont'd)

- (d) do or announce any intention to do any of the above or an offering or sale of any Lock-Up Shares (or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Lock-Up Shares (or any interest therein or in respect thereof));
- (e) take any action in connection with any Shares which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of the Shares; or
- (f) enter into or effect any transaction with the same economic effect as any transactions described in paragraph (i)(a), (b) and (c) above.

The "**Lock-Up Period**" shall be on a staggered basis, as provided below or with the prior written consent of our Company:

Period	Percentage of Lock-Up Shares under Lock-Up	No. of Lock-Up Shares under Lock-Up
Year 1: Commencing from the date of Listing up to the first anniversary of the date of Listing (" 1st Anniversary Date ")	100%	37,306,900
Year 2: Commencing from the date immediately after the 1 st Anniversary Date up to the second anniversary of the date of Listing (" 2nd Anniversary Date ")	80%	29,845,520
Year 3: Commencing from the date immediately after the 2 nd Anniversary Date up to the third anniversary of the date of Listing	50%	18,653,450

- (ii) Each of the individual shareholders of Tema Energy have also agreed and provided an undertaking to our Company that save in relation to our IPO, for a period beginning on the date of Listing and ending on, and including, the date that is three years after the date of Listing ("**Lock-Up Period**") that they will not and shall procure that their affiliates and nominees or trustees holding any shares in Tema Energy ("**Tema Shares**") on trust for or on their behalf shall not, directly or indirectly, conditionally or unconditionally:
- (a) (A) issue, allot, offer, pledge, sell, offer to sell, contract or agree to sell, assign, issue or sell or grant or agree to grant any option, right, warrant or contract to purchase or create security over, purchase any option or contract to sell, hypothecate or create any encumbrance over, lend or otherwise transfer or dispose of, or agree to transfer or dispose of, directly or indirectly, conditionally or unconditionally, any Tema Shares (or any securities convertible into or exercisable or exchangeable for Tema Shares or any securities substantially similar to the Shares), including any Tema Shares held

4. DETAILS OF OUR IPO (Cont'd)

in treasury, that are now owned or hereafter acquired by the individual shareholder or with respect to which the individual shareholder has or hereafter acquires the power of disposition (any such Tema Shares or interests therein now held or hereafter acquired, the "**Lock-Up Shares**"), or (B) enter into any swap, hedge or derivative or any other arrangement or agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequence of ownership of the Lock-Up Shares or any securities convertible into or exercisable or exchangeable for Lock-Up Shares or any securities that represent the right to receive or are substantially similar to the Lock-Up Shares, whether any such swap or transaction described in clauses (A) or (B) above is to be settled by delivery of Lock-Up Shares or such other securities, in cash or otherwise;

- (b) deposit any Lock-Up Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Lock-Up Shares) in any depository receipt facilities;
- (c) sell, transfer or otherwise dispose of any interest in any shares or other equity interests in any company or other entity controlled by it which is directly, or through another company or other entity indirectly, the beneficial owner of any Lock-Up Shares;
- (d) do or announce any intention to do any of the above or an offering or sale of any Lock-Up Shares (or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Lock-Up Shares (or any interest therein or in respect thereof));
- (e) take any action in connection with any Tema Shares which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of the Shares; or
- (f) enter into or effect any transaction with the same economic effect as any transactions described in paragraph (ii)(a), (b) and (c) above.

The "**Lock-Up Period**" shall be on a staggered basis, as provided below or with the prior written consent of our Company:

Period	Percentage of Lock-Up Shares under Lock-Up
Year 1: Commencing from the date of Listing up to the first anniversary of the date of Listing (" 1st Anniversary Date ")	100%
Year 2: Commencing from the date immediately after the 1 st Anniversary Date up to the second anniversary of the date of Listing (" 2nd Anniversary Date ")	80%

4. DETAILS OF OUR IPO (Cont'd)

Year 3: Commencing from the date immediately after the 2 nd Anniversary Date up to the third anniversary of the date of Listing	50%
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4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective securities accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities about 10 Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

5. RISK FACTORS

An investment in our Shares involves a number of risks. Prospective investors should rely on their own evaluation and carefully consider all the information contained in this Prospectus, including the risks described below before deciding to invest in our Shares. If any of the risks described below actually occurs, our business, performance, financial condition, results of operations and prospects could be negatively affected, the trading price of our Shares, if any, could decline and investors may lose all or part of their investment.

5.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

5.1.1 Our business and financial performance are dependent on our ability to secure new projects and grow our order book

We generate revenue from steam energy systems and auxiliary facilities through fixed lump-sum contracts and from steam turbine generator systems and palm oil milling equipment through confirmed purchase orders or similar agreements. These revenue streams are generally one-off in nature, and do not continue after installation, handover, or delivery to our customers. Notwithstanding that our after-sales revenue is driven by returning customers who purchased our systems, these are also carried out based on purchase orders as we do not enter into after-sales maintenance contracts with our customers.

Consequently, the sustainability of our business and financial performance depends on our ability to consistently secure new contracts and/or orders to maintain our order book.

As at the LPD, our outstanding order book stands at RM249.0 million, to be recognised within the next three financial years, up to FYE 31 December 2027.

We intend to continue submitting proposals and quotations to secure new contracts and orders. However, there can be no assurance that our current order book can be sustained in the future and there can be no certainty that projects from our order book will not be delayed or terminated and we may face a situation or inability to secure new contracts which in turn may adversely affect our profitability and financial performance.

5.1.2 Our business and financial performance may be affected by delays in project implementation and completion, delivery of orders or early termination or suspension of projects

Our EPCC projects, particularly for steam energy systems and auxiliary facilities which include design verification, fabrication of parts and components, on-site assembly and installation, and commissioning, generally require us to comply with specific milestones and delivery timelines. Any delays in meeting these timelines may have a negative impact, such as delay in recognising revenue and project cost overrunning. Such delays may also result in our customers reducing our scope of work or terminating our contracts or orders which may adversely affect our financial conditions and operation results.

Additionally, certain contracts or secured orders of ours contain provisions for liquidated ascertained damages (LAD). If we fail to complete our projects by the contracted completion date or delivery due date or any agreed extensions to the same, we may be liable to pay LAD. Such delays may also affect our relationships with customers negatively and damage our reputation, thereby affecting our ability to secure future projects. Any imposition of LAD may also impact our profitability negatively.

Project execution may be delayed due to various factors, such as, delays in site handover, unforeseen site conditions, engineering or safety issues, on-site accidents, delays in material delivery, shortages in labour supply, delays by subcontractors, or adverse changes in government policies, including restrictions on the employment of foreign workers in countries we operate.

We did not incur any LAD for our EPCC projects during the Periods Under Review and up to the LPD. However, there can be no assurance that we will not face project delays or be subject to LAD claims in the future.

5. RISK FACTORS (Cont'd)

We may also experience early termination or suspension of work on projects for unforeseen reasons prior to completing our scope of work. Such termination or suspension may arise due to a range of factors, including on-site accidents, safety concerns, non-performance by a party, insolvency, payment defaults, changes in the customer's plans, downturn in the economy, our failure to meet contractual obligations, mutual termination or suspension by parties, or circumstances beyond a party's control.

Such termination or suspension may have a negative impact on our financial performance if we are unable to recover billed expenses or revenue. During the Periods Under Review and up to the LPD, a biomass steam energy project between our customer and its client was mutually suspended. The suspension was mutually agreed upon between the parties following a prolonged deferment of the project, which rendered the original price no longer valid due to increased project costs. Notwithstanding the suspension, we have agreed with our customer to settle the outstanding amount due to us under the contract by way of instalments. As such, the suspension is not expected to have any material impact on our business operations or financial performance. In addition, the suspension did not give rise to any contractual disputes or penalties.

Notwithstanding, there is no assurance that we will not in future experience termination of projects or suspension of our work which will adversely affect on our business operations and financial performance.

5.1.3 Our business is dependent on the performance of the industries in which our customers are operating

A significant portion of our revenue is from our customers in the palm oil industry, followed by other industrial sectors such as paper manufacturing and sugar refining. Accordingly, any downturn or slowdown in our customer's industry, in particular, the palm oil industry in the countries we serve, namely, Malaysia and Indonesia, may result in a lower demand for our products and services which may in turn adversely affect our business operations and financial performance.

The palm oil industry activity is influenced by several external factors, including:

- (i) global demand for edible oils and biofuels;
- (ii) fluctuations in crude palm oil prices;
- (iii) investment levels in palm oil processing infrastructure;
- (iv) geopolitical developments such as changes in trade policies and international market access; and
- (v) environmental concerns and sustainability requirements such as compliance with Roundtable on Sustainable Palm Oil (RSPO) standards.

These industry dynamics may affect investment decisions on operational facilities, including steam energy systems, auxiliary facilities, steam turbine generator systems, and associated repair and maintenance services. For instance, rising demand for palm oil may prompt an expansion of processing facilities to increase production levels necessitating greater energy needs for the expanded operations, thus, increasing the demand for our products and services. Conversely, a fall in demand or industry contraction may result in fewer investments and a corresponding decline in demand for our products and services.

Given our reliance on the performance of the palm oil industry and, to a lesser extent, other industrial sectors, we are exposed to risks arising from fluctuations in these industries. Any adverse developments affecting them may in turn negatively impact our business operations and financial performance.

5. RISK FACTORS (Cont'd)

5.1.4 We require licences, permits, approvals and certificates from relevant regulatory authorities and any failure to obtain or renew necessary licences, permits, approvals or certifications may adversely impact our business operations and financial performance

We are subject to various regulatory requirements and product certifications, including the following:

- (i) Registration as a competent company with the Department of Occupational Safety and Health (DOSH) in Malaysia to fabricate and repair steam energy systems. Our steam energy systems are classified as steam boilers under the Occupational and Safety Health Act 1994 which includes firetube, water-tube steam boilers and HRSG;
- (ii) DOSH approval for design verification before fabricating, constructing, installing, and operating the steam energy systems. Only a registered competent company can submit design applications. Each steam energy system installed and operated in Malaysia must have a valid Certificate of Fitness (CF) issued by DOSH, which requires prior design approval as outlined in the Occupational Safety and Health (Plants Requiring Qualification Certification) Regulations 2024; and
- (iii) Law No. 1 of 1970 regarding occupational health and safety in Indonesia which stipulates that all workplaces involving the use of machinery, devices, tools, appliances, equipment, or installations that are hazardous or may pose risks of accidents, fires, or explosions must be manufactured, tested, utilised and must comply with occupational health and safety requirements.

Details of our permits and licenses are set out in Annexure A of this Prospectus. As at the LPD, save for the non-compliance incidents set out in Section 7.20 of this Prospectus, we have obtained the necessary licences, permits, approvals and certificates for our business operations in Malaysia and Indonesia.

Our licences, permits, approvals and certificates are subject to renewals, periodic inspections, potential changes and/or conditions imposed by the relevant regulatory authorities. As such, we cannot guarantee the timely renewal of these licences, permits, approvals and certificates nor that these will not be subject to change or different or additional conditions. Failure to secure or renew them may adversely affect our business operations, financial performance and/or reputation. This may lead to the loss of customers and projects and result in significant financial loss, thereby adversely affecting our Group's profitability. During the Periods Under Review and up to the LPD, none of our licences, permits, approvals or certificates have not been renewed or revoked. However, there can be no assurance that we will always be able to secure or renew our licences, permits, approvals and certificates.

As at the LPD, we have also not been subject to any enforcement action including notices, penalties or compounds in the past with respect to the non-compliance incidents. However, there can be no assurance that we will not be subject to enforcement actions by the relevant authorities, including cessation or relocation or monetary penalties.

Additionally, our steam energy system business operations are subject to the Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004 which governs workplace safety hazards and the prevention of occupational hazards. Non-compliance with relevant health and safety regulations or incidents involving our employees or subcontracted workers getting injured whilst performing their duties at our factories or project site may result in our operations getting suspended or interrupted. Such suspension or interruption may adversely affect our business operations and financial performance.

During the Periods Under Review and up to the LPD, there have been no fatalities involving our workers or subcontractors whilst performing their duties at our factories or project sites. However, there is no assurance that such incidents will not occur in the future. Any future workplace accidents or breaches of relevant health and safety regulations may adversely affect our business operations and financial performance.

5. RISK FACTORS (Cont'd)

5.1.5 We may be subject to warranty claims and legal proceedings arising from our products or contractual disputes with our customers

Our EPCC projects for steam energy systems and auxiliary facilities, as well as the supply of steam turbine generator systems, typically include a warranty. Depending on the terms of each contract or purchase order, the warranty period is usually the earlier of 12 months from the date of project handover or on completion of testing and commissioning, or 18 months from the date of delivery. We are responsible for rectifying any defects that may arise during the warranty period, at our own cost.

The input materials, equipment and related products are sourced from third-party suppliers who also provide warranties for their products covering defects in materials and workmanship. These warranties are enforceable by our Group throughout the warranty period specified in the supplier agreements, which typically ranges from 12 to 18 months from delivery of goods, depending on the type of equipment or material supplied. This alignment allows us to partially pass through our suppliers' warranty coverage to customers and minimise our exposure to potential claims. However, there is no assurance that we will always be able to align our warranty period with that of our suppliers. Notwithstanding, we may still incur additional costs such as labour, machinery rental and logistics when carrying out rectification works during the warranty period.

Our accounting policies recognise the provision for future liability or warranty claims. The provision estimates the costs for potential repair and replacement work for products sold under warranty and are for our two main product categories, namely, our steam energy systems and auxiliary facilities and our steam turbine generator systems. The provision for warranty as at the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 were RM1.2 million, RM1.8 million, RM2.0 million and RM1.6 million, respectively. For the Periods Under Review, the net warranty provisions recognised amounted to RM0.4 million, RM0.8 million and RM0.5 million for the FYE 31 December 2022, 2023 and 2024 respectively, while a net warranty provision reversal of RM0.2 million was recorded for the FPE 30 June 2025.

In addition, our Group may be subject to legal proceedings arising from alleged product defects, performance issues, or contractual disputes, whether related to warranty claims or otherwise. Such proceedings may result in significant legal costs, diversion of management attention, reputational damage, or financial liabilities. Save for the ongoing legal proceedings by Kilang Sawit Lembing Sdn Bhd against WTSB in relation to a boiler supplied to them as set out in Section 14.7 of this Prospectus, we have not incurred any material costs relating to warranty claims and/or legal proceedings during the Periods Under Review and up to the LPD.

Notwithstanding the above, there can be no assurance that we will not receive any warranty claims in relation to our products and services in the future which may result in us incurring significant costs and adversely affecting our financial performance. There can be no assurance that our Group will not be subject to similar or other legal proceedings in the future, or that the outcome of any such proceedings will not have a material adverse effect on our business, financial condition, or results of operations.

5. RISK FACTORS *(Cont'd)*

5.1.6 We may not be able to hire, train, manage and retain employees with suitable skill sets including skilled personnel

Our business relies on our technical personnel comprising:

- (i) our skilled and experienced personnel with technical knowledge, to carry out the engineering design, fabrication, on-site construction, assembly and installation for our steam energy systems and auxiliary facilities, and palm oil milling equipment as well as the repair and maintenance services for our energy systems and turbine generator systems, and palm oil milling equipment; and
- (ii) our general labour comprising domestic labour for fabrication, on-site assembly and installation, and repair and maintenance services for our products and foreign labour for fabrication works of our products.

As at the LPD, we have a total of 283 technical personnel of which 45 of them are foreigners.

Any changes in the policies of the countries of origin of our foreign labour or any restrictions in Malaysia that could affect the availability of foreign labour for employment by our Group could impact our business operations and financial performance.

Any loss of our labour force (regardless of whether they are our skilled personnel or our general workers) without timely and suitable replacements, may disrupt our business operations and adversely affect our financial performance. Furthermore, if we are unable to hire, train, manage and retain qualified staff, the quality of our products and services may decrease and our operation results may be negatively affected.

Although we have not experienced any labour shortages which had adversely affected our business operations or which had caused delays in our project delivery during the Periods Under Review and up to the LPD, there can be no assurance that we will not be adversely affected in the future.

5.1.7 We are dependent on our key senior management

The expertise and experience of our key senior management comprising our Group Chief Executive Officer, Lee Yee Chong; Group Head of Finance, Ooi Giap Hwa; and Chief Operating Officer of WTSB, Tee Kian Lim, have been and will continue to be instrumental to our business. Our key senior management possesses extensive knowledge and experience in the supply, design, manufacturing, and installation of steam energy systems, steam turbine generator systems as well as in the repair, maintenance, and provision of engineering solutions. The profiles of our key senior management are set out in Section 9.3.2 of this Prospectus.

The loss of any of our key senior management could impair our ability to operate and impede the execution of our strategies and which may adversely affect our ability to remain competitive in the industry. We may not be able to replace such persons within a reasonable period of time with individuals that possess equivalent expertise and experience, which may disrupt our business and adversely affect our business operations and financial performance.

5. RISK FACTORS (Cont'd)

5.1.8 We may be subject to unfavourable exchange rate fluctuations

We are exposed to foreign currency risk arising from our Group's purchases of imported materials and export sales that are denominated in a currency other than the functional currencies of our Group entities, being RM and IDR. The foreign currencies giving rise to such risk are primarily USD, JPY and EUR.

Fluctuations in the exchange rates between our functional currencies (RM and IDR) and foreign currencies such as USD, JPY, and EUR may materially impact our export sales and cost of imported materials. We may not be able to immediately pass on any resulting cost increases to our customers, which could adversely affect our profit margins. Similarly, exchange rate movements can influence the competitiveness and profitability of our export sales. During the Periods Under Review, the impact of such currency fluctuations on our Group's GP margin was not material, with the estimated effect ranging from 0.02% to 0.8%.

The values of USD, JPY, and EUR are influenced by a variety of factors, including the monetary and fiscal policies of the respective governments, domestic and international economic and political developments, as well as the dynamics of supply and demand in foreign exchange markets. Due to the inherent volatility and unpredictability of these factors, exchange rate fluctuations may have a significant and potentially adverse effect on our financial performance and results of operations.

For the Periods Under Review, details of our foreign exchange gains or losses are set out below:

Foreign exchange gains/(losses)	FYE 31 December			FPE 30 June	
	2022	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange:					
- realised gain/(loss)	(1,072)	788	(476)	(158)	(695)
- unrealised gain/(loss)	(185)	(236)	520	1,119	(126)
Total net gain/(loss)	(1,257)	552	44	961	(821)

Our Group actively seeks to manage foreign currency risk by matching purchases and revenue in the same currency whenever possible. However, to the extent that our revenue and purchases are not naturally matched in the same currency and there are timing differences between invoicing and collections or payment, we will be exposed to any adverse fluctuations of the relevant foreign currencies against our functional currencies.

Our Group enters into forward currency contracts to hedge foreign currency risk for anticipated receipts or payments occurring more than one month after our Group has committed to a firm sale or purchase. As at the LPD, we also maintain foreign bank accounts in USD, JPY and EUR, among others, which are primarily used for settling payments related to purchases. There is no assurance that any adverse change in exchange rates that we are not protected from, will not have a material adverse impact on our business, financial performance, results of operations and prospects.

5. RISK FACTORS (Cont'd)

5.1.9 If our supply chain is disrupted for any reason, our business operations and financial performance may be adversely affected

The raw materials for our products such as metal and steel products, cast iron materials, parts and other steel materials and fittings, as well as finished goods such as steam turbine generators systems and parts, and EFB press machines, are sourced from third party suppliers. The reliability, timeliness and efficiency of these suppliers in fulfilling our orders are critical to our business.

Our inability to obtain alternative sources or suppliers quickly at reasonable prices may materially impact our sales and/or operations. Additionally, if any of our suppliers fails to deliver on our orders in a timely manner or if we experience supply chain disruptions, our business operations may be adversely affected. Such disruptions may arise from a variety of factors, including changes in shipping schedules, limited vessels availability, port congestions or customs clearance delays. Under these circumstances, we may experience prolonged procurement lead time or stock shortage which could lead to lost sales, delays in project completion, or an inability to meet delivery deadlines, potentially having an adverse impact on our business operations and financial performance and reputation.

In addition, any sustained increases in sea freight rates or imposition of new tariffs may increase our cost price which may in turn adversely affect our business and financial performance. Sea freight rates may change due to factors such as political or civil unrest, acts of war, disruptive global political events (for example, geopolitical tensions involving China, the conflict between Russia and Ukraine and the Israel-Hamas war), currency fluctuations, disruptions in maritime lanes, port tariffs and port labour disputes. In this regard, the Malaysian government has recently approved a staggered 30% tariff hike for Port Klang, effective from 15 June 2025 through to January 2027. While this measure is expected to increase port-related charges over time, we did not experience any material impact on our operations as at the LPD. However, there is no assurance that future increases in tariffs or logistics costs will not affect our cost structure or delivery capabilities.

During the Periods Under Review and up to the LPD, we did not experience any significant disruptions in the supply of raw materials and finished goods, as we maintained an adequate stock level for our secured projects. Our inventory turnover period is 109 days, 116 days, 124 days and 128 days for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025, respectively, which has helped ensure our ability to complete works and fulfil customer orders. However, there is no assurance that we will not face supply disruptions in the future, which could negatively impact our business and financial performance.

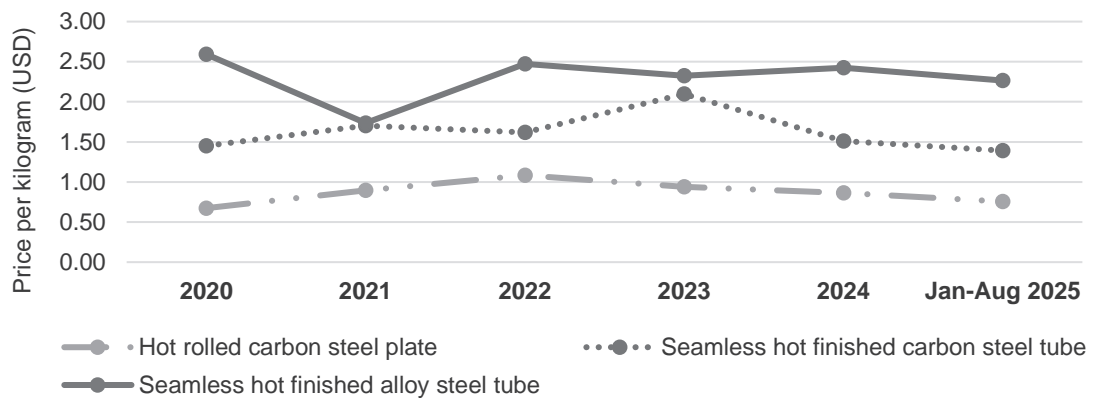
Similarly, we did not experience any material increase in costs resulting from sustained increases in sea freight rates during the Periods Under Review and up to the LPD. However, there is no assurance that we will not be exposed to sustained increases in sea freight rates in the future, which could increase our costs, and negatively impact our business operations and financial performance.

5. RISK FACTORS (Cont'd)

5.1.10 We are exposed to fluctuations in the prices of steel-based materials

The raw materials for the fabrication of our products mainly comprise of steel-based materials including carbon steel, mild steel, stainless steel, galvanised steel as well as control valve and fittings. The purchases of steel materials, control valves and fittings accounted for 13.1%, 16.6%, 15.3% and 20.4% of our total costs incurred for input materials, products and services for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025, respectively.

The international market for steel, as a commodity is subject to price fluctuations due to various factors beyond our control. These factors include global economic conditions, geopolitical events, demand from the end-user industries and supply of steel from manufacturers. The historical average yearly price movements of the types of steel mainly purchased by our Company, namely hot rolled carbon steel plates, seamless hot finished carbon steel tubes, and seamless hot finished alloy steel tubes, between 2020 and August 2025 are set out below:



Note: Hot rolled carbon steel plate refers to HS code 720851; seamless hot finished carbon steel tube refers to HS code 730439; and seamless hot finished alloy steel tube refers to HS code 730459. (Source: Frost & Sullivan analysis)

Any increase in steel price may not always translate into an increase or similar increase in the price of our products and services. As a consequence, such increase in steel prices may reduce our profit margins if such increase cannot be completely passed on to our customers by increasing the prices of our products and/or services by the same amount. However, if we were to pass on such increase of the same amount to our customers, we may not be competitive compared to our competitors who absorb the cost increase.

This risk is particularly pronounced in projects involving lump sum or fixed-price contracts, where our Group may face challenges in transferring cost increases due to:

- (i) Fixed contract prices without cost escalation clauses;
- (ii) Customer price sensitivity, especially in competitive tender environments, limiting acceptance of mid-contract price adjustments; and
- (iii) Timing mismatches between procurement costs and billing cycles, which may result in our Group incurring higher costs after tender submission.

During the Periods Under Review, fluctuations in steel prices, mainly carbon steel tube prices, impacted our input costs, particularly in the FYE 31 December 2023. Our purchases of steel materials, control valves and fittings increased by 33.5% in the FYE 31 December 2023, reflecting the global increase in carbon steel tube prices during that period, and then decreased by 16.4% in the FYE 31 December 2024 as steel prices for carbon tubes moderated. Our purchases of steel materials, control valves and fittings increased by 33.6% in the FPE 30 June 2025 compared to FPE 30 June 2024 mainly due to increased project activities and purchased quantities as a result of higher revenue recognition.

5. RISK FACTORS (Cont'd)

Although carbon steel tube prices were higher in 2023 and impacted our Group's costs, our GP margin improved to 25.3% in the FYE 31 December 2023 from 23.7% in the FYE 31 December 2022, mainly due to economies of scale from the higher number of steam turbine generator systems sold and increased work progress on several biomass steam energy system EPCC projects which generated higher margins through efficient project execution as further described in Section 12.2.5(iii) of this Prospectus. Our GP margin further increased to 28.0% in the FYE 31 December 2024, supported by ongoing cost optimisation efforts and the lower average steel prices. In the FPE 30 June 2025, our GP margin remained relatively stable at 25.6%, compared to 25.7% in the FPE 30 June 2024. However, any future increases in steel prices may reduce our profit margins and in turn, have a material adverse effect on our business operations and financial performance.

5.1.11 We may not be able to invoice our customers or receive the full amount due under our contract assets

Revenue from our steam energy systems and auxiliary facilities is recognised based on the percentage of work completed or services performed. Under the terms of our contracts, we typically submit progress claims and reports to our customers reflecting the progress of the work completed. Some progress claims are subject to our customer's or their appointed representatives' review and validation or certification. Upon such validation or certification, we will issue invoices for progress payments in line with the validated or certified claims which correspond with the percentage of work completed.

Our contract assets represent the value of work performed and recognised as revenue for which we are yet to be entitled to issue an invoice to our customers for the completed work. Timing differences often arise between the actual completion of work, the submission and certification of payment claims, invoicing, and eventual receipt of payments from our customers. As at the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025, our contract assets stood at RM14.3 million, RM13.0 million, RM19.6 million and RM27.8 million respectively.

The value of contract assets may fluctuate between reporting periods due to the timing of milestone completions and customer certifications of completed work. In addition, we may not be able to invoice or collect the full amount of our contract assets as disputes may occur with our customers over the value or status of the work completed. Our failure to fully invoice and collect the amount of our contract assets may adversely impact our financial performance, position and liquidity.

Furthermore, if our customers were to encounter financial difficulties or are unable to pay our invoices, we may be unable to recover the full value of our contract assets. For instance, we recognised an impairment loss of RM1.2 million on contract assets related to a gas-fired EPCC project in the FYE 31 December 2023 due to prolonged project delays. We did not recognise any impairment losses on contract assets in the FYE 31 December 2022 and 2024, and FPE 30 June 2025. However, there is no assurance that similar impairments will not arise in the future, which may negatively affect our profitability, cash flow and financial performance.

5.1.12 Our insurance coverage may not be adequate

While we maintain insurance policies to cover a variety of risks that are relevant to our business needs and operations at our factories in Shah Alam, Selangor, Malaysia, the five service centres in Malaysia and Indonesia, and various project sites across Malaysia and Indonesia, such as employee accident insurance, contractors' all-risk insurance, and workmen's compensation insurance, there can be no assurance that any insurance proceeds we receive would be sufficient to cover expenses related to insured losses or liabilities and all future claims by our Company will be allowed and paid-out in full.

There can also be no assurance that we will be able to comply with all policy terms and conditions as well as continue to observe all warranties at all times or that the renewals of the policies will not be subject to changes to the insurance premiums, terms or claim limits.

5. RISK FACTORS (Cont'd)

Any significant increase in premiums or a reduction in claim limits may result in higher costs to maintain the same level of coverage or an involuntary reduction in our insurance coverage which may expose us to potential shortfall in the amount claimed if the value of claims were to exceed our insurance coverage. These occurrences may adversely affect our financial position.

During the Periods Under Review and as of the LPD, we did not incur any material losses or liabilities that were claimable against our insurance policies.

5.1.13 We may not be able to implement our business strategies to grow our business which may limit our growth prospects

Our Group has set out several business strategies intended to strengthen our competitive positioning, diversify our earnings base, and drive long-term growth. These strategies include expanding our presence in Indonesia to better serve a growing customer base; upgrading our headquarters and digital infrastructure to improve operational efficiency and support future scalability; investing in new equipment and machinery to improve our operational efficiency and production consistency; and enhancing our R&D capabilities to develop more energy-efficient systems and customer-driven solutions. These initiatives are designed to deepen our value proposition to customers while increasing productivity and resilience across our operations.

A key pillar of our growth strategy also involves transitioning from a purely project-based model to one that includes long-term recurring revenue, by venturing into the ownership and operation of biomass steam power plants under a BOOT and/or BOO framework. This marks a fundamental shift in how we deliver value and monetise our expertise in steam energy systems. As this transition introduces new operational, financial, and regulatory considerations, the risks associated with this new business model are set out in Section 5.2 of this Prospectus.

While we believe that these strategies are aligned with our strengths and market trends, there can be no assurance that we will be able to implement them successfully or within the expected timeframe. The execution of these strategies may prove to be more complex, costly, or time-consuming than initially anticipated. Factors that could impede our ability to execute include, among others, an inability to secure adequate funding, high implementation or operating costs, delays in obtaining regulatory approvals or permits, shortages in skilled manpower or technical expertise, unforeseen project or supply chain disruptions, as well as changes in political or regulatory conditions in the markets we operate in, particularly in Indonesia and Malaysia.

Furthermore, even if implemented as planned, our strategies may not yield the intended commercial benefits or generate the anticipated returns on investment. For example, investments in new equipment and machinery or digitalisation may take longer to deliver cost or efficiency gains; R&D investments may not result in commercially viable products; or our market expansion efforts may face lower-than-expected demand.

Any delay, underperformance or failure in implementing our business strategies could adversely affect our ability to grow, weaken our market position, and have a negative impact on our financial condition, cash flows and long-term prospects.

5.1.14 We are exposed to the credit risks of our customers

While our normal credit term to our customers range from 30 days to 120 days from the invoice date, we may extend or vary it on a case-by-case basis depending, on among others, the creditworthiness of the customer and the length of our customer relationship. Our past due trade receivables accounted for 50.7% (RM17.6 million) of our total net trade receivables as at 30 June 2025, of which 9.7% (RM3.4 million) were past due for more than 180 days.

Our customers may be unable to meet their contractual payment obligations to us, either in a timely manner or at all. The reasons for payment delays or default by our customers may include, amongst others, insolvency, bankruptcy or insufficient financing or working capital due to late payment by their respective customers. We may not be able to enforce our contractual rights to receive payments through legal proceedings.

5. RISK FACTORS (Cont'd)

We may be required to make provisions for impairment losses on trade receivables and/or write off bad debts, which could adversely affect our financial performance if a customer fails to pay within the stipulated credit period. We had impairment losses on trade receivables of RM2.6 million in the FYE 31 December 2022, RM0.7 million in FYE 31 December 2023 and RM1.0 million in FYE 31 December 2024. Our bad debt written off were not material, representing less than 2% of our Group's PAT for the Periods Under Review (FYE 31 December 2022: RM26,000, FYE 31 December 2023: RM374,000 and FYE 31 December 2024: RM51,000). There were no impairment losses on trade receivables and no bad debts written off for the FPE 30 June 2025.

However, there can be no assurance that impairment losses on trade receivables would not be significant in the future and adversely affect our financial performance.

5.1.15 We may be subject to the risk of penalties for any shortcomings in the quality of our subcontractors' work

We subcontract parts of our EPCC steam energy projects such as fabrication and machining services, on-site construction and installation works, and subcontracted labour.

Our subcontracted service expenses accounted for RM22.9 million (12.0%), RM22.4 million (11.1%), RM20.4 million (11.1%) and RM10.5 million (12.2%) of our total cost incurred for input materials, products and services for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025, respectively.

Our subcontractors' failure to carry out the required services which meets the requisite standards will inevitably result in our products not meeting our customers' specifications, and may lead to penalties being imposed on us or damage to our reputation. If our subcontractors cannot complete the contracted services within the stipulated time frame, we may be late in completing our projects and invariably, we may incur penalties such as LAD or warranty claims, depending on the nature of the breach and our contract and/or purchase order with the customer.

During the Periods Under Review and up to the LPD, we have not encountered any material claims from our customers that resulted from the shortcomings of our subcontractors. Nevertheless, there is no assurance that we may not be subject to any penalties or other negative consequences resulting from our subcontractors' failure in the future.

5.1.16 Dependency on certain major suppliers

We are the appointed distributor of the Shinko brand of steam turbine generator systems sourced from our principal, Shinko Ind. Ltd. in Malaysia and Japan. For the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025, the supply of Shinko steam turbine generator systems accounted for RM55.1 million (20.7%), RM73.3 million (25.4%), RM63.1 million (22.8%) and RM28.6 million (22.7%) of our Group's total revenue respectively.

We have been appointed as the agent of Shinko Ind. Ltd. for the sales promotion, installation, commissioning, after-sales services, maintenance and spare parts supply of Shinko products (steam turbines including generators and pumps) for the palm oil industries and its related industries in South East Asia countries, Latin America and West Africa. The certificate of appointment is subject to automatic renewal on an annual basis and may be terminated by either party by giving three months' prior written notice. Although the distributorship is not formally exclusive, to the best of our knowledge and based on our ongoing engagement with Shinko Ind. Ltd., we believe that we are currently the only distributor actively serving these industries and regions as at the LPD.

5. RISK FACTORS (Cont'd)

Notwithstanding the existence of the certificate of appointment, our reliance on Shinko Ind. Ltd. for the supply of steam turbine generator systems exposes our Group to the risk of potential supply disruptions or termination of the arrangement. In the event of non-renewal, early termination, or changes in the commercial terms imposed by Shinko Ind. Ltd., our Group may face challenges in sourcing equivalent steam turbine generator systems with similar technical specifications, quality standards, or delivery timelines. Any such disruption may lead to project delays, increased procurement costs, breach of contractual obligations to customers, or loss of business opportunities. There have been no issues or disruptions concerning the renewal of the distributorship arrangement between us and Shinko Ind. Ltd. in the past up to the LPD and both parties have maintained a longstanding and collaborative business relationship, with no prior terminations, non-renewals, or material disputes affecting the continuity of the arrangement. To that effect, Shinko Ind. Ltd. had on 7 July 2025 renewed the certificate of appointment our Group for a further three years, from 25 August 2025 to 24 August 2028, and it is subject to automatic annual renewal thereafter.

Given the integral role that Shinko products play in our Group's value chain, any adverse developments in our relationship with Shinko Ind. Ltd. may have a material adverse impact on our business operations, financial performance and prospects. While our Group maintains a long-standing business relationship with the Shinko group as evidenced by its dealings with them for more than 20 years, there can be no assurance that we will not face disruptions in the supply of Shinko-branded steam turbine generator systems in the future.

As such, any adverse development in our relationship with Shinko Ind. Ltd. could have a material adverse effect on our business operations, financial performance and prospects. For further details on our major suppliers, see Section 7.6 of this Prospectus.

5.1.17 We operate in several jurisdictions and are subject to taxation risks

We conduct our operations in Malaysia and Indonesia and are subject to the tax laws and regulatory frameworks applicable in these jurisdictions. Our business faces risks arising from periodic changes in taxation rates, regulatory audits, investigations, tax assessments and evolving tax compliance requirements. Such changes and enforcement actions may not always be favourable, potentially imposing additional compliance obligations or financial implications on our business.

Taxation laws and policies in Malaysia and Indonesia are frequently amended, reinterpreted, and subject to differing interpretations between tax authorities and our Group. Changes in corporate income tax rates, the introduction of new taxes, or amendments to existing tax incentives and exemptions could materially affect our profitability and cash flows.

Save for the underpayment of tax and on-going tax audit in relation to PT WATI as set out in Section 12.2.5(ix) of this Prospectus, we are not subject to any other tax audit relating to our business operations in Malaysia and Indonesia as at the LPD.

We maintain an active approach to monitoring and adapting to tax and regulatory developments to ensure ongoing compliance and to mitigate adverse impacts. Nevertheless, due to the complex and evolving nature of taxation laws and regulations, there can be no assurance that we will anticipate or fully mitigate all unfavourable changes. In certain circumstances, we may engage external tax advisers or consultants to assist in interpreting complex regulatory requirements and ensuring compliance, which could result in increased operating costs.

Moreover, unforeseen regulatory changes or intensified enforcement activities such as audits, reassessments, or investigations, could lead to additional tax liabilities, penalties, fines, or lengthy tax disputes. Any of these outcomes could have a material adverse effect on our financial condition, liquidity, and results of operations.

5. RISK FACTORS *(Cont'd)*

5.2 RISKS RELATING TO OUR TRANSITION INTO OWNERSHIP AND OPERATION OF BIOMASS STEAM POWER PLANTS

5.2.1 We will be exposed to risks associated with transitioning from a project-based EPCC model to a recurring-revenue asset ownership model.

Our Group's strategic pivot from an EPCC business to the ownership and operation of a biomass-fired steam power plant marks a fundamental shift in its historical revenue model, risk profile, and operational structure. Unlike the EPCC model, which generates revenue on a project-by-project basis with defined timelines and payment milestones, the new business model is centered on recurring revenue from long-term steam supply agreements, continuous plant operations, and sustained asset performance.

This transition introduces a new strategic and operational framework, including the need to manage long-term customer relationships, monitor and maintain capital-intensive assets, optimise plant availability and efficiency, and ensure uninterrupted steam delivery. We must adapt to a new pattern of cash flows which is characterised by high upfront capital investment and ongoing operating expenses, offset by steady but slower revenue realisation over the life of the plant.

The shift also requires the development or enhancement of internal capabilities, including financial controls suited to recurring revenue operations, asset performance monitoring systems, preventive and predictive maintenance protocols, and customer service infrastructure. Governance structures, compliance systems, and risk management policies that were appropriate for a project-based EPCC business may not be sufficient to manage the more complex and long-term risks associated with plant ownership and utility operations.

Our Group may face operational and financial challenges in adapting to this new model, particularly during the initial years of plant operation. These may include delays in institutionalising new systems, integration issues across departments, gaps in staff competencies, or misalignment of reporting frameworks with the requirements of long-term asset management and investor expectations.

Failure to manage this strategic transition effectively may lead to operational inefficiencies, suboptimal plant performance, increased costs, reduced customer satisfaction, and erosion of stakeholder confidence. In the longer term, this may adversely impact our Group's financial performance, ability to scale its utility business, and credibility in the renewable energy sector.

5. RISK FACTORS (Cont'd)

5.2.2 We will be exposed to capital investment and financial risks arising from the ownership and operation of a biomass steam plant

The ownership and operation of a biomass-fired steam plant entail substantial capital commitments that differ significantly from our Group's historical focus on EPCC contracts. Unlike the EPCC business model, which is primarily based on fixed lump sum contracts with shorter revenue cycles, the development and operation of a biomass steam plant facility require significant upfront and ongoing capital investment.

This includes, amongst others, capital expenditure for the acquisition of land, construction of the plant, procurement of specialised biomass combustion equipment, and installation of related infrastructure such as feedstock handling systems and emissions control technologies. In addition, we must allocate sufficient working capital to support operational expenses such as biomass feedstock procurement, plant staffing, scheduled and unscheduled maintenance, insurance premiums, regulatory compliance, and other recurring operational needs.

There is a risk that the actual capital and operating costs may exceed initial estimates due to unforeseen technical issues, changes in design or regulatory requirements, inflationary pressures, or contractor delays. Cost overruns or project delays may adversely affect our Group's projected returns, cash flows, and overall financial position. In particular, any delay in achieving commercial operations may postpone revenue generation and impact our Group's ability to meet debt obligations or repay project financing in a timely manner.

Furthermore, the long-term financial viability of the biomass steam plant is dependent on its ability to consistently generate stable and sufficient cash flows. This in turn is influenced by a variety of factors, including the reliability of customer demand for steam or energy, the plant's operational performance and efficiency, prevailing biomass fuel costs, and the enforceability and commercial terms of any offtake agreements.

Should the plant experience lower than expected utilisation rates, operational inefficiencies, or disruptions in feedstock supply, its ability to generate adequate cash flows may be compromised. This could in turn impair our Group's ability to service financing obligations, reduce the anticipated return on investment, and adversely affect our business operations and financial performance.

5.2.3 Our Group has no prior track record in owning or operating a biomass steam power plant

While our Group has prior experience in delivering EPCC steam energy systems projects, it does not have an operating track record in managing and maintaining a biomass-fired steam plant. Unlike EPCC projects which conclude upon project handover, the operation of a biomass plant involves continuous, round-the-clock operations that demand advanced monitoring systems, robust maintenance regimes, and the availability of experienced and technically skilled personnel.

Biomass combustion presents specific operational challenges not typically encountered in conventional thermal plants. These include higher incidences of slagging, fouling, ash accumulation, and corrosion, all of which contribute to accelerated degradation of equipment such as steam energy systems, economisers, and flue gas treatment systems. As a result, the maintenance requirements of a biomass steam power plant are more frequent and complex, and any failure to properly manage these conditions may result in unplanned shutdowns, reduced steam output, or extended downtime.

Unscheduled outages or reduced plant efficiency may trigger contractual penalties under steam offtake or energy supply agreements, and may negatively impact plant availability. In addition, any decline in operational reliability may increase operating costs, lead to premature equipment replacement, and require emergency repairs, all of which could have a material adverse effect on our business operations and financial performance.

5. RISK FACTORS (Cont'd)

The operation of a biomass plant also necessitates strict adherence to environmental, health, and safety standards imposed by regulatory authorities. Operational lapses or prolonged downtime may raise compliance risks, including potential breaches of emissions or safety standards, which could result in fines, enforcement actions, or reputational harm.

Accordingly, our Group's ability to sustain high plant availability, achieve targeted thermal efficiency, and maintain compliance with regulatory requirements will be critical to the long-term commercial viability of its biomass operations. Any failure in these areas may adversely affect our Group's financial performance, profitability as well as reputation.

5.2.4 The successful operation of our biomass steam plant is dependent on our ability to secure stable biomass feedstock supply

The successful operation of our biomass steam power plant is critically dependent on the continuous, reliable, and cost-effective supply of suitable biomass feedstock, including EFB, palm kernel shells, palm fibre, wood chips as well as other agricultural residues. Unlike conventional fossil fuels, biomass feedstock is inherently variable and subject to a wide range of external factors that may impact its availability, cost, and quality.

The supply of biomass is influenced by seasonal production cycles, weather conditions, and broader supply and demand dynamics within the agricultural and plantation sectors. For example, prolonged dry or wet weather may affect the volume and condition of biomass residues generated, while increased domestic demand or changes in export volumes particularly for palm kernel shells may constrain local availability or raise procurement costs.

In addition, logistical challenges such as transportation bottlenecks, limited storage infrastructure, or supply chain disruptions may result in delays or shortfalls in delivery. Any shortage or inconsistency in feedstock supply could lead to operational downtime, reduced steam output, or increased reliance on alternative fuels, which may not be economically or environmentally viable.

Furthermore, variations in feedstock quality such as moisture content, particle size or calorific value can significantly affect combustion efficiency and equipment performance. Poor quality biomass may lead to increased wear on our steam energy systems, reduced thermal efficiency, and higher maintenance and cleaning costs, all of which may compromise the plant's overall efficiency and profitability.

Our Group may also be exposed to price volatility in the biomass market due to changes in the government policy in Malaysia, such as subsidies, or environmental regulations that affect supply and pricing. Any sustained increase in biomass procurement costs may negatively affect our Group's operating margins and long-term viability of its biomass steam plant's operations.

Accordingly, any disruption in the availability, pricing and/or quality of biomass feedstock may have a material adverse effect on our Group's operational performance, contractual obligations and financial results.

5. RISK FACTORS *(Cont'd)*

5.3 RISKS RELATING TO OUR INDUSTRY

5.3.1 We are subject to the risk of competition from other players that provide similar products and services

In Malaysia, a number of local players are seen competing in the biomass steam energy system market, whereas the steam turbine market constitutes of a mixture of international and local players. The biomass steam energy system market is more fragmented than the steam turbine market, with many small local service companies are capable of providing routine maintenance services. Hence, numerous smaller players (suppliers, traders, engineering service companies) also participate and collectively hold a sizable share of the market. We are the second largest player in the biomass steam energy system market in Malaysia, and in the steam turbine market, we are the largest player in Malaysia. *(Source: IMR Report)*

Similar to Malaysia, Indonesia has a fragmented biomass steam energy system market, with an even greater number of players compared to Malaysia. Due to Indonesia's archipelagic business environment, larger international and local players are able to serve the market on a nationwide scale; while many other small to medium-sized local players have strong reputations in certain regions or specific areas within the country. It is also observed that many China-owned plants or palm oil mills in Indonesia tend to install imported steam energy systems and steam turbines from China via local distributors, equipment suppliers or trading companies. Some steam energy systems or steam turbine original equipment manufacturers (OEMs) also sub-contract after-sales services to third-party local engineering service providers. These factors contribute to the highly dispersed market share in Indonesia. In 2024, we have a market share by revenue of less than 5.0% in the biomass steam energy system market in Indonesia. In the steam turbine market, we are among the top industry players in the Indonesian market. *(Source: IMR Report)*

There is no assurance that we will be able to continue competing effectively with other players in the market, which may have a material adverse effect on our business operations, market share and financial performance.

5.3.2 We are exposed to risks arising from changes in economic conditions and political developments, regulatory enforcement actions as well as global and/or force majeure events in the countries in which we operate and/or serve including Malaysia and Indonesia

Domestic and global political, social, economic, and regulatory conditions may adversely affect our business operations and financial performance. These include periods of slow economic growth or recession, shifts in political leadership, geopolitical events, wars, acts of terrorism, riots, the emergence of new epidemics or pandemics, changes in economic policies (e.g., expropriation, nationalisation), fiscal and monetary policies (e.g., interest rate adjustments, foreign worker levies), alterations in international relations and environmental regulations.

Many of the factors identified above may increase transportation costs, costs of labour, insurance, barriers or increased costs associated with international trade and other economic factors also affect our ability to implement our strategy effectively, our cost of sales and our administrative expenses, and may have other adverse consequences which we are unable to fully anticipate or control, all of which may adversely affect our business operations, profitability and financial performance. Furthermore, alterations to import regulations or tariff rates can affect the cost of goods we sell, potentially disrupting our pricing strategies and profit margins.

In addition, the Malaysian government implemented an expansion of the Sales and Services Tax (SST) effective from 1 July 2025. This expansion includes additional taxable goods and services relevant to our operations. As a result, we are subject to increased tax obligations, which may potentially lead to higher overall cost and may affect our pricing and profitability if we are unable to fully pass on such costs to our customers.

5. RISK FACTORS (Cont'd)

As at the LPD, we have not observed any material impact on our cost or profitability arising from the SST expansion. However, the full effects of the revised SST framework may take time to materialise and are still being monitored. There can be no assurance that the expanded SST framework will not result in material increases in our operating costs in the future, or that we will be able to fully pass on such costs to our customers without affecting the demand for our products and services.

Indonesia is currently our Group's largest overseas market and accounted for 42.6%, 47.8%, 49.4% and 35.3% of our Group's total revenue for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025, respectively. As such, our business and financial performance may be affected by changes in Indonesia, particularly if more stringent restrictions or unfavourable trade policies, customs duties, or tariffs or heightened regulatory enforcement actions are imposed. For the FPE 30 June 2025, our overall decline in revenue from Indonesia by RM15.6 million to RM44.5 million (FPE 30 June 2024: RM60.1 million) was primarily due to challenging market conditions and recent regulatory actions by the Indonesian authorities since February 2025, which intensified enforcement on palm oil plantations and led to the confiscation of estates deemed non-compliant. These measures have created uncertainty across the industry, disrupted supply stability and dampened customer sentiment, leading to delays in project timelines and softer demand.

Our Group manages these risks through active monitoring of regulatory developments in the markets where we operate and by leveraging our industry networks to identify changes that may affect customer investment decisions or project timelines. Where appropriate, we customise our products and commercial offerings to align with our customers' operational needs. In addition, we maintain regular engagement with customers and other stakeholders to understand their requirements and assess potential impacts to their operations arising from changes in economic conditions, political developments, regulatory enforcement actions, and global or force majeure events, if any. Where necessary, we adjust our commercial offerings and project delivery schedules to mitigate potential long-term effects on our revenue and financial performance. Notwithstanding these efforts, there can be no assurance that the ongoing and future enforcement actions and/or regulatory changes will not materially and adversely affect our business operations, revenue, and financial performance.

On 2 April 2025, the United States of America ("USA") government had announced, among others, the imposition of reciprocal tariff on Malaysian imports at 24%, to be effective from 9 April 2025. However, on 9 April 2025, the USA government announced the drop in tariffs for USA's trade partners, except the People's Republic of China, to 10% for 90 days, to allow for trade negotiations. Following trade negotiations, the USA government had in July 2025 reduced the tariff on most imported goods from Malaysia to 19%, effective from 8 August 2025. For the Periods Under Review, our Group's export sales to the USA represented a minimal portion of our total revenue. The revenue from the USA was less than 0.1% in FYE 31 December 2022, and there were none in the FYE 31 December 2023 and 2024 and FPE 30 June 2025. As at the LPD, our Group has not encountered any direct impact of cost increases or supply chain disruptions as both our customers and key suppliers are not based in the USA or have been directly impacted by the USA tariffs announcements.

A prolonged pandemic, for example, could disrupt the supply chain and hinder our operations. Economic downturns may lead customers to defer, reduce, or cancel contracts, lower their order volumes, or request price reductions. Additionally, our business could be affected by global events such as geopolitical tensions, financial crises, trade conflicts, sanctions, or rapid technological changes.

Adverse developments in any of the factors described above could adversely impact our business operations and financial performance.

5. RISK FACTORS *(Cont'd)*

5.4 RISKS RELATING TO OUR SHARES AND OUR LISTING

5.4.1 Any future issuance of our Shares may dilute prospective investors' shareholding and may adversely affect the trading price of our Shares

We may be required to finance our future growth and expansion plans and business requirements, including opportunistic acquisitions, through additional securities offerings. Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans or any perception by investors that such issuances might occur, may lead to the dilution of investor shareholding in our Company or affect the trading price of our Shares and could affect our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Shares which may dilute prospective investors/ shareholders and/or adversely affect the trading price of our Shares.

5.4.2 Our Listing may not result in an active and liquid market for our Shares

There can be no assurance as to the development of any market, or the liquidity of any market that may develop, for our Shares, the ability of shareholders to sell our Shares or the prices at which shareholders would be able to sell our Shares. Neither we nor our Promoter have an obligation to make a market for our Shares or, if such a market does develop, sustain it.

In addition, there can be no assurance that the trading price of our Shares will reflect our operations and financial conditions, our growth prospects or the growth prospects of the industry in which we operate.

5.4.3 Our Share price and trading volume may be volatile

The market price of our Shares may fluctuate as a result of, amongst other things, the following:

- (i) general market, political and economic conditions;
- (ii) trading liquidity of our Shares;
- (iii) differences in our actual financial and operating results and those expected by investors and analysts;
- (iv) changes in earnings estimates and recommendations by financial analysts;
- (v) changes in market valuations of listed shares in general or shares of companies comparable to ours;
- (vi) perceived prospects of our business and the industry where we operate;
- (vii) adverse media reports regarding us or our shareholders;
- (viii) changes in government policy, legislation or regulation; and
- (ix) general operational and business risks.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of our Shares. Furthermore, if the trading volume of our Shares is low, price fluctuation may be exacerbated. While locked up shareholders are restricted from selling any of their Shares for a period of six months following our Listing, the market price of our Shares may also fluctuate if our existing shareholders choose to sell their Shares in the future. For further details on the moratorium and our lock-up arrangements, see Sections 2.2 and 4.8.3 of this Prospectus, respectively. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Final Retail Price. There can also be no assurance that the trading price of our Shares will reflect our operations and financial conditions, our prospects, or the prospects of the industry we operate in.

5. RISK FACTORS (Cont'd)

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that has affected the share prices of many companies. The share price of many companies have experienced wide fluctuations which were not always related to the operating performance of those companies, including fluctuations as a result of developments in other emerging markets and trade tariffs. There can be no assurance that the price and trading of our Shares will not be subject to similar fluctuations.

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

Following our Listing, we will have in issue 500,000,000 Shares, of which up to 119,500,000 Shares, representing up to 23.90% of our enlarged issued share capital, will be held by institutional investors participating in our Listing, and not less than 350,000,000 Shares, representing 70.00% of our enlarged issued share capital will be held by the existing shareholders of our Company (including the Promoter) via their direct and/or indirect interests in our Company. Save for the restrictions in relation to the moratoriums and our lock-up arrangements as set out in Sections 2.2 and 4.8.3 of this Prospectus, respectively, our Shares sold in our IPO will be traded on the Main Market of Bursa Securities without restriction following our Listing.

Our existing shareholders (including the Promoter) and/or other shareholders, could dispose of some or all of our Shares that they hold, after the moratorium or lock-up period, pursuant to their own investment objectives. If our 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.

5.4.5 There may be a delay in, or termination of, our Listing

The occurrence of certain events, including the following, may cause a delay in, or termination of, our Listing:

- (i) the Joint Underwriters' exercise of their rights under the Retail Underwriting Agreement, or the Joint Bookrunners' exercise of their rights under the Placement Agreement, to discharge themselves of their obligations under such agreements;
- (ii) our inability to meet the minimum public shareholding spread requirement pursuant to Paragraph 3.06 of the Listing Requirements of having at least 25.0% of our enlarged number of issued Shares for which our Listing is sought to be held by a minimum of 1,000 public shareholders holding at least 100 Shares each at the point of our Listing as approved by Bursa Securities;
- (iii) the revocation of the approvals from the relevant authorities for our Listing for whatever reason;
- (iv) any 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 our IPO Shares, which warrants the issuance of a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines; or
- (v) non-completion of our IPO if either the Retail Offering or the Institutional Offering fails to complete for any reason including but not limited to insufficient subscription, adverse market conditions, or withdrawal by the Cornerstone Investors, which will result in the termination of our Listing.

5. RISK FACTORS (Cont'd)

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

- (i) the SC issues a stop order under Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we and the Selling Shareholders shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we and the Selling Shareholders shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(7)(a) of the CMSA, investors will not receive any IPO Shares, and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment or transfer of our IPO Shares and the issue proceeds form part of our share capital:

- (i) the SC issues a stop order under Section 245(1) of the CMSA, any issue of our Issue Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either (A) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (B) a solvency statement from our Directors.

5.4.6 Our ability to pay dividends in the future will depend upon our future retained earnings, financial condition, cash flows, working capital requirements and covenants in favour of our creditors and we may be affected by our payment of dividends

As part of our Board's guidance on dividends, we aim to declare a certain portion of our retained earnings for the year, subject to the approval of our Board and to any applicable law and contractual obligations, as dividends, provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board. Details of our dividend policy is set out in Section 12.4 of this Prospectus. We propose to pay dividends after setting aside the necessary funds for our capital expenditure and working capital needs such that any declaration of dividends shall not exceed our distributable profits. We may not declare dividends should there be events of defaults occurring or that would occur with such dividend payment. Dividend payments are not guaranteed and our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends or to pay smaller dividends than we currently propose.

5. RISK FACTORS *(Cont'd)*

We are a holding company and conduct substantially all of our operations through our subsidiaries. Accordingly, dividends and other distributions received from our subsidiaries are our principal source of income. Our Group has entered into, and may further enter into, financing agreements, which could limit our ability to pay dividends or other distributions, and we may incur expenses or liabilities that would reduce or eliminate the cash or profit available for the distribution of dividends. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected and the value of your investment in our Shares may be reduced. In addition, certain of the facility agreements entered into by certain of our subsidiaries contain certain negative and financial covenants. If these subsidiaries are in breach of any of these covenants, it may affect our ability to pay dividends.

Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditure as well as our ability to make future interest and principal repayments on any borrowings that we may have outstanding at the time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be possible or on favourable terms or at all. Further, if we incur new borrowings subsequent to our Listing, we may be subject to additional covenants restricting our ability to pay dividends.

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6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

6.1.1 Background and principal activities

Our Company was incorporated in Malaysia under the Act on 5 December 2023 as a private limited company under the name of Wasco Greenergy Sdn Bhd. On 20 June 2025, our Company was converted into a public company and assumed the name of Wasco Greenergy Berhad.

The principal activities of our Company are investment holding and provision of management services whilst, together with our subsidiaries, we are engaged in the (i) EPCC of steam energy systems and auxiliary facilities; (ii) supply of steam turbine generator systems; and (iii) provision of after-sales services for these systems.

The principal activities of our subsidiaries are further set out in Section 6.3 of this Prospectus.

6.1.2 Share capital

Our issued share capital is RM134,301,360 comprising 425,000,000 Shares prior to our Listing.

Save as disclosed below, there has been no change in our issued share capital since the incorporation of our Company and up to 28 October 2025:

<u>Date of allotment/ Bonus issue</u>	<u>No. of Shares allotted</u>	<u>No. of cumulative Shares</u>	<u>Cumulative issued share capital (RM)</u>
5 December 2023	10,000	10,000	10,000
30 December 2024	⁽¹⁾ 114,990,000	115,000,000	115,000,000
28 October 2025	⁽²⁾ 14,404,000	129,404,000	134,301,360
28 October 2025	⁽³⁾ 295,596,000	425,000,000	134,301,360

Notes:

- (1) Pursuant to the capitalisation of amounts owing to holding company arising from the acquisition of 100% equity interest in WATSB and 60% equity interest in WTSB.
- (2) Pursuant to the acquisition of the remaining 40% equity interest in WTSB under the Pre-IPO Exercise as set out in Section 4.2.1(i) of this Prospectus.
- (3) Pursuant to the bonus issue under the Pre-IPO Exercise as set out in Section 4.2.1(ii) of this Prospectus.

Upon the completion of our IPO, our enlarged issued share capital will increase to 500,000,000 Shares. Our Company does not have any treasury shares as at the LPD.

6.1.3 History of our Group

Prior to the formation of our Group, both WATSB and WTSB were subsidiaries of Wasco Berhad, a company listed on the Main Market of Bursa Securities.

The Wasco Berhad Group's core operations are divided into two main segments:

- (i) Energy Services Division: This division provides specialised pipe coating, corrosion protection services, engineering and fabrication services and EPC project delivery; and
- (ii) Bioenergy Services Division: This division focuses on providing renewable energy systems by designing, engineering, supplying, installing and maintaining biomass-based and steam-based energy systems.

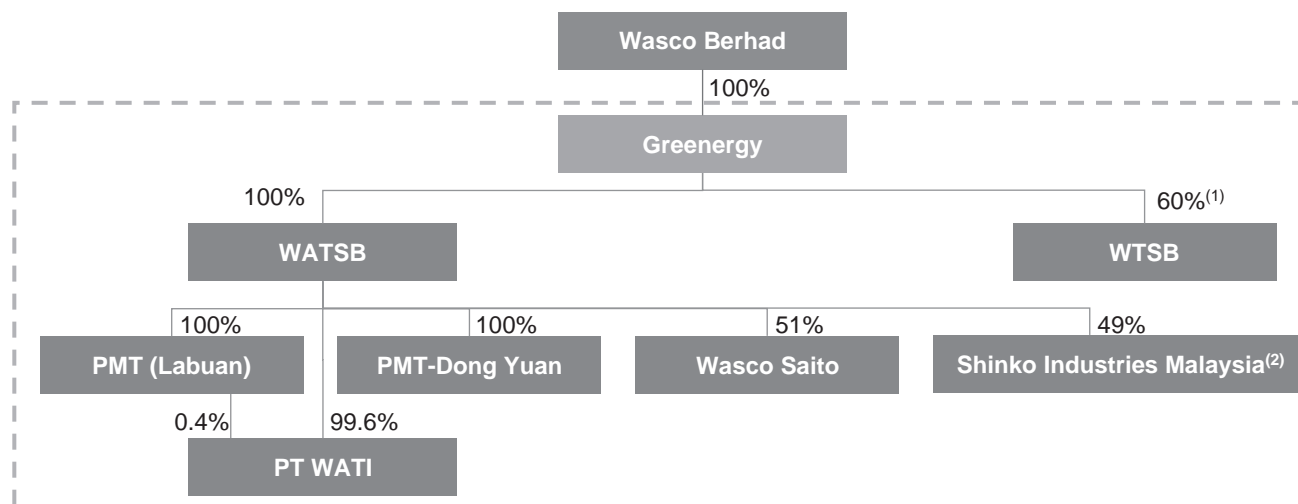
6. INFORMATION ON OUR GROUP (Cont'd)

Within the Bioenergy Services Division, WATSB has been involved in the supply of steam turbine generator systems and parts as well as the manufacture of palm oil milling equipment and spare parts since its incorporation in 1991. WPE, then a majority-owned subsidiary of Wasco Berhad had acquired WATSB in 1998.

In 2002, as part of an internal reorganisation exercise undertaken by Wasco Berhad, Wah Seong Industrial Holdings Sdn Bhd, also a wholly-owned subsidiary of Wasco Berhad, acquired a controlling stake in WATSB through the acquisition of WPE, which wholly-owns WATSB.

WTSB was incorporated in 2004, and in 2006, WPE and Tema Energy subscribed for shares in WTSB which resulted in Wasco Berhad and Tema Energy holding 60% and 40% equity interest respectively in WTSB. Following the share subscriptions, WTSB commenced operations in 2006, specialising in renewable steam energy systems, including biomass energy systems and HRSG.

Greenergy was incorporated in 2023 as a special purpose vehicle to facilitate the listing of Wasco Berhad's Bioenergy Services Division. Our Group was subsequently formed on 29 December 2023 following a restructuring exercise where Greenergy acquired 100% equity interest in WATSB and 60% equity interest in WTSB, as illustrated in the group structure below:



Note:

- (1) The remaining 40% equity interest was held by Tema Energy prior to the Pre-IPO Exercise.
 (2) Shinko Industries Malaysia has ceased to be a joint venture company of Greenergy following the completion of the SSPA on 7 July 2025.

On 7 July 2025, WATSB entered into the SSPA for the disposal of our 49% equity interest in Shinko Industries Malaysia. The SSPA was completed on 7 July 2025 and accordingly, Shinko Industries Malaysia has ceased to be our joint venture. The Disposal arises from Shinko Ind. Ltd.'s decision to leverage on Shinko Industries Malaysia as its 100%-owned entity for its expansion into the production of various other products unrelated to our Group's business.

6. INFORMATION ON OUR GROUP (Cont'd)

As our Group's share of results of Shinko Industries Malaysia amounted to RM447,000, RM571,000 and RM66,000 for the FYE 31 December 2022, 2023 and 2024 respectively, and RM19,000 for the FPE 30 June 2025 (FPE 30 June 2024: Share of loss of RM23,000), the Disposal is not expected to have a material adverse impact on the financial performance of our Group. Further, the Disposal is also not expected to have a material adverse impact on our operations as WATSB will continue to be the distributor of Shinko brand of steam turbine generator systems in accordance with the SSPA. See Section 14.6.8 of this Prospectus for further details relating to the Disposal.

Following the completion of the Pre-IPO Exercise, Wasco Berhad continues to be the holding company of the Greenergy Group. Upon completion of the Listing, Wasco Berhad's equity interest in our Company will be diluted to 62.54%. The remaining Wasco Berhad Group (excluding the Greenergy Group) continues to operate as an energy services provider, mainly focusing on specialised pipe coating and corrosion protection services, engineering and fabrication services and EPC project delivery.

6.1.4 Rationale for the chain listing

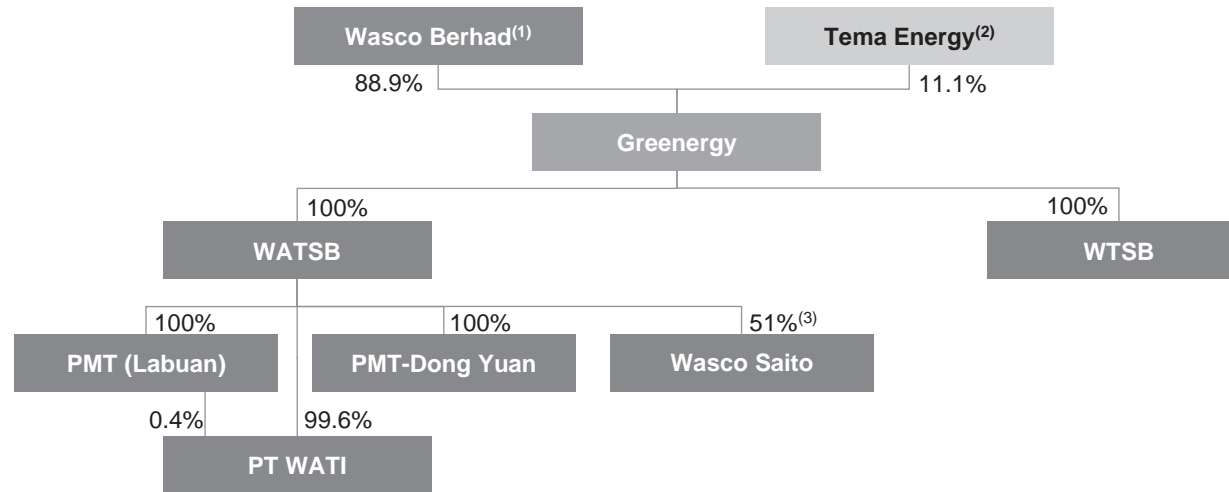
The board of directors of Wasco Berhad considers Greenergy Group's business under the biomass services business segment of the Wasco Berhad Group, a distinct and viable business of its own which merits a separate listing on the Main Market of Bursa Securities. Accordingly, the chain listing is commercially beneficial for the following reasons:

- (i) **Unlock value through a transparent valuation benchmark** – the chain listing enables Wasco Berhad to unlock and realise the value of its investment in our Company and enhance shareholders' value at Wasco Berhad's level;
- (ii) **Enhanced corporate visibility and brand recognition** – the chain listing enables our Company to gain recognition through its listing status and enhance its corporate visibility and reputation as a renewable energy system provider, thereby improving its visibility and allow it to achieve greater market penetration and gain broader client base;
- (iii) **A clearer business direction and alignment with investor interests** – the chain listing will create a more defined business focus and independence between our Group and the Wasco Berhad Group. This will further strengthen brand positioning and offer investors clearer visibility and focus on each group's investment potential;
- (iv) **Improved access to capital markets and enhanced financial flexibility to support future growth** – the chain listing enables our Group to tap into the equity capital markets for equity and/or debt financing to fund our Group's existing operations and/or future expansion without reliance on the Wasco Berhad Group. Notwithstanding the above, Wasco Berhad will hold 62.54% equity interest in our Company upon listing and continue to benefit from any future potential upside in our Group's businesses through the consolidation of our Group's financial results; and
- (v) **Clearer strategic direction and operational focus for management** – the chain listing will allow the management of both Wasco Berhad Group and our Group to concentrate more effectively on their respective core operations, resulting in more efficient decision-making and greater responsiveness to evolving market and industry dynamics.

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

6.2 OUR GROUP STRUCTURE

Pursuant to the chain listing, our Group's business and operations will be managed separately and independently from Wasco Berhad. Our group structure following the completion of the Pre-IPO Exercise is set out below:



Notes:

- (1) For details on the substantial shareholders of Wasco Berhad, see Section 9.1.1(i) of this Prospectus.
- (2) For details on the substantial shareholders of Tema Energy, see Section 9.1.2(vii) of this Prospectus.
- (3) Remaining 49% held by a third party, Saito Separator Limited.

6. INFORMATION ON OUR GROUP (Cont'd)

6.3 OUR SUBSIDIARIES

As at the LPD, our Company has six subsidiaries and does not have any associates or joint venture.

The details of our subsidiaries following the completion of the Pre-IPO Exercise on 28 October 2025 are as follows:

Name and registration number of the company	Date and country of incorporation	Issued share capital	Our effective equity interest (%)	Principal activities
Subsidiaries				
WATSB 199101002546 (212857-U)	21 February 1991 (Malaysia)	RM20,140,000	100.0	Manufacturing and supply of palm oil milling equipment and spare parts, supply of equipment and spare parts related to steam turbine generator systems, and provision of maintenance services for the palm oil and other agricultural industries
WTSB 200401011253 (649756-K)	20 April 2004 (Malaysia)	RM10,000,000	100.0	Undertaking of steam boiler and energy system projects in both local and overseas markets
PMT (Labuan) (LL06758)	9 October 2008 (Labuan)	JPY1,000	100.0	Supply of equipment for palm oil and other agricultural industries ⁽¹⁾
PMT–Dong Yuan 200701026085 (784106-K)	9 August 2007 (Malaysia)	RM2,742,025	100.0	Fabrication, assembly and supply of machinery and equipment to palm oil industry ⁽²⁾
PT WATI (9120008112629)	21 November 2000 (Indonesia)	IDR2,500,000,000	100.0	Importer for supplying technical equipment and spare parts for agricultural and plantation factories and maintenance services
Wasco Saito 201801032314 (1294340-W)	6 September 2018 (Malaysia)	RM1,500,000	51.0	Manufacturing accessories and equipment under the brand of "Saito", for disc bowl centrifuge for palm oil industry, manufacturing of decanters model SID-550P and 580P palm oil industry and manufacturing and development of new products in any industry

Notes:

- (1) *PMT (Labuan) was previously established in 2008 to supply steam turbine generator systems to our Group's customers in Indonesia. Its operations have now been fully consolidated under WATSB and PMT (Labuan) is not undertaking any active business operations as at the LPD.*
- (2) *PMT–Dong Yuan was previously established in 2007 for the fabrication of kernel crushing plants but its operations have now been fully consolidated under WATSB. As at the LPD, PMT–Dong Yuan is not undertaking any active business operations.*

6. INFORMATION ON OUR GROUP (Cont'd)

Further details of our subsidiaries as at the LPD are set out below:

6.3.1 WATSB

WATSB was incorporated in Malaysia under the Companies Act 1965 on 21 February 1991 as a private limited company under the name of PMT Industries Sdn Bhd and is deemed registered under the Act. It changed its name to Wasco AgroTech Sdn Bhd on 31 July 2023. WATSB is principally involved in manufacturing and supply of palm oil milling equipment and spare parts, supply of equipment and spare parts related to steam turbine generator systems, and provision of maintenance services for the palm oil and other agricultural industries. The principal place of business of WATSB is at Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor.

The issued share capital of WATSB is RM20,140,000 comprising 20,040,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of WATSB during the Periods Under Review and up to the LPD:

<u>Date of allotment</u>	<u>No. of shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital (RM)</u>
8 February 2023	11,440,000 ordinary shares	Otherwise than cash	20,140,000
23 February 2023	6,000,000 ordinary shares ⁽¹⁾	Cash	20,140,000

Note:

(1) Pursuant to the Notice of Redemption of Preference Shares, 6,000,000 non-cumulative redeemable convertible preference shares have been converted into 6,000,000 ordinary shares on 23 February 2023.

WATSB is our wholly-owned subsidiary. As at the LPD, WATSB has four subsidiaries, and does not have any associate or joint venture.

6.3.2 WTSB

WTSB was incorporated in Malaysia under the Companies Act 1965 on 20 April 2004 as a private limited company under the name of Meridian Reap Sdn Bhd and is deemed registered under the Act. It changed its name to Mackenzie Industries Sdn Bhd on 14 December 2005 and subsequently to Wasco Thermal Sdn Bhd on 19 September 2023. WTSB is principally involved in undertaking steam boiler and energy system projects in both local and overseas markets. The principal place of business of WTSB is at Lot 1945, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor.

The issued share capital of WTSB is RM10,000,000 comprising 2,500,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of WTSB during the Periods Under Review and up to the LPD:

<u>Date of allotment</u>	<u>No. of ordinary shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital (RM)</u>
22 April 2024	500,000	Otherwise than cash	10,000,000

Prior to the Pre-IPO Exercise, we held 60.0% equity interest in WTSB. Following the completion of the Pre-IPO Exercise, our equity interest in WTSB increased to 100.0%.

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

6. INFORMATION ON OUR GROUP (Cont'd)

6.3.3 PMT (Labuan)

PMT (Labuan) was incorporated in Malaysia under the Offshore Companies Act 1990 on 9 October 2008 as a company limited by shares under the name of PMT Industries (Labuan) Ltd and is deemed registered under the Act. PMT (Labuan) was previously involved in supply of equipment for palm oil and other agricultural industries but its operations have now been fully consolidated under WATSB. As at the LPD, PMT (Labuan) is not undertaking any active business operations. The principal place of business of PMT (Labuan) is at Level 1, Lot 7, Block F, Saguking Commercial Building, Jalan Patau-Patau, Federal Territory of Labuan, 87000, Malaysia.

The issued share capital of PMT (Labuan) is JPY1,000 comprising 1,000 ordinary shares. There has been no change in the issued share capital of PMT (Labuan) during the Periods Under Review and up to the LPD.

PMT (Labuan) is a wholly-owned subsidiary of WATSB, which in turn is our wholly-owned subsidiary. As at the LPD, PMT (Labuan) does not have any subsidiary, associate or joint venture.

6.3.4 PMT–Dong Yuan

PMT–Dong Yuan was incorporated in Malaysia under the Companies Act 1965 on 9 August 2007 as a private limited company under the name of Energy Competitive Sdn Bhd and is deemed registered under the Act. It changed its name to PMT–Dong Yuan Industries Sdn Bhd on 7 October 2008. PMT–Dong Yuan was previously involved in fabrication, assembly and supply of machinery and equipment to palm oil industry but its operations have now been fully consolidated under WATSB. As at the LPD, PMT–Dong Yuan is not undertaking any active business operations. The principal place of business of PMT–Dong Yuan is at Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor.

The issued share capital of PMT–Dong Yuan is RM2,742,025 comprising 1,000,000 ordinary shares. There has been no change in the issued share capital of PMT–Dong Yuan during the Periods Under Review and up to the LPD.

PMT–Dong Yuan is a wholly-owned subsidiary of WATSB, which in turn is our wholly-owned subsidiary. As at the LPD, PMT–Dong Yuan does not have any subsidiary, associate or joint venture.

6.3.5 PT WATI

PT WATI was incorporated in Indonesia under the Deed of Establishment No. 69, dated 21 November 2000, which was approved by the Ministry of Law on 16 October 2001 as a private limited company under the name of PT PMT Industri. It changed its name to PT Wasco AgroTech Indonesia on 26 October 2023. PT WATI is principally involved in major trading of agricultural machinery, equipment and gear business activities under Indonesian Standard Industrial Classification (*Klasifikasi Baku Lapangan Usaha Indonesia, KBLI*) No. 46530.

The principal place of business of PT WATI is at Medan Mega Trade Center Logistic, Block D-28, Deli, Serdang, North Sumatera, Indonesia.

The issued share capital of PT WATI is IDR2,500,000,000 comprising 2,500 ordinary shares. There has been no change in the issued share capital of PT WATI during the Periods Under Review and up to the LPD.

PT WATI is a wholly-owned subsidiary of WATSB (based on WATSB's direct and indirect interest in PT WATI held through PMT (Labuan)), which in turn is our wholly-owned subsidiary. As at the LPD, PT WATI does not have any subsidiary, associate or joint venture.

6. INFORMATION ON OUR GROUP (Cont'd)**6.3.6 Wasco Saito**

Wasco Saito was incorporated in Malaysia under the Act on 6 September 2018 as a private limited company under the name of PMT Saito Sdn Bhd. It changed its name to Wasco Saito Sdn Bhd on 21 September 2023. Wasco Saito is principally involved in manufacturing accessories and equipment under the brand of "SAITO", for disc bowl centrifuge for palm oil industry, manufacturing of decanters model SID-550P and 580P palm oil industry and manufacturing and development of new products in any industry. The principal place of business of Wasco Saito is at Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor.

The issued share capital of Wasco Saito is RM1,500,000 comprising 1,500,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of Wasco Saito during the Periods Under Review and up to the LPD:

<u>Date of allotment</u>	<u>No. of ordinary shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital (RM)</u>
10 May 2022	500,000	Cash	1,500,000

As at the LPD, we own 51.0% equity interest in Wasco Saito. The remaining 49.0% equity interest in Wasco Saito is held by Saito Separator Limited.

As at the LPD, Wasco Saito does not have any subsidiary, associate or joint venture.

As at the LPD, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital. None of our Shares and share capital in our subsidiaries were issued and allotted at a discount or have any special terms or instalment payment terms. Our issued Shares and the issued shares of our subsidiaries are fully paid-up.

As at the LPD, neither our Company nor our subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

During the last financial year and up to the LPD, there were no:

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by our Company in respect of other companies' securities.

7. BUSINESS OVERVIEW

7.1 Overview

We operate in the renewable energy sector as a provider of renewable energy systems that support companies in meeting their energy needs, including those seeking to achieve their decarbonisation and net-zero emissions targets. Our core business segment comprises the EPCC of steam energy systems and auxiliary facilities, the supply of steam turbine generator systems, as well as the provision of after-sales services for these systems.

We offer three types of steam energy systems: biomass, gas-fired, and HRSG. The biomass energy systems involve using a boiler to burn agricultural waste and byproducts such as EFB, palm kernel shells, palm fibre and wood chips to generate steam or heat, which is then used to power turbines for electricity generation or other processes. The gas-fired energy systems on the other hand, use natural gas as the fuel source. The HRSG is designed to capture waste heat from customers' gas turbines, which is used to heat up the boiler feedwater for steam energy systems. This process, commonly known as a cogeneration heat recovery system, enhances overall energy efficiency and reduces fuel consumption.

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

Our fabrication and assembly of steam energy systems and auxiliary facilities are carried out in our WTSB Factory, which has a total production and storage area measuring approximately 147,250 sq. ft. as at the LPD. For the Periods Under Review and up to the LPD, we have completed a total of 52 steam energy system projects with design capacity ranging from 3.2 TPH to 55.0 TPH.

We leverage on our in-house engineering strength and knowledge in our role as Shinko's appointed distributor for the supply of steam turbine generator systems. These steam turbine generator systems are sourced from our principal, Shinko Ind. Ltd. in Malaysia and Japan, and may be supplied to customers individually or integrated into our renewable energy system offerings. Our steam turbine generator systems are designed to convert high-pressure steam into mechanical energy and the turbines rotate a shaft, that powers a generator to produce electricity. For the Periods Under Review and up to the LPD, we have supplied a total of 316 steam turbine generator systems with output capacities ranging from 0.50 MW to 3.75MW.

We also provide after-sales services for steam energy systems, auxiliary facilities, and steam turbine generator systems. These services typically include repair and maintenance services and parts sales, all of which support our renewable energy system business.

As at the LPD, we have:

- (i) 87 technical personnel for the EPCC of steam energy systems and auxiliary facilities (including after-sales services) in Malaysia;
- (ii) 111 technical personnel for steam turbine generator systems (including after-sales services), comprising 59 personnel in Malaysia and 52 personnel in Indonesia; and
- (iii) 85 technical personnel for palm oil milling equipment (including after-sales services), comprising 82 personnel in Malaysia and 3 personnel in Indonesia.

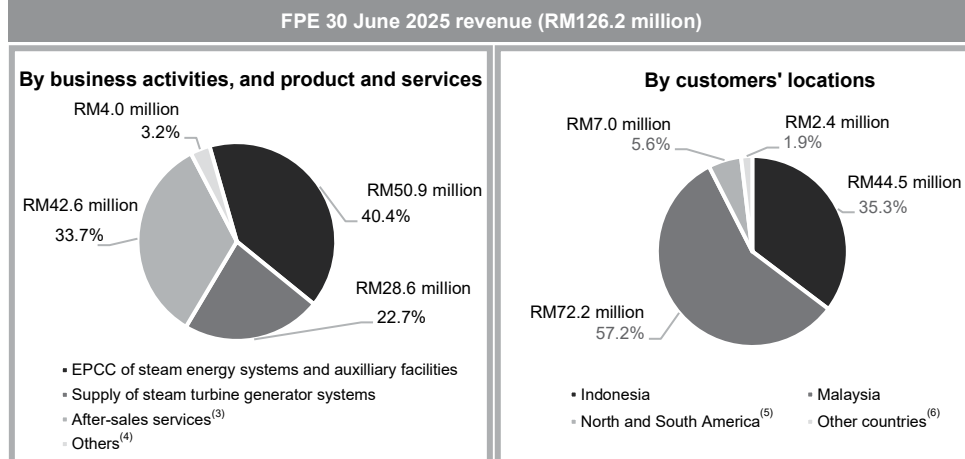
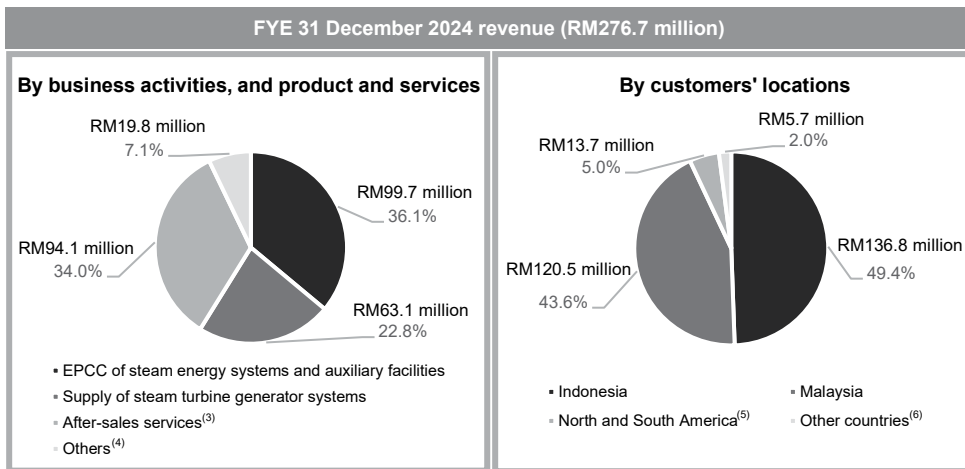
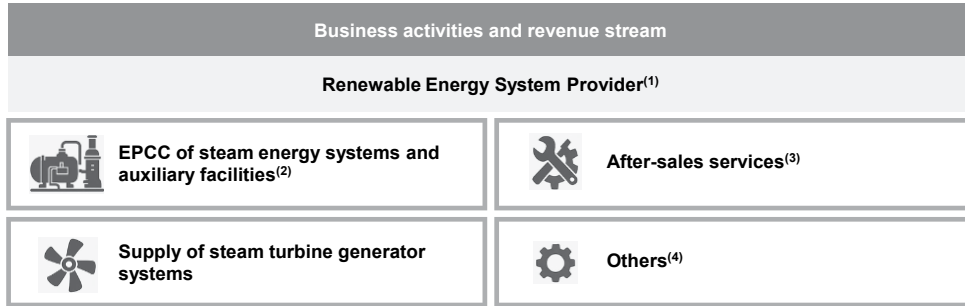
We are also involved in the design and manufacture of various palm oil milling equipment such as, EFB press machines, palm kernel oil machines, twin screw press machines, separators, rotary brush strainers, and de-sanding cyclones. We also source third-party fabricated palm oil milling equipment, including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

As at the LPD, we operate in two countries. Our headquarters and operational facilities are located in Shah Alam, Selangor, Malaysia and is supported by three service centres in Malaysia, and two service centres in Indonesia.

7. BUSINESS OVERVIEW (Cont'd)

7.1.1 Our business model

Our current business model is as follows:



7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) Revenue from the renewable energy system segment accounted for 89.0%, 85.9%, 85.3% and 88.7% of our total revenue for FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025, respectively. The remaining was accounted by the industrial energy and equipment segment, which contributed 11.0%, 14.1%, 14.7% and 11.3% for FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025, respectively. Please refer to Section 7.1.2 below for further details on the segmentation.
- (2) Steam energy systems and auxiliary facilities that we offer comprise renewable energy systems including biomass steam energy systems, and auxiliary facilities including emission control systems, efficiency enhancement systems, water treatment systems, boiler process control and automation and HRSG. We also offer other steam energy systems, namely gas-fired steam energy systems.
- (3) Include repair and maintenance services, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.
- (4) Include the sales of palm oil milling equipment which are in-house manufactured and externally sourced.
- (5) Includes countries from North and South America, such as Colombia, Mexico, Guatemala, and Honduras.
- (6) Other countries include countries from Africa such as Uganda, Liberia, Ghana, Gabon, Ivory Coast, Cameroon and Nigeria; and Asia Pacific countries such as Thailand, Singapore, Bangladesh, Japan and Myanmar.

Our Group has historically been engaged in the provision of EPCC services, specialising in steam energy systems and auxiliary facilities and the supply of steam turbine generator systems mainly to the palm oil industry. Leveraging our engineering expertise and industry experience, we have delivered a wide range of turnkey biomass solutions to clients across Malaysia, Indonesia as well as North and South America.

In line with our strategic growth plans to diversify our revenue base, we plan to expand our current business model to include ownership and operation of energy assets in particular biomass steam power plants and related infrastructure under a BOOT and/or BOO framework. The ownership and operation of a biomass steam power plant represents a natural extension of our value chain, from designing and constructing biomass steam energy systems to operating them for long-term recurring income.

This new segment complements our existing business model by enabling us to capture greater value across the biomass energy value chain. It also enhances our competitive positioning by differentiating us as an integrated biomass energy solutions provider, offering both project delivery and long-term utility services. For further details on our expansion strategy relating to the asset ownership model, see Section 7.2.2.1 of this Prospectus.

7.1.2 Revenue contribution by segment, business activities, and products and services

7.1.2.1 Revenue contribution by segment

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Renewable energy segment	237,113	89.0	248,007	85.9	235,994	85.3
- After-sales services ⁽¹⁾	88,595	33.2	80,526	27.9	94,099	34.0
- EPCC of steam energy systems and auxiliary facilities ⁽²⁾	93,446	35.1	94,212	32.6	78,800	28.5
- Supply of steam turbine generator systems	55,072	20.7	73,269	25.4	63,095	22.8
Industrial energy and equipment segment⁽³⁾	29,452	11.0	40,837	14.1	40,721	14.7
Total revenue	266,565	100.0	288,844	100.0	276,715	100.0

7. BUSINESS OVERVIEW (Cont'd)

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Renewable energy segment	101,045	84.2	111,946	88.7
- After-sales services ⁽¹⁾	44,504	37.1	42,589	33.7
- EPCC of steam energy systems and auxiliary facilities ⁽²⁾	32,690	27.2	40,719	32.3
- Supply of steam turbine generator systems	23,851	19.9	28,638	22.7
Industrial energy and equipment segment⁽³⁾	18,914	15.8	14,213	11.3
Total revenue	119,959	100.0	126,159	100.0

Notes:

- (1) Include repair and maintenance services, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.
- (2) Include biomass steam energy systems, and auxiliary facilities including emission control systems, efficiency enhancement systems, water treatment systems, and boiler process control and automation, and HRSG. In FYE 31 December 2022, it included a supply and installation project for palm oil milling equipment.
- (3) Include the EPCC of gas-fired energy systems and the sales of palm oil milling equipment which are in-house manufactured and externally sourced.

7.1.2.2 Revenue contribution by business activities, and product and services

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
EPCC of steam energy systems and auxiliary facilities⁽¹⁾	109,566	41.1	120,920	41.8	99,757	36.1
- Biomass energy systems	50,744	19.1	63,814	22.1	62,267	22.5
- Gas-fired energy systems	16,120	6.0	26,708	9.2	20,957	7.6
- HRSG systems	21,357	8.0	17,330	6.0	14,428	5.2
- Auxiliary facilities	21,345	8.0	13,068	4.5	2,105	0.8
Supply of steam turbine generator systems	55,072	20.7	73,269	25.4	63,095	22.8
After sales services⁽²⁾	88,595	33.2	80,526	27.9	94,099	34.0
Others⁽³⁾	13,332	5.0	14,129	4.9	19,764	7.1
Total revenue	266,565	100.0	288,844	100.0	276,715	100.0

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
EPCC of steam energy systems and auxiliary facilities⁽¹⁾	41,601	34.6	50,893	40.4
- Biomass energy systems	26,241	21.8	30,726	24.4
- Gas-fired energy systems	8,911	7.4	10,174	8.1
- HRSG systems	4,541	3.8	9,967	7.9
- Auxiliary facilities	1,908	1.6	26	*
Supply of steam turbine generator systems	23,851	19.9	28,638	22.7
After sales services⁽²⁾	44,504	37.1	42,589	33.7
Others⁽³⁾	10,003	8.4	4,039	3.2
Total revenue	119,959	100.0	126,159	100.0

7. BUSINESS OVERVIEW (Cont'd)

Notes:

* Less than 0.1%

- (1) Include biomass energy systems, gas-fired energy systems and auxiliary facilities including emission control systems, efficiency enhancement systems, water treatment systems, and boiler process control and automation, and HRSG. In FYE 31 December 2022, it included a supply and installation project for palm oil milling equipment.
- (2) Include repair and maintenance services, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.
- (3) Include the sales of palm oil milling equipment which are in-house manufactured and externally sourced.

7.1.3 Principal markets

As at the LPD, we serve customers in Malaysia and foreign countries. For the Periods Under Review, revenue contribution by the location of customers (based on customers' delivery and/or project site address) is set out below:

Revenue by customers' locations	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Indonesia ⁽¹⁾	113,666	42.6	138,030	47.8	136,799	49.4
Malaysia ⁽²⁾	122,182	45.9	123,797	42.9	120,510	43.6
North and South America ⁽³⁾	22,490	8.4	21,099	7.3	13,732	5.0
Others ⁽⁴⁾	8,227	3.1	5,918	2.0	5,674	2.0
Total revenue	266,565	100.0	288,844	100.0	276,715	100.0

Revenue by customers' locations	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Indonesia ⁽¹⁾	60,051	50.1	44,533	35.3
Malaysia ⁽²⁾	48,974	40.8	72,201	57.2
North and South America ⁽³⁾	8,922	7.4	6,995	5.6
Others ⁽⁴⁾	2,012	1.7	2,430	1.9
Total revenue	119,959	100.0	126,159	100.0

Notes:

- (1) Transactions in Indonesia are conducted in IDR, USD, and JPY.
- (2) Transactions in Malaysia are conducted in MYR.
- (3) Includes countries from North and South America, such as Colombia, Mexico, Guatemala, and Honduras. Transactions in North and South America are conducted in USD and JPY.
- (4) Others include countries from Africa such as Uganda, Liberia, Ghana, Gabon, Ivory Coast, Cameroon and Nigeria; and Asia Pacific countries such as Thailand, Singapore, Bangladesh, Japan and Myanmar. Transactions in these countries are conducted in USD, JPY, EUR (Euro), and SGD (Singapore Dollar).

For the Periods Under Review, we served a pool of more than 1,500 customers across three continents, namely Asia, North and South America and Africa. Of these, approximately 1,440 customers were located in Asia, 50 in North and South America, 26 in Africa, Europe and Oceania. Within Asia, our Group had around 577 customers in Malaysia and 828 customers in Indonesia, which is our Group's largest overseas market.

We have three appointed agents in Indonesia and one in North and South America to leverage on their local networks and market reach to provide an integrated and comprehensive range of renewable energy systems.

7. BUSINESS OVERVIEW (Cont'd)

Indonesia is currently our largest overseas market and accounted for 42.6%, 47.8%, 49.4% and 35.3% of our Group's total revenue for FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively and is expected to remain our largest export market moving forward. In addition, as part of our strategies outlined in Section 7.2.2 of this Prospectus, we plan to further expand and strengthen our market presence in Indonesia.

7.1.4 Distribution channels and customers

We primarily adopt a direct distribution channel strategy, marketing and selling our products and services directly to customers who are users of our products and services, including operators and owners of palm oil mills, oil palm plantations and other industrial plants such as oleochemical plants, pulp and paper mills, and sugar refineries. Working closely with direct users allows us to gain an in-depth technical understanding of their needs and build long-term business relationships.

Our direct distribution channel strategy provides us with strategic advantages by allowing greater control over our marketing, sales and pricing processes, while at the same time, fostering closer relationships with our customers. This approach deepens our understanding of our customers' operational needs and technical requirements, which enables us to respond faster and with greater flexibility in customisation of products. By eliminating reliance on intermediaries, we are able to reduce the risk of miscommunication. Further, this strategy strengthens our market presence, supports brand loyalty and trust with our customers, and drives repeat business and positive word-of-mouth in the marketplace.

Our Group also uses sales agents to provide sales, marketing and support to expand its market outreach in Indonesia and North and South America. As at the LPD, we have appointed three third-party agents in Indonesia (one for steam energy systems, one for steam turbine generator systems and one for palm oil milling equipment), and one agent covering both steam energy systems and steam turbine generator systems in North and South America. These agents leverage their local networks and market expertise to promote our products and introduce potential customers to our Group. While they assist in facilitating the sales process by identifying prospects and supporting initial engagements, all sales transactions are entered into directly between the customers and our Group. The agents are compensated through commissions for successful referrals that result in completed sales. In addition to sales and marketing support, the agents also assist our Group in obtaining the necessary regulatory approvals and permits required for the sale and delivery of our products in their respective regions.

In addition to our direct approach, we also leverage from indirect distribution channels to expand our market reach and drive scalability. We are engaged by EPCC contractors to design and construct steam energy systems and auxiliary facilities for palm oil mills and industrial plants. We also collaborate with engineering firms and resellers to manufacture customised products for their clients. These indirect channels enable us to tap into the existing network of these intermediaries, helping us to reach and serve a wider customer base without the need for significant investments in human resources or infrastructure.

7.1.5 Modes of operations

7.1.5.1 EPCC of steam energy systems and auxiliary facilities

We carry out our EPCC of steam energy systems and auxiliary facilities mainly based on fixed lump sum contracts. These contracts are secured either through direct submission of competitive proposals directly to prospective customers or participating in tender exercises. A contract is awarded by the customer once the technical specifications and commercial terms have been agreed upon.

7. BUSINESS OVERVIEW (Cont'd)

Typically, our fixed lump-sum contracts contain the following key terms:

- (i) Deliverables: These include products, services, scope of work, and technical specifications and requirements.
- (ii) Financial terms: These include pricing, total contract value, progress billing, and payment schedule.
- (iii) Site information: This includes details about the installation site along with operational environment and conditions that may impact system design and performance.
- (iv) Project timeline: This includes the overall project schedule, key milestone delivery dates targeted project completion date, and milestone delivery schedules.

Our EPCC contracts for steam energy systems and auxiliary facilities typically span between 11 to 24 months, depending on the scale and technical complexity of the systems involved. Depending on the specific terms of the contract, our fixed lump-sum agreements may also include one or more of the following commitments:

- (i) Warranty: We provide a warranty on the equipment, accessories and parts of the steam energy systems and auxiliary facilities which cover defects in materials and workmanship attributable to our scope of work. The warranty period typically applies from the earlier of either 12 months from the date of project handover or upon completion of testing and commissioning, or 18 months from the date of delivery of system. During this period, we are responsible for rectifying any defects identified in our work, including carrying out repairs or replacements, in accordance with warranty terms in our EPCC contracts.
- (ii) Performance guarantee: Subject to contract terms, we may be required to guarantee that our steam energy systems meet specified performance parameters such as steaming capacity, superheater temperature, steam dryness, and continuous operational capability. If our steam energy systems do not meet these benchmarks, we are obligated to carry out the necessary rectification works within the timeframe specified in the contract.
- (iii) Liquidated ascertained damages (LAD): Subject to contract terms, we may also be subject to LAD provisions in the event of project delays or performance shortfalls. LAD for delays in completion of a project are intended to compensate the customer for losses incurred due to late completion or delivery based on the contractual project timeline. Similarly, LAD may also apply if the steam energy systems and auxiliary facilities fail to meet specified performance criteria such as steaming capacity, superheater temperature, steam dryness, and the ability to operate continuously.

If a delay occurs, the customer may claim LAD based on a predetermined amount or an agreed rate as stipulated in the contract. For performance-related LAD, compensation is provided at an agreed rate for any shortfall against the guaranteed parameters. The total LAD liability is typically capped at a negotiated percentage of the contract value as specified in the contract.

7.1.5.2 Supply of steam turbine generator systems

Our supply of steam turbine generator systems is governed by purchase orders and/or customer procurement agreements. These purchase orders outline key details such as the system model, technical specifications, quantity required, delivery location, and timeline. Following the fulfilment of an order, we will issue invoices to our customers. The typical lead time for delivering a steam turbine generator system ranges from approximately 6 to 15 months.

We provide a warranty for steam turbine generator systems which is valid for either 12 months from the date of completion of testing and commissioning, or 18 months from the date of delivery of system, whichever the earlier. During these periods, we are responsible for addressing any defects that may arise at our own cost and expense.

7. BUSINESS OVERVIEW (Cont'd)

7.1.5.3 After-sales services

Our after-sales services for steam energy systems and their auxiliary facilities, and steam turbine generator systems, are carried out based on purchase orders issued by our customers.

These purchase orders typically outline key details including scope of work, pricing and payment terms, service schedule, and other terms and conditions related to the service. Services provided may include routine and/or preventive maintenance, repairs, full system overhaul and/or shutdown support, as well as the supply of spare parts with or without accompanying services.

Our Group's after-sales service teams are primarily based in Malaysia and provide support to our customers located in Africa, North and South America, and other parts of Asia, which includes deploying personnel to these countries to assist with on-site after-sales services as and when needed. In Indonesia, after-sales services are mainly managed by our local subsidiary, PT WATI, with occasional assistance from the Malaysian team as needed. This arrangement ensures effective and timely support tailored to the specific needs of our customers in each region.

7.1.5.4 Others

Our sales of palm oil milling equipment, whether manufactured in-house or sourced from third party suppliers, are typically based on customers' purchase orders. These purchase orders generally outline key details such as the equipment type, technical specifications, required quantities, and delivery arrangements. Invoices are issued upon fulfilment of the orders, typically upon delivery. We do not enter into long-term contracts with our customers for the sale of our palm oil milling equipment.

For palm oil milling equipment which is manufactured in-house, we will address any issues arising from our workmanship at our own cost and expense, while for equipment sourced from third party suppliers, any manufacturing defects in such equipment have been typically resolved by them.

7.2 Competitive strengths, future plans and strategies

7.2.1 Competitive advantages and key strengths

Our competitive advantages and key strengths will provide us the platform to grow our business. These are as follows:

7.2.1.1 We are a market-leading renewable energy systems provider in Malaysia and well-positioned to capitalise on opportunities within the growing renewable energy space to drive business growth

According to the IMR Report, WTSB and WATSB are the key players in Malaysia's biomass steam energy systems and steam turbine markets, having established our reputation in the palm oil industry as a biomass specialist that can provide an integrated biomass solution which is customised to the needs of our customers. We are the largest provider of steam turbine generator systems and second largest provider of biomass steam energy systems in Malaysia in 2024, with a market share of 16.8% and 14.1% respectively, based on revenue. Within the non-utility end-user segment of the steam turbine market in Malaysia, our leading market share, based on revenue, is further enhanced to an estimated 30.2% in 2024. Our leadership position in Malaysia is contributed by our strong local presence, technical and industry know-how in designing and customising biomass boilers to offer end-to-end turnkey solutions to our customers, as well as substantial expertise in providing after-sales services for these systems and equipment. In Indonesia, we have a market share of approximately 22.0% and less than 5.0% for the steam turbine and the biomass boiler markets respectively in 2024. With similar capabilities in Indonesia, we are among the top industry players in the country's steam turbine market. Furthermore, in the non-utility end-user segment of Indonesia's steam turbine market, we are the leading player with a commanding market share of 67.3%, based on revenue, in 2024.

7. BUSINESS OVERVIEW (Cont'd)

According to the IMR Report, biomass energy remains a significant component of Southeast Asia's renewable energy mix, primarily due to the region's abundant agricultural waste and byproducts. Biomass-derived energy is projected to represent about 22% of the total global primary energy supply by 2050, highlighting its growing importance in the energy transition. The estimated market size of biomass boiler equipment and after-sales services in Malaysia was valued at USD129.8 million collectively in 2024 and projected to grow to USD200.1 million by 2029, representing a CAGR of 9.0% which is more than double the CAGR of 3.9% between 2020 and 2024. On the other hand, Malaysia's steam turbine equipment and after-sales services market is expected to grow from USD42.2 million to USD62.2 million over the same period, representing a CAGR of 8.1% which is also more than double the CAGR of 3.6% between 2020 and 2024. Specifically in the non-utility end-user segment of the steam turbine market where we have a leading market share of 30.2%, the market size is estimated at USD23.4 million in 2024 or 55.5% of the overall market size. Although significant growth is expected to be attributable to the palm oil sector, additional demand is also expected from other industrial sectors such as rubber and latex, pulp and paper, wood processing and furniture, textile and apparels and food and beverage. According to Frost & Sullivan, we are able to benefit from our leading position in the biomass boiler equipment market within the palm oil industry by leveraging our expertise to further expand into other industrial sectors to reach a broader customer base. This will also allow us to expand our presence in the steam turbine segment, as industrial customers tend to engage with companies that can provide a turnkey solution for their biomass power plant. The capability to supply both biomass boilers and steam turbines is a key competitive advantage for us, as most of our competitors are only able to supply either biomass boilers or steam turbines.

Frost & Sullivan estimates the market size of biomass boiler equipment and after-sales services in Indonesia to be valued at USD416.0 million in 2024 and USD706.3 million in 2029, representing a CAGR of 11.2% which is more than double the CAGR of 5.7% between 2020 and 2024. The steam turbine equipment and after-sales services market in Indonesia is estimated to be valued at USD97.8 million in 2024 and USD147.9 million in 2029, representing a CAGR of 8.6% which is significantly higher than the CAGR of 4.6% between 2020 and 2024. Within this, the non-utility end-user segment of the steam turbine market where we have a dominant market share of 67.3%, the market size is estimated at USD27.2 million in 2024 or 27.8% of the overall market size. In Indonesia, we are able to leverage on our technical strength and expertise in biomass boiler technology. By focusing on high-end boilers, we are able to compete on technological performance rather than price, which allows us to position ourselves as a premium brand in the Indonesia market, according to Frost & Sullivan.

Given our established geographical footprint in Malaysia and Indonesia, we are well-positioned to capture the growing demand for renewable energy alternatives such as biomass, which is becoming a preferred renewable source to help public and private organisations achieve their decarbonisation goals in these markets, according to Frost & Sullivan. Indonesia and Malaysia are the largest markets that we operate in, contributing 49.4% and 43.6% of our total revenue by customers' locations for the FYE 31 December 2024 respectively. We are also able to leverage on our strong execution track record across our renewable energy segment, with EPCC of steam energy systems (including biomass steam energy systems), supply of steam turbine generator systems and after-sales services contributing 28.5%, 22.8% and 34.0% of our total revenue for the FYE 31 December 2024 respectively. During the Periods Under Review and up to the LPD, we supplied a total of 316 steam turbines with a combined installed capacity of 488.2 MW. Meanwhile, we also completed a total of 52 steam energy system projects, with design capacity ranging from 3.2 TPH to 55.0 TPH.

7. BUSINESS OVERVIEW (Cont'd)

7.2.1.2 We design and deliver customised energy systems and engineering solutions that optimise energy efficiency and performance

We are involved across multiple stages of the steam energy system value chain, with in-house expertise in EPCC, the supply of steam turbine generator systems, and after-sales services. Our engineering process includes conceptualising various system options, followed by detailed engineering design and specifications for the selected system concept. This enables us to deliver fully integrated steam energy systems, including all necessary auxiliary facilities and steam turbine generators, as complete turnkey solutions tailored to meet specific customer requirements. According to Frost & Sullivan, one of the barriers to entry for this industry is technical complexity. Leading players are known for their ability to deliver customised biomass steam energy system solutions that are reliable and specifically designed for end-users, for example, turbines with smaller capacity (0.5 MW to 10.0 MW) to suit the needs of biomass or other industrial sectors. This is the segment where we have the technical expertise in and track record to deliver. Our steam energy systems are fully customisable to support various fuel inputs such as biomass, gas-fired, and heat recovery options, and are designed with output capacities tailored to meet diverse energy requirements. For the Periods Under Review and up to the LPD, we have completed a total of 52 steam energy system projects with design capacity ranging from 3.2 TPH to 55.0 TPH.

Our expertise in designing and engineering biomass steam energy systems in particular allows us to meet specifications that ensure continuous operation and high availability. According to Frost & Sullivan, our biomass boilers are widely recognised to demonstrate strong product performance, with combustion efficiency of more than 80% and the capability to operate continuously for up to 90 days. Our boiler designs are customisable and built to withstand high temperatures and corrosive elements in EFB. We integrate a pre-processing EFB chamber to enhance the fuel's combustion efficiencies and our boiler design is able to improve EFB burning efficiency by optimising airflow, controlling oxygen levels for complete combustion, and reducing unburned carbon losses. Furthermore, our designs also incorporate automated fuel feeding and ash handling systems to minimise manual intervention and ensure stable combustion. In addition to the electricity purpose, our biomass boilers can also be utilised in other industrial applications (and in this case not coupled with steam turbines), such as sterilising fresh fruit bunches and providing steam for palm oil mills, which are common use cases according to Frost & Sullivan.

As the appointed distributor of Shinko-brand steam turbine generator systems, we have the ability to integrate our steam turbines with our steam energy systems and auxiliary facilities to deliver complete renewable energy generation solutions which are suitable for industries such as palm oil milling, paper mills, sugar refineries and others. Besides that, we are also able to customise auxiliary facilities to integrate into our customers' existing steam energy systems to address any environmental requirements such as ESP, which is a critical environmental system to mitigate harmful emissions. Our ability to offer fully integrated, customised steam energy system solutions is further strengthened by our strong after-sales support services through our team of technical personnel based in Malaysia and Indonesia, as recognised in the IMR Report. One of the key success factors identified by Frost & Sullivan includes local presence for service advantage. Leading players with local manufacturing and assembly lines, testing facilities, and repair workshops can enable quick project turnaround and a prompt response to clients' requests, through either in-house service teams or local partners.

As at the LPD, our team comprises:

- (i) 87 technical personnel for the EPCC of steam energy systems and auxiliary facilities (including after-sales services) in Malaysia;
- (ii) 111 technical personnel for steam turbine generator systems (including after-sales services), comprising 59 personnel in Malaysia and 52 personnel in Indonesia; and
- (iii) 85 technical personnel for palm oil milling equipment (including after-sales services), comprising 82 personnel in Malaysia and 3 personnel in Indonesia.

7. BUSINESS OVERVIEW (Cont'd)

Our in-house after-sales support include preventive maintenance, on-site repairs, system upgrades and retrofitting, and the supply of spare parts such as grates, blowers, valves, and gauges. Furthermore, according to Frost & Sullivan, due to the long-established biomass industry in Malaysia and Indonesia, many old biomass boilers and steam turbines have been installed for more than 10 years. Each year, aging machines need extra after-sales services, leading to higher maintenance revenue. Our after-sales services revenue, although less significant than equipment revenue, is driven by returning customers who purchased our systems and such contributions increase proportionally as we develop a larger installed base in the market.

We are a registered company with DOSH, a government agency under the Ministry of Human Resources which provides authorisation to design and fabricate steam energy systems in Malaysia. We are also in full compliance with international standards such ASME, whose requirements ensure that our equipment and processes meet demanding safety, performance and environmental criteria.

7.2.1.3 We serve a broad customer base by leveraging our direct and indirect distribution channels, strengthening customer loyalty and expanding our market reach

For the Periods Under Review, we have a broad customer base of more than 1,500 customers. Our ability to utilise both direct and indirect distribution channels enables us to broaden our market reach to maximise sales. We benefit from returning customers for our steam energy and steam turbine generator systems as well as after-sales service for these systems, providing a stable revenue foundation.

According to Frost & Sullivan, the biomass boiler and steam turbine markets are mature, with both international and local players dominating the market share as these players have established local relationships and partnerships with major palm oil mill owners and government entities. Many also have an existing installed base in the country that can generate ongoing service revenue, hence it will be challenging for newcomers to compete in the market. Our customer portfolio includes well-established players in the plantation industry. Importantly, we are not subject to customer concentration risk, as we have a large pool of customers and no single customer accounted for more than 10.0% of our total revenue during the Periods Under Review. Please refer to Section 7.5 of this Prospectus for further information on our major customers.

7.2.1.4 We have secured contracts that provide strong revenue visibility in the near to mid-term, underpinned by our robust financial track record and solid foundation, which positions us well for securing new projects

Within our renewable energy segment, our order book consists of confirmed contracts, mainly for the provision of steam energy systems and steam turbine generator systems. Our order book provides us with clear revenue visibility and a strong degree of earnings certainty over the near to mid-term, supporting the continuity and sustainability of our operations. As at the LPD, we have a total outstanding order book of RM249.0 million. We expect to recognise our order book within the next three financial years, up to FYE 31 December 2027. We have also submitted tenders and proposals for steam energy systems and auxiliary facilities as well as steam turbine generator systems. If we are successful in securing these projects, this would enable us to replenish our order book and potentially expand it further.

Our ability to deliver on past projects for our customers has enabled us to build our executional track record and attract larger and more complex projects. Some of our notable products include securing our largest capacity steam turbine generator system project to date in 2018, to supply a 10MW steam turbine coupled with generator and completed other components and accessories to a palm oil product manufacturer in Indonesia. In 2020, we secured a project to design, supply and install a HRSG system with hot water capacity of 860.0 TPH for a rubber glove manufacturer in Sepang, Malaysia, marking the highest hot water capacity system we have delivered for large-scale industrial operations. In 2022, we secured a project to design, supply and install a 90.0 TPH gas-fired steam energy system for a sugar refinery in Johor, Malaysia, marking the highest steam capacity system in our track record.

7. BUSINESS OVERVIEW (Cont'd)

For the past three financial years, we recorded steady growth in both revenue and profitability, underpinned by consistent sales performance and our strategic focus on expanding higher-value segments. This includes the EPCC of steam energy systems and HRSG, the supply of steam turbine generator systems, gas-fired steam energy systems, as well as sales of palm oil milling equipment. In parallel, our after-sales services segment also experienced growth, reflecting our ability to deepen customer relationships and build complementary revenue streams across our installed base. Our GP margin, increased from 23.7% in the FYE 31 December 2022 to 28.0% in the FYE 31 December 2024, driven by higher contribution and improved GP margins from after sales service. As a result, this translated into robust earnings growth, with EBITDA and profit after tax growing at CAGR of 27.5% and 24.6%, respectively during the same period.

Our historical financial performance and established operational track record reflect our consistent ability to deliver quality outcomes across our projects. This is underpinned by the successful and timely completion of numerous contracts within our renewable energy segment. This proven track record acts as a strong reference point in commercial negotiations and tender processes, strengthening our position for securing new projects and orders, while providing a solid platform for the continued growth of our business. According to Frost & Sullivan, biomass power plant project owners tend to select players who have strong project financing capabilities, as biomass solutions including boilers, steam turbines and other machinery parts are usually capital-intensive. Newcomers without solid capital backing or proven financial capabilities struggle to gain traction in the market as project owners are generally unwilling to take risks on high-value investments with unproven suppliers.

7.2.1.5 We have an experienced key senior management team with vast industry experience to drive our business growth and strategies which is further backed by our corporate shareholder

Our Group is managed by our experienced key senior management team to grow and operate our business. We are led by our Group Chief Executive Officer, Lee Yee Chong with approximately 32 years of experience in mechanical and engineering areas for renewable energy systems. He spearheads the formulation of our Group's strategies and manages overall financial performance, which includes the planning, execution, and monitoring of budgets and resource allocation. Our Group Chief Executive Officer is backed by other key senior management members, each bringing extensive experience in their areas of expertise, including:

- (i) Ooi Giap Hwa (Group Head of Finance) with approximately 28 years of experience in finance and accounting. He is currently responsible for overseeing our Group's overall finance functions; and
- (ii) Tee Kian Lim (Chief Operating Officer of WTSB) with approximately 30 years of experience in mechanical and engineering design for systems. He is currently responsible for overseeing the operations of WTSB in relation to our steam energy system operations.

We believe our experienced management team will help sustain our business. Please refer to Section 9.3.2 of this Prospectus for the profiles of our key senior management.

Our business is also supported by our corporate shareholder and Promoter, Wasco Berhad, which provides benefits, including enhancing our corporate credibility that supports our funding efforts, as well as access to their broad network of financial resources, facilitating new opportunities and strategic collaborations.

7. BUSINESS OVERVIEW (Cont'd)

7.2.2 Our future plans and growth strategies

We specialise in the EPCC of steam energy systems and auxiliary facilities and the supply of steam turbine generator systems. By leveraging on our core competencies as well as our experienced and dedicated in-house after-sales services help to reinforce our market position and are well-positioned to seize growth and expansion opportunities across the region, particularly in Malaysia and Indonesia.

Our future plans and growth strategies include expanding our renewable energy business to include direct ownership and operation of energy assets. This asset ownership model is a natural growth progression for our Group to build a recurring income base.

To strengthen our market presence in Indonesia, we also intend to expand our operations in Indonesia by establishing a new sales office in Jakarta and two service centres in Pekanbaru and Sulawesi.

In terms of operations, we plan to integrate our existing management systems with AI-driven analytics to streamline our business processes and enhance operational productivity and efficiencies as well as support better decision-making across business functions. As we expand our operations across Malaysia, Indonesia, and into regional markets, we also plan to improve and enhance our operations through the replacement of our ageing equipment with new and/or automated ones as well as the upgrade of our headquarters to cater for increased operational requirements, functionality and space.

The summary of our future plans and strategies are as follows:

	<p>Renewable energy business expansion</p> <ul style="list-style-type: none"> To create recurring revenue through an asset ownership business model to own and operate energy assets, in particular biomass steam power plants
	<p>Indonesian business expansion</p> <ul style="list-style-type: none"> Establishment of new sales office in Jakarta Set up of two service centres in Pekanbaru and Sulawesi
	<p>Improve and enhance operational facilities</p> <ul style="list-style-type: none"> Purchase of new machinery and equipment to upgrade and replace certain old machinery equipment Upgrade of headquarters in Shah Alam, Selangor
	<p>Develop digital infrastructure by incorporating AI-driven analytics</p> <ul style="list-style-type: none"> Project execution and inventory management system After-sales management system Enterprise resource planning (ERP) system Cybersecurity system
	<p>Research and development</p> <ul style="list-style-type: none"> Invest in prototypes to develop new equipment and/or design new steam energy systems Design and test various materials Explore the use of advanced, sustainable biomass feedstocks Explore certifications for new products

We target to implement our strategies and plans over the next three years upon our Listing. According to Frost & Sullivan, these initiatives will not only strengthen our competitiveness in the wider renewable energy for biomass industry but also reinforce our commitment in delivering integrated solutions across the markets we operate in.

7. BUSINESS OVERVIEW (Cont'd)

7.2.2.1 We intend to expand our renewable energy business through an asset ownership model that generates recurring revenue streams

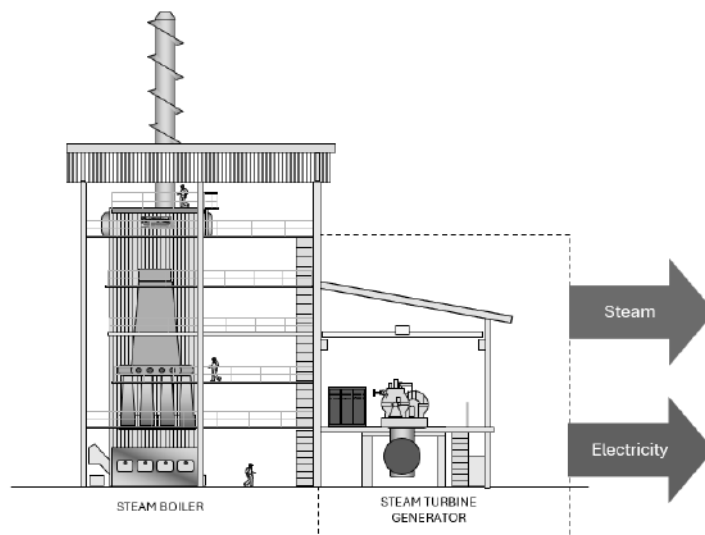
Historically, for the Periods Under Review, our revenue model has been driven by fixed lump-sum EPCC contracts and purchase orders, with revenue recognition concentrated around milestones and delivery obligations. While our project pipeline has demonstrated resilience and strong technical delivery, this structure exposes us to inherent cyclical in earnings, driven by the pace of our ability to secure contracts and project execution timelines.

Therefore, as part of our long-term plan, our growth strategy focuses on expanding our renewable energy business by adopting an asset ownership model to own and operate energy assets, in particular biomass steam power plants and related infrastructure under a BOOT and/or BOO framework. This strategy shift is intended to facilitate our transition towards a more stable and recurring revenue model, thereby reducing our dependency on standalone purchase orders and further enhance the long-term sustainability and resilience of our business operations. Most players in Malaysia and Indonesia adopt the equipment sales or EPCC business model, according to Frost & Sullivan, where revenue is derived from purchase orders and lump-sum contracts which are typically non-recurring after the handover of projects. Under an asset-owner model, companies can generate recurring revenue by owning biomass boilers and steam turbines to provide steam and energy, and charging customers a periodic fee for the use of these facilities.

Accordingly, we are embarking on a new business venture within our Group's area of expertise as we seek to deepen our integration within the sector through leveraging on our proven capabilities in engineering and our renewable energy systems to operate these assets with improved efficiency, reliability and cost control. Under the asset ownership model, our Group will:

- (i) own, operate and maintain biomass steam energy systems and auxiliary facilities to provide steam energy to industrial users; and/or
- (ii) enter into strategic partnerships or joint ventures to own and operate biomass steam power plants and related energy assets to supply steam and/or produce electricity to the grid.

Sample biomass plant for steam and/or power generation



7. BUSINESS OVERVIEW (Cont'd)

Our BOOT and/or BOO framework under our asset ownership model will be based on the key arrangements outlined below:

- (i) **Financing:** We will fund the entire cost of the EPCC of steam energy systems and auxiliary facilities and/or cost to build the biomass steam power plant and related energy assets.
- (ii) **Regulatory approvals:** We will secure all necessary regulatory approvals where required including building plans and certificates of fitness for operations.
- (iii) **Operation and maintenance (O&M):** We will operate and maintain the steam energy systems and auxiliary facilities and/or the steam power plants to ensure high efficiency and reliability. Dedicated O&M teams will be established to manage daily operations, perform both scheduled and unscheduled maintenance, minimise operational disruptions, and ensure compliance with environmental and emission standards throughout the contract.

For BOOT contracts: Upon contract expiration, we no longer own the asset and will transfer ownership of the system/power plant including its related facilities to the customer/offtaker at an agreed-upon sum.

For BOO contracts: Upon contract expiration, we will remove all assets (i.e. the system/power plant including its related facilities) from the customer's site at our own cost.

Our business model going forward will be anchored on BOOT and BOO frameworks whereby our Group will fund, develop, and commission biomass steam systems and related energy infrastructure that we will continue to operate and maintain throughout the tenure of long-term steam purchase agreements and/or power purchase agreements. Depending on the opportunities available at such point in time, we may enter into contracts with industrial customers seeking renewable steam supply for process heat applications, and/or with national utilities and offtakers under government-supported renewable energy programmes such as the Feed-in Tariff (FiT). We expect the terms and duration of such contracts to be around 10 to 20 years with stable contractual revenue streams backed by either commercial or regulatory offtake structures.

Further, our decision to venture into an asset ownership model, in particular the ownership of biomass power plants augurs well with the growing biomass industry in the next four years up to 2029. According to Frost & Sullivan, the total installed capacity of biomass power plants in Malaysia is forecasted to grow at a compounded annual growth rate of 7.4% from 579.5MW in 2024 to 826.5MW in 2029.

Strategic alignment and business impact

This strategy aligns with our plans to support industrial customers who are seeking reliable, low-carbon energy alternatives to natural gas. With rising gas prices, emissions taxes under consideration, and increasing customer and regulatory scrutiny around environmental performance, we are able to assist industrial users in sectors such as food manufacturing, rubber processing and chemical production, amongst others, who are looking for ways to decarbonise their energy use. Our steam energy systems and steam turbine generator systems offer a viable, scalable, and cost-effective solutions for these industries.

Accordingly, we aim to position ourselves as the energy partner of choice for these industrial customers, not just as a systems provider, but to own and operate energy assets to deliver steam and/or power under stable, bankable contracts. Our feasibility studies, which focused on plant sizes ranging from 30.0 TPH to 70.0 TPH of steam capacity, affirms the commercial and operational viability for such systems when designed for use in industrial clusters with accessible biomass supply and sustained process steam demand. The plants are designed to utilise shredded EFB and EFB pellets, both of which are renewable residues from the palm oil milling process. The selection of these biomass fuels offer an attractive fuel mix that balances cost, sustainability and combustion efficiency.

7. BUSINESS OVERVIEW (Cont'd)

Prudent, risk-mitigation strategy

To manage risks, we intend to pursue a partnership-led approach in our expansion through our asset ownership model. This may include:

- (i) joint ventures with feedstock suppliers to secure long-term fuel availability;
- (ii) co-investment with experienced plant operators to manage operations in the early years; and/or
- (iii) collaboration with industrial customers seeking customised steam solutions within their own facilities.

These partnerships allow us to diversify our risk exposure, accelerate market entry and enhance relationships with our potential customers. Further, it enables us to accelerate our growth and learning curve by leveraging on the expertise, market access and/or asset base of these partners.

On the contrary, we also recognise that asset ownership introduces new types of risks that our Group may not be exposed to in the past. These include, amongst others, biomass fuel price and supply risks, operational downtime risk, customer/offtaker credit risk as well as regulatory changes that may affect tariffs and/or permit renewals. See Section 5.2 of this Prospectus for further details on risks relating to our asset ownership model.

To manage such risks, we will evaluate each investment opportunity, including the following:

- (i) Counterparty risk management – assessment on the counterparty's credit strength and contract enforceability;
- (ii) Regulatory risk management – engaging with the relevant regulatory authorities and/or policy stakeholders from time to time, if required, to keep abreast and better understand new regulatory and policy updates relating to the asset; and
- (iii) Operational risk management – implementing predictive maintenance protocols, real-time system monitoring, and internal performance auditing of the asset.

Advocating ESG and sustainability

By venturing into asset ownership of biomass steam energy systems and power plants, our aim is also to support regional decarbonisation efforts. Biomass energy, when sustainably sourced, offers a low-carbon alternative to fossil fuels for industrial heat and power generation. Through our BOOT and/or BOO models, we provide industrial users an alternative to transition away from fossil-based energy by providing them with reliable, renewable steam energy. This not only reduces their greenhouse gas emissions but also strengthens energy resilience and compliance with environmental standards. Our long-term vision is to embed carbon-conscious infrastructure within industrial clusters, creating shared value by lowering emissions intensity while delivering stable, recurring revenue streams. In doing so, we are not just building energy assets but enabling cleaner industrial ecosystems.

Accordingly, we had on 25 July 2025 submitted a binding offer to acquire a share in a joint venture that owns and operates a biomass power plant in Malaysia. On 21 October 2025, the vendor has informed that they are still in the process of evaluating the offers received and a decision is expected to be made by the first quarter of 2026. If successful, the acquisition would mark the first step in our expansion plans to own and operate a biomass power plant. Notwithstanding the above, our Board will evaluate the opportunity, while making sure that any investment, acquisition or partnership in the joint venture is commercially viable and accretive to our Group.

In support of this strategy, we have allocated RM38.2 million of the gross proceeds from our IPO towards asset ownership expansion over the next three years from our Listing.

7. BUSINESS OVERVIEW (Cont'd)

7.2.2.2 We intend to expand our operations in Indonesia

We currently operate from our headquarters and operational facilities in Shah Alam, Selangor, Malaysia and is supported by three service centres in Malaysia and two service centres in Indonesia.

Indonesia is currently our largest overseas market and accounted for 42.6%, 47.8%, 49.4% and 35.3% of our Group's total revenue for FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively. According to Frost & Sullivan, Indonesia's market for biomass boiler equipment and after sales services is expected to grow at a CAGR of 11.2% from USD416.0 million in 2024 to USD706.3 million 2029. The expected growth rate is more than double of the historical CAGR of 5.7% between 2020 and 2024. The market for steam turbine equipment and after sales services is forecasted to grow at a CAGR of 8.6% from USD97.8 million in 2024 to USD147.9 million in 2029. Likewise, the expected growth rate is significantly higher than the historical CAGR of 4.6% between 2020 and 2024.

As part of our growth strategy in Indonesia, we aim to open a new sales office in Jakarta, Indonesia and two new service centres in Pekanbaru and Sulawesi to further capitalise on opportunities in the EPCC of steam energy systems and auxiliary facilities, supply of steam turbine generator systems and the provision of after-sales services for these systems.



Having a physical presence in the region will enable us to engage directly with prospective customers, better understand local market conditions, and more effectively address regulatory and environmental requirements. The addition of two new service centres in Pekanbaru and Sulawesi on the other hand allows our Group to broaden its customer reach and respond more promptly to requests from customers in Indonesia. According to Frost & Sullivan, establishing local service capability, either in-house or through partnerships with local service providers, is necessary to enable quick project turnaround and a prompt response to clients' needs. Both biomass boilers and steam turbines require periodic after-sales services to achieve maximum efficiency and extend equipment lifespan.

Hence, to support our expansion plan in Indonesia, we plan to lease and renovate an office space and two service centres, purchase the necessary equipment, hire local sales and technical support personnel as well as acquire service and logistic vehicles to effectively serve the Indonesian market.

As at the LPD, we have not commenced the process of identifying any suitable properties for our new sales office or service centres. Depending on availability as well as our operational requirements at such point in time, we expect the size of our sales office to be about 5,000 sq. ft. and our service centres to be about 15,000 sq. ft. each.

7. BUSINESS OVERVIEW (Cont'd)

To equip our office space and service centres, we intend to purchase, amongst others, computers, diagnostic tools, furniture and fittings. Our recruitment plan includes country manager, business development/sales team, branch managers, administrative staff, technical and support staff for our new sales office and service centres. We intend to acquire six field service vehicles and one logistic vehicle to support our staff in carrying out the expanded operations in these new areas in Indonesia.

Accordingly, we have allocated RM5.5 million of the gross proceeds from our Public Issue to fund the expansion of our operations in Indonesia which is expected to be utilised over the next 24 months from our Listing.

7.2.2.3 We intend to improve and enhance our operational facilities through the purchase of new equipment and machinery, and upgrade our headquarters

We recognise the need to upgrade our infrastructure, equipment, and machinery to remain competitive, fulfil customer demands, and align with the evolving sustainability standards as we continue to expand our operations in Malaysia, Indonesia and into the regional markets.

Our strategy is to purchase new machinery and equipment to upgrade and replace certain old machinery and equipment in our WATSB Factory and WTSB Factory. With the additional machinery and equipment, our Group would be able to enhance our production capabilities and consistency as well as improve operational efficiency as some of these machineries have automatic features which would reduce our reliance on manual labour. Moreover, these improvements are anticipated to strengthen our Group's ability to comply with strict customer expectations and regulatory standards.

Accordingly, we intend to purchase and install the following new machinery and equipment gradually over the next two years upon our Listing:

Types of machinery and equipment	Description	No. of units
Rolling machine	Standard industrial hydraulic 3-roller or 4-roller machine for steel plate forming, an essential component for our steam energy systems	1
Cutting machine	High-capacity blade or Computer Numerical Control ("CNC") laser cutter for metal sheets for the fabrication of our steam energy systems	1
Milling machine	Vertical milling machine for precision engineering and machining of components for our steam energy systems and the manufacture of our palm oil milling equipment	2
Automatic drilling machine	Automated CNC or magnetic drilling equipment to enhance precision and improve productivity of our drilling works relating to the fabrication of our steam energy systems	1
Automatic welding machine	Semi-automated or programmable welding machine for the production lines to fabricate our steam energy systems and manufacture of our palm oil milling equipment	2
Membrane wall welding machine	Large-scale industrial membrane wall panel welder used in the fabrication of our steam energy systems	1

The total cost for the purchase and installation of these new machines is estimated at about RM9.5 million, which will be fully funded through the gross proceeds from our IPO.

Further, we also have plans to upgrade our headquarters in Shah Alam, Selangor, Malaysia as part of our overall plans to enhance our Group's operational facilities. Such renovation upgrade is intended to cater for the increased operational requirements of our Group and ensure that we have the necessary space and infrastructure to support our operations.

7. BUSINESS OVERVIEW (Cont'd)

The upgrade of our headquarters is premised on the following key factors:

- (i) **To enhance building functionality and efficiency**
 - (a) **Addressing structural wear and tear** – proactively managing and rectifying wear and tear in the building's structure and systems to ensure long-term safety, reliability, and functionality.
 - (b) **Enhancing workflows with flexible spaces** – redesigning work environments to include flexible workspaces that support hybrid work models, enable digital transformation, and provide dedicated zones that encourage collaboration and enhance productivity.
 - (c) **Integrating advanced technologies and sustainable systems** – implementing modern infrastructure upgrades, including energy-efficient solutions such as LED lighting and an optimised cooling system, to reduce energy usage and operational costs. Additionally, deploying a high-speed local area network to support seamless connectivity and digital workflows.
- (ii) **To revitalise workspaces**
 - (a) **Enhancing workplace environment for employees** – upgrading interior finishes, improving lighting quality, and enhancing on-site amenities to create a more engaging and comfortable work environment.
 - (b) **Future-proofing with smart technologies and adaptive design** – Incorporating smart building technologies and flexible design solutions to ensure the facility can adapt to evolving operational demands and future technological advancements.
- (iii) **To strengthen our Group's corporate image**
 - (a) **Enhanced corporate image** – aligning the appearance of our headquarters with our brand identity to create a strong first impression and enhance the overall experience for our customers and stakeholders.

We plan to allocate, in aggregate RM12.5 million of our gross proceeds from the IPO to fund the purchase of new equipment and machinery, and upgrade of our headquarters over the next 24 months from our Listing.

7.2.2.4 We intend to develop our digital infrastructure by incorporating AI analytics to streamline our business processes

As part of our strategy, we aim to streamline our existing core business functions and processes by integrating and digitalising our project management, inventory management, and after-sales service, while also enhancing our ERP system with AI-driven analytics. Currently, our core business functions are still reliant on isolated systems or manual processes. As our Group continues to grow its operations and customer base, we understand the importance of adopting digital technologies and AI to strengthen our operations for the future, support better decision-making, and enhance operational efficiency.

7. BUSINESS OVERVIEW (Cont'd)

(a) Project execution and inventory management system

The proposed system is intended to support our steam energy systems and auxiliary facilities, and steam turbine generator systems. The integration of such system enables our Group to undertake real-time monitoring of the work progress and inventory levels for each project. As an example, a typical EPCC project for steam energy systems encompasses managing the entire lifecycle, from engineering design and material procurement to fabrication and final product delivery or commissioning. Where applicable, the new system will integrate our WATSB Factory and WTSB Factory with project execution and inventory management modules, facilitating continuous monitoring and tracking of inventory flows and delivery status.

Accordingly, we will incorporate customised software modules that are aligned with our operational demands, including:

- (i) **Upgraded computer-aided design (CAD) integration with three-dimension (3D) modelling:** With 3D capabilities, our Group will be able to work on improved and more accurate designs for our steam energy systems covering piping and instrumentation diagrams, isometric drawings, and structural designs. The integration centralises CAD data management, enabling secure storage, version control, and streamlined collaboration across our business units.
- (ii) **Project management and scheduling module:** The system will integrate project management features to enable us to plan, schedule and monitor the progress of our projects. It will include work breakdown tools to manage procurement, fabrication, and commissioning tasks for our steam energy systems or procurement, coordination and delivery tasks for our steam turbine generator systems.
- (iii) **Construction and site management module:** This will monitor factory and on-site progress, providing real-time tracking of the equipment allocation and utilisation. A dedicated mobile application will be developed for engineers and technical personnel to report progress and issues directly from the site.
- (iv) **Simulation module:** The system will allow our Group to simulate the various designs of steam energy systems, enabling early detection of potential fabrication or operational issues before they occur.
- (v) **Fabrication monitoring module:** This module tracks the fabrication process, quantity of material used as well as parts and components used for our steam energy systems.
- (vi) **Inventory and logistics management module:** This module includes features to oversee input materials, fabricated parts, and finished goods throughout the supply chain. Additionally, logistics tools will track the delivery of completed parts and components for our steam energy systems as well as the supply of steam turbine generator systems to the project site, ensuring efficient and timely delivery.
- (vii) **Additional modules:** These include cost management tools to monitor project budgets against actual payments, optimising costs, as well as commissioning and handover management tools to manage commissioning checklists, test procedures, and performance validation. These tools will also facilitate the creation of backup versions to ensure operational continuity.

Accordingly, such system integration is expected to help streamline our workflows, improve efficiency, and deliver enhanced transparency throughout the project lifecycle.

7. BUSINESS OVERVIEW (Cont'd)

(b) After-sales management system

This system will serve as a key communication channel between our customers and our steam energy system, steam turbine generator system and palm oil milling equipment business units in our headquarters in Shah Alam, Malaysia. This system comprises the following features:

- (i) **Real-time communication:** Facilitates instant interaction between our customers and support teams.
- (ii) **Service scheduling:** Allows customers to conveniently schedule maintenance and service appointments and/or spare parts replacement.
- (iii) **Maintenance tracking:** Tracks and monitors maintenance activities as well as parts replacement to ensure timely and effective servicing.
- (iv) **Automated reminders:** Sends alerts for certification renewals and key service milestones to maintain compliance and ensure system reliability.

This comprehensive system will simplify customer engagement, improve service delivery, and provide higher level of support to ensure our customers' needs are addressed quickly and managed effectively.

(c) ERP system

We intend to enhance our current ERP system to improve its functionality and unify core business processes across various departments, such as accounting, order processing, purchasing, and inventory or warehouse management across our different business segments. This upgrade will introduce new features to optimise operations, boost efficiency, and promote better coordination amongst our business units.

Key improvements from the ERP system upgrade will include:

- (i) **Data collection and analysis:** Improve data accuracy and integrity to support real-time tracking and gain useful business insights.
- (ii) **Transaction processing:** Streamline financial transactions and order-related workflows to reduce our processing time and minimise errors.
- (iii) **Management reporting:** Improve our reporting capabilities to enable better decision-making and strengthen oversight of operations.
- (iv) **Business analytics:** Leverage advanced analytics tools to uncover trends, forecast performance, and support strategic planning.

In addition, the upgraded ERP system will integrate seamlessly with our project execution and inventory management system as well as our after-sales management system, and further improve coordination across all business functions.

Such upgrade is expected to optimise our Group's operational processes, boost operational efficiency and provide a solid foundation for future business growth.

(d) Cybersecurity system

In today's increasingly digital and interconnected environment, we recognise the growing threats from cyberattacks, data breaches, and ransomware, which can result in significant financial loss, regulatory penalties, and reputational damage to our Group.

7. BUSINESS OVERVIEW (Cont'd)

As such, investing in a robust cybersecurity system is one of our business priority to safeguard our Group's digital assets as well as enhance data and information integrity. A robust cybersecurity system ensures protection of sensitive data, supports compliance with evolving regulations and safeguards operational continuity. Further, effective cybersecurity measures also strengthen customer trust, enhance brand credibility, and enable the secure adoption of digital technologies like cloud services, Internet of Things, and remote work environments.

We plan to allocate about RM5.0 million of the gross proceeds from our IPO to fund the digitisation of our business systems and processes over the next 36 months from our Listing.

7.2.2.5 We intend to formalise and strengthen our R&D efforts to enhance product innovation and support industrial decarbonisation

Historically, our R&D-related activities have been embedded within our project development and engineering functions. These efforts were not tracked as standalone R&D expenditure but were instead expensed through project costs. Despite this, they have played a vital role in improving system performance, enhancing design optimisation, and customising energy solutions for varied customer applications. These engineering-led initiatives have allowed us to remain responsive to project-specific requirements and improve outcomes across the project lifecycle. According to Frost & Sullivan, continuous research and development is a crucial effort for leading players to stay competitive in the market.

As we scale our business and transition towards our long-term asset ownership model, a more structured R&D approach is essential. By formalising our R&D capabilities, we aim to deepen our engineering know-how and accelerate product development in areas that directly support industrial decarbonisation. This includes developing next-generation steam energy systems that feature better fuel flexibility, higher thermal efficiency, and modular configurations. These attributes are increasingly important to meet the demands of industrial users seeking to reduce carbon intensity while improving energy resilience.

In line with this, our R&D programme will focus on prototyping new equipment, testing design improvements, and incorporating new material technologies. We intend to study high-temperature resistant alloys and composite materials that offer improved durability, corrosion resistance, and compatibility with high-performance biomass combustion environments. The goal is to develop systems that are not only robust and energy efficient but also more compact, easier to transport, and suitable for decentralised or space-constrained installations.

We will also expand our R&D efforts to explore advanced and sustainable biomass feedstocks that comply with more stringent emissions and sustainability requirements. This includes assessing alternative feedstock types with superior combustion efficiency, better moisture and ash profiles, and lower lifecycle emissions. These innovations are intended to ensure our systems remain adaptable and cost-effective across a wider range of market conditions, while supporting customers' efforts to decarbonise their operations.

To enhance the commercial readiness and market acceptance of these innovations, we will also pursue relevant certifications for our new products, ensuring alignment with global regulatory standards and enhancing trust among customers and industry stakeholders.

We plan to allocate RM4.0 million of the gross proceeds of our IPO, towards R&D investments. These funds will be utilised over the next 24 months from our Listing to enable prototype development, material testing, feedstock research, and certification processes, positioning us to deliver cleaner, more efficient energy solutions for a low-carbon future.

7. BUSINESS OVERVIEW (Cont'd)

7.3 Key milestones

The table below sets out the key events and milestones in the history and development of our business:

Year	Key events and milestones
2002	<ul style="list-style-type: none"> • Wah Seong Industrial Holdings Sdn Bhd, a wholly-owned subsidiary of Wasco Berhad, acquired a controlling stake in WATSB through the acquisition of WPE which wholly-owns WATSB. • WATSB has been involved in the supply of steam turbine generator systems and parts as well as the manufacture of palm oil milling equipment and spare parts since its incorporation in 1991. WPE had acquired WATSB in 1998.
2003	<ul style="list-style-type: none"> • WATSB acquired a controlling stake in PT WATI, which operates a service centre in Medan, Indonesia, focusing on after-sales services for steam turbine generator systems, including repair and maintenance.
2006	<ul style="list-style-type: none"> • WTSB commenced business and was involved in its first biomass steam energy system projects for palm oil mills and its first HRSG system project for a paper mill in Malaysia. • WTSB ventured overseas after it secured projects to design, supply and install biomass steam energy systems for a total of four palm oil mills in Indonesia and Thailand.
2007	<ul style="list-style-type: none"> • WTSB made its maiden foray into the Americas when it secured a project to design and supply a biomass steam energy system in Guatemala. • WTSB expanded its customer base to include industrial customers after it secured a project to design and supply a HRSG system for a pharmaceutical plant in Singapore.
2008	<ul style="list-style-type: none"> • WTSB entered the African market after it secured a project to design and supply a biomass steam energy system in Cameroon. • WTSB became a licensed partner of ERK Energy Systems, gaining access to advanced steam energy systems technologies and a global network of expertise.
2009	<ul style="list-style-type: none"> • WTSB further penetrated the Americas and African markets after it secured biomass steam energy system projects in Costa Rica and Ivory Coast.
2012	<ul style="list-style-type: none"> • WTSB was involved in its 100th steam energy systems project since commencing business.
2013	<ul style="list-style-type: none"> • WTSB secured a project to design, supply and install a gas-fired steam energy system for a sugar refinery, and a project to design, supply and install two steam energy systems with high pressure capacity of up to 65 bar for an oleo-chemical plant in Klang Valley, Malaysia. • WATSB partnered with Shinko Ind. Ltd. for the assembly of steam turbine generator systems in Malaysia through the incorporation of Shinko Industries Malaysia.
2015	<ul style="list-style-type: none"> • WATSB delivered its 1000th steam turbine generator system since commencing business.

7. BUSINESS OVERVIEW (Cont'd)

Year	Key events and milestones
2016	<ul style="list-style-type: none"> • WTSB ventured into Papua New Guinea when it secured a biomass steam energy system project. • WTSB continued to grow its industrial customer base after it secured a gas-fired steam energy system project for a customer in the food and beverage industry, and another three high pressure steam energy systems of up to 65 bar for customers in the oleo-chemical and refinery industry in Indonesia.
2017	<ul style="list-style-type: none"> • WTSB ventured into Bangladesh when it secured a natural gas-fired steam energy system project for a sugar refinery. • WTSB secured a breakthrough contract to design, supply and install a high pressure gas-fired steam energy system of up to 75 bar for a customer in the oleo-chemical industry in Malaysia.
2018	<ul style="list-style-type: none"> • WTSB commenced the sale of ESP to its customers primarily in the palm oil industry. • WATSB partnered with Saito Separator Limited to collaborate on the manufacturing and development of palm oil milling equipment through the incorporation of Wasco Saito. • WATSB secured its largest capacity steam turbine generator system project, to supply a 10MW steam turbine coupled with generator and completed with other components and accessories to a palm oil product manufacturer in Indonesia.
2019	<ul style="list-style-type: none"> • WATSB established an upgraded service centre in Sandakan to enhance support for customers in Sabah, focusing on steam turbine generator system repair and maintenance services.
2020	<ul style="list-style-type: none"> • WTSB secured a project to design, supply and install a HRSG system with hot water capacity of 860 TPH for a rubber glove manufacturer in Sepang, Malaysia, marking the highest hot water capacity system delivered by the Company for large-scale industrial operations.
2022	<ul style="list-style-type: none"> • WTSB secured a project to design, supply and install a 90 TPH gas-fired steam energy system for a sugar refinery in Johor, Malaysia, marking the highest steam capacity system in the Company's track record. • WTSB secured three contracts to supply high-efficient biomass steam energy systems burning high composition of EFB (80% or more) with continuous running of more than 90 days for paper mills and palm oil mills in Malaysia.
2023	<ul style="list-style-type: none"> • WTSB acquired the existing premises located at Lot 1944 and 1945, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor.

7. BUSINESS OVERVIEW (Cont'd)

7.4 Our business

7.4.1 Energy systems

7.4.1.1 EPCC of steam energy systems and auxiliary facilities

For the Periods Under Review, revenue from our EPCC of steam energy systems comprising biomass energy systems, gas-fired energy systems and HRSG systems, and auxiliary facilities accounted for 41.1% (RM109.6 million), 41.8% (RM120.9 million) and 36.1% (RM99.8 million) of our total revenue for the FYE 31 December 2022, 2023 and 2024 respectively. For the FPE 30 June 2025, revenue from our EPCC of steam energy systems accounted for 40.4% (RM50.9 million) of our total revenue, compared to 34.6% (RM41.6 million) for the FPE 30 June 2024.

Steam energy system overview

A steam energy system is a collection of equipment designed primarily to generate steam, which can serve as a direct steam or heat source across a wide range of industrial processes, such as manufacturing, chemical production, or food processing. Additionally, steam generated from the steam energy system can also be used to drive turbines connected to power generators or alternators for electricity production. A typical steam energy system comprises key components such as a fuel source, a furnace, a tube bank, and steam and water drums, all working together to efficiently convert water into steam for thermal and power applications.

Depending on the steam energy system design and intended application, the drum is typically heated using various energy sources, including natural gas, diesel, fuel oil, coal, biomass, or electricity. The choice of fuel is influenced by multiple factors such as availability, cost efficiency, environmental considerations, and the specific operational requirements of the facility. Each fuel type offers distinct combustion properties and efficiency profiles, which impacts the performance, emissions and cost-effectiveness of the steam energy system.

The combustion segment forms the core of a biomass steam energy system and plays a critical role in steam generation. Our steam energy systems are designed around three primary types of combustion systems, each suited to different operational needs and performance requirements, as follows:

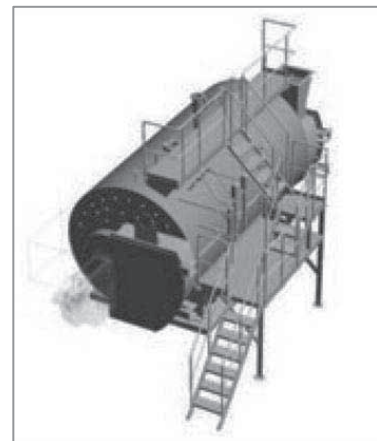
(i) Firetube boiler system

A firetube boiler is a type of boiler where hot gases (air) generated by burning fuel pass through tubes immersed in water. This process transfers heat to the water turning it into steam. Our firetube boiler systems primarily operate on gas, though oil can also be used as an alternative fuel. A firetube boiler system typically produces steam at low to medium-pressure making it ideal for heating applications and various industrial processes.

A firetube boiler consists of a pressure vessel housing multiple tubes (usually made of copper or steel) that are positioned and connected to the vessel's end compartments. As heated air or combustion gases pass through these tubes the surrounding water absorbs the heat to produce steam.

The furnace is located at the base of the pressure vessel, where fuel is burned to produce hot gases. These gases flow through the tubes, transferring heat to the surrounding water, which then is converted into steam.

Firetube boiler system



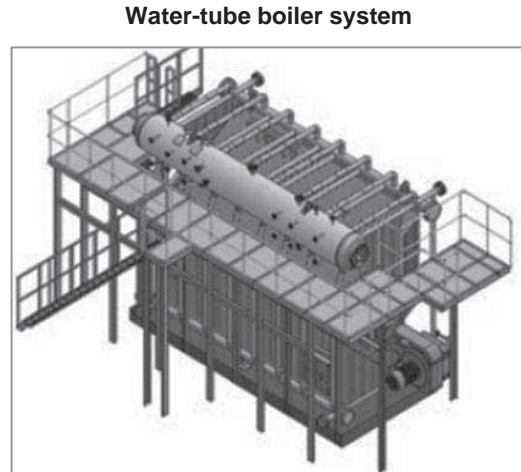
7. BUSINESS OVERVIEW (Cont'd)

After steam is produced, it is channelled out of the pressure vessel for use in a range of applications, including industrial heating and processing. The system maintains efficiency by continuously circulating hot gases through the tubes while the surrounding water absorbs heat, ensuring consistent steam production.

Our firetube boiler is typically designed for low to medium pressure which can reach up to 22 bar, with design capacities ranging from 2.5 TPH to 32.0 TPH.

(ii) Water-tube boiler system

A water-tube boiler system is a type of boiler in which water flows through tubes absorbing heat by hot gases produced by burning fuel. Our water-tube boilers use biomass as the primary fuel source. As the water inside the tubes heats up, it turns into steam, which can be used for heating, industrial processes, or power generation. Water-tube boilers are ideal more medium to large-scale power generation as they are designed to handle higher pressures and larger capacities of steam.



The furnace is usually located at the base, where fuel is burned to produce high-temperature gases that heat the water-filled tubes above. These gases flow through the surrounding space transferring heat to the water inside the tubes. As the water absorbs the heat, it boils and turns into steam.


The steam generated inside the tubes rises and is collected in a steam drum, before being directed to its intended application. Meanwhile, the remaining water in the tubes flows back down to the bottom for reheating, ensuring a continuous cycle of steam production.

This design excels in producing steam at higher pressures and temperatures, making it highly efficient. It is typically used in large-scale industrial applications, power plants, and situations that demand high-capacity steam generation.

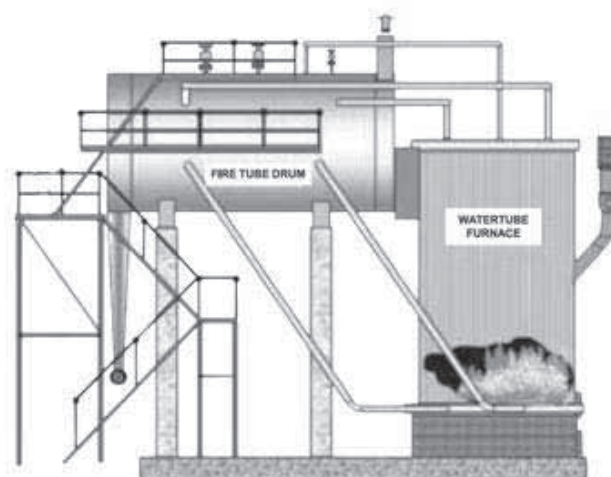
Our water-tube boilers that we design can reach up to 100 bar, with design capacities ranging from 3.5 TPH to 90.0 TPH.

7. BUSINESS OVERVIEW (Cont'd)

A water-tube boiler system also contains the following components:

- (a) **Vibrating grate:** This stable platform ensures a level surface for the biomass fuel as it burns, allowing for optimal combustion conditions. It continuously vibrates or shakes to prevent fuel from forming clumps, which could obstruct airflow and cause uneven burning. By maintaining constant fuel movement, the vibrating grate promotes uniform distribution across the furnace, ensuring even and efficient combustion. This constant fuel movement helps regulate temperature across the grate, minimising the risk of hot spots that may lead to incomplete combustion or inefficient burning.
- 
- (b) **Air supply system:** This system includes primary air blowers that introduce air beneath the grates to support fuel combustion, while secondary air blowers inject air above the fuel bed to promote and complete the combustion process. Other components help regulate airflow into the chamber and facilitate the movement of flue gases from the combustion zone to the stack or exhaust system.
- (c) **Air Preheater and economiser:** These heat recovery components enhance efficiency by recovering heat from the flue gases. An air preheater is a heat exchanger that transfers heat from flue gases to the incoming combustion air before it enters the furnace, improving fuel efficiency. Meanwhile, an economiser (which is also a heat exchanger) redirects waste heat from the flue gases to pre-heat feedwater before it enters the boiler.

(iii) Combination boiler system



A combination boiler system combines both the features of a firetube and water-tube boiler system design. In this system, the hot gases from burning fuel pass through firetubes, while water flows through separate water tubes that absorb heat from these gases. This dual approach enhances efficiency, enabling the boiler to operate at higher pressures and produce steam more effectively, making it suitable for industrial applications and power generation.

7. BUSINESS OVERVIEW (Cont'd)

In this combined system, the firetube section is used to generate steam at low- to medium-pressure. Hot gases from combustion pass through a series of tubes immersed in water, transferring heat to the surrounding water. This process results in steam production. The firetube section is usually located in the lower part of the boiler.

The water-tube section is designed to withstand higher pressures and meet more demanding steam generation needs. In this section, water flows through tubes, while hot gases from the furnace flow around the exterior of these tubes, transferring heat. As the water inside the tubes absorbs this heat, it transforms into steam.

By combining both systems, this design enables efficient steam generation across a range of both low and high pressures. The firetube section is well-suited for lower pressure requirements, while the water-tube section is capable of producing steam at higher pressures, making this system versatile for diverse operational needs.

The steam produced by both sections is collected in a common steam drum before being directed to its intended application, whether for industrial processes, heating, or power generation. The hybrid system enhances efficiency, flexibility, and reliability making it well suited for operations with fluctuating steam requirements or varying capacity requirements.

Our boiler systems are specifically designed for industrial applications, including steam generation for manufacturing and electricity production. These systems are built to meet the demands and operational requirements of large-scale industries and are not intended for residential, commercial, or institutional heating purposes. These systems are optimised for efficiency, reliability, and performance in industrial settings, ensuring consistent steam supply for production, heating, and power generation.

We design and fabricate the following types of steam energy systems:

- (i) biomass steam energy systems;
- (ii) gas-fired steam energy systems; and
- (iii) heat recovery steam generator (HRSG) systems.

Our steam energy systems are predominantly used in the palm oil milling industry. However, we also serve various other industries such as oleochemical plants, pulp and paper mills, sugar refineries, and power plants.

Auxiliary facilities overview

Auxiliary facilities support the operation of the steam energy systems and ensure their operational efficiency, effectiveness, and safety while minimising environmental impact. Key auxiliary facilities include:

- emission control system;
- efficiency enhancement system;
- water treatment system; and
- boiler process control and automation

We have the expertise and capabilities to provide fully integrated steam energy systems complete with all necessary auxiliary equipment and facilities. Alternatively, we can design and fabricate standalone steam energy systems or individual auxiliary components tailored to meet specific project requirements. Our team ensures that each component is designed, engineered, and installed to meet our customers specific operational needs and providing seamless integration and optimal performance.

7. BUSINESS OVERVIEW (Cont'd)

EPCC of steam energy systems

Under our EPCC of steam energy systems and/or auxiliary facilities, our contracts may be structured in one of the following ways:

- (i) end-to-end system covering all stages from engineering, procurement, construction, installation and commissioning (EPCC); and
- (ii) engineering, procurement and commissioning (EPC).

Our steam energy system projects in Indonesia and Malaysia are predominantly delivered under the EPCC model, whilst in North and South America and other countries, we typically operate under the EPC model, with construction and installation often managed separately by our customers.

Our engineering capabilities cover the following:

- Feasibility study and technical assessments are conducted to evaluate the site conditions and energy requirements, ensuring appropriate determination of boiler capacity, pressure specifications, and fuel requirements.
- System development and sizing involving the detailed design of key components, including the furnace, tube bank, steam and water drums, economiser, and various sub-systems such as the fuel supply, feedwater systems, air supply, flue gas systems, control and instrumentation, and safety controls. Thermal and efficiency calculations help guide the selection of system capacity to optimise steam or heat output.
- Designs that adhere to local and international standards, including those established by the ASME or other equivalent standards such as British Standards (BS). We also integrate environmental compliance systems, such as flue gas treatment facilities (e.g., ESPs) and water treatment systems (e.g., purification or deputation systems), to meet stringent operational and environmental requirements.

We source all the necessary materials and equipment required for constructing steam energy systems and/or auxiliary facilities, which are delivered to our WTSB Factory in Selangor, Malaysia. We also fabricate both the steam energy systems and auxiliary facilities at our WTSB Factory, primarily in modular or pre-fabricated form to ensure convenient transportation and installation at our customer's site.

For on-site installation and commissioning, we handle site preparation and system assembly, as well as the installation of mechanical, electrical, instrumentation, and process control systems. After installation, we conduct testing and calibration, including hydrostatic boiler testing, functional evaluations of valves, controls, and instrumentation, and comprehensive system performance tests to assess efficiency, effectiveness, capacity, and safety. The details of our EPCC process are illustrated in Section 7.13.1 of this Prospectus.

7. BUSINESS OVERVIEW (Cont'd)

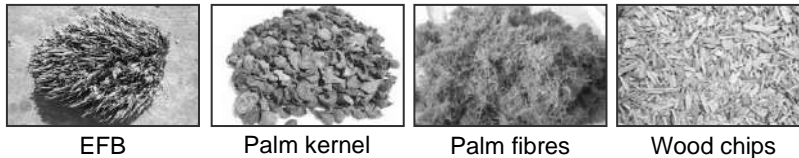
7.4.1.2 Our steam energy systems

(i) Biomass steam energy systems

Overview

For the FYE 31 December 2022, 2023 and 2024, revenue generated from our EPCC of biomass steam energy systems whether integrated with necessary auxiliary facilities as a package, or delivered as standalone biomass steam energy systems accounted for 19.1% (RM50.7 million), 22.1% (RM63.8 million) and 22.5% (RM62.3 million) of our total revenue, respectively. For the FPE 30 June 2025, revenue from our EPCC of biomass steam energy systems accounted for 24.4% (RM30.7 million) of our total revenue, compared to 21.8% (RM26.2 million) for the FPE 30 June 2024.

Our biomass steam energy system is a type of renewable energy system that uses agricultural waste or byproducts as fuel. Some common sources include:



Our biomass steam energy systems are primarily designed for steam generation. The generated steam drives steam turbines and power generation equipment to generate electricity. Steam is also used directly, or its heat is utilised, in manufacturing processes. Our biomass steam energy systems are widely used in palm oil mills to generate electricity, and to supply steam and heat at the same time.

For the Periods Under Review and up to the LPD, our biomass steam energy systems are mainly sold to palm oil mills as they rely on steam and heat for their milling processes and often need on-site electricity generation due to their remote locations, which limit access to the power grid. In palm oil mills, steam is mainly used in the following processes:

- (i) sterilisation of fresh fruit bunches;
- (ii) digestion of palm fruits; and
- (iii) pressing of palm fruit pulp.

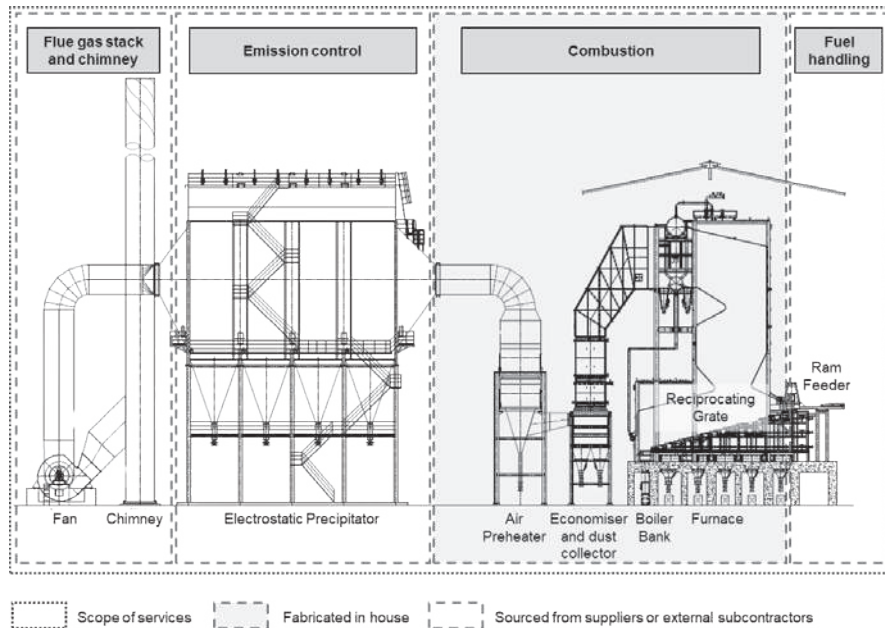
In palm oil mills, heat is mainly used for drying processes, especially for drying palm kernels.

Additionally, palm oil mills have access to readily available agricultural waste and byproducts from their milling operations such as EFB, palm kernel shells, and palm fibres, providing them with a sustainable fuel source. Similarly, a small portion of our biomass steam energy systems are also sold to pulp and paper mills, where wood chips which are generated as part of their waste products can be used as fuel.

The capacity of our biomass steam energy systems is measured in TPH, which indicates the amount of steam the boiler can generate per hour. The capacity of our biomass steam energy systems varies based on the specific project requirements and applications. We design and fabricate biomass steam energy systems across a broad range of capacities. For the Periods Under Review and up to the LPD, the capacities for both of our completed and ongoing biomass steam energy systems ranges from 6.0 TPH to 70.0 TPH.

7. BUSINESS OVERVIEW (Cont'd)

Sample design of the total biomass steam energy system package

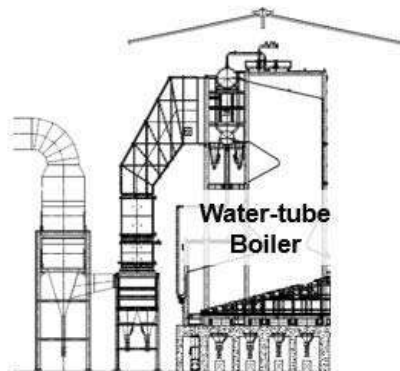


Our biomass steam energy system package comprises four integrated main segments as follows:

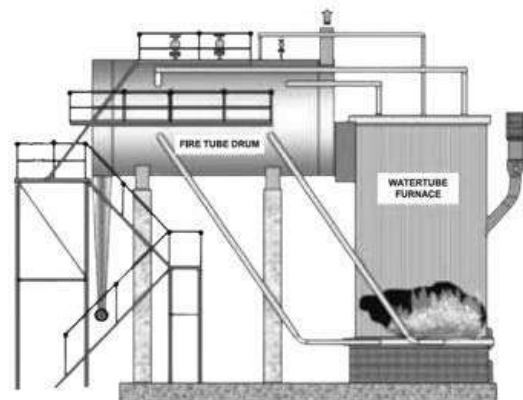
- (i) fuel handling;
 - (ii) combustion;
 - (iii) emission control;
 - (iv) flue gas stack and chimney; and
 - (v) control and instrumentation.
- **Fuel handling:** The fuel handling subsystem ensures the efficient operation of a biomass steam energy system by storing, transporting, and feeding the biomass fuel into the furnace for combustion. Monitoring and control equipment helps maximise energy production while ensuring the safety and longevity of the biomass steam energy system. Efficient fuel handling is essential for optimising combustion efficiency, reducing emissions, and maintaining consistent heat output.
 - **Combustion:** We provide two types of combustion systems for our biomass steam energy systems. These are the water-tube boiler system and combination boiler system as depicted in the diagram below:

7. BUSINESS OVERVIEW (Cont'd)

Water-tube boiler



Combination boiler



- **The emission control system** is designed to minimise air pollution by efficiently capturing and treating pollutants from the flue gas. A key component of this system is the ESP, which removes fine particles from emissions using an electrostatic charge. The ESP comprises of several components, including, among others:
 - (i) discharge electrodes that emit a high-voltage electrical charge to ionise the flue gas particles and collection electrodes to capture the charged particles;
 - (ii) power supply unit to provide direct current electricity to create an electric field within the ESP;
 - (iii) gas distribution system to ensure uniform flow of flue gases through the ESP to optimise particle collection efficiency; and
 - (iv) rapping and collection, where the collecting plates are mechanically rapped to dislodge trapped particles from the electrodes which fall into hoppers at the bottom of the ESP for disposal.

Others include cyclone separators to capture larger particles before it reaches the ESP, scrubbers to remove sulphur dioxide (SO₂) and other gases from the emissions, filters to trap fine particles through fabric filters, and an ash handling system to collect and transport ash residue from the process to a designated disposal area.

- **Flue gas stack and chimney** provide a safe path for directing the combustion gases out of the biomass steam energy system, maintain the necessary pressure and draft for efficient combustion while minimising the environmental impact by dispersing emissions safely into the atmosphere. The flue gas stack is a vertical pipe for venting exhaust gases while the chimney houses the flue gas stack which provides structural support and helps facilitate controlled emissions dispersion.
- **Control and instrumentation** system comprises sensors and transmitters to monitor various parameters like temperature, pressure, flow rate and emission levels, as well as controllers to regulate the operation of the entire boiler steam energy system based on readings from the sensors and transmitters.

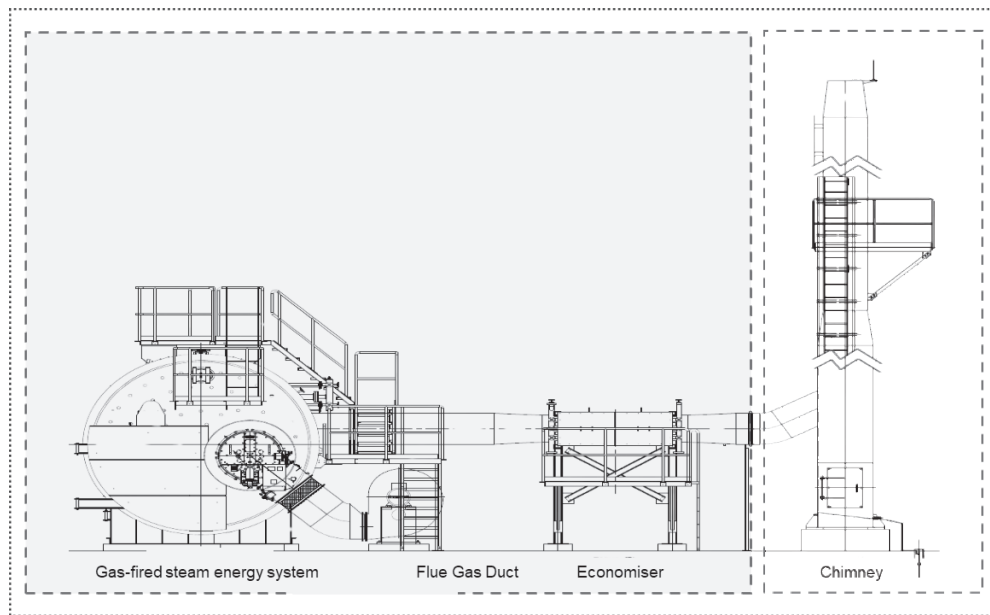
7. BUSINESS OVERVIEW (Cont'd)

(ii) Gas-fired steam energy systems

For the FYE 31 December 2022, 2023 and 2024, revenue from our EPCC of our gas-fired steam energy systems accounted for 6.0% (RM16.1 million), 9.2% (RM26.7 million) and 7.6% (RM21.0 million) of our total revenue, respectively. For the FPE 30 June 2025, revenue from our EPCC of gas-fired steam energy systems accounted for 8.1% (RM10.2 million) of our total revenue, compared to 7.4% (RM8.9 million) for the FPE 30 June 2024.

A gas-fired steam energy system operates by burning natural gas in a furnace to generate heat which is transferred to water to produce steam. This steam is used in various applications, including heating, industrial processes, or power generation.

Sample design of the gas-fired steam energy system



 Scope of services
 Fabricated in house
 Sourced from suppliers or external subcontractors

Based on specific technical requirements and applications, we design, fabricate, and integrate auxiliary systems, such as fuel handling, emission control, efficiency enhancement system, water treatment system, and control and instrumentation into a complete gas-fired steam energy system package.

For the Periods Under Review and up to the LPD, the capacities for both of our completed and ongoing gas-fired steam energy systems that we design and fabricate ranges from 3.5 TPH to 90.0 TPH.

Some key differences between biomass and gas-fired steam energy systems are as follows:

Subsystems/ components	Gas-fired steam energy systems	Biomass steam energy systems
Fuel handling	Liquefied natural gas	Onsite fuel storage bins and feeding system
Combustion	Burner without grate	Burner incorporating grate and air supply system
Ash handling	Not applicable as negligible solid waste is produced	Ash collection and removal system required

7. BUSINESS OVERVIEW (Cont'd)

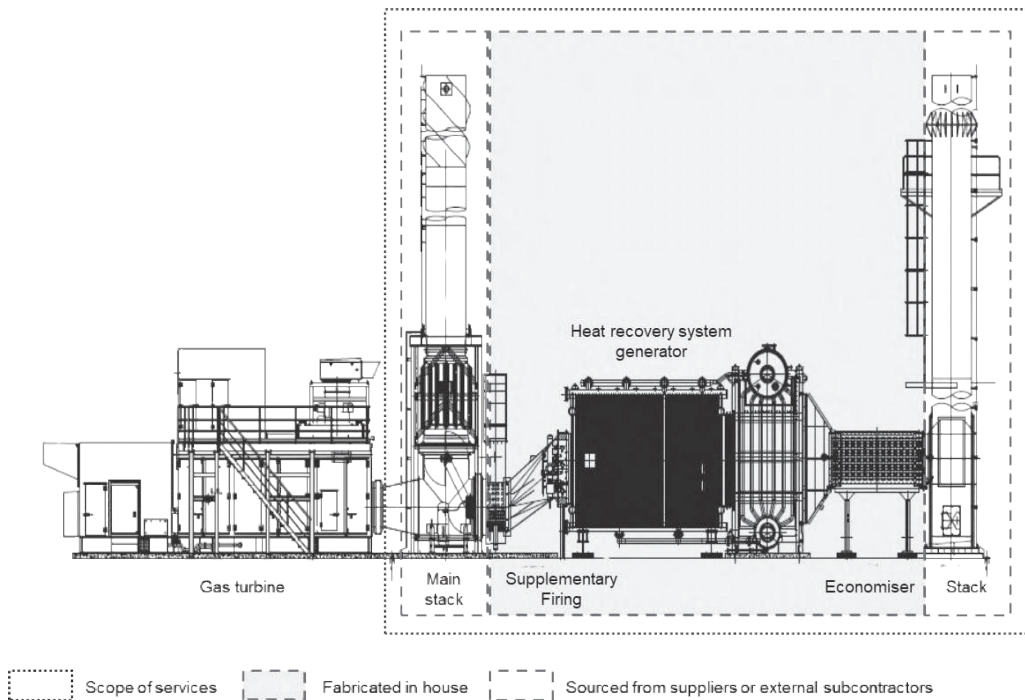
Subsystems/ components	Gas-fired steam energy systems	Biomass steam energy systems
Emission control	Simple requirement for flue gas recirculation	Specialised design flue gas treatment facilities such as ESP
Maintenance	Simple maintenance	Higher frequency due to ash buildup and potential fuel blockages

(iii) Heat recovery steam generator (HRSG) systems

For FYE 31 December 2022, 2023 and 2024, revenue from our EPCC of HRSG systems accounted for 8.0% (RM21.4 million), 6.0% (RM17.3 million), and 5.2% (RM14.4 million) of our total revenue, respectively. For the FPE 30 June 2025, revenue from our EPCC of HRSG systems accounted for 7.9% (RM10.0 million) of our total revenue, compared to 3.8% (RM4.5 million) for the FPE 30 June 2024.

Our HRSG systems are designed to capture waste heat from hot exhaust gases or flue gases produced by power generation systems, particularly gas turbines. By converting this residual heat into steam or hot water, the HRSG system enhances efficiency.

Sample design of the HRSG system



We design and fabricate HRSG systems that include the following key subsystems and components:

- **Tube banks:** These consist of key heat exchange components such as the economiser, evaporator, and superheater. The economiser uses low-temperature exhaust gases to preheat the feedwater while the evaporator uses medium-grade heat to convert the preheated water into steam. The superheater then raises the temperature of the steam above its boiling point to produce superheated steam suitable for turbine use. Depending on the system design, a reheater may also be included to reheat partially expanded steam returning from the turbine allowing it to perform additional work and further improving the HRSG system's overall efficiency.

7. BUSINESS OVERVIEW (Cont'd)

- Ducting and gas flow system: This subsystem directs hot exhaust gases from the primary turbine or engine through the various heat exchangers. It plays a vital role in optimising heat transfer by ensuring efficient gas flow, minimising pressure drops, and maintaining uniform distribution throughout the HRSG system.
- Steam drums and related systems: The steam drum collects and separates steam produced in the evaporator from the remaining water. It also functions as a buffer or storage vessel, helping to maintain a consistent steam supply during fluctuating operating conditions. Associated systems include steam piping and valves for directing steam to turbines or process equipment, steam separators to remove moisture and improve steam quality, and steam traps to efficiently remove condensate from the steam lines.
- Auxiliary heating system (optional): This supplementary burner adds fuel to boost heat output when waste heat from the turbine is insufficient. It includes a dedicated fuel supply system typically comprised of a piped-in gas line, valves, and pressure regulators for the burner.
- Stack: The stack is designed to safely discharge exhaust gases into the atmosphere after it has passed through the heat recovery process.
- Control and safety systems: These include valves, actuators, sensors, and controllers that monitor and regulate temperature, pressure, and flow rates. Safety features such as pressure relief valves and emergency shutdown systems are designed to protect the system.
- Other systems: Additional components include the feedwater system, which delivers treated water to the boiler to support the steam generation, the condensate return system which collects and recycles steam condensate back into the feedwater cycle to improve efficiency and reduce water consumption, and the blowdown system, which removes impurities from the boiler water.

We have the capabilities to design and fabricate HRSG systems either as a standalone base unit or fully integrated with auxiliary facilities.

For the Periods Under Review and up to the LPD, the capacities for both of our completed and ongoing HRSG systems that we design and fabricate ranges from 3.2 TPH up to 42.0 TPH.

(iv) **Auxiliary facilities as part of a total biomass steam energy system package**

We have the expertise and capabilities to deliver fully integrated biomass steam energy systems with all necessary auxiliary equipment and facilities as a complete, turnkey package. These auxiliary facilities include the following:

- (i) emission control system:
 - ESP;
 - dust collector system;
 - cyclone separator;
 - fabric filter (baghouse); and
 - scrubber.
- (ii) efficiency enhancement system
 - automatic high-efficiency combustion vibrating or reciprocating grates;
 - high-efficiency economiser; and
 - thermal efficiency air preheater.

7. BUSINESS OVERVIEW (Cont'd)

- (iii) water treatment system
 - thermal deaerator;
 - reverse osmosis (RO) system; and
 - water softening system.
- (iv) boiler process control and automation
 - supervisory control and data acquisition (SCADA) system; and
 - programmable logic controller (PLC) control system.

Our efficiency enhancement system is fabricated in-house, while the emission control system, boiler process control and automation system are sourced from third-party suppliers. Meanwhile, our water treatment system is a combination of in-house fabrication and externally sourced components.

7.4.1.3 Standalone auxiliary facilities for steam energy systems

For the FYE 31 December 2022, 2023 and 2024, revenue from our EPCC of auxiliary facilities for steam energy systems accounted for 8.0% (RM21.3 million), 4.5% (RM13.1 million) and 0.8% (RM2.1 million) of our total revenue, respectively. For the FPE 30 June 2025, revenue from our EPCC of auxiliary facilities for steam energy systems accounted for 0.02% (RM0.03 million) of our total revenue, compared to 1.6% (RM1.9 million) for the FPE 30 June 2024. These revenues were derived from standalone auxiliary facility contracts and do not include auxiliary facilities bundled together with the steam energy systems.

For the Periods Under Review and up to the LPD, our main revenue from standalone auxiliary facilities for steam energy systems were the EPCC of ESP for steam energy systems.

ESP for our biomass steam energy systems emission control

Our ESP is an important component of the emission control system for biomass steam energy plants, designed to capture particulate matter, such as fine particles and ash, from flue gases. The ESP operates based on the principle of electrostatic attraction, using a high-voltage electric field to separate dust, fumes, and mist from the gas stream. The ESP performs three primary functions: charging the particles, collecting them on electrodes, and removing the accumulated particulates.

Key features and operation:

The ESP consists of vertically oriented, parallel collector plates that create gas passages typically spaced 12 to 16 inches apart. Between these plates are discharge electrodes which are electrically insulated and suspended in rows across the gas flow path.

A high-voltage system energises the discharge electrodes, creating a strong electrostatic field. As the gas stream passes through the field, particles become electrically charged (either positively or negatively). These charged particles are then attracted to the grounded collector plates, where they accumulate as a layer dust.

Dust collection and removal:

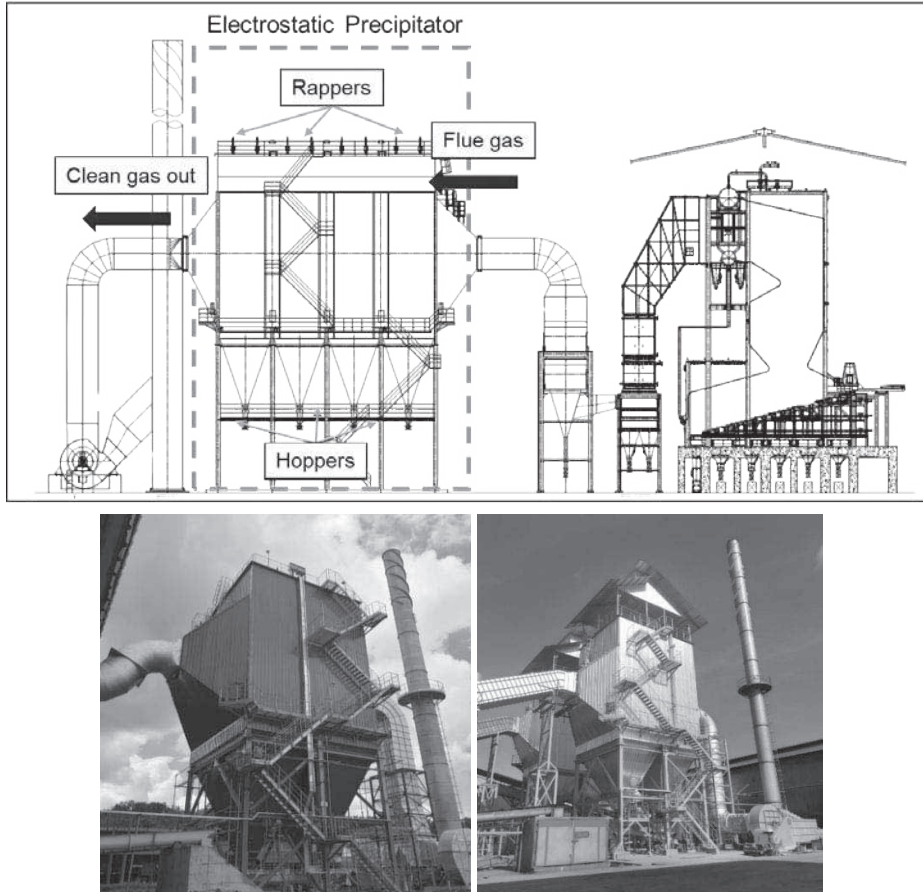
A periodic rapping mechanism is used dislodge the accumulated dust from the collector plates and discharge electrodes. This action causes the dust layer to fall into the collection hoppers at the bottom of the unit. From there, the dust is transferred to the ash handling system for proper disposal or further processing.

7. BUSINESS OVERVIEW (Cont'd)

Benefits and efficiency:

The ESP delivers highly effective particulate removal, including fine particles, ensuring compliance with environmental regulations and significantly reducing emissions from the biomass combustion process. This not only helps reduce air pollution but also improves the overall operational efficiency of the biomass steam energy system by maintaining clean gas flow and reducing the risk of system fouling.

A sample of our ESP is depicted below:



The ESP we supply is an integral component of a comprehensive pollution control system, often integrated with other equipment such as fabric filters or scrubbers. This combined approach enhances overall emission control, ensuring effective removal of particulate matter from the flue gas stream to meet stringent environmental regulations.

Our ESP units are engineered for high efficiency, capable of achieving particulate removal rates of up to 99%, depending on the specific application and operating conditions. This high level of performance makes it highly effective in controlling emissions from biomass steam energy systems and various industrial processes, reducing the impact on air quality and supporting compliance with environmental standards.

In Malaysia, boiler operations are regulated under the Clean Air Regulations 2014 pursuant to the Environmental Quality Act 1974 and is enforced by the Department of Environment (DoE). These regulations specify emission limits for pollutants such as particulate matter, sulphur dioxide, nitrogen oxides, and carbon monoxide. To comply with these regulations, boilers are typically equipped with emission control systems such as ESPs, dust collectors, and scrubbers. Operators are also required to install monitoring equipment or instruments and maintain emission performance records. This ensures effectiveness of pollution control measures and compliance with regulatory requirements.

7. BUSINESS OVERVIEW *(Cont'd)*

7.4.1.4 Our completed and ongoing projects for steam energy systems and auxiliary facilities

(a) Completed steam energy system and auxiliary facility projects

For the Periods Under Review and up to the LPD, our completed steam energy system and auxiliary facility projects with a contract value of RM5.00 million and above are as follows:

Types of systems	Project location	System capacity (TPH)	Contract value (RM million)	Project period ⁽¹⁾		Project type
				Start	End	
Biomass	Indonesia	45.0	6.0	May-2024	Aug-2025	EPCC
HRSG	Malaysia	26.0	7.7	Oct-2023	Jul-2025	EPCC
Biomass	Malaysia	45.0	11.4	Dec-2023	Jun-2025	EPCC
HRSG	Malaysia	28.0	8.2	Mar-2023	Jan-2025	EPCC
Biomass	Indonesia	27.0	5.1	Nov-2022	Jan-2025	EPCC
Biomass	Malaysia	45.0	10.7	Sep-2022	Dec-2024	EPCC
Biomass	Indonesia	45.0	5.7	Feb-2023	Nov-2024	EPCC
Gas-fired	Malaysia	20.0	6.4	Nov-2022	Jun-2024	EPCC
Biomass	Malaysia	50.0	7.2	Aug-2022	May-2024	EPCC
Biomass	Malaysia	40.0	16.4	Feb-2022	Feb-2024	EPCC
Gas-fired	Bangladesh	50.0	8.8	Jan-2018	Feb-2024	EPC
Biomass	Malaysia	35.0	7.0	Mar-2022	Dec-2023	EPCC
HRSG	Malaysia	35.0	10.0	May-2022	Dec-2023	EPCC
Gas-fired	Malaysia	55.0	8.4	Mar-2021	Nov-2023	EPCC
Biomass	Malaysia	50.0	18.6	Jan-2022	Aug-2023	EPCC
Biomass	Malaysia	45.0	5.7	Jan-2021	Mar-2023	EPCC
HRSG	Indonesia	15.7	13.2	Feb-2022	Mar-2023	EPCC
Biomass	Indonesia	45.0	6.4	Aug-2020	Feb-2023	EPCC
HRSG	Malaysia	30.0	7.7	Dec-2021	Dec-2022	EPCC
Biomass	Malaysia	55.0	9.1	Jul-2021	Nov-2022	EPCC
Biomass	Indonesia	50.0	6.9	Oct-2020	Sep-2022	EPCC
Gas-fired	Malaysia	32.0	7.2	Jan-2020	Aug-2022	EPCC
Biomass	Malaysia	45.0	6.7	Aug-2019	Apr-2022	EPCC

7. BUSINESS OVERVIEW (Cont'd)**Note:**

(1) Project start date is based on the date of the agreement/contract and project end date is based on the handover date.

(b) Ongoing steam energy system and auxiliary facility projects

Our top 10 ongoing steam energy system and auxiliary facility projects based on our outstanding order book value as at the LPD, are as follows:

Types of systems	Project location	System capacity (TPH)	Contract value (RM million)	Order book as at the LPD (RM million)	Expected completion date	Project type
Biomass	Malaysia	70.0	40.6	40.0	2Q 2027	EPCC
Gas-fired	Malaysia	90.0	34.9	15.9	1Q 2026	EPCC
Biomass	Malaysia	60.0	18.8	14.1	3Q 2026	EPCC
Biomass	Indonesia	65.0	11.0	10.8	4Q 2026	EPCC
Biomass	Malaysia	60.0	31.4	10.7	1Q 2026	EPCC
Biomass	Malaysia	52.0	10.5	8.3	3Q 2026	EPCC
Biomass	Malaysia	30.0	7.8	7.4	3Q 2026	EPCC
Gas-fired	Malaysia	60.0	13.0	7.2	1Q 2026	EPCC
Biomass	Malaysia	62.5	8.9	5.7	1Q 2026	EPCC
Biomass	Venezuela	22.0	5.4	5.2	3Q 2026	EPC

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7. BUSINESS OVERVIEW (Cont'd)

7.4.1.5 Supply of steam turbine generator systems

For the FYE 31 December 2022, 2023 and 2024, revenue from our supply of steam turbine generator systems accounted for 20.7% (RM55.1 million), 25.4% (RM73.3 million) and 22.8% (RM63.1 million) of our total revenue, respectively. For the FPE 30 June 2025, revenue from our supply of steam turbine generator systems accounted for 22.7% (RM28.6 million) of our total revenue, compared to 19.9% (RM23.9 million) for the FPE 30 June 2024.

We supply steam turbine generator systems and serve as the appointed distributor of Shinko steam turbine generator systems. These systems are sourced from our principal, Shinko Ind. Ltd. in Malaysia and Japan. The steam turbine generator systems are designed to convert high-pressure steam into mechanical rotational energy through the turbine shaft, which in turn drives the generator to produce electricity.

For the Periods Under Review and up to the LPD, the steam turbine generator systems we have supplied vary depending on the model, with output capacities ranging from 0.50 MW to 3.75 MW.

Maximum output capacity (for the Periods Under Review and up to the LPD)	Location of manufacturer
1.20 MW (RB4M)	Malaysia
2.00 MW (RB5M)	Malaysia
2.50 MW (RB6)	Japan
3.00 MW (RB7)	Japan
3.50 MW (RB8)	Japan
3.75 MW (DNG)	Japan



RB4M



RB5M



RB6



RB7 and RB8

Depending on layout considerations, the steam turbine generator systems we supply are designed to be compact, making them ideal for space-constrained environments. The typical footprint ranges from approximately 7 to 18 square meters per unit. Additionally, all our steam turbine generator systems are mounted on skids for easy transportation and on-site installation.

For the Periods Under Review and up to the LPD, we have supplied a total of 316 steam turbines with a combined installed capacity of 488.2 MW. These installations span Malaysia as well as international markets including Indonesia, Ghana, Uganda, Nigeria, Colombia, Honduras, and Thailand.

7. BUSINESS OVERVIEW (Cont'd)

7.4.1.6 Provision of after-sales services

Under our renewable energy segment, revenue from the provision of after-sales services for energy systems accounted for 33.2% (RM88.6 million), 27.9% (RM80.5 million), and 34.0% (RM94.1 million) of our total revenue for the FYE 31 December 2022, 2023 and 2024 respectively. For the FPE 30 June 2025, revenue from the provision of after-sales services for energy systems accounted for 33.7% (RM42.6 million) of our total revenue, compared to 37.1% (RM44.5 million) for the FPE 30 June 2024.

(a) After-sales services for steam turbine generator systems

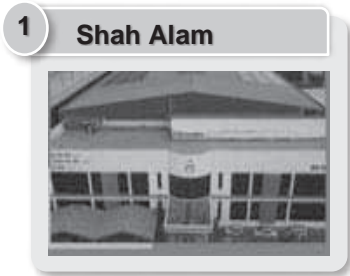
After-sales services for steam turbine generator systems typically include technical and operational support aimed at maximising efficiency and minimising downtime to maintain the system's reliability. Through our subsidiary WATSB, we offer after-sales services for steam turbine generator systems with the support of our principal from Japan. Some of the common types of after-sales services include:

- **Maintenance and inspection:** We provide preventive maintenance services, including lubrication, cleaning, and regular periodic inspections to identify wear and tear or potential failures. Additionally, vibration monitoring is also conducted to assess turbine condition.
- **Repair and overhaul:** We offer on-site repair services for minor issues with turbine rotor wheel balancing services performed at our service centres. These balancing services are available at our service centres in Malaysia and Indonesia.
- **System upgrades and retrofit:** We provide system upgrades and retrofit services, including the replacement of controls and sub-systems, to improve overall performance.
- **Sales of parts:** We supply spare parts and components such as shafts, rotor, bearings, control valves, condenser and turbine blades as part of our repair and maintenance services and on a standalone basis.

As at the LPD, we have 111 technical personnel for steam turbine generator systems (including after-sales services), comprising 59 personnel in Malaysia and 52 personnel in Indonesia.

7. BUSINESS OVERVIEW (Cont'd)

We have five service centres in Malaysia and Indonesia as follows:



7. BUSINESS OVERVIEW (Cont'd)

(b) After-sales services for steam energy systems and auxiliary facilities

Steam energy systems and auxiliary facilities require regular maintenance and servicing to ensure optimal performance and safety. As at the LPD, our subsidiary, WTSB is a registered competent company with DOSH to provide repair and maintenance services for steam energy systems.

As at the LPD, we have 87 technical personnel for the EPCC of steam energy systems and auxiliary facilities (including after-sales services) in Malaysia.

The after-sales services that we commonly provide include:

- **Maintenance and inspection:** We perform scheduled preventive maintenance such as inspection of pressure parts, retuning of burner system and cleaning of flue gas path and chimney. Additionally, we conduct insulation checks to improve efficiency and reduce emissions.
- **Repairs:** They include on-site repair services for unexpected malfunctions or breakdowns, refractory repairs, and component replacements, such as burners or grates, when necessary.
- **System upgrades and retrofit:** We offer retrofit and upgrade services, including replacing controllers and sensors with new automation technologies, and convert combustion system to automated grate to reduce unburned fuel. We provide re-engineering services to improve the boiler efficiency by adding heat recovery systems such as economiser and air preheater. In addition to the above, we also assist customers to redesign their existing boilers from saturated to superheated steam.
- **Sales of parts:** We supply spare parts and components, including customised parts and components such as grates, glowers, valves, gauges, and fabricated parts, as part of our repair and maintenance services and on a standalone basis.

7.4.2 Others

Our other business activities include designing and manufacturing a range of specialised palm oil milling equipment. Palm oil milling is a process that involves extracting oil from both the pulp and kernel of oil palm fruit.

For the FYE 31 December 2022, 2023 and 2024, revenue from our other business activities accounted for 5.0% (RM13.3 million), 4.9% (RM14.1 million) and 7.1% (RM19.8 million) of our total revenue, respectively. For the FPE 30 June 2025, revenue from our other business activities accounted for 3.2% (RM4.0 million) of our total revenue, compared to 8.4% (RM10.0 million) for the FPE 30 June 2024.

The palm oil milling equipment that we design and fabricate are specialised machinery and equipment. All the palm oil milling equipment that we design and fabricate is marketed under our Wasco brand, which includes the following:

Palm oil milling equipment	Descriptions
EFB press machines	This machine is designed to extract residual oil from EFB. It is a specialised piece of equipment that uses a high-pressure mechanism to extract the oil while minimising residual moisture. The machine is equipped with automated systems for feeding, pressing, and discharge functions. Key components ⁽¹⁾ of our EFB press machines include the

7. BUSINESS OVERVIEW (Cont'd)

Palm oil milling equipment	Descriptions
	<p>skid base frame, pressing chamber and screw, feeding system, oil collection system, discharge system, and control panels.</p> <p>We offer 2 standard designs of EFB press machines as follows:</p> <ul style="list-style-type: none"> - single screw worm with machining and hardening functions designed capacity to process approximately 8 to 10 tonnes EFB per hour; and - 2-in-1 EFB press with cutting and pressing in a single-step process with a designed capacity to process approximately 6 to 7 tonnes of EFB per hour.
Palm kernel oil machines	<p>This machine is designed for extracting oil from the kernels of oil palm fruits. It is a specialised piece of equipment focused on recovering and processing palm kernel oil after the extraction of crude palm oil from the fruit pulp. Our palm kernel oil machines consist of various components⁽²⁾, including a kernel and shell separator, hammer mill/grinder, oil expeller (press), oil clarifier, storage and collection tanks, kernel cake press, and a control panel.</p> <p>Our palm kernel oil machines perform two pressing stages. Depending on the model and design, the first pressing stage has a processing capacity ranging from 0.83 to 1.25 tonnes per hour, while the second pressing stage has a processing capacity ranging from 0.58 to 0.67 tonnes per hour. The machines are designed to achieve a final oil residue content of 7% or less.</p>
Twin screw press machines	<p>This machine is designed to extract crude palm oil from palm fruit fibre and kernels of the oil palm fruit. It features specialised equipment with a twin-screw mechanism, comprising two intermeshing screws that compress and move the palm fruit fibre through the press to extract oil.</p> <p>Key components include screw shafts, a compression chamber, an oil drive system powered by a hydraulic system, as well as feeding, discharge and oil collection systems. The designed capacity is approximately 15 to 17 tonnes per hour.</p>
Others include:	
Separators	<p>This machine is designed to remove impurities such as fibres, sand, and dirt from crude palm oil during the clarification process. It operates using vibrational motion to move materials across a series of sieves, enabling effective separation of unwanted solids from the oil. The equipment features multiple screen/mesh decks, each fitted with screens of varying mesh sizes, to filter out different types and sizes of contaminants. The designed capacity is approximately 30 tonnes per hour.</p>
Rotary brush strainers	<p>This is designed to remove particles, debris, or impurities.</p>
De-sanding cyclones	<p>The de-sanding cyclone is designed to remove sand and other heavy particulates from the slurry before the centrifuge separation process. The mixture, which may contain palm fruit, fibre, and sand, is fed into the cyclone where high-speed rotation generates centrifugal forces. These forces cause denser particles such as sand to move outward toward the cyclone wall and settle at the bottom. Meanwhile, the lighter oil or fruit mixture remains at the top and continues the process. The separated sand is then discharged from the bottom of the cyclone.</p>

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) This commonly includes the following:
- *Skid base frame: A main frame designed to support the entire machine and withstand high pressure during operation, along with a base plate to provide stability and ensure proper alignment of the machine.*
 - *Press chamber: Designed to compress EFB and extract oil using a single-screw press. The pressing screw is the rotating element within the chamber that applies pressure to the EFB, forcing the oil out. It is typically made of hardened steel to withstand the high pressure and abrasive nature of the EFB.*
 - *Feeding system: This system evenly distributes the EFB into the press chamber and can either be a screw conveyor or a belt conveyor.*
 - *Oil collection system: Designed to collect the extracted oil and channel it into a storage tank.*
 - *Discharge system: Responsible for removing and discharging the compressed and de-oiled EFB or fibres, typically using a conveyor belt or chute.*
- (2) This commonly includes the following:
- *Kernel and shell separators: Used to separate the cracked shell from the palm kernels.*
 - *Hammer mill/grinder: Crushed palm kernels into smaller pieces for oil extraction.*
 - *Oil expeller (press): Extracts oil from the crushed kernels using a screw press that applies continuous mechanical pressure.*
 - *Oil clarifier: Removes impurities and sediments from the extracted oil.*
 - *Storage and collection tanks: Used to store the extracted oil.*
 - *Kernel cake press unit: Compresses the by-product (kernel cake) into pellets or blocks.*

We primarily perform the following fabrication activities at our factory:

- **Skid base frame fabrication:** Steel plates are cut to precise dimensions using CNC or laser cutting machines. The components are then welded together to form a robust structural foundation for the press.
- **Screw fabrication:** Screws are fabricated in-house through CNC machining and welding processes. Cast metal parts required for the screws are sourced externally.
- **Forming and cutting steel sheets:** Steel sheets are shaped and cut to the desired dimensions to form components such as the pressing chamber, oil collection trays, channels, and piping.
- **Assembly and integration:** Fabricated components including the skid base frame, hydraulic system, pressing chamber, and collection systems are assembled onsite. Integration involves the installation of piping, hydraulic lines, valves, and controls for the pressing or turning mechanisms. Additionally, electrical work is also carried out to connect control panels, sensors, and automation systems for operational control. Certain components, such as motors, pneumatic systems, control systems, and sensors, are sourced externally.

In addition, we source third-party fabricated palm oil milling equipment, including EFB press machines and other oil milling equipment.

7. BUSINESS OVERVIEW (Cont'd)**7.5 Major customers**

Our Group's top five customers for the Periods Under Review are as follows:

FYE 31 December 2022

Customer	Location	Main products/services sold	Amount of revenue (RM'000)	%	Length of relationship (years)⁽¹⁾
Sime Group ⁽²⁾	Malaysia	HRSG	12,785	4.8	8
Wilmar International Ltd Group ⁽³⁾	Indonesia	Gas-fired energy system, steam turbine generator system and ESP	11,391	4.3	14
Muda Paper Mills Sdn Bhd	Malaysia	Biomass steam energy system	9,341	3.5	Less than 1
Hap Seng Plantations Group ⁽⁴⁾	Malaysia	Biomass steam energy system and steam turbine generator system	8,099	3.0	3
Golden Agri-Resources Ltd Group ⁽⁵⁾	Indonesia	Steam turbine generator system and palm oil milling equipment	7,449	2.8	4
Total			49,065	18.4	
Total revenue			266,565		

FYE 31 December 2023

Customer	Location	Main products/services sold	Amount of revenue (RM'000)	%	Length of relationship (years)⁽¹⁾
Sime Group ⁽²⁾	Malaysia	HRSG	11,619	4.0	9
Tradewinds Plantation Group ⁽⁶⁾	Malaysia	Gas-fired energy system, steam turbine generator system, ESP	9,243	3.2	11
Muda Paper Mills Sdn Bhd	Malaysia	Biomass steam energy system	8,733	3.0	1
Budi Nasib Sdn Bhd	Malaysia	Biomass steam energy system and steam turbine generator system	8,249	2.9	1
Permata Group ⁽⁷⁾	Indonesia	Biomass steam energy system	8,041	2.8	17
Total			45,885	15.9	
Total revenue			288,844		

FYE 31 December 2024

Customer	Location	Main products/services sold	Amount of revenue (RM'000)	%	Length of relationship (years)⁽¹⁾
Sime Group ⁽²⁾	Malaysia	HRSG	13,949	5.0	10
Tenera Engineering Sdn Bhd	Malaysia	Palm oil milling equipment	12,437	4.5	9
FGV Group ⁽⁸⁾	Malaysia	Gas-fired steam energy system	10,357	3.7	11
SALCRA Group ⁽⁹⁾	Malaysia	Biomass steam energy system	8,399	3.0	11
MHC Plantations Group ⁽¹⁰⁾	Malaysia	Biomass steam energy system	8,393	3.0	14
Total			53,535	19.2	
Total revenue			276,715		

7. BUSINESS OVERVIEW (Cont'd)**FPE 30 June 2025**

Customer	Location	Main products/services sold	Amount of revenue (RM'000)	%	Length of relationship (years)⁽¹⁾
Sime Group ⁽²⁾	Malaysia	HRSG	9,917	7.9	11
Muda Paper Mills Sdn Bhd	Malaysia	Palm oil milling equipment	9,387	7.4	3
FGV Group ⁽⁸⁾	Malaysia	Gas-fired steam energy systems	7,096	5.6	12
Tradewinds Plantation Group ⁽⁶⁾	Malaysia	Gas fired steam energy systems, steam turbine generator system, ESP	4,104	3.3	13
Genting Plantation Group ⁽¹¹⁾	Malaysia	Biomass steam energy systems, steam turbine generator system	3,871	3.1	22
Total			34,375	27.3	
Total revenue			126,159		

Notes:

- (1) Length of relationship as at the respective financial year.
- (2) The customers under the Sime Group comprise 2 subsidiaries of Sime Darby Holdings Berhad in Malaysia, which are involved in pre-sales, sales, installation, commissioning and post-sales support of engineering and technology solutions for oil and gas, co-generation and renewable energy industries, as well as provision of power solutions.
- (3) The customers under the Wilmar International Ltd Group comprise 39 subsidiaries in Malaysia, Indonesia and Africa, which are mainly involved in the cultivation of oil palm, and production of crude palm oil and palm kernel.
- (4) The customers under the Hap Seng Plantations Group comprise 2 subsidiaries of Hap Seng Plantation Holdings Berhad in Malaysia, which are involved in the cultivation of oil palm, and production of crude palm oil and palm kernel.
- (5) The customers under the Golden Agri-Resources Ltd Group comprise 20 subsidiaries in Indonesia, which are mainly involved in the cultivation of oil palm, production of crude palm oil and palm kernel, downstream refining of palm oil as well as production and distribution of palm and oilseed-based products.
- (6) The customers under the Tradewinds Plantation Group comprise 11 subsidiaries in Malaysia, which are mainly involved in the operations of sugar refinery, cultivation of oil palm, and production of crude palm oil and palm kernel.
- (7) The customers under the Permata Group comprise 6 subsidiaries in Indonesia, which are mainly involved in the cultivation of oil palm, production of crude palm oil and palm kernel.
- (8) The customers under the FGV Group comprise 7 subsidiaries of FGV Holdings Berhad in Malaysia, which are mainly involved in the milling and refining of sugar, storage and export of palm products including crude and refined palm oil, oleochemical products, and palm kernel oil, expeller and shells, and the operations of palm oil.
- (9) The customers under the SALCRA Group comprise 6 subsidiaries in Malaysia, which are primarily involved in the cultivation of oil palm and the production of crude palm oil and palm kernel.
- (10) The customers under the MHC Plantations Group comprise 4 subsidiaries of MHC Plantations Berhad in Malaysia, which are involved in the cultivation of oil palm, milling, sale of palm products, power generation and the sale of biomass by-products.
- (11) The customers under the Genting Plantation Group comprise 2 subsidiaries in Malaysia and 7 in Indonesia, which are primarily involved in the cultivation of oil palm, production of crude palm oil and palm kernel.

Our business is not dependent on any single or group of customers as there was no single or group of customers that contributed more than 10.0% of our total revenue for the Periods Under Review. There are no concentration risks due to the nature of our business where we are not overly dependent on any single or group of customers as the EPCC services for steam energy systems and auxiliary facilities, as well as the supply of steam turbines generator systems are project or order-based, whilst repair and maintenance services are provided on an as-needed or ad hoc basis. Furthermore, we served a pool of more than 1,500 customers for the Periods Under Review.

7. BUSINESS OVERVIEW (Cont'd)**7.6 Major suppliers**

Our Group's top five suppliers for the Periods Under Review are as follows:

FYE 31 December 2022

Supplier	Location	Main input materials/services purchased	Amount of purchases (RM'000)	%	Length of relationship (years)⁽¹⁾
Shinko Industries Malaysia	Malaysia	Steam turbine generator systems	24,810	12.4	9
Shinko Ind. Ltd.	Japan	Steam turbine generator systems and spare parts	17,644	8.8	More than 20
Qingdao Mingyin Environmental Protection & Power Equipment Co. Ltd	China	ESP	12,619	6.3	1
Soon Hoe Steel Sdn Bhd	Malaysia	Steel materials	7,743	3.9	8
Powertecs Electric Sdn Bhd	Malaysia	Alternators	6,901	3.5	17
Total			69,717	34.9	
Total purchases			199,946		

FYE 31 December 2023

Supplier	Location	Main input materials/services purchased	Amount of purchases (RM'000)	%	Length of relationship (years)⁽¹⁾
Shinko Industries Malaysia	Malaysia	Steam turbine generator systems	29,269	13.8	10
Shinko Ind. Ltd.	Japan	Steam turbine generator systems and spare parts	20,820	9.8	More than 20
Nippon Steel Trading Corporation	Japan	Steel plates	10,433	4.9	9
Powertecs Electric Sdn Bhd	Malaysia	Alternators	7,117	3.4	18
Yo Brothers Engineering Sdn Bhd	Malaysia	EFB press machines	6,309	3.0	6
Total			73,948	34.9	
Total purchases			212,350		

FYE 31 December 2024

Supplier	Location	Main input materials/services purchased	Amount of purchases (RM'000)	%	Length of relationship (years)⁽¹⁾
Shinko Industries Malaysia	Malaysia	Steam turbine generator systems	25,120	13.7	11
Shinko Ind. Ltd.	Japan	Steam turbine generator systems and spare parts	17,563	9.6	More than 20
Nippon Steel Trading Corporation	Japan	Steel plates	10,212	5.6	10
Powertecs Electric Sdn Bhd	Malaysia	Alternators	8,470	4.6	19
Soon Hoe Steel Sdn Bhd	Malaysia	Steel materials	4,886	2.7	10
Total			66,251	36.2	
Total purchases			183,013		

7. BUSINESS OVERVIEW (Cont'd)**FPE 30 June 2025**

Supplier	Location	Main input materials/services purchased	Amount of purchases (RM'000)	%	Length of relationship (years)⁽¹⁾
Shinko Industries Malaysia	Malaysia	Steam turbine generator systems	10,414	12.0	12
Shinko Ind. Ltd.	Japan	Steam turbine generator systems and spare parts	8,464	9.7	More than 20
Nippon Steel Trading Corporation	Japan	Steel plates	3,309	3.8	11
Soon Hoe Steel Sdn Bhd	Malaysia	Steel materials	2,998	3.4	11
SAT Industries Pte Ltd	Singapore	Alternators	2,723	3.1	7
Total			27,908	32.0	
Total purchases			86,985		

Note:

(1) Length of relationship as at the respective financial year.

We have a close working relationship with our major suppliers as reflected by the length of our relationship with our suppliers which span from 1 to more than 20 years.

Shinko Industries Malaysia is our major supplier for steam turbine generator systems accounting for 12.4%, 13.8%, 13.7% and 12.0% of our total purchases for FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively. Shinko Ind. Ltd. is also a major supplier for steam turbine generator systems and spare parts such accounting for 8.8%, 9.8%, 9.6% and 9.7% of our total purchases for FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively.

Our Group's exposure to supplier concentration risk and dependency on Shinko Ind. Ltd. arises due to the nature of our business and our decision to act as distributor of Shinko brand of steam turbine generator systems sourced from our principal, Shinko Ind. Ltd. in Japan and Malaysia. Specifically, the turbine parts are manufactured in Japan and thereafter, the smaller models of steam turbine generator systems are assembled together with other key parts (such as alternator, electrical components, valves, etc.) at Shinko Industries Malaysia's facility before being sold by WATSB. Larger models of steam turbine generator systems, in turn, are fully assembled by Shinko Ind. Ltd. in Japan.

We have developed a long-standing relationship with Shinko Ind. Ltd. for more than 20 years to-date and Shinko Industries Malaysia, since its incorporation in 2013.

Notwithstanding the above, we believe that our Group's concentration risk and dependence on Shinko is mitigated due to the following:

Mutual reliance between our Group and Shinko

- (i) We have maintained a long-standing business relationship with the Shinko group as evidenced by our dealings with them for more than 20 years. During that time, we have also worked closely together with the Shinko group on the joint development of market strategies, technical knowledge exchange, product familiarisation initiatives, and collaborative support in the areas of sales, commissioning, and after-sales services. These joint efforts have strengthened our Group's ability to effectively promote and support Shinko products in its key markets, creating a mutually beneficial partnership;
- (ii) For the past 20 years, we have not faced any material disruptions in the supply of steam turbine generator systems (including parts) from Shinko group;

7. BUSINESS OVERVIEW (Cont'd)

- (iii) According to Frost & Sullivan, it is common for manufacturers of established steam turbine brands to appoint a limited number of selected distributors. Such manufacturers generally demonstrate a preference towards cooperating with key distributors with proven capability and track record in selling their products;
- (iv) Our Group's experience in distributing Shinko brand steam turbine generator systems to a wide customer network and our strength in after-sales services provides value add to both Shinko and its end customers – this has not only benefited Shinko through the generation of income for more than 20 years to-date, but also established reliance on Shinko amongst our Group's customers who are provided the comfort and assurance in relation to after-sales and the continuity of spare parts supply in the future;
- (v) Notwithstanding the mutual reliance between our Group and Shinko and Shinko's significant contribution to our Group's revenue for the Periods Under Review, we maintain operational flexibility through our engineering capabilities, experience in handling various equipment types, and our established customer network. From time to time, we have supported our customers by facilitating the evaluation of a broader range of equipment solutions, where appropriate. This typically involves collaborative efforts with our customers to ensure compatibility, quality assurance, and service continuity, and reflects our commitment to offering technically sound, reliable solutions in line with evolving customer needs; and

Strategic diversification

- (vi) As part of our broader strategic direction, we have also explored opportunities to diversify our product offerings including our expansion through an asset ownership model as discussed in Section 7.2.2.1 of this Prospectus with the aim to diversify and reduce our reliance on a single product offering.

Save for Shinko Ind. Ltd. and Shinko Industries Malaysia, we are not dependent on any single supplier for our input materials as we are able to source materials from alternative suppliers. In general, we procure our raw materials based on factors such as pricing, availability, lead time for delivery and quality of the raw materials, with the intention of broadening our supplier base. As such, we do not face any significant concentration risk in relation to our Group's other suppliers. As at the LPD, our Group has not experienced any major supply interruptions or shortages for any of the raw materials used in our operations.

7.7 Sales and marketing activities

Our sales and marketing activities and strategies are targeted and facilitated through the following:

Market positioning

We position ourselves as a provider of renewable energy systems that support companies in meeting their energy needs, including those seeking to achieve their decarbonisation and net-zero emissions targets. Our renewable energy systems help our customers achieve their environmental goals by utilising sustainable and renewable fuel sources.

Sales and marketing activities

We actively promote our services by approaching prospective customers including operators and owners of palm oil mills, oil palm plantations, and other industrial plants, EPCC contractors, engineering companies and resellers, with a view to expanding our customer base. This also involves pursuing business opportunities by following up on referrals from existing customers, suppliers, contractors and business associates.

7. BUSINESS OVERVIEW (Cont'd)

We actively prepare and submit bids or quotations and engage in direct negotiations with prospective customers to secure new orders and projects.

We participate in trade exhibitions and industry events to increase brand awareness, connect with potential customers, and showcase our products and service offerings to generate new business opportunities.

The trade shows and industry events that we participated in during the Periods Under Review and up to the LPD, include the following:

Year	Descriptions	Location
2022	PALMEX Malaysia 2022	Kuala Lumpur, Malaysia
2022	Enlit Asia 2022	Bangkok, Thailand
2022	PALMEX Medan 2022	Medan, Indonesia
2023	PALMEX Malaysia 2023	Sabah, Malaysia
2023	PALMEX Medan 2023	Medan, Indonesia
2023	MPOB International Palm Oil Congress and Exhibition (PIPOC) 2023	Kuala Lumpur, Malaysia
2024	PALMEX Thailand 2024	Suratthani, Thailand
2024	Sawit Indonesia Expo & Conference 2024	Pekanbaru, Indonesia
2024	PALMEX Malaysia 2024	Kuala Lumpur, Malaysia
2024	PALMEX Medan 2024	Medan, Indonesia
2025	PALMEX Jakarta 2025	Jakarta, Indonesia
2025	Sawit Indonesia Expo & Conference 2025	Pekanbaru, Indonesia

Our participation in PALMEX Malaysia 2024 and PALMEX Medan 2024



As at the LPD, our sales and marketing activities are led by Lee Yee Chong, our Group Chief Executive Officer, and Tee Kian Lim, the Chief Operating Officer of WTSB. These activities are carried out collaboratively by our sales and marketing team which comprises of 24 personnel, and our engineering and design team comprising 11 engineers. The engineering and design team plays a key role in sales and marketing, particularly in preparing bids and quotations for EPC of steam energy systems and auxiliary facilities.

7. BUSINESS OVERVIEW (Cont'd)**7.8 Types and sources of input materials, products and services**

For the Periods Under Review, our cost for input materials, products and services are set out below:

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
<u>Material costs</u>						
Raw materials consumed	135,807	71.1	145,014	71.9	134,718	73.5
- Steam turbine generators and spare parts	42,160	22.1	47,731	23.7	43,221	23.6
- Industrial fans, gear box and motor, installation services and other purchases	34,776	18.2	19,284	9.6	19,592	10.7
- Steel materials, control valve and fittings	25,131	13.1	33,499	16.6	27,968	15.3
- Alternator and spare parts	10,293	5.4	13,215	6.5	12,674	6.9
- EFB press and spare parts	4,077	2.1	8,908	4.4	9,938	5.4
- Others	18,478	9.7	21,396	10.6	20,398	11.1
	134,915	70.6	144,033	71.4	133,791	73.0
Consumables	892	0.5	981	0.5	927	0.5
<u>Labour costs</u>	25,563	13.4	24,821	12.3	23,904	13.0
Subcontractor costs⁽¹⁾	22,928	12.0	22,431	11.1	20,388	11.1
Others	2,635	1.4	2,390	1.2	3,516	1.9
<u>Project related expenses</u>	22,741	11.9	24,051	11.9	17,206	9.4
Project costs						
- Construction equipment ⁽²⁾	16,383	8.6	18,003	8.9	12,679	6.9
- Project overhead	3,308	1.7	2,909	1.4	2,000	1.1
	19,691	10.3	20,912	10.3	14,679	8.0
Others	3,050	1.6	3,139	1.6	2,527	1.4
Logistics costs	4,157	2.1	4,059	2.0	4,513	2.5
Factory overhead costs	2,674	1.4	2,323	1.2	1,868	1.0
Others	130	0.1	1,352	0.7	1,152	0.6
Total cost incurred for input materials, products and services	191,072	100.0	201,620	100.0	183,361	100.0

7. BUSINESS OVERVIEW (Cont'd)

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
<u>Material costs</u>				
Raw materials consumed	59,863	73.8	59,288	69.1
- Steam turbine generators and spare parts	17,938	22.1	19,513	22.8
- Industrial fans, gear box and motor, installation services and other purchases	10,076	12.4	8,639	10.1
- Steel materials, control valve and fittings	13,096	16.1	17,490	20.4
- Alternator and spare parts	7,481	9.2	4,587	5.3
- EFB press and spare parts	7,197	8.9	2,288	2.6
- Others	3,606	4.5	6,250	7.3
	59,394	73.2	58,767	68.5
Consumables	469	0.6	521	0.6
<u>Labour costs</u>	10,115	12.5	11,954	13.9
Subcontractor costs⁽¹⁾	8,512	10.5	10,528	12.2
Others	1,603	2.0	1,426	1.7
<u>Project related expenses</u>	8,749	10.8	11,056	12.9
Project costs				
- Construction equipment ⁽²⁾	6,800	8.4	7,835	9.2
- Project overhead	1,027	1.3	1,827	2.1
	7,827	9.7	9,662	11.3
Others	922	1.1	1,394	1.6
Logistics costs	1,008	1.2	2,192	2.6
Factory overhead costs	906	1.1	869	1.0
Others	524	0.6	402	0.5
Total cost incurred for input materials, products and services	81,165	100.0	85,761	100.0

Notes:

(1) Includes fabrication and machining services, on-site construction and installation works, and subcontracted labour.

(2) Includes electrical instrument and control systems, ESP, pumps, motors and invertors, combustion systems, diverter dampers, cooling towers and other related components.

We will identify the raw materials required to carry out fabrication works and source the raw materials based on our customer's product requirements and specifications. We then inspect the incoming raw materials to ensure that there are no defects on the raw materials and it complies with the required specifications as stated in the purchase orders. The raw materials inspection is carried out in-house.

We will source the following equipment and components from third party suppliers:

- (i) For steam energy systems such as fans, valves, ESP and motors.
- (ii) For steam turbine generator systems such as turbine generators, alternators, steam separator and cooling tower.
- (iii) For palm oil mill equipment such as EFB press machine and motors.

7. BUSINESS OVERVIEW (Cont'd)

We inspect the equipment and components received to ensure that the equipment and components complies with our requirement and is functioning in accordance with the required specification.

7.9 Awards and key certifications

For the Periods Under Review and up to the LPD, we have received the following awards and recognitions:

<u>Year</u>	<u>Key awards and recognitions</u>	<u>Awarding party</u>
2020	Occupational Health and Safety Industry Best Practices 2020	Department of Occupational Health and Safety Selangor
2022	Stepwise OSH Level Verification and Enhancement for Small and Medium Enterprise (SOLVE 4 SME) - SOLVE Gold ⁽¹⁾	Department of Occupational Health and Safety Selangor

Note:

(1) *This is a programme introduced by the Department of Occupational Health and Safety to improve the level of occupational health and safety among small and medium enterprises. The programme comprises OSH Management and Workplace Improvement, with each element containing 5 levels, namely Level 1 (SOLVE Basic), Level 2 (SOLVE Bronze), Level 3 (SOLVE Silver), Level 4 (SOLVE Gold), and Level 5 (SOLVE Platinum), with Level 5 (SOLVE Platinum) being the highest level.*

As at the LPD, we hold the following certifications and management systems accreditations:

<u>Accreditation</u>	<u>Scope</u>	<u>Issuing party</u>	<u>Validity period</u>
DOSH competent firm	Steam boiler manufacturer and repairer	Department of Occupational Safety and Health, Ministry of Human Resources	21 May 2023 to 20 May 2026
DOSH competent firm	Unfired pressure vessel manufacturer and repairer	Department of Occupational Safety and Health, Ministry of Human Resources	22 May 2023 to 21 May 2026
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018	Design and supply of boilers and associated equipment	LRQA Limited	29 July 2024 to 23 August 2026
ISO 9001:2015	Manufacture of components and parts for palm oil mill machinery, and fabrication, assembly and supply of palm kernel oil machine	NQA Certification Limited	24 May 2024 to 2 July 2027

7. BUSINESS OVERVIEW (Cont'd)

7.10 Operational facilities

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

Company	Main Functions	Status of premises	Approximate Built-up Area (sq. ft.)	Address
WTSB	Office, fabrication facility	Owned	169,032	Lot 1944 and Lot 1945, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan
WATSB	Office, fabrication facility, after-sales service centre	Owned	102,355	Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan
WATSB	After-sales service centre	Owned	1,938	Sublot 22B, Lot 15479, Block 32, Nyabau Industrial Park, Kemena Land District, Jalan Tun Hussein Onn, 97000 Bintulu, Sarawak
WATSB	After-sales service centre	Owned	3,000	Lot 3 & 4, Mile 9, Jalan Hiew Ngee Fatt off Jalan Labuk, PPM 402 Elopura, 90000 Sandakan, Sabah
PT WATI	After-sales service centre and warehouse	Rented	12,917	Medan Mega Trade Center Logistic, Blok D-27 & D-28, Deli Serdang, North Sumatera, Indonesia
PT WATI	After-sales service centre and warehouse	Rented	3,875 (floor area)	Jl. Jenderal Ahmad Yani, Banjarbaru, South Kalimantan, Indonesia
PT WATI	Employee accommodation	Rented	1,206	Sunrise Garden residential area, Gg. Sunrise X Number 84, Pangkalan Bun, Central Kalimantan, Indonesia

7. BUSINESS OVERVIEW (Cont'd)**7.11 Information on material plant and equipment**

The material plant and equipment of our Group as at 30 June 2025 are set out below:

Company	Machineries/Equipment	No. of units	Net Book Value as at FPE 30 June 2025 (RM)
WATSB	Balancing machine	2	2
	Lathe machine	12	777,100
	Milling machine	7	605,316
	Welding machine	9	216,593
	Overhead crane	7	6
	Solar panel system	1	1,109,600
WTSB	Welding machine	82	75,758
	Membrane wall welding machine	1	1
	Rotator machine	22	85,333
	Pipe and tube bending machine	4	4
	Radial drilling machine	5	211,603
	Tube end forming machine	1	108,500
	Plate rolling machine	1	218,750
	Overhead crane	13	1,298,468
Total			4,707,034

Save as disclosed above, none of our machineries and equipment are individually material to be disclose separately.

Save for the utilisation of proceeds earmarked for the increase in production capacity as disclosed in Section 4.6 of this Prospectus, our Board is of the opinion that our Group has sufficient capacity to meet the current and anticipated level of demand and will continue to monitor the capacity requirements to ensure that our Group's operations run smoothly. The above plant and equipment is used for our production output and capacity as explained in Section 7.12 of this Prospectus.

7. BUSINESS OVERVIEW (Cont'd)

7.12 Production output and capacity

Our Group's business in the EPCC of steam energy systems and auxiliary facilities is mainly contract based. Each steam energy system takes approximately 11 to 24 months to complete from the design stage to delivery and commissioning at the project site. The timeline for the completion of the fabrication process for each steam energy system may vary, depending on the size and technical specifications of the steam energy system, the delivery date and the customer's site readiness. Therefore, it is difficult for us to ascertain or estimate the annual production capacity and the utilisation rate of our WTSB Factory given that the conventional measure of capacity may not be relevant to our operations.

Accordingly, our Group's track record on the delivery of steam energy systems to our customers for the Periods Under Review and up to the LPD is as follows:

	FYE 31 December			FPE 30 June	Between 1 July 2025 and the LPD
	2022	2023	2024	2025	
No. of factory	2	2	2	2	2
Production floor area (sq. ft.)	120,513	120,513	147,250	147,250	147,250
No. of steam energy systems completed	15	20	9	5	3
Capacity (TPH)	3.2 to 55.0	4.5 to 55.0	20.0 to 50.0	3.5 to 45.0	26.0 to 45.0

As at the LPD, our Group has 31 on-going steam energy system projects with design capacities ranging from 4.5 TPH to 90.0 TPH.

Our Group's business in the supply of steam turbine generator systems on the other hand is based on purchase orders and/or customer procurement agreements. Our Group does not fabricate steam turbine generator systems and all of our steam turbine generator systems are sourced from our principal, Shinko Ind. Ltd. in Malaysia and Japan.

For the Periods Under Review and between 1 July 2025 and the LPD, our Group has delivered 73, 101, 89, 37 and 16 steam turbine generator systems respectively, with output capacities ranging from 0.50 MW to 3.75 MW to our customers. As at the LPD, our Group has 81 on-going orders for steam turbine generator systems with capacities ranging from 0.50 MW to 3.50 MW.

Our Group undertakes the manufacturing of palm oil milling equipment based on customer-specific orders. In line with project requirements and to optimise cost and delivery timelines, we may also source certain components or systems from qualified third-party manufacturers as needed. As such, the production of palm oil milling equipment is on batch manufacturing basis based on orders secured, and the computation of production capacity or utilisation rates for this segment may not provide a meaningful representation of our Group's overall operational capacity. Further, the revenue contribution from this segment is not significant, accounting for 5.0%, 4.9%, 7.1%, and 3.2% of our Group's total revenue for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively.

7. BUSINESS OVERVIEW (Cont'd)

7.13 Process flow

7.13.1 EPCC of steam energy systems and auxiliary facilities

We carry out the EPCC of steam energy systems comprising:

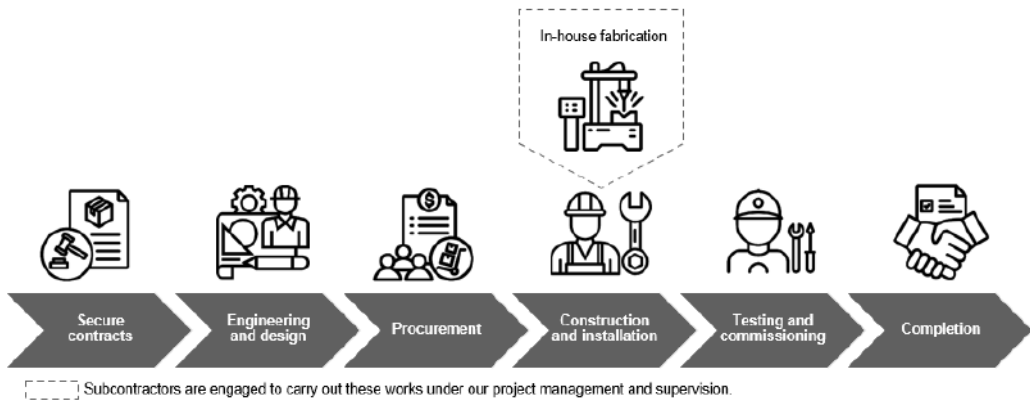
- biomass steam energy systems;
- gas-fired steam energy systems; and
- HRSG systems;

and auxiliary facilities such as:

- emission control system;
- efficiency enhancement system;
- water treatment system; and
- boiler process control and automation.

We provide standalone steam energy systems as well as integrated steam energy systems with auxiliary facilities.

The process flow for our EPCC of steam energy systems and auxiliary facilities is as follows:



Secure contracts

We secure contracts by participating in tenders or by submitting quotations to potential customers. Before proceeding, we conduct a preliminary evaluation covering the project scope, terms, site conditions, financial feasibility, and the prospective customer's creditworthiness. If we decide to proceed, we will prepare the bid or quotation, which assesses costs, budgets, design specifications, project timelines, and resource requirements. We then submit our commercial and financial proposal, which includes pricing, technical details, and supporting documents. In some cases, a tender bond may be required to demonstrate our commitment, should we be awarded the project.

The contract is formally accepted once a letter of award is issued, followed by the signing of a formal contract with the customer. Typical contract terms included in the contract are the scope of work, contract value, start and completion dates, insurance coverage, payment terms, warranties, and liquidated ascertained damages (LAD) provisions.

7. BUSINESS OVERVIEW (Cont'd)

- **Engineering and design**

Our in-house engineering and design team work closely with customers to gather requirements, including steam capacity, fuel type, and operating conditions. Using this information, we develop an initial conceptual design that outlines key parameters such as boiler type and size, steam output, fuel and supply system type, combustion equipment, and auxiliary facilities.

Following this, we develop detailed technical drawings and three-dimensional models using computer-aided design software, carefully selecting materials and system specifications. Once the technical design is approved, we prepare shop drawings containing fabrication details such as cutting, bending, welding, machining and assembly instructions, dimensions, and materials for each component. These shop drawings serve as the fabrication blueprint and are submitted to the customer for final approval.

At this stage, we also create installation guidelines, operational protocols, maintenance plans, and standard operating procedures to ensure smooth operation, reliability and safety in the long term.

In addition, we handle the submission of boiler design approval applications to DOSH. The approval process typically takes around 30 to 60 days.

Specifically, DOSH approval is required for our firetube and watertube boilers and HRSG. Only competent firms registered with DOSH can submit design approval applications for domestically fabricated boilers. Through our subsidiary WTSB, we are registered as a competent firm to design and fabricate boilers.

- **Procurement**

We procure input materials, finished goods and equipment, and services required for the fabrication of our steam energy systems and auxiliary facilities. Our input materials are primarily sourced from suppliers and include materials such as steel plates and tubes, stainless steel sheets, cast iron, bearings, seals, and refractory materials. We also source some mechanical and electrical equipment, parts and components such as electric motors, pumps, pipes and fittings, valves and actuators, electrical and control panels, sensors and instrumentations, automation and control systems, and safety devices from third-party suppliers. In addition, we engage subcontractors to perform structural fabrication and installation works at customer sites.

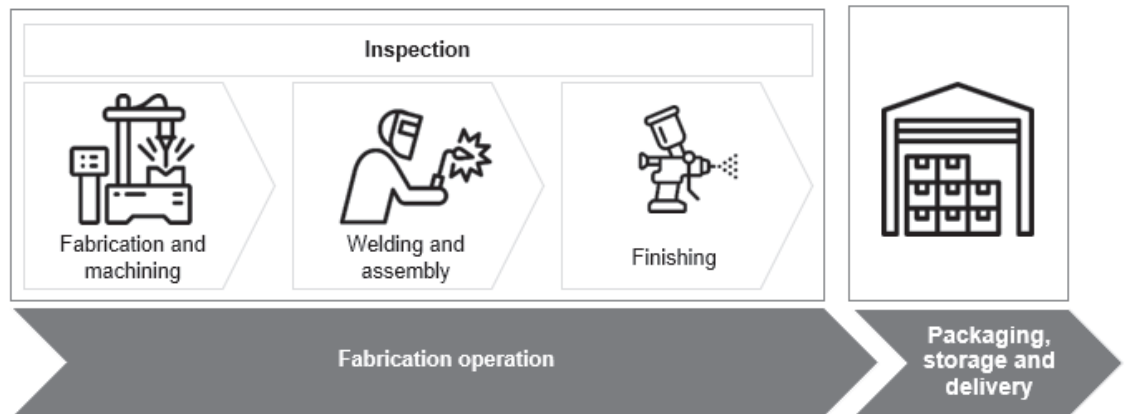
Examples of our input materials



All externally sourced input materials, finished goods, and equipment undergo inspection upon arrival at our facility. This process involves visual checks for surface defects and detailed measurements to ensure compliance with specifications and standards. In the event of defects, our suppliers are responsible for providing replacement materials or repairs to rectify the issue.

7. BUSINESS OVERVIEW (Cont'd)

- **Fabrication of parts, components, and subassemblies**



Our in-house fabrication operations are primarily focused on manufacturing key parts and components for the steam energy systems and associated auxiliary facilities. These in-house manufactured components are then combined with externally sourced items, such as electric motors, pumps, pipes and fittings, valves and actuators, electrical and control panels, sensors and instrumentation, automation and control systems, and safety devices. The combined components are assembled into modular subassemblies to facilitate easier transportation and streamline on-site assembly and installation.

All fabrication processes are carried out in accordance with design specifications approved by DOSH. Depending on the complexity of the system design, the production timeline typically ranges from 5 to 8 months.

The initial phase of the fabrication process involves fabrication and machining, where input materials such as steel plates, bars, rods, and tubes are transformed into the specific parts, components, and subassemblies required for constructing steam energy systems and its auxiliary facilities. The key fabrication and machining processes include the following:

- **Cutting:** Large raw materials, such as steel plates, bars, bars or pipes, are cut into smaller parts or components using methods like laser cutting, plasma cutting, and water jet cutting. This includes resizing steel plates for boiler shells, frames, and heat exchangers, as well as cutting pipes, tubes, structural profiles, flanges, and other parts required for assembling boiler systems.

Our laser cutting machine



- **Forming:** This process involves shaping workpieces without removing material to achieve specific dimensions. It includes techniques such as bending or rolling steel plates into a cylindrical shape to form boiler shells and bending pipes to match specific systems layouts and design requirements.
- **CNC machining:** Processes like turning and milling are used to refine the dimensions of parts and components to meet exact specifications. CNC milling removes material using a rotating cutting tool to form features like flat surfaces, grooves, slots, on components such as flanges, plates, heat exchanger components, and pressure vessels. CNC turning involves shaping a rotating workpiece with a stationary cutting tool, typically used to produce cylindrical parts such as shafts, piping, and valve bodies.

7. BUSINESS OVERVIEW (Cont'd)

- Drilling and tapping:** These processes create bolt holes, mounting holes, and other necessary openings in parts and components, such as pressure vessels, boiler frames, and piping systems.

After fabrication and machining, the individual parts and components are assembled into subassemblies using techniques such as welding or mechanical fastening, such as bolting.

The fabricated parts, components, and subassemblies subsequently undergo finishing processes to enhance their appearance, durability, and resistance to corrosion and rust. This may include coating, or painting to protect against corrosion or improve aesthetic appearance, as well as deburring to remove sharp edges or imperfections on the surface.

All parts, components, and subassemblies are inspected by our quality control team to ensure compliance with meet design specifications. This includes checking for dimensional accuracy, adherence to tolerances, and weld integrity. We also engage qualified subcontractors to conduct non-destructive testing (NDT), such as dye penetrant testing, ultrasonic testing, and X-ray inspection to assess weld quality. We also perform hydrostatic testing to verify the strength and structural integrity of boiler drums and welded joints. Any parts that do not meet the required specifications are returned to the relevant workstation for rework.

Once all components pass the necessary inspections, a final visual inspection is conducted to identify any defects. Approved components are then packed, labelled, and stored before being delivered to the customer site.

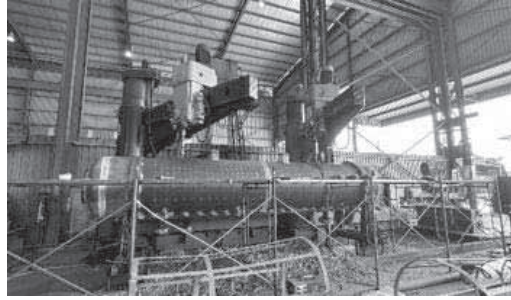
- Construction and installation**

We ensure that the customer site is adequately prepared to accommodate the steam energy system and its auxiliary facilities. Where necessary, we engage third-party engineers to verify and assess the site's suitability. Any required remedial work is completed before the delivery of our subassemblies and the commencement of construction and installation. Remedial work typically includes civil works such as building foundations, platforms, and structural supports to handle the weight and size of the steam energy system and its auxiliary facilities.

Once all parts, components, and subassemblies arrive at the customer site, they are assembled and installed accordingly. This includes the installation of structural elements such as support beams, frames, and platforms, as well as key components like boiler drums, combustion chambers, piping, and various auxiliary systems. Additionally, electrical, mechanical, instrumentation, and automation control systems are installed.

All construction and installation works are carried out by our subcontractors under our supervision.

Our drilling and tapping process



Our welding process



7. BUSINESS OVERVIEW (Cont'd)

- **Testing and commissioning**

Once the steam energy system and its auxiliary facilities are installed, we proceed with testing and commissioning, which includes, but is not limited to, the following:

- (i) calibration of sensors, instruments, and control systems;
- (ii) non-destructive testing (NDT), such as ultrasonic testing and radiographic (X-ray) inspection, is used to assess the quality of welds and detect potential internal flaws. This is carried out by our subcontractor;
- (iii) hydrostatic testing is conducted to ensure the boilers do not leak when under pressure. This is conducted in the presence of a DOSH officer;
- (iv) firing the boiler without fuel to verify the operation of mechanical and electrical systems;
- (v) combustion testing to ensure proper fuel burning;
- (vi) operational efficiency testing to confirm that the boiler can generate steam at the required pressure and temperature, following design specifications; and
- (vii) testing of automation, control, and safety systems.

Our project team conducts the testing and commissioning process in the presence of the customer or their representative.

- **Completion**

Upon successful testing and commissioning, the customer or their representative issues a final acceptance certificate or its equivalent, acknowledging the completion and handover of the steam energy system and auxiliary facilities including documentation such as design verification. Following this, our customer will apply for the Certificate of Fitness from DOSH.

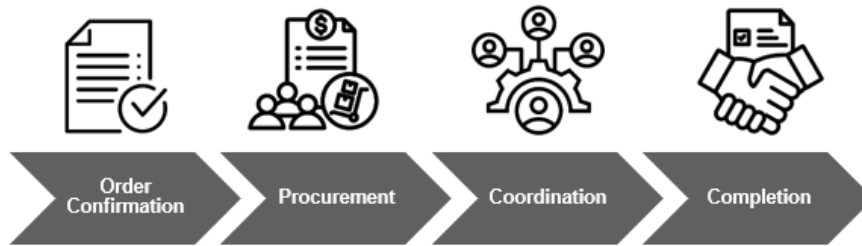
At this stage, we train the customer on the operation, safety procedures, and routine maintenance of the system, ensuring they are fully equipped to manage it. We also supply all necessary documentation, including the operating manuals, and maintenance schedules, to support the system's ongoing operation and upkeep.

7.13.2 Supply of steam turbine generator systems

We are the authorised distributor of *Shinko* steam turbine generator systems. As a distributor, our primary responsibilities encompass sales and marketing, ensuring system delivery to the customer's site, and overseeing the commissioning and handover process. Additionally, we provide comprehensive after-sales services, including maintenance, repairs, and spare parts supply.

7. BUSINESS OVERVIEW (Cont'd)

Our process flow for the supply of steam turbine generator systems is as follows:



- **Order confirmation**

- (i) The process begins with a customer inquiry or a request for a proposal, whether for a new installation or the replacement of an existing steam turbine generator system. Upon receiving the inquiry, we gather key customer requirements, including generator capacity, steam parameters (such as pressure, temperature, and flow rate), and boiler specifications (including boiler type and steam output).
- (ii) Next, we conduct a preliminary feasibility study to assess the steam turbine's compatibility with the customer's existing or new boiler system. This study involves reviewing technical data and using tools like the enthalpy chart to verify that the steam conditions from the boiler align with the turbine's design and performance specifications. Based on our findings, we prepare a report summarising turbine compatibility, expected efficiency, and a preliminary cost estimate, which is included in our formal proposal.
- (iii) Once the customer reviews and agrees with the proposal details and pricing, acceptance is confirmed through the issuance of a purchase order. This order formally secures the contract and outlines all relevant details, such as technical specifications, pricing, payment terms, delivery schedule, installation and commissioning plan, and warranty and maintenance (if selected) terms.

Typically, it takes approximately 6 to 15 months to fulfil an order for a steam turbine.

- **Procurement**

We will forward the purchase order and the agreed proposal to our supplier to initiate the necessary work to fulfil the order. Depending on the required capacity, these systems are sourced from our principal, Shinko Ind. Ltd. in Malaysia and Japan. Delivery times typically range from approximately six to eight months when sourced domestically (from Malaysia), and up to 15 months when sourced from Japan.

- **Coordination**

Upon receiving the purchase order, we will coordinate with our supplier to ensure the system is delivered, installed, and commissioned at the customer's site. Key coordination tasks with our suppliers include:

- (i) ensuring timely delivery, installation, and commissioning;
- (ii) obtaining all necessary regulatory certifications;
- (iii) present during inspection of completed and tested systems; and
- (iv) present during the commissioning and handover process.

7. BUSINESS OVERVIEW (Cont'd)

- **Completion**

Upon successful commissioning, a formal acceptance document is signed, confirming the handover of the steam turbine generator system to the customer and their responsibility for its operation and maintenance. The warranty period that we provide is typically the earlier of 12 months from the date of completion of testing and commissioning, or 18 months from the date of delivery of system, during which we offer repair, replacement, or technical support for any defects or operational issues.

Our supplier will provide the customer with the user manual and all necessary documentation on the system's operation, safety procedures, and routine maintenance, ensuring they are fully equipped to manage it.

7.13.3 After-sales services for energy systems

We provide after-sales services comprising maintenance, repair, overhaul, and spare parts supply for our energy systems, namely, steam energy systems, auxiliary facilities, and steam turbine generator systems. The process flow for our after-sales services is as follows:



- **Order confirmation**

Our after-sales services for steam energy systems and their auxiliary facilities, as well as steam turbine generator systems, are based on customers' order confirmation. The process begins with a customer enquiry or request for a quotation for maintenance, repair, overhaul, or spare parts. Upon receiving the enquiry, we will gather customer requirements as follows:

- (i) service type, whether routine and/or preventive maintenance, repairs, full system overhaul and/or shutdown, or spare parts supply;
- (ii) total or part of steam turbine generator systems, steam energy systems and/or auxiliary facilities;
- (iii) other relevant customer requirements such as timelines.

Once the customer reviews and approves our quotation, a purchase order is issued, which formally confirms the order. The purchase order outlines details such as the scope of work, pricing and payment terms, service schedule, and other terms and conditions related to the service.

7. BUSINESS OVERVIEW (Cont'd)

- **Work planning and scheduling**

We proceed with work planning and scheduling following purchase order confirmation. This involves reviewing the scope of work in detail, identifying the specific components requiring maintenance or repair, and evaluating the complexity of tasks involved. Based on this assessment, we allocate resources, including technical personnel, tools, and equipment required for the job. Our team typically comprises engineers, technicians, and supervisors, and, in some instances, external specialists may be engaged for more complex repairs or inspections. We also coordinate the scheduling of the service, prioritising urgent tasks while considering customers' operational requirements and our internal capacity.

- **Procurement**

Based on the service requirements, we source the required parts, components and/or equipment from our principal in Malaysia or Japan and our approved suppliers or suppliers specified by the customer. We coordinate the procurement and delivery of these materials to ensure they arrive ahead of the scheduled service date.

- **Provision of services**

We offer a range of after-sales services for steam turbine generator systems, steam energy systems, and auxiliary facilities as outlined below. Depending on customer requirements, external specialists may be engaged to perform maintenance and inspection, repair, and overhaul services for customers' generators.

(a) Maintenance and inspection

Our maintenance services involve routine inspections to identify potential issues early to prevent equipment failures or unplanned downtime. These inspections may include visual assessments, ultrasonic testing, and vibration monitoring. As part of our preventive maintenance approach, we also offer cleaning services to ensure to keep systems and components free of debris, soot, and corrosion, thus maintaining operational efficiency and safety.

- Steam turbine generator systems: Maintenance involves cleaning and inspecting turbine blades for signs of wear and tear, examining the condition of bearings and seals to prevent oil leaks, and checking the alignment and balancing of turbine rotors.
- Steam energy systems and auxiliary facilities: Maintenance involves cleaning burners and heat exchangers, inspecting boiler tubes for corrosion and scale buildup, and assessing combustion efficiency.

(b) Repair Services

Our repair services address both imminent and existing malfunctions or breakdowns, either on-site or at our service centre for more complex cases. For critical components, we may transport the faulty parts to our facility for further diagnosis and repair work.

- Steam turbine generator systems: Steam turbine repairs include the replacement of turbine blades, bearings, and seals. When necessary, we disassemble the turbines for realignment, rotor balancing, or precision machining to restore optimal performance.

7. BUSINESS OVERVIEW (Cont'd)

- Steam energy systems and auxiliary facilities: Our repair services include carrying out welding and replacement of damaged components, such as boiler tubes, burners, valves, and control sensors. In addition, we also provide descaling services to remove corrosion and scale buildup from tubes and other system parts.

(c) Overhaul services

Overhaul services are provided when system upgrades or retrofits are necessary, such as replacing outdated control systems, installing more efficient components, or improving overall system performance. These services are often carried out during plant turnarounds or shutdowns, particularly when obtaining the Certificate of Fitness as required by DOSH.

- Steam turbine generator systems: Overhaul work may include upgrading turbine control systems, installing advanced monitoring and diagnostic tools, and replacing outdated components with more efficient alternatives. Retrofitting of turbines may also be undertaken to improve performance and reliability. The process typically involves deep cleaning of parts and equipment, as well as replacing worn-out parts and components.
- Steam energy systems and auxiliary facilities: Overhaul work may include upgrading burners, heat exchangers, or fuel handling systems to improve combustion efficiency, as well as installing advanced control or automation systems for better operational monitoring. Retrofitting components to reduce energy consumption and increase system performance is also a key focus. Deep cleaning and the replacement of worn-out parts and components are key to ensuring long-term reliability and performance.

(d) Spare parts supply

They include, among others, grates, glowers, valves, gauges, or fabricated parts based on our customer's requests.

- **Documentation and reporting**

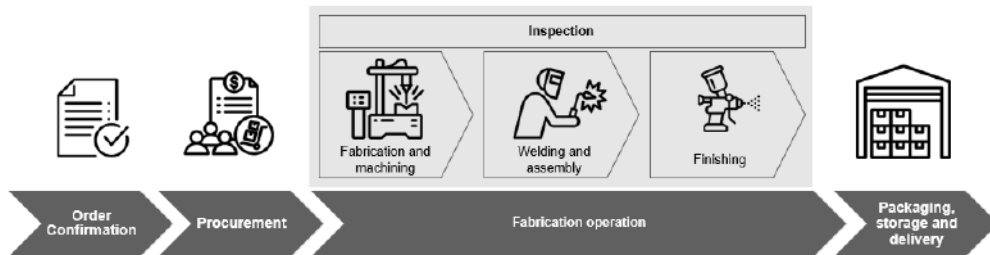
Upon completion of the service, we provide our customer with detailed documentation, including a detailed service report outlining the work performed, any issues identified, repairs or replacements made, and the results of any testing or inspections conducted. Where applicable, we also update and provide the maintenance log to reflect completed preventive maintenance activities.

7. BUSINESS OVERVIEW (Cont'd)

7.13.4 Fabrication of palm oil milling equipment

We design and fabricate a wide range of palm oil milling equipment, including EFB press machines, palm kernel oil machines, twin screw press machines, and other components such as separators, rotary brush strainers, and de-sanding cyclones.

Our process flow for the fabrication of palm oil milling equipment is as follows:



- **Order confirmation**

The process begins with a customer inquiry or request for a palm oil milling equipment quotation. We will then prepare the quotation. Once the quotation is approved, the customer issues a purchase order to formally confirm the order. The purchase order includes details such as the equipment type and model, processing capacity, pricing and payment terms, delivery schedule, and any specific customisation requirements.

The time required to fulfil a purchase order to fabricate palm oil milling equipment typically ranges from 3 to 6 months.

- **Procurement**

We procure materials comprising input materials, finished goods and equipment, as well as subcontracted services. Our procurement of input materials mainly comprises carbon steel plates, stainless steel sheets, bearings and seals. We also source electrical parts and components such as motors, control panels, sensors, control systems, and safety devices from third-party suppliers.

All externally sourced input materials, finished goods and equipment are inspected upon arrival at our facility. This includes visual checks for defects and detailed measurements to ensure that all components meet the required specifications and standards. In the event any defects are identified, our suppliers typically provide replacements for the affected parts or components to resolve the issue.

- **Fabrication and machining**

The fabrication process for palm oil milling equipment involves manufacturing parts, components, and subassemblies, which are subsequently assembled into the final system at our customer's site. Our in-house fabrication and machining processes include a range of techniques, such as cutting, forming, bending, CNC machining, and drilling/tapping.

7. BUSINESS OVERVIEW (Cont'd)

- **Welding and assembly**

The assembly of palm oil milling equipment involves integrating fabricated and machined components into a complete system using welding or mechanical fastening methods. This process includes assembling subcomponents such as screw presses, conveyors, and hydraulic systems, followed by the installation of key elements like motors, control panels, and bearings.

- **Finishing**

The equipment undergoes finishing processes to improve its appearance, durability, and resistance to corrosion and rust. These processes may include coating or painting to enhance corrosion resistance or improve aesthetic appearance, as well as deburring to remove sharp edges or burrs.

- **Inspection**

The equipment is inspected to ensure it conforms to design specifications, including checks for dimensional accuracy and tolerances. Any parts or components that fail to meet the specifications are returned to the relevant workstation for rework.

Our quality control team also performs testing and calibration to ensure the equipment performs according to the required standards. This includes performance testing to assess capacity, oil yield efficiency, and hydraulic pressure and flow rate under operational conditions. Additionally, operational parameters such as pressure, speed, alignment, and temperature are adjusted and fine-tuned as needed.

- **Packing, storage and delivery**

Upon completion, a final visual inspection is conducted to identify any defects. The equipment is then packed, labelled, and stored before being delivered to our customer's site.

7.14 Seasonality

For the Periods Under Review, we did not experience any material seasonality in our business operations. Our business is primarily contract-based and depends on the duration required to complete each project, from the design phase to the delivery and commissioning of the steam energy systems and auxiliary facilities, as well as the steam turbines at the project site.

7.15 Research and Development

Historically, our R&D-related activities have been embedded as part of our project development and engineering efforts, and were expensed directly through project costs. As such, we did not recognise any expenditure for R&D activities for the Periods Under Review.

Further, we do not have any designated R&D staff given that all our other R&D activities were mainly focused on internal process and product improvements.

7. BUSINESS OVERVIEW (Cont'd)

7.16 Technology

As at the LPD, the core technologies employed in our operations include the following:

(i) Combustion technology

Combustion technology is a key component in boiler design, where fuel is burned in the furnace and the heat is transferred to the water in the boiler at optimal levels with minimal heat loss. This technology is central to the design of the boiler system and plays an integral role in its efficiency.

(ii) Fabrication processes

In our manufacturing operations, we fabricate both pressure parts, such as steam/water drums, heaters, superheaters, tubes, and pipes, as well as non-pressure parts, using the following technologies and processes:

(a) Roll forming processes

Roll forming is a continuous metal forming process in which steel plates are shaped into cylindrical forms as they move through a series of rollers in a roll forming machine. This machine consists of rollers positioned both at the top and bottom.

(b) Welding technology

Welding is a metal joining process where two metals are fused together using a filler material and molten pool. We employ several arc welding procedures for welding boiler fittings and parts, including:

(iii) Tungsten Inert Gas welding (TIG)

(a) Submerged arc welding (SAW)

(b) Shield metal arc welding (SMAW)

(c) Flux cored welding

(d) MIG welding

(iv) Other fabrication processes

These include tube bending, cutting, and drilling to shape and assemble boiler components.

(v) Digital Infrastructure

Alongside our core technologies, we also plan to expand our digital infrastructure. This will further support our operations, enhance the efficiency of our processes, and enable better integration of advanced technologies. By leveraging digital tools and systems, we aim to streamline operations, improve product development, and foster innovation across our business. See Section 7.2.2.4 of this Prospectus for further information.

7.17 Business interruptions

We did not experience any interruptions to our business that caused a significant effect on our operations during the 12-month period prior to the date of this Prospectus.

7. BUSINESS OVERVIEW (Cont'd)

7.18 Employees

Our operations and financial affairs are centrally managed out of our headquarters in Shah Alam, Malaysia. As at the LPD, we have a total workforce of 421 employees, of which 343 are permanent employees and 78 are contract employees. Out of all our employees, 375 are local (including both local employees in Malaysia and Indonesia) and the remaining 46 are foreign employees.

The following depicts the number of employees in our Group categorised by business function or department as at the LPD:

Business function / department	As at the LPD	
	Number of employees	Percentage of total
Management ⁽¹⁾	7	1.7%
Sales & Business Development	24	5.7%
Technical ⁽²⁾	283	67.2%
Support ⁽³⁾	107	25.4%

Notes:

- (1) Represents our Group Chief Executive Officer, Group Head of Finance, Chief Operating Officer of our operating units and branch managers.
- (2) Represents our technical personnel involved in project management, engineering, production, quality assurance and quality control, and personnel involved in after-sales services.
- (3) Represents our personnel involved in support services function such as finance, supply chain management, human resources, administration, health and safety and strategy.

The following depicts the number of employees in our Group categorised by geographic location as at the LPD:

Location	As at the LPD
Malaysia	338
Indonesia	83

We generally do not experience any significant seasonal fluctuations in the number of our full-time employees and contract employees.

We believe we have maintained good relationships with our employees. As at the LPD, none of our employees are members of any union and we have not experienced any labour disputes in the past that caused a material disruption to or materially affected our operations. In addition, all our foreign workers have valid working permits in Malaysia and Indonesia, and there has been no breach of any immigration laws by our Group in these countries as at the LPD.

7. BUSINESS OVERVIEW (Cont'd)

7.19 Sustainability

Our Company was established to advance energy transition by delivering renewable, biomass-based energy systems. We view sustainability as central to our business strategy and long-term value creation.

Our biomass energy systems convert agricultural biomass into useful thermal energy, supporting industrial decarbonisation and contributing to the circular economy. This aligns directly with Malaysia's energy and climate ambitions, including the National Energy Transition Roadmap (NETR) and Nationally Determined Contributions (NDCs).

Further, we are committed to delivering sustainable value to all our stakeholders safely, securely, and in an environmentally and socially responsible manner. We achieve this by minimising our environmental footprint throughout the lifecycle of our business operations, and by generating social and economic benefits for the communities and people connected to our operations, in line with our core values.

Our sustainability practices to-date have been implemented within the broader framework of our parent company, Wasco Berhad. Following our listing, we will establish our own dedicated sustainability governance structure, one that reflects our specific business focus while remaining closely aligned with the principles and good practices developed under Wasco Berhad.

Our sustainability efforts are embedded across three key levels:

- (i) **Within our operations:** Ensuring we run a safe, efficient and profitable business;
- (ii) **For our customers:** Meeting expectations and delivering on our commitments; and
- (iii) **With communities:** Creating shared value and making meaningful contributions wherever we operate.

Our strategy is also aligned with the United Nations Sustainability Development Goals (“Goals”) and we have identified ten Goals in which our impact is most significant and on where we focus our strategic efforts.



The following sections outline how our sustainability agenda and key focus areas contribute to these selected Goals.

7. BUSINESS OVERVIEW (Cont'd)

7.19.1 Environmental responsibility

(i) Supporting decarbonisation through biomass energy solutions



We provide biomass energy systems that offer customers renewable alternatives to fossil fuels such as diesel and coal. Our energy systems utilise biomass fuels including EFB, palm kernel shells and woodchips, which are by-products of the palm oil and wood processing industries.

These biomass fuels are primarily used to generate steam or heat for industrial processes. By replacing conventional fossil fuels with biomass, our customers are able to reduce their Scope 1 greenhouse gas emissions, which are direct emissions produced when businesses burn fuel in equipment or facilities they own or control.

Through these solutions, we help customers reduce their environmental impact and support their decarbonisation goals.

(ii) Environmental stewardship in our own operations



While our operations are not highly energy-intensive, Greenergy is committed to maintaining high standards of environmental stewardship. We have in place an emissions tracking process aligned with the Greenhouse Gas (GHG) Protocol to enable accurate monitoring and transparent reporting of our environmental impact across key subsidiaries.

We monitor both Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity) at WATSB and WTSB, to support emissions reduction planning and performance tracking.

We also conduct internal environmental audits at WATSB, with a focus on renewable energy initiatives, including the use of solar panels, promoting continuous improvement across the operations of our WATSB Factory.

(iii) Promoting energy efficiency and renewable energy integration



We recognise that energy efficiency and renewable energy integration are critical to both our operational performance and our broader climate commitments. As such, we have adopted a deliberate and systematic approach to improving energy use across our operations, anchored in measurable outcomes, behavioural change, and technology upgrades.

7. BUSINESS OVERVIEW (Cont'd)

Internally, we have implemented targeted initiatives to reduce electricity consumption, such as replacing faulty lighting with energy-efficient LED alternatives, installing timers and motion sensors to optimise lighting schedules, and launching an Energy-Saving Awareness Campaign to drive behavioural change among employees.

As part of our commitment, we have aligned our initiatives with Wasco Berhad's Sustainable & Transition Finance 2024 Framework, under which we targeted 30% reliance on renewable energy by 2024, using 2023 as the baseline.

In 2024, we met and exceeded this target, with solar energy generated at WATSB, contributing 39% of our Group's total electricity consumption. We continue to track and benchmark our energy usage and performance using internationally recognised frameworks such as the GHG Protocol and the Goals, specifically Goal 7 (Affordable and Clean Energy) and Goal 13 (Climate Action).

To build on this progress, we are currently in the progress of expanding our renewable energy capacity with a new solar installation project planned at WTSB in 2025. These initiatives reflect our commitment to embedding energy management into our core operations and advancing the transition to cleaner, more efficient energy use.

(iv) Waste management



We are committed to reducing environmental impact through efficient resource use, waste minimisation at the source, adoption of cleaner technologies, and responsible disposal practices. Our waste management activities at WATSB and WTSB cover various waste types, including scrap metal, general waste, oily rags and hazardous materials. These are collected in designated containers and disposed of by authorised waste contractors.

Our waste management approach prioritises recycling and recovery wherever feasible, with a significant portion of total waste consistently diverted from disposal through sustainable practices. We also track and report hazardous and non-recyclable waste to ensure transparency and compliance.

These efforts reflect our ongoing commitment to environmental responsibility and continuous improvement in waste handling and sustainability performance across our operations.

(v) Water management



Water stewardship is an important part of our environmental responsibility. We monitor freshwater usage at WATSB's operations and aim to minimise the impact of our activities on local water resources. Where feasible, we promote alternatives such as recycled and harvested water to improve water use efficiency and reduce dependence on treated or piped water.

7. BUSINESS OVERVIEW (Cont'd)

In 2024, we advanced our water conservation efforts by implementing a rainwater harvested system at WATSB. This system was fully operational in 2025, with harvested rainwater used for non-potable purposes, such as toilet flushing. This initiative supports our goal of reducing freshwater consumption, lowering operational costs, and promoting circular water use across our operational sites.

7.19.2 Social responsibility

(i) Enabling local economic participation



In line with our commitment to creating shared value, Greenergy prioritises local hiring and procurement to support economic development in the communities where we operate. As at the LPD, our local hires made up approximately 89% of our total workforce, reflecting our strong focus on empowering local talent.

We engage local suppliers for equipment, logistics, safety supplies, maintenance, waste management, and training services, supporting local economies while enhancing supply chain resilience and reducing our environmental footprint. In 2024, approximately 71% of WATSB and WTSB's procurement spending was directed to local suppliers. As at the LPD, this proportion increased to approximately 79%, reflecting our continued focus on local engagement.

We also invest in site-specific training programmes for plant operators, maintenance personnel, and safety teams to build technical capabilities within our local workforce. In 2024 and 2025, our employees participated in a range of training sessions, including:

- (a) Basic Occupational First Aid, Cardiopulmonary Resuscitation (CPR), and Automated External Defibrillator (AED);
- (b) Basic Knowledge of Scaffolding and Its Hazards;
- (c) Hazard Identification, Risk Assessment, and Risk Control (HIRARC) Training; and
- (d) Authorised Gas Tester and Entry Supervisor (AGTES) – Refresher course for confined space.

These programmes are designed to improve workplace safety, ensure regulatory compliance, and support long-term skills development in the communities where we operate.

7. BUSINESS OVERVIEW (Cont'd)

(ii) Workforce safety



Workplace safety is a core value at Greenergy and a fundamental part of our operational management. We are guided by the Target Zero objective—no injuries, no property damage, and no environmental harm.

In 2024, we achieved 1,238,492 LTI-free man-hours, with zero fatalities and zero Lost Time Incidents (LTI). As at the LPD, this figure increased to 2,144,262 LTI-free man-hours, reflecting our strong safety performance and our commitment to maintaining a safe working environment. We maintained zero Lost Time Incident Frequency (LTIF) rate over both periods.

Our Group's LTI-free man-hours represent the cumulative number of hours worked by our employees and contractors across all Wasco sites and facilities without the occurrence of a Lost Time Incident (LTI). An LTI is defined as a work-related incident that results in an individual being unable to perform their duties for at least one scheduled workday or shift. This figure is calculated by aggregating the actual hours worked from the date of the last recorded LTI up to the current reporting date. This data is compiled monthly through site-level reports and verified by our Group's Health, Safety and Environment (HSE) department.

Our HSE management systems are aligned with international standards, with WTSB's operations certified under ISO 45001:2018, the global benchmark for occupational health and safety management.

We also implement the Wasco CARE Plus Programme, which tracks leading safety indicators on a monthly basis, and the Wasco CARE Card System, a digital platform for real-time reporting of unsafe conditions and unsafe acts.

Key safety practices across the operations of WTSB and WATSB include daily toolbox talks, pre-start briefings, near-miss reporting, and maintaining digital audit trails. Through this integrated and technology-enabled safety framework, we are committed to continuous improvement and maintaining a safe, transparent, and proactive working environment.

(iii) Workforce wellbeing



We are committed to upholding the principles of fair labour practices and fundamental human rights, in alignment with the United Nations Guiding Principles on Business and Human Rights. Responsibilities for monitoring and ensuring compliance are also integrated into our vendor pre-qualification process, enabling us to proactively manage risks and uphold our commitments across all our operations.

7. BUSINESS OVERVIEW (Cont'd)

Across both WTSB and WATSB, we comply with relevant employment and human rights laws and require our suppliers to uphold the same standards. All vendors are required to sign our Corporate Social Responsibility (Labour) Declaration, which reflects our Principles of Business Conduct and Human Rights Policy. These include provisions on non-discrimination, the right to collective bargaining, freedom of association, and the elimination of child labour and forced labour.

We provide a comprehensive range of employee benefits designed to enhance wellbeing, aligned with or exceeding local legal requirements. These include access to health and wellness programs, as well as various forms of leave entitlements, such as maternity, paternity, and personal leave. Where appropriate, additional discretionary benefits are also provided to support our employees' needs and aspirations.

Through these initiatives, Greenergy reinforces its commitment to workforce wellbeing and social sustainability, cultivating a culture of care, respect, and excellence that supports long-term organisational resilience and growth.

(iv) Diversity and inclusion



We are committed to cultivating a diverse, inclusive, and equitable workplace, where individuals of all backgrounds are respected, valued, and empowered. Our policies promote equal opportunities in recruitment, career growth, and leadership progression. We believe diversity strengthens our organisational culture and decision-making, enabling us to better serve our stakeholders and adapt to change.

In 2025, we collaborated with Wasco Berhad to launch the Wasco Women Action Network (WWAN), an initiative aimed at fostering an inclusive and equitable work environment across WTSB and WATSB. WWAN supports women's professional development through mentorship, professional development programs, and recognition efforts. The initiative is further strengthened by external partnerships and structured feedback mechanisms.

As part of WWAN, employees participated in initiatives such as the Women in Leadership Series and awareness campaigns addressing workplace bias and inclusivity. These initiatives highlighted the stories and achievements of women across different levels of the organisation, reinforcing our commitment to equality, visibility, and dialogue.

7.19.3 Governance

Governance for sustainability is firmly embedded within Greenergy's corporate structure and risk management framework. Oversight responsibilities are carried out through our Audit Committee and our Risk Management Committee (established as a sub-committee of the Audit Committee), with clear accountabilities assigned across relevant functions.

At the strategic level, sustainability direction and priorities are led by the Group Strategy team and reviewed and guided by our Board Sustainability Committee, ensuring alignment with our broader ESG objectives. Ultimate oversight rests with our Board of Directors, which is responsible for board leadership, risk and audit management, and transparent corporate reporting in accordance with the MCCG.

7. BUSINESS OVERVIEW (Cont'd)

7.20 Major licences, permits and approvals

Our Directors confirm that, as at the LPD, save for the non-compliance incidents set out below, we have obtained all the major licences, permits and approvals which our Group is dependent on for our business operations in Malaysia and Indonesia (as set out in Annexure A of this Prospectus), and have complied with the conditions of such major licences, permits and approvals.

No.	Nature of non-compliance	Status as at the LPD (unless stated otherwise)	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact on business operations or financial condition
1.	<p><u>Construction of extension without building plan approval and occupation of such extension without CCC</u></p> <p>An extension had been constructed at the WATSB Factory bearing the postal address Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor ("Extension")</p>	<p>Our Company had on 1 November 2024, appointed a consultant, to assist with the application process for the building plan approval and CCC. The consultant subsequently engaged a professional architect to lead the preparation and submission of the relevant documents.</p> <p>On 30 December 2024, the professional architect had submitted a copy of the drawings and relevant documents in relation to the Extension to Majlis Bandaraya Shah Alam ("MBSA") and BOMBA in order to obtain a temporary building permit for the Extension.</p>	<p>The planning permission and building plan approval is expected to be obtained by February 2026.</p> <p>The CCC is expected to be obtained within 3 months from the date of receipt of the building plan approval.</p>	<p>RM140,000 (excluding relocation cost)</p>	<p><u>Construction of buildings without building plan approval</u></p> <p>WATSB may be liable on conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both and shall also be liable to a further fine of RM1,000 for every day during which the offence is continued after conviction.</p> <p><i>Section 70(13) Street, Drainage and Building Act 1974.</i></p>	<p>Our Group has obtained CCC for its existing buildings in Lot 1929. The portion of Lot 1929 without CCC relates to the Extension which comprises a roof structure with floor space of approximately 20,978 sq. ft.</p> <p>In this Extension, a portion of it is being rented out by our Group to Shinko Industries Malaysia where it houses a boiler for testing of the steam turbines as well as for painting. The remaining portion is used by WATSB for the fabrication of palm oil milling equipment, mainly on welding and assembly works, and storage of parts.</p>
		<p>The professional architect had received feedback from BOMBA and MSBA on 13 March 2025. The professional architect had subsequently addressed BOMBA and MBSA's feedback and resubmitted the amended drawings on 2 May 2025 and 14 May 2025, respectively.</p>	<p>Accordingly, the status of the non-compliance will be disclosed and announced in Greenergy's annual report following the Listing.</p>		<p><u>Occupation of building without CCC</u></p> <p>WATSB may be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.</p>	<p>No material adverse impact on our Group's business operations and financial condition due to the following:</p> <p>(i) if WATSB is required to cease its operations at the Extension, WATSB will relocate its boiler and ancillary structures to Lot 1944 which is situated directly behind Lot 1929.</p>

7. BUSINESS OVERVIEW (Cont'd)

<u>No.</u>	<u>Nature of non-compliance</u>	<u>Status as at the LPD (unless stated otherwise)</u>	<u>Estimated time for rectification</u>	<u>Estimated cost to rectify</u>	<u>Potential maximum penalty</u>	<u>Impact on business operations or financial condition</u>
		<p>The temporary building permit was obtained on 4 July 2025. Following receipt of the temporary building permit, our Group's consultant was subsequently informed by its professional architect that the initial drawings and relevant documents would need to be updated. The professional architect had visited our WATSB Factory in September 2025 to obtain the necessary measurements to update the initial drawings and relevant documents. Our Group expects to submit the application for the planning permission and building plan approval by November 2025.</p> <p>Our Group will obtain the CCC after the building plan approval has been granted by the relevant authority.</p>			<p>Additionally, the local authority may order for any such buildings without a CCC to be demolished.</p> <p><i>Sections 70(27)(f) and 72 Street, Drainage and Building Act 1974.</i></p>	<p>The relocation cost, including the cost of dismantling the boiler and ancillary structures, additional piping works, application to the relevant authorities for approval to relocate the boiler and ancillary structures, and administrative costs are estimated to be around RM300,000. The relocation is not expected to cause any material business disruption or prolonged operational downtime as the relocation and reinstallation works will be planned and carried out in phases. This includes notification to DOSH and MBSA for the relocation of the boiler as part of a regularisation process to ensure full compliance;</p> <p>(ii) the estimated cost to rectify (including the relocation cost) plus the potential maximum penalty applicable is about 1.4% of our Group's FYE 31 December 2024 PBT;</p> <p>(iii) steps are being taken by WATSB towards obtaining a building plan approval and CCC for the Extension; and</p> <p>(iv) as at the LPD, WATSB has not received any notices, penalties, or compounds from the relevant authorities for not having a building plan approval and/or CCC for the Extension.</p>

7. BUSINESS OVERVIEW (Cont'd)

<u>No.</u>	<u>Nature of non-compliance</u>	<u>Status as at the LPD (unless stated otherwise)</u>	<u>Estimated time for rectification</u>	<u>Estimated cost to rectify</u>	<u>Potential maximum penalty</u>	<u>Impact on business operations or financial condition</u>
2.	<p><u>Construction of roof without building plan approval and occupation of such roof area without CCC</u></p> <p>A roof had been constructed at the WTSB Factory bearing the postal address Lot 1944 Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan (“Lot 1944”) and Lot 1945 Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan (“Lot 1945”) (“Roof Area”).</p>	<p>Our Company had appointed a land surveyor to handle the amalgamation of Lot 1944 and Lot 1945 (“Land Amalgamation”). The land surveyor had, on 24 July 2024 submitted an application to Pejabat Daerah dan Tanah Klang (“PTD Klang”) for the Land Amalgamation (“Land Amalgamation Application”).</p> <p>On 11 September 2024, the Land Amalgamation Application was rejected by PTD Klang due to an existing endorsement in relation to the surrender of a portion of Lot 1944 to the relevant authorities in 2010, which has since been completed (“Endorsement”).</p> <p>The land surveyor is of the view that failure to cancel the Endorsement from PTD Klang’s records is a legacy issue and may have been an administrative oversight on the part of PTD Klang. As such, following PTD Klang’s rejection of the Land Amalgamation Application, a request was submitted by the land surveyor to PTD Klang for the cancellation of the Endorsement on 18 December 2024. The land surveyor had also sent follow-up letters to PTD Klang in respect of the cancellation of the Endorsement on 12 February 2025 and 27 March 2025.</p>	<p>The updated land titles for Lot 1944 and Lot 1945 are expected to be obtained by end December 2025 and the re-submission of the Land Amalgamation Application is expected to be made in January 2026.</p> <p>Our Group endeavours to obtain the approval for the Land Amalgamation Application within 3 months from the date of submission of the Land Amalgamation Application.</p> <p>Upon receipt of the approval for the Land Amalgamation, our Group will submit an application to PTGS for the issuance of the New Land Title. The Group expects to receive the New Land Title within 3 months from the date of its application to PTGS for the New Land Title.</p> <p>Thereafter, our Group will submit the application for the planning permission and building plan approval for the Roof Area. The approval process is expected to take within 3 months.</p>	RM150,000	<p><u>Construction of buildings without building plan approval</u></p> <p>WTSB may be liable on conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both and shall also be liable to a further fine of RM1,000 for every day during which the offence is continued after conviction.</p> <p><i>Section 70(13) Street, Drainage and Building Act 1974.</i></p> <p><u>Occupation of building without CCC</u></p> <p>WTSB may be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.</p> <p>Additionally, the local authority may order for any such buildings without a CCC to be demolished.</p>	<p>Our Group has obtained CCC for its existing buildings in Lots 1944 and 1945. The portion of Lots 1944 and 1945 without CCC relates to the Roof Area that spans across the boundary between the two lots.</p> <p>No material adverse impact on our Group’s business operations and financial condition due to the following:</p> <ul style="list-style-type: none"> (i) WTSB has ceased using the Roof Area as a storage space since May 2025. Accordingly, WTSB does not intend to operate in the Roof Area until it has obtained the necessary building plan and CCC; (ii) the estimated cost to rectify plus the potential maximum penalty applicable to the non-compliance is about 1.7% of the Group’s FYE 31 December 2024 PBT; (iii) steps are being taken by WTSB towards obtaining a building plan approval and CCC for the Roof Area; and (iv) as at the LPD, WTSB has not received any notices, penalties, or compounds from the relevant authorities for not having a building plan approval and/or CCC for the Roof Area.

7. BUSINESS OVERVIEW (Cont'd)

No.	Nature of non-compliance	Status as at the LPD (unless stated otherwise)	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact on business operations or financial condition
		<p>At the same time, the land surveyor had submitted a request to PTD Klang for updated land titles for each of Lot 1944 and Lot 1945.</p>	<p>The CCC is expected to be obtained within 3 months from the date of receipt of the building plan approval.</p>		<p><i>Sections 70(27)(f) and 72 Street, Drainage and Building Act 1974.</i></p>	
		<p>PTD Klang has cancelled the Endorsement on 8 May 2025 and the land surveyor is following up closely with PTD Klang to expedite the issuance of the updated land titles for each of Lot 1944 and Lot 1945.</p>	<p>Accordingly, the status of the non-compliance will be disclosed and announced in Greenergy's annual report following the Listing.</p>			
		<p>Once the updated land titles are obtained, our Group will re-submit the Land Amalgamation Application to PTD Klang. Upon obtaining approval for the Land Amalgamation, our Group will proceed to submit an application to Pejabat Tanah dan Galian Selangor ("PTGS") for the issuance of a new land title evidencing the amalgamated Lot 1944 and Lot 1945 ("New Land Title").</p>				
		<p>Upon receiving the New Land Title, the Group will submit an application for the planning permission, building plan approval and CCC for the Roof Area.</p>				

7. BUSINESS OVERVIEW (Cont'd)

<u>No.</u>	<u>Nature of non-compliance</u>	<u>Status as at the LPD (unless stated otherwise)</u>	<u>Estimated time for rectification</u>	<u>Estimated cost to rectify</u>	<u>Potential maximum penalty</u>	<u>Impact on business operations or financial condition</u>
3.	<p><u>Operating a factory without a fire certificate</u></p> <p>WATSB is operating the WATSB Factory located at Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor without a fire certificate.</p>	<p>WATSB, through its consultant, had appointed a professional architect to handle the application to BOMBA for the fire certificate for the WATSB Factory.</p> <p>Having received the temporary building permit referred to in Item 1 above on 4 July 2025, our Group's consultant is currently preparing the online application for the fire certificate via BOMBA's "e-Premis" online portal and expects to submit the application by November 2025.</p> <p>Our Group's consultant is of the view that if our Group is able to demonstrate that our Group is actively working towards rectifying the non-compliance, the relevant authorities are unlikely to enforce penalties against our Group, including requiring our Group to cease operations at the WATSB Factory.</p>	<p>Upon completion of BOMBA's inspection procedure and if the WATSB Factory is in compliance with fire safety requirements, our Group expects BOMBA to issue the fire certificate within one month from the date of BOMBA's inspection.</p> <p>Accordingly, the status of the non-compliance will be disclosed and announced in Greenergy's annual report following the Listing.</p>	<p>Please refer to the estimated cost of rectification under Item 1. The consultant handling the relevant applications for Item 1 is also handling the application for the fire certificate for the WATSB Factory.</p>	<p><u>Operating the WATSB Factory without a fire certificate</u></p> <p>WATSB may be liable on conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding five years or to both.</p> <p><i>(Section 33 of the Fire Services Act 1988)</i></p>	<p>No material adverse impact on our Group's business operations and financial condition due to the following:</p> <ul style="list-style-type: none"> (i) the estimated cost to rectify plus the potential maximum penalty applicable is about 0.2% of our Group's FYE 31 December 2024 PBT; (ii) steps are being taken by WATSB towards obtaining a fire certificate; (iii) as at the LPD, WATSB has not received any notices, penalties, or compounds from the relevant authorities for not having a fire certificate; and (iv) further, our Group has obtained fire insurance coverage for the WATSB Factory and any claim amount will be determined based on the insurance adjuster's assessment of the cause and circumstances of the fire.

7. BUSINESS OVERVIEW (Cont'd)

No.	Nature of non-compliance	Status as at the LPD (unless stated otherwise)	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact on business operations or financial condition
4.	<u>Operating a factory without a fire certificate</u>	<p>WTSB has registered an account with e-Premis on 25 April 2025 as a preparatory step towards applying for a fire certificate for the WTSB Factory. Our Group submitted the initial online application for the fire certificate via e-Premis on 16 May 2025.</p> <p>On 20 May 2025, BOMBA had informed our Group that since this is WTSB's maiden application for a fire certificate, the application must be submitted physically.</p> <p>Our Group's representatives had, on 21 May 2025, submitted the application physically at BOMBA's HQ in Bukit Jelutong ("BOMBA HQ Bukit Jelutong"). During the submission process, the BOMBA representative had informed our Group that BOMBA is unable to process the application as certain documents required were not presented together with the application. The requisite documentation was subsequently submitted to BOMBA on 7 July 2025.</p> <p>Following the above, BOMBA HQ Bukit Jelutong had confirmed a factory inspection visit for 24 September 2025.</p>	<p>The appointed FS Consultant will commence preparation of the revised architectural and M&E drawings in accordance with BOMBA's specifications.</p> <p>Based on preliminary discussions, our Group expects the overall process starting from the consultant's appointment, followed by a revised factory inspection by BOMBA HQ Bukit Jelutong (subject to BOMBA's availability), and leading up to the issuance of the fire certificate to take approximately one year, subject to the authorities' review timelines and site inspection scheduling.</p> <p>Our Group will continue to liaise closely with BOMBA and MBSA to expedite the process and ensure compliance with all statutory requirements.</p> <p>Accordingly, the status of the non-compliance will be disclosed and announced in Greenergy's annual report following the Listing</p>	RM130,000	<p><u>Operating the WTSB Factory without a fire certificate</u></p> <p>WTSB may be liable on conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding five years or to both.</p> <p><i>(Section 33 of the Fire Services Act 1988)</i></p>	<p>No material adverse impact on our Group's business operations and financial condition due to the following:</p> <ul style="list-style-type: none"> (i) the estimated cost to rectify plus the potential maximum penalty applicable is about 0.3% of our Group's FYE 31 December 2024 PBT; (ii) steps are being taken by WTSB towards obtaining a fire certificate; (iii) as at the LPD, WTSB has not received any notices, penalties, or compounds from the relevant authorities for not having a fire certificate; and (iv) further, our Group has obtained fire insurance coverage for the WTSB Factory and any claim amount will be determined based on the insurance adjuster's assessment of the cause and circumstances of the fire.

7. BUSINESS OVERVIEW (Cont'd)

No.	Nature of non-compliance	Status as at the LPD (unless stated otherwise)	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact on business operations or financial condition
		<p>On 11 September 2025, BOMBA Shah Alam conducted a preliminary site visit at the WTSB Factory and verbally informed that the factory was not yet ready for full inspection, as the existing architectural and mechanical & electrical (“M&E”) drawings require further alignment with BOMBA’s specifications.</p> <p>BOMBA Shah Alam subsequently advised our Group to submit a Surat Penangguhan (Postponement Letter) to BOMBA HQ Bukit Jelutong, which was submitted on the same day.</p> <p>Following the visit, BOMBA Shah Alam further advised our Group to engage a professional Fire Safety Consultant (“FS Consultant”) to assist with the rectification and resubmission process.</p> <p>Our Group expects to finalise the appointment of the FS Consultant by November 2025.</p>				

The estimated costs to rectify the non-compliances and the penalties applicable to all the non-compliances ranges from 0.2% to 1.7% of our Group’s PBT for the FYE 31 December 2024. The impact of the non-compliances to our Group, individually and collectively, is not expected to have a material adverse impact on our Group’s business operations and financial condition on the basis that the total estimated costs of all the non-compliances represents less than 5% of our Group’s PBT for the FYE 31 December 2024. As at the LPD, our Group has not received any notices, penalties, or compounds from the relevant authorities in respect of the non-compliances.

Following our Listing, our Group undertakes to procure the necessary and continue making the necessary applications to or engage with the relevant authorities to resolve the same. These include following-up closely and liaising with the relevant authorities to address any queries and requirements raised by the relevant authorities throughout the application and deliberation process until a resolution is achieved. We undertake to update our shareholders on the status of our efforts to remedy or resolve the outstanding non-compliance incidents in our annual reports.

7. BUSINESS OVERVIEW (Cont'd)

7.21 Internal control measures to prevent the recurrence of non-compliance incidents

Our Directors have implemented the following measures to enhance the internal control system of our Group and to prevent the recurrence of the non-compliance incidents set out in Section 7.20 of this Prospectus:

- (i) we have established an Audit Committee which comprises three Non-Executive Directors, two of whom are Independent. The Audit Committee will be chaired by Ng Ing Peng and will, amongst others, oversee matters relating to compliance, financial controls, and enterprise risk in accordance with its terms of reference. A Risk Management Committee will also be established as a sub-committee of the Audit Committee, which will be chaired by our Group Head of Finance and its members will comprise of our Group Chief Executive Officer and Chief Operating Officer of WTSB, to oversee the effectiveness of our Group's policies and processes for identifying, evaluating, and managing risks. The Risk Management Committee reports directly to the Audit Committee and conducts quarterly reviews of high-risk areas, providing recommendations for the monitoring of the effectiveness of risk treatment/ mitigation action plans as well as improvements, where necessary;
- (ii) in October 2024, we engaged Axcelasia to conduct an independent internal control and risk management systems assessment to identify and assess salient gaps in the internal controls relating to key processes of the Group (including our factories) in preparation for our Listing.

The review by Axcelasia covered: (a) organisational governance; (b) financial management; (c) strategic management; (d) corporate liability; (e) business development, sales & marketing; (f) human resources; (g) information technology general controls; (h) health, safety and environment and (i) facilities/fixed assets. Following such review and evaluation performed by Axcelasia, we have decided to implement all material recommendations given by Axcelasia on the internal control and risk management systems of our Group, of which some of them relate to the non-compliances as set out in Section 7.20 of this Prospectus.

Further, we have also put in place policies such as Code of Conduct and Business Ethics Manual, Whistleblower Policy, Personal Data Protection Policy, and Anti-Bribery and Anti-Corruption Policy as well as developed and implemented comprehensive standard operating procedures across key areas including sales, production procurement, finance, project execution, and ESG reporting to ensure consistency and operational control.

We will conduct annual reviews and continue to assess and strengthen our internal control system to ensure that we remain current and responsive to regulatory changes and emerging risks;

- (iii) we have established an internal audit function within our Group, which will be outsourced to an external internal audit firm for purposes of providing independent assurance to the Audit Committee through the review and evaluation of the adequacy and effectiveness of our Group's internal control system, including its compliance with relevant laws, regulations, licensing conditions, and internal policies. Our Group's internal audit function is intended to be independent and objective, with direct reporting to the Audit Committee, which will oversee the internal audit process and ensure timely follow-up and resolution of any audit findings and recommendations; and

7. BUSINESS OVERVIEW (Cont'd)

- (iv) where necessary, we will seek professional advice and engage external corporate governance consultants, legal advisors, company secretarial service providers, and risk management specialists to assist in ensuring that our Group's policies, controls, and practices remain in alignment with applicable laws related to its business operations from time to time after our Listing. Further, we have also implemented compliance training programmes to raise awareness across all levels in the organisation. These include regular compliance-related training for our Directors, senior management, and employees on subjects such as corporate governance, sustainability disclosures, and financial reporting obligations to ensure that they remain well-informed of their responsibilities under the law and within our Group.

7.22 Intellectual property and trademarks

Our material brand names, patents, trademarks, and other intellectual property rights as at the LPD, are set out in Annexure C of this Prospectus. Please refer to Annexure C of this Prospectus for further details.

7.23 Governing laws and regulations relating to Malaysia and Indonesia

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia and Indonesia. The relevant laws and regulations governing us and which are material to our operations are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to and is only intended to provide general information to investors. It is not intended to be a substitute for independent professional advice.

In Malaysia, our business is subject to a number of Malaysian laws and regulations including but not limited to:

- Occupational Safety and Health Act 1994;
- Street, Drainage and Building Act 1974; and
- Industrial Coordination Act 1975.

In Indonesia, our business is subject to a number of Indonesian laws and regulations including but not limited to:

- Law No. 7 of 2014 on Trade;
- Product Standardisation and Regulations;
- Law No. 1 of 1970 regarding Occupational Health and Safety; and
- Ministry of Manpower Regulation No. 5 of 2021.

Please refer to Annexure E of this Prospectus for further details

7.24 Material properties and material equipment

Details of our material properties, whether owned or leased/tenanted, and our material plant and equipment are set out in Annexure B and Section 7.11, respectively, of this Prospectus.

7.25 Material dependency on commercial contracts, agreements or other arrangements

Save as disclosed in Annexure D of this Prospectus, there are no contracts, agreements, or other arrangements or other matters entered into by or issued to us or on which we are materially dependent on, and which are material to our business and profitability as at the LPD.

8. INDUSTRY OVERVIEW

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Date: 5 November 2025

The Board of Directors

Wasco Greenergy Berhad

Suite 19.01 Level 19

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Mid Valley City Lingkaran Syed Putra

59200, Kuala Lumpur

Dear Sirs/Madams,

Independent Market Research on the Renewable Energy ("RE") from Biomass Industry in Malaysia and Indonesia for Wasco Greenergy Berhad ("Wasco Greenergy" or the "Company")

We, Frost & Sullivan GIC Malaysia Sdn Bhd ("**Frost & Sullivan**"), have prepared this Independent Market Report on the RE from Biomass Industry in Malaysia and Indonesia ("**IMR Report**") for inclusion in Wasco Greenergy's prospectus in relation to the listing of and quotation for the entire ordinary shares in Wasco Greenergy on the Main Market of Bursa Malaysia Securities Berhad ("**Prospectus**").

We are aware that this IMR Report will be included in the Prospectus, and we further confirm that we are aware of our responsibilities under Section 215 of the Capital Markets and Services Act, 2007.

We acknowledge that if we are aware of any significant changes affecting the content of this IMR Report between the date hereof and the issue date of the Prospectus, we have an ongoing obligation to either cause this IMR Report to be updated for the changes and, where applicable, cause Wasco Greenergy to issue a supplementary prospectus, or withdraw our consent to the inclusion of this IMR Report in the Prospectus.

Frost & Sullivan has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of this IMR Report. We believe that this IMR Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be held responsible for the decisions and/or actions of the readers of this IMR Report. This IMR Report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this IMR Report or otherwise.

For and on behalf of Frost & Sullivan GIC Malaysia Sdn Bhd:


Narciso Podda**Director****Business & Financial Services**

8. INDUSTRY OVERVIEW (Cont'd)F R O S T  S U L L I V A N**COPYRIGHT NOTICE**

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Methodology

For the purpose of preparing this IMR Report, Frost & Sullivan has conducted primary research encompassing interviews with industry experts and industry players¹, and secondary research, which included reviews of company reports, official websites/social media pages, independent research reports, information from industry associations/authorities/international organisations, and information from Frost & Sullivan research database. Unless being made available in the publicly available sources, projected data was derived by Frost & Sullivan using historical data analysis with the consideration of the social, economic, and political environments for the forecasted period.

Comparable key industry players identified in this IMR Report have been selected from a long list of companies developed by screening directories as well as discussing with industry players. Subsequently, the list was presented and discussed with industry players and experts that agreed to be interviewed for the purpose of the analysis. Information were further validated via public information through secondary research (which covers reviews of company reports, official websites/social media channels, independent research reports, information from industry associations/authorities/internal organisations, as well as information from Frost & Sullivan research database) and fine-tuned by contacting identified companies (e.g., telephonic method, official social media platforms, among others).

Profile of Frost & Sullivan GIC Malaysia Sdn Bhd

Frost & Sullivan is a global independent industry research and consulting organisation headquartered in the United States of America ("USA") with over 60 years of establishment. In Malaysia, Frost & Sullivan's subsidiary, Frost & Sullivan GIC Malaysia Sdn Bhd, operates two offices (Selangor and Iskandar Malaysia) with more than 200 employees offering market research, marketing and branding strategies and business advisory services across 12 industries. Frost & Sullivan is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other related fund-raising and corporate exercises.

Profile of the IMR Report signee, Narciso Podda

Narciso Podda is the Director, Business & Financial Services division, for Frost & Sullivan GIC Malaysia Sdn Bhd. Narciso Podda possesses over 15 years of experience in market research and consulting, including over eight years in independent market research and due diligence exercise for capital markets across the Asia Pacific region. Narciso Podda holds a Bachelor in Business Administration from Bocconi University, Italy, and a Master in International Economics and Finance from Chulalongkorn University, Thailand.

For further information, please contact:

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¹ Industry experts are individuals with in-depth knowledge on the industry (e.g., industry analysts). Industry players are individuals currently or previously working in the RE industry.

8. INDUSTRY OVERVIEW (Cont'd)



1 INTRODUCTION AND DEFINITION

Wasco Greenergy is principally an investment property holding company. Wasco Greenergy together with its subsidiaries, namely Wasco Agrotech Sdn Bhd (“**Wasco Agrotech**”) and Wasco Thermal Sdn Bhd (“**Wasco Thermal**”) (collectively “**The Group**”) is primarily engaged in the engineering, procurement, construction, and commissioning (“**EPCC**”) of steam energy systems (include biomass, gas-fired, and heat recovery steam generators (HRSG)) and auxiliary facilities, supply of steam turbine generator systems, as well as the provision of after-sales services for these systems. Its primary markets are Malaysia and Indonesia. This report describes the segments of the industry and the countries in which the Group operates.

A biomass-fired boiler (“**biomass boiler**”) is a heating system that burns organic materials, like empty fruit bunches (“**EFB**”), wood pellets, chips, or logs, to generate heat. It is a sustainable alternative to traditional fossil fuel boilers, providing a sustainable approach to heating by utilising renewable resources. A biomass-fired steam turbine (“**steam turbine**”) is a type of heat engine that extracts thermal energy from steam, fuelled by biomass and transforms it into rotational movement. In this report, steam turbines specifically refer to those used in conjunction with a biomass boiler to generate electricity. After-sales services refer to the activities that ensure safe, efficient, and reliable boiler and steam turbine operation, including maintenance and inspection, repair and overhaul, system upgrades and retrofits, and the sale of spare parts.

2 MACROECONOMIC OVERVIEW

Malaysia

The **Malaysian economy** grew from 2020 to 2024 at a compound annual growth rate (“**CAGR**”) of 5.2%.² However, there was a setback in 2020 with a recorded decline of -5.5% due to the impact of the coronavirus disease 2019 (“**COVID-19**”) outbreak. Malaysia’s economy recovered, demonstrated resilience and achieved 5.1% growth in 2024. In the same year, the agriculture sector contributed 8.1% to the country’s GDP, following the services and manufacturing sectors, which accounted for 56.2% and 22.5% respectively.³ Despite its smaller contribution relative to other sectors, the Malaysian Government is repositioning the agriculture sector as a growth driver for the economy.⁴ The Malaysian economy is forecasted to grow at a CAGR of 4.1% from 2024 to 2029F, reflecting a positive economic outlook.⁵ This growth will be supported by government initiatives such as the National Energy Transition Roadmap, the New Industrial Master Plan 2030 and the Thirteenth Malaysia Plan.⁶

The **Malaysian population** grew from 32.4 million in mid-2020 to 33.5 million in mid-2024, at a CAGR of 0.8%. It is forecasted that the population will further increase to 35.3 million by mid-2029, growing at a CAGR of 1.1% from mid-2024.⁷

Indonesia

The **Indonesian economy** grew at a CAGR of 4.8% from 2020 to 2024. The real GDP declined by -2.1% in 2020 due to the COVID-19 pandemic outbreak.⁸ The economy recovered in 2021, growing by 3.7%, and continue to grow at a rate of 5.3% in 2022, and 5.0% in both 2023, and 2024, driven by private and public consumption, as well as export growth.⁹ In 2024, the agriculture, forestry and fishing sector contributed to 12.6% of the GDP, indicating the significant role in the country’s economy.¹⁰ While the Indonesia Emas 2045 vision aims to reduce reliance on agricultural exports, it also seeks to leverage Indonesia’s vast agricultural resources for food security and economic growth. Indonesia’s economy is forecasted to continue to grow at a CAGR of 5.0% from 2024 to 2029F supported by the favourable growth of private spending and continuous expansion in both private and public investments.¹¹

Indonesia is the most populous country in Southeast Asia with 281.6 million people in 2024. The population is forecasted to grow at a CAGR of 0.9% from 2024 to 2029F, reaching 295.0 million people in 2029.¹²

² International Monetary Fund (“**IMF**”) World Economic Outlook (“**WEO**”) October 2025

³ Department of Statistics, Malaysia (“**DOSM**”), Gross Domestic Product, Fourth Quarter of 2024

⁴ The Star, Rebooting the agriculture sector, October 2024

⁵ IMF, WEO October 2025

⁶ Ministry of Finance, Economic Outlook 2025

⁷ IMF, WEO October 2025

⁸ IMF, WEO October 2025

⁹ Bank Indonesia, Economic Growth in Indonesia Accelerated in Q4/2023, February 2024

¹⁰ BPS – Statistics Indonesia, Distribution of GDP at Current Market Prices by Industry (2010=100) (Percent), 2024

¹¹ Bank Indonesia, Monetary Policy Report - Quarter I 2025, March 2024

¹² IMF, WEO October 2025

8. INDUSTRY OVERVIEW (Cont'd)



3 RE OVERVIEW IN SOUTHEAST ASIA

3.1 RE TRANSITION

Southeast Asia stands at a pivotal juncture in its energy transition. The International Energy Agency (“IEA”) notes that in 2023, Southeast Asia accounted for only 2.0% of global clean energy spending, indicating room for improvement and opportunities for investment while highlighting the need for more robust policy frameworks to attract private investments and facilitate the transition to RE sources.¹³ The IEA projects that Southeast Asia’s energy demand will continue to rise significantly, necessitating substantial investments in RE infrastructure.

Most countries set Near-Term Targeted RE Installed Capacity Percentage in the range of 30% to 40% by 2030-2037, with varying degrees of success in terms of closing the gaps between RE Installed Capacity and Near-Term Targets. Malaysia has one of the highest RE Installed Capacity Percentage of 36.5% as at 2024 and is one of the few countries soon to achieve the Near-Term Target. The launch of the Energy Exchange Malaysia (ENEGEM) facilitates cross-border green electricity trade, aligning with the ASEAN Power Grid objectives.¹⁴ Malaysia Budget 2026 also announced an additional 300 MW quota under the Feed-in Tariff (“FIT”) programme to expand RE generation from biogas, biomass and small hydropower sources, with operations expected to commence as early as 2028. This indicates the Malaysian Government’s consistent and continuous support for RE.¹⁵

Indonesia, the region’s largest economy, has set ambitious targets and still has more growth potential as the country needs to close the gap in pursuing its Near-Term Target. However, challenges such as regulatory hurdles and reliance on coal persist. The country’s Just Energy Transition Partnership (“JETP”) outlines a plan to mobilise USD21.6 billion to accelerate the transition from coal to RE sources.¹⁶

Table 3-1: RE Development and Targets in Selected Southeast Asia Countries, 2024

Country	RE Installed Capacity (Megawatt (“MW”))	Total Power Installed Capacity (MW)	RE Installed Capacity Percentage	Near-Term Targeted RE Installed Capacity Percentage (%)	Current National RE Plan
Indonesia	14,295	96,980	14.7%	23% by 2025	Government Regulation No. 79/2014
Malaysia	9,471	25,952	36.5%	40% by 2035	National Energy Transition Roadmap (NETR)
Philippines	9,300	28,626	32.5%	35% by 2030	Philippine Energy Plan (PEP) 2023-2050
Singapore	1,163	13,602	8.6%	30% by 2035	Singapore Green Plan 2030
Thailand	12,594	53,868	23.4%	30% by 2037	Alternative Energy Development Plan (AEDP) 2018-2037

Source: Industry Sources; Frost & Sullivan

Biomass energy remains a significant component of Southeast Asia’s RE mix, primarily due to the region’s abundant agricultural residues and organic waste. Biomass-derived energy is projected to represent about 22% of the total global primary energy supply by 2050, highlighting its growing importance in the energy transition.¹⁷ It is also an opportunity for biomass energy with reliable and continuous feedstock to compete against intermittent RE sources such as wind and solar.

The biomass industry in Malaysia and Indonesia is supported by government incentives, strategic partnerships, and growing technological capabilities tailored to local tropical biomass types. Environmental concerns and the global push for decarbonisation have increased the attractiveness of biomass as a RE source, aligning with both countries’ sustainable development goals.

Malaysia aims to further develop its biomass industry as an ASEAN regional hub for biomass trading, technology, and engineering services. Biomass cogeneration and co-firing are expected to expand significantly, driven by Malaysia’s commitment to decarbonisation and RE targets. The government’s supportive policies and incentives will continue to encourage biomass power projects, including cogeneration in palm oil mills and co-firing in thermal power plants. The retirement of coal-fired power plants is planned between 2029 and 2033 (with a total capacity of 7 GW). Coal plant retirement creates a gap in energy supply,

¹³ International Energy Agency, Southeast Asia Energy Outlook 2024, October 2024

¹⁴ Malaysia Ministry of Energy, Green Technology Master Plan Malaysia 2017-2030, July 2017

¹⁵ Malaysia Ministry of Finance, The Supply Bill (2026) “THE FOURTH MADANI BUDGET: THE RAKYAT’S BUDGET”, October 2025

¹⁶ JETP, JETP Investment Plan Launched; Indonesian Government Aims for Swift Implementation, November 2023

¹⁷ International Renewable Energy Agency, Agricultural residue-based bioenergy: Regional potential and scale-up strategies, November 2023

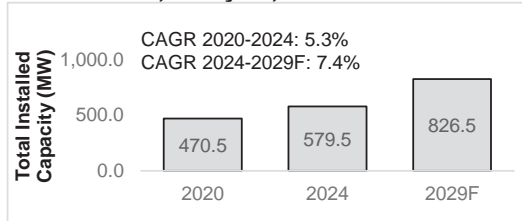
8. INDUSTRY OVERVIEW (Cont'd)



which biomass can fill, because existing coal infrastructure could be retrofitted for biomass co-firing or complete conversion to a biomass power plant.¹⁸

To meet the growing biomass demand, Indonesia is exploring the development of large-scale energy plantations. These plantations are designed to provide a dedicated, sustainable supply of biomass feedstock for power plants, reducing reliance on agricultural waste. The Indonesian government has identified degraded lands for such projects to avoid deforestation conflicts, aligning with sustainability goals. Around 1.3 million hectares have been allocated for any energy-related plantations.¹⁹

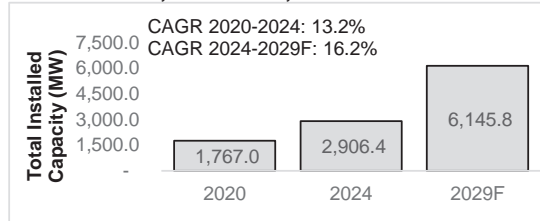
Chart 3-1: Total Installed Capacity of Biomass Power Plants, Malaysia, 2020–2024–2029F



Note: The Ministry of Plantation and Commodities only released the biomass installed capacity data until 2019, the other numbers were estimated by Frost & Sullivan.

Source: Ministry of Plantation and Commodities; Frost & Sullivan

Chart 3-2: Total Installed Capacity of Biomass Power Plants, Indonesia, 2020–2024–2029F



Note: The Ministry of Energy and Mineral Resources only released the biomass installed capacity data until 2024, the other numbers were estimated by Frost & Sullivan.

Source: Ministry of Energy and Mineral Resources; Frost & Sullivan

3.2 INDUSTRY CHALLENGES AND OPPORTUNITIES

In Malaysia, securing a stable and sufficient supply of feedstock can be a challenge for independent biomass power plant developers who do not own the feedstock. Strategies like procurement from multiple parties or joint ventures with feedstock owners are suggested. Once the manufacturing plant has managed to secure long-term feedstock supply agreements with suppliers, there will be large demands generated from the industrial sectors, as both the Multinational Corporations (“MNCs”) and local manufacturers are striving to achieve their Environmental, Social, and Governance (“ESG”) and sustainability goal.²⁰

In Indonesia, biomass energy struggles to compete with heavily subsidised fossil fuels, particularly coal, which remains the dominant source of power generation in Indonesia. Furthermore, other RE sources such as solar, wind, and geothermal are often prioritised in national energy plans due to their lower operational complexities and environmental benefits. To remain competitive, biomass must diversify its applications, while advocating for policy measures like carbon pricing or RE quotas. In addition, the decentralised nature of biomass feedstock poses considerable logistical challenges for large-scale energy production in Indonesia. These gaps contribute to inconsistent supply chains, resulting in feedstock price volatility and unreliable energy output. Addressing these challenges requires strategic investment in localised biomass processing hubs and improved transportation networks. Without such infrastructure, high operational costs are likely to undermine the long-term economic viability of biomass energy projects.

4 MARKET ANALYSIS OF THE RE INDUSTRY FROM BIOMASS

4.1 MARKET SIZE

Malaysia

The biomass boiler and steam turbine markets covered in this report comprise two end-user segments, namely the utility end-users (utility-scale power plants) and the non-utility end-users. The utility end-users are limited to those with less than 10 MW of power generation capacity for grid connection, while the non-utility end-users include the palm oil milling industry and other industrial sectors that generate power and/or steam on-site for their own consumption. In Malaysia, the overall biomass boiler and steam turbine markets, which include the equipment and after-sales services, are forecasted to grow at a CAGR of 9.0% and 8.1% respectively from 2024 to 2029F. The growth of biomass boilers and steam turbines is driven by the growing adoption by palm oil plants and factories to achieve decarbonisation goals, as compared to other RE sources. In addition, considering the average lifespan of biomass boilers (15 to 20 years) and steam turbines (20 to 25 years),

¹⁸ Economic Research Institute for ASEAN and East Asia (ERIA), Role of Biomass in Energy Transition, September 2021

¹⁹ ERIA, Forecast of Biomass Demand Potential in Indonesia: Seeking a Business Model for Wood Pellets, May 2022

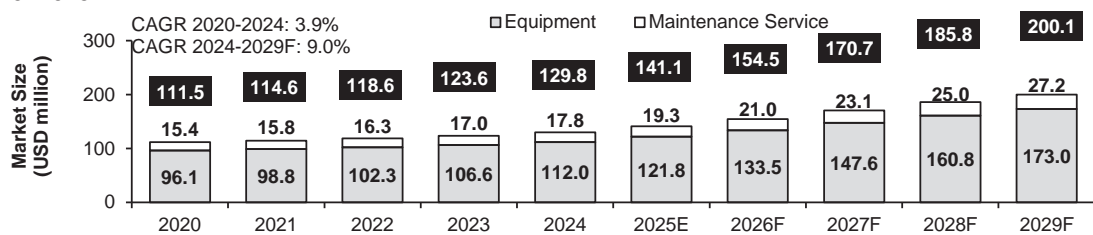
²⁰ Frost & Sullivan analysis, insights gathered from industry interviews conducted in September 2025

8. INDUSTRY OVERVIEW (Cont'd)



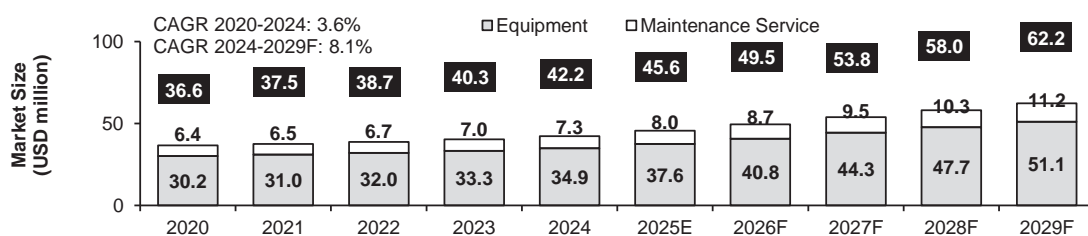
there are replacement demands from the old palm oil mills that have adopted these solutions since the 2010s. The significant growth would still be from the palm oil sectors, but there are also demands generated from other industrial sectors, such as rubber and latex, pulp and paper, wood processing and furniture, textile and apparel, and the food and beverage industry. In addition, the increase in feed-in tariffs in 2024 is also a driver for utility-scale biomass boilers and steam turbines.

Chart 4-1: Market Size of Biomass Boiler Equipment and After-Sales Services (USD million), Malaysia, 2020–2029F



Source: Frost & Sullivan

Chart 4-2: Market Size of Steam Turbine Equipment and After-Sales Services (USD million), Malaysia, 2020–2029F



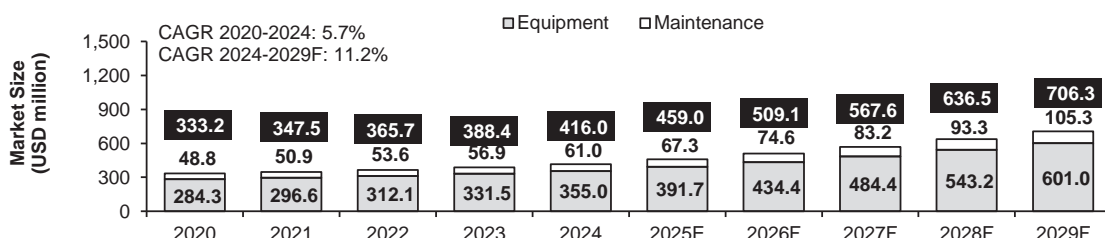
Source: Frost & Sullivan

In 2024, the non-utility end-user segment of the biomass boiler market is estimated at USD88.9 million while the same segment for the steam turbine market is estimated at USD23.4 million.

Indonesia

As for Indonesia, the biomass boiler and steam turbine markets are expanding rapidly, both in terms of equipment demand and after-sales services. The two markets are anticipated to expand at a CAGR of around 11.2% and 8.6% respectively from 2024 to 2029F. This growth is underpinned by increasing adoption across key industrial sectors such as paper, rubber, food & beverage, and palm oil processing, all of which continue to show consistent expansion. Notably, the biomass residues generated from these industrial processes can be fed into biomass boilers and steam turbines for power generation. Additionally, the Indonesian government’s active push for RE is highlighted by its initiatives to raise the RE share in the national energy mix which further supports the rising demand for biomass boilers, particularly in power generation and the expansion of co-firing power plants.

Chart 4-3: Market Size of Biomass Boiler Equipment and After-Sales Services (USD million), Indonesia, 2020–2029F

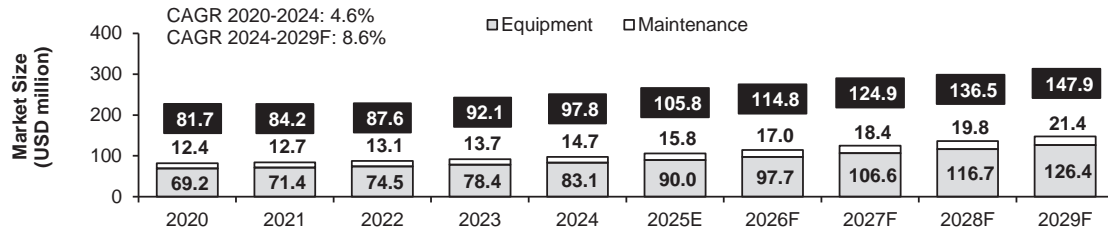


Source: Frost & Sullivan

8. INDUSTRY OVERVIEW (Cont'd)



Chart 4-4: Market Size of Steam Turbine Equipment and After-Sales Services (USD million), Indonesia, 2020–2029F



Source: Frost & Sullivan

The non-utility end-user segment of the biomass boiler market is estimated at USD275.4 million, while the same segment for the steam turbine market is estimated at USD27.2 million in 2024.

4.2 MARKET DRIVERS

A resilient economic outlook strengthens the government’s capacity to invest into the agricultural sector through infrastructure development, subsidies, and research, among others. This boosts agriculture productivity and increases the volume of biomass feedstock, enabling the RE from biomass to grow. There are other drivers contributing to the growth of RE from biomass in Malaysia and Indonesia.

Malaysia

Abundant Biomass Resources: Malaysia has significant biomass resources from various sectors, with the palm oil industry being the primary source, producing over 90 million tonnes of dried palm biomass annually from by-products. The total estimated biomass potential is approximately 182.6 million tonnes per annum.²¹ This ensures a consistent supply of residues (e.g., EFB, palm kernel shells), reduces raw material costs, and stabilises supply chains for biomass feedstock.

Increasing Adoption of ESG Initiatives by MNCs and Local Manufacturers: Driven by the commitment to sustainability and decarbonisation, MNCs and local manufacturers in Malaysia increasingly prioritise adopting RE sources in their manufacturing practices, enhancing energy efficiency, and reducing carbon emissions. This will be the key driver for the adoption of biomass boilers in various industrial applications, such as rubber and latex, pulp and paper, wood processing and furniture, textile and apparel, and the food and beverage industry.

The Launch of The Malaysian Sustainable Palm Oil (“MSPO”) Certification: The MSPO certification is a national sustainability scheme that mandates environmentally and socially responsible practices in Malaysia’s palm oil industry. Introduced in 2015 and made mandatory for all palm oil producers by 2020, the MSPO directly impacts biomass power generation by enforcing strict waste management and RE adoption. The implementation of this certification further drives the growth of biomass power generation.

Government Support and Strategic Plans: The National Biomass Action Plan (NBAP) 2023-2030 is a key driver aims to enhance biomass utilisation, promote a circular economy, increase exports of biomass products, and mitigate greenhouse gas (GHG) emissions. The Green Investment Tax Allowance (“GITA”) Asset updated in April 2024 mentioned that RE for own consumption purposes (including biomass) is eligible to get a 60% of GITA and 70% of Statutory Income to be set off.²² This incentive encourages the adoption of biomass boilers and steam turbines used in palm oil plants and other manufacturing industries.

FIT Mechanism: Renewable Energy Act 2011 empowered the FIT mechanism for grid-connected biomass power plants. In October 2024, the Malaysian Government announced an increase in the tariff for biomass power generation under the FIT 2.0 Mechanism, from the range of RM0.27 to RM0.30 per kWh to RM0.38 per kWh, fixed for the first 10 years, while setting a bidding range of RM0.288 to RM0.38 per kWh for the remaining 11 years²³. Under this new mechanism, 40 new additional quotas have been allocated for biomass power plants in 2025.²⁴ In July 2025, SEDA announced the successful bidders, which in total have successfully bid

²¹ Ministry of Plantation and Commodities, National Biomass Action Plan 2023-2030, December 2023

²² Malaysian Green Technology and Climate Change Corporation, Guidelines for Green Technology Tax Incentive, April 2024

²³ Sustainable Energy Development Authority of Malaysia, Permohonan kuota tarif galakan (“fit 2.0”) sumber biogas, biojisim & hidrokuasa kecil tahun 2025 secara e-bidding, Oct 2024

²⁴ SEDA Malaysia, FIT 2.0 quota applications for biogas, biomass and small hydro resources for the year 2025, October 2024

8. INDUSTRY OVERVIEW (Cont'd)



for biomass projects with an installed capacity of 67 MW, which exceeded the planned 40 MW.²⁵ The increase in tariffs according to the FIT 2.0 Mechanism will likely drive more RE companies, palm oil plant owners, and other manufacturing companies to build utility-scale biomass plants that can be connected to the grid.

Indonesia

Government Policy & Energy Targets: The Indonesian government has implemented strong policy support to promote RE, including biomass. National Energy Policy (“KEN”) and the Electricity Supply Business Plan (RUPTL) by PLN, prioritise biomass development, offering incentives like feed-in tariffs and simplified licensing. These policies create a favourable investment climate, encouraging private sector participation in biomass power projects while aligning with Indonesia’s long-term sustainability goals.

Biomass Energy Potential: Indonesia possesses vast biomass resources, with an estimated 146.7 million tons of biomass produced annually from agricultural residues.²⁶ The widespread availability of biomass, particularly from the palm oil industry, ensures a low-cost and reliable supply for power generation, reducing dependence on fossil fuels.

Coal Co-Firing Initiative: The Indonesian government through PLN aims for co-firing implementation in 52 coal-fired power plants, targeting a 10% biomass mix in each power plants by 2025.²⁷ PLN plans to increase the co-firing biomass by up to 7.7 million tons in 2030.²⁸ This initiative not only drives demand for biomass pellets but also provides an immediate, cost-effective solution for decarbonising Indonesia’s coal-dominated power sector without requiring major infrastructure changes.

4.3 INDUSTRY DYNAMICS

Biomass boilers and steam turbines are always coupled for electricity generation in palm oil plants and other factories, where biomass boilers generate the steam, and the steam then drives the steam turbines to generate electricity. In addition to the electricity purpose, biomass boilers are also widely used in other industrial applications (and in this case not coupled with steam turbines), such as sterilising fresh fruit bunches (“FFB”) and providing steam for palm oil mills, generate steam for cooking, sterilisation and pasteurisation in canning, dairy, and beverage production.

Apart from equipment sales, biomass boilers and steam turbine manufacturers also generate revenue from the after-sales services for the equipment. Due to the long-established biomass industry in Malaysia and Indonesia, many old biomass boilers and steam turbines have been installed for more than 10 years. Each year, aging machines need extra after-sales services, leading to higher maintenance revenue. For some leading machinery Original Equipment Manufacturers (“OEMs”), after-sales services can contribute to 20% to 30% of their total revenue. The contribution of after-sales services revenue may increase proportionally as the machinery OEMs have a larger installed base in the market.

4.4 BARRIERS TO ENTRY AND KEY SUCCESS FACTORS

New entrants face several significant barriers to entry in the boiler and steam turbine markets, which the leading players have already navigated to secure their leadership positions.

Technical complexity: Many biomass projects require advanced technical knowledge and specifications tailored to end-users’ needs. Notably, the design and manufacture of steam turbines are more technically complex than biomass boilers. Leading players are known for their ability to deliver customised biomass solutions²⁹ that are reliable and specifically designed for end-users, e.g., smaller in capacity (0.5 MW to 10 MW), to suit the needs of biomass or other industrial sectors.

Local presence for service advantage: Both biomass boilers and steam turbines require periodic after-sales services to achieve maximum efficiency and equipment lifespan. Steam turbines, in particular, are highly sensitive and require more professional technical expertise for maintenance services than biomass boilers. Establishing local service capability is necessary to support ongoing maintenance needs. Leading players who operate local manufacturing and assembly lines, testing facilities, and repair workshops have an advantage in delivering quick project turnaround and offering prompt after-sales services to clients’ requests, typically through either in-house service teams or local partners.

²⁵ SEDA Malaysia, Result of application for feed-in approval for the year 2025 under the FIT 2.0 mechanism, July 2025

²⁶ ASEAN, ASEAN Strategy on Sustainable Biomass Energy for Agriculture Communities and Rural Development in 2020-2030, June 2021

²⁷ Forest Watch Indonesia, Tinkering with the National Energy Mix Target: A Portrait of the Tumultuous Biomass Project, July 2024

²⁸ PLN, Rencana Usaha Penyediaan Tenaga Listrik (RUPTL) 2025-2034, May 2025

²⁹ Refers to an integrated biomass power and/or steam generation solutions which include biomass boiler, steam turbine, generator and ancillary systems like biomass fuel storage and handling, pumps, fans, and emissions controls.

8. INDUSTRY OVERVIEW (Cont'd)

F R O S T & S U L L I V A N

Capital intensity: Biomass power plant project owners tend to select players who have strong project financing capabilities, as biomass solutions including boilers, steam turbines and other machinery parts are usually capital-intensive. Newcomers without solid capital backing or proven financial capabilities struggle to gain traction in the market as project owners are generally unwilling to take risks on high-value investments with unproven suppliers.

Ongoing research activities on product improvement: Continuous research and development (“R&D”) is a crucial effort for leading players to stay competitive in the market. It helps to drive innovation in increasing efficiency (i.e. advanced combustion techniques, heat recovery system), reducing emissions (i.e. advanced emission control technologies) and integrating new materials for durability and performance. R&D also enables EPCC providers to develop customised boiler designs and turbine configurations optimised for specific biomass feedstock and local conditions, which helps to ensure maximum energy output and reliability.

Established market structure and competition: The leading players have established local relationships and partnerships with major palm oil mill owners and government entities. Many also have an existing installed base in the country that can generate ongoing service revenue. Hence, it will be challenging for newcomers to compete in the market.

4.5 COMPETITIVE LANDSCAPE

In **Malaysia**, local players dominate the biomass boiler market with strong local manufacturing and after-sales service capabilities. Most steam turbines sold in Malaysia for the biomass industry adopt imported technology that are either manufactured locally or imported from overseas.

In **Indonesia**, the biomass boiler market constitutes a combination of local and overseas players. The steam turbine market mainly relies on foreign technology, with overseas players having strong brand reputations, proven reliability as well as established service networks in strategic locations across the country.

Steam turbines may require less frequent servicing; however, due to their higher structural complexity and sophistication as compared to biomass boilers, they demand more professional and specialised servicing techniques. Hence, customers typically engage key players including the Group who have the technical know-how for major maintenance services of steam turbines, including overhauls.

4.5.1 Profiles of key players

Wasco Thermal and Wasco Agrotech are the key players in Malaysia’s biomass boiler and steam turbine markets, respectively. In both markets, the Group has established its reputation in the palm oil industry, as a biomass specialist that can provide an integrated biomass solution, including biomass boilers and steam turbines, customised to the needs of its customers. The Group also provides strong after-sales service through its team of local service engineers. Additionally, the Group’s biomass boilers demonstrate strong product performance, with combustion efficiency of more than 80% and the capability to operate continuously for up to 90 days.

Table 4-1: Profiles of Key Players ⁽¹⁾ in the Biomass Boiler and Steam Turbine Markets in Malaysia, September 2025

Player	Global Headquarters	Local Operation ⁽²⁾	Expertise	End-User Focus ⁽³⁾
Biomass Boiler Market				
Wasco Thermal	Malaysia	1 main office (including for manufacturing and service)	Boiler customisation; boiler retubing and revamping; EPCC of power plant	Palm oil milling industry; other industrial sectors
Boilermech Sdn Bhd	Malaysia	1 main office (including for sales and marketing, manufacturing)	EPCC of power plant; boiler repair and upgrades; spare parts supply	Palm oil milling industry; utility-scale power plant
Mechmar Boilers Sdn Bhd	Malaysia	1 main office; 1 manufacturing plant	Boiler repair, overhaul and retubing; boiler rental	Palm oil milling industry; other industrial sectors
Steam Turbine Market				
Wasco Agrotech	Malaysia	1 main office (including for manufacturing and service); 2 service centres	Steam turbine engineering and manufacturing	Palm oil milling industry
Siemens Energy Sdn Bhd	Germany	1 main office; 1 service centre	EPCC of power plant; steam turbine modernisation and upgrades	Utility-scale power plant; other industrial sectors

8. INDUSTRY OVERVIEW (Cont'd)

F R O S T & S U L L I V A N

Player	Global Headquarters	Local Operation ⁽²⁾	Expertise	End-User Focus ⁽³⁾
Shin Nippon Machinery (M) Sdn Bhd	Japan	1 main office and service centre	Steam turbine manufacturing, upgrade and modification	Utility-scale power plant

Notes: Data for each company is provided on a best-effort basis based on publicly available information; (1) The top three key players of each market are selected based on insights obtained from interviews with industry experts, as well as their business performance as of September 2025. Frost & Sullivan estimated their segmental revenue for equipment sales and after-sales services, using 2024 financial data. If the financial data is not available, it is based on the estimated revenue from the company's historical data, third-party sources, primary interviews, or analysis by Frost & Sullivan; (2) "Local Operation" provides the functionality of local entity(ies) and the number of entity(ies) present in the country; (3) "Palm oil milling industry" refers to palm oil mills, where the equipment are installed for power and/or steam generation; "Other industrial sectors" refers to industries other than palm oil milling industry, such as pulp and paper, rubber, food and beverages, wood, textiles, sugar refinery, where the equipment are installed for power and/or steam generation; "Utility-scale power plant" refers to grid-connected facilities where the equipment are installed for power generation.

Source: Company websites; Frost & Sullivan

The Group's biomass boilers and steam turbines are exported to Indonesia. Despite encountering stiff competition from both local and overseas players, the Group has successfully delivered most of its biomass solutions to several large palm oil mill companies in Indonesia, through its proven technology, industry expertise and quick service turnaround. The presence of a sizeable local maintenance team becomes the Group's key market advantage to provide prompt after-sales services to the customers in Indonesia.

Table 4-2: Profiles of Key Players ⁽¹⁾ in the Biomass Boiler and Steam Turbine Markets in Indonesia, September 2025

Player	Global Headquarters	Local Operation ⁽²⁾	Expertise	End-User Focus ⁽³⁾
Biomass Boiler Market				
Wasco Thermal	Malaysia	Nil	Boiler customisation; boiler retubing and revamping; EPCC of power plant	Palm oil milling industry; other industrial sectors
PT Boilermech	Malaysia	1 main office (including for manufacturing, sales and service)	EPCC of power plant; boiler repair and upgrades; spare parts supply	Palm oil milling industry; utility-scale power plant
PT Thermax International Indonesia	India	1 main office (including for manufacturing, sales and service)	Boiler manufacturing and customisation, EPCC of power plant, boiler safety and lifecycle assessment	Palm oil milling industry; utility-scale power plant; other industrial sectors
PT ATMINDO Tbk	Indonesia	1 main office and workshop; 1 office; 2 service centres	Boiler manufacturing and customisation; boiler repair, upgrades and modification	Palm oil milling industry; utility-scale power plant; other industrial sectors
Steam Turbine Market				
Wasco Agrotech	Malaysia	2 service centres	Steam turbine engineering and manufacturing	Palm oil milling industry
PT GE Nusantara Turbine Services	USA	1 repair and service centre	EPCC of power plant; Steam turbine repair and maintenance, diaphragm exchange; upgrades	Utility-scale power plant
PT Mitsubishi Power Indonesia	Japan	1 main office; 1 service centre	EPCC of power plant; steam turbine retrofit; spare parts supply	Utility-scale power plant
PT Siemens Energy Indonesia	Germany	1 main office; 1 sales and service centre	EPCC of power plant; steam turbine modernisation and upgrades	Utility-scale power plant; other industrial sectors

Notes: Data for each company is provided on a best-effort basis based on publicly available information; (1) The top three key players of each market and the Group are selected based on insights obtained from interviews with industry experts, as well as their business performance as of September 2025. Frost & Sullivan estimated their segmental revenue for equipment sales and after-sales services, using 2024 financial data. If the financial data is not available, it is based on the estimated revenue from the company's historical data, third-party sources, primary interviews, or analysis by Frost & Sullivan; (2) "Local Operation" provides the functionality of local entity(ies) and the number of entity(ies) present in the country; (3) "Palm oil milling industry" refers to palm oil mills, where the equipment are installed for power and/or steam generation; "Other industrial sectors" refers to industries other than palm oil milling industry, such as pulp and paper, rubber, food and beverages, wood, textiles, sugar refinery, where the equipment are installed for power and/or steam generation; "Utility-scale power plant" refers to grid-connected facilities where the equipment are installed for power generation.

Source: Company websites; Frost & Sullivan

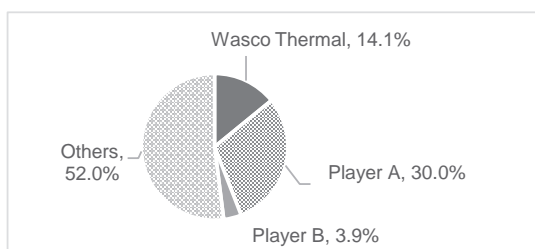
8. INDUSTRY OVERVIEW (Cont'd)



4.5.2 Market Share

In Malaysia, a number of local players are seen competing in the biomass boiler market, whereas the steam turbine market constitutes of a mixture of international and local players. The biomass boiler market is more fragmented than the steam turbine market, with many small local service companies capable of providing routine maintenance services. Hence, numerous smaller players (suppliers, traders, engineering service companies) also participate and collectively hold a sizable share of the market. Wasco Thermal is the second largest player in the biomass boiler market in Malaysia, with a 14.1% market share by revenue in 2024.³⁰ In the steam turbine market, Wasco Agrotech is the largest player in Malaysia, with a 16.8% market share by revenue in 2024.³¹

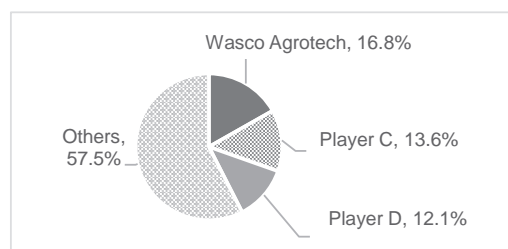
Chart 4-5: Market Share of Key Biomass Boiler Players by Revenue (%), Malaysia, 2024



Notes: (1) Market share is estimated based on the latest available financial data of selected players profiled in Table 4-2, as of 30 September 2025; (2) The category labelled as "Others" include players with a market share that is estimated to be less than 3.5% in 2024, and other players for which financial information is not available or cannot be estimated.

Source: Frost & Sullivan

Chart 4-6: Market Share of Key Steam Turbine Players by Revenue (%), Malaysia, 2024



Notes: (1) Market share is estimated based on the latest available financial data of selected players profiled in Table 4-2, as of 30 September 2025; (2) The category labelled as "Others" include players with a market share that is estimated to be less than 10.0% in 2024, and other players for which financial information is not available or cannot be estimated.

Source: Frost & Sullivan

Within the non-utility end-user segment of the steam turbine market in Malaysia, Wasco Agrotech leads with a 30.2% market share by revenue in 2024.³²

Similarly to Malaysia, **Indonesia** has a fragmented biomass boiler market, with an even greater number of players compared to Malaysia. Due to Indonesia's archipelagic business environment, larger international and local players can serve the market on a nationwide scale, while many other small to medium-sized local players have strong reputations in certain regions or specific areas within the country. It is also observed that many China-owned plants or palm oil mills in Indonesia tend to install imported boilers and steam turbines from China via local distributors, equipment suppliers or trading companies. Some biomass boiler or steam turbine OEMs also sub-contract after-sales services to third-party local engineering service providers. These factors contribute to the highly dispersed market share in Indonesia. In 2024, Wasco Thermal has a market share by revenue of less than 5.0% in the biomass boiler market in Indonesia.³³ In the steam turbine market, Wasco Agrotech's market share by revenue is about 22.0%, making it among the top players in the Indonesian market.³⁴ Within the non-utility end-user segment of Indonesia's steam turbine market, Wasco Agrotech is the

³⁰ The market share is calculated based on Wasco Thermal's revenue generated in Malaysia for its biomass boiler equipment and after-sales services of USD18.4 million for the financial year ended 2024 over the estimated total market size of the biomass boiler equipment and after-sales services in Malaysia of USD129.8 million in 2024.

³¹ The market share is calculated based on Wasco Agrotech's revenue generated in Malaysia for its steam turbine equipment and after-sales services of USD7.1 million for the financial year ended 2024 over the estimated total market size of the steam turbine equipment and after-sales services in Malaysia of USD42.2 million in 2024.

³² The market share is calculated based on Wasco Agrotech's revenue generated in Malaysia for its steam turbine equipment and after-sales services of USD7.1 million for the financial year ended 2024 over the estimated market size of USD23.4 million in 2024 for the steam turbine equipment and after-sales services in Malaysia, considering only the non-utility end-user segment.

³³ The market share is calculated based on Wasco Thermal's revenue generated in Indonesia for its biomass boiler equipment and after-sales services of USD6.2 million for the financial year ended 2024 over the estimated total market size of the biomass boiler equipment and after-sales services in Indonesia of USD416.0 million in 2024.

³⁴ The market share is calculated based on Wasco Agrotech's revenue generated in Indonesia for its steam turbine equipment and after-sales services of USD21.5 million for the financial year ended 2024 over the estimated total market size of the steam turbine equipment and after-sales services in Indonesia of USD97.8 million in 2024.

8. INDUSTRY OVERVIEW (Cont'd)



leading player, with a 67.3% market share by revenue in 2024.³⁵

5 OVERVIEW AND OUTLOOK OF THE ASSET OWNERSHIP BUSINESS MODEL

Most players in the biomass boiler and steam turbine markets in Malaysia and Indonesia adopt an EPCC business model, where revenue is derived from purchase orders and lump-sum contracts. The revenue generated from these contracts is typically non-recurring, and concludes after the handover of projects. Some players, such as the Group, are exploring alternative business models, like the asset-ownership model, aiming to generate recurring revenue beyond the commissioning of the asset. Under this model, companies can generate recurring revenue by owning biomass boilers and steam turbines to provide steam and energy to customers in exchange of a periodic fee for the use of these facilities.

This shift mirrors a broader industry trend, as subscription-based models gain traction across various sectors, including in the machinery industry, such as with the supply of heating, ventilation, and air conditioning (HVAC) equipment. Although not yet widely adopted in the biomass boiler and steam turbine markets, the asset-ownership model offers clear advantages: it enables long-term customer relationships and stable revenue streams. From the customer's perspective, this model helps reduce upfront costs and alleviates concerns regarding the after-sales services of the equipment. As industry players seek resilience and look beyond one-off project margins, the asset-ownership model is well-positioned to meet evolving market demands. More biomass boiler and steam turbine equipment manufacturers in Malaysia and Indonesia may consider this approach to capture long-term value and improve operational efficiency.

6 SUMMARY PROSPECTS AND OUTLOOK FOR THE GROUP

Wasco Thermal is the second-largest player in the biomass boiler market in Malaysia, with a 14.1% market share by revenue in 2024, while Wasco Agrotech is the largest player in the steam turbine market in Malaysia, with a 16.8% market share by revenue in the same year. Within the non-utility end-user segment of the steam turbine market in Malaysia, Wasco Agrotech leads with a 30.2% market share by revenue in the same year. The Group's leadership position in Malaysia is contributed by its strong local presence in Malaysia, technical and industry know-how in designing and customising biomass boilers to its customers, its capability to offer end-to-end turnkey solution that include biomass boilers and steam turbines, as well as substantial expertise in providing after-sales services for these equipment. With similar capabilities in Indonesia, Wasco Agrotech is among the top players in the country's steam turbine market. Within the non-utility end-user segment of Indonesia's steam turbine market, Wasco Agrotech is the leading player, with a 67.3% market share by revenue in 2024. The Group is well-positioned to expand beyond biomass industry in Malaysia and Indonesia into other industrial sectors where biomass is becoming a preferred renewable source to help public and private organisations to achieve their decarbonisation goals.

In Malaysia, the Group benefits from its leading position in the biomass boiler equipment market within the palm oil industry. By leveraging its expertise in biomass boilers for the palm oil industry, the Group is able to further expand into other industrial sectors to reach a broader customer base. This also paves the way for the Group to expand its footprint in the steam turbine market, as industrial customers tend to engage with companies that can provide a turnkey solution for their biomass power plant. The capability to supply both biomass boilers and steam turbines has become a competitive advantage for the Group, as most of its competitors are only able to supply either biomass boilers or steam turbines.

In Indonesia, the Group can leverage its technical strength and expertise in biomass boiler technology. By focusing on high-end boilers, the Group competes on technological performance rather than price, positioning itself as a premium brand in the Indonesian market. In the steam turbine market, the Group operates two service centres across Indonesia.

Looking ahead, the Group is strategically positioning itself for long term growth by expanding into its renewable energy business through an asset-owner business model, enabling it to generate sustainable, stable and recurring revenue streams. The Group also plans to develop its digital infrastructure with AI-enabled analytics to streamline processes and expand and enhance existing facilities. These initiatives will not only strengthen the Group's competitiveness in the wider RE for biomass industry but also reinforce its commitment in delivering integrated solutions in Southeast Asia.

³⁵ The market share is calculated based on Wasco Agrotech's revenue generated in Indonesia for its steam turbine equipment and after-sales services of USD21.5 million for the financial year ended 2024 over the estimated total market size of USD27.2 million in 2024 for the steam turbine equipment and after-sales services in Indonesia, considering only the non-utility end-user segment.

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

9.1 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Profile of our Promoter

(i) Wasco Berhad

Wasco Berhad, our Promoter and Substantial Shareholder was incorporated in Malaysia under the Companies Act 1965 on 9 October 1999 as a private limited company under the name of Wah Seong Corporation Sdn Bhd and is deemed registered under the Act. It was converted into a public company on 15 November 1999 and changed its name to Wah Seong Corporation Berhad. Wah Seong Corporation Berhad was listed on the Main Market of Bursa Securities on 9 July 2002. Subsequently, Wah Seong Corporation Berhad changed its name to Wasco Berhad on 31 May 2023. As at the LPD, the principal activities of Wasco Berhad are investment holding and provision of management services to its subsidiaries.

As at the LPD, the issued share capital of Wasco Berhad is RM547,690,147 comprising 774,311,240 ordinary shares (excluding treasury shares).

The substantial shareholders of Wasco Berhad and their respective shareholdings in Wasco Berhad as at the LPD are set out below:

Substantial Shareholder	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
WST	239,438,739	30.92	⁽¹⁾ 12,732,323	1.64
TKYSB	66,824,250	8.63	⁽²⁾ 252,171,062	32.57
Pauline Tan Suat Ming	-	-	⁽³⁾ 321,162,173	41.48
TCNSB	5,529,600	0.71	⁽²⁾ 252,171,062	32.57
Tony Tan Choon Keat	-	-	⁽⁴⁾ 318,995,312	41.20
Dato' Seri Robert Tan	11,927,314	1.54	⁽⁴⁾ 318,995,312	41.20
Urusharta Jamaah Sdn Bhd	42,934,200	5.54	-	-
Employees Provident Fund Board	51,228,500	6.62	-	-

Notes:

- (1) Deemed interested through shares held in Wasco Berhad, Wah Seong Enterprises Sdn Bhd ("WSE") and Karya Insaf ("KI") pursuant to Section 8 of the Act.
- (2) Deemed interested through shares held in Wasco Berhad, WSE, KI and WST pursuant to Section 8 of the Act.
- (3) Deemed interested through shares held in Wasco Berhad, WSE, KI, WST, TKYSB and PTSM Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (4) Deemed interested through shares held in Wasco Berhad, WSE, KI, WST and TKYSB pursuant to Section 8 of the Act.

Dato' Seri Robert Tan, Tony Tan Choon Keat and Pauline Tan Suat Ming are siblings. See Sections 9.1.2(i), (ii) and (iv) below for details on WST, TKYSB and TCNSB.

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

9.1.2 Profiles of our Substantial Shareholders

Save for the profile of Wasco Berhad which is set out in Section 9.1.1 of this Prospectus, the profiles of our other Substantial Shareholders are as follows:

(i) WST

WST was incorporated in Malaysia under the Companies Act 1965 on 27 May 1955 as a private limited company under its present name and is deemed registered under the Act. The principal activities of WST are investment holding and trading.

As at the LPD, the issued share capital of WST is RM40,000,000 comprising 40,000,000 ordinary shares and its substantial shareholders are as follows:

Substantial Shareholder	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
TCNSB	13,824,000	34.56	-	-
TKYSB	17,002,038	42.50	-	-
Tony Tan Choon Keat	-	-	⁽¹⁾ 17,002,038	42.50
Dato' Seri Robert Tan	-	-	⁽¹⁾ 17,002,038	42.50
Pauline Tan Suat Ming	-	-	⁽¹⁾ 17,002,038	42.50

Note:

(1) Deemed interested through shares held in TKYSB pursuant to Section 8 of the Act.

TKYSB and TCNSB collectively hold 77.06% equity interest in WST. See Sections 9.1.2(ii) and (iv) below for details on TKYSB and TCNSB.

(ii) TKYSB

TKYSB was incorporated in Malaysia under the Companies Act 1965 on 16 September 1970 as a private limited company under its present name and is deemed registered under the Act. The principal activities of TKYSB are investment holding and letting of real property.

As at the LPD, the issued share capital of TKYSB is RM3,456,723 comprising 3,456,723 ordinary shares and its substantial shareholders are as follows:

Substantial Shareholder	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
Su Lah Wah @ Mrs Tan Kim Yeow	518,500	14.99	-	-
Tony Tan Choon Keat	979,404	28.33	-	-
Dato' Seri Robert Tan	979,404	28.33	-	-
Pauline Tan Suat Ming	979,415	28.33	-	-

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

Su Lah Wah @ Mrs Tan Kim Yeow is the spouse of Datuk Tan Kim Yeow (deceased) and the mother of Dato' Seri Robert Tan, Tony Tan Choon Keat and Pauline Tan Suat Ming.

Accordingly, Datuk Tan Kim Yeow's family owns and control TKYSB.

(iii) Pauline Tan Suat Ming

Pauline Tan, a Malaysian, aged 80 holds a Bachelor of Science (Honours) in Biochemistry from the University of Sussex, England and is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators. She started her career as a chemist with Malayan Sugar Manufacturing Company Bhd from 1969 to 1972. She then joined TKYSB as an Executive Director from 1976 to 2024. She also joined WST in 1983 and was appointed as an Executive Director from 1994 to 2021.

She was appointed to the Board of Wasco Berhad in May 2002 and retired in June 2015.

(iv) TCNSB

TCNSB was incorporated in Malaysia under the Companies Act 1965 on 28 June 1972 as a private limited company under its present name and is deemed registered under the Act. The principal activity of TCNSB is investment holding.

As at the LPD, the issued share capital of TCNSB is RM6,000,008 comprising 6,000,008 ordinary shares and its substantial shareholders are as follows:

Substantial Shareholder	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
Datuk Tan Chin Nam (deceased)	708,004	11.80	-	-
Datin Choy Wor Lin	720,004	12.00	-	-
Tan Boon Lee	720,000	12.00	-	-
Tan Boon Seng	720,000	12.00	-	-
Tan Lei Cheng	720,000	12.00	-	-
Tan Lei Teng	720,000	12.00	-	-
Tan Yee Seng	444,000	7.40	-	-
Tan Mei Sian	408,000	6.80	-	-

Datuk Tan Chin Nam (deceased) is the brother of Datuk Tan Kim Yeow and father of Tan Boon Lee, Tan Boon Seng, Tan Lei Cheng and Tan Lei Teng. Dato' Seri Robert Tan is the nephew of Datuk Tan Chin Nam and cousins to Tan Boon Lee, Tan Boon Seng, Tan Lei Cheng and Tan Lei Teng.

Datuk Tan Chin Nam's family owns and control TCNSB.

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

(v) Tony Tan Choon Keat

Tony Tan Choon Keat, a Singaporean, aged 76, holds a degree in Chemical Engineering from the University of Surrey, England and a Master of Business Administration (MBA) from the University of California, Berkeley, United States.

He was the founder and Managing Director of Parkway Holdings Limited, Singapore until 2000 and Deputy Chairman until his retirement in 2005. During his service, he initiated acquisitions and developments by Parkway Holdings Limited both in Singapore and overseas to build its healthcare franchise from initially a property developer to one of the largest private healthcare providers in Asia. He was also the Chairman and major shareholder of Island Hospital Sdn Bhd in Malaysia until 2015. Further, he was also a Non-Independent Non-Executive Director of IGB Corporation Berhad until 2019. Currently, he is the Non-Executive Chairman of Singapore Medical Group and is responsible for providing leadership to the board of directors of Singapore Medical Group and overall strategic guidance.

(vi) Dato' Seri Robert Tan

Dato' Seri Robert Tan, a Malaysian, aged 73, was appointed as the Chairman of Wasco Berhad on 22 May 2002.

He has vast experience in property development, hotel construction, retail design and development as well as corporate management with more than 30 years' experience in the property and hotel industries. After completing his studies in Business Administration in the United Kingdom, he was attached to a firm of chartered surveyors for a year. He also developed a housing project in Central London before returning to Malaysia. His stint in the property industry began with IGB Corporation Berhad ("**IGB Corp**") in 1995 when he was appointed Joint Managing Director and subsequently Group Managing Director from 2001 until 2022.

Following the de-listing of IGB Corp from the Official List of Bursa Malaysia Securities Berhad, Dato' Seri Robert Tan was the Group Chief Executive Officer of IGB Berhad from 30 March 2018 until 31 December 2022 and thereafter he remains as a Non-Independent Non-Executive Director.

Dato' Seri Robert Tan was involved in various development projects carried out by the IGB group of companies in particular Mid Valley City. From inception to the realization of Mid Valley Megamall ("**MVM**") and The Gardens Mall ("**TGM**"), he was actively involved in every stage of their development. He is instrumental to the development and success of MVM and TGM, and in retaining their positions as prime shopping hotspots in the Klang Valley.

He was appointed Managing Director of IGB REIT Management Sdn. Bhd. upon its incorporation in March 2012, a position he held for 10 years before he transitioned to Non-Independent Non-Executive Director on 1 January 2023, and subsequently to Non-Executive Chairman on 1 January 2024. He was redesignated as Executive Chairman on 19 March 2025.

Dato' Seri Robert Tan was formerly a Director of Tan & Tan Developments Berhad (a property division of IGB Corp) and a Trustee of Yayasan Tan Kim Yeow. He also sits on the board of several other private limited companies.

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

(vii) Tema Energy

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

As at the LPD, the issued share capital of Tema Energy is RM10,272 comprising 10,272 ordinary shares and its substantial shareholders are as follows:

Substantial Shareholder	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Tee Kian Lim	Malaysian	2,782	27.08	-	-
Teh Khim Choon	Malaysian	2,662	25.92	-	-
Soo Hock Tiong	Malaysian	2,287	22.26	-	-
Chong Thiam Heng	Malaysian	1,027	10.00	-	-
Ooi Giap Hwa	Malaysian	1,000	9.74	-	-
Ng Ah Loon	Malaysian	514	5.00	-	-

The shareholders of Tema Energy are also employees of our Group – Tee Kian Lim (since 2006), Teh Khim Choon (since 2006), Soo Hock Tiong (since 2006), Chong Thiam Heng (since 2006), Ooi Giap Hwa (since 2003) and Ng Ah Loon (since 2006). Ng Ah Loon has retired but remains as a contract staff of our Group since 2014.

(viii) Tee Kian Lim

Tee Kian Lim, a Malaysian aged 55, holds a degree in Mechanical Engineering from the University of Hertfordshire, United Kingdom and is the Chief Operating Officer of WTSB. He commenced his career in Vickers Hoskins (M) Sdn Bhd as a Design Engineer in 1995 and was primarily responsible for preparing preliminary designs of steam energy systems and standardising such designs for fabrication.

He subsequently left in May 2006 to join WTSB as an Engineering Manager. He was promoted to become the General Manager of WTSB in 2013, a position he held for over 12 years. He was appointed as Chief Operating Officer of WTSB in January 2025.

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

(ix) Teh Khim Choon

Teh Khim Choon, a Malaysian aged 55, holds a degree in Petroleum Engineering from Universiti Teknologi Malaysia and is the Vice President, Projects of WTSB. He commenced his career in July 1994 with Tractors Malaysia (1983) Sdn Bhd as a Project Engineer where he was primarily responsible for the execution of natural gas vehicle (NGV) refueling stations and industrial combined heat and power (CHP) plants.

He joined WTSB in May 2006 as a Project Manager and contributed to WTSB's business, in particular, industrial HRSGs, with over 40 HRSG installations completed to-date.

He was promoted to General Manager in 2018, a position he has held for over seven years. He was appointed as Vice President, Projects, in January 2025.

(x) Soo Hock Tiong

Soo Hock Tiong, a Malaysian, aged 53, holds a degree in Mechanical Engineering from Liverpool John Moores University and is the General Manager of the Biomass Department of WTSB. He commenced his career in 1996 in Mechmar Industries Sdn Bhd as a Design Engineer and subsequently left to join Vickers Hoskins (M) Sdn Bhd as a Project Engineer in 2000.

He joined WTSB in 2006 as a Project Manager and was promoted to head the Biomass Department of WTSB in 2010. He was appointed as the General Manager of WTSB in 2018.

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

The following table sets out the direct and indirect shareholdings of our Promoter and Substantial Shareholders in our Company before and after our IPO:

	As at the LPD				After the Pre-IPO Exercise				After our IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Promoter and Substantial Shareholder												
Wasco Berhad	115,000,000	100.00	-	-	377,693,100	88.87	-	-	312,693,100	62.54	-	-
Substantial Shareholders												
Tema Energy	-	-	-	-	47,306,900	11.13	-	-	37,306,900	7.46	-	-
WST	-	-	(3)115,000,000	100.00	-	-	(3)377,693,100	88.87	(7)4,793,000	0.96	(3)312,693,100	62.54
TKYSB	-	-	(4)115,000,000	100.00	-	-	(4)377,693,100	88.87	(7)1,337,600	0.27	(4)312,693,100	62.54
Pauline Tan Suat Ming	-	-	(5)115,000,000	100.00	-	-	(5)377,693,100	88.87	-	-	(5)312,693,100	62.54
TCNSB	-	-	(4)115,000,000	100.00	-	-	(4)377,693,100	88.87	(7)110,600	0.02	(4)312,693,100	62.54
Tony Tan Choon Keat	-	-	(5)115,000,000	100.00	-	-	(5)377,693,100	88.87	-	-	(5)312,693,100	62.54
Dato' Seri Robert Tan	-	-	(5)115,000,000	100.00	-	-	(5)377,693,100	88.87	(7)238,700	0.05	(5)312,693,100	62.54
Tee Kian Lim	-	-	-	-	-	-	(6)47,306,900	11.13	(8)100,000	0.02	(6)37,306,900	7.46
Teh Khim Choon	-	-	-	-	-	-	(6)47,306,900	11.13	(8)70,000	0.01	(6)37,306,900	7.46
Soo Hock Tiong	-	-	-	-	-	-	(6)47,306,900	11.13	(8)50,000	0.01	(6)37,306,900	7.46

Notes:

- (1) Based on the enlarged issued share capital of 425,000,000 Shares after the Pre-IPO Exercise.
- (2) Based on the enlarged issued share capital of 500,000,000 Shares upon our Listing.
- (3) Deemed interested through shares held in Wasco Berhad pursuant to Section 8 of the Act.
- (4) Deemed interested through shares held in Wasco Berhad and WST pursuant to Section 8 of the Act.
- (5) Deemed interested through shares held in Wasco Berhad, WST and TKYSB pursuant to Section 8 of the Act.
- (6) Deemed interested through shares held in Tema Energy pursuant to Section 8 of the Act.
- (7) Assuming the subscription to their respective entitlements of the Issue Shares under the Restricted Offering which is allocated based on a pro-rata basis according to their respective shareholdings in Wasco Berhad as at the LPD. However, the final shareholdings will depend on the actual number of Issue Shares subscribed and allotted to them in accordance with the basis set out in Section 4.2.3(ii) of this Prospectus.
- (8) Assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocation.

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

Our Promoter and Substantial Shareholders do not have different voting rights from other shareholders of our Company as all our Shares before and after our IPO are of the same class.

Save for Wasco Berhad who will hold 62.54% equity interest in our Company upon Listing, we are not aware of any person who, directly or indirectly, jointly or severally, exercise control over our Company. As at the LPD, there is no arrangement between our Company and the Promoter and our Substantial Shareholders with any third parties, the operation of which may result in the change in control of our Company.

9.1.3 Changes in our Promoters' and Substantial Shareholders' shareholdings in our Company for the past three years

Save for the issuance of Shares to our Promoter and the Substantial Shareholders pursuant to the Pre-IPO Exercise and the allotment of Shares as detailed in Sections 4.2.1 and 6.1.2 of this Prospectus, there has been no change in our Promoter's and Substantial Shareholders' shareholdings in our Company since its incorporation on 5 December 2023 up to the LPD.

9.1.4 Benefits paid or intended to be paid or given to our Promoter and Substantial Shareholders

Save as disclosed below, there are no other amounts or benefits paid or intended to be paid or given to any of our Promoters and Substantial Shareholders by our Company within the two years preceding the date of this Prospectus:

- (i) The issuance of 262,693,100 Shares to Wasco Berhad and 47,306,900 Shares to Tema Energy in conjunction with the Pre-IPO Exercise;
- (ii) Dividends declared and paid to the Wasco Berhad Group of RM11.29 million and RM7.93 million for FYE 31 December 2022 and 2023, respectively. Our Company did not declare any dividend for FYE 31 December 2024 and FPE 30 June 2025 as well as for the period between 1 July 2025 and up to the LPD. Further, we have no intention to declare any dividend prior to our Listing; and
- (iii) Aggregate remuneration and benefits paid or proposed to be paid to our Substantial Shareholders who are also employees of our Group for services rendered or to be rendered to our Group in all capacities are as follows:

	Remuneration band (in bands of RM50'000)	
	FYE 31 December 2024 (Paid)	FYE 31 December 2025 (Proposed)
	RM'000	RM'000
Tee Kian Lim	500 - 550	600 - 650
Teh Khim Choon	450 - 500	550 - 600
Soo Hock Tiong	450 - 500	450 - 500

The above remuneration includes salaries, bonus, fees and allowances as well as other benefits.

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

9.2 BOARD OF DIRECTORS

Our Board acknowledges and takes cognisance of the MCCG which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and culture of such companies.

Our Board comprises at least 30% female Directors, with at least half of the Board being Independent Directors.

With that, our Board believes that our current Board composition provides the appropriate balance in terms of experience and strength in qualities to promote the interests of all shareholders and to govern our Group effectively. Our Board is also committed to achieving and sustaining high standards of corporate governance.

Within the limits set by our Constitution, our Board is responsible for the governance and management of our Group. To ensure the effective discharge of its functions, our Board has set out the following key responsibilities in the Board Charter:

- (i) Review, challenge and decide on the Management's strategic proposals, plans and directions of our Group and to monitor the implementation of such proposals, plans and directions by the Management;
- (ii) Review and adopt corporate objectives of our Group which includes performance targets and long-term and medium-term goals;
- (iii) Set appropriate values and standards for our Group;
- (iv) Supervise and assess Management's performance in managing the businesses of our Group;
- (v) Oversee the resources and operational conducts of our Group's businesses and to determine whether the businesses are being properly managed;
- (vi) Identify principal risks of our Group and to ensure the implementation of appropriate and sound framework for internal control and mitigation measures;
- (vii) Succession planning for our Board and Senior Management, including the implementation of appropriate systems for recruiting, training, determining the appropriate compensation benefits and where necessary replacing any member of our Board and Senior Management;
- (viii) Oversee the development and implementation of a shareholders' communication policy or investors' relations program for our Company, to enable effective communications with its shareholders and stakeholders;
- (ix) Review the adequacy and integrity of our Group's financial, internal control systems and management information systems which includes appropriately sound framework/systems of reporting and to ensure regulatory compliance with applicable laws, regulations, rules, directives and guidelines;
- (x) Delegate certain responsibilities to the various Board Committees with clearly defined terms of reference to assist our Board in discharging its responsibilities;
- (xi) Promote together with the Senior Management, good corporate governance culture within our Group which reinforce ethical, prudent and professional behaviour;

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

- (xii) Take responsibility together with our Senior Management for the governance of sustainability in our Company including setting our Group's sustainability strategies, priorities and targets;
- (xiii) Oversee the governance of sustainability and in setting our Group's sustainability strategies, priorities and targets which encompasses economics, environment, social and governance aspects;
- (xiv) Take into account sustainability considerations when exercising its duties such as the development and implementation of our Company's strategies, business plans, major plans of action and risk management;
- (xv) Ensure that our Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders; and
- (xvi) Ensure that our Company's statutory/financial reporting and disclosures are timely to the relevant regulatory/governmental authorities, stakeholders and shareholders and the quality, accuracy and completeness of the contents thereof.

In addition, the roles and responsibilities of our Non-Independent Non-Executive Chairman ("**Board Chairman**") are clearly segregated to further enhance and preserve a balance of authority and accountability. Our Board Chairman is primarily responsible for the following:

- (i) leading our Board in setting the values, standards and good corporate governance practices of our Company;
- (ii) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- (iii) ensuring the provision of accurate, timely and clear information to members of our Board;
- (iv) ensuring effective communication with shareholders and relevant stakeholders and that their views are communicated to our Board as a whole;
- (v) arranging regular evaluation of the performance of our Board, its Committees and individual Directors;
- (vi) facilitating the effective contributions of all members of our Board by allowing dissenting views to be freely expressed;
- (vii) managing the interface between members of our Board and the Management by acting as the conduit between them in ensuring the success of our Company's governance and management functions; and
- (viii) leading our Board in its collective oversight of the Board Committees and the Management.

The Senior Independent Non-Executive Director shall act as a sounding board for the Chairman, an intermediary for the other Board members when necessary and the point of contact for the shareholders and/or stakeholders on concerns relating to our Company and Group.

On the other hand, our Group Chief Executive Officer has the executive responsibility for the day-to-day operations and management of our Company's businesses with all powers, discretions and delegations authorised from time to time by our Board.

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

The details of the members of our Board and the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the LPD are as follows:

Director	Designation	Age	Date of appointment	Date of expiration of the current term of office at AGM	No. of years in office
Halim Bin Haji Din	Non-Independent Non-Executive Chairman	79	17 June 2025	Subject to retirement at AGM in 2026	Less than 1 year
Ramanathan A/L P.R. Singaram	Non-Independent Non-Executive Director	57	5 December 2023	Subject to retirement at AGM in 2027	2 years
Ng Ing Peng	Senior Independent Non-Executive Director	69	17 June 2025	Subject to retirement at AGM in 2026	Less than 1 year
Roslina Binti Abdul Rahman	Independent Non-Executive Director	57	17 June 2025	Subject to retirement at AGM in 2026	Less than 1 year

None of our other Directors represent any corporate shareholder on our Board except for Halim Bin Haji Din and Ramanathan A/L P.R. Singaram. For details on family relationships between our Directors, please see Section 9.4 of this Prospectus.

9.2.1 Profiles of our Directors

The profiles of our Directors are as follows:

(i) Halim Bin Haji Din

Halim Bin Haji Din, a Malaysian aged 79, is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 17 June 2025.

He is a Chartered Accountant who spent more than 30 years working for multinational corporations and international consulting firms. He has 18 years of experience working in the oil and gas industry, 6 years of which as a board member of Caltex / Chevron and was responsible for financial management before engaging in the consulting business. Prior to his appointment as a board member of Caltex Malaysia, he served as regional financial adviser for Caltex Petroleum Corporation in Dallas, Texas overseeing investment viability of the corporation's Asian subsidiaries.

He has extensive experience in corporate recovery when he worked for Ernst & Whinney in London, in the mid-1980s and was appointed as managing partner of the consulting division of Ernst & Young Malaysia in 1995. He became the country adviser of Cap Gemini Ernst & Young Consulting Malaysia when Cap Gemini of France merged with Ernst & Young Consulting.

In 2003, along with two partners, he took over the consulting business of Cap Gemini Ernst & Young Consulting Malaysia and rebranded it as Innovation Associates, currently known as IA Group, where he sits as a board member. He has previously served as an Independent Non-Executive Director on the board of MMC Corporation Berhad, Takaful Ikhlas Berhad, Employees Provident Fund, Kwasa Land Sdn Bhd and BNP Paribas Berhad and IGB REIT Management Sdn Bhd.

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

He was a council member of the Malaysian Institute of Certified Public Accountants from 1994 to 2003. He is a member of the Malaysian Institute of Accountants since 1982 and a member of the Malaysian Institute of Certified Public Accountants since 1981.

He was appointed as an Independent Non-Executive Director of Wasco Berhad in May 2002 and was redesignated as a Non-Independent Non-Executive Director in May 2023.

(ii) Ramanathan A/L P.R. Singaram

Ramanathan A/L P.R. Singaram, a Malaysian aged 57, is our Non-Independent Non-Executive Director. He was appointed to our Board on 5 December 2023.

He graduated with a Diploma in Accounting from the London Chamber of Commerce & Industry in 1990 and completed his professional qualification with the Association of Chartered Certified Accountants in 1994. He has been a member of the Malaysian Institute of Accountants since 2000, an Associate and Fellow of the Association of Chartered Certified Accountants (ACCA) since 1997 and 2002 respectively, and a member of the Institute of Corporate Directors Malaysia (ICDM) since 2025.

He commenced his career in PricewaterhouseCoopers Malaysia (“**PwC Malaysia**”) in 1995 in the audit services department including a two-year stint in PricewaterhouseCoopers London. During this period, he was involved in annual audits, special assignments, forensic audits, financial due diligence and acted as a trainer for both internal and external training courses.

He left PwC Malaysia to join Wasco Berhad in June 2006 as Head of Group Internal Audit, and advanced through various roles and levels to become the Group Chief Financial Officer of the Energy Division of Wasco Berhad in July 2013. During the same period, he was also responsible for Wasco Berhad’s regulatory reporting. He was appointed as the Chief Financial Officer of Wasco Berhad in May 2023.

(iii) Ng Ing Peng

Ng Ing Peng, a Malaysian aged 69, is our Senior Independent Non-Executive Director. She was appointed to our Board on 17 June 2025.

She graduated with a Bachelor of Accounting from University of Malaya in 1980. She commenced her career in Penang Development Corporation as a financial accountant in August 1980 to August 1981. In September 1981, she joined Thornton Baker, London as an Audit Executive and was in audit, accounting and taxation work. She qualified as a Chartered Accountant in September 1984.

She subsequently joined Ernst & Whinney as a senior auditor in February 1985 before leaving to join D&C Mitsui Merchant Bankers Berhad in September 1987 as a corporate finance manager. In September 1990, she joined the KPMG Management Consulting division as a manager and subsequently left to become the Financial Controller of RSH (Malaysia) Sdn Bhd and Reebok (M) Sdn Bhd.

In March 1994, she joined PB Securities Sdn Bhd as the Head of Operations before leaving to join CIMB Group Holdings Berhad as the Director of Group Finance in July 2000. She was previously the Executive Director and Group Chief Financial Officer of Petra Holdings Berhad from May 2013 to December 2016. She has served on the boards of Red Sena Berhad (under members’ voluntary liquidation), Petra Energy Berhad, and Mr. D.I.Y. Group (M) Berhad since 2014, 2016 and 2019, respectively. She was appointed as an Independent Non-Executive Director of HSBC Amanah Malaysia Berhad in October 2023.

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

Presently, she is the Chairman of the Audit and Risk Management Committee for Mr. D.I.Y. Group (M) Berhad and Petra Energy Berhad, respectively. She is a member of the Malaysian Institute of Accountants since 1985 and a Member of the Institute of Chartered Accountants in England and Wales since 1984.

(iv) Roslina Binti Abdul Rahman

Roslina Binti Abdul Rahman, a Malaysian aged 57, is our Independent Non-Executive Director. She was appointed to our Board on 17 June 2025.

She graduated with a Bachelor of Business Administration from Loyola Marymount University, Los Angeles, USA in 1990 and subsequently obtained a Master of Business Administration from the University of New South Wales and the University of Sydney in 2000. She also completed the Advanced Management Program from the Harvard Business School in Boston, USA in 2022.

She commenced her career as an analyst and equity portfolio manager with Arab-Malaysian Merchant Banking Group in November 1990 until June 1998. In July 1998, she embarked on a sabbatical to pursue her postgraduate degree in Business Administration until July 2000.

Following a short stint with Measat Broadcast Network Systems Berhad from November 2000 to July 2001 as an investor relations manager in the corporate finance department, she joined AmlInvestment Management Sdn Bhd as the head of Corporate Services / Senior Fund Manager in September 2001. She subsequently joined CIMB Principal Asset Management Berhad as a Senior Vice President in August 2004, a position she held for 4 years before joining Amundi Malaysia as the Managing Director in July 2008.

She was the Group Chief Executive Officer of Valuecap Sdn Bhd from August 2018 until June 2021. She has been an Independent Director of Pelaburan Hartanah Nasional Berhad since January 2023 and also sits on the board of several private companies.

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

9.2.2 Shareholdings of our Directors

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

Name	Nationality	Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Halim Bin Haji Din	Malaysian	-	-	-	-	⁽³⁾ 100,000	0.02	-	-
Ramanathan A/L P.R. Singaram	Malaysian	-	-	-	-	⁽³⁾ 100,000	0.02	-	-
Ng Ing Peng	Malaysian	-	-	-	-	⁽³⁾ 100,000	0.02	-	-
Roslina Binti Abdul Rahman	Malaysian	-	-	-	-	⁽³⁾ 100,000	0.02	-	-

Notes:

(1) Based on our issued share capital of 425,000,000 after the Pre-IPO Exercise.

(2) Based on our enlarged issued share capital of 500,000,000 Shares upon Listing.

(3) Assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocation.

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

9.2.3 Principal directorship and business activities of our Directors outside our Group in the past five years

The directorships of our Directors outside of our Group as at the LPD and in the past five years preceding the LPD, as well as their involvement in principal business activities outside of our Group as at the LPD are as follows:

(i) Halim Bin Haji Din

Name of Company	Principal activities	Involvement in business activities
Present directorships:		
<ul style="list-style-type: none"> Armada Ikhtiar Sdn Bhd 	Activities of holding companies	<ul style="list-style-type: none"> Director Shareholder holding direct interest of 73.00%
<ul style="list-style-type: none"> IA Group Sdn Bhd (<i>formerly known as Innovation Associates Holdings Sdn Bhd</i>) 	Investment holding company with its subsidiaries principally involved in providing advisory and consultancy services in strategy, business improvement, computers, telecommunication and information technology, as well as the invention and development of cutting-edge technological products and services	<ul style="list-style-type: none"> Director Shareholder holding direct interest of 57.78%
<ul style="list-style-type: none"> IAG Solutions Sdn Bhd (<i>formerly known as Leadership Development Forum Sdn Bhd</i>) 	Provision of training, research and consultancy services on development of leadership	<ul style="list-style-type: none"> Director Shareholder holding direct interest of 50.00%
<ul style="list-style-type: none"> Innovation Associates Consulting Sdn Bhd (<i>formerly known as Innovation Associates Sdn Bhd</i>) 	Providing advisory and consultancy services in relation to strategy, business improvement, computers, telecommunication and information technology	<ul style="list-style-type: none"> Director Shareholder holding direct interest of 3.65%
<ul style="list-style-type: none"> TFX Consulting Sdn Bhd (<i>formerly known as Agensi Pekerjaan CareerXCell Sdn Bhd</i>) 	Provision of training and consultancy services	<ul style="list-style-type: none"> Director Shareholder holding direct interest of 99.99%
<ul style="list-style-type: none"> TFX Enterprise Sdn Bhd 	Other information technology service activities not elsewhere classified	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> TFX Global Sdn Bhd 	Other information technology service activities not elsewhere classified and money lending service	<ul style="list-style-type: none"> Director Shareholder holding direct interest of 10.00%
<ul style="list-style-type: none"> TFX Islamic Sdn Bhd 	Other information technology service activities not elsewhere classified	<ul style="list-style-type: none"> Director

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

Name of Company	Principal activities	Involvement in business activities
<ul style="list-style-type: none"> Wasco Berhad 	Investment holding and provision of management services to its subsidiaries	<ul style="list-style-type: none"> Director
Previous directorships in the past five years preceding the LPD:		
<ul style="list-style-type: none"> BNP Paribas Malaysia Behad 	Banking, related financial services and Islamic banking business	<ul style="list-style-type: none"> Director (resigned on 22 March 2020)
<ul style="list-style-type: none"> CXL Executive Sdn Bhd 	Engaged in recruitment consultancy services	<ul style="list-style-type: none"> Director (resigned on 7 January 2021)
<ul style="list-style-type: none"> CXL Solutions Sdn Bhd (formerly known as Innovation Associates Outsource Sdn Bhd) 	Engaged in the business of outsourcing services primarily in back office processes such as accounting, human resources and applications, including provision of people, process, technology and knowledge sharing	<ul style="list-style-type: none"> Director (resigned on 7 January 2021)
<ul style="list-style-type: none"> IGB REIT Management Sdn Bhd 	Management of IGB real estate investment trust	<ul style="list-style-type: none"> Director (resigned on 1 March 2024)
<ul style="list-style-type: none"> Krawler Sdn Bhd 	Engaged in the invention and development of cutting-edge technological products and services	<ul style="list-style-type: none"> Director (resigned on 17 January 2025)
<ul style="list-style-type: none"> Kwasa Land Sdn Bhd (formerly known as Kwasa Cochrane Sdn Bhd) 	Investment holding, property investment, property and land development and the provision of shared services to subsidiaries	<ul style="list-style-type: none"> Director (resigned on 31 December 2020)

(ii) Ramanathan A/L P.R. Singaram

Name of Company	Principal activities	Involvement in business activities
Present directorships:		
<ul style="list-style-type: none"> Alam-PE Holdings (L) Inc. 	Investment holding company with its subsidiaries principally involved in owning and chartering of ship management.	<ul style="list-style-type: none"> Alternate Director
<ul style="list-style-type: none"> Alam-Pe Holdings Sdn Bhd 	Ship management	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Alam-PE I (L) Inc. 	Owning and chartering of ship	<ul style="list-style-type: none"> Alternate Director
<ul style="list-style-type: none"> Alam-PE II (L) Inc. 	Owning and chartering of ship	<ul style="list-style-type: none"> Alternate Director
<ul style="list-style-type: none"> Alam-PE III (L) Inc. 	Owning and chartering of ship	<ul style="list-style-type: none"> Alternate Director

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

Name of Company	Principal activities	Involvement in business activities
• Alam-PE IV (L) Inc.	Owning and chartering of ship	• Alternate Director
• Alam-PE V (L) Inc.	Owning and chartering of ship	• Alternate Director
• Asiana Emas Sdn Bhd	Investment holding company with its subsidiaries principally involved in manufacturing and sales of spiral welded pipes for the oil and gas industry	• Director
• Bayou Wasco Insulation, LLC	Provision of thermal insulation coating services to pipes or pipelines	• Director
• Boustead Wah Seong Sdn Bhd (formerly known as <i>Passion Returns Sdn Bhd</i>)	Undertake investment holding activities and business in property development and management, provision of general fabrication, engineering and oil and gas services, trading and marketing activities and any other business or projects shall be mutually agreed from time to time in Myanmar	• Director
• Evraz Wasco Pipe Protection Corporation	Provision of pipe coating services	• Director
• Maple Sunpark Sdn Bhd (in the process of winding-up)	Letting of properties	• Director
• Peakvest Sdn Bhd	Letting of property	• Director
• Petro-Pipe Engineering Services Sdn Bhd (formerly known as <i>Petro-Pipe Concrete Piles Sdn Bhd</i>)	Trading and distribution of parts and machineries and other ancillary materials and services	• Director
• Petro-Pipe Industrial Corporation Sdn Bhd (formerly known as <i>Esteem Chapter Sdn Bhd</i>)	Investment holding company with its subsidiaries principally involved in supplying steel pipes products and services, leasing of intellectual property, trading of machinery and spare parts, provision of technical and engineering services and trading and distribution of building materials	• Director
• Petro-Pipe Industries (M) Sdn Bhd (in the process of winding-up)	Investment holding company with its subsidiaries principally involved in supplying steel pipes products and services and leasing of intellectual property	• Director

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

Name of Company	Principal activities	Involvement in business activities
• PPI Industries Sdn Bhd (<i>in the process of winding up</i>)	Supplying and trading of steel pipes and related products and services	• Director
• PPSC China Limited	Investment holding company with its subsidiaries principally involved in the provision of pipe coating services and trading of goods	• Director
• PPSC Industrial Holdings Sdn Bhd	Investment holding company with its subsidiaries principally involved in coating of pipes for the oil and gas industry	• Director
• PT Wasco Engineering International (<i>in the process of winding up</i>)	Consulting services, rental, repair and maintenance of natural gas industry equipment	• Director
• PT. Wasco Engineering Indonesia	Provision of engineering, design, fabrication and construction services for the oil and gas industry	• Director
• Stellar Marketing Sdn Bhd (<i>in the process of winding-up</i>)	Trading and distribution of building materials	• Director
• Sunrise Green Sdn Bhd	Property and investment holding	• Director
• Syarikat Beka Sdn Bhd	Retail sale of construction materials, hardware, paints and glass	• Director
• Syn Tai Hung Trading Sdn Bhd	Trading and distribution of building materials	• Director
• Triple Cash Sdn Bhd	Investment and property holding	• Director
• Wah Seong Industrial Holdings Sdn Bhd	Investment and property holding and provision of management services	• Director
• Wah Seong Management Services Sdn Bhd (<i>in the process of winding-up</i>)	Provision of management support services and business management consultancy services	• Director
• Wasco Capital Sdn Bhd (<i>formerly known as WSC Capital Sdn Bhd</i>)	Treasury management centre	• Director
• Wasco China International Limited	Investment holding company with its subsidiaries principally involved in design and manufacturing of products to the oil and gas industry.	• Director

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

Name of Company	Principal activities	Involvement in business activities
• Wasco Coatings Europe B.V.	Provision of pipe coating and related services to the oil and gas industry	• Director
• Wasco Coatings Germany (Plant & Equipment) GmbH (<i>in the process of liquidation</i>)	Providing coating services on pipes for the oil and gas industry as well as trading with all related parties related goods and services	• Director
• Wasco Coatings HK Limited	Investment holding, construction of coating plants, marketing and provision of pipe coating and related services in the oil & gas industry	• Director
• Wasco Coatings Limited	Investment holding company with its subsidiaries principally involved in the provision of pipe coating and related services to the oil and gas industry	• Director
• Wasco Coatings Malaysia Sdn Bhd (<i>formerly known as PPSC Industries Sdn Bhd</i>)	Coating of pipes for the oil and gas industry	• Director
• Wasco Coatings Middle East QFZ LLC (Board of Manager)	Provision of anti-corrosion and concrete weight coating services to the oil and gas industry	• Director
• Wasco Coatings Services Sdn Bhd	Provision of pipes coatings services and services related to oil and gas industry	• Director
• Wasco Coatings Singapore Pte. Ltd.	Investment holding company with its subsidiary principally involved in the provision of engineering design, construction, installation services and supply of equipment for pipe coating plant and facilities for the oil and gas industry	• Director
• Wasco Coatings UK Ltd.	Investment holding company with its joint venture principally involved in the provision of thermal insulation coating services	• Director
• Wasco E&P Services Limited	Investment holding company with its subsidiaries principally involved in design and manufacturing of products to the oil and gas industry	• Director

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

Name of Company	Principal activities	Involvement in business activities
• Wasco Energy Ltd.	Investment holding company with its subsidiaries principally involved in specialised pipe coating and corrosion protection services; engineering, procurement and construction of gas compressors and process equipment	• Director
• Wasco Engineering Group Limited	Investment holding company with its subsidiaries principally involved in engineering, procurement, construction, fabrication and rental of gas compressor and process equipment	• Director
• Wasco Engineering International Ltd	Leasing of compressors and power generators, designing, engineering and fabrication and sale of gas processing and compression systems and gas based power generators; and servicing and selling parts of oil and gas processing and compression systems	• Director
• Wasco ISOAF S.R.L	Provision of line pipe coating, fuel, gas and gas cylinder	• Director
• Wasco Kanssen Limited	Investment holding and provision of pipe coating services	• Director
• Wasco Management Services Sdn Bhd (<i>formerly known as Senandung Sistem Sdn Bhd</i>)	Provision of management support services to the subsidiaries of its immediate holding company	• Director
• Wasco Oil Technologies Sdn Bhd (<i>formerly known as Total Oil Technologies Sdn Bhd</i>)	Investment holding company and provision of management services	• Director
• Wasco Pipe Sabah Sdn Bhd (<i>formerly known as Petro-Pipe (Sabah) Sdn Bhd</i>)	Manufacture and sales of spiral welded pipes for the oil and gas industry	• Director

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

Name of Company	Principal activities	Involvement in business activities
<ul style="list-style-type: none"> Wasco Process Engineering Sdn Bhd (<i>formerly known as Jutasama Sdn Bhd</i>) 	Contracting of industrial engineering projects and construct, build, charter, purchase or otherwise acquire, supply of ship, boat, barge, submarine, vessels of any type of class and its components, accessories, spare parts and any other type of fixtures and to establish, maintain and repair of lines or regular services for ships or other vessels	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Wasco Resources Sdn Bhd (<i>formerly known as PPSC Resources Sdn Bhd</i>) 	Property investment holding	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> WEGL Investments Pte. Ltd. 	Investment holding and property management	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> WEGL Offshore Investment Pte. Ltd. 	Investment holding and property management	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Welspun Wasco Coatings Private Limited 	Provision of pipe coating services	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> WS Engineering & Fabrication Pte. Ltd. 	Design, engineering and fabrication of oil and gas processing and compression systems and equipment	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> WS Engineering Equipment Pte. Ltd. 	Leasing of equipment and provision of operation and maintenance, and other related services to the oil and gas industry	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> WS Engineering Technologies Pte Ltd. 	Engineering and fabrication of oil and gas systems and equipment	<ul style="list-style-type: none"> Director
Previous directorships in the past five years preceding the LPD:		
<ul style="list-style-type: none"> Eco Consortium Sdn Bhd (<i>formerly known as Advanced Piping Systems Sdn Bhd</i>) 	Project management, construction and consultants in oil and gas industry	<ul style="list-style-type: none"> Director (resigned on 1 April 2023)
<ul style="list-style-type: none"> Syn Tai Hung Marketing Sdn Bhd (<i>formerly known as STH Sri Bulatan Sdn Bhd</i>) 	Trading, distribution and service of industry machinery, equipment and spare parts, trading and distribution of building materials and sale of industrial, commercial and agricultural equipment	<ul style="list-style-type: none"> Director (resigned on 30 June 2024)

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

Name of Company	Principal activities	Involvement in business activities
<ul style="list-style-type: none"> Wasco Infra Services Sdn Bhd (formerly known as Wasco CPM Sdn Bhd) 	Engineering, procurement and construction of onshore and near shore of hydrocarbon, water and slurry pipelines and associated facilities	<ul style="list-style-type: none"> Director (resigned on 1 April 2023)
<ul style="list-style-type: none"> WDG Assembly Sdn Bhd (formerly known as STH Edaran Sdn Bhd) 	Marketing, distribution, service, maintenance and assembly of industrial and agricultural equipment	<ul style="list-style-type: none"> Director (resigned on 30 June 2024)
<ul style="list-style-type: none"> WDG Resources Sdn Bhd (formerly known as Advanced Piping Systems Sdn Bhd) 	Trading, distribution, wholesale and retail, renting, leasing and service of industry machinery, equipment and parts	<ul style="list-style-type: none"> Director (resigned on 30 June 2024)

(iii) Ng Ing Peng

Name of Company	Principal activities	Involvement in business activities
Present directorships:		
<ul style="list-style-type: none"> HSBC Amanah Malaysia Berhad 	To establish and carry on in Malaysia and elsewhere the business of Islamic banking and other ancillary business, to carry on business as capitalists, financiers, concessionaries, financial agents and advisers and to provide financing, borrow, raise money and to deal in exchange	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Mr D.I.Y. Group (M) Berhad (formerly known as Mr D.I.Y. Enterprise Sdn Bhd) 	Investment holding company with its subsidiaries principally involved in retailing of home improvement products, mass merchandise, games, toys, groceries and related business and activities	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Petra Energy Bhd (formerly known as Portfolio Hitech Sdn Bhd) 	Investment holding company with its subsidiaries principally involved in exploration, development and production of crude oil and petroleum resources, provision of integrated brownfield services for the upstream oil and gas industry, ownership and supply of vessels	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Red Sena Berhad (in the process of winding-up) 	Investment holding company with its subsidiaries principally involved in branded and packaged food and beverages business within the food and beverages industry	<ul style="list-style-type: none"> Director

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

(iv) Roslina Binti Abdul Rahman

<u>Name of Company</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
Present directorships:		
<ul style="list-style-type: none"> Century Chemical Works Sendirian Berhad 	Manufacturing and sale of activated carbon products and renting of warehouse	<ul style="list-style-type: none"> Director Shareholder holding direct interest of 4.83%
<ul style="list-style-type: none"> EDOTCO Group Sdn Bhd (formerly known as Axiata SPV3 Sdn Bhd) 	Investment holding company and provision of technical and operation support services on the telecommunications and related industries in local and international markets	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Pelaburan Hartanah Nasional Bhd 	Management of real estate investment trusts	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Tiara Matahari Sdn Bhd 	Property renting	<ul style="list-style-type: none"> Director Shareholder holding direct interest of 99.90%
Previous directorships in the past five years preceding the LPD:		
<ul style="list-style-type: none"> EQ8 Capital Sdn Bhd (formerly known as I-Vcap Management Sdn Bhd) 	Islamic fund management activities	<ul style="list-style-type: none"> Director (resigned on 19 February 2021)
Involvement in business activities other than as a director:		
<ul style="list-style-type: none"> Dynamics Orchard Farm Sdn Bhd 	Growing of plants for planting, growing of fruits bearing vegetables, agricultural activities for crops production on a fee or contract basis	<ul style="list-style-type: none"> Shareholder holding 75,000 preference shares
<ul style="list-style-type: none"> Singularity Aerotech Holding Sdn Bhd 	Activities of holding companies, research and development on engineering and technology	<ul style="list-style-type: none"> Shareholder holding direct interest of 12.21%
<ul style="list-style-type: none"> Singularity Connect Sdn Bhd 	Other information technology service activities not elsewhere classified, wholesale of a variety of goods without any particular specialisation not elsewhere classified, activities of holding companies	<ul style="list-style-type: none"> Shareholder holding direct interest of 0.079%

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

The involvement of our Directors in other business activities outside of our Group do not give rise to any conflict of interest situation with our business. In addition, the involvement of our Directors in those business activities outside of our Group will not affect their commitment and responsibilities to our Group, as our Non-Executive Directors are not involved in the day-to-day operations of our Group. Further, their involvement in other business activities outside our Company will not affect their contributions to our Group as the principal activities of those companies are not similar to our Group's business.

9.2.4 Service contracts with our Directors

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

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

9.2.5 Remuneration and material benefits in-kind of our Directors

None of our Directors were paid any remuneration and material benefits-in-kind by our Group for the FYE 31 December 2024. For the FYE 31 December 2025, the aggregate remuneration and material benefits in-kind (including any contingent or deferred remuneration) proposed to be paid to our Directors for services rendered or to be rendered to us in all capacities to our Group is as follows:

FYE 31 December 2025 (Proposed)	Salaries (RM'000)	Directors' Fees (RM'000)	Bonus (RM'000)	Contributions to EPF and Social Security Organisation (RM'000)	Allowances (RM'000)	Benefits- in-kind (RM'000)	Total (RM'000)
Halim Bin Haji Din	-	110	-	-	8	-	-
Ramanathan A/L P.R. Singaram	-	*120	-	-	*18	-	-
Ng Ing Peng	-	*135	-	-	*18	-	-
Roslina Binti Abdul Rahman	-	*125	-	-	*18	-	-

The remuneration of our Directors, which includes salaries, Directors' fees, bonus and such other allowances as well as other benefits-in-kind, must be considered and recommended by the Nomination and Remuneration Committee and subsequently approved by our Board. Our Directors' fees must be further approved/endorsed by our shareholders at a general meeting.

Note:

* Inclusive of their remuneration as a member of the respective board committees.

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

9.2.6 Audit Committee

Our Audit Committee was formed by our Board on 26 June 2025. Our Audit Committee currently comprises the following members, a majority of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Ng Ing Peng	Chairperson	Senior Independent Non-Executive Director
Ramanathan A/L P.R. Singaram	Member	Non-Independent Non-Executive Director
Roslina Binti Abdul Rahman	Member	Independent Non-Executive Director

Our Audit Committee (“**AC**”) undertakes, amongst others, the following functions:

(i) Financial Reporting

- (a) Review the quarterly results and the annual financial statements, prior to the approval by the Board focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant or unusual matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions and how these matters are addressed; and
 - (iii) compliance with accounting standards and other legal requirements.

(ii) External Audit and Internal Audit

- (a) Review the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to our Board;
- (b) Review with the external auditors, the audit scope and plan, including any subsequent changes to the audit scope and plan, the audit report and the evaluation of the system of internal controls;
- (c) Review the adequacy of the internal audit scope and plan, as well as the budget allocation, functions, competency and resources of the internal audit function and whether it has the necessary authority to carry out its work;
- (d) Review the internal and external audit reports to ensure that appropriate and prompt remedial action is taken by Management on major deficiencies in controls or procedures that are identified;
- (e) Review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;
- (f) Review major audit findings and the Management’s response during the year with Management, internal and external auditors, including the status of previous audit recommendations;
- (g) Review the assistance given by our Group’s officers to both the internal and external auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;

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

- (h) Review the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money;
- (i) All non-audit services to be undertaken by the external auditors will have to be tabled or referred to the AC for approval;
- (j) Ensure co-ordination between the internal and external auditors;
- (k) Ensure that our Board prepares an AC report at the end of each financial year in accordance with the Listing Requirements;
- (l) Review any letter of resignation from the external auditors of our Company;
- (m) Review whether there is any reason (supported by grounds) to believe that our Company's external auditors is not suitable for re-appointment; and
- (n) Appropriately communicate on matters that may have an effect on the financial or audit of our Company to the external auditor.

(iii) Risk Management and Internal Control

- (a) Oversee, review and monitor the duties and responsibilities of the Risk Management Committee ("**RMC**") which is a sub-committee to the AC as well as assess the scope and effectiveness of the systems and processes established by the RMC;
- (b) Identify, assess, manage and monitor areas of material business risks of our Group, financial and non-financial risks;
- (c) Develop and ensure the systems and processes in identifying, assessing, treating, monitoring and reporting the business risks are continuously improved;
- (d) Oversee the conduct and review the results of our Group's risk assessment including the identification and reporting of critical risk;
- (e) Conduct annual review and periodic testing of our Company's internal control and risk management framework;
- (f) Advise our Board on our Group's current risk exposures and futures risk strategy based on its overall risk appetite;
- (g) Recommend the risk policy including the setting up of risk management authorities, limits and escalation procedures to our Board;
- (h) Provide guidance and strategic direction to the business units on the adequacy and effectiveness of internal control systems for identification and mitigation of material business risks;
- (i) Establish procedures in conjunction with the respective business units to ensure identification of and compliance with relevant laws, licensing and regulatory requirements;
- (j) Review the Statement on Risk Management and Internal Control to ensure that relevant information as prescribed in the Listing Requirements are disclosed in our Company's Annual Report; and
- (k) Undertake any other risk management tasks as may be delegated by our Board to the Committee.

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

(iv) Corporate Governance, Compliance, Regulatory, Tax and all relevant compliance matters of our Company

- (a) Evaluate and monitor our Company's compliance with the relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing our Company;
- (b) Review the assessment of the alignment to the relevant regulatory standards in our Company's systems, controls and conduct of business;
- (c) Receive and consider reports of non-compliance by our Company from the external service providers i.e. the auditors, legal advisors, agents, consultants and external parties with any relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing our Company;
- (d) Ensure our Company's tax matters are managed in line with the relevant tax legislations and our Company's overall approach to governance and transparency while ensuring stakeholders interest are protected;
- (e) Review new legal, regulatory, tax and compliance requirements and standards;
- (f) Ensure our Board is informed of upcoming changes in corporate governance, regulations or compliance requirements and the needful plans are put in place to ensure that our Company is ready for the needful changes;
- (g) Provide oversight of our Company's relationships with its regulators; and
- (h) Assess and ensure that our Board and the Board Committees have adequate time, updated information and resources to fulfil their fiduciary duties towards our Company.

(v) Anti-Bribery and Corruption Compliance

- (a) Oversight of development and implementation of our Group's Business Ethics Principles, Anti-Bribery and Corruption Policy ("**ABC Policy**"), Anti-Bribery Management System ("**ABMS**"), Whistle Blowing Policy in relation to anti-bribery and corruption, whistle blowing and non-financial risks;
- (b) Advise our Board and the Management on the anti-bribery and corruption, legislative and regulatory landscape to ensure compliance;
- (c) Review the adequacy of compliance programme of our Group and the implementation of the relevant anti-bribery and corruption control measures, including but not limited to, due diligence process, compliance checks and monitoring, as well as the authorities' raid procedures, to ensure ongoing awareness programme, communication, training and education on compliance disseminated to all employees, consultants, associates, suppliers and stakeholders of our Group;
- (d) Review the ABMS from time to time to ensure that our Group is in compliance with the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2016, the Listing Requirements and other legislative and reporting requirement;
- (e) Identify the bribery and corruption risks which our Group might reasonably anticipate and furnish the bribery risk assessment and the report to the Board through AC of any findings of the RMC;
- (f) Inquire into any allegation of bribery or act of corruption and ensure appropriate actions are taken;

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

- (g) Supervise, monitor and manage the complaints received pertaining to bribery, corruption, abuse of power, malpractice and violation of business conduct within our Group;
- (h) Monitor and review the development and implementation of the anti-bribery and corruption, legislative and regulatory landscape. The RMC to ensure that they are appropriate, effective, adequately enforced and conformance to the requirements of ISO37001:2016 standard; and
- (i) Perform any other activities relating to anti-bribery and corruption, as authorised by our Board.
- (vi) Related Party Transactions (“RPT”), Recurrent RPT (“RRPT”) and Conflict of Interest (“COI”)**
- (a) Review the COI Policy to effectively identify, address, and manage COI or potential COI, including those that are actual, potential or perceived in nature; and
- (b) Review any RPT, RRPT and COI situation that arose, persist or may arise within our Company or our Group, including any transaction, procedures or course of conduct that raises questions on Management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.

9.2.7 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee (“**NRC**”) was established by our Board on 26 June 2025. Our NRC currently comprises the following members, a majority of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Ng Ing Peng	Chairperson	Senior Independent Non-Executive Director
Ramanathan A/L P.R. Singaram	Member	Non-Independent Non-Executive Director
Roslina Binti Abdul Rahman	Member	Independent Non-Executive Director

Our NRC undertakes, amongst others, the following functions:

- (i) Nomination**
- (a) Determine the core competencies and skills required of Board members to best serve the business and operations of our Group as a whole and the optimum size of our Board to reflect the desired skills and competencies;
- (b) Review the size of Non-Executive participation, Board balance and determine if additional Board members are required and also to ensure that at least one-third (1/3) of our Board is independent;
- (c) To review and assess the skills, expertise, experience, gender, age, ethnicity, time commitment and independence of our Directors to ensure their relevance and the efficiencies and effectiveness of our Board as a whole including its effectiveness in:
- promoting a diverse Board composition which includes appropriate number of woman Director(s), as required under the Listing Requirements; and
 - addressing our Group’s material sustainability risks and opportunities;

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

- (d) Recommend to our Board on the appropriate number of Directors to compose our Board which should fairly reflect the investments of the minority shareholders in our Company, and whether the current Board representation satisfies this requirement;
- (e) To assess the independency of the Independent Directors;
- (f) Recommend to our Board, candidates for directorships to be filled by the shareholders or our Board;
- (g) Consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder;
- (h) Consider utilising independent sources in the event suitable candidates could not be sourced from recommendations;
- (i) Recommend to our Board, Directors to fill the seats on Board Committees;
- (j) Undertake an annual review of the required mix of skills and experience and other qualities of Directors, including core competencies which Non-Executive Directors should bring to our Board and to disclose this forthwith in every Annual Report;
- (k) Assist our Board to introduce a criteria and to formulate and implement a procedure to be carried out by the NRC annually for assessing the effectiveness of our Board as a whole, the Board Committees and for assessing the contributions of each individual Director;
- (l) Introduce any regulation which would enable the smooth administration and effective discharge of the NRC's duties and responsibilities;
- (m) To furnish a report to our Board of any findings of the NRC;
- (n) To recommend to our Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director;
- (o) To recommend Directors who are retiring by rotation to be put forward for re-election;
- (p) To recommend to our Board the employment of the services of such advisers as it deems necessary to fulfill the Board's responsibilities;
- (q) To review the term of office and performance of the Audit Committee and each of its members annually;
- (r) To review the appointment and termination of Key Senior Management of our Group;
- (s) To review the appointment, re-appointment, re-election and/or resignation of Directors on the Board of our Company and of its subsidiaries, where necessary;
- (t) To review the composition, quality, capacity, competencies and effectiveness of our Board of the subsidiaries, where necessary; and
- (u) To review the participation of women in Senior Management to ensure that there is a healthy talent pipeline.

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

(ii) Remuneration

- (a) Review, recommend and advise on all forms of Directors' remuneration, for example:
- Basic Salary
 - Profit-sharing schemes (if any)
 - Share options
 - Any other benefits;
- (b) To establish fair, formal and transparent procedures for developing a policy for our Board and Senior Management's remuneration and for fixing the remuneration packages of individual Directors and Senior Management;
- (c) To determine the appropriate level of remuneration for our Board and Senior Management based on our Company's performance in managing material sustainability risks and opportunities;
- (d) To structure the component parts of the Executive Directors' remuneration so as to link rewards to corporate and individual performance; whereas, in the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned;
- (e) Conduct continued assessment of individual Executive Directors to ensure that remuneration is directly related to performance over time;
- (f) In this regard, the review of Non-Executive Directors' fees may take place at a different time of the year from the review of Executive Directors' salaries;
- (g) To monitor and assess the suitability of such proposed performance related formula (e.g. whether the formula is based on individual performance, company profit performance, earnings per share, etc.) and to see that awards under our Company's share option schemes are consistent with our Company's overall performance and provide an additional incentive to Management;
- (h) To provide an objective and independent assessment of the benefits granted to Executive Directors;
- (i) To ensure that there are adequate pension arrangements for the Executive Directors;
- (j) To consider, the extent of the details of our Board and Key Senior Management's remuneration to be reported in our Company's Annual Report in compliance with the MCCG and the Listing Requirements;
- (k) To review the Remuneration Policy for the Board and Senior Management of our Group in order to attract and retain key personnel of requisite quality that increases productivity and profitability in the long run. The Remuneration Policy is available on our Company's website at www.wascoenergy.com. The Remuneration Policy and procedures determines the remuneration of Directors and Senior Management which takes into account the demands, complexity and performance of our Company as well as the skills and experience required and which properly reflect the different roles and responsibilities of the Executive Directors, Non-Executive Directors and Senior Management accordingly;

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

- (l) To review and determine the appropriate remuneration package for our Board and Key Senior Management of our Group;
- (m) To review the salary increment or adjustment in the event of promotion or re-designation of Key Senior Management of our Group, where necessary;
- (n) To review the annual increment and bonus payment for Key Senior Management of our Group basing on the performance of our Group and performance of the individuals, where necessary; and
- (o) To establish schemes, options and remuneration and compensation plans for the Board of Directors and Key Senior Management of our Group, where appropriate.

9.2.8 Board Sustainability Committee

Our Board Sustainability Committee was established by our Board on 26 June 2025. Our Board Sustainability Committee currently comprises the following members, of which a majority of them are Independent Non-Executive Directors:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Roslina Binti Abdul Rahman	Chairperson	Independent Non-Executive Director
Ramanathan A/L P.R. Singaram	Member	Non-Independent Non-Executive Director
Ng Ing Peng	Member	Senior Independent Non-Executive Director

Our Board Sustainability Committee undertakes, amongst others, the following functions:

(i) Sustainability

- (a) Oversee the formulation of our Group's overall sustainability framework and strategies, including principles and policies which are aligned with related regulations and standards;
- (b) Monitor the implementation of our Group's overall sustainability framework, principles, policies, initiatives, activities, strategies, and plan undertaken or implemented;
- (c) Review and recommend to our Board the development and implementation of our Company's sustainability-related strategies, goals, initiatives, business plans and major action plans;
- (d) Oversee our Group's responsibilities, on-going commitments and initiatives on its sustainability which encompasses the Economics, Environmental, Social and Governance ("**EESG**") to be in line with our Group's vision, mission and values;
- (e) Review the relevant compliance with the regulatory and public commitments on sustainability matters and monitor the effectiveness of the risk management framework related to sustainability and EESG matters including risk appetites and risk policies;
- (f) Review and consider other sustainability and EESG related matters referred by our Board;
- (g) Ensure the EESG risks identified are incorporated into the risk register and the oversight of each significant risk is the responsibility of our Board;

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

- (h) Consider and determine our Group's position on relevant emerging sustainability issues, and consider and recommend proposals, targets and commitments in connection thereto;
- (i) Oversee and assess our Group's contribution to, impact on and role in environmental, climate change and society in countries where it operates;
- (j) Facilitate the necessary sustainability reporting and disclosures as required by the relevant regulatory and government authorities including our Company's Annual Report; and
- (k) Perform any other duties relating to sustainability as may be required or authorised by our Board.

9.3 KEY SENIOR MANAGEMENT

Our key senior management is responsible for the day-to-day management and operations of our Group. The members of our key senior management as at the date of this Prospectus are as follows:

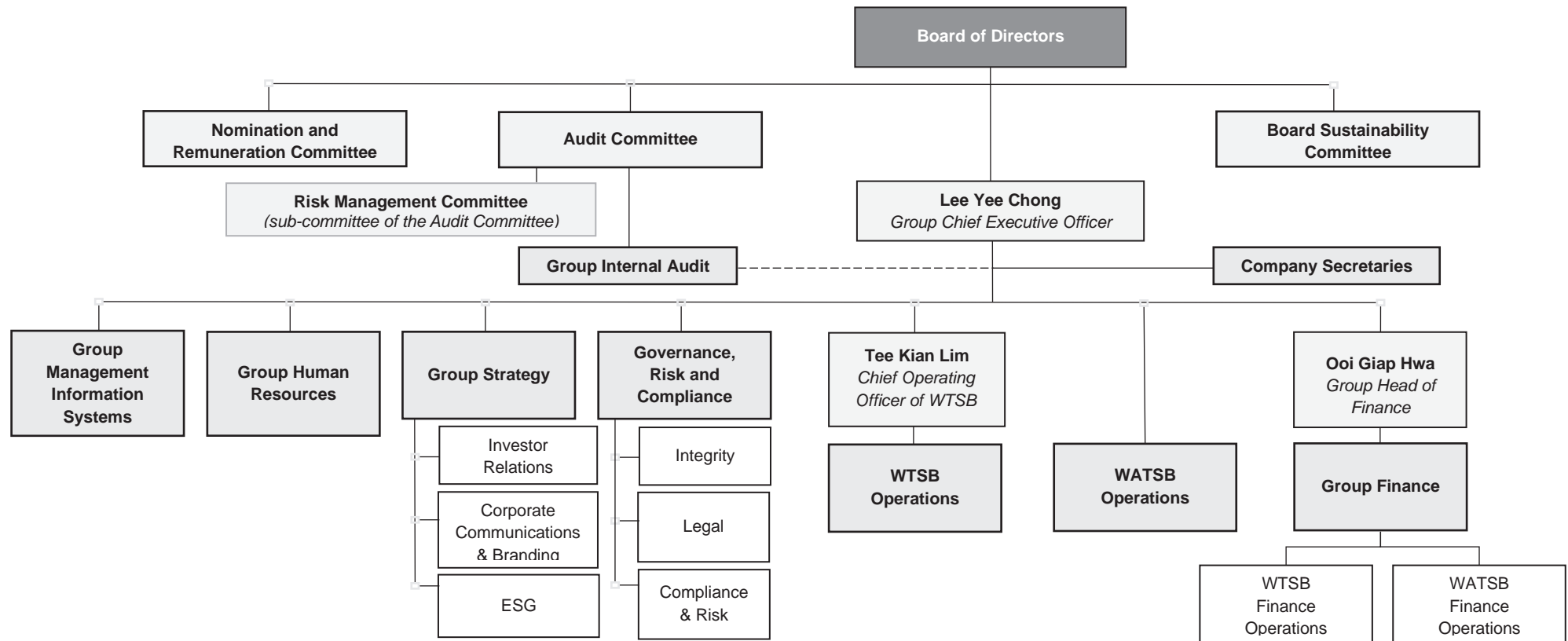
Name	Age	Designation
Lee Yee Chong	57	Group Chief Executive Officer
Ooi Giap Hwa	53	Group Head of Finance
Tee Kian Lim	55	Chief Operating Officer of WTSB

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

9.3.1 MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



Wasco Berhad Group had in the Periods Under Review provided management support services to our Group in the areas of corporate support, accounts, legal, human resource, administration, risk, information technology and ESG. As at 31 December 2024, the management support services previously rendered by Wasco Berhad Group to our Group have ceased. Accordingly, key employees including Lee Yee Chong and Ooi Giap Hwa who had previously supported WATSB and WTSB in its operations and financial reporting have been permanently transferred to our Group. These employees now undertake the day-to-day management and operations of our Group, which is led by our Group Chief Executive Officer, Lee Yee Chong. Accordingly, we are able to continue to operate and carry on our business independently from the Wasco Berhad Group (excluding our Group) after our Listing.

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

9.3.2 Profiles of our key senior management

The profiles of our key senior management are as follows:

(i) Lee Yee Chong

Lee Yee Chong, a Malaysian aged 57, is our Group Chief Executive Officer.

He graduated with a Bachelor of Mechanical Engineering from University of Malaya in 1993 and commenced his career as a Project Engineer with ABB Industrial Systems Sdn Bhd in April 1993. He left ABB Industrial Systems Sdn Bhd in September 1995 to join Wasco Berhad Group. He had held various positions within the Wasco Berhad Group since September 1995 until presently.

Some of the notable positions held by him within Wasco Berhad Group include being appointed as the Chief Operating Officer of Renewable Energy Division of Wasco Berhad in 2014, Chief Executive Officer of Renewable Energy Division of Wasco Berhad from January 2016 to February 2019, and Chief Executive Officer of Industrial Engineering Unit of Wasco Berhad from March 2019 to September 2024.

He was appointed as the Chief Executive Officer of our Group in September 2024.

(ii) Ooi Giap Hwa

Ooi Giap Hwa, a Malaysian aged 53, is our Group Head of Finance.

He commenced his career as an Audit Senior with BDO Malaysia in July 1997 until May 2001, during which he attained his professional qualification from the Malaysian Institute of Certified Public Accountants in February 2000. He left BDO Malaysia to join Taliworks Corporation Berhad as a Financial Accountant in May 2001, a position he held until April 2003. In May 2003, he joined Wasco Berhad as a Finance and Admin Manager.

He has held various positions within the Wasco Berhad Group from May 2003 until presently. Some of the notable positions held by him within the Wasco Berhad Group include being appointed as the Head of Finance (Industrial Services Division) of Wasco Berhad from August 2019 to August 2023, and the Senior Vice President of Operation Finance of Wasco Management Services Sdn Bhd from August 2023 to August 2024, where he was responsible for financial reporting, corporate finance, tax planning, compliance and treasury management.

He is a member of the Malaysian Institute of Certified Public Accountants since 2001 and a member of the Malaysian Institute of Accountants since 2002. He was appointed as the Head of Finance of our Group in September 2024.

(iii) Tee Kian Lim

Please refer to Section 9.1.2(viii) of this Prospectus for his profile.

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

9.3.3 Shareholdings of our key senior management

The following table sets out the direct and indirect shareholdings of our key senior management before and after our IPO:

Name	Nationality	Before our IPO ⁽¹⁾				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %
Lee Yee Chong	Malaysian	-	-	-	-	⁽⁴⁾ 200,000	0.04	-	-
Ooi Giap Hwa	Malaysian	-	-	-	-	⁽⁴⁾ 100,000	0.02	-	-
Tee Kian Lim	Malaysian	-	-	⁽³⁾ 47,306,900	11.13	⁽⁴⁾ 100,000	0.02	⁽³⁾ 37,306,900	7.46

Notes:

- (1) Based on our issued share capital of 425,000,000 after the Pre-IPO Exercise.
- (2) Based on our enlarged issued share capital of 500,000,000 Shares upon Listing.
- (3) Deemed interested through shares held in Tema Energy pursuant to Section 8 of the Act.
- (4) Assuming that our key senior management will fully subscribe for their respective entitlements under the Pink Form Allocation.

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

9.3.4 Involvement of our key senior management in other principal business activities

Save as disclosed below, none of our key senior management are involved in principal business activities outside our Group as at the LPD and in the past five years preceding the LPD:

(i) Lee Yee Chong

Name of Company	Principal activities	Involvement in business activities
<i>Present directorships:</i>		
• Jutasama Jaya Sdn Bhd <i>(in the process of winding-up)</i>	Dealing of material, labour, painting and delivery of steel structures	• Director
• Peakvest Sdn Bhd	Letting of property	• Director
<i>Previous directorships in the past five years preceding the LPD:</i>		
• P.M.T.I Energy (Cambodia) Co., Ltd	Dormant	• Director (resigned 30 July 2020)
• VI Energy Ltd	Investment holding company with its subsidiaries principally involved in project management and establishment of biomass power plant	• Director (resigned 30 July 2020)
• Wasco Engineering Group Limited	Investment holding company with its subsidiaries principally involved in design, engineering and fabrication of oil and gas processing and compression system, leasing of equipment, provision of operations and maintenance services, and other related activities in the oil and gas industry	• Director (resigned 5 May 2025)
• WS Engineering & Fabrication Pte Ltd	Design, engineering and fabrication of oil and gas processing and compression systems and equipment and provide management support services to its related corporations	• Director (resigned 6 May 2025)
• WS Engineering Equipment Pte Ltd	Leasing of equipment and provision of operation and maintenance, and other related services to the oil and gas industry	• Director (resigned 6 May 2025)
• WS Engineering Technologies Pte Ltd	Those relating to the engineering and fabrication of oil and gas systems and equipment	• Director (resigned 6 May 2025)
• Wasco Process Engineering Sdn Bhd	Contracting of industrial engineering projects and construct, build, charter, purchase or otherwise acquire, supply of ship, boat, barge, submarine, vessels of any type of class and its components, accessories, spare parts and any other type of fixtures and to establish, maintain and repair of lines or regular services for ships or other vessels	• Director (resigned 28 March 2025)

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

(ii) Ooi Giap Hwa

Name of Company	Principal activities	Involvement in business activities
Present directorships:		
<ul style="list-style-type: none"> Jutasama Jaya Sdn Bhd (<i>in the process of winding-up</i>) 	Dealing of material, labour, painting and delivery of steel structures	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Lumen Healthcare Sdn Bhd 	Wholesale of a variety of goods without any particular specialisation not elsewhere classified, wholesale of electrical and electronic component and wiring accessories	<ul style="list-style-type: none"> Director Shareholder holding direct interest of 40.00%
<ul style="list-style-type: none"> Petro-Pipe Industries (M) Sdn Bhd (<i>in the process of winding-up</i>) 	Investment holding company with its subsidiaries principally involved in supplying steel pipes products and services and leasing of intellectual property	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> PPI Industries Sdn Bhd (<i>in the process of winding-up</i>) 	Supplying of steel pipes products and services and leasing of intellectual property	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Stellar Marketing Sdn Bhd (<i>in the process of winding-up</i>) 	Trading and distribution of building materials	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Syarikat Beka Sdn Bhd 	Retail sale of construction materials, hardware, paints and glass	<ul style="list-style-type: none"> Director
<ul style="list-style-type: none"> Syn Tai Hung Borneo Sdn Bhd 	Trading and distribution of building materials	<ul style="list-style-type: none"> Director
Previous directorships in the past five years preceding the LPD:		
<ul style="list-style-type: none"> Asiana Emas Sdn Bhd 	Investment holding company with its subsidiaries principally involved in manufacturing and sales of spiral welded pipes for the oil and gas industry	<ul style="list-style-type: none"> Director (resigned 8 January 2025)
<ul style="list-style-type: none"> Petro-Pipe Engineering Services Sdn Bhd (<i>formerly known as Petro-Pipe Concrete Piles Sdn Bhd</i>) 	Trading of machinery and spare parts and provision of technical and engineering services	<ul style="list-style-type: none"> Director (resigned 16 January 2025)
<ul style="list-style-type: none"> Petro-Pipe Industrial Corporation Sdn Bhd (<i>formerly known as Esteem Chapter Sdn Bhd</i>) 	Investment holding company with its subsidiaries principally involved in supplying steel pipes products and services, leasing of intellectual property, trading of machinery and spare parts, provision of technical and engineering services and trading and distribution of building materials	<ul style="list-style-type: none"> Director (resigned 8 January 2025)

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

Name of Company	Principal activities	Involvement in business activities
<ul style="list-style-type: none"> PPSC Industrial Holdings Sdn Bhd 	Investment holding company with its subsidiaries principally involved in coating of pipes for the oil and gas industry	<ul style="list-style-type: none"> Director (resigned 16 January 2025)
<ul style="list-style-type: none"> Sunrise Green Sdn Bhd 	Property and investment holding	<ul style="list-style-type: none"> Director (resigned 16 January 2025)
<ul style="list-style-type: none"> Syn Tai Hung Marketing Sdn Bhd (formerly known as Sth Sri Bulatan Sdn Bhd) 	Trading, distribution and service of industry machinery, equipment and spare parts, trading and distribution of building materials and sale of industrial, commercial and agricultural equipment	<ul style="list-style-type: none"> Director (resigned 30 June 2024)
<ul style="list-style-type: none"> Syn Tai Hung Trading Sdn Bhd 	Trading and distribution of building materials	<ul style="list-style-type: none"> Director (resigned 17 January 2025)
<ul style="list-style-type: none"> Triple Cash Sdn Bhd 	Investment and property holding	<ul style="list-style-type: none"> Director (resigned 16 January 2025)
<ul style="list-style-type: none"> Wah Seong Industrial Holdings Sdn Bhd 	Investment and property holding and provision of management services	<ul style="list-style-type: none"> Director (resigned 10 January 2025)
<ul style="list-style-type: none"> Wasco Coatings Services Sdn Bhd 	Provision of pipes coatings services and services related to oil and gas industry	<ul style="list-style-type: none"> Director (resigned 9 January 2025)
<ul style="list-style-type: none"> Wasco Process Engineering Sdn Bhd (formerly known as Jutasama Sdn Bhd) 	Contracting of industrial engineering projects and construct, build, charter, purchase or otherwise acquire, supply of ship, boat, barge, submarine, vessels of any type of class and its components, accessories, spare parts and any other type of fixtures and to establish, maintain and repair of lines or regular services for ships or other vessels	<ul style="list-style-type: none"> Director (resigned 9 January 2025)
<ul style="list-style-type: none"> Wasco Resources Sdn Bhd (formerly known as PPSC Resources Sdn Bhd) 	Property investment holding	<ul style="list-style-type: none"> Director (resigned 9 January 2025)
<ul style="list-style-type: none"> WDG Assembly Sdn Bhd (formerly known as Sth Edaran Sdn Bhd) 	Marketing, distribution, service, maintenance and assembly of industrial and agricultural equipment	<ul style="list-style-type: none"> Director (resigned 3 March 2020)
Involvement in business activities other than as a director:		
<ul style="list-style-type: none"> Tema Energy 	Investment holding company with its subsidiaries principally involved in the undertaking of steam boiler and energy system projects in both local and overseas market	<ul style="list-style-type: none"> Shareholder holding direct interest of 9.74%

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

(iii) Tee Kian Lim

Name of Company	Principal activities	Involvement in business activities
<i>Present directorships:</i>		
<ul style="list-style-type: none"> Tema Energy 	Investment holding company with its subsidiaries principally involved in the undertaking of steam boiler and energy system projects in both local and overseas market	<ul style="list-style-type: none"> Director Shareholder holding direct interest of 27.08%

The involvement of our key senior management in other business activities outside of our Group do not give rise to any conflict of interest situation with our business. Further, the involvement of our key senior management in those business activities outside our Group will not affect their contributions to our Group and would not be expected to affect the operations of our Group as the day-to-day management and operations of these businesses or corporations are managed by the other shareholders or have their own independent management team.

9.3.5 Service contracts with our key senior management

As at the date of this Prospectus, there are no existing or proposed service contracts between our key senior management and our Group which provide for benefits upon termination of employment.

9.3.6 Key senior management's remuneration and material benefits in-kind

The aggregate remuneration and material benefits in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our key senior management, for services rendered or to be rendered to us in all capacities to our Group for the FYE 31 December 2024 and 2025 are as follows:

	Remuneration band (in bands of RM50'000)	
	FYE 31 December 2024 (Paid)	FYE 31 December 2025 (Proposed)
	RM'000	RM'000
Key senior management		
Lee Yee Chong	200 – 250 ⁽¹⁾	1,250 – 1,350
Ooi Giap Hwa	100 – 150 ⁽²⁾	600 – 650
Tee Kian Lim	500 – 550	600 – 650

Notes:

- (1) Based on the pro-rated amount received by Lee Yee Chong since joining our Group on 12 September 2024 and accordingly, does not represent a full financial year's remuneration.
- (2) Based on the pro-rated amount received by Ooi Giap Hwa since joining our Group on 12 September 2024 and accordingly, does not represent a full financial year's remuneration.

The above remuneration of our key senior management, which includes salaries, bonus, fees and allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board.

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

9.4 ASSOCIATIONS OR FAMILY RELATIONSHIP BETWEEN OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no associations or family relationships between our Promoter, Substantial Shareholders, Directors and key senior management:

- (i) Halim Bin Haji Din who is our Non-Independent Non-Executive Chairman, is:
 - a representative of Wasco Berhad on our Board;
- (ii) Ramanathan A/L P.R. Singaram who is our Non-Independent Non-Executive Director, is:
 - a representative of Wasco Berhad on our Board; and
- (iii) WST, TKYSB, Pauline Tan Suat Ming, TCNSB, Tony Tan Choon Keat and Dato' Seri Robert Tan are substantial shareholders of Wasco Berhad, which in turn is a substantial shareholder of our Company. Dato' Seri Robert Tan, Tony Tan Choon Keat and Pauline Tan Suat Ming are siblings.

9.5 DECLARATION BY OUR PROMOTER, DIRECTORS, AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoter, Directors, or key senior management is and has been involved in any of following events (whether in or outside Malaysia):

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which such person was a director or member of key senior management;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity;
- (vii) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (viii) there is any unsatisfied judgment against such person.

10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S 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 subsection 2(1) of the CMAA, and includes any person who is or was within the preceding six 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 six 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) 10.0% or more of all the voting shares in the corporation; or
 - (b) 5.0% 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. RELATED PARTY TRANSACTIONS (Cont'd)
10.1.2 Material related party transactions

Save as disclosed below, there are no other material transactions entered or to be entered into by our Group which involves the interest, direct or indirect, of our Directors, major shareholders and/or persons connected with them for the Periods Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	of Nature of transaction(s)	For the FYE 31 December			FPE 30 June 2025 (RM'000)	Between 1 July 2025 and the LPD (RM'000)
				2022 (RM'000)	2023 (RM'000)	2024 (RM'000)		
1.	WATSB and Wasco Process Engineering Sdn Bhd ("WPE")	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WATSB and WPE are both subsidiaries of Wasco Berhad 	<p>Purchase of steam separators by WATSB from WPE.</p> <p>This transaction will continue to subsist after Listing. This transaction does not contain any salient terms.</p> <p>Our Directors will ensure that transactions with WPE, if any, after Listing will be carried out on an arm's length basis and based on terms and conditions which will not be more favourable to WPE than those generally available to third parties.</p>	201.5 (0.1% of our Group's cost of sales)	413.8 (0.2% of our Group's cost of sales)	341.4 (0.2% of our Group's cost of sales)	91.0 (0.1% of our Group's cost of sales)	-
2.	WTSB and WPE	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WTSB and WPE are both subsidiaries of Wasco Berhad 	<p>Provision by WPE of labour, equipment and other necessary consumables to perform plate rolling works and bevel preparation by WPE to WTSB.</p> <p>This transaction will continue to subsist after Listing. This transaction does not contain any salient terms.</p> <p>Our Directors will ensure that transactions with WPE, if any, after Listing will be carried out on an arm's length basis and based on terms and conditions which will not be more favourable to WPE than those generally available to third parties.</p>	253.5 (0.1% of our Group's cost of sales)	671.1 (0.3% of our Group's cost of sales)	171.7 (0.1% of our Group's cost of sales)	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction(s)	For the FYE 31 December			FPE 30 June 2025 (RM'000)	Between 1 July 2025 and the LPD (RM'000)
				2022 (RM'000)	2023 (RM'000)	2024 (RM'000)		
3.	WTSB and WPE	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WTSB and WPE are both subsidiaries of Wasco Berhad 	(i) Sale of two units of used gantry crane by WTSB to WPE (ii) Sale of boiler structure and used overhead crane by WTSB to WPE (iii) Purchase of blasting and painting yard and used overhead cranes by WTSB from WPE	-	-	199.5 (0.1% of our Group's total assets)	-	-
			These were one-off transactions entered into between WTSB and WPE. Following Listing, our Group does not intend to enter into similar transactions with WPE.					
4.	WATSB and Wasco Berhad	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WATSB is a subsidiary of Wasco Berhad 	Provision of management support services by Wasco Berhad to WATSB in the areas of corporate support, accounts, legal, human resource, administration, risk, IT and ESG. The provision of support services has lapsed on 31 July 2023 and the provision of such services was assumed by Wasco Management Services Sdn Bhd ("WMS"). Please refer to Item 6 below for further details.	962.4 (2.9% of our Group's PBT)	561.4 (1.2% of our Group's PBT)	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction(s)	For the FYE 31 December			FPE 30 June 2025 (RM'000)	Between 1 July 2025 and the LPD (RM'000)
				2022 (RM'000)	2023 (RM'000)	2024 (RM'000)		
5.	WTSB and Wasco Berhad	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WTSB is a subsidiary of Wasco Berhad 	Provision of management support services by Wasco Berhad to WTSB in the areas of corporate support, accounts, legal, human resource, administration, risk, IT and ESG. The provision of support services has lapsed on 31 July 2023 and the provision of such services was assumed by WMS. Please refer to Item 7 below for further details.	326.9 (1.0% of our Group's PBT)	190.7 (0.4% of our Group's PBT)	-	-	-
6.	WATSB and WMS	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WATSB and WMS are both subsidiaries of Wasco Berhad 	Provision of management support services by WMS to WATSB in the areas of corporate support, accounts, legal, human resource, administration, risk, IT and ESG. The provision of support services has lapsed on 31 December 2024 as our Group will operate and function independently from the Wasco Berhad group following Listing.	-	713.5 (1.6% of our Group's PBT)	1,742.3 (3.2% of our Group's PBT)	-	-
7.	WTSB and WMS	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WTSB and WMS are both subsidiaries of Wasco Berhad 	Provision of management support services by WMS to WTSB in the areas of corporate support, accounts, legal, human resource, administration, risk, IT and ESG. The provision of support services has lapsed on 31 December 2024 as our Group will operate and function independently from the Wasco Berhad group following Listing.	-	650.4 (1.4% of our Group's PBT)	1,418.0 (2.6% of our Group's PBT)	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction(s)	For the FYE 31 December			FPE 30 June 2025 (RM'000)	Between 1 July 2025 and the LPD (RM'000)
				2022 (RM'000)	2023 (RM'000)	2024 (RM'000)		
8.	WTSB and WPE	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WTSB and WPE are both subsidiaries of Wasco Berhad 	Provision of management support services (including the handling of day to day functions and sharing of employees' payroll costs) by WPE to WTSB in the areas of finance, human resource and management information systems The provision of support services has lapsed on 31 December 2024 as our Group will operate and function independently from the Wasco Berhad group following Listing.	1,008.0 (3.1% of our Group's PBT)	1,092.0 (2.4% of our Group's PBT)	1,151.0 (2.1% of our Group's PBT)	-	-
9.	Greenergy and WPE	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company Our Company and WPE are both subsidiaries of Wasco Berhad 	(i) Acquisition by our Company of 100% equity interest in WATSB from WPE in accordance with the share sale agreement dated 29 December 2023 entered into between our Company and WPE ⁽¹⁾ (ii) Acquisition by our Company of 60% equity interest in WTSB from WPE in accordance with the share sale agreement dated 29 December 2023 entered into between our Company and WPE ⁽¹⁾ These were one-off transactions entered into between our Company and WPE in conjunction with an internal restructuring exercise undertaken by Wasco Berhad to house its bioenergy services segment under our Company.	-	134,864.0 (39.0% of our Group's total assets)	-	-	-
				-	20,292.0 (5.9% of our Group's total assets)	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction(s)	For the FYE 31 December			FPE 30 June 2025 (RM'000)	Between 1 July 2025 and the LPD (RM'000)
				2022 (RM'000)	2023 (RM'000)	2024 (RM'000)		
10.	WTSB and Maple Sunpark Sdn Bhd ("Maple Sunpark")	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WTSB and Maple Sunpark are both subsidiaries of Wasco Berhad 	(i) Rental of Lot 1945, Jalan Sungai Terap 32/173 ("Lot 1945") by WTSB from Maple Sunpark ⁽²⁾ for use as office, factory and storage area (ii) Rental of Lot 1944, Jalan Sungai Terap 32/173, 3 Columns ("Lot 1944 3C"), by WTSB from Maple Sunpark ⁽³⁾ for use as office, factory and storage area (iii) Rental of Lot 1944, Jalan Sungai Terap 32/173, 12 Columns ("Lot 1944 12C"), by WTSB from Maple Sunpark ⁽⁴⁾ for use as office, factory and storage area The abovementioned transactions have ceased following the acquisition of Lot 1944 and Lot 1945 by WTSB from Maple Sunpark on 29 December 2023.	1,533.9 (4.6% of our Group's PBT)	1,533.9 (3.4% of our Group's PBT)	-	-	-
11.	WTSB and Maple Sunpark	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WTSB and Maple Sunpark are both subsidiaries of Wasco Berhad 	(i) Acquisition of Lot 1945 by WTSB from Maple Sunpark in accordance with the sale and purchase agreement dated 29 December 2023 entered into between WTSB and Maple Sunpark (ii) Acquisition of Lot 1944 by WTSB from Maple Sunpark in accordance with the sale and purchase agreement dated 29 December 2023 entered into between WTSB and Maple Sunpark These were one-off transactions entered into between WTSB and Maple Sunpark.	-	33,994.0 (9.8% of our Group's total assets)	-	-	-
				-	30,894.0 (8.9% of our Group's total assets)	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction(s)	For the FYE 31 December			FPE 30 June 2025 (RM'000)	Between 1 July 2025 and the LPD (RM'000)
				2022 (RM'000)	2023 (RM'000)	2024 (RM'000)		
12.	Various companies within the Group and Wasco Berhad group of companies	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company Greenergy, WATSB, WTSB, WPE and WSC Capital Sdn Bhd ("Wasco Capital") are subsidiaries of Wasco Berhad 	Advances extended by our Group to the following companies of the Wasco Berhad group ⁽⁵⁾ :					
			(i) Wasco Berhad	8,000.0 (3.0% of our Group's total assets)	-	40,080.0 (12.8% of our Group's total assets)	-	-
			(ii) WPE	19,425.5 (7.2% of our Group's total assets)	21,345.2 (6.2% of our Group's total assets)	-	-	-
			(iii) Wasco Capital	20,170.0 (7.5% of our Group's total assets)	15,650.0 (4.5% of our Group's total assets)	10,000.0 (3.2% of our Group's total assets)	15,000.0 (4.8% of our Group's total assets)	-
			Advances extended by WPE to the following company of our Group ⁽⁵⁾ :					
			WTSB	-	-	2,000.0 (1.4% of our Group's total liabilities)	-	-
			These transactions/arrangements have ceased as at the LPD. Please refer to Item 1 in Section 10.1.4 below for details of the outstanding advances owing between our Group and Wasco Berhad group of companies.					

10. RELATED PARTY TRANSACTIONS (Cont'd)

Notes:

- (1) On 29 December 2023, our Company acquired 100% equity interest in WATSB and 60% equity interest in WTSB from WPE for a purchase consideration of RM134.9 million and RM20.3 million, respectively. The said acquisitions were undertaken in conjunction with an internal restructuring exercise undertaken by Wasco Berhad to house its bioenergy services segment under our Group.

The total purchase consideration of RM155,156,000 has been settled as follows:

- (a) RM114,990,000 through the issuance of 114,990,000 new Shares at the issue price of RM1 per Share; and
- (b) RM40,166,000 as a debt due to WPE which has been repaid by our Company in FYE 31 December 2024.

The Directors are of the view that the transactions entered into with WPE in relation to the acquisitions were transacted on an arm's length basis as the basis used to arrive at the purchase consideration was based on the respective net assets of WATSB and WTSB as at 31 October 2023.

- (2) Tenancy agreements dated:
- (a) 1 January 2022 entered into between WTSB and Maple Sunpark in respect of Lot 1945 for a one-year term commencing on 1 January 2022 and expiring on 31 December 2022 at the monthly rental rate of RM127,824.00; and
 - (b) 1 January 2023 entered into between WTSB and Maple Sunpark in respect of Lot 1945 for a two-year term commencing on 1 January 2023 and expiring on 31 December 2024 at the monthly rental rate of RM127,824.00.
- (3) Tenancy agreement dated 1 July 2021 entered into between WTSB and Maple Sunpark in respect of Lot 1944 3C ("**1 July 2021 Tenancy**") for a one-year term commencing on 1 July 2021 and expiring on 30 June 2022 at the monthly rental rate of RM8,533.00. This tenancy was extended for a further six-month term from 1 July 2022 to 31 December 2022 and was subsequently extended for a further term of 12 months commencing from 1 January 2023 to 31 December 2023. Both renewals were all upon the same terms and conditions as the 1 July 2021 Tenancy.
- (4) Tenancy agreement dated 10 January 2022 entered into between WTSB and Maple Sunpark in respect of Lot 1945 12C ("**10 January 2022 Tenancy**") for a six-month term commencing on 1 January 2022 and expiring on 30 June 2022 at the monthly rental rate of RM17,373.00. This tenancy was extended for a further six-month term commencing from 1 July 2022 to 31 December 2022 and was subsequently extended for a further term of 12 months commencing from 1 January 2023 to 31 December 2023. Both renewals were all upon the same terms and conditions as the 10 January 2022 Tenancy.
- (5) Financial and/or treasury management services are provided to or by the Wasco Berhad group of companies as and when there are surplus funds, as the Wasco Berhad group practices efficient fund management by reducing bank borrowings to enhance shareholders' value. Any subsidiary within the Wasco Berhad group which has surplus funds from operations for the specific period will notify the head office and the head office will channel the funds to any other subsidiary that needs the funds, hence reducing the overall gearing level of the Wasco Berhad group.

The method on which the basis of interest rate to be charged on the advances granted or to be granted will be at market rate but not lower than Wasco Berhad's subsidiaries' cost of funds.

Accordingly, the advances extended by our Company, WTSB and WATSB to the Wasco Berhad group of companies for the Periods Under Review were provided on an arm's length basis and on normal commercial terms as the interest rates charged were at market rate and not lower than the respective cost of funds for our Company, WTSB and WATSB. The repayment terms for the advances are unsecured, short-term in nature and no fixed term of repayment.

Similarly, the advances extended by WPE to WTSB for the FYE 31 December 2024 were provided on an arm's length basis and on normal commercial terms as the interest rates charged were at market rate and not lower than WPE's cost of funds. The repayment terms for the advances are unsecured, short-term in nature and no fixed term of repayment.

10. RELATED PARTY TRANSACTIONS (Cont'd)

Our Directors confirm that the above transactions were transacted on arm's length basis and based on terms which were not more favourable to the related parties than those generally available to third parties upon taking into consideration that such transactions were comparable to those generally charged and/or quoted to/by third parties for similar transactions and accordingly were not unfavourable to our Group or detrimental to the non-interested shareholders of our Company, save for the following:

(i) Rental of Lot 1944 3C, Lot 1944 12C and Lot 1945 by WTSB from Maple Sunpark

The rental rates payable for Lot 1944 and Lot 1945 under the respective tenancy agreements are not considered by our Directors to be on arm's length basis as it was provided on terms favourable to WTSB as WTSB had been long-term tenants to WPE (prior to Maple Sunpark) and Maple Sunpark since 2006. The rental rates charged by Maple Sunpark were based on the long term rental rate per sq. ft. with internal discount by reference to market price from time to time.

Our Directors are of the view that the rental rates charged by Maple Sunpark were beneficial and not detrimental to our Group or unfavourable to the non-interested shareholders of our Company.

(ii) Sale of used boiler structures by WTSB to WPE

Due to the nature of the transaction which is a one-off transaction involving the sale of used boiler structures in WTSB's store to WPE, there was no third party comparable for such pre-owned structure. As such, our Directors are unable to ascertain whether the transaction is considered to be transacted on an arm's length basis.

Our Directors are of the view that the sale price for the structure which is based on the average price of a new steel structure and steel scrap price, as estimated from the costs of components/materials sourced from WTSB's existing inventory is reasonable and not detrimental to our Group or unfavourable to the non-interested shareholders of our Company.

(iii) Purchase of blasting and painting yard by WTSB from WPE

Due to the nature of the transaction which is a one-off transaction involving the purchase of an existing blasting and painting yard/structures in Lot 1944 from WPE, there is no third party comparable for such pre-owned yard. As such, our Directors are unable to ascertain whether the transaction is considered to be transacted on an arm's length basis.

Our Directors are of the view that the price paid for the yard which is based on the average price of a new steel structure and steel scrap price, as estimated from the costs of components/materials sourced from WPE's existing inventory is reasonable and not detrimental to our Group or unfavourable to the non-interested shareholders of our Company.

10. RELATED PARTY TRANSACTIONS (Cont'd)

Our Directors confirm that there are no other material related party transactions that have been entered by our Group that involve the interest, direct or indirect, of the Directors, major shareholders and/or persons connected to them but not yet effected up to the LPD.

After the Listing, our Group will be required to seek its shareholders' approval each time it enters into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, our Group may seek a general mandate from its shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into such recurrent transactions without having to seek separate shareholders' approval each time it wishes to enter into such recurrent related party transactions during the validity period of the mandate.

In addition, to safeguard the interest of our Group and its non-interested shareholders, and to mitigate any potential conflict of interest situation, our Group's Audit Committee will, among others, supervise and monitor any recurrent related party transaction and the terms thereof and report to our Board accordingly for further action.

10.1.3 Related party transactions entered into that are unusual in their nature or conditions

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the Periods Under Review and up to the LPD.

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

10.1.4 Material outstanding loans and/or financial assistance made to or for the benefit of related parties

Save as disclosed below, there are no material outstanding loans or financial assistance (including guarantees of any kind) made by our Group to or for the benefit of its related parties for the Periods Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	of	Nature of transaction(s)	Outstanding as at 31 December			As at 30 June 2025 (RM'000)	As at the LPD (RM'000)
					2022 (RM'000)	2023 (RM'000)	2024 (RM'000)		
1.	Various companies within our Group and Wasco Berhad group of companies	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WPE and Wasco Capital are subsidiaries of Wasco Berhad 		Outstanding advances owing by the following companies of the Wasco Berhad group to our Group: <ul style="list-style-type: none"> (i) WPE (ii) Wasco Capital 	17,301	6,214	-	-	-
					16,200	11,091	-	9,528	-

The effective interest rates charged by our Group on advances to the Wasco Berhad group of companies are 2.35% to 4.60%, 3.38% to 4.60%, 3.65% to 4.23%, 2.90% to 4.23%, and 2.75% to 3.59% per annum for the Periods Under Review and between 1 July 2025 and the LPD. The repayment terms for the advances are unsecured, short-term in nature and no fixed term of repayment.

As at the LPD, all outstanding advances (including interest) owing by the Wasco Berhad group (excluding our Group) to our Group has been fully settled. Upon Listing, our Group does not intend to enter into a similar transaction with any company within the Wasco Berhad group (excluding our Group).

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10. RELATED PARTY TRANSACTIONS (Cont'd)
10.1.5 Material outstanding loans and/or financial assistance from related parties to our Group

Save as disclosed below, there are no material outstanding loans or financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group in respect for the Periods Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction(s)	Outstanding as at 31 December			As at 30 June 2025 (RM'000)	As at the LPD (RM'000)
				2022 (RM'000)	2023 (RM'000)	2024 (RM'000)		
1.	WATSB and Wasco Berhad	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WATSB is a subsidiary of Wasco Berhad 	<p>Wasco Berhad has given a corporate guarantee in favour of OCBC Bank (Malaysia) Berhad for the term loan of RM38.0 million granted to WATSB to part finance the acquisition of Lot 1929 and Lot 1930.</p> <p>The term loan of RM38.0 million was fully repaid on 30 September 2024.</p>	38,000	38,000	-	-	-
2.	WTSB and Wasco Berhad	<ul style="list-style-type: none"> Wasco Berhad is the major shareholder of our Company WTSB is a subsidiary of Wasco Berhad 	<p>Wasco Berhad has given corporate guarantee in favour of OCBC Bank (Malaysia) Berhad for the term loan of RM45.4 million granted to WTSB to part finance the acquisition of Lot 1944 and Lot 1945.</p> <p>As at the LPD, OCBC Bank (Malaysia) Berhad has agreed to discharge the corporate guarantee previously given by Wasco Berhad and our Company is in the process of substituting it with a new corporate guarantee, which is targeted to be completed prior to our Listing.</p>	-	-	45,396	45,396	43,816

10. RELATED PARTY TRANSACTIONS (Cont'd)**10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS****10.2.1 Audit Committee review**

The Audit Committee reviews related party transactions and conflicts of interest situations that may arise within our Company, our Group and any related parties outside our Group. The Audit Committee also reviews any transaction, procedure or course of conduct that raises questions of management integrity, including our related party transactions. In reviewing the related party transactions, the following, amongst other things will be considered:

- (i) the rationale and the cost/benefit to our Company is first considered;
- (ii) where possible, comparative quotes will be taken into consideration;
- (iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and
- (iv) that the transactions are not detrimental to our Company's minority shareholders.

All reviews by the Audit Committee are reported to our Board for its further action.

10.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflicts of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the Directors of our Group are also directors and in some cases, shareholders of the related parties of our Group, as disclosed in this Prospectus and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the public dealing at arm's length with our Group and are not to the detriment of our minority shareholders.

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

- (i) our Board will undertake an annual assessment of our Independent Directors;
- (ii) our Directors will be required to declare any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit Committee for evaluation and assessment who would in turn, make a recommendation to our Board.

11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES WHICH CARRY ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

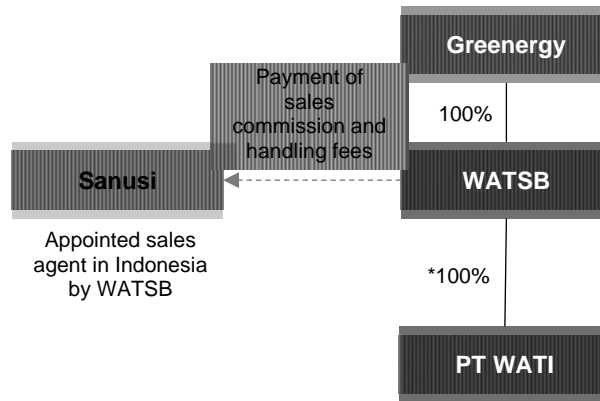
Save as disclosed below, our Directors and Substantial Shareholders do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group or who are our customers and/or suppliers.

11.1.1 Former directors’ involvement and/or interest in C.V. Nugraha Pratama (“Nugraha”)

Suriono Sanusi (“**Sanusi**”), a former director of PT WATI, an indirect subsidiary of Greenergy, was also a director and controlling shareholder of Nugraha prior to Nugraha’s dissolution.

Nugraha is principally involved in the business of building and construction industry and has been appointed by WATSB as its sales agent since 1990s to market and sell our Group’s steam turbine generator systems in Indonesia. Following the dissolution of Nugraha, Sanusi assumed the role as WATSB’s sales agent.

The continued appointment of Sanusi as our Group’s only sales agent in Indonesia to market and sell our Group’s steam turbine generator systems was due to long term business relationship, his wide customer network in Indonesia and ability to support and expand our Group’s sales and marketing efforts to various customers within Indonesia. Accordingly, Sanusi will earn sales commission and handling fees on each successful sale introduced.



* Based on its direct and indirect interest held through PMT (Labuan) in PT WATI.

For the Periods Under Review, and up to the LPD, the total sales commission and handling fees paid or payable to Sanusi by WATSB are as follows:

	FYE 31 December			FPE 30 June 2025	Between 1 July 2025 and the LPD
	2022	2023	2024		
	RM'000	RM'000	RM'000	RM'000	RM'000
Total sales commission and handling fees	298	424	229	240	-

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

Our Board is of the view that any potential conflict-of-interest situation which may arise through the involvement and/or interest of Sanusi as described above has been mitigated on the basis that:

- (i) PT WATI has three directors, namely Wong Kai Chean, Sanusi and Ooi Giap Hwa. Notwithstanding that Sanusi is a director of PT WATI, he does not act in an executive capacity and is not involved in the day-to-day management and operation of PT WATI, which are currently managed by its own management team and supervised by the other director, namely Wong Kai Chean, and overseen by the top management of WATSB in Malaysia, whose decisions are not in any manner influenced by Sanusi. Further, Sanusi has relinquished his directorship in PT WATI on 17 June 2025;
- (ii) save for his involvement in PT WATI as described above, Sanusi is neither a director nor a shareholder of the other companies within our Group and he is not involved in the operation and management of the other companies within our Group. Furthermore, the other directors of our Group (including PT WATI) are not in any manner related to Sanusi; and
- (iii) the appointment of Sanusi as sales agent as well as the quantum of sales commission and handling fees payable to Sanusi is determined by WATSB (and not PT WATI) and accordingly, Sanusi would not be privy to any information or have any influence in the deliberation and decision-making process of WATSB's board or management. Further, the total sales commission and handling fees derived by Sanusi for the Periods Under Review is not material when compared to our Group's PBT for the respective financial years/period.

11.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.2.1 Declaration by CIMB

CIMB, its related and associated companies, as well as its holding company CIMB Group Holdings Berhad, and the subsidiaries and associated companies of its holding company ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and fund management and credit transaction services businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Group.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with our Company and/or our affiliates or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other clients in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the business of the CIMB Group generally acting independently of each other, and accordingly, there may be situations where parts of the CIMB Group and/or its clients now or in the future, may have interests or take actions that may conflict with the interests of our Company and/or our affiliates.

Notwithstanding the above, CIMB is of the view that there is no conflict of interest in respect of its capacity as the Principal Adviser for our Listing and the Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO due to the following:

- (i) CIMB is a licensed investment bank and its appointment as the Principal Adviser for our Listing and the Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO is in the ordinary course of its business and CIMB does not receive or derive any financial interest or benefits, save for the professional fees received in relation to the aforementioned appointment for our Listing and our IPO;

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

- (ii) the conduct of CIMB Group in its banking business is strictly regulated by, among others, the Financial Services Act 2013, Islamic Financial Services Act 2013, the CMSA and the CIMB Group's own internal controls and checks; and
- (iii) CIMB is required under its investment banking license to comply with applicable laws, regulations and guidelines issued by the relevant authorities governing its business, which require, among others, clear segregation between dealing and advisory activities, implementation of the "Chinese Wall" policies between different business divisions and the formation of an independent committee to review its business operations.

As at the LPD, CIMB is not aware of any existing or potential conflict of interest or any circumstance which would give rise to a conflict of interest in respect of its capacity as the Principal Adviser for our Listing and the Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO.

Accordingly, CIMB confirms that there is no conflict of interest situation in its capacity as the Principal Adviser for our Listing and the Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO.

11.2.2 Declaration by Maybank IB

Maybank IB, being the Joint Bookrunner and Joint Underwriter for our IPO, and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

Notwithstanding the above, Maybank IB is of the view that there is no conflict of interest in respect of its capacity as the Joint Bookrunner and Joint Underwriter for our IPO due to the following:

- (i) Maybank and Maybank Islamic are a licensed commercial bank and Islamic bank respectively, and the extension of credit facilities to our Group arose in their ordinary course of business; and
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by, among others, the Financial Services Act 2013, Islamic Financial Services Act 2013 and its own internal controls and checks.

As at the LPD, Maybank IB is not aware of any existing or potential conflict of interest or any circumstance which would give rise to a conflict of interest in respect of its capacity as the Joint Bookrunner and Joint Underwriter for our IPO.

11. CONFLICT OF INTEREST (Cont'd)

Accordingly, Maybank IB confirms that there is no conflict of interest situation in its capacity as the Joint Bookrunner and Joint Underwriter for our IPO.

11.2.3 Declaration by CGS

CGS confirms that there is no conflict of interest situation in its capacity as the Joint Bookrunner in relation to our IPO.

11.2.4 Declaration by PricewaterhouseCoopers PLT

PricewaterhouseCoopers PLT confirms that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants to our Company in relation to our IPO.

11.2.5 Declaration by Adnan Sundra & Low

Adnan Sundra & Low confirms that there is no conflict of interest in its capacity as the Legal Adviser to our Company as to Malaysian law in relation to our IPO.

11.2.6 Declaration by Soemadipradja & Taher

Soemadipradja & Taher confirms that there is no conflict of interest in its capacity as the Legal Adviser to our Company as to Indonesian law in relation to our IPO.

11.2.7 Declaration by Rahmat Lim & Partners

Rahmat Lim & Partners confirms that there is no conflict of interest in its capacity as the Legal Adviser to the Joint Bookrunners, Managing Underwriter and Joint Underwriters as to Malaysian law in relation to our IPO.

11.2.8 Declaration by Frost & Sullivan

Frost & Sullivan confirms that there is no conflict of interest in its capacity as the IMR in relation to our IPO.

11.2.9 Declaration by Axcelasia

Axcelasia confirms that there is no conflict of interest in its capacity as the internal control consultant in relation to our IPO.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

The historical consolidated financial information for the Periods Under Review presented below have been extracted from the Accountants' Report included in Section 13 of this Prospectus ("Consolidated Financial Statements"). Our Consolidated Financial Statements are prepared in accordance with MFRS and IFRS.

The following selected historical consolidated financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Section 12.2 of this Prospectus together with the Accountants' Report in Section 13 of this Prospectus.

Selected financial information from the historical consolidated statements of comprehensive income

	FYE 31 December			FPE 30 June	
	Audited			Unaudited	Audited
	2022	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	266,565	288,844	276,715	119,959	126,159
Cost of sales	(203,313)	(215,740)	(199,200)	(89,071)	(93,888)
GP	63,252	73,104	77,515	30,888	32,271
Other operating income	2,108	5,413	16,605	15,382	1,197
Selling and distribution expenses	(4,389)	(4,890)	(5,012)	(2,528)	(2,660)
Administrative and general expenses	(25,731)	(29,004)	(32,708)	(14,754)	(19,590)
(Loss)/Reversal of impairment of financial assets	(1,478)	1,285	(410)	584	516
Other net (losses)/gains	(52)	72	(154)	(172)	-
Profit from operations	33,710	45,980	55,836	29,400	11,734
Finance costs	(1,113)	(903)	(2,277)	(792)	(1,276)
Share of results of joint venture	447	571	66	(23)	19
PBT	33,044	45,648	53,625	28,585	10,477
Tax expense	(7,894)	(10,707)	(14,585)	(7,341)	(2,594)
PAT	25,150	34,941	39,040	21,244	7,883
PAT attributable to:					
- Owners of our Company	22,333	29,781	34,308	19,638	6,679
- Non-controlling interests	2,817	5,160	4,732	1,606	1,204

Other selected financial data

	FYE 31 December			FPE 30 June	
	2022	2023	2024	2024	2025
GP margin (%) ⁽¹⁾	23.7	25.3	28.0	25.7	25.6
EBITDA (RM'000) ⁽²⁾	35,028	46,575	56,987	29,530	12,914
EBITDA margin (%) ⁽³⁾	13.1	16.1	20.6	24.6	10.2
PBT margin (%) ⁽⁴⁾	12.4	15.8	19.4	23.8	8.3
PAT margin (%) ⁽⁵⁾	9.4	12.1	14.1	17.7	6.2
Basic and diluted EPS (sen) ⁽⁶⁾	5.91	7.88	9.08	5.20	1.77

12. FINANCIAL INFORMATION (Cont'd)**Notes:**

- (1) Computed based on GP divided by revenue.
- (2) EBITDA is calculated as PAT plus: (i) tax expense; (ii) finance costs; (iii) depreciation of PPE and (iv) depreciation of right-of-use assets, less (v) share of profit of joint venture and (vi) interest income.

	FYE 31 December			FPE 30 June	
	2022	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
PAT	25,150	34,941	39,040	21,244	7,883
Add/(Less):					
Tax expense	7,894	10,707	14,585	7,341	2,594
Finance costs	1,113	903	2,277	792	1,276
Depreciation of PPE	2,114	2,349	2,768	1,336	1,534
Depreciation of right-of-use assets	67	67	335	55	159
Share of profit of joint venture	(447)	(571)	(66)	23	(19)
Interest income	(863)	(1,821)	(1,952)	(1,261)	(513)
EBITDA	35,028	46,575	56,987	29,530	12,914

- (3) Computed based on EBITDA divided by revenue.
- (4) Computed based on PBT divided by revenue.
- (5) Computed based on PAT divided by revenue.
- (6) Computed based on PATAMI divided by the weighted average number of Shares in issue as described under Note 2.29 of the Accountants' Report in Section 13 of this Prospectus.

EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with IFRS and MFRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under IFRS and MFRS and should not be considered as an alternative to net profit, operating profit or any other performance measures derived in accordance with IFRS or MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term and hence, direct comparisons of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

12. FINANCIAL INFORMATION (Cont'd)**Selected financial information from the historical consolidated statements of financial position**

	As at 31 December			As at 30 June
	Audited			Audited
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Total non-current assets	78,016	116,579	120,369	116,199
Total current assets	191,029	229,065	193,122	195,141
Total assets	269,045	345,644	313,491	311,340
Total non-current liabilities	15,398	7,865	43,913	40,625
Total current liabilities	104,465	201,909	95,392	92,053
Total liabilities	119,863	209,774	139,305	132,678
Net assets	149,182	135,870	174,186	178,662
Net current assets	86,564	27,156	97,730	103,088
Share capital	-	10	115,000	115,000
Invested equity ⁽¹⁾	9,900	-	-	-
Reserves	128,553	121,059	39,653	42,925
Equity attributable to owners of our Company	138,453	121,069	154,653	157,925
Non-controlling interests	10,729	14,801	19,533	20,737
Total equity	149,182	135,870	174,186	178,662
Other selected financial data				
Total borrowings (RM'000)	20,000	14,000	45,396	45,396
Cash and cash equivalents (RM'000)	32,960	52,078	54,782	41,280
Net (cash)/borrowings (RM'000) ⁽²⁾	(12,960)	(38,078)	(9,386)	4,116
Gearing ratio (times) ⁽³⁾	0.13	0.10	0.26	0.25
Net gearing ratio (times) ⁽⁴⁾⁽⁵⁾	(0.09)	(0.28)	(0.05)	0.02

Notes:

- (1) Represents the notional share capital of our Company prior to its incorporation. The invested equity for our Group comprised of the aggregation of the share capitals of WATSB and WTSB. Following the incorporation of our Company on 5 December 2023, the carrying amount of invested equity was transferred to retained earnings.
- (2) Computed based on total borrowings less cash and cash equivalents as at the end of the financial year.
- (3) Computed based on total borrowings divided by total equity as at the end of the financial year.
- (4) Computed based on net (cash)/borrowings divided by total equity as at the end of the financial year.
- (5) Negative net gearing ratio denotes a net cash position.

12. FINANCIAL INFORMATION *(Cont'd)*

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

The following discussion and analysis of our Group's financial condition and results of operations is based on our consolidated financial information for the Periods Under Review, which have been extracted from the Accountants' Report in Section 13 of this Prospectus.

12.2.1 Overview

(i) Business overview

We operate in the renewable energy sector where we are involved in the engineering, procurement, construction and commissioning (EPCC) of steam energy systems and auxiliary facilities, the supply of steam turbine generator systems, as well as after-sales services for these systems, including repair and maintenance services, and parts sales.

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

Based on our Group's revenue for the FYE 31 December 2024, we are the largest provider of steam turbine generator systems and second largest provider of biomass steam energy systems in Malaysia. In Indonesia, we are among the top industry players in the steam turbine market. *(Source: IMR Report)*

As at the LPD, our Group has 31 on-going steam energy system projects in progress with design capacities ranging from 4.5 TPH to 90.0 TPH, and 81 on-going orders for steam turbine generator systems with capacities ranging from 0.50 MW to 3.50 MW. Our headquarters and operational facilities are located in Shah Alam, Selangor, Malaysia, and are supported by three service centres in Malaysia, and two service centres in Indonesia.

For further information on our business, see Section 7 of this Prospectus.

12.2.2 Significant factors affecting our financial condition and results of operations

Please refer to Section 5 of this Prospectus for the details of risk factors relating to our business and the industry in which we operate. Some of these risk factors have an impact on our Group's revenue and financial performance. The main factors which affect our revenues and profits include but are not limited to the following:

(i) Our business relies on our ability to secure new projects and orders to sustain and grow our operations

Our customer base primarily consists of companies in the palm oil industry, followed by other sectors such as pulp and paper production, and sugar refining. Our revenue from steam energy systems and auxiliary facilities is typically generated through fixed lump-sum contracts, whereas revenue from steam turbine generator systems, palm oil milling equipment, and after-sales services is derived from confirmed purchase orders and/or equivalent agreements. These services are typically non-recurring after installation and handover, or delivery to customers. Failure to secure new contracts or orders to replenish our order book may adversely affect our financial performance and business growth.

12. FINANCIAL INFORMATION (Cont'd)

(ii) Our business and financial performance also depend on our ability to retain existing customers and expand our customer base

During the Periods Under Review, we served a broad customer base of more than 1,500 customers across Malaysia, Indonesia and other foreign markets. Our customers primarily consist of end users of our products, including operators of palm oil mills and other industrial plants such as oleochemical facilities, sugar refineries, and pulp and paper mills. In addition, we also provide products and services to contractors engaged by main contractors for steam energy systems and auxiliary facilities in palm oil mills and industrial plants.

There can be no assurance that we will be able to maintain or grow our customer base in the future. This risk may arise from various factors such as changes in demand, increased competition, and evolving market trends. Furthermore, economic downturns or unfavourable market conditions could lead to reduced customer investment or lower demand for our products and services. Our inability to implement effective sales and marketing strategies to retain existing customers or attract new ones may adversely affect our business and results of operations.

(iii) Our business and financial performance may be affected by delays in project implementation and completion, delivery of orders or early termination or suspension of projects

We are generally required to adhere to specific milestones and delivery timelines for our EPCC projects, particularly those involving steam energy systems and auxiliary facilities. Any delay in meeting these timelines arising from, among others, inefficiencies in project planning and/or shortcomings in execution, may result in adverse consequences, including delays in revenue recognition and project cost overruns. Such delays may also lead to reductions in our contracted scope of work or the termination of contracts and orders by customers, which may adversely impact our results of operations and financial conditions.

Certain contracts and secured orders also contain provisions for liquidated ascertained damages (LAD) in the event of project completion or delivery delays beyond stipulated deadlines or agreed extensions. If such delays occur due to planning inefficiencies or execution issues, we may become liable for LAD. Furthermore, delays may affect customer satisfaction and tarnish our reputation, potentially limiting our ability to secure future projects and thereby adversely impacting our financial performance. While we did not incur any LAD claims for our EPCC projects during the Periods Under Review, there is no assurance that such claims will not arise in the future.

Additionally, we may be subject to early termination or suspension of work before the full completion of our contractual scope. Such events may result from various causes, including on-site accidents, safety issues, non-performance by either party, insolvency, payment defaults, changes in customer plans, economic downturns, our inability to fulfil contractual obligations, mutual agreement, or events beyond the control of either party. In such cases, we may not be able to recover the costs incurred or revenue billed, which could lead to a loss of revenue and profit, and may adversely affect our overall financial performance.

12. FINANCIAL INFORMATION (Cont'd)**(iv) Warranty claims**

Our EPCC projects for steam energy systems and auxiliary facilities, as well as the supply of steam turbine generator systems, typically include a warranty. Depending on the terms of each contract or purchase orders, the warranty period is generally the earlier of 12 months from the date of project handover or on completion of testing and commissioning, or 18 months from the date of delivery. During this warranty period, we are responsible for rectifying any defects at our own costs. Additionally, certain contracts may require a performance bond or bank guarantee ranging between 5% to 10% of the total contract value for our EPCC projects.

While we procure input materials, equipment, and related products from third-party suppliers who provide their own warranties, we may still incur additional expenses related to rectification works. Such costs include labour, machinery rental, and logistics when carrying out rectification works during the warranty period.

Our accounting policies include the recognition of warranty provisions to cover anticipated labour and related costs for potential repair or replacements for products sold under warranty. These provisions are estimated based on the expected costs to fulfil our warranty obligations and apply to our two main product categories, namely steam energy systems and auxiliary facilities, as well as steam turbine generator systems. The provision for warranty as at the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 were RM1.2 million, RM1.8 million, RM2.0 million and RM1.6 million, respectively. For the Periods Under Review, the net warranty provisions recognised in the accounts amounted to RM0.4 million, RM0.8 million and RM0.5 million for the FYE 31 December 2022, 2023 and 2024 respectively, while a net warranty provision reversal of RM0.2 million was recorded for the FPE 30 June 2025.

(v) Our business and financial performance are influenced by fluctuations in steel material prices and our ability to manage input material costs effectively

Steel-based materials such as steel plates, tubes, pipes and bars are one of the major input materials used in our EPCC projects. For the Periods Under Review, the purchases of steel materials, control valves and fittings accounted for 13.1%, 16.6%, 15.3% and 20.4% of our total costs incurred for input materials, products and services for the FYE 31 December 2022, 2023, and 2024, and FPE 30 June 2025, respectively.

As a globally traded commodity, steel prices are subject to volatility driven by factors such as global economic conditions, trade tariffs, geopolitical developments, demand from end-user industries and supply of steel from steel manufacturers. Such fluctuations in the prices of steel may adversely affect the results of our operations and financial performance.

Beyond steel, our cost of sales also includes other material costs, labour costs, project related expenses, logistics costs, factory overhead costs and others. In the event of any increase in these costs that we are unable to pass on to our customers, our financial performance will be adversely affected.

(vi) We may not be able to invoice our customers or receive the full amount due under our contract assets

Our steam energy systems and auxiliary facilities segment recognises revenue based on the percentage of work completed or services performed. Depending on the terms of each contract, we typically submit progress claims and reports to our customers in accordance with the progress of the work completed. Some progress claims are subject to validation or certification by customers or their representatives. Upon approval or validation of these claims, we issue invoices for progress payments corresponding to the percentage of work completed.

12. FINANCIAL INFORMATION (Cont'd)

Contract assets represent the value of work performed and recognised as revenue for which we are yet to be entitled to invoice our customers for the completed work. There is generally a time gap between the completion of contract work, the submission of our payment claims, obtaining payment certificates from our customers, issuance of invoices and receipt of payment from our customers.

The value of contract assets may fluctuate between reporting periods due to timing of milestone completions and the subsequent certification of the completed work by our customers. There is no assurance that we will be able to invoice and/or collect the full amount of contract assets, as disputes may arise with our customers over the value or status of the completed work. Failure to invoice and collect the full amount from our customers could materially and adversely impact our financial performance, position, and liquidity.

Furthermore, if our customers were to encounter financial difficulties or are unable to pay our invoices, we may be unable to recover the full value of our contract assets.

For the Periods Under Review, the impairment loss of contract assets recognised was RM1.2 million in FYE 31 December 2023, with no impairment losses of contract assets recorded in the FYE 31 December 2022 and 2024, and the FPE 30 June 2025.

(vii) Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument may fluctuate due to changes in foreign exchange rates. Our Group is exposed to foreign currency risk arising from sales and purchases denominated in currencies other than our functional currencies, RM and IDR, primarily involving the USD, JPY and EUR.

However, our Group's primary exposure is to fluctuations in the USD against the RM. Our Group considers that the foreign currency risk attributable to foreign currencies other than the USD to be insignificant. The table below illustrates the sensitivity of our PBT to a 5% change in the USD exchange rate against the RM.

	FYE 31 December			FPE 30 June	
	2022	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Effects on PBT					
USD strengthened 5%	598	346	149	1,731	507
USD weakened 5%	(598)	(346)	(149)	(1,731)	(507)

For the Periods Under Review, details of our foreign exchange gains or losses are set out below:

Foreign exchange gains/(losses)	FYE 31 December			FPE 30 June	
	2022	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange:					
- realised gain/(loss)	(1,072)	788	(476)	(158)	(695)
- unrealised gain/(loss)	(185)	(236)	520	1,119	(126)
Total net gain/(loss)	(1,257)	552	44	961	(821)

12. FINANCIAL INFORMATION (Cont'd)

The impact of such currency fluctuations on our Group's GP margin was not material, with the estimated effect ranging from 0.02% to 0.8%.

Our Group seeks to maintain a natural hedge, where feasible, by maintaining sales and purchases in matching foreign currencies. We continuously monitor our foreign exchange exposure and endeavour to keep net exposures within acceptable limits.

In addition, we enter into forward currency contracts to hedge foreign currency risk for anticipated receipts or payments occurring more than one month after our Group has committed to a firm sale or purchase. It is our Group's policy to match the terms of these forward contracts with the underlying hedged transactions to maximise hedging effectiveness.

(viii) Our business depends on the market demand for renewable energy systems, which is subject to political, economic, social, market and regulatory factors

For the Periods Under Review, revenue from our renewable energy segment accounted for 89.0%, 85.9%, 85.3% and 88.7% of our Group's total revenue for the FYE 31 December 2022, 2023, and 2024, and FPE 30 June 2025 respectively. In this respect, a slowdown or decline in demand for renewable energy systems, particularly from key user industries we serve such as the palm oil industry and pulp and paper production, may materially and adversely impact our business operations and financial performance.

Demand for renewable energy systems, including steam energy systems and steam turbine generator systems, is driven by factors such as environmental compliance requirements, regulatory enforcement actions, operating cost considerations, availability of government incentives or subsidies, as well as environmental pressures and certification requirements, such as those established by the Roundtable on Sustainable Palm Oil (RSPO). Unfavourable developments in the socio-political landscape in Malaysia and/or the foreign markets we serve could also materially and adversely affect our business operations, financial performance and future prospects.

12.2.3 Critical accounting estimates and judgements**(i) Changes in estimates**

Estimates are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Our Directors are of the opinion that there are no significant changes in estimates at the end of each reporting period.

(ii) Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the accounting policies of our Group that have a significant effect on the amounts recognised in the financial statements of our Group.

(iii) Key sources of estimation uncertainty

There are no critical accounting estimates applied during the Periods Under Review.

12. FINANCIAL INFORMATION (Cont'd)

12.2.4 Results of operations

(a) Revenue

We generate our revenue mainly from the following:

- (i) EPCC of steam energy systems and auxiliary facilities where we offer renewable energy systems including biomass steam energy systems and heat recovery steam generator (HRSG) systems. In addition, we also offer gas-fired steam energy systems. The EPCC projects are based on lump sum contracts. The revenue of the EPCC projects is recognised over time based on proportion of work done and/or completed, and may be certified by our customers and/or their representatives;
- (ii) After-sales services comprise the provision of repair and maintenance services including sales of parts. The revenue of this segment is recognised at a point in time when the control of the goods has been transferred to the customer upon delivery or services rendered; and
- (iii) Supply of steam turbine generator systems where sales are based on purchase orders. The revenue from this segment is recognised at a point in time when the control of the goods has been transferred to the customer upon delivery.

Our revenue increased by 8.3% to RM288.8 million for the FYE 31 December 2023, followed by a slight decrease of 4.2% to RM276.7 million for the FYE 31 December 2024. Our revenue increased by 5.2% from RM120.0 million in the FPE 30 June 2024 to RM126.2 million in the FPE 30 June 2025.

Our revenue from the renewable energy segment accounted for 89.0%, 85.9%, 85.3% and 88.7% of our Group's total revenue for the FYE 31 December 2022, 2023, and 2024, and FPE 30 June 2025 respectively.

The following table sets out our revenue breakdown by segments:

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Renewable energy segment	237,113	89.0	248,007	85.9	235,994	85.3
After-sales services ⁽¹⁾	88,595	33.2	80,526	27.9	94,099	34.0
EPCC of steam energy systems and auxiliary facilities ⁽²⁾	93,446	35.1	94,212	32.6	78,800	28.5
Supply of steam turbine generator systems ⁽³⁾	55,072	20.7	73,269	25.4	63,095	22.8
Industrial energy and equipment segment⁽⁴⁾	29,452	11.0	40,837	14.1	40,721	14.7
Total revenue	266,565	100.0	288,844	100.0	276,715	100.0

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Renewable energy segment	101,045	84.2	111,946	88.7
After-sales services ⁽¹⁾	44,504	37.1	42,589	33.7
EPCC of steam energy systems and auxiliary facilities ⁽²⁾	32,690	27.2	40,719	32.3
Supply of steam turbine generator systems ⁽³⁾	23,851	19.9	28,638	22.7
Industrial energy and equipment segment⁽⁴⁾	18,914	15.8	14,213	11.3
Total revenue	119,959	100.0	126,159	100.0

12. FINANCIAL INFORMATION (Cont'd)**Notes:**

- (1) Include repair and maintenance, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.
- (2) Include biomass steam energy systems, and auxiliary facilities including emission control systems, efficiency enhancement systems, water treatment systems, and boiler process control and automation, and HRSG. In FYE 31 December 2022, it included a supply and installation project for palm oil milling equipment.
- (3) For the Periods Under Review, the number of steam turbine generator systems sold is as follows:

	FYE 31 December			FPE 30 June	
	2022	2023	2024	2024	2025
Indonesia	59	85	79	28	26
Malaysia	11	13	9	4	11
North And South America ^(a)	-	1	1	1	-
Others ^(b)	3	2	-	-	-
Total supply of steam turbine generator systems	73	101	89	33	37

(a) Includes countries from North and South America, namely Colombia and Honduras.

(b) Others include countries from Africa, namely Uganda, Ghana, Ivory Coast, Cameroon and Nigeria.

- (4) Include the EPCC of gas-fired energy systems and the sales of palm oil milling equipment which are in-house manufactured and externally sourced.

For the Periods Under Review, revenue from the domestic market in Malaysia accounted for 45.9%, 42.9%, 43.6% and 57.2% of our total revenue for the FYE 31 December 2022, 2023, and 2024, and FPE 30 June 2025 respectively. The remainder was contributed by export sales, which accounted for 54.1%, 57.1%, 56.4% and 42.8% of our total revenue for the FYE 31 December 2022, 2023, and 2024, and FPE 30 June 2025 respectively.

Revenue contribution by the location of customers (based on our customers' delivery and/or project site address) is further set out below:

Revenue by customers' locations	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Indonesia	113,666	42.6	138,030	47.8	136,799	49.4
Malaysia	122,182	45.9	123,797	42.9	120,510	43.6
North and South America ⁽¹⁾	22,490	8.4	21,099	7.3	13,732	5.0
Others ⁽²⁾	8,227	3.1	5,918	2.0	5,674	2.0
Total revenue	266,565	100.0	288,844	100.0	276,715	100.0

Revenue by customers' locations	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Indonesia	60,051	50.1	44,533	35.3
Malaysia	48,974	40.8	72,201	57.2
North and South America ⁽¹⁾	8,922	7.4	6,995	5.6
Others ⁽²⁾	2,012	1.7	2,430	1.9
Total revenue	119,959	100.0	126,159	100.0

Notes:

- (1) Includes countries from North and South America, such as Colombia, Mexico, Ecuador, Guatemala, and Honduras.
- (2) Others include countries from Africa such as Uganda, Liberia, Ghana, Gabon, Ivory Coast, Cameroon and Nigeria; and Asia Pacific countries such as Thailand, Singapore, Bangladesh, Japan and Myanmar.

12. FINANCIAL INFORMATION (Cont'd)

The table below sets out a breakdown of our revenue by both business segments and customers' location (based on delivery and/or project site address):

	FYE 31 December						FPE 30 June			
	2022		2023		2024		2024		2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Renewable energy segment	237,113	89.0	248,007	85.9	235,994	85.3	101,045	84.2	111,946	88.7
After-sales services ⁽¹⁾	88,595	33.2	80,526	27.9	94,099	34.0	44,504	37.1	42,589	33.7
Indonesia	44,848	16.8	41,404	14.3	40,500	14.6	20,256	17.0	16,822	13.3
Malaysia	31,603	11.9	26,231	9.2	42,529	15.5	19,643	16.3	19,491	15.4
North and South America	8,783	3.2	9,634	3.3	6,689	2.4	3,144	2.5	4,078	3.3
Others	3,361	1.3	3,257	1.1	4,381	1.5	1,461	1.3	2,198	1.7
EPC of steam energy systems and auxiliary facilities ⁽²⁾	93,446	35.1	94,212	32.6	78,800	28.5	32,690	27.2	40,719	32.3
Indonesia	19,955	7.5	25,198	8.7	20,217	7.3	11,082	9.2	4,858	3.9
Malaysia	67,169	25.2	60,988	21.1	55,937	20.2	19,504	16.2	35,195	27.9
North and South America	6,239	2.4	8,026	2.8	2,155	0.8	2,104	1.8	666	0.5
Others	83	*	-	-	491	0.2	-	-	-	-
Supply of steam turbine generator systems	55,072	20.7	73,269	25.4	63,095	22.8	23,851	19.9	28,638	22.7
Indonesia	42,764	16.0	59,193	20.5	54,713	19.8	19,823	16.5	17,588	13.9
Malaysia	8,616	3.3	11,879	4.1	7,597	2.7	3,279	2.8	10,855	8.6
North and South America	-	-	655	0.2	706	0.3	706	0.6	-	-
Others	3,692	1.4	1,542	0.6	79	*	43	*	195	0.2
Industrial energy and equipment segment⁽³⁾	29,452	11.0	40,837	14.1	40,721	14.7	18,914	15.8	14,213	11.3
Indonesia	6,099	2.3	12,235	4.3	21,369	7.7	8,890	7.4	5,265	4.2
Malaysia	14,794	5.5	24,699	8.5	14,447	5.2	6,548	5.5	6,660	5.3
North and South America	7,468	2.8	2,784	1.0	4,182	1.5	2,967	2.5	2,251	1.8
Others	1,091	0.4	1,119	0.3	723	0.3	509	0.4	37	*
Total revenue	266,565	100.0	288,844	100.0	276,715	100.0	119,959	100.0	126,159	100.0

12. FINANCIAL INFORMATION (Cont'd)

Notes:

* Less than 0.1%.

- (1) *Include repair and maintenance, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.*
- (2) *Include biomass steam energy systems, and auxiliary facilities including emission control systems, efficiency enhancement systems, water treatment systems, and boiler process control and automation, and HRSG. In FYE 31 December 2022, it included a supply and installation project for palm oil milling equipment.*
- (3) *Include the EPCC of gas-fired energy systems and the sales of palm oil milling equipment which are in-house manufactured and externally sourced.*

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12. FINANCIAL INFORMATION (Cont'd)**(b) Cost of sales****(i) Cost of sales by components**

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Material costs	135,807	66.8	145,014	67.3	134,718	67.6
- Input materials and finished goods	134,915	66.4	144,033	66.8	133,791	67.1
- Consumables	892	0.4	981	0.5	927	0.5
Labour costs	36,113	17.8	36,771	17.0	36,798	18.5
- Subcontractor costs	22,928	11.3	22,431	10.4	20,388	10.2
- Direct labour costs	10,550	5.2	11,950	5.5	12,894	6.5
- Others ⁽¹⁾	2,635	1.3	2,390	1.1	3,516	1.8
Project related expenses	23,188	11.4	24,830	11.5	18,545	9.3
- Project costs ⁽²⁾	19,691	9.7	20,912	9.7	14,679	7.4
- Others ⁽³⁾	3,497	1.7	3,918	1.8	3,866	1.9
Logistics costs ⁽⁴⁾	4,157	2.0	4,059	1.9	4,513	2.3
Factory overhead costs ⁽⁵⁾	3,918	1.9	3,714	1.7	3,474	1.7
Others ⁽⁶⁾	130	0.1	1,352	0.6	1,152	0.6
Total	203,313	100.0	215,740	100.0	199,200	100.0

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Material costs	59,863	67.2	59,288	63.2
- Input materials and finished goods	59,394	66.7	58,767	62.6
- Consumables	469	0.5	521	0.6
Labour costs	16,386	18.4	19,290	20.5
- Subcontractor costs	8,512	9.6	10,528	11.2
- Direct labour costs	6,271	7.0	7,336	7.8
- Others ⁽¹⁾	1,603	1.8	1,426	1.5
Project related expenses	9,619	10.8	10,923	11.7
- Project costs ⁽²⁾	7,827	8.8	9,662	10.3
- Others ⁽³⁾	1,792	2.0	1,261	1.4
Logistics costs ⁽⁴⁾	1,008	1.1	2,192	2.3
Factory overhead costs ⁽⁵⁾	1,671	1.9	1,793	1.9
Others ⁽⁶⁾	524	0.6	402	0.4
Total	89,071	100.0	93,888	100.0

12. FINANCIAL INFORMATION (Cont'd)**Notes:**

- (1) Other labour costs include travelling costs and immigration charges.
- (2) Includes parts and components such as fans, motors, pumps, and instruments used in steam energy systems, as well as project overhead costs such as third-party agent fees for the sale of steam energy systems, site-related expenses and travelling costs.
- (3) Other project related expenses include consultancy and technical fees, handling and printing expenses, and provision of warranties.
- (4) Refers to costs for the transportation of inward logistic charges for the purchase of input materials as well as outward logistic charges for the delivery of goods to customers' sites.
- (5) Factory overhead costs include depreciation and amortisation costs, rental, repair and maintenance costs, utilities, upkeep of factory, and insurance.
- (6) Others costs include sales commissions to third-party agents for the sale of steam turbine generator systems and palm oil milling equipment and spare parts, business and work permit fees, bank charges, and road tax.

(ii) Cost of sales by segments

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Renewable energy system	178,776	87.9	182,096	84.4	169,225	85.0
Steam energy and steam turbine generator systems ⁽¹⁾	120,543	59.3	131,185	60.8	107,972	54.2
After-sales services ⁽²⁾	58,233	28.6	50,911	23.6	61,253	30.8
Industrial energy and equipment segment⁽³⁾	24,537	12.1	33,644	15.6	29,975	15.0
Total	203,313	100.0	215,740	100.0	199,200	100.0

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Renewable energy system	74,721	83.9	81,938	87.3
Steam energy and steam turbine generator systems ⁽¹⁾	45,568	51.2	53,747	57.3
After-sales services ⁽²⁾	29,153	32.7	28,191	30.0
Industrial energy and equipment segment⁽³⁾	14,350	16.1	11,950	12.7
Total	89,071	100.0	93,888	100.0

Notes:

- (1) Include biomass steam energy systems, supply of steam turbine generator systems, auxiliary facilities including emission control systems, efficiency enhancement systems, water treatment systems, and boiler process control and automation, and HRSG. In FYE 31 December 2022, it included a supply and installation project for palm oil milling equipment.
- (2) Include repair and maintenance services, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.
- (3) Include the EPCC of gas-fired steam energy systems and the sales of palm oil milling equipment which are in-house manufactured and externally sourced.

12. FINANCIAL INFORMATION (Cont'd)**Material costs**

Material costs mainly consist of input materials used in our business operations, including:

- Metal-based raw materials such as steel plates, tubes, pipes and bars, as well as mechanical parts, instrumentation and electrical components, mainly for the EPCC of steam energy systems and auxiliary facilities;
- Spare parts used for after-sales services, including repair and maintenance; and
- Finished goods such as ESP for our projects and steam turbines purchased for steam turbine generator systems.

For the Periods Under Review, our material costs accounted for 66.8%, 67.3%, 67.6% and 63.2% of our total cost of sales for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively.

Labour costs

Our labour costs consist of subcontractor costs for fabrication works carried out at our Shah Alam factories, as well as on-site construction and installations. In addition, our labour costs mainly include direct labour costs comprising salaries, bonuses, allowances, and statutory contributions for employees who are involved in the operations of our Group. For the Periods Under Review, our labour costs accounted for 17.8%, 17.0%, 18.5% and 20.5% of our total cost of sales for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively.

Project related expenses

Our project related expenses comprise the following:

- Project costs, including parts and components for steam energy systems such as fans, motors and pumps, as well as project overhead costs such as site-related expenses and travelling costs; and
- Other expenses, including consultancy and technical fees, handling and printing expenses, and provision of warranties.

For the Periods Under Review, our project related costs accounted for 11.4%, 11.5%, 9.3% and 11.7% of our total cost of sales for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively.

Logistics costs

Our logistics costs comprise freight and transportation costs including inward logistic charges for the purchase of input materials as well as outward logistic charges for the delivery of goods to our customers' sites. For the Periods Under Review, our logistic costs accounted for 2.0%, 1.9%, 2.3% and 2.3% of our total cost of sales for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively.

Factory overhead costs

Our factory overhead costs comprise mainly depreciation and amortisation costs, rental, repair and maintenance costs, utilities, upkeep of factory, insurance, and others. For the Periods Under Review, our factory overhead costs accounted for 1.9%, 1.7%, 1.7% and 1.9% of our total cost of sales for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively.

12. FINANCIAL INFORMATION (Cont'd)**Other costs**

Others costs comprise sales commissions, business and work permit fees, bank commission for utilising bank facilities, and road tax. Our others costs accounted for less than 1.0% of our total cost of sales for each of the Periods Under Review.

(c) Other operating income

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Gain on disposal of asset held for sale	-	-	-	-	⁽⁴⁾ 11,631	70.0
Interest income ⁽¹⁾	863	40.9	1,821	33.6	1,952	11.8
Gain on foreign exchange	117	5.6	1,200	22.2	965	5.8
Rental income ⁽²⁾	349	16.6	368	6.8	862	5.2
Reversal of allowance for slow-moving goods	311	14.8	950	17.6	128	0.8
Gain on disposal of property, plant and equipment	49	2.3	167	3.1	431	2.6
Scrap sales	271	12.9	627	11.6	285	1.7
Others ⁽³⁾	148	6.9	280	5.1	351	2.1
Total	2,108	100.0	5,413	100.0	16,605	100.0

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Gain on disposal of asset held for sale	⁽⁴⁾ 11,631	75.6	-	-
Interest income ⁽¹⁾	1,261	8.2	513	42.9
Gain on foreign exchange	1,446	9.4	-	-
Rental income ⁽²⁾	512	3.3	194	16.2
Reversal of allowance for slow-moving goods	-	-	67	5.6
Gain on disposal of property, plant and equipment	57	0.4	16	1.3
Scrap sales	131	0.9	167	14.0
Others ⁽³⁾	344	2.2	240	20.0
Total	15,382	100.0	1,197	100.0

Notes:

- (1) Refers to interest income on advances to our holding and related companies, as well as interest income on deposits with licensed banks.
- (2) Refers to income received from the rental of factories and offices to our joint venture, external parties, and a related company.
- (3) Others mainly include bad debt recovered, insurance claims, customer deposits forfeited, return on capital of liquidated subsidiary company and sundry income.
- (4) Relating to the disposal of freehold land and building of a non-core property, Lot 1930 in Shah Alam, Selangor.

12. FINANCIAL INFORMATION (Cont'd)**(d) Selling and distribution expenses**

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Staff costs ⁽¹⁾	3,780	86.1	4,084	83.5	4,373	87.3
Advertisement and promotion expenses	172	3.9	235	4.8	243	4.8
Travelling expenses	218	5.0	293	6.0	184	3.7
Entertainment expenses	83	1.9	97	2.0	87	1.7
Upkeep of motor vehicles	31	0.7	35	0.7	51	1.0
Freight and courier expenses	62	1.4	85	1.7	40	0.8
Others ⁽²⁾	43	1.0	61	1.3	34	0.7
Total	4,389	100.0	4,890	100.0	5,012	100.0

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Staff costs ⁽¹⁾	2,282	90.3	2,334	87.7
Advertisement and promotion expenses	72	2.8	113	4.3
Travelling expenses	81	3.2	94	3.5
Entertainment expenses	43	1.7	38	1.4
Upkeep of motor vehicles	15	0.6	20	0.8
Freight and courier expenses	21	0.8	21	0.8
Others ⁽²⁾	14	0.6	40	1.5
Total	2,528	100.0	2,660	100.0

Notes:

- (1) Include all staff-related expenses for the sales department, including salaries, bonuses, statutory contributions, allowances, insurance and medical fees.
- (2) Include parking and toll charges, expenses related to business licenses and work permits, communication expenses, insurance and road tax as well as tender cost.

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12. FINANCIAL INFORMATION (Cont'd)**(e) Administrative and general expenses, and other gains/losses**

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Staff costs and related expenses ⁽¹⁾	13,423	52.2	16,125	55.6	19,133	58.5
Management fees ⁽²⁾	2,297	8.9	3,208	11.1	4,311	13.2
Upkeep expenses ⁽³⁾	1,632	6.3	1,567	5.4	1,881	5.8
Depreciation and write-off of property, plant and equipment, and right-of-use assets	952	3.7	1,032	3.6	1,508	4.6
Professional and related fees	328	1.3	162	0.6	1,015	3.1
Loss on foreign exchange ⁽⁴⁾	1,375	5.3	647	2.2	921	2.8
Rental and related expenses ⁽⁵⁾	1,690	6.6	1,834	6.3	754	2.3
General office expenses ⁽⁶⁾	518	2.0	549	1.9	616	1.9
Director's remuneration	589	2.3	552	1.9	580	1.8
Security expenses	247	1.0	243	0.8	503	1.5
Tax and regulatory expenses	205	0.8	497	1.7	396	1.2
Allowance for slow moving goods and inventory write-off	1,858	7.2	395	1.4	214	0.7
Allowance for Impairment losses on contract assets ⁽⁷⁾	-	-	1,193	4.1	-	-
Donation and gifts	16	0.1	⁽⁸⁾ 532	1.8	56	0.2
Others ⁽⁹⁾	601	2.3	468	1.6	820	2.4
Total	25,731	100.0	29,004	100.0	32,708	100.0
Loss/(Reversal) of impairment of financial assets	1,478		⁽¹⁰⁾(1,285)		410	
Other net losses/(gains)	52		(72)		154	

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Staff costs and related expenses ⁽¹⁾	7,983	54.1	10,392	53.0
Management fees ⁽²⁾	2,173	14.7	-	-
Upkeep expenses ⁽³⁾	831	5.6	805	4.1
Depreciation and write-off of property, plant and equipment, and right-of-use assets	633	4.3	773	3.9
Professional and related fees	472	3.2	369	1.9
Loss on foreign exchange ⁽⁴⁾	485	3.3	821	4.2
Rental and related expenses ⁽⁵⁾	457	3.1	375	1.9
General office expenses ⁽⁶⁾	279	1.9	279	1.4
Director's remuneration	241	1.6	375	1.9
Security expenses	216	1.5	266	1.4
Tax and regulatory expenses	365	2.5	322	1.7
Allowance for slow moving goods and inventory write-off	-	-	763	3.9
Donation and gifts	23	0.2	18	0.1
Listing expenses	-	-	3,154	16.1
Others ⁽⁹⁾	596	4.0	878	4.5
Total	14,754	100.0	19,590	100.0

12. FINANCIAL INFORMATION (Cont'd)

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Loss/(Reversal) of impairment of financial assets	(10)(584)		(10)(516)	
Other net losses/(gains)	172		-	

Notes:

- (1) Include all staff-related expenses for all departments except the sales department, including salaries, bonuses, statutory contributions, allowances, insurance, medical fees, training costs, entertainment and travelling expenses.
- (2) Refers to management fees to our holding and related companies for the provision of corporate functions such as accounting, treasury, corporate strategy, risk management, administrative, payroll and human resource services.
- (3) Include upkeep expenses mainly for factory plant and machinery, tools and equipment, office equipment, as well as building and premises.
- (4) Include realised and unrealised losses on foreign exchange.
- (5) Include rental of office, staff quarters and equipment, as well as other related expenses such as utilities, quit rent and assessment, stamp duty and facility fee.
- (6) Include expenses such as printing and stationery, subscriptions and books, postage and courier services, and communication expenses.
- (7) Refers to the impairment loss on contract assets relating to a gas-fired EPCC project due to project delays.
- (8) Include a donation of RM0.5 million made to a state zakat authority in the FYE 31 December 2023.
- (9) Include freight and handling costs, security expenses, professional fees, bank charges, and project tendering related expenses.
- (10) Mainly attributable to collections received from long-outstanding trade receivables, net of impairment.

(f) Finance costs

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Interest expense on:						
• Term loans	963	86.5	899	99.6	2,098	92.1
• Trade charges	125	11.2	4	0.4	169	7.5
• Revolving credits	25	2.3	-	-	-	-
• Others ⁽¹⁾	-	-	-	-	10	0.4
Total	1,113	100.0	903	100.0	2,277	100.0

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Interest expense on:				
• Term loans	741	93.5	1,247	97.7
• Trade charges	41	5.2	29	2.3
• Others ⁽¹⁾	10	1.3	-	-
Total	792	100.0	1,276	100.0

Note:

- (1) Includes interest expense on advance from our related company.

12. FINANCIAL INFORMATION (Cont'd)**(g) Share of results of joint venture**

	FYE 31 December					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Share of results of joint venture	447	100.0	571	100.0	66	100.0

	FPE 30 June			
	2024		2025	
	RM'000	%	RM'000	%
Share of results of joint venture	(23)	100.0	19	100.0

(h) PBT, PAT and effective tax rate

	FYE 31 December		
	2022	2023	2024
	PBT (RM'000)	33,044	45,648
PBT margin	12.4%	15.8%	19.4%
Tax expenses (RM'000)	7,894	10,707	14,585
Effective tax rate	23.9%	23.5%	27.2%
PAT (RM'000)	25,150	34,941	39,040
PAT margin	9.4%	12.1%	14.1%

	FPE 30 June	
	2024	2025
	PBT (RM'000)	28,585
PBT margin	23.8%	8.3%
Tax expenses (RM'000)	7,341	2,594
Effective tax rate	25.7%	24.8%
PAT (RM'000)	21,244	7,883
PAT margin	17.7%	6.2%

12. FINANCIAL INFORMATION (Cont'd)**12.2.5 Review of performance for the FYE 31 December 2023 compared to the FYE 31 December 2022**

The following table presents selected financial information from our consolidated statements of comprehensive income for the financial years indicated:

	FYE 31 December				% change (1)
	2022		2023		
	RM'000	% of revenue	RM'000	% of revenue	
Revenue	266,565	100.0	288,844	100.0	8.3
Cost of sales	(203,313)	(76.3)	(215,740)	(74.7)	6.1
GP	63,252	23.7	73,104	25.3	15.5
Other operating income	2,108	0.8	5,413	1.9	157.1
Selling and distribution expenses	(4,389)	(1.6)	(4,890)	(1.7)	11.4
Administrative and general expenses	(25,731)	(9.7)	(29,004)	(10.0)	12.8
(Loss)/Reversal of impairment of financial assets	(1,478)	(0.6)	1,285	0.4	(186.7)
Other net (losses)/gains	(52)	(0.02)	72	0.02	(200.0)
Profit from operations	33,710	12.6	45,980	15.9	36.5
Finance costs	(1,113)	(0.4)	(903)	(0.3)	(18.2)
Share of results of joint venture	447	0.2	571	0.2	50.0
PBT	33,044	12.4	45,648	15.8	38.2
Tax expense	(7,894)	(3.0)	(10,707)	(3.7)	35.4
PAT	25,150	9.4	34,941	12.1	38.5

Note:

(1) Calculated based on figures rounded to the nearest million.

(i) Revenue

Our revenue increased by RM22.2 million or 8.3% to RM288.8 million in the FYE 31 December 2023 (FYE 31 December 2022: RM266.6 million). The increase was attributed to the revenue contribution from the renewable energy and industrial energy and equipment segment.

Renewable energy segment

Our revenue from the renewable energy segment increased by RM10.9 million or 4.6% to RM248.0 million in the FYE 31 December 2023 (FYE 31 December 2022: RM237.1 million). This was mainly attributed to the following:

- (a) an increase in revenue from the supply of steam turbine generator systems by RM18.2 million or 33.0% to RM73.3 million in the FYE 31 December 2023 (FYE 31 December 2022: RM55.1 million), mainly due to higher export sales to Indonesia as well as domestic sales in Malaysia. This was also reflected in the higher number of steam turbine generator systems sold, which increased by 38.4% from 73 units in the FYE 31 December 2022 to 101 units in the FYE 31 December 2023 mainly due to the higher demand and completion of deliveries of steam turbine generator systems to our customers in Malaysia and Indonesia for the FYE 31 December 2023; and

12. FINANCIAL INFORMATION (Cont'd)

- (b) an increase in revenue from the EPCC of biomass steam energy system projects by RM13.1 million or 25.8% to RM63.8 million in the FYE 31 December 2023 (FYE 31 December 2022: RM50.7 million), mainly attributable to a higher proportion of work completed for the EPCC of four ongoing and 16 new biomass steam energy system projects in the FYE 31 December 2023. The four ongoing projects recorded a weighted average project completion (based on revenue recognition) of approximately 67.3% in the FYE 31 December 2023, compared to 5.7% in the FYE 31 December 2022. On the other hand, the 16 new projects recorded a weighted average project completion (based on revenue recognition) of approximately 24.7% in the FYE 31 December 2023.

The increase in revenue was also partially moderated by the lower revenue from after-sales services, which decreased by RM8.1 million or 9.1% to RM80.5 million in the FYE 31 December 2023 (FYE 31 December 2022: RM88.6 million), mainly arising from lower repair and maintenance services rendered for steam energy systems and auxiliary facilities in Malaysia and Indonesia.

Industrial energy and equipment segment

Our revenue from the industrial energy and equipment segment increased by RM11.3 million or 38.3% to RM40.8 million in the FYE 31 December 2023 (FYE 31 December 2022: RM29.5 million), mainly attributed to an increase in revenue from the EPCC of gas-fired steam energy systems by RM10.6 million or 65.8% to RM26.7 million in the FYE 31 December 2023 (FYE 31 December 2022: RM16.1 million). This was mainly contributed by a higher proportion of work completed on three ongoing gas-fired steam energy system projects for customers in the food manufacturing industry in Malaysia, which recorded a weighted average project completion (based on revenue recognition) of approximately 23.9% in the FYE 31 December 2023, compared to 3.6% in the FYE 31 December 2022. In addition, revenue was recognised from the commencement of three new projects during the year, which recorded a weighted average project completion (based on revenue recognition) of approximately 55.9% in the FYE 31 December 2023. The new projects were undertaken for customers including an oleochemical manufacturer and an engineering company in Malaysia.

Geographical markets

On a geographical basis, our revenue from domestic sales increased by RM1.6 million or 1.3% to RM123.8 million in the FYE 31 December 2023 (FYE 31 December 2022: RM122.2 million), which was mainly attributed to the supply of steam turbine generator systems. This was reflected in the increase in the number of steam turbine generator systems sold in Malaysia, which increased by 18.2% from 11 units in the FYE 31 December 2022 to 13 units in the FYE 31 December 2023.

As for foreign countries, Indonesia represented the largest revenue contributor in the FYE 31 December 2023. Revenue from Indonesia increased by RM24.3 million or 21.4% to RM138.0 million in the FYE 31 December 2023 (FYE 31 December 2022: RM113.7 million), mainly attributed to higher revenue from the supply of steam turbine generator systems. This was reflected in the increase in the number of steam turbine generator systems sold in Indonesia, which increased by 44.1% from 59 units in the FYE 31 December 2022 to 85 units in the FYE 31 December 2023 due to the higher demand and completion of deliveries of steam turbine generator systems to our customers in Indonesia for the FYE 31 December 2023. In addition, the increase was also partly contributed by higher revenue from the sales of palm oil milling equipment.

12. FINANCIAL INFORMATION (Cont'd)

(ii) Cost of sales

Our cost of sales increased by RM12.4 million or 6.1% to RM215.7 million in the FYE 31 December 2023 (FYE 31 December 2022: RM203.3 million), which consists of the following:

(a) Material costs

Our material costs increased by RM9.2 million or 6.8% to RM145.0 million in the FYE 31 December 2023 (FYE 31 December 2022: RM135.8 million). This was mainly attributed to the higher procurement of finished goods to fulfill orders related to the supply of steam turbine generator systems, as reflected in the 38.4% increase in the number of systems sold in the FYE 31 December 2023.

(b) Labour costs

Our labour costs increased by RM0.7 million or 1.9% to RM36.8 million in the FYE 31 December 2023 (FYE 31 December 2022: RM36.1 million). This was mainly attributed to the increase in direct labour costs by RM1.4 million, which was mainly due to an increase in headcount.

(c) Project related expenses

Our project related costs increased by RM1.6 million or 6.9% to RM24.8 million in the FYE 31 December 2023 (FYE 31 December 2022: RM23.2 million), mainly arising from higher project overhead costs for EPCC projects as a result of increased work progress from biomass and gas-fired steam energy systems.

(d) Logistics costs

Our logistics costs decreased by RM0.1 million or 2.4% to RM4.1 million in the FYE 31 December 2023 (FYE 31 December 2022: RM4.2 million), mainly due to higher freight and transportation charges incurred in the FYE 31 December 2022 in relation to export sales to our customers in North and South America.

(e) Factory overhead costs

Our factory overhead costs decreased by RM0.2 million or 5.1% to RM3.7 million in the FYE 31 December 2023 (FYE 31 December 2022: RM3.9 million), mainly attributed to the lower rental of equipment as there were lower requirements for the EPCC projects.

(f) Other costs

Our others costs increased by RM1.3 million or 1,300.0% to RM1.4 million in the FYE 31 December 2023 (FYE 31 December 2022: RM0.1 million), mainly attributed to the reclassification of sales commissions to agents, previously recorded under "Labour costs" to "Other costs", for the sale of steam turbine generator systems and palm oil milling equipment and spare parts.

12. FINANCIAL INFORMATION (Cont'd)**(iii) GP**

The following table sets out the breakdown of our GP and GP margin by segment for the financial years indicated:

	FYE 31 December					
	2022			2023		
	GP RM'000	%	GP margin %	GP RM'000	%	GP margin %
Renewable energy segment	58,337	92.2	24.6	65,911	90.1	26.6
Steam energy and steam turbine generator systems ⁽¹⁾	27,975	44.2	18.8	36,296	49.6	21.7
After-sales services ⁽²⁾	30,362	48.0	34.3	29,615	40.5	36.8
Industrial energy equipment segment⁽³⁾ and	4,915	7.8	16.7	7,193	9.9	17.6
Total	63,252	100.0	23.7	73,104	100.0	25.3

Notes:

- (1) Include biomass steam energy systems, supply of steam turbine generator systems, auxiliary facilities including emission control systems, efficiency enhancement systems, water treatment systems, and boiler process control and automation, and HRSG. In FYE 31 December 2022, it included a supply and installation project for palm oil milling equipment.
- (2) Include repair and maintenance services, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.
- (3) Include the EPCC of gas-fired steam energy systems and the sales of palm oil milling equipment which are in-house manufactured and externally sourced.

Our GP increased by RM9.8 million or 15.5% to RM73.1 million in the FYE 31 December 2023 (FYE 31 December 2022: RM63.3 million), while our GP margin increased from 23.7% in the FYE 31 December 2022 to 25.3% in the FYE 31 December 2023. This was mainly contributed by the increase in GP contribution from our renewable energy segment.

Renewable energy segment

Our GP from the renewable energy segment increased by RM7.6 million or 13.0% to RM65.9 million in the FYE 31 December 2023 (FYE 31 December 2022: RM58.3 million). This was mainly contributed by an increase in GP from the steam energy and steam turbine generator system segment, which increased by RM8.3 million or 29.6% to RM36.3 million in the FYE 31 December 2023 (FYE 31 December 2022: RM28.0 million). The GP growth was primarily attributed to a higher number of steam turbine generator systems sold, as well as a higher proportion of work completed for the EPCC of four ongoing and 16 new biomass steam energy system projects in the FYE 31 December 2023 as discussed in Section 12.2.5(i) above. These factors reflected a revenue growth of 33.0% and 25.8% for the supply of steam turbine generator systems and the EPCC of biomass steam energy system projects, respectively, in FYE 31 December 2023.

Our GP margin from the renewable energy systems segment improved to 26.6% in the FYE 31 December 2023 (FYE 31 December 2022: 24.6%), mainly due to an improvement in the GP margin from our steam energy and steam turbine generator system segment to 21.7% in the FYE 31 December 2023 (FYE 31 December 2022: 18.8%).

The improvement in GP margin was mainly from the supply of steam turbine generator systems due to economies of scale resulting from higher number of systems sold. In addition, the GP improvement was partly contributed by higher margins of several biomass steam energy system EPCC projects, arising from increased work progress driven by efficient project execution through better planning, design standardisation, effective team coordination, and improved labour and equipment productivity. These operational improvements enabled higher revenue conversion without a proportional increase in costs of sales, thereby supporting the improvement in our GP margin.

12. FINANCIAL INFORMATION (Cont'd)**Industrial energy and equipment segment**

Our GP from the industrial energy and equipment segment increased by RM2.3 million or 46.9% to RM7.2 million in the FYE 31 December 2023 (FYE 31 December 2022: RM4.9 million). This was mainly attributed to an increase in GP from the EPCC of gas-fired steam energy systems arising from a higher proportion of work completed on ongoing projects as well as the commencement of new projects as described in Section 12.2.5(i) above. This is reflected in the revenue growth of 38.3% recorded for this segment in the FYE 31 December 2023.

The GP margin of the industrial energy and equipment segment increased to 17.6% in the FYE 31 December 2023 (FYE 31 December 2022: 16.7%), mainly due to higher margins of several gas-fired steam energy system EPCC projects arising from increased work progress driven by efficient project execution through better planning, design standardisation, effective team coordination, and improved labour and equipment productivity. These operational improvements enabled higher revenue conversion without a proportional increase in costs of sales, thereby supporting the improvement in our GP margin.

(iv) Other operating income

Our other operating income increased by RM3.3 million or 157.1% to RM5.4 million in the FYE 31 December 2023 (FYE 31 December 2022: RM2.1 million). This was mainly attributed to the following:

- (a) increase in gains on foreign exchange of RM1.1 million, which was mainly attributed to the movement of foreign exchange arising from export sales that were transacted in USD. This was reflected in the increase of 3.6% in the average annual rate to USD4.5606/MYR in the FYE 31 December 2023 (FYE 31 December 2022: USD4.4011/MYR);
- (b) increase in interest income of RM0.9 million, including interest income from advances to our related companies and interest income from deposits with licensed banks;
- (c) increase in the reversal of allowance for impairment of slow-moving goods by RM0.7 million;
- (d) increase in scrap sales by RM0.3 million; and
- (e) increase in gain on disposal of property, plant and equipment by RM 0.2 million, mainly in relation to plant and machinery, tools and equipment including separators, gear hobbing machines, lathe machine and milling machine, as well as motor vehicles.

(v) Selling and distribution expenses

Our selling and distribution expenses increased by RM0.5 million or 11.4% to RM4.9 million in the FYE 31 December 2023 (FYE 31 December 2022: RM4.4 million). This was mainly attributed to the increase in staff costs by RM0.3 million due to higher headcount.

In addition, the increase in selling and distribution expenses was partly attributed to travelling expenses related to sales and marketing activities which increased by RM0.1 million in the FYE 31 December 2023.

(vi) Administrative and general expenses, and other gains/losses

Our administrative and general expenses increased by RM3.3 million or 12.8% to RM29.0 million in the FYE 31 December 2023 (FYE 31 December 2022: RM25.7 million). This was mainly due to the following:

- (a) an increase of RM2.7 million in staff costs and related expenses, primarily due to salary increments, higher bonus provision, and an increase in headcount;
- (b) impairment losses of RM1.2 million for contract assets relating to a gas-fired EPCC project due to project delays;

12. FINANCIAL INFORMATION (Cont'd)

(c) an increase of RM0.9 million in management fee arising from additional corporate support services provided by our holding and related companies following the internal restructuring undertaken in the FYE 31 December 2023; and

(d) an increase of RM0.5 million in donation and gift expenses made to a state zakat authority, which was partially moderated by:

(a) a decrease of RM1.5 million in allowance for slow moving goods and inventory write-off, mainly attributed to lower allowance for slow moving goods in the FYE 31 December 2023; and

(b) a decrease of RM0.8 million in loss on foreign exchange, mainly arising from lower realised losses on foreign exchange in the FYE 31 December 2023.

There was a net impairment of financial assets amounting to RM1.5 million in the FYE 31 December 2022, mainly due to the allowance for impairment on receivables amounting to RM3.0 million recognised under expected credit losses, mainly related to biomass steam energy system, which was partially offset by recovery of debts from financial assets impaired previously of RM1.5 million.

There was a net reversal of impairment of financial assets amounting to RM1.3 million in the FYE 31 December 2023, mainly due to the reversal of allowance for impairment on trade receivables amounting to RM 2.0 million, partially offset by a current year impairment of RM 0.7 million. This was mainly attributed to recoveries from the collection of amounts previously provided for under expected credit losses in prior years.

(vii) Finance costs

Our finance cost decreased by RM0.2 million or 18.2% to RM0.9 million in the FYE 31 December 2023 (FYE 31 December 2022: RM1.1 million), mainly attributed to a reduction of RM0.1 million in interest expense on trade charges as there was lesser utilisation of trade facilities in the FYE 31 December 2023.

(viii) Share of results of joint venture

Our share of results of joint venture increased by RM0.2 million or 50.0% in the FYE 31 December 2023, following an increase in profit from the joint venture driven by the higher number of steam turbine generator sets assembled and sold.

(ix) PBT, PAT and effective tax rate

Our PBT increased by RM12.6 million or 38.2% to RM45.6 million in the FYE 31 December 2023 (FYE 31 December 2022: RM33.0 million), while PBT margin improved from 12.4% in the FYE 31 December 2022 to 15.8% in the FYE 31 December 2023. Similarly, our PAT increased by RM9.7 million or 38.5% to RM34.9 million in the FYE 31 December 2023 (FYE 31 December 2022: RM25.2 million), while PAT margin improved from 9.4% in the FYE 31 December 2022 to 12.1% in the FYE 31 December 2023.

The improvements in PBT and PAT were mainly due to the improvement in GP arising from an increase in revenue, as well as an increase in other operating income in FYE 31 December 2023. The increase in our PBT and PAT was partially offset by the increase in administrative and general expenses as well as selling and distribution expenses in the FYE 31 December 2023.

For the FYE 31 December 2022, our effective tax rate was 23.9%, which was marginally lower than the statutory tax rate of 24.0%.

12. FINANCIAL INFORMATION (Cont'd)

For the FYE 31 December 2023, our effective tax rate was 23.5%, which was generally consistent with the statutory tax rate of 24.0%. The slight variance was mainly attributed to the over provision of current tax in prior years, the impact of different tax rates in other countries, namely Indonesia, the utilisation of unused tax losses and unused capital allowances previously not recognised, as well as a higher share of results from our joint venture.

(a) Underpayment of tax by PT WATI for the 2023 year of assessment (“YA 2023”)

PT WATI had, on 3 December 2024, received a Notice of Tax Inspection Result, issued by the Directorate General of Taxes, North Sumatera 1 Regional Office (“DJP”) for the YA 2023 (“**Tax Inspection Result Notice**”). The Tax Inspection Result Notice identifies certain discrepancies between the tax liability reported by PT WATI, resulting in additional tax liabilities for the YA 2023 (“**Alleged Tax Underpayment**”), as set out below:

No.	Type of tax	Underpaid tax amounts (IDR)	Administrative fines (IDR)	Total (IDR)	Total (*MYR equivalent)	Remarks
1.	Corporate income tax	766,640,664	151,794,851	918,435,515	239,730	Objected
2.	Payroll tax (PPH 21)	19,372,630	3,835,781	23,208,411	6,058	Paid
3.	Income tax (PPH 26)	1,614,797,635	319,729,932	1,934,527,567	504,950	Objected
4.	Final income tax for service fee and maintenance (PPH 4.2)	6,525,000	1,291,950	7,816,950	2,040	Paid
Total				2,883,988,443	752,778	

* based on the exchange rate of IDR 100.0 = MYR0.026102.

A tax adviser has been appointed to assist us with the matter and has on 22 March 2025 filed a letter of objection to the DJP in relation to the DJP’s findings for the YA 2023 tax inspection (“**Letter of Objection**”). As at the LPD, the decision of the DJP in relation to the Letter of Objection is pending.

The balance underpaid tax amount of IDR2,852,963,082 (equivalent to RM744,680) has not been provided for in our Group’s financial statements as the amount is not material when compared to our Group’s FYE 31 December 2024 PBT.

(b) Tax audit on PT WATI for the 2022 year of assessment (“YA 2022”)

The DJP issued a Letter of Request for Explanation of Data and/or Information in relation to PT WATI’s corporate income tax, withholding tax and value added tax for the YA 2022. According to the minutes of the meeting held on 20 December 2024 between the tax officer and PT WATI regarding the Request for Explanation of Data and/or Information, PT WATI disagreed with the tax officer’s analysis of the tax matters discussed. The tax officer subsequently recommended that a special tax audit be undertaken for the YA 2022. The potential tax liability exposure, if any, is up to IDR1,588,660,784 (equivalent to RM414,672, based on the exchange rate of IDR 100.0 = MYR0.026102).

Subsequently, the DJP, via its letters dated 2 June 2025 and 4 June 2025, formally initiated the tax audit process and requested various documents from PT WATI for inspection. A follow-up meeting between PT WATI and the tax officer was held on 12 June 2025 to discuss the requested information and clarify matters relating to the audit. As at the LPD, the audit for YA 2022 remains ongoing.

Given that the potential tax liability exposure is not material when compared to our Group’s FYE 31 December 2024 PBT, such amount has not been provided for in our Group’s financial statements.

12. FINANCIAL INFORMATION (Cont'd)**12.2.6 Review of performance for the FYE 31 December 2024 compared to the FYE 31 December 2023**

The following table presents selected financial information from our consolidated statements of comprehensive income for the financial years indicated:

	FYE 31 December				% change (1)
	2023		2024		
	RM'000	% of revenue	RM'000	% of revenue	
Revenue	288,844	100.0	276,715	100.0	(4.2)
Cost of sales	(215,740)	(74.7)	(199,200)	(72.0)	(7.6)
GP	73,104	25.3	77,515	28.0	6.0
Other operating income	5,413	1.9	16,605	6.0	207.4
Selling and distribution expenses	(4,890)	(1.7)	(5,012)	(1.8)	2.0
Administrative and general expenses	(29,004)	(10.0)	(32,708)	(11.8)	12.8
(Loss)/Reversal of impairment of financial assets	1,285	0.4	(410)	(0.1)	(130.8)
Other net (losses)/gains	72	0.02	(154)	(0.1)	(300.0)
Profit from operations	45,980	15.9	55,836	20.2	21.3
Finance costs	(903)	(0.3)	(2,277)	(0.8)	155.6
Share of results of joint venture	571	0.2	66	0.02	(83.3)
PBT	45,648	15.8	53,625	19.4	17.5
Tax expense	(10,707)	(3.7)	(14,585)	(5.3)	36.4
PAT	34,941	12.1	39,040	14.1	11.7

Note:

(1) Calculated based on figures rounded to the nearest million.

(i) Revenue

Our revenue decreased by RM12.1 million or 4.2% to RM276.7 million in the FYE 31 December 2024 (FYE 31 December 2023: RM288.8 million). The decrease was mainly attributed to the decrease in revenue from the renewable energy segment.

Renewable energy segment

Our revenue from the renewable energy segment decreased by RM12.0 million or 4.8% to RM236.0 million in the FYE 31 December 2024 (FYE 31 December 2023: RM248.0 million). This was mainly attributed to the following:

- (a) a decrease in the revenue from the EPCC of steam energy systems and auxiliary systems by RM15.4 million or 16.3% to RM78.8 million in the FYE 31 December 2024 (FYE 31 December 2023: RM94.2 million). This was mainly attributed to the lower proportion of work completed for the EPCC of auxiliary facilities, particularly seven projects involving ESP systems for emission control in the palm oil industry in Malaysia in the FYE 31 December 2024. These seven projects recorded a weighted average project completion (based on revenue recognition) of approximately 8% in the FYE 31 December 2024, compared to 49% in the FYE 31 December 2023; and

12. FINANCIAL INFORMATION (Cont'd)

- (b) a decrease in the revenue from the supply of steam turbine generator systems by RM10.2 million or 13.9% to RM63.1 million in the FYE 31 December 2024 (FYE 31 December 2023: RM73.3 million). The decrease was mainly attributed to lower export sales to Indonesia as well as domestic sales in Malaysia, as reflected in the lower number of systems sold, which decreased by 11.9% from 101 units in the FYE 31 December 2023 to 89 units in the FYE 31 December 2024.

The decrease in revenue from the EPCC of steam energy systems and the supply of steam turbine generator systems was partially offset by the higher revenue generated from after-sales services, which increased by RM13.6 million or 16.9% to RM94.1 million in the FYE 31 December 2024 (FYE 31 December 2023: RM80.5 million). This was mainly due to higher repair and maintenance services rendered for steam energy systems for customers in Malaysia.

Industrial energy and equipment segment

Our revenue from the industrial energy and equipment segment remained relatively consistent at RM40.7 million in the FYE 31 December 2024 (FYE 31 December 2023: RM 40.8 million).

During the year, revenue from the EPCC of gas-fired steam energy systems decreased mainly due to the lower proportion of work completed for seven gas-fired steam energy system projects for customers in the food and oleochemical manufacturing industries in the FYE 31 December 2024. These seven projects recorded a weighted average project completion (based on revenue recognition) of approximately 15% in the FYE 31 December 2024, compared to 44% in the FYE 31 December 2023. This decrease was largely offset by the increase in revenue from the supply of both in-house and externally sourced palm oil milling equipment, driven by higher customer orders.

Geographical markets

On a geographical basis, our revenue from domestic sales decreased by RM3.3 million or 2.7% to RM120.5 million in the FYE 31 December 2024 (FYE 31 December 2023: RM123.8 million). This was mainly attributed to lower revenue from the EPCC of gas-fired steam energy systems and auxiliary facilities mainly ESP for emission control systems. In addition, the lower revenue was partly attributed to the lower orders of steam turbine generator systems, as reflected in the lower number of systems sold in Malaysia, which decreased by 30.8% from 13 units in the FYE 31 December 2023 to 9 units in the FYE 31 December 2024.

As for export sales, revenue from North and South America decreased by RM7.4 million or 35.1% to RM13.7 million in the FYE 31 December 2024 (FYE 31 December 2023: RM21.1 million). This was mainly attributed to lower revenue from the EPCC of biomass steam energy systems following the completion of various projects in FYE 31 December 2024.

(ii) Cost of sales

Our cost of sales decreased by RM16.5 million or 7.6% to RM199.2 million in the FYE 31 December 2024 (FYE 31 December 2023: RM215.7 million), which consists of the following:

(a) Material costs

Our material costs decreased by RM10.3 million or 7.1% to RM134.7 million in the FYE 31 December 2024 (FYE 31 December 2023: RM145.0 million), which were mainly attributed to lower input materials for our EPCC projects arising from lower work done. In addition, there was lower procurement of finished goods to fulfill orders related to the supply of steam turbine generator systems, as reflected in the 11.9% decrease in the number of systems sold in the FYE 31 December 2024.

12. FINANCIAL INFORMATION (Cont'd)**(b) Labour costs**

Our labour costs remained relatively consistent at RM36.8 million in the FYE 31 December 2024 (FYE 31 December 2023: RM36.8 million).

(c) Project related expenses

Our project related expenses decreased by RM6.3 million or 25.4% to RM18.5 million in the FYE 31 December 2024 (FYE 31 December 2023: RM24.8 million), mainly attributed to lower project overhead costs following lower work done for the EPCC projects.

(d) Logistics costs

Our logistics costs increased by RM0.4 million or 9.8% to RM4.5 million in the FYE 31 December 2024 (FYE 31 December 2023: RM4.1 million), mainly attributed to higher freight and transportation charges associated with our EPCC of steam energy systems and auxiliary facilities for the delivery of products to project sites.

(e) Factory overhead costs

Our factory overhead costs decreased by RM0.20 million or 5.4% to RM3.5 million in the FYE 31 December 2024 (FYE 31 December 2023: RM3.7 million), mainly attributed to the lower rental expenses for premises used in our EPCC operations following the acquisition of properties (Lot 1944 and Lot 1945) in Shah Alam, Selangor which were previously leased from our related company.

(f) Other costs

Our other costs decreased by RM0.2 million or 14.3% to RM1.2 million in the FYE 31 December 2024 (FYE 31 December 2023: RM1.4 million), mainly attributed to lower sales commissions to agents for the sale of steam turbine generator systems and palm oil milling equipment and spare parts.

(iii) GP

The following table sets out the breakdown of our GP and GP margin by segment for the financial years indicated:

	FYE 31 December					
	2023			2024		
	GP RM'000	%	GP margin %	GP RM'000	%	GP margin %
Renewable energy segment	65,911	90.1	26.6	66,769	86.1	28.3
Steam energy and steam turbine generator systems ⁽¹⁾	36,296	49.6	21.7	33,923	43.7	23.9
After-sales services ⁽²⁾	29,615	40.5	36.8	32,846	42.4	34.9
Industrial energy and equipment segment⁽³⁾	7,193	9.9	17.6	10,746	13.9	26.4
Total	73,104	100.0	25.3	77,515	100.0	28.0

Notes:

- (1) Include biomass steam energy systems, supply of steam turbine generator systems, auxiliary facilities including emission control systems, efficiency enhancement systems, water treatment systems, and boiler process control and automation, and HRSG.
- (2) Include repair and maintenance services, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.
- (3) Include the EPCC of gas-fired steam energy systems and the sales of palm oil milling equipment which are in-house manufactured and externally sourced.

12. FINANCIAL INFORMATION (Cont'd)

Our GP increased by RM4.4 million or 6.0% to RM77.5 million in the FYE 31 December 2024 (FYE 31 December 2023: RM73.1 million), while our GP margin increased from 25.3% in the FYE 31 December 2023 to 28.0% in the FYE 31 December 2024. This was mainly contributed by the increase in GP contribution from the industrial energy and equipment segment.

Renewable energy segment

Our GP from the renewable energy segment increased by RM0.9 million or 1.4% to RM66.8 million in the FYE 31 December 2024 (FYE 31 December 2023: RM65.9 million), mainly due to the increase in GP from after-sales services by RM3.2 million or 10.8% to RM32.8 million in the FYE 31 December 2024 (FYE 31 December 2023: RM29.6 million), mainly arising from higher repair and maintenance services rendered for steam energy systems. This was reflected in the growth in revenue of after-sales services by 16.9% in the FYE 31 December 2024.

This was partially offset by the decrease in GP from the steam energy and steam turbine generator systems by RM2.4 million or 6.6% to RM33.9 million in the FYE 31 December 2024 (FYE 31 December 2023: RM36.3 million), mainly attributed to lower number of systems sold. This was reflected in the decrease in revenue from the supply of steam turbine generator systems by 13.9% in the FYE 31 December 2024.

Our GP margin from the renewable energy segment improved to 28.3% in the FYE 31 December 2024 (FYE 31 December 2023: 26.6%), which was mainly attributed to the improvement in GP margin from our steam energy and steam turbine generator systems to 23.9% in the FYE 31 December 2024 (FYE 31 December 2023: 21.7%). The improvement was mainly attributed to the EPCC of biomass steam energy systems, as there were lower project-related costs due to the completion and near completion of various projects.

Industrial energy and equipment segment

Our GP from the industrial energy and equipment segment increased by RM3.5 million or 48.6% to RM10.7 million in the FYE 31 December 2024 (FYE 31 December 2023: RM7.2 million). This was mainly contributed by a higher GP contribution from the EPCC of gas-fired steam energy systems as there were lower project-related costs due to near completion of various projects.

Our Group's GP margin of the industrial energy and equipment segment increased to 26.4% in the FYE 31 December 2024 (FYE 31 December 2023: 17.6%), mainly attributed to the higher GP contribution from the EPCC of gas-fired steam energy systems as mentioned above.

(iv) Other operating income

Our other operating income increased by RM11.2 million or 207.4% to RM16.6 million in the FYE 31 December 2024 (FYE 31 December 2023: RM5.4 million). This was mainly attributed to the gains on disposal of a non-core property, Lot 1930 (asset classified as held for sale) in Shah Alam, Selangor, amounting to RM11.6 million.

(v) Selling and distribution expenses

Our selling and distribution expenses increased by RM0.1 million or 2.0% to RM5.0 million in the FYE 31 December 2024 (FYE 31 December 2023: RM4.9 million). This was mainly attributed to the increase in staff costs by RM0.3 million due to higher provision for bonus.

The increase was partially offset by the lower travelling expenses related to sales and marketing activities, freight and courier expenses, and entertainment expenses, which collectively decreased by RM0.2 million in the FYE 31 December 2024.

12. FINANCIAL INFORMATION (Cont'd)**(vi) Administrative and general expenses, and other gains/losses**

Our administrative and general expenses increased by RM3.7 million or 12.8% to RM32.7 million in the FYE 31 December 2024 (FYE 31 December 2023: RM29.0 million). This was mainly due to the following:

- (a) an increase of RM3.0 million in staff costs and related expenses, primarily due to salary increments and higher provision for bonus;
- (b) an increase of RM1.1 million in management fee mainly arising from corporate support services provided by our related companies following an internal restructuring in the FYE 31 December 2023; and
- (c) an increase of RM0.8 million in professional and related fees, mainly consultancy and audit fees.

The increase was partially moderated by the decrease of RM1.2 million in impairment losses for contract assets, as no such losses were recorded in FYE 31 December 2024.

In FYE 31 December 2024, there was a net impairment of financial assets amounting to RM0.4 million, mainly due to an allowance for impairment on trade receivables amounting to RM 1.0 million in relation to steam energy systems, partially offset by recoveries of RM 0.6 million during the financial year.

(vii) Finance costs

Our finance cost increased by RM1.4 million or 155.6% to RM2.3 million in the FYE 31 December 2024 (FYE 31 December 2023: RM0.9 million), mainly attributed to an increase of RM1.2 million in interest expense on term loans following the drawdown in the FYE 31 December 2024.

(viii) Share of results of joint venture

Our share of results of joint venture decreased by RM0.5 million or 83.3% in the FYE 31 December 2024, following a decrease in profit from the joint venture as a result of higher input material costs and increased production overheads.

(ix) PBT, PAT and effective tax rate

Our PBT increased by RM8.0 million or 17.5% to RM53.6 million in the FYE 31 December 2024 (FYE 31 December 2023: RM45.6 million), while PBT margin improved from 15.8% in the FYE 31 December 2023 to 19.4% in the FYE 31 December 2024. Similarly, our PAT increased by RM4.1 million or 11.7% to RM39.0 million in the FYE 31 December 2024 (FYE 31 December 2023: RM34.9 million), while PAT margin improved from 12.1% in the FYE 31 December 2023 to 14.1% in the FYE 31 December 2024.

The improvements in PBT and PAT were mainly attributed to the improvement in GP arising from a decrease in cost of sales, as well as an increase in other operating income in the FYE 31 December 2024. The increase in our PBT and PAT was partially offset by the increase in administrative and general expenses, selling and distribution expenses as well as finance costs in the FYE 31 December 2024.

For the FYE 31 December 2024, our effective tax rate was 27.2%, which was higher than the statutory tax rate of 24.0%. This was mainly attributed to expenses not deductible for tax purposes, as well as the under provision of deferred tax and current tax in the prior years.

12. FINANCIAL INFORMATION (Cont'd)**12.2.7 Review of performance for the FPE 30 June 2025 compared to the FPE 30 June 2024**

The following table presents selected financial information from our consolidated statements of comprehensive income for the financial periods indicated:

	FPE 30 June				
	2024		2025		%
	RM'000	% of revenue	RM'000	% of revenue	
Revenue	119,959	100.0	126,159	100.0	5.2
Cost of sales	(89,071)	(74.3)	(93,888)	(74.4)	5.4
GP	30,888	25.7	32,271	25.6	4.5
Other operating income	15,382	12.8	1,197	0.9	(92.2)
Selling and distribution expenses	(2,528)	(2.1)	(2,660)	(2.1)	8.0
Administrative and general expenses	(14,754)	(12.3)	(19,590)	(15.5)	32.4
(Loss)/Reversal of impairment of financial assets	584	0.5	516	0.4	(16.7)
Other net (losses)/gains	(172)	(0.1)	-	-	(100.0)
Profit from operations	29,400	24.5	11,734	9.3	(60.2)
Finance costs	(792)	(0.7)	(1,276)	(1.0)	62.5
Share of results of joint venture	(23)	(0.02)	19	0.02	(200.0)
PBT	28,585	23.8	10,477	8.3	(63.3)
Tax expense	(7,341)	(6.1)	(2,594)	(2.1)	(64.4)
PAT	21,244	17.7	7,883	6.2	(62.7)

Note:

(1) Calculated based on figures rounded to the nearest million.

(i) Revenue

Our revenue increased by RM6.2 million or 5.2% to RM126.2 million in the FPE 30 June 2025 (FPE 30 June 2024: RM120.0 million). The increase was mainly attributed to the increase in revenue from the renewable energy segment.

Renewable energy segment

Our revenue from the renewable energy segment increased by RM10.9 million or 10.8% to RM111.9 million in the FPE 30 June 2025 (FPE 30 June 2024: RM101.0 million). This was mainly attributed to the following:

- (a) an increase in revenue from the EPCC of steam energy systems and auxiliary systems by RM8.0 million or 24.5% to RM40.7 million in the FPE 30 June 2025 (FPE 30 June 2024: RM32.7 million), mainly arising from the higher proportion of work completed on biomass steam energy system and HRSG projects in the FPE June 2025:
 - (i) mainly from six ongoing and four new biomass steam energy system projects in the FPE 30 June 2025. The six ongoing projects recorded a weighted average project completion (based on revenue recognition) of approximately 24.6% in the FPE 30 June 2025, compared to 7.7% in the FPE 30 June 2024. Meanwhile, the four new projects recorded a weighted average project completion (based on revenue recognition) of approximately 20.1% in the FPE 30 June 2025; and

12. FINANCIAL INFORMATION (Cont'd)

- (ii) mainly from three ongoing and one new HRSG project in the FPE 30 June 2025. The three ongoing projects recorded a weighted average project completion (based on revenue recognition) of approximately 24.6% in the FPE 30 June 2025, compared to 13.4% in the FPE 30 June 2024. The new HRSG project recorded a weighted average project completion (based on revenue recognition) of approximately 42.1% in the FPE 30 June 2025; and
- (b) an increase in revenue from the supply of steam turbine generator systems by RM4.7 million or 19.7% to RM28.6 million in the FPE 30 June 2025 (FPE 30 June 2024: RM23.9 million). The increase was primarily driven by the higher number of steam turbine generator systems sold, which increased by 12.1% from 33 units in the FPE 30 June 2024 to 37 units in the FPE 30 June 2025. This was mainly due to stronger demand and a greater number of units delivered to our customers in Malaysia during the period.

The increase in revenue was partially moderated by the lower revenue from after-sales services, which decreased by RM1.9 million or 4.3% to RM42.6 million in the FPE 30 June 2025 (FPE 30 June 2024: RM44.5 million), mainly due to lower repair and maintenance services rendered for steam energy systems in Indonesia.

Industrial energy and equipment segment

Our revenue from the industrial energy and equipment segment decreased by RM4.7 million or 24.9% to RM14.2 million in the FPE 30 June 2025 (FPE 30 June 2024: RM18.9 million), mainly attributed to lower revenue contribution from sales of palm oil milling equipment, driven by reduced customer orders. This decline was partially offset by higher revenue contribution from EPCC of gas-fired steam energy systems, mainly from two new gas-fired steam energy system projects that recorded a weighted average project completion (based on revenue recognition) of approximately 45.8% in the FPE 30 June 2025.

Geographical markets

On a geographical basis, our revenue from domestic sales increased by RM23.2 million or 47.3% to RM72.2 million in the FPE 30 June 2025 (FPE 30 June 2024: RM49.0 million). This was mainly attributed to higher revenue from EPCC of steam energy systems and auxiliary facilities as well as the increase in the number of steam turbine generator systems sold in Malaysia, which increased by 175.0% from 4 units in the FPE 30 June 2024 to 11 units in the FPE 30 June 2025.

As for export sales, revenue from Indonesia decreased by RM15.6 million or 26.0% to RM44.5 million in the FPE 30 June 2025 (FPE 30 June 2024: RM60.1 million). The overall decline in revenue from Indonesia was primarily due to challenging market conditions and recent regulatory actions by the Indonesian authorities since February 2025, which intensified enforcement on palm oil plantations and led to the confiscation of estates deemed non-compliant. These measures have created uncertainty across the industry, disrupted supply stability, and dampened customer sentiment, leading to delays in project timelines and softer demand. Revenue from North and South America also decreased by RM1.9 million or 21.3% to RM7.0 million in the FPE 30 June 2025 (FPE 30 June 2024: RM8.9 million), mainly due to slower activity in the oil palm plantation sector in the Latin America region, driven by cautious investment sentiment amid global uncertainties, higher operating costs, and intensified competition from Southeast Asian producers.

12. FINANCIAL INFORMATION (Cont'd)**(ii) Cost of sales**

Our cost of sales increased by RM4.8 million or 5.4% to RM93.9 million in the FPE 30 June 2025 (FPE 30 June 2024: RM89.1 million), which consists of the following:

(a) Labour costs

Our labour costs increased by RM2.9 million or 17.7% to RM19.3 million in the FPE 30 June 2025 (FPE 30 June 2024: RM16.4 million), which was mainly attributed to higher subcontractor costs incurred as a result of the higher volume of EPCC projects undertaken during the period.

(b) Project related expenses

Our project related expenses increased by RM1.3 million or 13.5% to RM10.9 million in the FPE 30 June 2025 (FPE 30 June 2024: RM9.6 million), which was mainly attributed to higher EPCC project-related purchases such as electrical instrument and control systems, ESP, pumps, motors and inverters, combustion systems, diverter dampers, cooling towers and project overheads driven by increased work progress in our EPCC projects during the period.

(c) Logistics costs

Our logistics costs increased by RM1.2 million or 120.0% to RM2.2 million in the FPE 30 June 2025 (FPE 30 June 2024: RM1.0 million), which was mainly attributed to higher freight and transportation charges associated with the delivery of project materials and products arising from an increase in our EPCC projects for steam energy systems for the FPE 30 June 2025.

(d) Factory overhead costs

Our factory overhead costs increased by RM0.1 million or 5.9% to RM1.8 million in the FPE 30 June 2025 (FPE 30 June 2024: RM1.7 million), which was mainly attributed to higher depreciation charges following the purchase of new machinery during the FPE 30 June 2025.

(e) Material costs

Our material costs slightly decreased by RM0.6 million or 1.0% to RM59.3 million in the FPE 30 June 2025 (FPE 30 June 2024: RM59.9 million), which was mainly attributed to lower costs incurred for alternators and spare parts, as well as EPB presses and their components, arising from a reduction in after-sales services performed during the period.

(f) Other costs

Other costs remained relatively constant, which decreased slightly by RM0.1 million to RM0.4 million in the FPE 30 June 2025 (FPE 30 June 2024: RM0.5 million).

12. FINANCIAL INFORMATION (Cont'd)**(iii) GP**

The following table sets out the breakdown of our GP and GP margin by segment for the financial periods indicated:

	FPE 30 June					
	2024			2025		
	GP RM'000	%	GP margin %	GP RM'000	%	GP margin %
Renewable energy segment	26,324	85.2	26.1	30,008	93.0	26.8
Steam energy and steam turbine generator systems ⁽¹⁾	10,973	35.5	19.4	15,610	48.4	22.5
After-sales services ⁽²⁾	15,351	49.7	34.5	14,398	44.6	33.8
Industrial energy and equipment segment⁽³⁾	4,564	14.8	24.1	2,263	7.0	15.9
Total	30,888	100.0	25.7	32,271	100.0	25.6

Notes:

- (1) Include biomass steam energy systems, supply of steam turbine generator systems, auxiliary facilities including emission control systems, efficiency enhancement systems, water treatment systems, and boiler process control and automation, and HRSG.
- (2) Include repair and maintenance services, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.
- (3) Include the EPCC of gas-fired steam energy systems and the sales of palm oil milling equipment which are in-house manufactured and externally sourced.

Our GP increased by RM1.4 million or 4.5% to RM32.3 million in the FPE 30 June 2025 (FPE 30 June 2024: RM30.9 million), while our GP margin remained relatively consistent at 25.6% in the FPE 30 June 2025 (25.7% in the FPE 30 June 2024). The increase in GP was mainly driven by higher contributions from the renewable energy segment.

Renewable energy segment

Our GP from the renewable energy segment increased by RM3.7 million or 14.1% to RM30.0 million in the FPE 30 June 2025 (FPE 30 June 2024: RM26.3 million), mainly due to higher GP contributions from our steam energy and steam turbine generator systems, particularly from a higher number of steam turbine generator systems sold.

This was partially offset by a decrease in GP from after-sales services, which declined by RM1.0 million or 6.5% to RM14.4 million in the FPE 30 June 2025 (FPE 30 June 2024: RM15.4 million), mainly due to higher direct labour costs incurred during the period.

Our GP margin from the renewable energy segment improved to 26.8% in the FPE 30 June 2025 (FPE 30 June 2024: 26.1%), which was mainly attributed to the improvement in GP margin from steam energy and steam turbine generator systems to 22.5% in the FPE 30 June 2025 (FPE 30 June 2024: 19.4%). The GP margin improvement was primarily attributable to higher margins generated from the biomass steam energy system and HRSG projects and improved margins from the supply of steam turbine generator systems due to lower costs.

Industrial energy and equipment segment

Our GP from the industrial energy and equipment segment decreased by RM2.3 million or 50.0% to RM2.3 million in the FPE 30 June 2025 (FPE 30 June 2024: RM4.6 million). This was mainly due to the lower project-related costs incurred from the near-completed gas-fired steam energy systems projects in the prior FPE 30 June 2024 and slower sales of palm oil mill equipment in the current period.

12. FINANCIAL INFORMATION (Cont'd)

Our Group's GP margin of the industrial energy and equipment segment decreased to 15.9% in the FPE 30 June 2025 (FPE 30 June 2024: 24.1%), mainly due to lower project-related costs incurred in the prior FPE 30 June 2024 as mentioned above, as well as the lower GP margin contribution from the sales of palm oil mill equipment as a result of market competition.

(iv) Other operating income

Our other operating income decreased by RM14.2 million or 92.2% to RM1.2 million in the FPE 30 June 2025 (FPE 30 June 2024: RM15.4 million). This was mainly attributed to the following:

- (a) a one-off gain of RM11.6 million from the disposal of a non-core property, Lot 1930 (asset classified as held for sale) in Shah Alam, Selangor, which was recognised in the FPE 30 June 2024;
- (b) a decrease in interest income of RM0.8 million primarily due to lower interest earned from reduced advances extended to our related companies and lower interest from deposits with licensed banks; and
- (c) foreign exchange gains of RM 1.1 million recognised in the prior FPE 30 June 2024.

(v) Selling and distribution expenses

Our selling and distribution expenses increased by RM0.2 million or 8.0% to RM2.7 million in the FPE 30 June 2025 (FPE 30 June 2024: RM2.5 million), mainly attributed to higher staff costs resulting from salary increments as well as higher advertisement and promotion expenses related to our sales and marketing activities.

(vi) Administrative and general expenses, and other gains/losses

Our administrative and general expenses increased by RM4.8 million or 32.4% to RM19.6 million in the FPE 30 June 2025 (FPE 30 June 2024: RM14.8 million). This was mainly attributed to the following:

- (a) listing expenses of RM3.2 million incurred during the FPE 30 June 2025;
- (b) an increase of RM2.4 million in staff costs and related expenses, primarily due to additional headcounts, salary increments and higher provision for bonus; and
- (c) an increase of RM0.8 million for impairment of slow-moving goods and inventory write-offs.

The increase was partially offset by a RM2.2 million reduction in management fees charged by our related company following the cessation of these services on 31 December 2024.

In addition, in the FPE 30 June 2025, there was a net reversal of impairment on financial assets amounting to RM0.5 million, mainly due to the reversal of allowances for impairment on trade receivables. This was mainly attributable to recoveries from the collection of amounts previously provided for under expected credit losses in the prior years.

(vii) Finance costs

Our finance costs increased by RM0.5 million or 62.5% to RM1.3 million in the FPE 30 June 2025 (FPE 30 June 2024: RM0.8 million). This was mainly attributed to higher interest expense of RM0.5 million on term loans, following the drawdown of RM45.4 million in term loans during the FYE 31 December 2024.

12. FINANCIAL INFORMATION (Cont'd)**(viii) Share of results of joint venture**

Our share of results of joint venture increased by RM0.04 million in the FPE 30 June 2025, following an increase in profit from the joint venture driven by the higher number of steam turbine generator sets assembled and sold.

(ix) PBT, PAT and effective tax rate

Our PBT decreased by RM18.1 million or 63.3% to RM10.5 million in the FPE 30 June 2025 (FPE 30 June 2024: RM28.6 million), while PBT margin declined from 23.8% in the FPE 30 June 2024 to 8.3% in the FPE 30 June 2025. Similarly, our PAT decreased by RM13.3 million or 62.7% to RM7.9 million in the FPE 30 June 2025 (FPE 30 June 2024: RM21.2 million), while PAT margin declined from 17.7% in the FPE 30 June 2024 to 6.2% in the FPE 30 June 2025.

The decline in PBT and PAT was mainly due to the one-off gain of RM11.6 million from the disposal of a non-core property, Lot 1930 (asset classified as held for sale) in Shah Alam, Selangor, which was recognised in the FPE 30 June 2024, as well as the listing expenses of RM3.2 million incurred during the FPE 30 June 2025.

For the FPE 30 June 2025, our effective tax rate was 24.8%, which was slightly higher than the statutory tax rate of 24.0%, primarily due to expenses not deductible for tax purposes.

12.2.8 Liquidity and capital resources**(i) Working capital**

Our working capital is funded through our cash and cash equivalents, cash generated from our operating activities, as well as borrowings from financial institutions.

As at 30 June 2025, we had cash and cash equivalents of RM41.3 million and total bank borrowings of RM45.4 million. As at 30 June 2025, our working capital, calculated as current assets of RM195.1 million minus current liabilities of RM92.1 million, was RM103.0 million.

Based on our cash and cash equivalents, cash generated from our operating activities, bank borrowings and facilities, the gross proceeds that we expect to raise from our Public Issue, planned capital expenditure and the expected dividends to be paid, our Board believes that we have sufficient working capital for a period of 12 months from the date of this Prospectus.

(ii) Cash flows

The following table sets out a summary of our consolidated statements of cash flows for the Periods Under Review:

	FYE 31 December		
	Audited		
	2022	2023	2024
	RM'000	RM'000	RM'000
Net cash generated from operating activities	33,937	37,802	8,835
Net cash used in investing activities	(32,146)	(4,708)	(37,031)
Net cash (used in)/generated from financing activities	(21,229)	(13,930)	31,396
Net (decrease)/increase in cash and cash equivalents	(19,438)	19,164	3,200
Cash and cash equivalents at beginning of the financial year	52,276	32,960	52,078
Effects of foreign exchange translation	122	(46)	(496)
Cash and cash equivalents at end of the financial year	32,960	52,078	54,782

12. FINANCIAL INFORMATION (Cont'd)

	FPE 30 June	
	Unaudited	Audited
	2024	2025
	RM'000	RM'000
Net cash (used in)/generated from operating activities	(14,083)	2,559
Net cash generated from/(used in) investing activities	7,272	(12,917)
Net cash generated from financing activities	37,896	-
Net increase/(decrease) in cash and cash equivalents	31,085	(10,358)
Cash and cash equivalents at beginning of the financial year	52,078	54,782
Effects of foreign exchange translation	(598)	(3,144)
Cash and cash equivalents at end of the financial year	82,565	41,280

All of our cash and cash equivalents are substantially held in RM, USD, JPY, EUR and IDR. There are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, loans or advances, subject to the availability of distributable reserves, loans or advances in compliance with any applicable financial covenants.

Net cash generated from operating activitiesFYE 31 December 2022

Our net cash generated from operating activities was RM33.9 million for the FYE 31 December 2022. Our PBT for the FYE 31 December 2022 was RM33.0 million, which was adjusted for net non-cash and other items of RM5.7 million and further adjusted for working capital changes which primarily comprised:

- (i) an increase in receivables of RM14.7 million mainly due to higher trade receivables as well as higher contract assets arising from the recognition of revenue for work performed but not yet billed;
- (ii) an increase in payables of RM18.3 million mainly due to higher outstanding trade payables to suppliers of steam turbine generator systems, ESP, input materials and other components for steam energy systems, as well as higher contract liabilities due to billings in excess of work performed for steam energy systems and downpayments received for the steam turbine generator systems; and
- (iii) an increase in inventories of RM6.5 million mainly due to higher purchases during the year.

We paid tax of RM1.8 million for the FYE 31 December 2022.

FYE 31 December 2023

Our net cash generated from operating activities was RM37.8 million for the FYE 31 December 2023. Our PBT for the FYE 31 December 2023 was RM45.6 million, which was adjusted for net non-cash and other items of RM0.3 million and further adjusted for working capital changes which primarily comprised:

- (i) an increase in payables of RM7.9 million mainly due to higher other payables and accruals, including a deposit received from a buyer for the sale of our non-core property (asset classified as held for sale) and the corresponding real property gains tax (RPGT) payable;

12. FINANCIAL INFORMATION (Cont'd)

- (ii) an increase in inventories of RM7.8 million mainly due to higher inventory of goods in transit, manufactured and trading goods for steam turbine generator systems, as well as higher raw materials to support the planned fabrication and delivery of our EPCC projects; and
- (iii) a decrease in receivables of RM1.6 million mainly due to lower trade receivables arising from timely collections.

We paid tax of RM10.2 million for the FYE 31 December 2023.

FYE 31 December 2024

Our net cash generated from operating activities was RM8.8 million for the FYE 31 December 2024. Our PBT for the FYE 31 December 2024 was RM53.6 million, which was adjusted for non-cash and other items of RM8.4 million and further adjusted for working capital changes which primarily comprised:

- (i) a decrease in payables of RM14.2 million mainly due to lower contract liabilities as a result of lower milestone billings and additional work performed by our Group during FYE 31 December 2024;
- (ii) an increase in receivables of RM8.8 million mainly due to higher contract assets of RM19.6 million as at the FYE 31 December 2024 (FYE 31 December 2023: RM13.0 million) arising from the recognition of revenue for work performed pending progress billings and slower collection from trade receivables; and
- (iii) a decrease in inventories of RM1.4 million mainly due to utilisation of inventories (raw materials and work-in-progress) for the recognition in costs of sales and project revenue.

We paid tax of RM14.4 million for the FYE 31 December 2024.

Overall, our net cash generated from operating activities decreased by RM29.0 million or 76.7% to RM8.8 million in the FYE 31 December 2024 (FYE 31 December 2023: RM37.8 million), primarily due to:

- (i) timing differences arising from lower milestone billings, as reflected in the higher contract assets of RM19.6 million as at FYE 31 December 2024, compared to RM13.0 million as at FYE 31 December 2023. The increase in contract assets reflects the higher amount of revenue recognised for work performed in FYE 31 December 2024 but not yet billed, as billing is contingent upon the achievement of specific contractual milestones, such as customer certification and formal acceptance of the work performed;
- (ii) slower collection of receivables, partly due to delays in customers' project schedules, which have led some customers to defer or extend payment timelines, thereby impacting our collections. This also contributed to an increase in past due outstanding net trade receivables to RM27.6 million as at 31 December 2024, from RM18.3 million as at 31 December 2023.

Notwithstanding the above, we have always maintained regular engagement with our customers and recognise that such delays are typically due to project-related factors rather than financial concerns;

12. FINANCIAL INFORMATION (Cont'd)

- (iii) higher interest paid of RM2.3 million in FYE 31 December 2024 compared to RM0.9 million in FYE 31 December 2023 mainly attributed to the drawdown of a term loan amounting to RM45.4 million during the FYE 31 December 2024, which was used to settle the remaining balance for the acquisition of properties (Lot 1944 and Lot 1945) in Shah Alam, Selangor from our related company; and
- (iv) higher tax payments of RM14.4 million in FYE 31 December 2024 compared to RM10.2 million in FYE 31 December 2023 mainly attributable to additional real property gains tax incurred from the disposal of a non-core property, Lot 1930 (classified as an asset held for sale) located in Shah Alam, Selangor.

FPE 30 June 2025

Our net cash generated from operating activities was RM2.6 million for the FPE 30 June 2025. Our PBT for the FPE 30 June 2025 was RM10.5 million, which was adjusted for net non-cash and other items of RM2.3 million and further adjusted for working capital changes which primarily comprised:

- (i) a decrease in payables of RM3.4 million mainly due to lower outstanding trade payables, partially offset by higher contract liabilities of RM37.7 million as at the FPE 30 June 2025 (FYE 31 December 2024: RM35.7 million) arising from downpayments received for the steam turbine generator systems sold;
- (ii) an increase in receivables of RM2.3 million mainly due to higher contract assets of RM27.8 million as at the FPE 30 June 2025 (FYE 31 December 2024: RM19.6 million) arising from the recognition of revenue for work performed in FPE 30 June 2025 but not yet billed, as billing is contingent upon the achievement of specific contractual milestones, such as customer certification and formal acceptance of the work performed. This was partially offset by lower trade and other receivables of RM3.9 million arising from timely collections and prepayment of RM1.9 million; and
- (iii) a decrease in inventories of RM0.4 million mainly due to utilisation in production activities.

We paid tax of RM4.7 million for the FPE 30 June 2025.

Net cash used in investing activitiesFYE 31 December 2022

Our net cash used in investing activities was RM32.1 million for the FYE 31 December 2022, primarily attributable to:

- (i) RM33.6 million of net advances to our holding and related companies for group fund pooling purposes under its financial and/or treasury management services; and
- (ii) RM2.0 million used mainly for the purchase of plant and machinery, tools and equipment, motor vehicles, as well as furniture, fittings, computer, and office equipment,

which was partially offset by:

- (iii) RM3.4 million of dividends received from our joint venture associate.

12. FINANCIAL INFORMATION (Cont'd)FYE 31 December 2023

Our net cash used in investing activities was RM4.7 million for the FYE 31 December 2023, primarily attributable to:

- (i) RM21.5 million used to fund the purchase of property, plant and equipment. This included the acquisition of properties (Lot 1944 and Lot 1945) in Shah Alam, Selangor from our related company for RM64.9 million, of which RM19.5 million was funded through cash (RM17.5 million paid in FYE 31 December 2023 and RM2.0 million paid in FYE 31 December 2024), while the remaining balance of RM45.4 million was financed through a term loan drawdown in FYE 31 December 2024. Please see transaction no. 11 of Section 10.1.2 of this Prospectus for further details on the acquisition of Lot 1944 and Lot 1945; and

which was partially offset by:

- (ii) RM16.6 million of net repayments from our related companies for group fund pooling purposes under its financial and/or treasury management services.

FYE 31 December 2024

Our net cash used in investing activities was RM37.0 million for the FYE 31 December 2024, primarily attributable to:

- (i) RM53.5 million used to fund the purchase of property, plant and equipment. This mainly included RM45.4 million from the term loan drawdown to settle the remaining balance for the acquisition of properties (Lot 1944 and Lot 1945) in Shah Alam, Selangor from our related company in the FYE 31 December 2023. The remaining amount was used to fund stamp duties for purchase of properties amounting to RM2.6 million, as well as for renovation works at our service centre in Bintulu, Sarawak and our office and factories in Shah Alam, Selangor during the FYE 31 December 2024; and
- (ii) RM40.2 million for the repayment of the debt due to a related company for the acquisition of equity interests in WATSB and WTSB following an internal restructuring exercise. Please see transaction no. 9 of Section 10.1.2 of this Prospectus for further details on the internal restructuring exercise;

which was partially offset by:

- (iii) RM17.1 million of net repayments from our holding and related companies for advances extended; and
- (iv) RM39.4 million from the disposal of a non-core property (asset classified as held for sale) in Shah Alam, Selangor.

FPE 30 June 2025

Our net cash used in investing activities was RM12.9 million for the FPE 30 June 2025, primarily attributable to:

- (i) RM9.5 million of net advances to our related company as part of Wasco Berhad Group's fund pooling purposes under its financial and/or treasury management services; and
- (ii) RM3.4 million used mainly for the purchase of machineries, tools and equipment, motor vehicles, as well as furniture, fittings, computer, and office equipment.

12. FINANCIAL INFORMATION (Cont'd)***Net cash (used in)/generated from financing activities*****FYE 31 December 2022**

Our net cash used in financing activities was RM21.2 million for the FYE 31 December 2022, primarily attributable to:

- (i) RM11.3 million used for dividend payment; and
- (ii) RM10.2 million used mainly for the repayment of term loans.

FYE 31 December 2023

Our net cash used in financing activities was RM13.9 million for the FYE 31 December 2023, primarily attributable to:

- (i) RM7.9 million used for dividend payment; and
- (ii) RM6.0 million used for the repayment of term loans.

FYE 31 December 2024

Our net cash generated from financing activities was RM31.4 million for the FYE 31 December 2024, primarily attributable to the drawdown of a term loan amounting to RM45.4 million during the year, which was used to settle the remaining balance for the acquisition of properties (Lot 1944 and Lot 1945) in Shah Alam, Selangor from our related company, which was partially offset by RM14.0 million used for the repayment of term loans.

FPE 30 June 2025

There was no net cash used in or generated from financing activities for the FPE 30 June 2025.

(iii) Borrowings

As at 30 June 2025, our Group's total term loans, all of which were interest bearing based on floating rates, amounted to RM45.4 million as set out in the table below:

	Average effective interest rates	RM'000
Non-current term loans (unsecured)	5.50% to 5.62%	39,076
Current term loans (unsecured)	5.50% to 5.62%	6,320
Total term loans		45,396

The maturity profile of our term loans as at 30 June 2025 are set out below:

	Within 1 year	1 year to 2 years	Over 2 years	Total
	RM'000	RM'000	RM'000	RM'000
Term loans	6,320	6,404	32,672	45,396

As at 30 June 2025, all of our term loans are denominated in RM.

12. FINANCIAL INFORMATION (Cont'd)

In addition to the above, the table below sets out the credit facilities granted to our Group as at the LPD:

	As at the LPD		
	Facilities granted	Utilised	Unutilised
	RM'000	RM'000	RM'000
Term loans	51,160	43,816	7,344
Multi-trade facilities and Overdraft	50,500	15,195	35,305
Total	101,660	59,022	42,649

We have not defaulted on payments of either interest or principal for any of our borrowings during the Periods Under Review and up to the LPD. As at the LPD, our Group is not in breach of the terms and conditions or covenants under our credit arrangements or bank loans which would materially affect our financial position and results of operations or the investments in our Shares.

12.2.9 Material litigation and contingent liabilities**(i) Material litigation**

Save as disclosed under Section 14.7 of this Prospectus, as at the LPD, we are not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings, which may have a material or significant effect on our financial position or profitability in the 12 months immediately following the date of this Prospectus.

(ii) Contingent liabilities

As at the LPD, we do not have any contingent liabilities that, upon becoming enforceable, may have a material adverse effect on our results of operations or financial position.

12.2.10 Key financial ratios

The following table sets out our key financial ratios for the Periods Under Review.

	FYE 31 December			FPE 30 June
	2022	2023	2024	2025
Trade receivables turnover (days) ⁽¹⁾	54	45	51	50
Trade payables turnover (days) ⁽²⁾	51	43	44	38
Inventory turnover (days) ⁽³⁾	109	116	124	128
Current ratio (times) ⁽⁴⁾	1.8	1.0	2.0	2.1
Gearing ratio (times) ⁽⁵⁾	0.1	0.1	0.3	0.3
Net gearing ratio (times) ⁽⁶⁾⁽⁷⁾	(0.1)	(0.3)	(0.1)	0.02

Notes:

- (1) Computed based on the net trade receivables (excluding contract assets) as at the end of the financial year/period over revenue for the respective financial years/period, multiplied by the number of days in the financial year/period.
- (2) Computed based on the trade payables as at the end of the financial year/period over cost of sales for the respective financial years/period, multiplied by the number of days in the financial year/period.
- (3) Computed based on the inventory as at the end of the financial year/period over cost of sales for the respective financial years/period, multiplied by the number of days in the financial year/period.
- (4) Computed based on current assets over current liabilities as at the end of the financial year/period.
- (5) Computed based on total borrowings over total equity as at the end of the financial year/period.
- (6) Computed based on total borrowings less cash and cash equivalents over total equity as at the end of the financial year/period.
- (7) Negative net gearing ratio denotes a net cash position.

12. FINANCIAL INFORMATION (Cont'd)**(i) Trade receivables turnover period**

The credit period that we typically extend to our customers ranges from 30 to 120 days, calculated from the invoice date. Other credit terms may be granted on a case-by-case basis, taking into account factors such as the customer's financial position and credit history. Our net trade receivables turnover period of 54 days, 45 days, 51 days and 50 days for the FYE 31 December 2022, 2023 and 2024, and FPE 30 June 2025 respectively, were all within the credit terms extended to our customers.

In the FYE 31 December 2023, our net trade receivables turnover period improved from 54 days in the FYE 31 December 2022 to 45 days, mainly attributable to improvement in collections from customers.

In the FYE 31 December 2024, our net trade receivables turnover period increased to 51 days from 45 days in the prior year, which was still within the credit period granted to our customers. This increase was mainly attributable to slower payments from customers, partly due to delays in customers' project schedules, which have led some customers to defer or extend payment timelines, thereby impacting our collections. This also contributed to an increase in past due outstanding net trade receivables to RM27.6 million as at 31 December 2024, from RM18.3 million as at 31 December 2023.

In the FPE 30 June 2025, our net trade receivables turnover period remained relatively consistent, improving slightly to 50 days from 51 days in the FYE 31 December 2024.

As at 30 June 2025, our total outstanding net trade receivables amounted to RM34.7 million mainly in relation to amounts owed to us by customers in the renewable energy segment.

The table below sets out the ageing analysis for our trade receivables as at 30 June 2025 and the LPD:

	Past due					Total
	Current	1-90 days	91-180 days	181-365 days	More than 365 days	
As at 30 June 2025	RM'000 except percentages					
Trade receivables ⁽¹⁾	17,148	10,032	4,238	2,231	4,257	37,906
Impairment	(7)	(17)	(7)	(10)	(3,119)	(3,160)
Net trade receivables	17,141	10,015	4,231	2,221	1,138	34,746
% of total trade receivables	49.3	28.8	12.2	6.4	3.3	100.0
As at the LPD						
Trade receivables collected	9,215	6,435	2,181	1,254	1,075	20,160
Trade receivables settled (% of total net trade receivables)	26.5	18.5	6.3	3.6	3.1	58.0
Net trade receivables outstanding	7,926	3,580	2,050	967	63	14,586

Note:

(1) As at 30 June 2025, the retention sum receivable from a customer for our EPCC project involving a gas-fired steam energy system amounted to RM0.1 million. In addition, our trade receivables include a retention sum of RM0.02 million receivable from customers in relation to after-sales services provided by our Group.

We do not have any significant exposure to any individual customer which we believe is not recoverable.

12. FINANCIAL INFORMATION (Cont'd)**(ii) Trade payables turnover period**

The normal credit period extended by our trade creditors is generally up to 120 days. Our trade payables turnover period of 51 days, 43 days, 44 days and 38 days for the FYE 31 December 2022, 2023, 2024 and FPE 30 June 2025 respectively, were all within the credit terms provided by our trade creditors.

In the FYE 31 December 2023, our trade payables turnover period decreased from 51 days in the FYE 31 December 2022 to 43 days, primarily due to faster payments made to our suppliers.

In the FYE 31 December 2024, our trade payables turnover period remained relatively consistent, increasing slightly to 44 days from 43 days in the prior year.

In the FPE 30 June 2025, our trade payables turnover period improved to 38 days, primarily due to lower amount due to trade payables arising from lower purchases and timely payments made to our suppliers.

The table below sets out the ageing analysis of our trade payables, based on the respective invoice posting date, as at 30 June 2025 and the LPD:

	No. of days from invoice posting date					Total
	1-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	
As at 30 June 2025	RM'000 except percentages					
Trade payables ⁽¹⁾	7,471	7,535	3,609	958	360	19,933
% of total trade payables	37.5	37.8	18.1	4.8	1.8	100.0
As at the LPD						
Trade payables settled	7,194	7,518	3,609	846	206	19,373
Trade payables settled (% of total trade payables)	36.1	37.7	18.1	4.2	1.0	97.1
Trade payables outstanding	277	17	-	112	154	560

Note:

(1) As at 30 June 2025, our Company does not have any retention sum payable to third-party contractors in relation to our EPCC projects.

We endeavour to pay our suppliers within the credit period granted to us to ensure our supplies are not disrupted. As at the LPD, we do not have any material disputes or legal proceedings for outstanding payment that have been initiated by our suppliers against us.

(iii) Inventory turnover period

The table below sets out a summary breakdown of our inventories for the Periods Under Review.

	FYE 31 December			FPE 30 June
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Inventory	60,481	68,831	67,348	66,255
Cost of sales	203,313	215,740	199,200	93,888
Average inventory turnover (days) ⁽¹⁾	109	116	124	128

Note:

(1) Computed based on the inventory as at the end of the financial year/period over cost of sales for the respective financial years/period, multiplied by the number of days in the financial year/period.

12. FINANCIAL INFORMATION (Cont'd)

Our inventory mainly comprises the following:

- (a) **Raw materials**, including metal-based raw materials such as carbon steel, stainless steel and galvanised steel, as well as parts and components like alternators, pumps, electric motors, inverters, and fans;
- (b) **Work-in-progress**, which comprises products currently undergoing fabrication to become finished goods; and
- (c) **Manufactured and trading goods**, representing finished products that have been fabricated and are held in inventory prior to final delivery to customers or on-site installation. This category also includes finished goods sourced from suppliers, such as steam turbine generator systems and palm oil milling equipment.

Our inventory turnover period increased from 109 days in the FYE 31 December 2022 to 116 days in the FYE 31 December 2023, mainly due to a higher volume of goods purchased from suppliers.

Our inventory turnover period increased from 116 days in the FYE 31 December 2023 to 124 days in the FYE 31 December 2024, mainly due to a decrease in cost of sales. This decrease, particularly material and project-related costs, was driven by slower project activities and revenue recognised from the EPCC of steam energy systems and auxiliary facilities, as well as the supply of steam turbine generator systems.

Our inventory turnover period remained relatively consistent, with a slight increase to 128 days in the FPE 30 June 2025.

(iv) Current ratio

Our current ratio decreased from 1.8 in the FYE 31 December 2022 to 1.0 in the FYE 31 December 2023, mainly due to:

- (a) an increase of RM86.8 million in amounts owing to our related companies, mainly for the acquisition of properties (Lot 1944 and Lot 1945) in Shah Alam, Selangor, and the acquisition of equity interests in WATSB and WTSB following a restructuring exercise;
- (b) an increase of RM5.8 million in trade and other payables, mainly attributable to higher other payables and accruals, including a deposit received from a buyer in relation to an asset held for sale as well as real property gains tax payable; and
- (c) an increase of RM4.0 million in amounts owing to our joint venture associate for the purchase of steam turbine generator systems.

Our current ratio increased from 1.0 in the FYE 31 December 2023 to 2.0 in the FYE 31 December 2024, mainly due to:

- (a) a decrease of RM85.4 million in amounts owing to our related companies, primarily due to the settlement of the remaining RM45.4 million balance for the acquisition of properties (Lots 1944 and Lot 1945) in Shah Alam, Selangor, and RM40.2 million for the repayment of the debt due to a related company for the acquisition of equity interests in WATSB and WTSB following an internal restructuring exercise; and
- (b) a decrease of RM13.7 million in contract liabilities, following the recognition of revenue from services rendered or deliveries made on prior payments received, mainly for the EPCC steam energy projects, the supply of steam turbine generator systems, and after-sales services.

12. FINANCIAL INFORMATION (Cont'd)

Our current ratio increased slightly from 2.0 in the FYE 31 December 2024 to 2.1 in the FPE 30 June 2025, mainly due to:

- (a) the reclassification of RM4.5 million investment in a joint venture from non-current assets to asset held for sale under current assets, pending the disposal of our entire 49% equity interest in Shinko Industries Malaysia to Shinko Ind. Ltd., which was subsequently completed on 7 July 2025; and
- (b) a decrease in trade and other payables of RM4.4 million, primary due to faster payments made to our suppliers.

(v) Gearing ratio

Our gearing ratios was relatively consistent at 0.1 time in the FYE 31 December 2022 and the FYE 31 December 2023.

Our gearing ratio increased to 0.3 time in the FYE 31 December 2024 from 0.1 time in the prior year, mainly attributed to the drawdown of a term loan amounting to RM45.4 million during the FYE 31 December 2024, which was used to settle the remaining balance for the acquisition of properties (Lot 1944 and Lot 1945) in Shah Alam, Selangor from our related company.

Our gearing ratio remained consistent at 0.3 time in the FPE 30 June 2025 and the FYE 31 December 2024.

12.2.11 Trends information

Save as disclosed in this Section 12 and in Sections 5, 7 and 8 of this Prospectus, and to the best of our Board's knowledge and belief, there are no other known factors, trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our business, financial condition and results of operations.

12.2.12 Significant changes/events

Save as disclosed in this Prospectus, no significant changes have occurred since the FPE 30 June 2025 which may have a material effect on our financial condition and results of operations.

For the avoidance of doubt, the disposal by WATSB of its entire 49% equity interest in Shinko Industries Malaysia to Shinko Ind. Ltd., which was completed on 7 July 2025, is not expected to have a material adverse impact on the financial performance or operations of our Group. See Section 14.6.8 of this Prospectus for further details relating to the Disposal.

12.2.13 Order book

As at the LPD, we have secured orders with a total order book of RM249.0 million, which are expected to be recognised as revenue progressively over the next three financial years up to the FYE 31 December 2027. The estimated recognition of the order book by financial year is set out below:

	Order book as at the LPD	Expected timeline to be recognised (FYE 31 December)		
		2025	2026	2027
	RM'000	RM'000	RM'000	RM'000
Renewable energy segment	209,975	53,241	142,769	13,965
Provision of after-sales services ⁽¹⁾	11,115	8,144	2,971	-
EPCC of steam energy systems and auxiliary facilities	135,013	25,216	95,832	13,965
Supply of steam turbine generator systems	63,847	19,881	43,966	-
Industrial energy and equipment segment	39,053	21,617	15,709	1,727
Total	249,028	74,858	158,478	15,692

12. FINANCIAL INFORMATION (Cont'd)**Note:**

(1) Include maintenance and repair services, and sales of parts for steam turbine generator systems, steam energy systems and auxiliary facilities, and palm oil milling equipment.

The information relating to our order book and the estimated recognition of our order book for each FYE 31 December 2025, 2026 and 2027 is based on our current expectations, estimates, and assumptions regarding the timing of project execution, customer requirements, and other relevant factors. While such estimates were prepared based on information available to us as at the LPD, these are inherently subject to uncertainties and assumptions that may not materialise or may change.

There can be no assurance that the estimated recognition of our order book will be realised in the manner or within the time periods described above, or at all, as such estimates are subject to various factors beyond our control, including, but not limited to, changes in project schedules, delays, variations or cancellations of orders by customers, regulatory or operational developments, and changes in market or economic conditions.

12.2.14 Capital expenditure and material investments and divestures**Capital expenditure**

The following table sets out our capital expenditure for the Periods Under Review.

	FYE 31 December			FPE 30 June	
	2022	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	-	48,230	1,908	1,908	-
Buildings	-	16,658	659	659	-
Plant and machinery, tools and equipment	1,160	2,161	785	129	1,382
Motor vehicles	475	755	801	142	367
Furniture, fittings, computer and office equipment	367	585	617	332	415
Capital work in progress	-	296	46	523	630
Renovation and store extension	47	135	1,294	120	649
Total	2,049	68,820	6,110	3,813	3,443

Our capital expenditure increased significantly from RM2.0 million for the FYE 31 December 2022 to RM68.8 million for the FYE 31 December 2023, mainly due to the purchase of freehold land and buildings (Lot 1944 and Lot 1945) in Shah Alam, Selangor for RM64.9 million from our related company, for use as factories and office space.

Our capital expenditure decreased from RM68.8 million for the FYE 31 December 2023 to RM6.1 million for the FYE 31 December 2024. Included in this amount, RM1.9 million and RM0.7 million incurred for land and building in FYE 31 December 2024 relates to the stamp duties for the purchase of land and buildings (Lot 1944 and Lot 1945) respectively in Shah Alam, Selangor.

Our capital expenditure remained relatively consistent at RM3.4 million for the FPE 30 June 2025 (FPE 30 June 2024: RM3.8 million).

For further details on the capital expenditure breakdown for each of the Periods Under Review, see Section 12.2.8(ii) of this Prospectus.

For the Periods Under Review, we have mainly funded our capital expenditure via internally generated funds, save for the drawdown of a term loan amounting to RM45.4 million during the FYE 31 December 2024 which was used to settle the remaining balance for the acquisition of properties (Lot 1944 and Lot 1945).

12. FINANCIAL INFORMATION (Cont'd)**Material investments and divestitures**

We selectively evaluate opportunities to expand our business. In addition, we may decide to divest certain entities and businesses for strategic or financial reasons.

Save as disclosed above, including the binding offer to acquire a share in a joint venture that owns and operates a biomass power plant in Malaysia (as set out in Section 4.6.1(i) of this Prospectus), and as disclosed in Section 14.6 of this Prospectus, we have not undertaken any material investments or divestitures during the Periods Under Review and up to the LPD.

12.2.15 Capital commitments and contractual obligations**Capital commitments**

Our capital commitments (being our contracted capital expenditure) as at 30 June 2025 and the LPD are set out below:

	<u>As at 30 June 2025</u>	<u>As at the LPD</u>
	<u>RM'000</u>	<u>RM'000</u>
Contracted but not provided for:		
Acquisition of property, plant and equipment	135	2,677

Our capital commitments as at the LPD primarily comprise approximately RM1.5 million for the purchase of rooftop solar panels for our WTSB Factory and approximately RM1.0 million for the purchase of machinery for our WATSB Factory. We plan to meet our capital commitments through internally generated funds and/or borrowings.

Save as disclosed above, as at the LPD, we do not have any other material capital commitments incurred or known to be incurred by us that may have a material adverse effect on our result of operations or financial position.

Other contractual obligations

Our contractual cash obligations (excluding capital expenditure commitments) as at 30 June 2025 comprise primarily of repayment obligations for our term loans.

The maturity profile of our undiscounted contractual cash repayment obligations for our borrowings as at 30 June 2025 are as follows:

Payments due by period	<u>Within 1 year</u>	<u>1 year to 2 years</u>	<u>Over 2 years</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Term loans	8,298	8,451	35,400	52,149

We plan to meet our contractual cash obligations through our cash and cash equivalents on hand, as well as cash generated from future operations and funding from other financing activities (if required).

12.2.16 Off-balance sheet arrangements

We do not have any off-balance sheet arrangements.

12. FINANCIAL INFORMATION (Cont'd)

12.2.17 Financial risk management

We are exposed to market risks arising from our operations and use of financial instruments. Our key market risk exposures are credit risk, interest rate risk, foreign currency risk and liquidity risk.

(i) Credit risk

Credit risk is the risk of loss if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Our exposure to credit risk arises mainly from our receivables from customers. We have a credit policy in place and manage our exposure to credit risk by the application of credit evaluations on customers requiring credit over a certain amount, credit limits and monitoring exposure to credit risk on an ongoing basis.

As at 30 June 2025, we have not incurred and do not expect to incur material credit losses on our financial assets or other financial instruments.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market interest rates. Our exposure to interest rate risk arises mainly from our time deposits and interest bearing borrowings.

As at 30 June 2025, our total bank borrowings owing to financial institutions was RM45.4 million based on floating interest rates. Our finance costs decreased by 18.2% to RM0.9 million in FYE 31 December 2023 (FYE 31 December 2022: RM1.1 million), and increased by 155.6% to RM2.3 million in the FYE 31 December 2024. For the FPE 30 June 2025, our finance costs increased by 62.5% to RM1.3 million (FPE 30 June 2024: RM0.8 million). In this respect, any increase in drawdown of borrowings and/or interest rates may impact on our financial performance.

(iii) Foreign currency risk

For further information on our Group's exposure to foreign currency risk, see Section 12.2.2(vii) of this Prospectus.

(iv) Liquidity risk

Liquidity risk is the risk that we may encounter difficulty in meeting financial obligations as they fall due. Our exposure to liquidity risk arises principally from our various payables and borrowings.

We practise prudent risk management by maintaining a level of cash and cash equivalents and bank facilities deemed adequate by our management to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they fall due.

As at 30 June 2025, we had RM54.3 million in undiscounted financial liabilities due on demand or within one year.

For a summary of the maturity profile of our financial liabilities as at the end of the Periods Under Review based on undiscounted contractual payments, see Note 2.33 to the Accountants' Report included in Section 13 of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)

12.2.18 Inflation

Our cost of sales mainly consists of material costs including steel-based materials and parts, as well as labour and logistic costs. These costs are subject to various operating environments and conditions such as inflation, changes in government policy relating to minimum wages, and fluctuations in freight rates which may affect the logistics and transportation of input materials and delivery of finished goods to customers.

There has not been a material impact from inflation on our Group's financial condition and results of operations for the Periods Under Review. Nonetheless, any increase in inflation rate beyond levels experienced in the past may affect our future operations and financial performance if we are unable to fully offset higher costs through increased revenue.

12.2.19 Government, economic, fiscal and monetary policies

Our Group is subject to the risks of government, economic, fiscal or monetary policies, where any unfavourable change may materially affect our business operations, financial performance and prospects.

For the Periods Under Review and up to the LPD, our results have not been materially and adversely affected by any unfavourable changes relating to government, economic, fiscal or monetary policies.

For information on any government, economic, fiscal or monetary policies or factors which could materially affect our Group's operations, see Section 5.3.2 of this Prospectus.

12.2.20 Accounting standards issued but not yet effective and not early adopted

For a description of accounting standards issued but not yet effective and not early adopted, see Note 2.1.3 to the Accountants' Report included in Section 13 of this Prospectus.

12.2.21 Accounting policies which are peculiar to our Group

We have not adopted any accounting policies which are peculiar to our Group because of the nature of our business or the industry in which we operate.

12.2.22 Financial instrument, treasury policies and objectives

Save for the short term forward currency contracts used by our Group to hedge foreign currency risk, as disclosed in Section 12.2.2(vii) above, and trade financing arrangements such as multi-trade facilities as disclosed in Section 12.2.8(iii) above, our Group does not use any other financial instruments.

Our principal sources of liquidity are our cash and cash equivalents, cash generated from our operations and external sources of funds. The external source of funds consists of banking facilities from financial institutions.

The main objective of our capital management is to maintain sustainable shareholders' equity to ensure our ability to support and grow our business in order to maximise shareholder value. We continuously review and optimise our capital structure to maintain our gearing ratio at an optimal level based on our business requirements and prevailing economic conditions.

12. FINANCIAL INFORMATION (Cont'd)**12.3 CAPITALISATION AND INDEBTEDNESS**

The table below sets out our capitalisation and indebtedness as at 30 September 2025 and on the assumption that our IPO, Listing and the use of proceeds from our Public Issue as set out in Section 4 of this Prospectus had occurred on 30 September 2025. The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 30 September 2025 and is provided for illustrative purposes only.

	Unaudited As at 30 September 2025	Adjustments	Pro Forma After our IPO, Listing and use of proceeds
	RM'000	RM'000	RM'000
Indebtedness			
Current			
Term loans (unsecured)	6,341	-	6,341
Non-current			
Term loans (unsecured)	37,475	-	37,475
Total indebtedness	43,816	-	43,816
Equity attributable to owners of our Company	164,174	⁽¹⁾ 89,353	253,527
Non-controlling interests	22,865	(22,648)	217
Total equity/capitalisation	187,039	66,705	253,744
Total capitalisation and indebtedness	230,855	66,705	297,560
Contingent liabilities⁽²⁾	930	-	930

Notes:

- (1) Calculated after taking into account, amongst others, the gross proceeds raised from our Public Issue based on the Retail Price, and the remaining estimated listing expenses of approximately RM4.0 million as at 30 September 2025.
- (2) As at 30 September 2025, our Group has disclosed a contingent liability of RM930,000, representing the potential maximum exposure for the cost of replacement and repair works claimed by Kilang Sawit Lembang Sdn Bhd in relation to a boiler as the potential exposure is less probable. For further details, see Section 14.7 of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)**12.4 DIVIDEND POLICY**

The actual dividend that our Board may recommend or declare in any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, we intend to consider various factors including:

- (i) the level of our cash, gearing, return on equity and retained earnings;
- (ii) our expected financial performance;
- (iii) our projected levels of capital expenditure and other growth/investment plans;
- (iv) applicable restrictive covenants under our financing documents; and
- (v) our working capital requirements.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiaries. Distributions by our subsidiaries will depend upon their operating results, earnings, capital requirements, general financial condition and other relevant factors.

We target a payout ratio of approximately 20% to 40% of our PATAMI for each financial year on a consolidated basis after taking into account our Group's working capital requirements, subject to confirmation of our Board as well as any applicable law and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

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

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends which are subject to modification (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 5 of this Prospectus for factors which may affect or restrict our ability to pay dividends.

The following table sets out the dividends declared and paid for the FYE 31 December 2022 and 2023, and the corresponding dividend payout ratio:

	FYE 31 December	
	2022	2023
	RM'000	RM'000
Dividends declared	11,290	7,930
Dividends paid	11,290	7,930
PATAMI	22,333	29,781
Dividend payout ratio ⁽¹⁾	50.6%	26.6%

Note:

(1) Computed based on dividends paid divided by the PATAMI for the financial year.

12. FINANCIAL INFORMATION *(Cont'd)*

We have not declared any dividend for the FYE 31 December 2024 and FPE 30 June 2025 as our Company made the repayment of RM40.2 million debt due to Wasco Berhad Group (excluding Greenergy Group) in the FYE 31 December 2024, following an internal restructuring exercise undertaken by Wasco Berhad where our Company had acquired 100% equity interest in WATSB and 60% equity interest in WTSB from WPE (a wholly-owned subsidiary of Wasco Berhad) in the FYE 31 December 2023. We had decided to retain our cash balance for operations and corporate activities. Please see transaction no. 9 of Section 10.1.2 of this Prospectus for further details on the acquisition by our Company of the equity interests in WATSB and WTSB.

Save as disclosed above, we have not declared or paid any other dividends to our shareholders for the Periods Under Review up to the LPD.

All the dividends mentioned above were funded by internal funds generated from our operations. The dividends paid as described above will not affect the execution and implementation of our future plans and strategies as mentioned in this Prospectus.

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12. FINANCIAL INFORMATION (Cont'd)

12.5 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION



The Board of Directors
Wasco Greenergy Berhad
Lot 1929, Jalan Bukit Kemuning
Seksyen 32
40460 Shah Alam
Selangor Darul Ehsan

5 November 2025

Dear Sirs,

Reasonable Assurance Report on the Compilation of Pro Forma Consolidated Statements of Financial Position of Wasco Greenergy Berhad as at 30 June 2025

- 1 We have completed our reasonable assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of Wasco Greenergy Berhad ("Company") as at 30 June 2025 (the "Pro Forma Consolidated Statements of Financial Position"). The Pro Forma Consolidated Statements of Financial Position which we have stamped for the purpose of identification, have been compiled by the Directors of the Company ("Directors") for purposes of inclusion in the prospectus of the Company ("Prospectus") in connection with the initial public offering ("IPO") of the ordinary shares in the Company and the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Listing").
- 2 The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and are specified in paragraphs 9.18 and 9.20 of Chapter 9 Part II Division I: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines").
- 3 The Pro Forma Consolidated Statements of Financial Position has been compiled by the Directors to illustrate the impact of the events or transactions as set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position on the Company's consolidated statement of financial position as at 30 June 2025 presented as if the events or transactions had taken place on that date. As part of this process, information about the Company's consolidated financial position has been extracted by the Directors from the Company's interim consolidated financial statements for the six months financial period ended 30 June 2025 as contained in the Company's Accountants' Report, on which an audit opinion was issued on 5 November 2025.

Directors' Responsibilities for the Pro Forma Consolidated Statements of Financial Position

- 4 The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position, in accordance with the requirements of the Prospectus Guidelines and with the Malaysian Institute of Accountants' ("MIA") Guidance Note for Issuers of Pro Forma Financial Information.

.....
PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P O Box 10192, 50706 Kuala Lumpur Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

12. FINANCIAL INFORMATION (Cont'd)



**The Board of Directors
Wasco Greenergy Berhad
5 November 2025**

Reasonable Assurance Report on the Compilation of Pro Forma Consolidated Statements of Financial Position of Wasco Greenergy Berhad as at 30 June 2025 (continued)

Reporting Accountants' Responsibilities

- 5 Our responsibility is to express an opinion as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Directors on the basis set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position, in accordance with the requirements of the Prospectus Guidelines and with the MIA's Guidance Note for Issuers of Pro Forma Financial Information.
- 6 We conducted our engagement in accordance with the approved standard on assurance engagements in Malaysia, 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 MIA. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position, in accordance with the requirements of the Prospectus Guidelines and with the MIA's Guidance Note for Issuers of Pro Forma Financial Information.
- 7 For purposes 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 Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.
- 8 The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted consolidated financial information of the Company as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at that date would have been as presented.
- 9 A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria, involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provides a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:
 - The related pro forma adjustments give appropriate effect to those criteria; and
 - The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

12. FINANCIAL INFORMATION (Cont'd)



**The Board of Directors
Wasco Greenergy Berhad
5 November 2025**

Reasonable Assurance Report on the Compilation of Pro Forma Consolidated Statements of Financial Position of Wasco Greenergy Berhad as at 30 June 2025 (continued)

Reporting Accountants' Responsibilities (continued)

- 10 The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company and its subsidiaries, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.
- 11 We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Independence and Quality Management

- 12 We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
- 13 Our firm applies International Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Opinion

- 14 In our opinion, the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position, in accordance with the requirements of the Prospectus Guidelines and with the MIA's Guidance Note for Issuers of Pro Forma Financial Information.

12. FINANCIAL INFORMATION (Cont'd)




**The Board of Directors
Wasco Greenergy Berhad
5 November 2025**


**Reasonable Assurance Report on the Compilation of Pro Forma Consolidated Statements
of Financial Position of Wasco Greenergy Berhad as at 30 June 2025 (continued)**

Restriction on Distribution and Use

- 15 This report is issued for the sole purpose of inclusion in the Prospectus in connection with the IPO and Listing and should not be used or relied upon for any other purpose. Accordingly, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

Yours faithfully,


PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants


TIANG WOON MENG
02927/05/2026 J
Chartered Accountant

12. FINANCIAL INFORMATION *(Cont'd)*

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025



12. FINANCIAL INFORMATION (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025****1 INTRODUCTION**

The Pro Forma Consolidated Statements of Financial Position ("Pro Forma SOFP") of Wasco Greenergy Berhad ("the Company") as at 30 June 2025 with the notes thereon, of which the Directors are solely responsible, have been prepared for purposes of inclusion in the prospectus of the Company in connection with the initial public offering ("IPO") of the ordinary shares of the Company ("Shares") and the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (the "Listing").

2 PRE-IPO EXERCISE

The Pre-IPO Exercise, comprising the Acquisition as detailed in Note 2.1 and the Bonus Issue as detailed in Note 2.2 below are undertaken to facilitate the Listing.

Consequently, the Pre-IPO Exercise has been illustrated in the Pro Forma SOFP to comply with paragraph 9.18(a)(i) and paragraph 9.20(a)(iii) of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines issued by the SC ("Prospectus Guidelines").

2.1 Acquisition

On 19 June 2025, the Company entered into a Share Sale Agreement with Tema Energy Ventures Sdn. Bhd. ("Tema Energy") to acquire the remaining 40% equity interest in Wasco Thermal Sdn. Bhd. ("WTSB"), its 60%-owned subsidiary, from Tema Energy, the minority shareholder of WTSB for 14,404,000 new shares in the Company ("Acquisition"), representing 11.13% of the Company's enlarged share capital.

The completion of the Acquisition was conditional on regulatory approvals and the approval from Bursa Securities for the admission of the Company on the Official List and the listing of and quotation of the entire enlarged issued share capital of the Company on the Main Market of Bursa Securities.

All regulatory approvals and approval of Bursa Securities for the listing of and quotation for the entire enlarged issued share capital on the Main Market of Bursa Securities were obtained as of 17 October 2025. Consequently, the Acquisition was completed on 28 October 2025 upon issuance of the new shares to Tema Energy.

Following the completion of the Acquisition, WTSB became a wholly-owned subsidiary of the Company and the shareholders of the Company and their resultant shareholdings in the Company are as follows:

	As at 30 June 2025		After the Acquisition	
	No. of Shares	%	No. of Shares	%
Wasco Berhad	115,000,000	100.00	115,000,000	88.87
Tema Energy	-	-	14,404,000	11.13
Total	115,000,000	100.00	129,404,000	100.00



12. FINANCIAL INFORMATION (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025****2 PRE-IPO EXERCISE (CONTINUED)****2.1 Acquisition (continued)**

The cost of acquiring the 40% equity interest in WTSB is based on the fair value of the consideration issued at the date that the Acquisition is completed. For the purpose of illustrating the Acquisition in the Pro Forma SOFP, the completion of the Acquisition is illustrated as though it had been effected on 30 June 2025 based on a provisional fair value using the indicative share price for the IPO of RM1.00 per Issue Share as shown in Note 3.1(i).

As the indicative share price was after the Bonus Issue as described in Note 2.2 below, the 14,404,000 new shares issued for the Acquisition after the Bonus Issue will amount to 47,306,900 shares as shown in Note 2.2 below. On this basis, a provisional fair value of RM47.3 million has been computed and assumed for the 40% equity interest in WTSB for the purpose of illustration in the Pro Forma SOFP.

2.2 Bonus Issue

On 28 October 2025, the Company undertook the Bonus Issue of 295,596,000 new Shares ("Bonus Shares"). The Bonus Issue was credited as fully paid-up on a pro-rata basis to the shareholders of the Company based on their respective shareholdings in the Company after the Acquisition. The Bonus Shares were issued at nil consideration without capitalising the retained profits or reserves of the Company.

Following the allotment of Bonus Shares, the Company's enlarged issued share capital totalled 425,000,000 Shares, as follows:

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

The Bonus Issue has no financial impact on the Pro Forma SOFP other than on the computation of net assets per share attributable to the owners of the Company in the supplementary information to the Pro Forma SOFP which can be found in page 6.

3 THE PROPOSALS

The Company will undertake the following Proposals which are an integral part of the Listing and are viewed as a single exercise. They are illustrated in accordance with Paragraph 9.18 of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines.

3.1 IPO**(i) Public Issue**

The Public Issue comprises an issuance of 75,000,000 new Shares ("Issue Shares"), representing approximately 15% of the Company's enlarged issued share capital at the indicative price of RM1.00 per Issue Share. The total gross proceeds from the Public Issue totalled RM75,000,000. Upon completion of the Public Issue, the Company's issued number of Shares will increase from 425,000,000 to 500,000,000 Shares.

12. FINANCIAL INFORMATION (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

3 THE PROPOSALS (CONTINUED)**3.1 IPO (continued)**

(ii) Offer for Sale

The Offer for Sale comprises an offer for sale of up to 75,000,000 Shares ("Offer Shares") by Wasco Berhad and Tema Energy ("collectively, referred as the Selling Shareholders"), representing approximately 15% of the Company's enlarged issued share capital at the indicative price of RM1.00 per Offer Share.

The Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to approximately RM75,000,000 will accrue entirely to the Selling Shareholders.

The Offer for Sale and the expenses relating to the Offer for Sale of RM1.4 million are not illustrated as these are borne by the Selling Shareholders and these have no impact on the Pro Forma SOFP.

3.2 Utilisation of proceeds

The gross proceeds from the Public Issue of RM75,000,000 is expected to be utilised as follows:

Details of utilisation	Estimated timeframe for the use of proceeds upon the Listing	RM'000
Expansion through investments, acquisitions and strategic partnership relating to the ownership and operation of biomass steam power plants ("Asset Ownership") ⁽¹⁾	Within 36 months	38,200
Expansion of operations in Indonesia ⁽²⁾	Within 24 months	5,500
Capital expenditure for new equipment and machinery, and upgrade of headquarters ⁽³⁾	Within 24 months	12,500
Digitalisation of business systems and processes ⁽⁴⁾	Within 36 months	5,000
Research and development ("R&D") ⁽⁵⁾	Within 24 months	4,000
Estimated listing expenses ⁽⁶⁾	Within 3 months	9,800
Total		75,000

Foot Notes:

(1) The Company and its subsidiaries (collectively referred as the "Group") intend to allocate RM38.2 million of the IPO proceeds to invest in and/or selectively pursue acquisitions, strategic partnerships and/or joint ventures in respect of project and businesses through an Asset Ownership model. For purposes of illustration in the Pro Forma SOFP, the proceeds earmarked for the expansion have been included in 'cash and bank balances' as the Group has yet to enter into any definitive agreements with any parties.

(2) The Group intends to allocate RM5.5 million of the IPO proceeds to rent a ready built sales office and two service centres as well as the acquisition of additional service vehicles to support its expansion in Indonesia. For purposes of illustration in the Pro Forma SOFP, the proceeds earmarked for the expansion in Indonesia have been included in 'cash and bank balances' as the Group has yet to enter into any definitive agreements with any parties.

12. FINANCIAL INFORMATION (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025****3 THE PROPOSALS (CONTINUED)****3.2 Utilisation of proceeds (continued)****Foot Notes (continued):**

- (3) The Group intends to allocate RM12.5 million of the IPO proceeds to purchase new equipment and machinery include, amongst others, rolling machine, cutting machine, milling machines, drilling machine and welding machines, and upgrade of its headquarters. For purposes of illustration in the Pro Forma SOFP, the proceeds earmarked for the capital expenditure have been included in 'cash and bank balances' as the Group has yet to enter into any contractual binding arrangements or issued any purchase orders in relation to the capital expenditure.
- (4) The Group intends to allocate RM5.0 million of the IPO proceeds to purchase Artificial Intelligence ("AI") systems and related hardware, together with software and licences for integration into the Group's existing management systems. For purposes of illustration in the Pro Forma SOFP, the proceeds earmarked for the digitalisation have been included in 'cash and bank balances' as the Group has yet to enter into any contractual binding arrangements or issued any purchase orders in relation to the digitalisation.
- (5) The Group intends to allocate RM4.0 million of the IPO proceeds to develop new equipment and/or design new steam energy systems with improved fuel flexibility, energy efficiency and modularity to meet industrial decarbonisation needs. For purposes of illustration in the Pro Forma SOFP, the proceeds earmarked for the R&D have been included in 'cash and bank balances' as the R&D plan has yet to be drawn and approved by the Board of Directors.
- (6) Comprises professional fees, fees payable to authorities, underwriting commission, brokerage and placement fees, other fees and expenses relating to the IPO and the Listing totalling RM9.8 million. Out of these, the estimated listing expenses directly attributable to the issuance of new Issue Shares totalled RM2.21 million, which will be debited against the share capital of the Company upon completion of the IPO. The remaining listing expenses which are estimated to be RM7.59 million will be expensed as incurred.

As at 30 June 2025, RM3.16 million of these expenses have been incurred and expensed off to profit or loss. Out of these, RM1.29 million has been paid and the remaining unpaid amount of RM1.87 million accrued for under 'Trade and Other Payables'. For purposes of illustration in the Pro Forma SOFP, it is assumed that the unpaid amount has been paid out of 'cash and bank balances'.

Upfront payment of listing expenses of RM0.38 million for services to be rendered subsequent to 30 June 2025 had been made by the Company and was classified as 'Prepayments' as at 30 June 2025. For purposes of illustration in the Pro Forma SOFP, the services is assumed to have been rendered and accordingly, the prepayment was reversed and debited to share capital of the Company as it is directly attributable to the issuance of new Issue Shares.

Listing expenses amounting to RM6.26 million incurred after 30 June 2025 are assumed to be incurred and paid as at 30 June 2025 for purposes of illustration in the Pro Forma SOFP. RM1.83 million of the directly attributable listing expenses are debited to share capital of the Company whereas the remaining RM4.43 million are expensed off.

12. FINANCIAL INFORMATION (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025****4 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

The Pro Forma Consolidated Statements of Financial Position ("SOFP") as at 30 June 2025 have been prepared for illustrative purposes only to show the effects of the Pre-IPO Exercise and the Proposals as set out in Note 2 and Note 3 respectively on the audited consolidated statement of financial position of the Company as at 30 June 2025 based on the assumption that the Pre-IPO Exercise and the Proposals had been effected on 30 June 2025, and should be read in conjunction with the notes in this section.

	Audited	Pro Forma I	Pro Forma II
	Consolidated SOFP as at 30 June 2025	After the Pre-IPO Exercise	After Pro Forma I and the Proposals
	RM'000	RM'000	RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	106,396	106,396	106,396
Right-of-use assets	5,202	5,202	5,202
Goodwill	3,304	3,304	3,304
Deferred tax assets	1,297	1,297	1,297
	<u>116,199</u>	<u>116,199</u>	<u>116,199</u>
CURRENT ASSETS			
Inventories	66,255	66,255	66,255
Contract assets	27,781	27,781	27,781
Trade and other receivables	36,986	36,986	36,986
Prepayments	8,365	8,365	7,981
Amounts owing by fellow subsidiaries	9,755	9,755	9,755
Amount owing by joint venture	2	2	2
Tax recoverable	171	171	171
Time deposits	12,200	12,200	12,200
Cash and bank balances	29,080	29,080	95,948
	<u>190,595</u>	<u>190,595</u>	<u>257,079</u>
Asset held for sale	4,546	4,546	4,546
TOTAL ASSETS	<u>311,340</u>	<u>311,340</u>	<u>377,824</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	115,000	162,307	235,097
Exchange translation reserve	(3,419)	(3,419)	(3,419)
Capital reserve	-	(26,778)	(26,778)
Retained profits	46,344	46,344	41,908
	<u>157,925</u>	<u>178,454</u>	<u>246,808</u>
Non-controlling interests	20,737	208	208
TOTAL EQUITY	<u>178,662</u>	<u>178,662</u>	<u>247,016</u>

12. FINANCIAL INFORMATION (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025****4 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

	<u>Audited</u>	<u>Pro Forma I</u>	<u>Pro Forma II</u>
	Consolidated SOFP as at 30 June 2025	After the Pre-IPO Exercise	After Pro Forma I and the Proposals
	RM'000	RM'000	RM'000
NON-CURRENT AND DEFERRED LIABILITIES			
Trade and other payables	1,549	1,549	1,549
Borrowings	39,076	39,076	39,076
	<u>40,625</u>	<u>40,625</u>	<u>40,625</u>
CURRENT LIABILITIES			
Contract liabilities	37,675	37,675	37,675
Trade and other payables	39,636	39,636	37,766
Provision for warranties	1,587	1,587	1,587
Amounts owing to fellow subsidiaries	918	918	918
Amount owing to joint venture	5,474	5,474	5,474
Borrowings	6,320	6,320	6,320
Current tax liabilities	443	443	443
	<u>92,053</u>	<u>92,053</u>	<u>90,183</u>
TOTAL LIABILITIES	<u>132,678</u>	<u>132,678</u>	<u>130,808</u>
TOTAL EQUITY AND LIABILITIES	<u>311,340</u>	<u>311,340</u>	<u>377,824</u>
Supplementary information:			
Number of ordinary shares in issue	115,000	425,000 ⁽²⁾	500,000 ⁽³⁾
Net assets per share attributable to owners of the Company (RM) ⁽¹⁾	1.37	0.42	0.49

Note:

- (1) Net assets per share attributable to owners of the Company is computed based on the capital and reserves attributable to owners of the Company divided by the number of ordinary shares in issue.
- (2) After including 14,404,000 shares issued to acquire 40% of WTSB and 295,596,000 Bonus Shares
- (3) After including 14,404,000 shares issued to acquire 40% of WTSB, 295,596,000 Bonus Shares and 75,000,000 Issue Shares

12. FINANCIAL INFORMATION (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

4 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**4.1 Basis of preparation**

The Pro Forma SOFP as at 30 June 2025 have been prepared based on the audited consolidated SOFP of the Company as at 30 June 2025 as contained in the Company's Accountants' Report for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and for the six-month financial period ended 30 June 2025 ("Accountants' Report") on which an unmodified audit opinion was issued on 5 November 2025. The Accountants' Report was prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") and the Prospectus Guidelines issued by the Securities Commission Malaysia.

The Pro Forma SOFP have been prepared in a manner consistent with the format of financial statements and accounting policies of the Group.

The Pro Forma SOFP have been prepared in accordance with the Paragraphs 9.18 and 9.20 of Chapter 9 Part II Division I: Equity of the Prospectus Guidelines and the Malaysian Institute of Accountants' Guidance Note for Issuers of Pro Forma Financial Information, for illustrative purposes only, to show the effects of the transactions as set out in Note 2 and Note 3 on the Company's audited consolidated SOFP as at 30 June 2025 had the events or transactions been effected on 30 June 2025, and should be read in conjunction with the Notes to the Pro Forma SOFP. Such information, because of its hypothetical nature, does not give a true picture of the actual effects of the transactions or events on the financial information presented had the transaction or event occurred on 30 June 2025. Further, such information does not purport to predict the Group's future financial position.

4.2 Adjustments to the Pro Forma SOFP**4.2.1 Pro Forma I**

Pro Forma I incorporated the effects of the Pre-IPO Exercise as set out in Note 2.1 and Note 2.2.

4.2.2 Pro Forma II

Pro Forma II incorporated the effects of Pro Forma I and the Proposals as set out in Note 3.1 and Note 3.2.



12. FINANCIAL INFORMATION (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

4 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**4.3 Notes to the Pro Forma Consolidated Statements of Financial Position****4.3.1 Cash and bank balances**

The movements in cash and bank balances within current assets are as follows:

	RM'000
Audited as at 30 June 2025/Per Pro Forma I	29,080
Add: Proceeds from Public Issue (Note 3.1(i))	75,000
Less: Utilisation of Proceeds:	
- Payment of estimated listing expenses (Note 3.2 - Foot Note 6)	(8,132)
Per Pro Forma II	95,948

4.3.2 Prepayments

The movement in prepayments within current assets is as follows:

	RM'000
Audited as at 30 June 2025/Per Pro Forma I	8,365
Less: Reversal of prepaid listing expenses (Note 3.2 - Foot Note 6)	(384)
Per Pro Forma II	7,981

4.3.3 Share capital

The movements in share capital within equity are as follows:

	Number of shares '000	RM'000
Audited as at 30 June 2025	115,000	115,000
Add: Effect of the Acquisition including the impact from the Bonus Issue to Tema Energy (Note 2)	47,307	47,307
Effect of the remaining bonus shares from the Bonus Issue to Wasco Berhad (Note 2)	262,693	-
Per Pro Forma I	425,000	162,307
Add: Effect of Public Issue (Note 3.1(i))	75,000	75,000
Less: Reversal of prepaid listing expenses (Note 3.2 - Foot Note 6)	-	(384)
Estimated expenses directly attributable to the new Issue Shares (Note 3.2 - Foot Note 6)	-	(1,826)
Per Pro Forma II	500,000	235,097

4.3.4 Non-controlling interests

The movement in non-controlling interests within equity is as follows:

	RM'000
Audited as at 30 June 2025	20,737
Less: Effect of Acquisition (Note 2)	(20,529)
Per Pro Forma I/II	208



12. FINANCIAL INFORMATION (Cont'd)**WASCO GREENERGY BERHAD**(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025****4 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)****4.3 Notes to the Pro Forma Consolidated Statements of Financial Position (continued)****4.3.5 Capital reserve**

The movement in capital reserve within equity is as follows:

	RM'000
Audited as at 30 June 2025	-
Add: Effect of Acquisition (Note 2)	(26,778)
Per Pro Forma I/II	<u>(26,778)</u>

The capital reserve arose from the difference between the fair value of the consideration given amounting to RM47.3 million as described in Note 2.1, and the net book value of the non-controlling interest comprising 40% equity interest, in WTSB's net assets as at 30 June 2025 amounting to RM20.5 million.

4.3.6 Retained profits

The movement in retained profits within equity is as follows:

	RM'000
Audited as at 30 June 2025/Per Pro Forma I	46,344
Less: Estimated listing expenses expensed off (Note 3.2 - Foot Note 6)	(4,436)
Per Pro Forma II	<u>41,908</u>

4.3.7 Trade and other payables

The movement in trade and other payables within current liabilities is as follows:

	RM'000
Audited as at 30 June 2025/Per Pro Forma I	39,636
Less: Reversal of accrued listing expenses (Note 3.2 - Foot Note 6)	(1,870)
Per Pro Forma II	<u>37,766</u>

12. FINANCIAL INFORMATION (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

5 APPROVAL BY BOARD OF DIRECTORS

The Pro Forma Consolidated Statements of Financial Position has been approved for issue in accordance with a resolution of the Board of Directors of Wasco Greenergy Berhad on 5 November 2025.

Signed on behalf of the Board of Directors.



RAMANATHAN A/L P.R. SINGARAM
DIRECTOR


LEE YEE CHONG
CHIEF EXECUTIVE OFFICER

13. ACCOUNTANTS' REPORT

WASCO GREENERGY BERHAD

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

ACCOUNTANTS' REPORT

FOR THE FINANCIAL YEARS/PERIOD ENDED 31 DECEMBER 2022, 31 DECEMBER 2023,
31 DECEMBER 2024 AND 30 JUNE 2025

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13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS**1.1 GENERAL INFORMATION**

Wasco Greenergy Berhad ("WG" or "Company") was incorporated as a private limited liability company in Malaysia on 5 December 2023. On 20 June 2025, the Company was converted into a public limited liability company.

This Accountants' Report comprises the consolidated financial statements of Wasco Greenergy Berhad and its subsidiaries (the "Group") which includes the consolidated statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and for the financial periods ended 30 June 2025 and 30 June 2024 and material accounting policies and other explanatory notes (together, the "Consolidated Financial Statements").

The address of the principal place of business and registered office of the Group are as follows:

Principal place of business

Lot 1929
Jalan Bukit Kemuning, Seksyen 32
40460 Shah Alam
Selangor Darul Ehsan

Registered office

Office Suite No. 603, Block C
Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11
Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan

The principal activities of the Group include the engineering, procurement, construction, and commissioning ("EPCC") of renewable and cleaner energy systems and auxiliary facilities. Additionally, the Group supplies steam turbine generator systems, equipment, and spare parts for the palm oil and other agricultural industries, along with comprehensive after-sales services.

The Directors regard Wasco Berhad ("WB"), a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, as the holding company.

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group and its subsidiaries operate ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

All financial assets and financial liabilities are denominated in Ringgit Malaysia unless otherwise stated.



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.2 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	As at <u>30.6.2025</u>
		RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	2.3	62,713	101,409	104,714	106,396
Right-of-use assets	2.4	5,073	5,006	5,423	5,202
Investment in joint venture	2.5	3,890	4,461	4,527	-
Goodwill	2.6	3,304	3,304	3,304	3,304
Deferred tax assets	2.7	3,036	2,399	2,401	1,297
		<u>78,016</u>	<u>116,579</u>	<u>120,369</u>	<u>116,199</u>
CURRENT ASSETS					
Inventories	2.8	60,481	68,831	67,348	66,255
Contract assets	2.9	14,262	12,981	19,611	27,781
Trade and other receivables	2.10	40,977	38,461	40,869	36,986
Prepayments	2.11	8,536	11,475	10,324	8,365
Amounts owing by holding company	2.12(a)	-	10	-	-
Amounts owing by fellow subsidiaries	2.13(a)	33,504	17,306	64	9,755
Amount owing by joint venture	2.14(a)	-	-	4	2
Tax recoverable		227	-	120	171
Derivative financial assets	2.15	82	154	-	-
Time deposits	2.16	6,800	15,200	37,630	12,200
Cash and bank balances	2.17	26,160	36,878	17,152	29,080
		<u>191,029</u>	<u>201,296</u>	<u>193,122</u>	<u>190,595</u>
Assets held for sale	2.18	-	27,769	-	4,546
		<u>191,029</u>	<u>229,065</u>	<u>193,122</u>	<u>195,141</u>
TOTAL ASSETS		<u><u>269,045</u></u>	<u><u>345,644</u></u>	<u><u>313,491</u></u>	<u><u>311,340</u></u>
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNER OF THE COMPANY					
Share capital	2.19(a)	-	10	115,000	115,000
Invested equity	2.19(b)	9,900	-	-	-
Exchange translation reserve		414	247	(12)	(3,419)
Retained profits		128,139	120,812	39,665	46,344
		<u>138,453</u>	<u>121,069</u>	<u>154,653</u>	<u>157,925</u>
Non-controlling interests		10,729	14,801	19,533	20,737
TOTAL EQUITY		<u><u>149,182</u></u>	<u><u>135,870</u></u>	<u><u>174,186</u></u>	<u><u>178,662</u></u>



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.2 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

	<u>Note</u>	<u>31.12.2022</u> RM'000	<u>31.12.2023</u> RM'000	<u>31.12.2024</u> RM'000	<u>As at</u> <u>30.6.2025</u> RM'000
EQUITY AND LIABILITIES (CONTINUED)					
NON-CURRENT AND DEFERRED LIABILITIES					
Trade and other payables	2.20	1,398	1,365	1,677	1,549
Borrowings	2.21	14,000	6,500	42,236	39,076
		<u>15,398</u>	<u>7,865</u>	<u>43,913</u>	<u>40,625</u>
CURRENT LIABILITIES					
Contract liabilities	2.9	50,451	49,405	35,663	37,675
Trade and other payables	2.20	39,824	45,634	43,976	39,636
Provision for warranties	2.22	1,166	1,773	1,953	1,587
Amount owing to holding company	2.12(b)	236	4	-	-
Amounts owing to fellow subsidiaries	2.13(b)	310	87,148	1,671	918
Amount owing to joint venture	2.14(b)	2,888	6,914	5,438	5,474
Borrowings	2.21	6,000	7,500	3,160	6,320
Current tax liabilities		3,590	3,531	3,531	443
		<u>104,465</u>	<u>201,909</u>	<u>95,392</u>	<u>92,053</u>
TOTAL LIABILITIES		<u>119,863</u>	<u>209,774</u>	<u>139,305</u>	<u>132,678</u>
TOTAL EQUITY AND LIABILITIES		<u>269,045</u>	<u>345,644</u>	<u>313,491</u>	<u>311,340</u>

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



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.3 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Note	Financial year/period ended				
		31.12.2022	31.12.2023	31.12.2024	30.6.2025	30.6.2024 Unaudited
		RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2.23	266,565	288,844	276,715	126,159	119,959
Cost of sales	2.24	(203,313)	(215,740)	(199,200)	(93,888)	(89,071)
Gross profit		63,252	73,104	77,515	32,271	30,888
Other operating income		2,108	5,413	16,605	1,197	15,382
Selling and distribution expenses		(4,389)	(4,890)	(5,012)	(2,660)	(2,528)
Administrative and general expenses		(25,731)	(29,004)	(32,708)	(19,590)	(14,754)
(Loss)/Reversal of impairment of financial assets		(1,478)	1,285	(410)	516	584
Other (losses)/gains - net		(52)	72	(154)	-	(172)
Profit from operations	2.25	33,710	45,980	55,836	11,734	29,400
Finance costs	2.27	(1,113)	(903)	(2,277)	(1,276)	(792)
Share of results of joint venture		447	571	66	19	(23)
Profit before tax		33,044	45,648	53,625	10,477	28,585
Tax expense	2.28	(7,894)	(10,707)	(14,585)	(2,594)	(7,341)
Net profit for the financial year/period		25,150	34,941	39,040	7,883	21,244
Other comprehensive expenses						
Items that may be subsequently reclassified to profit or loss:						
Foreign currency translation differences for foreign operations		(222)	(167)	(259)	(3,407)	(216)
Other comprehensive expenses for the financial year/period, net of tax		(222)	(167)	(259)	(3,407)	(216)
Total comprehensive income for the financial year/period		24,928	34,774	38,781	4,476	21,028
Net profit for the financial year/period attributable to:						
Owners of the Company		22,333	29,781	34,308	6,679	19,638
Non-controlling interests		2,817	5,160	4,732	1,204	1,606
Net profit for the financial year/period		25,150	34,941	39,040	7,883	21,244



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.3 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**

	Note	Financial year/period ended				
		<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u> Unaudited
		RM'000	RM'000	RM'000	RM'000	RM'000
Total comprehensive income for the financial year/period attributable to:						
Owners of the Company		22,111	29,614	34,049	3,272	19,422
Non-controlling interests		2,817	5,160	4,732	1,204	1,606
Total comprehensive income for the financial year/period		<u>24,928</u>	<u>34,774</u>	<u>38,781</u>	<u>4,476</u>	<u>21,028</u>
Earnings per share						
- Basic (sen)	2.29	5.91	7.88	9.08	1.77	5.20
- Diluted (sen)	2.29	5.91	7.88	9.08	1.77	5.20

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



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital RM'000	Invested equity RM'000	Exchange translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
At 1 January 2022		-	9,900	636	116,608	127,144	8,155	135,299
Net profit for the financial year		-	-	-	22,333	22,333	2,817	25,150
Other comprehensive expense for the financial year		-	-	(222)	-	(222)	-	(222)
Total comprehensive (expense)/ income for the financial year		-	-	(222)	22,333	22,111	2,817	24,928
Transactions with owners:								
Dividend paid by Wasco AgroTech Sdn. Bhd. to Wasco Process Engineering Sdn. Bhd.	2.30	-	-	-	(10,070)	(10,070)	-	(10,070)
Dividend paid by Wasco Thermal Sdn. Bhd. to Wasco Process Engineering Sdn. Bhd. and non-controlling interest	2.30	-	-	-	(732)	(732)	(488)	(1,220)
Total distributions to owners		-	-	-	(10,802)	(10,802)	(488)	(11,290)
Acquisition of shares in existing subsidiary from non-controlling interest		-	-	-	-	-	245	245
At 31 December 2022		-	9,900	414	128,139	138,453	10,729	149,182

13. ACCOUNTANTS' REPORT (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

	Note	Share capital RM'000	Invested equity RM'000	Exchange translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
At 1 January 2023		-	9,900	414	128,139	138,453	10,729	149,182
Net profit for the financial year		-	-	-	29,781	29,781	5,160	34,941
Other comprehensive expense for the financial year		-	-	(167)	-	(167)	-	(167)
Total comprehensive (expense)/ income for the financial year		-	-	(167)	29,781	29,614	5,160	34,774
Transactions with owners:								
Dividend paid by Wasco AgroTech Sdn. Bhd. to Wasco Process Engineering Sdn. Bhd.	2.30	-	-	-	(5,210)	(5,210)	-	(5,210)
Dividend paid by Wasco Thermal Sdn. Bhd. to Wasco Process Engineering Sdn. Bhd. and non-controlling interest	2.30	-	-	-	(1,632)	(1,632)	(1,088)	(2,720)
Total distributions to owners		-	-	-	(6,842)	(6,842)	(1,088)	(7,930)
Incorporation	2.19(a)	10	-	-	-	10	-	10
Bonus issue	2.1.1	-	11,440	-	(11,440)	-	-	-
Acquisition of subsidiaries	2.1.1	-	-	-	(40,166)	(40,166)	-	(40,166)
Reclassification from invested equity to retained profits	2.19(b)	-	(21,340)	-	21,340	-	-	-
At 31 December 2023		10	-	247	120,812	121,069	14,801	135,870

13. ACCOUNTANTS' REPORT (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

	<u>Note</u>	Share capital RM'000	Exchange translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
At 1 January 2024		10	247	120,812	121,069	14,801	135,870
Net profit for the financial year		-	-	34,308	34,308	4,732	39,040
Other comprehensive expense for the financial year		-	(259)	-	(259)	-	(259)
Total comprehensive (expense)/income for the financial year		-	(259)	34,308	34,049	4,732	38,781
Issuance of ordinary share	2.1.1	114,990	-	(114,990)	-	-	-
Acquisition of shares in the subsidiaries		-	-	(465)	(465)	-	(465)
At 31 December 2024		<u>115,000</u>	<u>(12)</u>	<u>39,665</u>	<u>154,653</u>	<u>19,533</u>	<u>174,186</u>



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	<u>Note</u>	Share capital RM'000	Exchange translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
At 1 January 2025		115,000	(12)	39,665	154,653	19,533	174,186
Net profit for the financial period		-	-	6,679	6,679	1,204	7,883
Other comprehensive expense for the financial period		-	(3,407)	-	(3,407)	-	(3,407)
Total comprehensive (expense)/income for the financial period		-	(3,407)	6,679	3,272	1,204	4,476
At 30 June 2025		<u>115,000</u>	<u>(3,419)</u>	<u>46,344</u>	<u>157,925</u>	<u>20,737</u>	<u>178,662</u>



13. ACCOUNTANTS' REPORT (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

<u>Note</u>	<u>Share capital</u> RM'000	<u>Exchange translation reserve</u> RM'000	<u>Retained profits</u> RM'000	<u>Total</u> RM'000	<u>Non- controlling interests</u> RM'000	<u>Total</u> RM'000
<u>Unaudited</u>						
At 1 January 2024	10	247	120,812	121,069	14,801	135,870
Net profit for the financial period	-	-	19,638	19,638	1,606	21,244
Other comprehensive expense for the financial period	-	(216)	-	(216)	-	(216)
Total comprehensive (expense)/income for the financial period	-	(216)	19,638	19,422	1,606	21,028
At 30 June 2024	<u>10</u>	<u>31</u>	<u>140,450</u>	<u>140,491</u>	<u>16,407</u>	<u>156,898</u>

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



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.5 CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Note	Financial year/period ended				
		31.12.2022	31.12.2023	31.12.2024	30.6.2025	30.6.2024 Unaudited
		RM'000	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		33,044	45,648	53,625	10,477	28,585
Adjustments for:						
Property, plant and equipment:						
- Depreciation	2.3	2,114	2,349	2,768	1,534	1,336
- Written-off	2.3	15	5	8	3	7
- Net gain on disposal	2.25	(49)	(167)	(431)	(16)	(57)
Right-of-use assets:						
- Depreciation	2.4	67	67	335	159	55
Inventories:						
- Allowance/(Reversal) for slow moving	2.25	1,162	(712)	86	696	-
- Written-off	2.25	385	157	-	-	-
Trade and other receivables:						
- Allowance/(Reversal) for doubtful debts		1,478	(1,285)	410	(516)	(584)
Share of result of joint venture	2.5	(447)	(571)	(66)	(19)	23
Net provision of warranties	2.22	441	607	184	(359)	870
Net unrealised loss/(gain) on foreign exchange	2.25	185	236	(520)	126	(1,119)
Finance income		(863)	(1,821)	(1,952)	(513)	(1,261)
Finance costs	2.27	1,113	903	2,277	1,276	792
Net gain on disposal of assets held for sale	2.18	-	-	(11,631)	-	(11,631)
Fair value loss/(gain) on derivative financial instruments		52	(72)	154	-	172
Operating profit before working capital changes		38,697	45,344	45,247	12,848	17,188
Changes in working capital:						
Inventories		(6,499)	(7,795)	1,414	399	(7,336)
Receivables		(14,733)	1,614	(8,843)	(2,252)	(13,214)
Payables		18,310	7,890	(14,227)	(3,417)	(4,755)
Cash generated from/(used in) operations		35,775	47,053	23,591	7,578	(8,117)
Tax paid		(1,799)	(10,231)	(14,431)	(4,671)	(6,885)
Tax refund		7	59	-	-	-
Interest paid		(988)	(900)	(2,277)	(786)	(195)
Interest received		942	1,821	1,952	438	1,114
Net cash generated from/(used in) operating activities		33,937	37,802	8,835	2,559	(14,083)

13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.5 CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

	Note	Financial year/period ended				
		31.12.2022	31.12.2023	31.12.2024	30.6.2025	30.6.2024 Unaudited
		RM'000	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Issuance of share capital	2.19(a)	-	-	10	-	-
Common control transaction	2.1.1	-	-	(40,465)	-	-
Dividends received from joint venture	2.5	3,430	-	-	-	-
Purchase of property, plant and equipment	2.3	(2,049)	(21,452)	(53,469)	(3,434)	(49,235)
Proceeds from disposals of property, plant and equipment		98	168	443	17	57
Proceeds from disposals of asset held for sale		-	-	39,400	-	39,400
Advances to holding company	2.31	(8,000)	-	(40,080)	-	(40,080)
Repayments from holding company	2.31	8,000	-	40,080	-	40,080
Advances to fellow subsidiaries	2.31	(39,596)	(36,995)	(10,000)	(15,000)	(10,000)
Repayments from fellow subsidiaries	2.31	5,971	53,571	27,050	5,500	27,050
Net cash (used in)/generated from investing activities		<u>(32,146)</u>	<u>(4,708)</u>	<u>(37,031)</u>	<u>(12,917)</u>	<u>7,272</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
Advance from a fellow subsidiaries	2.31	-	-	2,000	-	2,000
Repayment to a fellow subsidiaries	2.31	-	-	(2,000)	-	(2,000)
Drawdown from borrowings	33	-	-	45,396	-	45,396
Repayment of borrowings		(10,217)	(6,000)	(14,000)	-	(7,500)
Distribution pre-business combination	2.30	(11,290)	(7,930)	-	-	-
Subscription of shares in subsidiary by non-controlling interest		245	-	-	-	-
Net cash (used in)/generated from financing activities		<u>(21,229)</u>	<u>(13,930)</u>	<u>31,396</u>	<u>-</u>	<u>37,896</u>
Net changes in cash and cash equivalents		(19,438)	19,164	3,200	(10,358)	31,085
Cash and cash equivalents at the beginning of the financial year/period		52,276	32,960	52,078	54,782	52,078
Effects of exchange rate changes		122	(46)	(496)	(3,144)	(598)
Cash and cash equivalents at the end of the financial year/period		<u>32,960</u>	<u>52,078</u>	<u>54,782</u>	<u>41,280</u>	<u>82,565</u>



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**1.5 CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

	Note	Financial year/period ended				
		31.12.2022	31.12.2023	31.12.2024	30.6.2025	30.6.2024 Unaudited
		RM'000	RM'000	RM'000	RM'000	RM'000
Represented by:						
Time deposits	2.16	6,800	15,200	37,630	12,200	61,600
Cash and bank balances	2.17	26,160	36,878	17,152	29,080	20,965
Cash and cash equivalents		<u>32,960</u>	<u>52,078</u>	<u>54,782</u>	<u>41,280</u>	<u>82,565</u>

The reconciliation of liabilities arising from financing activities is as follows:

	Revolving Credit RM'000	Term loans RM'000	Total liabilities from financing activities RM'000
At 1 January 2022	4,173	26,000	30,173
<u>Cash flows:</u>			
Realised foreign exchange loss	11	-	11
Drawdown of borrowings	33	-	33
Repayment of borrowings	(4,217)	(6,000)	(10,217)
At 31 December 2022	<u>-</u>	<u>20,000</u>	<u>20,000</u>
At 1 January 2023	-	20,000	20,000
<u>Cash flows:</u>			
Repayment of borrowings	-	(6,000)	(6,000)
At 31 December 2023	<u>-</u>	<u>14,000</u>	<u>14,000</u>
At 1 January 2024	-	14,000	14,000
<u>Cash flows:</u>			
Drawdown of borrowings	-	45,396	45,396
Repayment of borrowings	-	(14,000)	(14,000)
At 31 December 2024	<u>-</u>	<u>45,396</u>	<u>45,396</u>
At 1 January 2025 / 30 June 2025	<u>-</u>	<u>45,396</u>	<u>45,396</u>
At 1 January 2024	-	14,000	14,000
<u>Cash flows:</u>			
Drawdown of borrowings	-	45,396	45,396
Repayment of borrowings	-	(7,500)	(7,500)
At 30 June 2024	<u>-</u>	<u>51,896</u>	<u>51,896</u>

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



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**2.1 MATERIAL ACCOUNTING POLICIES**

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

2.1.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together referred as the "Group" and individually referred to as "Group entities") have been prepared in connection with the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing") and for no other purposes.

The consolidated financial statements of the Group for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") and have been prepared based on historical financial information.

The interim consolidated financial statements of the Group for the financial period ended 30 June 2025 is prepared in accordance with Malaysian Financial Reporting Standard 134 "Interim Financial Reporting" and International Accounting Standard 34 "Interim Financial Reporting". It has been prepared under the historical cost convention, except as disclosed in the respective disclosure notes.

The material accounting policies and methods of computation adopted in the interim consolidated financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2024.

The consolidated financial statements have been prepared under the historical cost convention unless otherwise indicated in this summary of material accounting policies. The consolidated financial statements are presented in Ringgit Malaysia ("RM"). All financial assets and financial liabilities are denominated in Ringgit Malaysia unless otherwise stated.

Unless otherwise indicated, the amounts in these consolidated financial statements have been rounded to the nearest thousand.

Details of the subsidiaries are as follows:

	Country of incorporation	31.12.2022 %	31.12.2023 %	31.12.2024 %	30.6.2025 %	Principal activities
Wasco Thermal Sdn. Bhd.	Malaysia	60	60 [@]	60	60	Undertaking of steam boiler and energy system project in both local and overseas market
Wasco AgroTech Sdn. Bhd.	Malaysia	100	100 [^]	100	100	Manufacturing and supplying of spare parts, equipment and provision of maintenance services for palm oil and other agricultural industries

13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.1 MATERIAL ACCOUNTING POLICIES (CONTINUED)****2.1.1 Basis of preparation (continued)**

Details of the subsidiaries are as follows: (continued)

	Country of <u>incorporation</u>	<u>31.12.2022</u> %	<u>31.12.2023</u> %	<u>31.12.2024</u> %	<u>30.6.2025</u> %	<u>Principal activities</u>
PMT Industries (Labuan) Ltd.	Federal Territory Labuan	100	100	100	100	Supply of equipment for palm oil and other agricultural industries
PMT-Dong Yuan Industries Sdn. Bhd.	Malaysia	100	100	100	100	Dormant
PT. Wasco AgroTech Indonesia	Indonesia	100	100	100	100	Supply of spare parts, equipment, provision of maintenance services and engineering consultation for oil palm and other agricultural industries
Wasco Saito. Sdn. Bhd.	Malaysia	51	51	51	51	Manufacturing of accessories and equipment under the brand of "Saito" for disc bowl centrifuge, for palm oil industry, manufacturing of decanters model SID-550P and 580P for palm oil industry, and manufacturing and development of new products in any industry
PMT-Phoenix Industries Sdn. Bhd.	Malaysia	-	-	- #	-	Under member's voluntary winding up



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.1 MATERIAL ACCOUNTING POLICIES (CONTINUED)****2.1.1 Basis of preparation (continued)**

Details of the subsidiaries are as follows: (continued)

@ On 29 December 2023, the Company entered into a Share Sale Agreement with Wasco Process Engineering Sdn. Bhd. ("WPE") to acquire 1,200,000 ordinary shares in the issued and paid-up share capital of Wasco Thermal Sdn. Bhd. ("WTSB"), representing 60% of the equity interest in WTSB for a total consideration of RM20,292,000. The sale was deemed completed on 29 December 2023.

^ On 8 February 2023, Wasco AgroTech Sdn. Bhd. ("WAT") issued and allotted 11,440,000 bonus ordinary shares at an issue price of RM1.00 each to WPE, its immediate holding company on the basis of 4.4 new ordinary shares for every 1 existing ordinary share held and to be credited as fully paid-up new ordinary shares from the retained earnings of WAT amounting to RM11,440,000.

On 23 February 2023, WAT had converted 6,000,000 fully paid-up Non-Cumulative Redeemable Convertible Preference Shares ("NCRCPs") held by WPE and valued at RM6,100,000 into 6,000,000 ordinary shares at the conversion value of RM6,100,000. Following the abovesaid bonus issue and conversion of NCRCPs into ordinary shares, the issued and paid-up share capital of WAT amounted to RM20,140,000, comprising 20,040,000 ordinary shares.

On 29 December 2023, the Company entered into a Share Sale Agreement with Wasco Process Engineering Sdn. Bhd. ("WPE") to acquire 20,400,000 ordinary shares in the issued and paid-up share capital of Wasco AgroTech Sdn. Bhd. ("WAT"), representing 100% of the equity interest in WAT for a total consideration of RM134,864,000. The sale was deemed completed on 29 December 2023.

On 15 December 2017, PMT-Phoenix Industries Sdn. Bhd. ("PMT-Phoenix"), an indirect wholly-owned subsidiary of the Company had at its Extraordinary General Meeting, approved the special resolution to wind up PMT-Phoenix by way of Member's Voluntary Winding Up. As a result, the Group no longer controls the subsidiary and as such it was not consolidated.

Subsequently on 29 February 2024, PMT-Phoenix had held its final meeting for the Member's Voluntary Winding Up. PMT-Phoenix was fully dissolved after the expiration of three months from the date of lodgement of the Return by Liquidator relating to the Final Meeting with the Companies Commission of Malaysia and Official Receiver.

Common control transactions

On 29 December 2023, the Company acquired 100% equity interest in Wasco AgroTech Sdn. Bhd. ("WAT") and 60% equity interest in Wasco Thermal Sdn. Bhd. ("WTSB") from Wasco Process Engineering Sdn. Bhd. ("WPE"), a fellow subsidiary for a purchase consideration of RM134,864,000 and RM20,292,000 respectively. The total purchase consideration of RM155,156,000 was settled as follows:

- RM114,990,000 through the issuance of 114,990,000 new ordinary shares of the Company at the issue price of RM1 per ordinary share; and
- RM40,166,000 as a debt due to and payable to WPE.



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.1 MATERIAL ACCOUNTING POLICIES (CONTINUED)****2.1.1 Basis of preparation (continued)**Common control transactions (continued)

WPE is a wholly owned subsidiary of Wasco Berhad ("WB"). Accordingly, the above transactions are between entities under common control, as WAT, WTSB and WPE are controlled by WB, the ultimate controlling party and the control is not transitory. Hence, the transactions are excluded from the scope of MFRS 3 "Business Combinations". These transactions were deemed to be business combinations under common control and are accounted for using the "Predecessor Accounting".

On 28 June 2024, WPE novated the amount due from the Company to Wasco Berhad. Subsequently, the Company paid RM40,465,000 (including stamp duty) to Wasco Berhad. On 30 December 2024, the Company issued the 114,990,000 new ordinary shares of the Company at the issue price of RM1 per ordinary shares to Wasco Berhad.

The Company and the above subsidiaries have been under the common control of WB for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and for the financial period ended 30 June 2025.

Entities under common control are entities which are ultimately controlled by the same controlling party and that control is not transitory. Control exists when the controlling party has, as a result of contractual agreements, ultimate collective power to govern the financial and operational policies of each of the combining entities so as to obtain the benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the consolidated financial statements from the day that control commences until the date that control ceases and accounted for as business combination under common control.

Accordingly, the consolidated financial statements of WG have been prepared by carving out the financial information relating to the entities as listed on the prior page, from the consolidated financial statements of WB. The consolidated financial statements of WB have been prepared in accordance with MFRS and IFRS.

2.1.2 Accounting policies on business combination under common control transactions and transactions with non-controlling interests**(a) Business combination under common control**

The business combination under common control is accounted for using the "Predecessor Accounting" method as if Wasco Greenergy ("WG") and its subsidiaries (collectively referred as "WG Group" or "Group") had been operating as a single economic entity through the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and for the financial period ended 30 June 2025. The acquired entities' results and statement of financial position are incorporated as if the Group had always been consolidated. Assets and liabilities of the acquired entities are stated at predecessor carrying values, i.e. the amounts recorded by WB in its consolidated financial statements. The difference between any consideration given by WG and the aggregate carrying value of the assets and liabilities of the acquired entities at the date of the transaction is included in equity.

In preparing the consolidated financial statements of WG, balances, transactions and unrealised gains or losses on transactions between consolidated group entities were eliminated in full in accordance with the consolidation principles of MFRS 10 / IFRS 10 – Consolidated Financial Statements.

13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.1 MATERIAL ACCOUNTING POLICIES (CONTINUED)****2.1.2 Accounting policies on business combination under common control transactions and transactions with non-controlling interests (continued)****(a) Business combination under common control (continued)**

The preparation of consolidated financial statements in conformity with MFRS and IFRS 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 financial statements, and the reported amounts of revenues and expenses during the reported 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, or areas where assumptions and estimates are significant to the financial statements are disclosed in each respective note to the financial statements.

(b) Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. Effects of transactions with non-controlling interests are directly recognised in capital reserve to the extent that there is no change in control. The difference between the fair value of any consideration paid/received and the carrying amount of the share of net assets acquired/sold are recorded in equity. Accordingly, such transactions will no longer result in goodwill or gains and losses upon disposal.

2.1.3 Changes in accounting policies and disclosures

Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective:

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'
- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026)

The amendment shall be applied retrospectively.

The Group is currently assessing the detailed implications of applying the accounting policies on the Group's consolidated financial statements.

2.1.4 IFRIC agenda decisions that are concluded and published

In view that MFRS is fully converged with IFRS Accounting Standards, the Group considers all agenda decisions published by the IFRS Interpretations Committee. Where relevant, the Group may change its accounting policy to be aligned with the agenda decision.

The July 2024 IFRIC agenda decision on the Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Reporting Segments) on the financial information of the Group did not have a material impact in prior periods and are not expected to significantly affect the current or future periods.



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.2 SEGMENT REPORTING**

For management purpose, the Group is organised into business units based on their products and services.

The Group's operating segments comprise:

- (a) Renewable energy systems: Engineering, procurement, construction and commissioning ("EPCC") of steam energy systems and auxiliary facilities, supply of steam generator systems, as well as the provision of after-sales services and spare parts for these systems.
- (b) Industrial energy and equipment segment: Include the EPCC of gas-fired energy systems and the sales of palm oil milling equipment which are in-house manufactured and externally sourced.

RESULTS	Renewable energy segment RM'000	Industrial energy and equipment segment RM'000	Total RM'000
<u>Financial year ended 31 December 2022</u>			
Revenue	237,113	29,452	266,565
Cost of sales	(178,776)	(24,537)	(203,313)
Gross profit	58,337	4,915	63,252
Segment profit	30,534	1,435	31,969
Share of results of joint ventures	447	-	447
Unallocated finance costs			(1,113)
Unallocated finance income			863
Unallocated corporate income			930
Unallocated corporate expenses			(52)
Profit before tax			<u>33,044</u>



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.2 SEGMENT REPORTING (CONTINUED)**

OTHER INFORMATION

	Renewable energy segment RM'000	Industrial energy and equipment segment RM'000	Total RM'000
<u>Financial year ended 31 December 2022</u>			
Contract costs	86,175	13,927	100,102
Cost of goods and services sold	92,601	10,610	103,211
Allowance for impairment of trade and other receivables:			
- Addition during the year	2,950	-	2,950
- Reversal during the year	(1,367)	(105)	(1,472)
Depreciation:			
- Property, plant and equipment	1,891	223	2,114
- Right-of-use assets	60	7	67
Provision for warranty	401	46	447
Staff costs	23,287	2,793	26,080

There is no segmental disclosure for the group assets as the Chief Operating Decision Maker ("CODM") does not consider the allocation of assets by segmental would be meaningful for decision making.

RESULTS

	Renewable energy segment RM'000	Industrial energy and equipment segment RM'000	Total RM'000
<u>Financial year ended 31 December 2023</u>			
Revenue	248,007	40,837	288,844
Cost of sales	(182,096)	(33,644)	(215,740)
Gross profit	65,911	7,193	73,104
Segment profit	38,823	2,633	41,456
Share of results of joint ventures	571	-	571
Unallocated finance costs			(903)
Unallocated finance income			1,821
Unallocated corporate income			2,703
Profit before tax			45,648



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.2 SEGMENT REPORTING (CONTINUED)**

OTHER INFORMATION

	Renewable energy segment RM'000	Industrial energy and equipment segment RM'000	Total RM'000
<u>Financial year ended 31 December 2023</u>			
Contract costs	80,565	21,534	102,099
Cost of goods and services sold	101,531	12,110	113,641
Allowance for impairment of trade receivables:			
- Addition during the year	117	623	740
- Reversal during the year	(1,602)	(423)	(2,025)
Depreciation:			
- Property, plant and equipment	2,062	287	2,349
- Right-of-use assets	60	7	67
Provision for warranty	713	55	768
Staff costs	26,130	3,921	30,051

There is no segmental disclosure for the group assets as the Chief Operating Decision Maker ("CODM") does not consider the allocation of assets by segmental would be meaningful for decision making.

RESULTS

	Renewable energy segment RM'000	Industrial energy and equipment segment RM'000	Total RM'000
<u>Financial year ended 31 December 2024</u>			
Revenue	235,994	40,721	276,715
Cost of sales	(169,225)	(29,975)	(199,200)
Gross profit	66,769	10,746	77,515
Segment profit	35,520	5,442	40,962
Share of results of joint ventures	66	-	66
Unallocated finance costs			(2,277)
Unallocated finance income			1,952
Unallocated corporate income			14,443
Unallocated corporate expenses			(1,521)
Profit before tax			53,625

Included in the unallocated corporate income is the gain on disposal of asset held for sale amounting to RM11,631,000.



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.2 SEGMENT REPORTING (CONTINUED)**

OTHER INFORMATION

<u>Financial year ended 31 December 2024</u>	Renewable energy segment RM'000	Industrial energy and equipment segment RM'000	Total RM'000
Contract costs	76,867	13,126	89,993
Cost of goods and services sold	92,358	16,849	109,207
Allowance for impairment of trade receivables:			
- Addition during the year	538	483	1,021
- Reversal during the year	(264)	(347)	(611)
Depreciation:			
- Property, plant and equipment	2,368	400	2,768
- Right-of-use assets	291	44	335
Provision for warranty	468	-	468
Staff costs	28,709	4,800	33,509

There is no segmental disclosure for the group assets as the Chief Operating Decision Maker ("CODM") does not consider the allocation of assets by segmental would be meaningful for decision making.

RESULTS

<u>Financial period ended 30 June 2025</u>	Renewable energy segment RM'000	Industrial energy and equipment segment RM'000	Total RM'000
Revenue	111,946	14,213	126,159
Cost of sales	(81,938)	(11,950)	(93,888)
Gross profit	30,008	2,263	32,271
Segment profit	15,691	670	16,361
Share of results of joint ventures	19	-	19
Unallocated finance costs			(1,276)
Unallocated finance income			513
Unallocated corporate income			609
Unallocated corporate expenses			(5,749)
Profit before tax			10,477

Included in the unallocated corporate expenses is the staff costs incurred by the Company for centralised functions such as accounting, information technology, legal and human resources amounting to RM2,074,000 together with the listing expenses incurred amounting to RM3,154,000.



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.2 SEGMENT REPORTING (CONTINUED)**

OTHER INFORMATION

<u>Financial period ended 30 June 2025</u>	Renewable energy segment RM'000	Industrial energy and equipment segment RM'000	Total RM'000
Contract costs	40,529	8,468	48,997
Cost of goods and services sold	41,409	3,482	44,891
Allowance for impairment of trade receivables:			
- Reversal during the period	(33)	(483)	(516)
Depreciation:			
- Property, plant and equipment	1,380	149	1,529
- Right-of-use assets	52	3	55
Provision for warranty	(106)	(56)	(162)
Staff costs	15,078	1,630	16,708

There is no segmental disclosure for the group assets as the Chief Operating Decision Maker ("CODM") does not consider the allocation of assets by segmental to be meaningful for decision making.

RESULTS

<u>Financial period ended 30 June 2024</u>	Renewable energy segment Unaudited RM'000	Industrial energy and equipment segment Unaudited RM'000	Total Unaudited RM'000
Revenue	101,045	18,914	119,959
Cost of sales	(74,721)	(14,350)	(89,071)
Gross profit	26,324	4,564	30,888
Segment profit	12,252	2,012	14,264
Share of results of joint ventures	(23)	-	(23)
Unallocated finance costs			(792)
Unallocated finance income			1,262
Unallocated corporate income			14,046
Unallocated corporate expenses			(172)
Profit before tax			28,585

Included in the unallocated corporate income is the gain on disposal of asset held for sale amounting to RM11,631,000.



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.2 SEGMENT REPORTING (CONTINUED)**

OTHER INFORMATION

<u>Financial period ended 30 June 2024</u>	Renewable	Industrial	<u>Total</u>
	energy	energy and	
	segment	equipment	Unaudited
	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000
Contract costs	35,512	6,118	41,630
Cost of goods and services sold	39,209	8,232	47,441
Allowance for impairment of trade receivables:			
- Addition during the period	3	-	3
- Reversal during the period	(240)	(347)	(587)
Depreciation:			
- Property, plant and equipment	1,126	210	1,336
- Right-of-use assets	46	9	55
Provision for warranty	582	225	807
Staff costs	13,211	2,461	15,672

There is no segmental disclosure for the group assets as the Chief Operating Decision Maker ("CODM") does not consider the allocation of assets by segmental would be meaningful for decision making.

Geographical information

Revenue and non-current assets information is based on the geographical location of customers as and assets respectively as follows:

REVENUE	Financial year/period ended				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u>
	RM'000	RM'000	RM'000	RM'000	Unaudited RM'000
Attributable to the country of domicile:					
Malaysia	122,182	123,797	120,510	72,201	48,974
Attributable to foreign countries:					
Indonesia	113,666	138,030	136,799	44,533	60,051
America	22,490	21,099	13,732	6,995	8,922
Others	8,227	5,918	5,674	2,430	2,012
Total revenue	<u>266,565</u>	<u>288,844</u>	<u>276,715</u>	<u>126,159</u>	<u>119,959</u>

NON-CURRENT ASSETS	As at			
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Attributable to the country of domicile:				
Malaysia	73,158	112,347	115,721	113,221
Attributable to foreign countries:				
Indonesia	1,822	1,833	2,247	1,681
Total non-current assets	<u>74,980</u>	<u>114,180</u>	<u>117,968</u>	<u>114,902</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.3 PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery, tools and equipment RM'000	Furniture, fittings, computer and office equipment RM'000	Renovation and store extension RM'000	Motor vehicles RM'000	Total RM'000
<u>Cost</u>							
At 1 January 2022	38,600	18,400	15,666	6,074	2,274	4,840	85,854
Additions	-	-	1,160	367	47	475	2,049
Disposals	-	-	(346)	(108)	-	(157)	(611)
Write-offs	-	-	(38)	(62)	(11)	-	(111)
At 31 December 2022	38,600	18,400	16,442	6,271	2,310	5,158	87,181
<u>Accumulated depreciation</u>							
At 1 January 2022	-	1,245	11,544	5,126	1,123	3,974	23,012
Charge for the financial year	-	369	945	266	174	360	2,114
Disposals	-	-	(346)	(59)	-	(157)	(562)
Write-offs	-	-	(37)	(56)	(3)	-	(96)
At 31 December 2022	-	1,614	12,106	5,277	1,294	4,177	24,468
<u>Net book value</u>							
As at 31 December 2022	38,600	16,786	4,336	994	1,016	981	62,713

During the financial year, the Group acquired property, plant and equipment of RM2,049,000 which was fully paid by cash as at 31 December 2022.

13. ACCOUNTANTS' REPORT (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery, tools and equipment RM'000	Furniture, fittings, computer and office equipment RM'000	Renovation and store extension RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
<u>Cost</u>								
At 1 January 2023	38,600	18,400	16,442	6,271	2,310	5,158	-	87,181
Additions	48,230	16,658	2,161	585	135	755	296	68,820
Disposals	-	-	(186)	(12)	-	(362)	-	(560)
Write-offs	-	-	(111)	(479)	(1)	-	-	(591)
Transfer to assets held for sale	(19,800)	(8,821)	-	-	-	-	-	(28,621)
At 31 December 2023	67,030	26,237	18,306	6,365	2,444	5,551	296	126,229
<u>Accumulated depreciation</u>								
At 1 January 2023	-	1,614	12,106	5,277	1,294	4,177	-	24,468
Charge for the financial year	-	353	1,115	320	168	393	-	2,349
Disposals	-	-	(185)	(12)	-	(362)	-	(559)
Write-offs	-	-	(110)	(475)	(1)	-	-	(586)
Transfer to assets held for sale	-	(852)	-	-	-	-	-	(852)
At 31 December 2023	-	1,115	12,926	5,110	1,461	4,208	-	24,820
<u>Net book value</u>								
As at 31 December 2023	67,030	25,122	5,380	1,255	983	1,343	296	101,409

During the financial year, the Group acquired property, plant and equipment of RM68,820,000 of which RM47,368,000 remains unpaid and included in amount due to the fellow subsidiary as at 31 December 2023.

13. ACCOUNTANTS' REPORT (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery, tools and equipment RM'000	Furniture, fittings, computer and office equipment RM'000	Renovation and store extension RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
<u>Cost</u>								
At 1 January 2024	67,030	26,237	18,306	6,365	2,444	5,551	296	126,229
Additions	1,908	659	785	617	1,294	801	46	6,110
Disposals	-	-	(1,259)	(4)	-	(446)	-	(1,709)
Write-offs	-	-	(103)	(182)	-	-	-	(285)
Transfer to inventories	-	-	(17)	-	-	-	-	(17)
At 31 December 2024	68,938	26,896	17,712	6,796	3,738	5,906	342	130,328
<u>Accumulated depreciation</u>								
At 1 January 2024	-	1,115	12,926	5,110	1,461	4,208	-	24,820
Charge for the financial year	-	540	1,108	412	239	469	-	2,768
Disposals	-	-	(1,259)	(4)	-	(434)	-	(1,697)
Write-offs	-	-	(96)	(181)	-	-	-	(277)
At 31 December 2024	-	1,655	12,679	5,337	1,700	4,243	-	25,614
<u>Net book value</u>								
As at 31 December 2024	68,938	25,241	5,033	1,459	2,038	1,663	342	104,714

During the financial year, the Group acquired property, plant and equipment of RM6,110,000 of which RM9,000 remains unpaid and included in other payables as at 31 December 2024.

13. ACCOUNTANTS' REPORT (Cont'd)**WASCO GREENERGY BERHAD**

(Incorporated in Malaysia)

Registration No. 202301048372 (1542286-P)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery, tools and equipment RM'000	Furniture, fittings, computer and office equipment RM'000	Renovation and store extension RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
<u>Cost</u>								
At 1 January 2025	68,938	26,896	17,712	6,796	3,738	5,906	342	130,328
Additions	-	-	1,382	415	649	367	630	3,443
Disposals	-	-	-	-	-	(60)	-	(60)
Write-offs	-	-	(170)	(18)	-	-	-	(188)
Reclassification	-	-	972	-	-	-	(972)	-
Transfer to inventories	-	-	(8)	-	-	-	-	(8)
Effect of exchange rate changes	-	-	(186)	(45)	(59)	(213)	-	(503)
At 30 June 2025	68,938	26,896	19,702	7,148	4,328	6,000	-	133,012
<u>Accumulated depreciation</u>								
At 1 January 2025	-	1,655	12,679	5,337	1,700	4,243	-	25,614
Charge for the financial period	-	269	592	220	169	284	-	1,534
Disposals	-	-	-	-	-	(60)	-	(60)
Write-offs	-	-	(167)	(18)	-	-	-	(185)
Transfer to inventories	-	-	(6)	-	-	-	-	(6)
Effect of exchange rate changes	-	-	(77)	(30)	(23)	(151)	-	(281)
At 30 June 2025	-	1,924	13,021	5,509	1,846	4,316	-	26,616
<u>Net book value</u>								
As at 30 June 2025	68,938	24,972	6,681	1,639	2,482	1,684	-	106,396

During the financial period, the Group acquired property, plant and equipment of RM3,443,000 of which RM9,000 remains unpaid and included in other payables as at 30 June 2025.

13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land is not depreciated as it has an indefinite life. Capital work-in-progress and assets under construction included in plant and equipment are not depreciated until these assets are ready for their intended use.

Depreciation is calculated to write off the depreciable amount on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost. The estimated useful lives of the property, plant and equipment are as follows:

Freehold buildings	50 years
Plant and machinery, tools and equipment	5 to 10 years
Furniture, fittings, renovation and store extension	5 to 20 years
Computer hardware, software and office equipment	4 to 10 years
Motor vehicles	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each financial year/period.

Key estimates

The determination of useful lives, residual values and depreciation methods involves estimates and assumptions and is reviewed annually. Any changes to useful lives or any other estimates or assumptions, including the expected impact of climate change and the transition to a lower carbon economy, may affect prospective depreciation rates and asset carrying values.

Commitments

The Group's commitments for capital expenditure were RM1,315,000, RM674,000, RM1,477,000 and RM135,000 for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025. The Group's commitments related to leases are included in Note 2.4 'Right-of-use assets'.

Impairment of non-financial assets

The Group assesses whether there is any indication that non-financial assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

For certain plant and equipment, fair value less cost to sell is determined based on estimates prepared by an independent expert. The fair value is estimated based on comparison of market transacted price for similar plant and equipment, and where necessary, adjusted for age, usage and conditions of the plant and equipment and expectation of future market outlook of the industry due to the uncertainty of the future economic condition.



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
Registration No. 202301048372 (1542286-P)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**Impairment of non-financial assets (continued)

On 12 October 2023, the Group entered into a sale and purchase agreement for the disposal of freehold land and building for a consideration of RM40,000,000. The carrying amount of the Group's freehold land and building amounting RM27,769,000 have been reclassified under assets held for sale in Note 2.18 to the financial statements in the financial year 2023.

2.4 RIGHT-OF-USE ASSETS

	Leasehold buildings RM'000	Leasehold lands RM'000	Total RM'000
<u>Cost</u>			
At 1 January 2022 / 31 December 2022 / 1 January 2023 / 31 December 2023 / 1 January 2024	1,362	4,141	5,503
Reclassification	817	-	817
Additions	48	-	48
Derecognition	(39)	-	(39)
	<u>2,188</u>	<u>4,141</u>	<u>6,329</u>
At 31 December 2024/1 January 2025	2,188	4,141	6,329
Additions	5	-	5
Effect of exchange rate changes	(110)	-	(110)
	<u>2,083</u>	<u>4,141</u>	<u>6,224</u>
At 30 June 2025	<u>2,083</u>	<u>4,141</u>	<u>6,224</u>
<u>Accumulated depreciation</u>			
At 1 January 2022	77	286	363
Depreciation for the financial year	14	53	67
	<u>91</u>	<u>339</u>	<u>430</u>
At 31 December 2022 / 1 January 2023	91	339	430
Depreciation for the financial year	14	53	67
	<u>105</u>	<u>392</u>	<u>497</u>
At 31 December 2023 / 1 January 2024	105	392	497
Reclassification	112	-	112
Depreciation for the financial year	282	53	335
Derecognition	(38)	-	(38)
	<u>461</u>	<u>445</u>	<u>906</u>
At 31 December 2024 / 1 January 2025	461	445	906
Depreciation for the financial period	132	27	159
Effect of exchange rate changes	(43)	-	(43)
	<u>550</u>	<u>472</u>	<u>1,022</u>
At 30 June 2025	<u>550</u>	<u>472</u>	<u>1,022</u>
<u>Carrying amounts</u>			
At 31 December 2022	1,271	3,802	5,073
	<u>1,271</u>	<u>3,802</u>	<u>5,073</u>
At 31 December 2023	1,257	3,749	5,006
	<u>1,257</u>	<u>3,749</u>	<u>5,006</u>
At 31 December 2024	1,727	3,696	5,423
	<u>1,727</u>	<u>3,696</u>	<u>5,423</u>
At 30 June 2025	<u>1,533</u>	<u>3,669</u>	<u>5,202</u>



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.4 RIGHT-OF-USE ASSETS (CONTINUED)**Recognition and measurement

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs; and
- decommissioning or restoration costs.

Lease terms are non-negotiable. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The Group has leasehold buildings comprising of various offices, warehouses and staff quarters in Indonesia which are leased for fixed periods of 1 to 5 years and recognised as leasehold buildings.

In Malaysia, the Group leases 4 leasehold lands and buildings whereby the lands are depreciated over the remaining period of the leases which is 58 to 92 years, 57 to 91 years, 56 to 90 years and 55 to 89 years for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 while buildings are depreciated over 50 years of useful life.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles, and all leases of low-value assets, are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

2.5 INVESTMENT IN JOINT VENTURE

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Unquoted shares	1,470	1,470	1,470	-
Share of post-acquisition results and reserves	2,420	2,991	3,057	-
Share of net assets of joint venture	<u>3,890</u>	<u>4,461</u>	<u>4,527</u>	<u>-</u>



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.5 INVESTMENT IN JOINT VENTURE (CONTINUED)**Recognition and measurement

The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting after initially being recognised as cost. Equity accounting is discontinued when the carrying amount of the investment in joint ventures (including any long term interests that, in substance, form part of the Group's net investment in joint venture) reaches zero, unless the Group has incurred obligation or made payment on behalf of the joint venture.

The details of joint venture are as follows:

	Country of incorporation	31.12.2022	31.12.2023	31.12.2024	30.6.2025	Principal activities
		%	%	%	%	
Shinko Industries Malaysia Sdn. Bhd. (formerly known as Shinko Wasco Turbine Sdn. Bhd.)*	Malaysia	49	49	49	49	Engaged in assembly and supply of equipment for palm oil and other agricultural industries

The following table summarised the information of the Group's joint venture and reconciles the information to the carrying amount of the Group's interest in the joint venture:

	31.12.2022	31.12.2023	31.12.2024	As at 30.6.2025
	RM'000	RM'000	RM'000	RM'000
<u>Summarised financial information before intra-group elimination</u>				
Non-current assets	449	348	798	774
Current assets (excluding cash and cash equivalents)	7,040	11,999	13,287	10,480
Cash and cash equivalents	9,544	8,830	7,365	9,151
Non-current liabilities	-	(4)	-	-
Current liabilities	(9,095)	(12,068)	(12,211)	(11,128)
Net assets	<u>7,938</u>	<u>9,105</u>	<u>9,239</u>	<u>9,277</u>
Dividend received	<u>(3,430)</u>	<u>-</u>	<u>-</u>	<u>-</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.5 INVESTMENT IN JOINT VENTURE (CONTINUED)**

The details of joint venture are as follows: (continued)

The following table summarised the information of the Group's joint venture and reconciles the information to the carrying amount of the Group's interest in the joint venture: (continued)

	<u>Financial year/period ended</u>			
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial year/period	912	1,166	134	38
Total comprehensive income for the financial year/period	<u>912</u>	<u>1,166</u>	<u>134</u>	<u>38</u>
Included in the total comprehensive income are:				
Revenue	23,125	28,753	26,443	10,238
Depreciation and amortisation	(173)	(141)	(144)	(80)
Interest income	164	41	18	48
Tax (expense)/credit	<u>(247)</u>	<u>(432)</u>	<u>16</u>	<u>(23)</u>
<u>Reconciliation of net assets to carrying amount</u>				
At 1 January	6,873	3,890	4,461	4,527
Add: Group's share of profit	447	571	66	19
Less: Dividend received	(3,430)	-	-	-
Reclassification to asset classified as held for sale	-	-	-	(4,546)
As at 31 December	<u>3,890</u>	<u>4,461</u>	<u>4,527</u>	<u>-</u>
<u>Group's share of results</u>				
Group's share of profit	<u>447</u>	<u>571</u>	<u>66</u>	<u>19</u>

* As disclosed in Note 2.38, the Group has entered into an agreement to dispose off its equity interest in the joint venture after the reporting date.

13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.6 GOODWILL**

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at 30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
<u>Cost</u>				
As at 1 January / 31 December	<u>3,304</u>	<u>3,304</u>	<u>3,304</u>	<u>3,304</u>

Recognition and measurement

Goodwill arising from acquisitions of subsidiaries is measured as the excess of the cost of acquisition of subsidiaries, joint ventures and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Impairment testing of goodwill

The Group tests goodwill for impairment annually and whenever events or changes in circumstances indicate that the goodwill may be impaired. For the purposes of assessing impairment, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. The estimation of the present value of future cash flows generated by the cash-generating units or groups of cash-generating units are based on management's judgement of the developments in the market and the expected future performance, taking into account the impact of the uncertainty of the future economic condition.

These discounted cash flow calculations use five-year projections that are based on financial forecast. Cash flow projections take into account past experience and represent management's best estimate about future developments. Cash flows after the five-year period are extrapolated to perpetuity using terminal growth rates. Key assumptions on which management has based its determination of recoverable value include estimated revenue amount and weighted average cost of capital adjusted for specific risks associated with the cash-generating units. Due to the uncertainty of the future economic condition, management developed the base case and worst case scenario of cash flow projections. Probabilities of occurrence were assigned to each scenario to arrive at a single set of cash flow projection. The assumptions used in both scenarios and the probabilities of occurrence assigned required management's judgement. Changes in assumptions could affect the results of the Group's test for impairment of goodwill.

For the purpose of impairment testing, goodwill is allocated to the Company's direct subsidiary Wasco AgroTech Sdn. Bhd. ("WAT") palm oil milling business which is under Industrial Energy and Equipment segment.



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.6 GOODWILL (CONTINUED)**Impairment testing of goodwill (continued)

Value-in-use was determined by discounting the future cash flows generated from the cash-generating units ("CGU") in the subsidiary based on the following key assumptions:

- Cash flows were projected based on actual operating results and the 5 years business plan for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025.
- A discount rate of 13%, 12%, 14% and 14% for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 used to calculate the present value of the cash flows.
- The revenue growth rate used for cash flows in respect of year 2 to 5 is 5% for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025. Cash flows beyond the 5-year period used a zero growth rate, which does not exceed the long term average growth rate in the CGU operates.

The key assumptions represent management's assessment of future trends in the manufacturing of kernel crushing plant and component parts industry and are based on historical data obtained from both external sources and internal sources.

Sensitivity

Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the CGU to exceed its recoverable amount.

2.7 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and intend to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	4,252	3,779	4,641	3,713
Deferred tax liabilities	(1,216)	(1,380)	(2,240)	(2,416)
	<u>3,036</u>	<u>2,399</u>	<u>2,401</u>	<u>1,297</u>



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.7 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)**

The movements in deferred tax assets and liabilities of the Group during the financial year/period are as follows:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
As at 1 January	3,733	3,036	2,399	2,401
Credited/(Charged) to profit or loss (Note 2.28):				
- Property, plant and equipment	(140)	(194)	(751)	(274)
- Unrealised foreign exchange	88	(21)	(96)	180
- Incentives	(9)	-	-	-
- Accruals and provisions	582	36	695	(999)
- Unused tax losses	(2,545)	-	(18)	-
- Inventories	1,015	(170)	35	175
- Trade and other receivables	316	(287)	141	(116)
	<u>(693)</u>	<u>(636)</u>	<u>6</u>	<u>(1,034)</u>
Effect of exchange rate changes	(4)	(1)	(4)	(70)
As at 31 December / 30 June	<u>3,036</u>	<u>2,399</u>	<u>2,401</u>	<u>1,297</u>
<u>Subject to income tax</u>				
Deferred tax liabilities (before offsetting):				
- Property, plant and equipment	(1,194)	(1,380)	(2,125)	(2,401)
- Unrealised foreign exchange	(22)	-	(115)	(15)
	<u>(1,216)</u>	<u>(1,380)</u>	<u>(2,240)</u>	<u>(2,416)</u>
Offsetting	1,216	1,380	2,240	2,416
As at 31 December / 30 June (after offsetting)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax assets (before offsetting):				
- Property, plant and equipment	34	26	20	18
- Accruals and provisions	2,183	2,218	2,910	1,907
- Unrealised foreign exchange	65	22	22	103
- Inventories	1,015	845	880	980
- Trade and other receivables	955	668	809	705
	<u>4,252</u>	<u>3,779</u>	<u>4,641</u>	<u>3,713</u>
Offsetting	(1,216)	(1,380)	(2,240)	(2,416)
As at 31 December / 30 June (after offsetting)	<u>3,036</u>	<u>2,399</u>	<u>2,401</u>	<u>1,297</u>



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.7 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)**Recognition and measurement

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses, capital allowances and other deductible temporary differences can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. Assumptions about generation of future taxable profits depend on the Group's estimate of projected future cash flows. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unused tax losses, unabsorbed capital allowances and unutilised temporary differences that remain unrecognised.

Key estimate used for deferred tax assets

The Group concluded that the deferred tax assets will be recoverable using the estimated future taxable income of the subsidiaries of the Company. It is estimated that the secured project and unsecured project with high probabilities of successful award which will contribute to the future taxable income at the subsidiaries.

The Group did not recognise deferred tax assets arising from the following temporary differences of certain subsidiaries as it is not probable that future taxable profit will be available against which the deferred tax assets can be utilised in these subsidiaries.

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at 30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Deductible temporary differences on:				
- Unused tax losses	731	428	853	929
Deferred tax assets not recognised based on Malaysian tax rate of 24%	175	103	205	223

The Group's accumulated unused tax losses, for which no deferred tax assets were recognised on, can be carried forward for another 10 consecutive years of assessment ("YA") effective from YA2018.

	<u>Expiring in</u>	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at 30.6.2025</u>
		RM'000	RM'000	RM'000	RM'000
Unused tax losses					
- YA2020	YA2030	65	65	65	65
- YA2021	YA2031	54	54	54	54
- YA2022	YA2032	612	156	156	156
- YA2023	YA2033	-	153	153	153
- YA2024	YA2034	-	-	425	429
- YA2025	YA2035	-	-	-	72
		731	428	853	929



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.8 INVENTORIES**

	As at			
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Raw materials	14,196	16,254	14,148	14,213
Work-in-progress	10,563	11,006	10,000	10,824
Manufactured and trading goods	39,675	41,758	44,285	43,607
Consumables	169	137	109	87
Goods in transit	109	3,195	2,410	1,812
	<u>64,712</u>	<u>72,350</u>	<u>70,952</u>	<u>70,543</u>
Less: Allowance for slow moving inventories	<u>(4,231)</u>	<u>(3,519)</u>	<u>(3,604)</u>	<u>(4,288)</u>
	<u><u>60,481</u></u>	<u><u>68,831</u></u>	<u><u>67,348</u></u>	<u><u>66,255</u></u>
	Financial year/period ended			
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss:				
Inventories recognised as cost of sales	<u>87,308</u>	<u>107,808</u>	<u>104,862</u>	<u>39,925</u>

Recognition and measurement

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first in, first out basis. In the case of finished goods and work in progress, cost comprises materials, direct labour, other direct charges and an appropriate proportion of factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and selling expenses.



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.9 CONTRACT ASSETS/(LIABILITIES)**

Net carrying amount of contract assets/(liabilities) is analysed as follows:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
At 1 January				
- Contract assets	7,762	14,262	12,981	19,611
- Contract liabilities	(42,334)	(50,451)	(49,405)	(35,663)
	<u>(34,572)</u>	<u>(36,189)</u>	<u>(36,424)</u>	<u>(16,052)</u>
Over time				
Revenue recognised during the financial year/period				
- that was included in the contract liabilities at 1 January	20,327	31,249	22,774	11,544
- from additional contract assets during the financial year/period	100,043	96,736	98,289	47,330
Less: Billings during the financial year/period	(122,756)	(120,819)	(106,538)	(46,584)
Less: Impairment loss of contract assets	-	(1,187)	-	-
	<u>(2,386)</u>	<u>5,979</u>	<u>14,525</u>	<u>12,290</u>
Point in time				
Revenue recognised during the financial year/period				
- that was included in the contract liabilities at 1 January	14,794	14,063	20,529	10,139
- from additional contract assets during the financial year/period	2,096	2,003	1,203	19,057
Less: Billings during the financial year/period	(16,063)	(22,328)	(15,985)	(35,464)
Effect of exchange rate changes	(58)	48	100	136
	<u>769</u>	<u>(6,214)</u>	<u>5,847</u>	<u>(6,132)</u>
At 31 December / 30 June	<u>(36,189)</u>	<u>(36,424)</u>	<u>(16,052)</u>	<u>(9,894)</u>
At 31 December / 30 June				
- Contract assets	14,262	12,981	19,611	27,781
- Contract liabilities	(50,451)	(49,405)	(35,663)	(37,675)
	<u>(36,189)</u>	<u>(36,424)</u>	<u>(16,052)</u>	<u>(9,894)</u>

Revenue relating to performance obligations that are unsatisfied or partially unsatisfied as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 for the Group amounted to RM257,278,000, RM263,425,000, RM259,190,000 and RM267,621,000 for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025. These are expected to be recognised in the next 12 to 24 months.



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.10 TRADE AND OTHER RECEIVABLES**

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Trade receivables	44,053	38,523	42,112	37,906
Less: allowance for impairment of trade receivables	(4,949)	(3,290)	(3,649)	(3,160)
	<u>39,104</u>	<u>35,233</u>	<u>38,463</u>	<u>34,746</u>
Other receivables and deposits				
Other receivables	1,767	3,091	1,999	1,730
Less: allowance for impairment of other receivables	(311)	(301)	(264)	(271)
Deposits	417	438	671	781
	<u>1,873</u>	<u>3,228</u>	<u>2,406</u>	<u>2,240</u>
	<u><u>40,977</u></u>	<u><u>38,461</u></u>	<u><u>40,869</u></u>	<u><u>36,986</u></u>

Trade receivables are non-interest bearing and are generally on 30 to 120 days credit terms for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movements in the allowance for impairment losses of trade receivables during the financial year/period were as follows:

	<u>Financial year/period ended</u>			
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
At 1 January	3,675	4,949	3,290	3,649
Recognised in profit or loss:				
- Impairment loss recognised	2,649	740	1,021	-
- Impairment loss reversed	(1,472)	(2,025)	(611)	(516)
Bad debt written off	(26)	(374)	(51)	-
Reclass from ECL of other receivables	141	-	-	-
Exchange rate differences	(18)	-	-	27
	<u>4,949</u>	<u>3,290</u>	<u>3,649</u>	<u>3,160</u>
At 31 December / 30 June	<u><u>4,949</u></u>	<u><u>3,290</u></u>	<u><u>3,649</u></u>	<u><u>3,160</u></u>

The Group applies simplified approach to provide for expected credit loss ("ECL"), which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The Group accounts for its credit risk by appropriately providing for ECL on timely basis. In calculating credit loss rate, trade receivables and contract assets are assessed based on credit risk categories and the days past due and considered the forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade receivables that are determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.10 TRADE AND OTHER RECEIVABLES (CONTINUED)**

The movements in the allowance for impairment losses of other receivables during the financial year/period were as follows:

	Financial year/period ended			
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
At 1 January	149	311	301	264
Recognised in profit or loss:				
- Impairment loss recognised	301	-	-	-
Reclass to ECL on trade receivables	(141)	-	-	-
Exchange rate differences	2	(10)	(37)	7
	<u>311</u>	<u>301</u>	<u>264</u>	<u>271</u>
At 31 December / 30 June	<u>311</u>	<u>301</u>	<u>264</u>	<u>271</u>

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

The following table contains an analysis of the credit risks exposure for which expected credit loss is recognised:

	<u>Gross trade</u>	<u>Expected</u>	<u>Net trade</u>
	<u>receivables</u>	<u>credit loss</u>	<u>receivables</u>
	RM'000	RM'000	RM'000
<u>31 December 2022</u>			
Not past due	17,929	(22)	17,907
1 to 90 days overdue	18,241	(42)	18,199
91 to 180 days overdue	1,681	(46)	1,635
181 to 365 days overdue	1,379	(114)	1,265
More than 365 days overdue	4,823	(4,725)	98
	<u>44,053</u>	<u>(4,949)</u>	<u>39,104</u>
<u>31 December 2023</u>			
Not past due	16,942	(22)	16,920
1 to 90 days overdue	15,732	(28)	15,704
91 to 180 days overdue	2,452	(27)	2,425
181 to 365 days overdue	167	(15)	152
More than 365 days overdue	3,230	(3,198)	32
	<u>38,523</u>	<u>(3,290)</u>	<u>35,233</u>



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.10 TRADE AND OTHER RECEIVABLES (CONTINUED)**

	<u>Gross trade</u> <u>receivables</u> RM'000	<u>Expected</u> <u>credit loss</u> RM'000	<u>Net trade</u> <u>receivables</u> RM'000
<u>31 December 2024</u>			
Not past due	10,849	(10)	10,839
1 to 90 days overdue	21,498	(42)	21,456
91 to 180 days overdue	3,585	(33)	3,552
181 to 365 days overdue	3,072	(1,018)	2,054
More than 365 days overdue	3,108	(2,546)	562
	<u>42,112</u>	<u>(3,649)</u>	<u>38,463</u>
<u>30 June 2025</u>			
Not past due	17,148	(7)	17,141
1 to 90 days overdue	10,032	(17)	10,015
91 to 180 days overdue	4,238	(7)	4,231
181 to 365 days overdue	2,231	(10)	2,221
More than 365 days overdue	4,257	(3,119)	1,138
	<u>37,906</u>	<u>(3,160)</u>	<u>34,746</u>

2.11 PREPAYMENTS

Prepayments mainly comprise of advance payments to suppliers and listing expenses.

2.12 AMOUNT OWING BY/(TO) HOLDING COMPANY

(a) The amount owing by holding company is analysed as follows:

	<u>31.12.2022</u> RM'000	<u>31.12.2023</u> RM'000	<u>31.12.2024</u> RM'000	<u>As at</u> <u>30.6.2025</u> RM'000
Non-trade	-	10	-	-

The non-trade account is unsecured, interest free and recoverable on demand.

(b) The amount owing to holding company is analysed as follows:

	<u>31.12.2022</u> RM'000	<u>31.12.2023</u> RM'000	<u>31.12.2024</u> RM'000	<u>As at</u> <u>30.6.2025</u> RM'000
Non-trade	236	4	-	-

The non-trade account is unsecured, interest free and repayable on demand.



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.13 AMOUNTS OWING BY/(TO) FELLOW SUBSIDIARIES**

(a) Amounts owing by fellow subsidiaries are analysed as follows:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Interest bearing loans	33,504	17,050	-	9,500
Non-trade	-	256	64	255
	<u>33,504</u>	<u>17,306</u>	<u>64</u>	<u>9,755</u>

The effective interest rate of interest bearing loans are 2.35% to 4.60%, 3.38% to 4.60%, 3.65% to 4.23% and 2.90% to 4.23% per annum for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 and are recoverable on demand.

The non-trade accounts are unsecured, interest free and recoverable on demand.

(b) Amounts owing to fellow subsidiaries are analysed as follows:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Trade	-	38	34	28
Non-trade	310	87,110	1,637	890
	<u>310</u>	<u>87,148</u>	<u>1,671</u>	<u>918</u>

The non-trade accounts are unsecured, interest free and repayable on demand. The balances as at 31 December 2023 are made up of:

- (a) Amount payable to Maple Sunpark Sdn. Bhd. for the acquisition of lands and buildings of RM47 million; and
(b) Amount payable to Wasco Process Engineering Sdn. Bhd. for the acquisition of Wasco AgroTech Sdn. Bhd. and Wasco Thermal Sdn. Bhd. of RM40 million.

2.14 AMOUNTS OWING BY/(TO) JOINT VENTURE

(a) The amount owing by joint venture is analysed as follows:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Trade	-	-	4	2



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.14 AMOUNTS OWING BY/(TO) JOINT VENTURE (CONTINUED)**

(b) The amount owing to joint venture is analysed as follows:

	<u>31.12.2022</u> RM'000	<u>31.12.2023</u> RM'000	<u>31.12.2024</u> RM'000	<u>As at</u> <u>30.6.2025</u> RM'000
Trade	2,888	6,914	5,438	5,474
2.15 DERIVATIVE FINANCIAL ASSETS				
			Contract/ notional amount USD'000	Assets RM'000
<u>31 December 2022</u>				
<u>Current</u>				
<u>Non-hedging derivatives</u>				
Financial assets at fair value through profit or loss				
- Forward currency contracts			1,929	82
<u>31 December 2023</u>				
<u>Current</u>				
<u>Non-hedging derivatives</u>				
Financial assets at fair value through profit or loss				
- Forward currency contracts			1,500	154
<u>31 December 2024</u>				
<u>Current</u>				
<u>Non-hedging derivatives</u>				
Financial assets at fair value through profit or loss				
- Forward currency contracts			-	-
<u>30 June 2025</u>				
<u>Current</u>				
<u>Non-hedging derivatives</u>				
Financial assets at fair value through profit or loss				
- Forward currency contracts			-	-



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.15 DERIVATIVE FINANCIAL ASSETS (CONTINUED)**Recognition and measurement

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Gains or losses on derivatives that are not designated as a hedging instrument are recognised in profit or loss within 'other gains/(losses) - net'. The Group currently does not hedge any of its derivative financial instruments.

Forward currency contracts

The Group enters into foreign currency forward contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled.

Gains or losses arising from fair value changes of its derivative financial assets and financial liabilities

The Group recognised a loss of RM52,000, a gain of RM72,000 and a loss of RM154,000 for the respective financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 in the profit or loss arising from fair value changes of its derivative financial assets and liabilities. As there were no derivative financial assets and liabilities held by the Group for the 6 month ended 30 June 2025, no changes in fair value were recorded. The method and assumptions applied in determining the fair value of derivatives are disclosed in Note 2.34.

2.16 TIME DEPOSITS

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	6,800	15,200	37,630	12,200

The effective interest rates of time deposits of the Group are as follows:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	%	%	%	%
Deposits with licensed banks:				
- Effective interest rates during the financial year/period	1.20 – 2.70	2.65 – 2.95	2.00 - 2.97	2.00 – 2.95

Deposits with licensed banks of the Group have a maturity period of 1 to 14 days for the respective financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and maturity period of 1 to 11 days for financial period ended 30 June 2025.



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.17 CASH AND BANK BALANCES**

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	26,160	36,878	17,152	29,080

Cash and bank balances are deposits held at call with banks and earn no interest.

The Group's cash and cash equivalent exposure to foreign currencies are disclosed in Note 2.33 to the financial statements.

2.18 ASSETS HELD FOR SALE

On 12 October 2023, the Company's wholly-owned subsidiary, Wasco AgroTech Sdn. Bhd. ("WAT") had entered into a sale and purchase agreement for the disposal of freehold land and building for a consideration of RM40,000,000.

On 15 January 2024, WAT completed the disposal of the said freehold land and building by fulfilling the condition precedent as stipulated in the sale and purchase agreement. Accordingly, the carrying amount of the said freehold land and building were derecognised as assets held for sale, resulting in a gain on disposal of RM11,630,789 being recognised in profit or loss for financial year after netted off against the transaction cost amounting to RM600,000.

On 7 July 2025, the Group entered into a share sale and purchase agreement to dispose off its entire equity interest of 49% in the joint venture, Shinko Industries Malaysia Sdn. Bhd. (formerly known as Shinko Wasco Turbine Sdn. Bhd.) for a purchase consideration of RM4,527,600.

Pursuant to MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the carrying amount of the investment in joint venture has been classified as asset held for sale.

On 16 July 2025, the Group has completed the disposal of the investment in joint venture.

Details of the assets held for sale are as follows:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Freehold land and building	-	27,769	-	-
Investment in joint venture	-	-	-	4,546

Recognition and measurement

Non-current assets are classified as asset held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.19 SHARE CAPITAL AND INVESTED EQUITY**

a) Share capital

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	Number of shares	Number of shares	Number of shares	Number of shares
Issued and fully paid:				
Ordinary shares with no par value				
At 1 January/date of incorporation ('000)	-	10	10	115,000
Issued during the financial year/period ('000)	-	-	114,990	-
At 31 December / 30 June ('000)	<u>-</u>	<u>10</u>	<u>115,000</u>	<u>115,000</u>
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000 Carrying value	RM'000 Carrying value	RM'000 Carrying value	RM'000 Carrying value
Ordinary shares with no par value				
At 1 January/date of incorporation	-	10	10	115,000
Issued during the financial year/period	-	-	114,990	-
At 31 December / 30 June	<u>-</u>	<u>10</u>	<u>115,000</u>	<u>115,000</u>

The share capital of the Company and the Group represent the legal share capital and shows the corresponding movements in share capital based on the legal form of the Company since the date of incorporation.

On 30 December 2024, the Company issued and allotted 114,990,000 new ordinary shares in the share capital of the Company at an issue price of RM1.00 per share to Wasco Berhad, its holding company for a total consideration of RM114,990,000 to fund the acquisition of its subsidiaries.

Recognition and measurementIssue of shares

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share and rank equally with regard to the Company's residual assets.

b) Invested equity

Invested equity represents the notional share capital of the Group prior to the incorporation of the Company. Hence, the invested equity for the Group comprised of the aggregation of the share capitals of Wasco AgroTech Sdn. Bhd. and Wasco Thermal Sdn. Bhd., the subsidiaries that were acquired by the Company. The acquisitions were deemed to be business combination under common control. Following the incorporation of the Company on 5 December 2023, the carrying amount of invested equity was transferred to retained earnings.

13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
(Incorporated in Malaysia)
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.20 TRADE AND OTHER PAYABLES**

	As at			
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
<u>Non-current</u>				
Defined benefit scheme for employees	1,398	1,365	1,677	1,549
<u>Current</u>				
Trade payables	28,682	25,382	23,809	19,933
Accrued bonus	4,701	6,053	7,417	3,983
Accrued project cost	2,727	3,979	7,253	8,424
Non-trade creditors	399	2,493	771	1,521
Other payables and accruals	3,315	7,727	4,726	5,775
	<u>39,824</u>	<u>45,634</u>	<u>43,976</u>	<u>39,636</u>
	<u>41,222</u>	<u>46,999</u>	<u>45,653</u>	<u>41,185</u>

As required by the law in Indonesia, the subsidiary in Indonesia operates an unfunded defined benefit plan for its eligible employees. The obligation under the defined benefit plan is determined based on the actuarial valuation carried out by an independent qualified actuary which are set out in Note 2.26(b).

2.21 BORROWINGS

	As at			
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
<u>Non-current</u>				
Unsecured: Term loan	14,000	6,500	42,236	39,076
<u>Current</u>				
Unsecured: Term loan	6,000	7,500	3,160	6,320
	<u>20,000</u>	<u>14,000</u>	<u>45,396</u>	<u>45,396</u>

The effective interest rates of borrowings of the Group are as follows:

	As at			
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>
	%	%	%	%
Borrowings	<u>4.05 – 5.00</u>	<u>5.40 – 5.65</u>	<u>5.50 – 5.72</u>	<u>5.50 – 5.62</u>



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.21 BORROWINGS (CONTINUED)**

There are 2 term loans which were drawdown by its subsidiaries.

- (i) The Group had an existing term loan with balances of RM20,000,000 and RM14,000,000 in the respective financial years ended 31 December 2022 and 31 December 2023 with the following key conditions:
- (a) the instalments fall due on every 3 months following the previous instalment which commenced on 1 January 2020 for the drawdown of RM38,000,000; and
 - (b) bears a floating interest rate of the Bank's cost of funds (as determined by Bank at the commencement of each interest period) and subject to Bank's right to vary the margin from time to time of 1.75% per annum for the respective financial years ended 31 December 2022, 31 December 2023 and 31 December 2024.

On 30 September 2024, the Group had made an early settlement for the term loan owing to the Bank.

- (ii) The Group had drawdown a term loan of RM45,396,000 in the financial year ended 31 December 2024 with the following key conditions:
- (a) the first instalment starts from the end of 5th quarter from the date of first drawdown and the subsequent instalments falling due on every 3 months following the previous instalment. The first instalment will commence on 18 July 2025; and
 - (b) bears a floating interest rate of the Bank's cost of funds (as determined by Bank at the commencement of each interest period) and subject to Bank's right to vary the margin from time to time of 1.50% per annum for the financial year/period ended 31 December 2024 and 30 June 2025.

The holding company, Wasco Berhad has granted corporate guarantee for both loans.

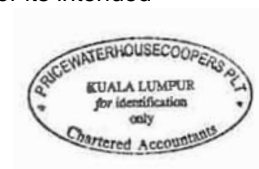
The Group has complied with the financial covenants of its bank loans and borrowings for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025. See Notes 2.35 to the financial statements for further details.

The remaining maturities of the loans and borrowings are as follows:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at 30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Within 1 year	6,000	7,500	3,160	6,320
More than 1 year and less than 2 years	6,000	4,500	6,362	6,404
More than 2 years and less than 5 years	8,000	2,000	35,874	32,672
	<u>20,000</u>	<u>14,000</u>	<u>45,396</u>	<u>45,396</u>

Recognition and measurement

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.21 BORROWINGS (CONTINUED)**Recognition and measurement (continued)

All other borrowing costs are recognised in profit or loss using the effective interest method in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2.22 PROVISION FOR WARRANTIES

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
At 1 January	727	1,166	1,773	1,953
Additions	1,502	1,823	2,109	687
Utilisation	(6)	(161)	(284)	(197)
Unused provision reversed	(1,055)	(1,055)	(1,641)	(849)
Effect of exchange rate changes	(2)	-	(4)	(7)
At 31 December / 30 June	<u>1,166</u>	<u>1,773</u>	<u>1,953</u>	<u>1,587</u>

Recognition and measurement

The Group recognises the estimated liability to repair or replace products when the underlying products or services are sold. The provision is calculated based on historical warranty data and specific circumstances related to products or services sold, after considering the various possible outcomes against their associated probabilities. It is expected that most of these costs will be incurred over the warranty period of 1 year for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025.

2.23 REVENUE

	<u>Financial year/period ended</u>				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u>
	RM'000	RM'000	RM'000	RM'000	Unaudited RM'000
<u>Revenue from contracts with customers is represented by:</u>					
<u>Over time</u>					
Contract revenue:					
- EPCC of steam and gas-fired energy systems and auxiliary facilities	109,529	118,463	99,757	50,893	41,601
- Spare parts and after-sales services	10,840	9,523	21,306	7,981	10,344
	<u>120,369</u>	<u>127,986</u>	<u>121,063</u>	<u>58,874</u>	<u>51,945</u>
<u>Point in time</u>					
Steam generator systems	55,072	73,269	63,095	28,638	23,851
Palm oil milling equipment	13,369	16,586	19,764	4,039	10,003
Spare parts and after-sales services	77,755	71,003	72,793	34,608	34,160
	<u>146,196</u>	<u>160,858</u>	<u>155,652</u>	<u>67,285</u>	<u>68,014</u>
	<u>266,565</u>	<u>288,844</u>	<u>276,715</u>	<u>126,159</u>	<u>119,959</u>

13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.23 REVENUE (CONTINUED)**

(a) Revenue from contracts with customer

(i) Contract revenue

Contract revenue with customers includes contracts relating to manufacturing of steam energy systems, auxiliary facilities and spare parts along side with comprehensive after-sales services which are recognised progressively based on the progress towards complete satisfaction of the performance obligation.

Revenue is recognised over time when control of the asset is transferred over time and the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (eg. by reference to cost incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract).

Revenue is recognised over the period of the contract by reference to the progress, based on the extent of contract costs incurred. Significant judgement is required in the estimation of the progress towards complete satisfaction of a performance obligation based on the extent of contract costs incurred over the estimated budget cost and the recoverability of the construction contracts. The estimated contract costs to completion is based on estimated and approved budgets, which require assessment and judgements to be made on changes in, for example, work scope, costs and costs to completion. In making these judgements, management relies on past experience.

(ii) Sale of steam generator systems, palm oil milling equipments, auxiliary facilities and spare parts

The Group sells a range of steam generator systems, palm oil milling equipment, auxiliary facilities and manufactures and sells spare parts along side with comprehensive after-sales services which are recognised at a point in time when control of the goods are transferred to the customer upon delivery.

2.24 COST OF SALES

	Financial year/period ended				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u> Unaudited
	RM'000	RM'000	RM'000	RM'000	RM'000
Contract costs	100,102	102,099	89,993	48,997	41,630
Cost of goods and services sold	103,211	113,641	109,207	44,891	47,441
	<u>203,313</u>	<u>215,740</u>	<u>199,200</u>	<u>93,888</u>	<u>89,071</u>



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.25 MATERIAL PROFIT OR LOSS ITEMS**

	Note	Financial year/period ended				
		31.12.2022	31.12.2023	31.12.2024	30.6.2025	30.6.2024 Unaudited
		RM'000	RM'000	RM'000	RM'000	RM'000
Profit from operations is stated after charging:						
<u>Cost of sales</u>						
Project cost		19,691	20,912	14,679	9,662	7,827
Raw materials consumed		134,915	144,033	133,791	58,767	59,394
Sub-contract fees		22,928	22,431	20,388	10,528	8,512
Property, plant and equipment:						
- depreciation	2.3	1,177	1,323	1,495	869	710
Rental expenses:						
- equipment		513	158	259	193	164
- office		870	922	-	-	-
- staff quarters		65	69	65	28	36
Staff costs	2.26(b)	10,550	11,950	12,895	6,427	5,826
<u>Selling and distribution expense</u>						
Staff costs	2.26(b)	3,780	4,084	4,373	2,334	2,282
<u>Administrative and general expenses</u>						
Auditors' remuneration:						
- current year/period		128	126	259	165	71
- over provision in prior year/period		(2)	(3)	-	-	-
Inventories:						
- allowance for slow moving inventories		1,473	238	214	763	-
- written off		385	157	-	-	-
Loss on foreign currency exchange:						
- realised		1,072	-	476	695	158
- unrealised		185	236	-	126	-
Listing expenses		-	-	-	3,154	-
Management fees		2,297	3,208	4,311	-	2,173
Property, plant and equipment:						
- depreciation	2.3	937	1,026	1,273	665	626
- written off	2.3	15	5	8	3	7
Provision of warranties	2.22	1,502	1,823	2,109	687	1,330
Rental expenses:						
- equipment		145	154	140	60	58
- office		871	923	-	-	-
- staff quarters		146	208	13	-	121
Staff costs	2.26(b)	11,750	14,017	17,487	10,021	7,564
And Crediting:						
<u>Other operating income</u>						
Gain on disposals of:						
- property, plant and equipment		49	167	431	16	57
- asset held for sale		-	-	11,631	-	11,631
Gain on foreign currency exchange:						
- realised		-	788	-	-	-
- unrealised		-	-	520	-	1,119
Rental income		349	368	862	194	512
Reversal of allowance on slow moving inventories		311	950	128	67	-
Reversal of unused provision of warranties	2.22	1,055	1,055	1,641	849	523
		52				
		353				



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.26 STAFF COSTS****(a) Directors' remuneration**

<u>Company</u>	<u>Financial year/period ended</u>				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u> Unaudited
	RM'000	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	-	-	186	301	-
Defined contribution plans	-	-	25	95	-
	-	-	211	396	-

The estimated monetary value of benefits-in-kind received and receivable by Directors of the Company are RM15,000 and RM8,000 for the financial year/period ended 31 December 2024 and 30 June 2025.

There were no Directors' remuneration paid during the financial years/period ended 31 December 2022, 31 December 2023 and 30 June 2024 for the Company.

(b) Staff costs (includes Directors' remuneration)

	<u>Financial year/period ended</u>				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u> Unaudited
	RM'000	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	24,091	27,879	31,894	17,235	14,462
Defined contribution plans	1,901	2,208	2,549	1,547	1,210
Provision/(Reversal) for defined benefits scheme	88	(36)	312	101	310
	26,080	30,051	34,755	18,883	15,982

Recognition and measurement**(a) Short term benefits**

Salaries, wages, bonuses and social security contributions are recognised as an expense in the financial year/period in which the services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlements to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur. Non-monetary benefits such as medical care, housing and other staff related expenses are charged to the profit or loss as and when incurred.

13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.26 STAFF COSTS (CONTINUED)**Recognition and measurement (continued)**(b) Post-employment benefits**

The Group has post-employment benefit schemes in accordance with local conditions and practices in the countries in which it operates. These post-employment benefit schemes are defined contribution plans defined benefit scheme.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods.

As required by law, the Company and its subsidiaries in Malaysia make contributions to the Employees Provident Fund which is a defined contribution plan, whereas subsidiaries in other countries make their respective local contributions, if required by law.

Defined benefit scheme

The subsidiary in Indonesia operates an unfunded defined benefit plan for its eligible employees where the Group is required to recognise a provision for employee service entitlements and usually depends on several factors such as age, years of service and compensation. The obligation under the defined benefit plan is determined based on the actuarial valuation carried out by an independent qualified actuary at each financial year end. The latest actuarial valuation of the plan in Indonesia was carried out on 31 December 2024.

The principal assumptions used in respect of the unfunded defined benefits plan are as follows:

	Financial year/period ended				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u> Unaudited
	%	%	%	%	%
Discount rate	7.45	6.90	7.15	7.15	6.90
Future salary increases	10	10	10	10	10

Based on the method used to derive the present value of a defined benefits obligation using the projected unit credit method, it is estimated that a 1% change in either of the principal assumptions above would not have a significant impact to the defined benefit obligation of the Group.



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.26 STAFF COSTS (CONTINUED)**

Recognition and remeasurement (continued)

(b) Post-employment benefits (continued)

The weighted average duration of the defined benefit obligation is 19.54, 19.84, 19.72 and 19.72 years for the respective financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 for the Group.

The liability recognised in the statements of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation as at the reporting date, which is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates at the reporting date of government bonds that are denominated in Indonesian Rupiah, in which the benefits will be paid and that have terms to maturity approximating to the terms of the related defined benefit obligation.

Remeasurement arising from experience adjustments and changes in actuarial assumptions are recognised in profit or loss in the period in which they arise. Current and past service costs are recognised immediately in profit or loss.

Such contributions are recognised as an expense in the profit or loss in the financial year/period to which they relate.

2.27 FINANCE COSTS

	<u>Financial year/period ended</u>				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u>
	RM'000	RM'000	RM'000	RM'000	Unaudited RM'000
<u>Finance costs</u>					
Interest charged on:					
- Intercompany loans	-	-	10	-	10
- Revolving credits	25	-	-	-	-
- Term loans	963	899	2,098	1,247	741
- Trade charges	125	4	169	29	41
	<u>1,113</u>	<u>903</u>	<u>2,277</u>	<u>1,276</u>	<u>792</u>



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.28 TAX EXPENSE**

	Financial year/period ended				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u> Unaudited
	RM'000	RM'000	RM'000	RM'000	RM'000
Current tax:					
- Malaysian income tax	5,531	8,752	11,446	721	4,082
- Foreign taxation	1,670	1,319	1,513	839	536
- Real property gains tax	-	-	1,632	-	1,632
Total current tax recognised in profit or loss	<u>7,201</u>	<u>10,071</u>	<u>14,591</u>	<u>1,560</u>	<u>6,250</u>
Deferred tax (Note 2.7):					
- Malaysian income tax	744	525	2	1,114	1,059
- Foreign taxation	(51)	111	(8)	(80)	32
Total deferred tax recognised in profit or loss	<u>693</u>	<u>636</u>	<u>(6)</u>	<u>1,034</u>	<u>1,091</u>
Total tax expense	<u><u>7,894</u></u>	<u><u>10,707</u></u>	<u><u>14,585</u></u>	<u><u>2,594</u></u>	<u><u>7,341</u></u>
Current tax:					
- Current financial year/period	6,711	10,760	14,404	1,559	6,250
- Under/(Over) provision in prior financial year/period	490	(689)	187	1	-
Total tax expense recognised in profit or loss	<u>7,201</u>	<u>10,071</u>	<u>14,591</u>	<u>1,560</u>	<u>6,250</u>
Deferred tax (Note 2.7):					
- Originating and reversal of temporary differences	693	636	(6)	1,034	1,091
Total tax expense recognised in profit or loss	<u><u>7,894</u></u>	<u><u>10,707</u></u>	<u><u>14,585</u></u>	<u><u>2,594</u></u>	<u><u>7,341</u></u>



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.28 TAX EXPENSE (CONTINUED)**

The numerical reconciliation between the taxation and the product of accounting profit multiplied by the statutory tax rate is as follows:

	Financial year/period ended				
	31.12.2022	31.12.2023	31.12.2024	30.6.2025	30.6.2024 Unaudited
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit before tax	33,044	45,648	53,625	10,477	28,585
Calculated at the Malaysian tax rate of 24%	7,931	10,955	12,870	2,514	6,860
Expenses not deductible for tax purposes	313	410	1,025	520	340
Income not subject to tax	-	(56)	(1,532)	(384)	(1,441)
Deferred tax assets not recognised	-	-	-	16	-
Under/(Over) provision of taxation in prior financial year/period	490	(689)	187	1	-
(Reversal) and Origination of temporary differences not recognised	(663)	349	559	-	-
Effects from different tax rate in other countries	(70)	(125)	(140)	(69)	(56)
Share of results in joint venture	(107)	(137)	(16)	(4)	6
Real property gains tax	-	-	1,632	-	1,632
Total tax expense	7,894	10,707	14,585	2,594	7,341

Recognition and measurement

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits after taking into consideration available tax incentives.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.29 EARNINGS PER SHARE**

In determining the weighted average number of shares, the 377,693,100 ordinary shares issued by the Company includes the 115,000,000 ordinary shares issued by the Company in connection with the issuance of ordinary shares pursuant to Business Combination Under Common Control as disclosed in Note 2.1.1 and the 262,693,100 bonus shares issued by the Company to its holding company, Wasco Berhad on 28 October 2025 as disclosed in Note 2.38 which were treated as if these bonus shares had been in issue since the beginning of the earliest year presented.

a) Basic earnings per ordinary share

	Financial year/period ended				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u> Unaudited
Profit attributable to ordinary shareholders (RM'000)	<u>22,333</u>	<u>29,781</u>	<u>34,308</u>	<u>6,679</u>	<u>19,638</u>
Weighted average number of shares ('000)	<u>377,693</u>	<u>377,693</u>	<u>377,693</u>	<u>377,693</u>	<u>377,693</u>
Basic earnings per share (sen)	<u>5.91</u>	<u>7.88</u>	<u>9.08</u>	<u>1.77</u>	<u>5.20</u>

b) Diluted earnings per ordinary share

Diluted earnings per ordinary share equal the basic earnings per ordinary share as there were no outstanding dilutive ordinary shares at the end of each reporting periods.

2.30 DIVIDENDS

The dividends declared and paid by the subsidiary companies in respect of the financial years ended 31 December 2022 and 31 December 2023 are as follow: -

Dividends declared and paid by Wasco AgroTech Sdn. Bhd. to Wasco Process Engineering Sdn. Bhd. are:

	<u>Per share (sen)</u> <u>(net of tax)</u>	<u>Amount</u> <u>RM'000</u>	<u>Date of payment</u>
<u>31 December 2022</u>			
First interim dividend – ordinary shares - Single tier	385.00	10,010	2 September 2022
First interim dividend – preference shares - Single tier	1.00	<u>60</u>	2 September 2022
		<u>10,070</u>	
<u>31 December 2023</u>			
First interim dividend – ordinary shares - Single tier	26.00	<u>5,210</u>	6 June 2023



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.30 DIVIDENDS (CONTINUED)**

Dividends declared and paid by Wasco Thermal Sdn. Bhd. to Wasco Process Engineering Sdn. Bhd. and non-controlling interest are:

	<u>Per share (sen)</u> <u>(net of tax)</u>	<u>Amount</u> <u>RM'000</u>	<u>Date of payment</u>
<u>31 December 2022</u>			
First interim dividend – ordinary shares - Single tier	61.00	<u>1,220</u>	5 September 2022
<u>31 December 2023</u>			
First interim dividend – ordinary shares - Single tier	136.00	<u>2,720</u>	6 June 2023

There were no dividends paid or declared in respect of the financial periods/year ended 30 June 2024, 31 December 2024 and 30 June 2025.

Recognition and measurement

Dividend distribution to owners of the Company is debited directly to equity and the corresponding liability is recognised in the period in which the dividends are approved. Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.31 SIGNIFICANT RELATED PARTY TRANSACTIONS**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The related party relationships are as follows:

<u>Related parties</u>	<u>Relationship</u>
Wasco Berhad	Holding company
Wasco Thermal Sdn. Bhd.	Subsidiary
Wasco AgroTech Sdn. Bhd.	Subsidiary
PMT-Dong Yuan Industries Sdn. Bhd.	Subsidiary
Wasco Saito Sdn. Bhd.	Subsidiary
Shinko Industries Malaysia Sdn. Bhd. (formerly known as Shinko Wasco Turbine Sdn. Bhd.)	Joint venture
Wasco Process Engineering Sdn. Bhd.	Fellow subsidiary
Maple Sunpark Sdn. Bhd.	Fellow subsidiary
Syn Tai Hung Trading Sdn. Bhd.	Fellow subsidiary
Wasco Management Services Sdn. Bhd.	Fellow subsidiary
Wasco Capital Sdn. Bhd. (formerly known as WSC Capital Sdn. Bhd.)	Fellow subsidiary
Petro-Pipe Industrial Corporation Sdn. Bhd.	Fellow subsidiary
WDG Resources Sdn. Bhd.*	Fellow subsidiary

* On 24 August 2023, the ultimate holding company, Wasco Berhad has decided to divest its trading businesses, namely WDG Resources Sdn. Bhd. ("WDG"). Disposal of WDG had been completed on 30 June 2024.

All related party transactions were carried out on terms and conditions negotiated amongst the related parties. In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions:

	<u>Financial year/period ended</u>				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u>
	RM'000	RM'000	RM'000	RM'000	Unaudited RM'000
<u>Sales to a joint venture:</u>					
- Shinko Industries Malaysia Sdn. Bhd. (formerly know as Shinko Wasco Turbine Sdn. Bhd.)	26	54	24	2	4
<u>Purchases from fellow subsidiaries:</u>					
- Wasco Process Engineering Sdn. Bhd.	455	1,085	513	91	239
- Syn Tai Hung Trading Sdn. Bhd.	6	-	-	-	-
<u>Purchase from a joint venture:</u>					
- Shinko Industries Malaysia Sdn. Bhd. (formerly know as Shinko Wasco Turbine Sdn. Bhd.)	23,125	28,753	26,443	10,227	11,789



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.31 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

All related party transactions were carried out on terms and conditions negotiated amongst the related parties. In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions: (continued)

	Financial year/period ended				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u> Unaudited
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Management fees to holding company:</u>					
- Wasco Berhad	1,289	752	-	-	-
<u>Management fees to fellow subsidiaries:</u>					
- Wasco Management Services Sdn. Bhd.	-	1,364	3,160	-	1,627
- Wasco Process Engineering Sdn. Bhd.	1,008	1,092	1,151	-	546
<u>Dividend to a fellow subsidiary:</u>					
- Wasco Process Engineering Sdn. Bhd.	10,802	6,842	-	-	-
<u>Dividend from a joint venture:</u>					
- Shinko Industries Malaysia Sdn. Bhd. (formerly know as Shinko Wasco Turbine Sdn. Bhd.)	3,430	-	-	-	-
<u>Interest income receivable from holding company:</u>					
- Wasco Berhad	59	-	588	-	588
<u>Interest income receivable from fellow subsidiaries:</u>					
- Wasco Process Engineering Sdn. Bhd.	64	698	21	-	21
- Wasco Capital Sdn. Bhd. (formerly known as WSC Capital Sdn. Bhd.)	267	433	134	188	134
<u>Interest payable to a fellow subsidiary:</u>					
- Wasco Process Engineering Sdn. Bhd.	-	-	10	-	10
<u>Rental from joint venture:</u>					
- Shinko Industries Malaysia Sdn. Bhd. (formerly know as Shinko Wasco Turbine Sdn. Bhd.)	298	298	298	149	149
<u>Rental from fellow subsidiaries:</u>					
- WDG Resources Sdn. Bhd.	-	-	337	-	318
- Petro-Pipe Industrial Corporation Sdn. Bhd.	-	-	137	-	-
<u>Rental to a fellow subsidiary:</u>					
- Maple Sunpark Sdn. Bhd.	1,741	1,845	-	-	-
<u>Purchase of property, plant and equipment from holding company:</u>					
- Wasco Berhad	-	-	12	-	-



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.31 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

All related party transactions were carried out on terms and conditions negotiated amongst the related parties. In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions: (continued)

	Financial year/period ended				
	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>30.6.2024</u> Unaudited
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Sale of property, plant and equipment to a fellow subsidiary:</u>					
- Wasco Process Engineering Sdn. Bhd.	-	-	200	-	-
<u>Purchase of property, plant and equipment from fellow subsidiaries:</u>					
- Maple Sunpark Sdn. Bhd.	-	64,888	-	-	-
- Wasco Process Engineering Sdn. Bhd.	-	-	475	-	-
<u>Other income from fellow subsidiaries:</u>					
- Petro-Pipe Industrial Corporation Sdn. Bhd.	-	-	12	-	-
- Wasco Process Engineering Sdn. Bhd.	-	-	100	-	-
<u>Advance to holding company:</u>					
- Wasco Berhad	8,000	-	40,080	-	40,080
<u>Repayment from holding company:</u>					
- Wasco Berhad	8,000	-	40,080	-	40,080
<u>Advances to fellow subsidiaries:</u>					
- Wasco Process Engineering Sdn. Bhd.	19,426	21,345	-	-	-
- Wasco Capital Sdn. Bhd. (formerly known as WSC Capital Sdn. Bhd.)	20,170	15,650	10,000	15,000	10,000
<u>Advances from a fellow subsidiary:</u>					
- Wasco Process Engineering Sdn. Bhd.	-	-	2,000	-	2,000
<u>Repayments to a fellow subsidiary:</u>					
- Wasco Process Engineering Sdn. Bhd.	-	-	2,000	-	2,000
<u>Repayments from fellow subsidiaries:</u>					
- Wasco Process Engineering Sdn. Bhd.	2,000	32,771	6,000	-	6,000
- Wasco Capital Sdn. Bhd. (formerly known as WSC Capital Sdn. Bhd.)	3,971	20,800	21,050	5,500	21,050
<u>Issuance of shares to holding company:</u>					
- Wasco Berhad	-	-	114,990	-	-



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.31 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

Outstanding balances with related parties as at year/period end for all transactions were as follows:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
<u>Amount owing (to)/by holding company</u>				
- Wasco Berhad	(236)	6	-	-
<u>Amounts owing by fellow subsidiaries:</u>				
- Wasco Process Engineering Sdn. Bhd.	17,301	6,214	2	110
- Wasco Management Services Sdn. Bhd.	-	-	-	55
- Wasco Capital Sdn. Bhd. (formerly known as WSC Capital Sdn. Bhd.)	16,200	11,091	-	9,528
- Petro-Pipe Industrial Corporation Sdn. Bhd.	-	-	62	62
- WDG Resources Sdn. Bhd.	1	1	-	-
- Syn Tai Hung Trading Sdn. Bhd.	2	-	-	-
<u>Amounts owing to fellow subsidiaries:</u>				
- Maple Sunpark Sdn. Bhd.	(308)	(45,738)	-	-
- Syn Tai Hung Trading Sdn. Bhd.	(2)	-	-	-
- Wasco Management Services Sdn. Bhd.	-	(1,022)	(1,490)	(660)
- Wasco Process Engineering Sdn. Bhd.	-	(40,386)	(181)	(258)
- WDG Resources Sdn. Bhd.	-	(2)	-	-
<u>Amount owing by joint venture:</u>				
- Shinko Industries Malaysia Sdn. Bhd. (formerly know as Shinko Wasco Turbine Sdn. Bhd.).	-	-	4	2
<u>Amount owing to joint venture:</u>				
- Shinko Industries Malaysia Sdn. Bhd. (formerly know as Shinko Wasco Turbine Sdn. Bhd.)	(2,888)	(6,914)	(5,438)	(5,474)
<u>Prepayment to joint venture:</u>				
- Shinko Industries Malaysia Sdn. Bhd. (formerly know as Shinko Wasco Turbine Sdn. Bhd.)	3,425	3,836	2,076	6,256



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.31 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel included Directors of the Group and certain members of senior management of the Group.

Key management compensation (including Executive Directors' remuneration) is as follows:

	Financial year/period ended				
	31.12.2022	31.12.2023	31.12.2024	30.6.2025	30.6.2024 Unaudited
	RM'000	RM'000	RM'000	RM'000	RM'000
- short-term employee benefits (including monetary value of benefits-in-kind)	3,510	4,303	1,932	2,687	-
- post-employment benefits	325	380	232	322	-

2.32 FINANCIAL INSTRUMENTS BY CATEGORY

	As at			
	31.12.2022	31.12.2023	31.12.2024	30.6.2025
	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>				
Financial assets measured at fair value through profit or loss				
– designated upon initial recognition:				
- Derivative financial assets	82	154	-	-
Financial assets at amortised cost:				
- Trade and other receivables (exclude prepayments)	40,977	38,461	40,869	36,986
- Amounts owing by holding company	-	10	-	-
- Amounts owing by fellow subsidiaries	33,504	17,306	64	9,755
- Amounts owing by joint venture	-	-	4	2
- Time deposits	6,800	15,200	37,630	12,200
- Cash and bank balances	26,160	36,878	17,152	29,080
Total	107,441	107,855	95,719	88,023
<u>Financial liabilities</u>				
Financial liabilities at amortised cost:				
- Trade and other payables	41,222	46,999	45,653	41,185
- Amount owing to holding company	236	4	-	-
- Amounts owing to fellow subsidiaries	310	87,148	1,671	918
- Amounts owing to joint venture	2,888	6,914	5,438	5,474
- Borrowings	20,000	14,000	45,396	45,396
Total	64,656	155,065	98,158	92,973



13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's overall financial risk management objectives and policies are to ensure that the Group creates value and maximises returns for its shareholders. Financial risk management is carried out through risk review, internal control systems, benchmarking to the industry's best practices and adherence to the Group's financial risk management policies.

The main risks arising from the financial instruments of the Group are credit risk, market risk, and liquidity risk. Management monitors the Group's financial position closely with the objective to minimise potential adverse effects on the financial performance of the Group.

The following sections provide details regarding the Group's exposure to the above mentioned financial risks and the objectives, policies and processes for managing these risks.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statements of financial position including derivative financial instruments with positive fair values.

(a) Receivables

The Group's exposure to credit risk is monitored on an ongoing basis. The Group has credit policies in place to manage the credit risk exposure. The risk is managed through the application of the Group's credit management procedures which include the application of credit evaluations or approvals and follow up procedures.

The Group actively monitors the utilisation of credit limits to manage the risk of any material loss from the non-performance of its counterparties.

Simplified approach for trade receivables and contract assets (including intercompany trade balances)

The Group applies simplified approach to provide for expected credit loss ("ECL"), which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The Group accounts for its credit risk by appropriately providing for ECL on timely basis. In calculating credit loss rate, trade receivables and contract assets are assessed based on credit risk categories and the days past due and considered the forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade receivables that are determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a receivable for write-off when a debtor fails to make contractual payments and the recoverability of the receivables is remote. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Credit risk (continued)

(a) Receivables (continued)

General 3-stage approach for other debt instruments financial assets

ECL for other debt instruments financial assets at amortised costs, which include other receivables, non-trade intercompany balances, time deposits and cash and bank balance are considered to have low credit risk, as there were low risks of defaults and historically there were minimal instances where contractual cash flow obligations have not been met.

The Group uses three categories to reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Group's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong 12-month ECL capacity to meet contractual cash flows.	
Underperforming	Debtors for which there is a significant increase in Lifetime ECL credit risk or significant increase in credit risk is presumed if the forward-looking information and indicators available signify impairment to debtors' ability to repay.	
Not performing	Debtors' ability to repay or likelihood of repayment is determined as fully impaired when it meets one (credit or more of the indicators).	Lifetime ECL impaired)

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL, by considering the likelihood that the debtor would not be able to repay during the contractual period, the percentage of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk. No significant changes to estimation techniques or assumptions were made during the reporting period.

There is no loss allowance for other financial asset at amortised cost as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, except for trade and other receivables.

For movement of allowance for impairment of trade receivables and other receivables, refer to Note 2.10 to the financial statements.



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Credit risk (continued)**(b) Intercompany balances**

The Group provides unsecured loans and advances to its fellow subsidiaries. The Group monitors the results of its fellow subsidiaries regularly.

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that the receivables from its fellow subsidiaries are stated at the realisable values. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, there was no indication that the loans and advances extended to the fellow subsidiaries are not recoverable.

Advances to fellow subsidiaries

Advances are classified as amortised cost in the Group's financial statements because the Group's business model is to hold and collect the contractual cash flows and those cash flows represent solely payments of principal and interest. The Group applied the general 3-stage approach when determining ECL for these advances to fellow subsidiaries.

There is no loss allowance recognised on these advances to fellow subsidiaries as all strategies indicate that the Group could fully recover the outstanding balance of the advances to its fellow subsidiaries.

(c) Derivative financial instruments

Transactions involving derivative financial instruments are with approved financial institutions and reputable banks.

As at the end of the reporting period, the maximum exposure to credit risk arising from derivatives financial assets is represented by the carrying amounts in the statement of financial position.

In view of the counterparties being reputable licensed financial institutions, management does not expect any of the counterparties to fail to meet their obligations.

(d) Time deposits and cash and bank balances

Time deposits and cash and bank balances are placed with approved financial institutions and reputable banks. The likelihood of non-performance by these financial institutions is remote based on their high credit ratings.



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Market risk

Market risk refers to the risk that changes in market prices, such as foreign exchange rates, interest rates and prices will affect the Group's financial position and cash flows.

(a) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the functional currencies of the Group entities. The foreign currencies giving rise to this risk are primarily United States Dollar (USD), Japanese Yen (JPY) and Euro Dollar (EUR) for the Group.

The Group is mainly exposed to fluctuations in the United States Dollar exchange rate against the respective functional currencies of the Group entities. The Group considers that the foreign currency risk attributable to currencies other than the United States Dollar to be insignificant.

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in		
	USD RM'000	JPY RM'000	EUR RM'000
<u>31 December 2022</u>			
Cash and cash equivalents	5,661	8,417	1,067
Trade and other receivables	6,536	1,296	407
Amount owing by fellow subsidiaries	4,421	-	-
Trade and other payables	(4,656)	(2,521)	(59)
Amount due to joint venture	-	(2,888)	-
	<u>11,962</u>	<u>4,304</u>	<u>1,415</u>
Net exposure	<u>11,962</u>	<u>4,304</u>	<u>1,415</u>
<u>31 December 2023</u>			
Cash and cash equivalents	5,668	11,020	1,175
Trade and other receivables	5,636	7,037	-
Trade and other payables	(4,383)	(2,800)	(209)
Amount due to joint venture	-	(6,914)	-
	<u>6,921</u>	<u>8,343</u>	<u>966</u>
Net exposure	<u>6,921</u>	<u>8,343</u>	<u>966</u>



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Market risk (continued)

Market risk refers to the risk that changes in market prices, such as foreign exchange rates, interest rates and prices will affect the Group's financial position and cash flows. (continued)

(a) Foreign currency exchange risk (continued)

The Group's exposure to foreign currency (a currency which is other than the currency of the Group) risk, based on carrying amounts as at the end of the reporting period was : (continued)

	Denominated in		
	<u>USD</u> RM'000	<u>JPY</u> RM'000	<u>EUR</u> RM'000
<u>31 December 2024</u>			
Cash and cash equivalents	3,218	3,688	19
Trade and other receivables	7,176	6,095	-
Trade and other payables	(7,419)	(2,339)	(10)
Amount due to joint venture	-	(5,438)	-
Net exposure	<u>2,975</u>	<u>2,006</u>	<u>9</u>

	Denominated in		
	<u>USD</u> RM'000	<u>JPY</u> RM'000	<u>EUR</u> RM'000
<u>30 June 2025</u>			
Cash and cash equivalents	7,318	6,355	20
Trade and other receivables	4,844	6,380	-
Trade and other payables	(2,021)	(2,151)	-
Amount due to joint venture	-	(5,474)	-
Net exposure	<u>10,141</u>	<u>5,110</u>	<u>20</u>

The Group maintains a natural hedge, whenever possible, by maintaining receivables and payables in matching foreign currencies. Foreign exchange exposures in transactional currencies other than the functional currencies of the operating entities are kept to an acceptable level.

The Group also uses forward currency contracts to minimise exposure on currency fluctuations for which receipts or payments are anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts entered are in the same currency as the hedged item. It is the Group's policy to negotiate the terms of the forward currency contracts to match the terms of the hedged item to maximise its effectiveness.



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Market risk (continued)

Market risk refers to the risk that changes in market prices, such as foreign exchange rates, interest rates and prices will affect the Group's financial position and cash flows. (continued)

(a) Foreign currency exchange risk (continued)

The following table demonstrates the sensitivity of a 5% change in the United States Dollar's exchange rate to the Group's pre-tax profit.

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
- strengthened 5%	598	346	149	507
- weakened 5%	(598)	(346)	(149)	(507)

(b) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to interest rate risks relates primarily to the time deposits and interest bearing borrowings.

Surplus funds are placed with licensed financial institutions to earn interest income based on prevailing market rates. The Group manages its interest rate risks by placing such funds on short tenures of 12 months or less.

The Group generally borrows principally on a floating rate basis and ensure that interest rates obtained are competitive.

The interest rate profile of the Group's significant interest bearing borrowing rates have been presented in Note 2.21.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its payables and borrowings. The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

All financial liabilities of the Group that will be due and payable within the next 12 months are classified within current liabilities. The Group did not have any derivative financial liabilities throughout the reported financial years/period. The contractual cash flows of non-derivative financial liabilities are presented below:

13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Liquidity risk (continued)

	Within 1 year RM'000	More than 1 year and less than 2 years RM'000	More than 2 years and less than 7 years RM'000	Total contractual undiscounted cash flows RM'000	Total carrying amount RM'000
<u>31 December 2022</u>					
<u>Non-derivative financial liabilities</u>					
Trade and other payables	39,824	1,398	-	41,222	41,222
Amount owing to holding company	236	-	-	236	236
Amount owing to fellow subsidiaries	310	-	-	310	310
Amount owing to joint venture	2,888	-	-	2,888	2,888
Borrowings	6,812	6,514	8,205	21,531	20,000
	<u>50,070</u>	<u>7,912</u>	<u>8,205</u>	<u>66,187</u>	<u>64,656</u>
<u>31 December 2023</u>					
<u>Non-derivative financial liabilities</u>					
Trade and other payables	45,634	1,365	-	46,999	46,999
Amount owing to holding company	4	-	-	4	4
Amount owing to fellow subsidiaries	87,148	-	-	87,148	87,148
Amount owing to joint venture	6,914	-	-	6,914	6,914
Borrowings	7,929	4,742	2,000	14,671	14,000
	<u>147,629</u>	<u>6,107</u>	<u>2,000</u>	<u>155,736</u>	<u>155,065</u>
<u>31 December 2024</u>					
<u>Non-derivative financial liabilities</u>					
Trade and other payables	43,976	1,677	-	45,653	45,653
Amount owing to fellow subsidiaries	1,671	-	-	1,671	1,671
Amount owing to joint venture	5,438	-	-	5,438	5,438
Borrowings	5,626	8,512	39,370	53,508	45,396
	<u>56,711</u>	<u>10,189</u>	<u>39,370</u>	<u>106,270</u>	<u>98,158</u>

13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Liquidity risk (continued)

	Within 1 year RM'000	More than 1 year and less than 2 years RM'000	More than 2 years and less than 7 years RM'000	Total contractual undiscounted cash flows RM'000	Total carrying amount RM'000
<u>30 June 2025</u>					
<u>Non-derivative financial liabilities</u>					
Trade and other payables	39,636	1,549	-	41,185	41,185
Amount owing to fellow subsidiaries	918	-	-	918	918
Amount owing to joint venture	5,474	-	-	5,474	5,474
Borrowings	8,298	8,451	35,400	52,149	45,396
	<u>54,326</u>	<u>10,000</u>	<u>35,400</u>	<u>99,726</u>	<u>92,973</u>

2.34 FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities classified within current assets and current liabilities respectively approximate their fair values due to the relatively short term nature of these financial instruments.

Fair value of equity instruments and debt securities are determined by reference to their respective published market bid price throughout the reported financial years.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).



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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.34 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)**

The following table represents the Group assets that are measured at fair value:

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>As at 31 December 2022</u>				
<u>Financial Assets</u>				
- Derivative financial assets	-	82	-	82
<u>As at 31 December 2023</u>				
<u>Financial Assets</u>				
- Derivative financial assets	-	154	-	154
<u>As at 31 December 2024</u>				
<u>Financial Assets</u>				
- Derivative financial assets	-	-	-	-
<u>As at 30 June 2025</u>				
<u>Financial Assets</u>				
- Derivative financial assets	-	-	-	-

There are no open derivative contracts for the financial year/period ended 31 December 2024 and 30 June 2025.

2.35 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group considers capital and reserves attributable to owners of the Company as capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025.

The Group is required to comply with certain financial covenants on the term loan borrowings as disclosed in Note 2.21. The key financial covenants are debts to EBITDA ratio of 4.50 times and debt service cover ratio of 1.5 times. The Group performs debt covenant assessment every six months and has complied with these financial covenants during the financial year and up to the date of this report.

13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.36 CONTINGENT LIABILITIES**

As at 30 June 2025, in respect of the material litigation between Kilang Sawit Lembing Sdn. Bhd. ("KSLs") and Wasco Thermal Sdn. Bhd. ("WTSB") which the High Court had allowed KSLs's claim for the damages for the cost of replacement and repair works, the potential maximum exposure has been ascertained to be a contingent liability of RM930,000 for the Group as this outcome is not probable which would be offset by WTSB's potential maximum counter-claim amounts for the unpaid balance sum due from KSLs of RM480,960 and the late payment interest of RM275,173 totalling RM756,133 as disclosed in Note 2.38(d).

2.37 CAPITAL COMMITMENTS

Capital expenditure as at the reporting date is as follows:

	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>As at</u> <u>30.6.2025</u>
	RM'000	RM'000	RM'000	RM'000
Commitment to acquire property, plant and equipment not provided for in the financial statements:				
- Approved and contracted	1,315	674	1,477	135

2.38 SIGNIFICANT SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD**a) Proposed disposal of joint venture**

On 7 July 2025, the Group entered into a share sale and purchase agreement to dispose off its entire equity interest of 49% in the joint venture, Shinko Industries Malaysia Sdn. Bhd. (formerly known as Shinko Wasco Turbine Sdn. Bhd.) for a purchase consideration of RM4,528,000.

Pursuant to MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the carrying amount of the investment in joint venture has been classified as asset held for sale.

On 16 July 2025, the Group has completed the disposal of the investment in joint venture.

b) Proposed listing

The Securities Commission Malaysia and Bursa Malaysia Securities Berhad ("Bursa Securities") have on 25 September 2025 and 17 October 2025 respectively, approved the Company's proposed listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Securities.

c) Pre-IPO exercise

The Pre-IPO exercise comprise of the Acquisition and the Proposed Bonus Issue.

On 19 June 2025, the Company entered into a Share Sale Agreement with Tema Energy Ventures Sdn. Bhd. ("Tema Energy") to acquire the remaining 40% equity interest in Wasco Thermal Sdn. Bhd. ("WTSB"), its 60%-owned subsidiary, from Tema Energy, the minority shareholder of WTSB for 14,404,000 new shares in the Company ("Acquisition"), representing 11.13% of the Company's enlarged share capital.

The completion of the Acquisition was conditional on regulatory approvals and the approval from Bursa Securities for the admission of the Company on the Official List and the listing of and quotation of the entire enlarged issued share capital of the Company on the Main Market of Bursa Securities.

13. ACCOUNTANTS' REPORT (Cont'd)

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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.38 SIGNIFICANT SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD (CONTINUED)****c) Pre-IPO exercise (continued)**

All regulatory approvals and approval of Bursa Securities for the listing of and quotation for the entire enlarged issued share capital on the Main Market of Bursa Securities had been obtained as of 17 October 2025. Consequently, the Acquisition was completed on 28 October 2025 upon issuance of the new shares to Tema Energy.

On 28 October 2025, the Company had issued 14,404,000 units of shares to Tema Energy in exchange for the 40% equity interest in WTSB. The difference between the fair value of the consideration given and the net book value of the 40% equity interest in WTSB is recognised in capital reserve.

On 28 October 2025, the Company undertook the Bonus Issue of 295,596,000 new Shares ("Bonus Shares"). The Bonus Issue was credited as fully paid-up on a pro-rata basis to the shareholders of the Company based on their respective shareholdings in the Company after the Acquisition. The Bonus Issue were issued at nil consideration without capitalising the retained profits or reserves of the Company.

d) Material litigation

Kilang Sawit Lembing Sdn. Bhd. ("KSLS" or "Plaintiff") had commenced a suit ("Suit") against WTSB ("Defendant") at the Kuantan High Court ("Court") by issuing a Writ of Summons to WTSB on 1 June 2020, alleging that the bi-drum water tube system boiler ("Boiler") supplied by WTSB was unfit for its intended purpose due to inherent pitting in the boiler tubes ("Alleged Breach"). KSLS is claiming, amongst others, RM930,000 for the cost of replacement and repair works of the Boiler and RM1,576,309 for consequential costs incurred as a result of the Alleged Breach.

In response, WTSB filed a defence stating that the pitting resulted from KSLS's water treatment to the Boiler during operations. WTSB also filed a counterclaim on 10 July 2020 for:

- (i) a sum of RM480,960 being the outstanding and unpaid sums payable by KSLS to WTSB pursuant to the agreement between KSLS and WTSB; and
- (ii) RM275,173 being late payment interest at the rate of 1.5% per month on the unpaid amounts due and outstanding as at 1 July 2020.

The Court issued its decision on 29 October 2025 whereby it had:

- (a) allowed KSLS's claim of RM930,000 for the cost of replacement and repair works for the Boiler, however, KSLS's claim for consequential losses of RM1,576,309 was dismissed; and
- (b) allowed WTSB's counterclaim for the amounts referred to in items (i) and (ii) above,

with damages for the cost of replacement and repair works, the counterclaim of the unpaid balance sum, the late payment interest and the legal costs to be assessed by way of assessment proceedings to be carried out at a later date.



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.38 SIGNIFICANT SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD (CONTINUED)****d) Material litigation (continued)**

The Group's solicitors are of the opinion that:

- (1) if KSLs' is successful in obtaining the sum of RM930,000 as damages for the cost of replacement and repair works of the Boiler and WTSB is correspondingly successful in obtaining the sum of RM480,960 being the unpaid amount due and owing by KSLs to WTSB under the Agreement and RM275,173 being the late payment interest sum, then, the net financial impact to WTSB after offsetting both amounts would be RM173,867 plus interest. However, this outcome is considered less probable and has therefore been disclosed as a contingent liability as at the reporting date; and
- (2) WTSB has reasonable grounds to appeal the Court's decision before the Court of Appeal arising from the interpretation and application of certain legal principles.

In this regard, as the final amounts will only be determined through assessment proceedings at a later date, our Group has identified RM930,000 as the amount awarded for the cost of replacement and repair works for the Boiler and is disclosed as a contingent liability considering that the outflow of resources is assessed as not probable, which would be offset by the potential counterclaim amounts of RM480,960 for unpaid sums and RM275,173 for late payment interest, totalling RM756,133, as disclosed in Note 2.36.

2.39 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 5 November 2025.



13. ACCOUNTANTS' REPORT (Cont'd)

WASCO GREENERGY BERHAD
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Registration No. 202301048372 (1542286-P)

STATEMENT BY DIRECTORS


We, Ramanathan A/L P.R. Singaram and Lee Yee Chong, being the Director and Chief Executive Officer of Wasco Greenergy Berhad (the "Company"), state that, in the opinion of the Directors, the consolidated financial statements set out on pages 2 to 76 are drawn up so as to give a true and fair view of:

- a) the financial position of the Company and its subsidiaries (the "Group") as at 31 December 2022, 31 December 2023 and 31 December 2024 and of the Group's financial performance and cash flows for each of the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and in accordance with the Prospectus Guidelines issued by the Securities Commission Malaysia.
- b) the financial position of the Group as at 30 June 2025 and of the Group's financial performance and cash flows for the six month financial period ended 30 June 2025 in accordance with Malaysian Financial Reporting Standard 134 "Interim Financial Reporting", International Accounting Standard 34 "Interim Financial Reporting" and the Prospectus Guidelines issued by the Securities Commission Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 5 November 2025.



RAMANATHAN A/L P.R. SINGARAM
DIRECTOR



LEE YEE CHONG
CHIEF EXECUTIVE OFFICER



13. ACCOUNTANTS' REPORT (Cont'd)

The Board of Directors
 Wasco Greenery Berhad
 Lot 1929, Jalan Bukit Kemuning
 Seksyen 32
 40460 Shah Alam
 Selangor Darul Ehsan

5 November 2025

Dear Sirs,

Reporting Accountants' Opinion on the Consolidated Financial Statements contained in the Accountants' Report of Wasco Greenery Berhad

Our Opinion

We have audited the accompanying consolidated financial statements of Wasco Greenery Berhad (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and for the six month financial period ended 30 June 2025, and notes to the consolidated financial statements, including material accounting policies (together, the "Consolidated Financial Statements"), as set out on pages 2 to 76. The Consolidated Financial Statements have been prepared for purposes of inclusion in the prospectus of the Company in connection with the initial public offering ("IPO") of the ordinary shares in the Company and the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad (the "Listing").

In our opinion, the accompanying Consolidated Financial Statements give a true and fair view of the financial position of the Group as at 31 December 2022, 31 December 2023 and 31 December 2024, and of its financial performance and cash flows for each of the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") and of the financial position of the Group as at 30 June 2025 and of its financial performance and cash flows for the six month financial period ended 30 June 2025 in accordance with Malaysian Financial Reporting Standard 134 "Interim Financial Reporting" ("MFRS 134") and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

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 Consolidated Financial Statements" section of our opinion. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

.....
 : PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara
 TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
 T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com.my

13. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors
Wasco Greenergy Berhad
5 November 2025**

Reporting Accountants' Opinion on the Consolidated Financial Statements contained in the Accountants' Report of Wasco Greenergy Berhad (continued)

Basis for Opinion (continued)

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.

Directors' Responsibilities for the Consolidated Financial Statements

The Directors of the Company (the "Directors") are responsible for the preparation of the consolidated financial statements for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 that give a true and fair view in accordance with MFRS and IFRS and in accordance with the Prospectus Guidelines issued by the SC ("the Prospectus Guidelines") and for the preparation of the interim consolidated financial statements for the six month financial period ended 30 June 2025, that give a true and fair view in accordance with MFRS 134 and IAS 34 and the Prospectus Guidelines. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 Consolidated Financial Statements.

13. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors
Wasco Greenergy Berhad
5 November 2025**

Reporting Accountants' Opinion on the Consolidated Financial Statements contained in the Accountants' Report of Wasco Greenergy Berhad (continued)

Reporting Accountants' Responsibilities for the Audit of the Consolidated 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 Consolidated Financial Statements, 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 opinion to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our opinion. 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 Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Consolidated 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.

13. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors
Wasco Greenergy Berhad
5 November 2025**

Reporting Accountants' Opinion on the Consolidated Financial Statements contained in the Accountants' Report of Wasco Greenergy Berhad (continued)


Other Matter

The comparative information for the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows and related explanatory notes for the six month financial period ended 30 June 2024 has not been audited.


Restriction on Distribution and Use

This opinion is issued for the sole purpose of inclusion in the Prospectus of the Company in connection with the IPO and Listing and should not be used or relied upon for any other purpose. Accordingly, we will not accept any liability or responsibility to any other party to whom our opinion is shown or into whose hands it may come.

Yours faithfully,


PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur


TIANG WOON MENG
02927/05/2026 J
Chartered Accountant

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than six months after the date of issue of this Prospectus.
- (ii) As at the LPD, we have only one class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in Sections 4.2.1, 4.2.6 and 6.1.2 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise since its incorporation and up to the LPD.
- (iv) As at the date of this Prospectus, save for our Issue Shares reserved for subscription by the Eligible Greenergy Persons and the Eligible Wasco Persons as disclosed in Section 4.2.3(i) of this Prospectus there is currently no other scheme involving our employees and Directors in the share capital of our Company or any of our subsidiaries.
- (v) We have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.
- (vi) As at the date of this Prospectus, neither we nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in Sections 2.2, 4.8.3 and 12.4 of this Prospectus and save as provided for under our Constitution as reproduced in Section 14.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in our Company or any of our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution and are qualified in its entirety by reference to our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

Words	Meaning
“Act”	means the Companies Act 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force.
“Board”	means the Board of Directors for the time being of the Company.
“Company”	means Wasco Greenergy Berhad.
“Constitution”	means the Constitution as originally framed or as altered from time to time by Special Resolution.
“Depository Act”	means the Securities Industry (Central Depositories) Act 1991 as amended from time to time and any re-enactment thereof.
“Depository”	means Bursa Malaysia Depository Sdn. Bhd. or such other name by which it may be known from time to time.

14. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
“Deposited Security”	means a security in the Company standing to the credit of a securities account and includes a security in a securities account that is in suspense or such other definition as may from time to time be amended pursuant to the Depository Act.
“Director”	means the Directors for the time being of the Company and where applicable it has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
“Listing Requirements”	means Main Market Listing Requirements of Bursa Malaysia Securities Berhad, including any amendment that may be made from time to time.
“Member/ Members”	includes a Depositor, who will be treated as if he were a member pursuant to Section 35 of the Securities Industry (Central Depositories) Act 1991 but excludes the Depository in its capacity as a bare trustee.
“Record of Depositors”	means a record provided by the Depository to the Company under Chapter 24.0 of the Rules of the Depository.
“Register”	means the Register of Members to be kept at the registered office pursuant to Section 47 of the Act.
“Rules of the Depository”	means the Rules of Bursa Malaysia Depository Sdn. Bhd., including any amendment that may be made from time to time.
“Securities”	has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
“Securities Account”	means an account established by the Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor.

14.2.1 Transfer of Shares**Clause 59 – Transfer of Securities**

“The transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to subsection 148(2) of the Act and any exemption that may be made from compliance with Subsection 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities of class of securities which have been deposited.”

14. ADDITIONAL INFORMATION (Cont'd)**14.2.2 Remuneration of Directors****Clause 122 – Directors' Remuneration**

“The Directors shall be paid by way of remuneration for their services rendered. The fees payable to the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and is subject to annual shareholder approval at a general meeting and shall (unless such resolution otherwise provided) be divisible among the Directors in such proportions as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office, provided always that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.”

Clause 161 – Remuneration of Chief Executive Officer and/or Managing Director

“The remuneration of the Chief Executive Officer and/or the Managing Director shall, subject to the terms of any agreement entered into in any particular case, may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.”

14.2.3 Voting and borrowing power of Directors**Clause 127 – Borrowing Power of Directors**

- (a) “The Directors may exercise all the powers of the Company at their discretion to raise or borrow money for the purpose of the Company or raise or secure the payment of such money in such manner and upon such terms and conditions in all respect as they think fit, and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures or debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or its related companies, or by means of bonds and dispositions in security or bonds or cash deposit, with or without power of sale and upon such terms and conditions as the Directors shall think fit PROVIDED ALWAYS that nothing contained in the Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party AND FURTHER PROVIDED ALWAYS that the Directors shall not except with the sanction of a general meeting, borrow any sum or sums of money if the borrowing thereof would cause or have the effect that the aggregate amount of the borrowings thereof exceeds or would exceed two and the half (2 ½) times

14. ADDITIONAL INFORMATION (Cont'd)

the shareholders' funds as disclosed in the latest audited consolidated balance sheet or two and the half (2 ½) times of the paid-up capital, whichever shall be the higher but nothing herein contained shall require a bona fide lender of money to the Company to ascertain if this limit has been or is about to be exceeded.

The terms "borrowing" or "borrowings" means:

- (i) moneys borrowed by the Company on bank overdraft or otherwise;
- (ii) moneys howsoever advanced to the Company on any account whatsoever whether secured or unsecured but excluding deposits made by tenants (if any) or any other deposits of a similar nature and for the time being outstanding;
- (iii) rental payments in respect of any lease whether in respect of land, machinery, equipment entered into primarily as a method of financing the acquisition of the asset leased or raising finance;

and for the time being outstanding but shall exclude moneys received, if any, by the Company by way of subscription of any irredeemable convertible loan stock or other irredeemable convertible instruments and "borrow" has a corresponding meaning.

The term "latest audited consolidated balance sheet" means the latest published audited consolidated balance sheet previous to the time when an examination is being made to determine whether the aggregate amount of the borrowings of the Company are within the limits imposed by this Clause or a special audited consolidated balance sheet prepared since the date of the latest published audited consolidated balance sheet and certified by two of the Directors and the auditors for the time being of the Company.

- (b) The Directors shall cause a proper register to be kept in accordance with Section 47 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act with regard to the registration of mortgages and charges therein specified and otherwise.
- (c) Debentures, debenture stocks or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- (d) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability."

14. ADDITIONAL INFORMATION (Cont'd)

Clause 131 – Director may hold office under the Company and restriction to vote

“Subject always to Sections 221 and 228 of the Act, a Director may hold any other office or place of profit under the Company (other than the office of auditors) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such office or place of profit or as vendor, purchaser or in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established provided always that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined (if the interest then exist) or in any other case at the first meeting of the Directors after the acquisition of the interest.

A Director shall not vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that other company or as a holder of shares or other securities in that other company, nor shall he be counted, for the purposes of any resolution regarding the same, in the quorum present at the meeting. These shall not apply to:

- (a) Any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its subsidiaries; or
- (b) Any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.”

Clause 146 – Chairman has casting vote

“A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under the Constitution vested in or exercisable by the Directors generally. Subject to the Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote except where only two (2) Directors form a quorum and where only two (2) Directors are competent to vote on the question at issue.”

Clause 149 – Vote of a Director and alternate Director

“A Director who is also an alternate Director shall be entitled, in addition to his own vote, to a separate vote on behalf of the Director whom he is representing.”

14. ADDITIONAL INFORMATION (Cont'd)**14.2.4 Changes in capital and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights****Clause 20 – Rights and liabilities of New Shares**

“Except in so far as otherwise provided by the condition of issue, any capital raised by the creation of new shares shall be considered as part of the total number of issued share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transfers, transmissions, lien, forfeiture or otherwise as the original share capital and shall also be subject to the Rules.”

Clause 26 – Modification of Class Rights

“If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of the Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be three (3) persons at least holding or representing by proxy one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 292 of the Act shall apply with such adaptations as may be necessary.”

Clause 28 – Alteration of Capital

- (a) “The Company may from time to time by ordinary resolution:-
- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (ii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Constitution (subject nevertheless to the provisions of the Act) and so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived, and any resolution pursuant to which any share is sub-divided may determine that, as between the holders of shares resulting from such subdivision, one or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards dividends, return of capital voting or otherwise over the other or others of such shares; or
 - (iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of the Company’s share capital by the amount of the shares so cancelled.
- (b) The Company may by special resolution reduce its share capital and any capital redemption reserve fund in any manner authorised by the Act and subject to any consent required by the law.”

14. ADDITIONAL INFORMATION *(Cont'd)*

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 is fixed, failing which our Share Registrar will be required to transfer his Shares to the Ministry of Finance Inc. and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository (“**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 HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights, on our Shares which is imposed by Malaysian law or by our Constitution.

14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

(i) Malaysia

There are foreign exchange control policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange control framework in Malaysia is governed by the Financial Services Act 2013, the Islamic Financial Services Act 2013 and Foreign Exchange (“**FE**”) Notices. These regulations regulate both residents and non-residents of Malaysia. Under the current FE Notices issued by Bank Negara Malaysia, non-residents are free to repatriate capital, profits, dividends, rental, fees and interest arising from investments in Malaysia, provided that such repatriation is made in foreign currency except in the currency of Israel. The repatriation of funds is subject to the applicable reporting requirements and any withholding tax.

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

14. ADDITIONAL INFORMATION (Cont'd)**(ii) Indonesia**

There are foreign exchange laws and regulations in Indonesia that govern the use and movement of foreign currency to and from overseas, aimed at preserving financial stability and the economy. These laws and regulations are enforced under (i) Law No.24 of 1999 on the Flow of Foreign Exchange and the Exchange Rate System, (ii) Law No.7 of 2011 on Currency (as amended), (iii) Bank Indonesia Regulation No.6 of 2024 on the Money Market and Foreign Exchange Market, (iv) Bank Indonesia Governor Regulation No.11 of 2024 on Foreign Exchange Market Transactions and (v) other related implementing regulations that apply to both residents and non-residents of Indonesia ("**Foreign Exchange Control Laws and Regulations**"). These regulations establish procedures for foreign currency transactions involving the Rupiah through Bank Indonesia-regulated banks, rather than imposing strict capital or foreign exchange controls, thereby allowing for substantial freedom in foreign exchange use.

The use of foreign currency within Indonesia is regulated and must comply with the requirements under the Foreign Exchange Control Laws and Regulations, including (i) all financial transactions within Indonesia's borders must be conducted in IDR, (ii) international foreign exchange transactions above USD100,000 thresholds require supporting documentation (e.g., credit agreement, invoice, etc.) to be submitted to the processing bank, (iii) commercial banks in Indonesia are not allowed to directly transfer IDR overseas. In this regard, if a customer wants to send money abroad, the bank must first convert the IDR into a foreign currency before transferring it.

Further, the repatriation of capital and remittance of profits are subject to applicable withholding taxes. Dividend payments will be subject to a withholding tax according to the prevailing Double Tax Agreement between Indonesia and Malaysia.

14.6 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business during the Periods Under Review and up to the date of this Prospectus:

14.6.1 Sale and Purchase Agreement dated 12 October 2023 entered into between WATSB and Array Metal (M) Sdn Bhd for the disposal of a piece of freehold land held under Geran No. 32544, Lot 1930, Mukim Klang, Negeri Selangor Darul Ehsan

On 12 October 2023, WATSB entered into a sale and purchase agreement with Array Metal (M) Sdn Bhd for the disposal of all that piece of freehold land held under Geran No. 32544, Lot 1930, Mukim Klang, Negeri Selangor Darul Ehsan measuring about 18,363 meters to Array Metal (M) Sdn Bhd for a total cash consideration of RM40.0 million. The sale and purchase of this property was completed on 15 January 2024.

14.6.2 Share Sale Agreement dated 29 December 2023 entered into between our Company and WPE for the acquisition of 100% equity interest in WATSB

On 29 December 2023, our Company entered into a share sale agreement with WPE for the acquisition of 20,040,000 ordinary shares in WATSB (representing 100% equity interest in WATSB) from WPE for a total purchase consideration of about RM134.9 million. The acquisition was completed on 29 December 2023.

14. ADDITIONAL INFORMATION (Cont'd)**14.6.3 Share Sale Agreement dated 29 December 2023 entered into between our Company and WPE for the acquisition of 60% equity interest in WTSB**

On 29 December 2023, our Company entered into a share sale agreement with WPE for the acquisition of 1,200,000 ordinary shares in WTSB (representing 60% equity interest in WTSB) from WPE for a total purchase consideration of about RM20.3 million. The acquisition was completed on 29 December 2023.

14.6.4 Sale and Purchase Agreement dated 29 December 2023 entered into between WTSB and Maple Sunpark for the acquisition of a piece of land bearing title details Geran 32546, Lot 1944, Mukim Klang, Daerah Klang, Negeri Selangor, comprising of a detached factory/ warehouse together with office building

On 29 December 2023, WTSB entered into a sale and purchase agreement with Maple Sunpark for the acquisition of a piece of land bearing title details Geran 32546, Lot 1944, Mukim Klang, Daerah Klang, Negeri Selangor, comprising of a detached factory/ warehouse together with office building from Maple Sunpark for a total cash consideration of RM30.9 million. The sale and purchase of this property was completed on 29 December 2023.

14.6.5 Sale and Purchase Agreement dated 29 December 2023 entered into between WTSB and Maple Sunpark for the acquisition of piece of land bearing title details Geran 32547, Lot 1945, Mukim Klang, Daerah Klang, Negeri Selangor, comprising of a detached factory/ warehouse together with office building

On 29 December 2023, WTSB entered into a sale and purchase agreement with Maple Sunpark for the acquisition of a piece of land bearing title details Geran 32547, Lot 1945, Mukim Klang, Daerah Klang, Negeri Selangor, comprising of a detached factory/ warehouse together with office building from Maple Sunpark for a total cash consideration of RM34.0 million. The sale and purchase of this property was completed on 29 December 2023.

14.6.6 SSA

On 19 June 2025, our Company entered into a conditional share sale agreement with Tema Energy for the acquisition of 1,000,000 ordinary shares in WTSB (representing the remaining 40.0% equity interest in WTSB) from Tema Energy for a total purchase consideration of RM19,301,360 to be satisfied via the issuance and allotment of 14,404,000 Shares in our Company at an issue price of RM1.34 per Share. The share sale was completed on 28 October 2025.

14.6.7 Lock Up Agreements dated 27 June 2025 in relation to the SSA

Lock-up agreements dated 27 June 2025 entered into between our Company, Tema Energy and each of the individual shareholders of Tema Energy in relation to the lock-up arrangement under the SSA, details of which are set out in Section 4.8.3.2 of this Prospectus.

14.6.8 SSPA

On 7 July 2025, WATSB entered into a share sale and purchase agreement with Shinko Ind. Ltd. for the disposal of 1,470,000 ordinary shares in Shinko Industries Malaysia (representing the entire 49% equity interest in Shinko Industries Malaysia) to Shinko Ind. Ltd. for a total cash consideration of RM4,527,600. The Disposal was completed on 7 July 2025.

14. ADDITIONAL INFORMATION (Cont'd)**14.6.9 Retail Underwriting Agreement dated 3 November 2025**

Retail Underwriting Agreement dated 3 November 2025 entered into between our Company, the Managing Underwriter and the Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite 30,500,000 Issue Shares under the Retail Offering at an underwriting commission of up to 1.25% (exclusive of applicable tax) of the Retail Price, multiplied by the number of Issue Shares underwritten.

14.6.10 Lock-Up letter dated 3 November 2025 in relation to our IPO and our Listing

Lock-up letter dated 3 November 2025 issued by our Company to the Joint Bookrunners in relation to the lock-up arrangement for our IPO and our Listing, details of which are set out in Section 4.8.3.1 of this Prospectus.

14.7 MATERIAL LITIGATION

Save as disclosed below, we are not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability in the 12 months immediately preceding the date of this Prospectus:

Kilang Sawit Lembing Sdn Bhd ("**KSLS**") had commenced a suit ("**Suit**") against WTSB at the Kuantan High Court ("**Court**") by issuing a Writ of Summons to WTSB on 1 June 2020, alleging that the bi-drum water tube system boiler ("**Boiler**") supplied by WTSB was unfit for its intended purpose due to inherent pitting in the boiler tubes ("**Alleged Breach**"). KSLS is claiming, amongst others, RM930,000.00 for the cost of replacement and repair works of the Boiler and RM1,576,308.68 for consequential costs incurred as a result of the Alleged Breach.

In response, WTSB filed a defence stating that the pitting resulted from KSLS's water treatment to the Boiler during operations. WTSB also filed a counterclaim on 10 July 2020 for:

- (i) a sum of RM480,960.00 being the outstanding and unpaid sums payable by KSLS to WTSB pursuant to the agreement between KSLS and WTSB ("**Agreement**"); and
- (ii) RM275,172.52 being late payment interest at the rate of 1.5% per month on the unpaid amounts due and outstanding as at 1 July 2020.

As at the LPD, the Suit has proceeded through trial on 6 November 2023, 7 November 2023, 10 June 2024, 11 June 2024 and 12 June 2024. The Court has instructed both parties to file written submissions to court by 11 June 2025 and reply submissions by 2 July 2025. Both parties had filed their written submissions and reply submissions on 26 June 2025 and 14 July 2025, respectively and the hearing for oral submissions was carried out physically in court on 30 July 2025.

The Court issued its decision on 29 October 2025 whereby it had:

- (a) allowed KSLS's claim of RM930,000.00 for the cost of replacement and repair works for the Boiler, however, KSLS's claim for consequential losses of RM1,576,308.68 was dismissed; and
- (b) allowed WTSB's counterclaim for the amounts referred to in items (i) and (ii) above,

with damages for the cost of replacement and repair works, the counterclaim of the unpaid balance sum, late payment interest and the legal costs to be assessed by way of assessment proceedings to be carried out at a later date.

14. ADDITIONAL INFORMATION (Cont'd)

Our solicitors are of the opinion that:

- (1) if KSLs is successful in obtaining the sum of RM930,000.00 as damages for the cost of replacement and repair works of the Boiler and WTSB is correspondingly successful in obtaining the sum of RM480,960.00 being the unpaid amount due and owing by KSLs to WTSB under the Agreement and RM275,172.52 being the late payment interest, then, the net financial impact to WTSB after offsetting both amounts would be RM173,867.48 plus interest. However, this outcome is considered less probable and has therefore been disclosed as a contingent liability as at the reporting date; and
- (2) WTSB has reasonable grounds to appeal the Court's decision before the Court of Appeal arising from the interpretation and application of certain legal principles.

In this regard, as the final amounts will only be determined through assessment proceedings at a later date, our Group has identified RM930,000.00 as the amount awarded for the cost of replacement and repair works for the Boiler and is disclosed as a contingent liability considering that the outflow of resources is assessed as less probable, which would be offset by the potential counterclaim amounts of RM480,960.00 for unpaid sums and RM275,172.52 for late payment interest, totalling RM756,132.52, as disclosed in Note 2.36 of the Accountants' Report.

Save for the assessment of damages, interest, and costs to be carried out at a later date, our Board, having considered the opinion of our solicitors, is of the view that the Suit will not have any material adverse impact on our Group's financial position or business operations, as the potential exposure is less probable and is less than 5% of our Group's PBT for the FYE 31 December 2024.

14.8 CONSENTS

The written consents of the Principal Adviser, Joint Bookrunners, Managing Underwriter, Joint Underwriters, Legal Advisers, Internal Control Consultant, Share Registrar, Issuing House and Company Secretaries as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants for the inclusion of its name and all references thereto, reasonable assurance report on the Pro Forma Consolidated Statements of Financial Position of the Company as at 30 June 2025, and audit opinion on the consolidated financial statements of the Company for the Periods Under Review contained in the Accountants' Report of the Company, in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Independent Market Researcher for the inclusion of its name, the IMR Report and all references thereto, in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor during office hours for a period of six months from the date of this Prospectus:

- (i) our Constitution;
- (ii) our material contracts as referred to in Section 14.6 of this Prospectus;

14. ADDITIONAL INFORMATION *(Cont'd)*

- (iii) the relevant cause papers in respect of the material litigation as referred to in Section 14.7 of this Prospectus;
- (iv) our audited consolidated financial statements for the Periods Under Review;
- (v) audited financial statements of each of our subsidiaries for the Financial Years Under Review;
- (vi) Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position, as included in Section 12.5 of this Prospectus;
- (vii) Accountants' Report as included in Section 13 of this Prospectus;
- (viii) IMR Report as included in Section 8 of this Prospectus; and
- (ix) letters of consent referred to in Section 14.8 of this Prospectus.

14.10 RESPONSIBILITY STATEMENTS

Our Directors, our Promoter and the Selling Shareholders 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 there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB, being the Principal Adviser and Joint Bookrunner for the Institutional Offering and Managing Underwriter and Joint Underwriters for the Retail Offering in relation to our IPO, 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.

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15. PROCEDURES FOR APPLICATION

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used in this Section shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10:00 A.M., 20 NOVEMBER 2025.

CLOSING OF THE APPLICATION PERIOD: 5:00 P.M., 28 NOVEMBER 2025.

In the event there is any change to the dates stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and make an announcement on Bursa Securities' website.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATIONS

15.2.1 Application of our Issue Shares by the Malaysian Public, the Eligible Greenergy Persons, Eligible Wasco Persons and the Entitled Shareholders of Wasco Berhad

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

<u>Type of Application and category of investors</u>	<u>Application method</u>
Applications by our Directors, the Eligible Greenergy Persons and Eligible Wasco Persons	PINK Application Form only
Applications by the Entitled Shareholders of Wasco Berhad	BLUE Application Form or electronic subscription via Issuing House's digital platform namely Vistra Share Registry and IPO (MY) Portal (“ The Portal ”) (“ e-Subscription ”)
Applications by the Malaysian Public	
(i) Individuals	WHITE Application Form or Electronic Share Application or Internet Share Application
(ii) Non-individuals	WHITE Application Form only

15. PROCEDURES FOR APPLICATION (Cont'd)**15.2.2 Application by selected investors via placement**

Types of Application	Application Method
Applications by selected investors	Our Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

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 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.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMISES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

15.3.2 Application by the Malaysian Public

You can only apply for our Issue 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 Issue Shares; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

15. PROCEDURES FOR APPLICATION (Cont'd)

- (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;
- (ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) you must submit the 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 the Eligible Greenergy Persons, Eligible Wasco Persons and Entitled Shareholders of Wasco Berhad

The Eligible Greenergy Persons and Eligible Wasco 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. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Group through the Human Resource Department.

Eligible Greenergy Persons and Eligible Wasco Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, the Issuing House, CIMB, Participating Organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

The Eligible Greenergy Persons and Eligible Wasco Persons are not precluded from making additional application under the Malaysian Public category using the White Application Form. If you are the Entitled Shareholders of Wasco Berhad, you are also entitled to apply under the Restricted Offering using the Blue Application Form. Applicants using the Pink Application Form are not allowed to submit multiple applications in the same category of application.

15.3.4 Application by Entitled Shareholders of Wasco Berhad

Applications by the Entitled Shareholders of Wasco Berhad for the Issue Shares which have been set aside for the Restricted Offering must be made on the Blue Application Form. The Entitled Shareholders of Wasco Berhad must follow the notes and instructions in the said document as well as the cover letter accompanying the Blue Application Form and where relevant, in this Prospectus. The Entitled Shareholders of Wasco Berhad are not precluded from making additional applications for the Issue Shares made available under the Malaysian Public category using the White Application Form. 15,500,000 Issue Shares are reserved for application by the Entitled Shareholders of Wasco Berhad via the Restricted Offering and shall be allocated in the following manner:

- (a) each Entitled Shareholder of Wasco Berhad who applies for at least 100 Issue Shares is guaranteed an allocation of 100 Issue Shares;
- (b) any balance Issue Shares after the allocation under item (a) above shall be allocated to the Entitled Shareholders of Wasco Berhad who applied in excess of 100 Issue Shares on a pro-rata basis, computed based on their respective shareholdings in Wasco Berhad as at the Entitlement Date. For the avoidance of doubt, the allocation under item (b) prioritises the Entitled Shareholders of Wasco Berhad in proportion of their shareholdings held in Wasco Berhad; and

15. PROCEDURES FOR APPLICATION (Cont'd)

- (c) any balance Issue Shares after the allocation under items (a) and (b) above shall be allocated to the Entitled Shareholders of Wasco Berhad on a pro-rata basis, computed based on the quantum of their respective Issue Shares under application. For clarification, the allocation under item (c) distributes the balance Issue Shares from item (b) above to remaining applicants for excess Issue Shares in proportion to the size of their application,

subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out above is achieved. Any fractional entitlements and odd lots arising from the Restricted Offering will be disregarded and rounded down to the nearest board lot, and the aggregate of such fractions and such odd lots will be dealt with in such manner or on such terms as our Board may deem fit and expedient in the best interest of our Company.

As our Shares are prescribed securities, the Shares will be credited into the respective CDS accounts of the Entitled Shareholders of Wasco Berhad. No physical share certificate will be issued, but the notice of allotment shall be despatched.

The entitlement of the Entitled Shareholders of Wasco Berhad to participate in the Restricted Offering is non-renounceable and non-tradable.

Excluded Shareholders are advised that they shall be solely responsible to seek their own advice as to the laws of any jurisdiction which they may be subject to. Participation in the Restricted Offering by any of the shareholders of Wasco Berhad shall be based on their warranty to our Company or CIMB that they may lawfully so participate without our Company, CIMB, the Share Registrar and/or other advisers and experts being in breach of the laws of any jurisdiction other than the laws of Malaysia to which the Excluded Shareholders are or might be subject to. Excluded Shareholders will have no rights or claims whatsoever against us, the Promoter, CIMB, any of their respective Directors or any other persons involved in the Restricted Offering in respect of their entitlement to apply for the Issue Shares under the Restricted Offering. We, the Promoter, CIMB, any of their respective Directors or any other persons involved in the Restricted Offering shall not accept any responsibility and liability in the event that any acceptance under the Restricted Offering is or becomes illegal, unenforceable, voidable or void or shall contravene the laws in such countries and jurisdictions. This Prospectus will not be registered under any applicable securities legislation of any foreign jurisdiction. Accordingly, the Prospectus will not be sent to the Excluded Shareholders.

15.4 PROCEDURES FOR APPLICATION BY ENTITLED SHAREHOLDERS OF WASCO BERHAD**15.4.1 By way of Blue Application Form**

This Prospectus and the Blue Application Form will be distributed to the Entitled Shareholders of Wasco Berhad whose registered addresses are maintained with Bursa Depository. The Blue Application Form can be obtained from the Share Registrar. The FULL amount payable is RM1.00 per IPO Share. Application and payment for the Issue Shares under the Restricted Offering must be made on the Blue Application Form issued together with this Prospectus and must be completed in accordance with the notes and instructions printed therein.

15. PROCEDURES FOR APPLICATION (Cont'd)

The completed Blue Application Form, together with the remittance in RM for the full amount payable in the form of Banker's Draft or Cashiers Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made out in favour of "**WASCO GREENERGY BHD RESTRICTED OFFER A/C**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with the name, address and CDS account number of the applicant in block letters, must be received by our Share Registrar no later than 5.00 p.m. on 28 November 2025, or by such other time and date specified in any change to the date or time for closing. Cheques or any other modes of payment will not be accepted and will be rejected.

Effective 1 January 2024, the Inland Revenue Board of Malaysia ("**IRBM**") has terminated the usage of revenue stamp as a stamping method at all IRBM stamping duty counters and district stamping offices.

In connection thereto, the application and payment of stamp duty for the Blue Form Application is to be performed online via IRBM system namely Stamp Duty Assessment and Payment System ("**STAMPS**") at <https://stamps.hasil.gov.my>. The payment of stamp duty must be made via the FPX medium or Bill Payment (CIMB Bizz Channel/Public Bank) from the same link. The stamp certificate/ official receipt will be issued via STAMPS as a proof of payment of stamp duty.

The applicant must attach a copy of the stamp certificate to the Blue Form Application before submitting to the Issuing House.

Alternatively, you may submit the acceptance and payment for the Blue Application Form together with the stamp duty electronically via The Portal. Please refer to the procedures for acceptance and payment via e-subscription as stated below.

Each completed Blue Application Form, must be 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 or **COURIER**, to the following address:

**Tricor Investor & Issuing House Services Sdn Bhd
(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 the following address:

Unit G-3, Ground Floor,
Vertical Podium,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,

so as to arrive no later than 5.00 p.m. on 28 November 2025, or by such other time and date specified in any change to the date or time for closing. The Entitled Shareholders of Wasco Berhad, who wish to apply for the Issue Shares which have been set aside for the Restricted Offering using the Blue Application Form may check their eligibility by referring to our Share Registrar at the address stated above.

15. PROCEDURES FOR APPLICATION (Cont'd)

15.4.2 By way of e-Subscription

The Entitled Shareholders of Wasco Berhad can have the option to subscribe for the Restricted Offering through e-Subscription available from The Portal at <https://srmy.vistra.com>. The e-Subscription is available to all Entitled Shareholders of Wasco Berhad including individuals, corporate or institutional shareholders.

Applications made by way of e-Subscription which do not conform **STRICTLY** to the terms of our Prospectus or notes and instructions will not be accepted. A processing fee of RM7.00 for an individual shareholder and RM4.00 for a corporate shareholder will be charged by the Issuing House for each CDS account subscribed for. The Entitled Shareholders of Wasco Berhad will also need to pay a stamp duty of RM10.00 for each CDS account applied for the Restricted Offering. The Entitled Shareholders of Wasco Berhad who wish to subscribe for the Restricted Offering by way of e-Subscription shall take note of the following:

- (a) any e-Subscription received by the Issuing House after the closing date shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Issuing House, is irrevocable and shall be bound;
- (b) The Entitled Shareholders of Wasco Berhad who has registered with The Portal ("**Registered Entitled Shareholder(s)**") will receive notification to login to The Portal in respect of their shareholding in their CDS Account(s). Accordingly, for each CDS Account, the Registered Entitled Shareholder can choose to subscribe to the Restricted Offering which they are entitled to;
- (c) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using The Portal, the terms and conditions of e-Subscription and the Prospectus. Any e-Subscription submitted that does not conform to the terms and conditions of The Portal and the Prospectus may not be accepted at the sole discretion of our Company. Our Company reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or completed incorrectly;
- (d) the minimum number of guaranteed Issue Shares under the Restricted Offering is set out in the electronic Blue Application Form. The Registered Entitled Shareholders are required to indicate the number of excess Issue Shares they wish to apply for;
- (e) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer; and
- (f) a handling fee is payable should the Registered Entitled Shareholder make the e-Subscription.

All Entitled Shareholders of Wasco Berhad who wish to opt for e-Subscription, please read and follow the procedures set below:

(i) Sign up as a user of The Portal

- (a) Visit The Portal at <https://srmy.vistra.com>.
- (b) Click "Register", select either "Individual Holder" or "Representative of Corporate Holder" and complete the New User Registration Form.
- (c) For guidance, you may refer to the tutorial guide available on the homepage.
- (d) Once registration is completed, you will receive an email notification to verify your registered email address.
- (e) Your registration will be reviewed and approved within one (1) to two (2) working days. A confirmation email will be sent once it is approved.

15. PROCEDURES FOR APPLICATION (Cont'd)

- (f) Once you received the confirmation, activate your account by creating your password.
- (g) You may login at any time using your registered email address and password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of The Portal, you are not required to sign up again. If you are signing up to represent a Corporate Holder Account(s), please contact our Share Registrar for further details and requirements.

(ii) Procedures for e-Subscription**Individual Registered Entitled Shareholders**

- (a) Login to The Portal at <https://srmy.vistra.com>.
- (b) Select the corporate exercise name: **Wasco Greenergy Berhad Restricted Offering**.
- (c) Read and agree to the Terms & Conditions and confirm the Declaration.
- (d) Preview the CDS Account entitlement details to the Restricted Offering.
- (e) Select the relevant CDS Account and insert the number of minimum guaranteed Issue Shares to subscribe for and the number of excess Issue Shares to apply (if applicable) in the electronic Blue Application Form.
- (f) Review and confirm the number of Issue Shares which you are subscribing and the number of excess Issue Shares you are applying (if applicable) and the total amount payable for the Restricted Offering (if applicable).
- (g) Review the remittance to the subscription of the Restricted Offering, handling fee of RM7.00 and stamp duty of RM10.00 for each CDS are included in the total amount payable.
- (h) Proceed to pay via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account.
- (i) Upon completion of payment, go to "Submission History" to download/print the payment receipt and electronic Blue Application Form for record.

Corporation or Institutional Registered Entitled Shareholders

- (a) Login to The Portal at <https://srmy.vistra.com>.
- (b) Select the corporate exercise name: **Wasco Greenergy Berhad Restricted Offering**.
- (c) Read and agree to the Terms & Conditions and Declaration.
- (d) Proceed to download the "Electronic Blue Application Entitlement".
- (e) Preview the respective CDS Account details and its entitlement.
- (f) Arrange to pay for the remittance on the subscription of Issue Shares via telegraphic transfer into the Restricted Offering designated bank account as follows:

15. PROCEDURES FOR APPLICATION (Cont'd)

Account Name:	WASCO GREENERGY BHD RESTRICTED OFFER A/C
Bank:	Malayan Banking Berhad
Bank Account No.:	514057909772

and arrange to pay handling fee of RM4.00 and stamp duty fee of RM10.00 for each CDS account into the Issuing House's bank account as follows:

Account Name:	Tricor Investor & Issuing House Services Sdn Bhd
Bank:	Malayan Banking Berhad
Bank Account No.:	514012025081

Note: The above two bank accounts are for payment to be made by Corporation or Institutional Registered Entitled Shareholders who are subscribing via The Portal.

- (a) Once payment is completed, prepare the submission of the subscriptions by inserting the required information into the "Electronic Blue Application Entitlement" file and proceed to upload the duly completed file.
- (b) Select "Confirm" to complete the submission.
- (c) Go to 'Submission History' to download/print the confirmation report of the submission for record.

(iii) Terms and conditions for e-Subscription

The e-Subscription shall be made on and subject to the terms and conditions appearing herein:

- (a) after login to The Portal, you are required to confirm and declare the following information given are true and correct:
 - (i) you have attained 18 years of age as at the last day for subscription and payment;
 - (ii) you have, prior to making the e-Subscription, received a printed copy of the Prospectus and/or have had access to the Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood;
 - (iii) you agree to all the terms and conditions for the e-Subscription as set out in the Prospectus and have carefully considered the risk factors as set out in the Prospectus, in addition to all other information contained in the Prospectus, before making the e-Subscription;
- (b) you agree and undertake to subscribe for and to accept the number of Issue Shares and excess Issue Shares applied for as stated in the electronic Blue Application Form. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Issue Shares that may be allotted to you;
- (c) by making and completing your e-Subscription, you, if successful, request and authorise the Issuing House to credit the new shares allotted to you into your CDS Account;

15. PROCEDURES FOR APPLICATION (Cont'd)

- (d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company or the Issuing House and irrevocably agree that if:
 - (i) our Company or the Issuing House does not receive your e-Subscription; or
 - (ii) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Issuing House, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against our Company or the Issuing House for any compensation, loss or damage relating to the e-Subscription;
- (e) you will ensure that your personal particulars recorded with The Portal and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository;
- (f) by making and completing an e-Subscription, you agree that:
 - (i) in consideration of our Company agreeing to allow and accept your e-Subscription for Issue Shares, your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
 - (ii) the Issuing House will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
- (g) the Issuing House, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions; and
- (h) notification on the outcome of your e-Subscription will be despatched to you by ordinary post to the address as shown in the record of depositors of Wasco Berhad at your own risk within the timelines as follows:
 - (i) successful application - a notice of allotment will be despatched within 8 Market Days from the last day of the Application; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 10 Market Days from the date of the final ballot of the Application at your own risk.

The refund will be credited directly into your bank account if you have registered such bank account information with Bursa Depository for the purposes of cash dividend/ distribution. If you have not registered such bank account information with Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

If acceptance of and payment for the Restricted Offering offered to you (whether in full or in part, as the case may be) are not received by the Issuing House by 5.00 p.m. on 28 November 2025, the Issue Shares will be deemed to have been declined and will be cancelled. Our Board will then have the right to allot any Issue Shares not validly taken up to applicants applying for the excess in the manner as set out in the Prospectus.

15. PROCEDURES FOR APPLICATION (Cont'd)**15.5 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS (EXCEPT FOR THE BLUE APPLICATION FORM)**

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM1.00 for each IPO Share.

Payment must be made out in favour of “**TIIH SHARE ISSUE ACCOUNT NO. 817**” 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 respective official envelopes provided for each category, to the following address:

**Tricor Investor & Issuing House Services Sdn Bhd
(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 28 November 2025 or by such other time and date specified in any change to the date or time for closing. We will not accept late Applications.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

The abovementioned methods are not applicable to the submission of Pink Application Forms. All duly completed Pink Application Forms should be submitted to our Group through the Human Resource Department.

Please refer to the detailed procedures and terms and conditions of the Application Forms set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the Issuing House for further enquiries.

15. PROCEDURES FOR APPLICATION *(Cont'd)*

15.6 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our Issue 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.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

15.7 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our Issue 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, Public Bank Berhad, RHB Bank Berhad, CGS International Securities Malaysia Sdn Bhd, Hong Leong Investment Bank Berhad, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Moomoo Securities Malaysia Sdn Bhd, TA Securities Holdings Berhad and UOB Kay Hian (M) Sdn. Bhd. (formerly known as UOB Kay Hian Securities (M) Sdn Bhd). A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

Please refer to the detailed procedures and terms and conditions of Internet Share Application set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

15.8 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

- (i) reject the Applications which:
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application, 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

15. PROCEDURES FOR APPLICATION (Cont'd)

- (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 15.10 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.9 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of 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://srmy.vistra.com> within one business day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.0% of our Company's share capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned in full (without interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Greenery Persons, Eligible Wasco Persons and Entitled Shareholders of Wasco Berhad, subject to the clawback and reallocation as set out in Section 4.2.4 of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Retail Underwriting Agreement.

15.10 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.

15.10.1 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.

15. PROCEDURES FOR APPLICATION (Cont'd)

- (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 National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by 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).

15.10.2 For applications by way of Electronic Share Applications and Internet Share Applications

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Application within two Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within two Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution 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 are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within two Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two Market Days after the receipt of confirmation from the Issuing House.

15. PROCEDURES FOR APPLICATION (Cont'd)**15.10.3 For applications by Entitled Shareholders of Wasco Berhad by way of Blue Application Form**

In respect of unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 10 Market Days from the date of the final ballot of the Application.

The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information to Bursa Depository, the refund will be made by issuance of banker's draft and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

15.11 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 the last address maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our IPO 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.

15.12 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the queries
Application Form	Issuing House, Enquiry Services Telephone at +603-2783 9299
Blue Application Form or e-Subscription	Share Registrar, Enquiry Services Telephone at +603-2783 9299
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institution or Participating Securities Firms and Authorised Financial Institution

You may also check the status of your Application at the Issuing House's website at <https://srmy.vistra.com>, by entering your National Registration Identity Card Number on the site on the allotment date by 10 December 2025. Alternatively, you may contact any of the ADAs set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS

Details of our major licences, permits and approvals as at the LPD, together with the salient conditions and status of compliance, are as follows:

Malaysia

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
1.	WATSB	Shah Alam City Council	Business premise licence and advertisement licence to sell or provide services, manufacture or process products, wholesale or store items related to engineering and electrical work at the following premises: Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam.	Up to 31 December 2025 ⁽¹⁾	None.	Not applicable
2.	WATSB	MITI	Licence to manufacture palm oil mills machinery and parts thereof at the following premise: Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.	7 September 2004 onwards	(a) MITI and the Malaysian Investment Development Authority shall be notified in the event of a sale of WATSB's shares. (b) WATSB shall train Malaysian citizens to ensure the effective transfer of technology and expertise at all levels of employment. (c) WATSB shall implement its approved project in compliance with all applicable laws and regulations in Malaysia.	Noted Noted Noted
3.	WATSB	Sandakan Municipal Council	Business premise licence to provide turning services, maintenance and repair services, sale and supply of heavy machinery, machines, engines, spare parts, heavy machinery accessories and machines or workshop equipment at the following premises:	Up to 31 December 2025 ⁽²⁾	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
			Lot 3 (CL 075599469) & Lot 4 (CL 075599478), Batu 9, Jalan Hiew Ngee Fatt off Jalan Labuk Sandakan, PPM 402 Elopura, 90000 Sandakan, Sabah.			
4.	WATSB	Bintulu Development Authority	Business premise licence to carry out general trading and equipment services for oil palm and oil treatment at the following premises: Sublot 22B, Lot 15479, Block 32, Nyabau Industrial Park, Kemena Land District, Jalan Tun Hussien Onn 97000 Bintulu, Sarawak.	Up to 27 August 2026	None.	Not applicable
5.	WATSB	Shah Alam City Council	Temporary Building Permit to construct a roofed awning, shed and 2 covered car park units for an existing single-story factory and two-story office at the following premise: Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.	Up to 3 July 2026	(a) This temporary building permit is valid for a period of 1 year from 4 July 2025 until 3 July 2026. WATSB is required to open / destroy roofed awning, shed and 2 covered car park units upon expiry of this temporary building permit. (b) WATSB must renew the temporary building permit within 3 months prior to the date of expiry of the temporary building permit.	Noted Noted
6.	WTSB	Shah Alam City Council	Business premise licence and advertisement licence to sell or provide services, manufacture or process products, wholesale or store items related to engineering and electrical work at the following premises: Lot 1945, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam.	Up to 31 July 2026	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
7.	WTSB	Shah Alam City Council	Temporary Building Permit to construct partitions, open shed and cabin for an existing single-story factory and two-story office at the following premise: Lot 1945, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.	Up to 15 March 2026	<ul style="list-style-type: none"> (a) This temporary building permit is valid for a period of 1 year from 16 March 2025 until 15 March 2026. WTSB is required to open / destroy the partitions, sheds and cabins upon expiry of this temporary building permit. (b) WTSB must renew the temporary building permit within 3 months prior to the date of expiry of the temporary building permit. (c) WTSB shall maintain the cleanliness both inside and outside the area. (d) WTSB shall comply with the directives issued by the Shah Alam City Council from time to time. 	<p>Noted</p> <p>Noted</p> <p>Complied</p> <p>Complied</p>
8.	WTSB	MITI	Licence to manufacture boilers and boiler parts and to carry out refurbishment of boilers at the following premise: Lot 1945, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32,40460 Shah Alam, Selangor Darul Ehsan.	12 September 2007 onwards	<ul style="list-style-type: none"> (a) MITI and the Malaysian Investment Development Authority shall be notified in the event of a sale of WTSB's shares. (b) WTSB shall train Malaysian citizens to ensure the effective transfer of technology and expertise at all levels of employment. (c) WTSB shall implement its approved project in compliance with all applicable laws and regulations in Malaysia. 	<p>Noted</p> <p>Complied</p> <p>Complied</p>

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance								
9.	WTSB	Construction Industry Development Board ("CIDB")	Certificate of Registration confirming that WTSB is registered as a contractor with CIDB for the following scope of work: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: center;">Code</th> <th style="text-align: center;">Description</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">B</td> <td>Construction of Buildings</td> </tr> <tr> <td style="text-align: center;">CE</td> <td>Civil Engineering Construction</td> </tr> <tr> <td style="text-align: center;">ME</td> <td>Mechanical and Electrical Construction</td> </tr> </tbody> </table>	Code	Description	B	Construction of Buildings	CE	Civil Engineering Construction	ME	Mechanical and Electrical Construction	Up to 31 August 2027	(a) This Certificate of Registration is not transferable. (b) CIDB has the right to review WTSB's scope of work from time to time.	Noted Noted
Code	Description													
B	Construction of Buildings													
CE	Civil Engineering Construction													
ME	Mechanical and Electrical Construction													
10.	WTSB	Department of Occupational Safety and Health ("DOSH")	Certificate of Recognition recognising WTSB as a competent firm for the following scope of work at the following premise: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: center;">Code</th> <th style="text-align: center;">Description</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">SMB01</td> <td>Steam boiler manufacturer</td> </tr> <tr> <td style="text-align: center;">SBR01</td> <td>Steam boiler repairer</td> </tr> </tbody> </table> <p style="margin-left: 20px;">Lot 1945, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor, Malaysia.</p>	Code	Description	SMB01	Steam boiler manufacturer	SBR01	Steam boiler repairer	Up to 20 May 2026	(a) DOSH must be informed of any change / addition / transfer of any officers, machinery and premises. DOSH may revoke the certificate of recognition if the holder fails to inform DOSH of the above promptly. (b) WTSB must obtain DOSH's approval before any manufacturing or repair work is carried out. (c) All manufacturing or repair work procedures must be in accordance with the Quality Control Manual that has been reviewed and accepted by DOSH and any changes that will be made to the Quality Control Manual must be approved by DOSH. (d) All welding work must be carried out by a welder in accordance with the welding procedure specification approved by DOSH's inspection committee. All welding work must be carried out under the supervision and control of the Company's quality control department and all welding work records must be kept in order.	Noted Complied Complied Noted		
Code	Description													
SMB01	Steam boiler manufacturer													
SBR01	Steam boiler repairer													

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
					(e) WTSB must maintain records for each project carried out, including: <ul style="list-style-type: none"> (i) Welding Procedure Specification records; (ii) welder qualification test records; (iii) hydrostatic test records; (iv) welding on machinery records; and (v) health and safety management records. 	Complied
					(f) All records must be kept properly for inspection by DOSH from time to time. These records will also be inspected during the certificate of registration renewal process.	Complied
					(g) All manufacturing and restoration work must be carried out at the premise stated in the certificate of recognition or machinery owner's premises.	Complied
					(h) Any manufacturing and restoration work to be carried out on a new premise requires the prior approval of DOSH.	Noted
					(i) WTSB must comply with the provisions of the Factories and Machinery Act 1967, the Occupational Safety and Health Act 1994 and the regulations in force from time to time.	Complied
					(j) WTSB must apply for renewal of the certification of registration with DOSH at least 3 months before the expiry date of the certificate of recognition.	Noted

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance						
11.	WTSB	DOSH	<p>Certificate of Recognition to recognise WTSB as a competent firm for the following scope of work at the following premise:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Code</th> <th style="text-align: center;">Description</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">PVM01</td> <td>Unfired pressure vessel manufacturer</td> </tr> <tr> <td style="text-align: center;">PVR01</td> <td>Unfired pressure vessel repairer</td> </tr> </tbody> </table> <p>Lot 1945, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor, Malaysia.</p>	Code	Description	PVM01	Unfired pressure vessel manufacturer	PVR01	Unfired pressure vessel repairer	Up to 21 May 2026	<p>(a) DOSH must be informed of any change / addition / transfer of any officers, machinery and premises. DOSH may revoke the certificate of recognition if the holder fails to inform DOSH of the above promptly.</p> <p>(b) WTSB must obtain DOSH's approval before any manufacturing or repair work is carried out.</p> <p>(c) All manufacturing or repair work procedures must be in accordance with the Quality Control Manual that has been reviewed and accepted by DOSH and any changes that will be made to the Quality Control Manual must be approved by DOSH.</p> <p>(d) All welding work must be carried by a welder in accordance with the welding procedure specification approved by DOSH's inspection committee. All welding work must be carried out under the supervision and control of the Company's quality control department and all welding work records must be kept in order.</p> <p>(e) WTSB must maintain records for each project carried out, including:</p> <ul style="list-style-type: none"> (i) Welding Procedure Specification records; (ii) welder qualification test records; (iii) hydrostatic test records; (iv) welding on machinery records; and (v) health and safety management records. <p>(f) All records must be kept properly for inspection by DOSH from time to time. These records will also be inspected during the certificate of registration renewal process.</p>	<p>Noted</p> <p>Complied</p> <p>Complied</p> <p>Noted</p> <p>Complied</p> <p>Complied</p>
Code	Description											
PVM01	Unfired pressure vessel manufacturer											
PVR01	Unfired pressure vessel repairer											

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
					(g) All manufacturing and restoration work must be carried out at the premise stated in the certificate of recognition or machinery owner's premises.	Complied
					(h) Any manufacturing and restoration work to be carried out on a new premise requires the prior approval of DOSH.	Noted
					(i) WTSB must comply with the provisions of the Factories and Machinery Act 1967, the Occupational Safety and Health Act 1994 and the regulations in force from time to time.	Complied
					(j) WTSB must apply for renewal of the certification of registration with DOSH at least 3 months before the expiry date of the certificate of recognition.	Noted
12.	WTSB	Department of Labour Peninsular Malaysia, Ministry of Human Resources	Certificate of Accommodation for the use of the premises as workers' accommodation for WTSB at the following address: 1-9-6, Pangsapuri Kemuning Aman, Persiaran Kemuning Damai Kemuning Utama, Seksyen 32, 40460 Shah Alam, Selangor.	Up to 6 August 2027	(a) WTSB shall not accommodate more than 5 workers in this accommodation. (b) WTSB shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulations 2020. (c) Rent or accommodation charges shall be free for each worker. (d) WTSB shall report the occupation of workers in the accommodation within 30 days from the date of occupation. (e) WTSB shall report the closure of the accommodation at least 30 days prior to date of closure of the accommodation. (f) WTSB shall display this Certificate of Accommodation on the walls of the accommodation where it is suitable and easy to see.	Complied Complied Complied Complied Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
13.	WTSB	Department of Labour Peninsular Malaysia, Ministry of Human Resources	Certificate of Accommodation for the use of the premises as workers' accommodation for WTSB at the following address: 2-10-9, Pangsapuri Kemuning Aman, Persiaran Kemuning Damai Kemuning Utama, Seksyen 32, 40460 Shah Alam, Selangor.	Up to 6 August 2027	<ul style="list-style-type: none"> (a) WTSB shall not accommodate more than 5 workers in this accommodation. (b) WTSB shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulations 2020. (c) Rent or accommodation charges shall be free for each worker. (d) WTSB shall report the occupation of workers in the accommodation within 30 days from the date of occupation. (e) WTSB shall report the closure of the accommodation at least 30 days prior to date of closure of the accommodation. (f) WTSB shall display this Certificate of Accommodation on the walls of the accommodation where it is suitable and easy to see. 	<ul style="list-style-type: none"> Complied Complied Complied Complied Noted Complied
14.	WTSB	Department of Labour Peninsular Malaysia, Ministry of Human Resources	Certificate of Accommodation for the use of the premises as workers' accommodation for WTSB at the following address: 2-2-07, Pangsapuri Kemuning Aman, No. 2, Persiaran Kemuning Damai, Kemuning Utama, Seksyen 32, 40460 Shah Alam, Selangor.	Up to 8 August 2028	<ul style="list-style-type: none"> (a) WTSB shall not accommodate more than 5 workers in this accommodation. (b) WTSB shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulations 2020. (c) Rent or accommodation charges shall be free for each worker. (d) WTSB shall report the occupation of workers in the accommodation within 30 days from the date of occupation. 	<ul style="list-style-type: none"> Complied Complied Complied Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
					(e) WTSB shall report the closure of the accommodation at least 30 days prior to date of closure of the accommodation.	Noted
					(f) WTSB shall display this Certificate of Accommodation on the walls of the accommodation where it is suitable and easy to see.	Complied
15.	Wasco Saito	Shah Alam City Council	Business premise licence and advertisement licence granted to Wasco Saito to carry out manufacturing, service and sale activities and an office at the following premises: Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor.	Up to 31 January 2026	None.	Not applicable
16.	Greenery	Shah Alam City Council	Business premise licence and advertisement licence granted to Greenery to carry out activities related to banking or financial services at the following premises: Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor.	Up to 31 July 2026	None.	Not applicable

Notes:

- (1) WATSB will be submitting the requisite renewal application to the Shah Alam City Council for this licence prior to the expiry of the validity period for this licence.
- (2) WATSB will be submitting the requisite renewal application to the Sandakan Municipal Council for this licence prior to the expiry of the validity period for this licence.

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
4.	PT WATI	Minister of Investment and Downstream Industry / Head of BKPM through Online Single Submission	Statement of Environmental Management and Monitoring Capability (<i>Surat Pernyataan Pengelolaan Lingkungan, SPPL</i>) An environmental license in the form of an environmental commitment document, which serves as evidence of the business operator's undertaking to prevent and mitigate environmental impacts arising from its activities.	In perpetuity	Under the SPPL, PT WATI declares the following commitments: (a) To comply with and carry out business and/or activities in locations that align with spatial planning designations; (b) To comply with and carry out business and/or activities in accordance with the provisions of environmental protection and management regulations; (c) To comply with the requirements for fulfilling environmental quality standard parameters according to the activities conducted and the waste produced; (d) To comply with the regulations and provide facilities for temporary waste and domestic garbage storage in accordance with the activities and the waste/garbage generated; (e) To comply with the regulations and provide wastewater treatment facilities for the business and/or activities conducted, based on the amount of waste generated and the number of employees; (f) To be willing to manage and mitigate the environmental impact of the business and/or activities on transportation aspects; (g) To be willing to undergo inspection/supervision of the business and/or activities carried out to ensure compliance with environmental requirements in accordance with applicable environmental protection and management regulations; (h) To be willing to process environmental approvals in the event of providing facilities and infrastructure by preparing environmental documents in accordance with the obligations set forth in the regulations governing the list of businesses and/or activities subject to AMDAL (<i>Analisis Dampak Lingkungan</i>), UKL-UPL (<i>Upaya Pengelolaan dan Pemantauan Lingkungan Hidup</i>), and SPPL; and	Noted

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

<u>No.</u>	<u>Licensee</u>	<u>Approving authority</u>	<u>Description of licence/ permit/approval</u>	<u>Validity Period</u>	<u>Salient conditions</u>	<u>Status of compliance</u>
					<p>(i) To accept that the business and/or activities may be terminated and subject to legal action in accordance with prevailing laws and regulations in the event of a violation or failure to comply with the requirements set forth in points (a) to (i).</p> <p>Furthermore, if there are any errors or inaccuracies in these statements at a later date, PT WATI agrees to accept the consequences in accordance with the applicable laws and regulations.</p>	

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ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT

B.1 MATERIAL PROPERTIES OWNED BY OUR GROUP

Details of the material land and buildings / land use rights owned by us are set out below:

MALAYSIA

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction-in- interest	Encumbrances on property
1.	WATSB Geran 39419, M5/3/310, Mukim Damansara, Daerah Petaling, Negeri Selangor Unit No. G1-02-10, Goodyear Court 6, Jalan Kewajipan, Subang Perdana, 47600 Subang Jaya, Selangor.	Residential apartment / Accommodation for expatriate staff	11 May 1994	94.25	<u>Category of land use</u> Residential <u>Express condition</u> • For residential use. <u>Restriction-in-interest</u> • None	None
	Freehold					
2.	WATSB Geran 339016, Lot 126257, Mukim Klang, Daerah Klang, Negeri Selangor Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.	A 2½ storey office and single storey factory building erected on industrial land / Office, manufacturing facility, turbine storage facility and after-sales service centre in our WATSB Factory	4 April 2007 Please also refer to Note (1) below.	9,509.09 / 15,520	<u>Category of land use</u> Industrial <u>Express condition</u> • Industrial <u>Restriction-in-interest</u> • None	None
	Freehold					

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction-in- interest	Encumbrances on property
3.	<p>WATSB</p> <p>Geran 339017, Lot 15844, Mukim Klang, Daerah Klang, Negeri Selangor</p> <p>Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.</p> <p>Freehold</p>	<p>Vacant industrial land / Parking lot</p>	<p>4 April 2007</p>	<p>0.0588 ha</p>	<p><u>Category of land use</u></p> <p>Industrial</p> <p><u>Express condition</u></p> <ul style="list-style-type: none"> • Industrial <p><u>Restriction-in-interest</u></p> <ul style="list-style-type: none"> • None 	<p>None</p>
4.	<p>WATSB</p> <p>CL075599469, Lot 3, Sandakan, Negeri Sabah ("Lot 3 Workshop")</p> <p>Lot 3, Mile 9, Jalan Hiew Ngee Fatt off Jalan Labuk, PPM 402 Elopura, 90000 Sandakan, Sabah.</p> <p>Leasehold (99 years expiring on 31 December 2113)</p>	<p>2-storey semi-detached office cum 1-storey open shed workshop building / Turbine repair and servicing workshop</p>	<p>17 April 2017</p>	<p>278.70⁽³⁾ / 1051.7</p>	<p><u>Category of land use</u></p> <p>Nil</p> <p><u>Special terms</u></p> <ul style="list-style-type: none"> • The said land is to be used for the purpose of erecting one 2-storey semi-detached office cum 1-storey open shed workshop building. • Any transfer or sublease of this title is prohibited before fulfilment of the owner covenants⁽⁴⁾ and without the written permission from the Director of Lands and Surveys Department who shall impose additional premium and enhanced rent while granting such permission. 	<p>None</p>

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction-in- interest	Encumbrances on property
5.	<p>WATSB</p> <p>CL075599478, Lot 4, Sandakan, Negeri Sabah ("Lot 4 Workshop")</p> <p>Lot 4, Mile 9, Jalan Hiew Ngee Fatt off Jalan Labuk, PPM 402 Elopura, 90000 Sandakan, Sabah.</p> <p>Leasehold (99 years expiring on 31 December 2113)</p>	<p>2-storey semi-detached office cum 1-storey open shed workshop building / Turbine repair and servicing workshop</p>	17 April 2017	278.70 ⁽³⁾ / 1302.3	<p>Subdivision of this title is prohibited without the written permission from the Director of Lands and Surveys who shall charge additional premium and enhanced rent and any other conditions thereof when granting such permission.</p> <p><u>Category of land use</u></p> <p>None</p> <p><u>Special terms</u></p> <ul style="list-style-type: none"> • The said land is to be used for the purpose of erecting one 2-storey semi-detached office cum 1-storey open shed workshop building. • Any transfer or sublease of this title is prohibited before fulfilment of the owner covenants⁽⁴⁾ and without the written permission from the Director of Lands and Surveys Department who shall impose additional premium and enhanced rent while granting such permission. • Subdivision of this title is prohibited without the written permission from the Director of Lands and Surveys who shall charge additional premium and enhanced rent and any other conditions thereof when granting such permission. 	None

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction-in- interest	Encumbrances on property
6.	<p>WATSB</p> <p>Lot 15479, Bintulu, Negeri Sarawak</p> <p>Sublot 22B, Lot 15479, Block 32, Nyabau Industrial Park, Kemena Land District, Jalan Tun Hussein Onn, 97000 Bintulu, Sarawak.</p> <p>Leasehold (60 years expiring on 20 January 2079)</p>	<p>Town land with a 2-storey semi-detached building / Turbine repair and servicing workshop</p>	11 October 2017	180 / 722.4	<p><u>Category of land use</u></p> <p>Industrial</p> <p><u>Special conditions</u></p> <ul style="list-style-type: none"> • This land is to be used only as a 2-storey semi-detached building for industrial purposes in the following manner: <ul style="list-style-type: none"> (i) Ground Floor – Industrial; and (ii) First Floor – Office, store and watchman's quarters. • Any alteration to the existing building on this land or any new building to be erected thereon shall be in accordance with plans sections and elevations approved by the Superintendent of Lands and Surveys, Bintulu Division and shall also be in accordance with detailed drawings and specifications approved by the Authority; and • The industrial activity to be carried out on this land shall not be of a type which is obnoxious in nature as prescribed under the Natural Resource Environment (Prescribed Activities) Order, 1994. 	None

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction-in- interest	Encumbrances on property
7.	WATSB Lot 15480, Bintulu, Negeri Sarawak Sublot 23B, Lot 15480, Block 32, Nyabau Industrial Park, Kemena Land District, Jalan Tun Hussein Onn, 97000 Bintulu, Sarawak. Leasehold (60 years expiring on 20 January 2079)	Town land with a 2-storey semi-detached industrial building / Rented out as warehouse for storage	11 October 2017	180 / 722.4	<u>Category of land use</u> Industrial <u>Special conditions</u> <ul style="list-style-type: none"> • This land is to be used only as a 2-storey semi-detached building for industrial purposes in the manner following: <ul style="list-style-type: none"> (i) Ground Floor – Industrial; and (ii) First Floor – Office, store and watchman's quarters. • Any alteration to the existing building on this land or any new building to be erected thereon shall be in accordance with plans sections and elevations approved by the Superintendent of Lands and Surveys, Bintulu Division and shall also be in accordance with detailed drawings and specifications approved by the Authority; and • The industrial activity to be carried out on this land shall not be of a type which is obnoxious in nature as prescribed under the Natural Resource Environment (Prescribed Activities) Order, 1994. 	Nil

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction-in- interest	Encumbrances on property
8.	<p>WTSB</p> <p>Geran 32546, Lot 1944, Mukim Klang, Daerah Klang, Negeri Selangor (“Lot 1944”)</p> <p>Lot 1944, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.</p> <p>Freehold</p>	<p>Detached factory and warehouse together with office building / WTSB</p> <p>Factory and office building</p>	<p>17 January 2011</p> <p>Please also refer to Note (2) below.</p>	<p>6,498 / 18,211</p>	<p><u>Category of land use</u></p> <p>Industrial</p> <p><u>Express condition</u></p> <ul style="list-style-type: none"> ● For industrial purpose <p><u>Restriction-in-interest</u></p> <ul style="list-style-type: none"> ● None 	<p>None</p>
9.	<p>WTSB</p> <p>Geran 32547, Lot 1945, Mukim Klang, Daerah Klang, Negeri Selangor (“Lot 1945”)</p> <p>Lot 1945, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.</p> <p>Freehold</p>	<p>Detached factory and warehouse together with office building / WTSB</p> <p>Factory and office building</p>	<p>4 July 2008</p> <p>Please also refer to Note (2) below.</p>	<p>9,205.57 / 18,186</p>	<p><u>Category of land use</u></p> <p>Industrial</p> <p><u>Express condition</u></p> <ul style="list-style-type: none"> ● For industrial purpose <p><u>Restriction-in-interest</u></p> <ul style="list-style-type: none"> ● None 	<p>None</p>

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)**Notes:**

- (1) *An extension had been constructed at WATSB Factory on Lot 126257 (formerly Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor, Malaysia) (“**Extension**”). The aforesaid Extension constructed has not been issued with a building plan approval and a CCC as the issuance of the building plan approval is preceded by the temporary building permit to be granted by Majlis Bandaraya Shah Alam (“**MBSA**”), and the issuance of the CCC is preceded by the building plan approval to be granted by MBSA. Our Company had, on 30 December 2024, submitted an application for the temporary building permit to MBSA, which was obtained by WATSB on 4 July 2025. Following receipt of the temporary building permit, our Company’s consultant was subsequently informed by its professional architect that the initial drawings and relevant documents would need to be updated. The professional architect had visited our WATSB Factory to obtain the necessary measurements to update the initial drawings and relevant documents. Our Company expects to submit the application for the planning permission and building plan approval by November 2025. Our Company will apply for the CCC after the building plan approval has been obtained.*
- (2) *A roof had been constructed at WTSB Factory on Lot 1944 and Lot 1945 (“**Roof Area**”). The aforesaid Roof Area constructed has not been issued with a building plan approval and a CCC as the issuance of the building plan approval is preceded by the issuance of a new land title following the amalgamation of Lot 1944 and Lot 1945, and the issuance of the CCC is preceded by the building plan approval to be granted by MBSA. The land amalgamation process can only proceed upon receipt of the updated land titles for Lot 1944 and Lot 1945 and our land surveyor is following up closely with Pejabat Daerah dan Tanah Klang to expedite the issuance of the updated land titles for each of Lot 1944 and Lot 1945. The re-submission of the land amalgamation application is expected to be made in January 2026, with approval anticipated within 3 months from the date of submission. Upon receiving the approval, our Company will apply to Pejabat Tanah dan Galian Selangor for the new land title, which is expected to be issued within 3 months from the date of application. Thereafter, our Company will submit the application for the planning permission and building plan approval for the Roof Area, which is expected to be obtained within 3 months. WTSB will apply for the CCC after the building plan approval have been obtained.*
- (3) *The built-up area includes both Lot 3 Workshop and Lot 4 Workshop as they are 2 adjoining units.*
- (4) *The owner covenants are as follows:*
 - (a) *To complete before January 2020 the construction on the said land of a building in accordance with the terms and conditions contained in the land title and with the plans and specifications submitted to and approved by the authority under the Local Government Ordinance, (and Town and Country Planning Ordinance) having jurisdiction over the said land. The construction of the building was completed in 2019.*
 - (b) *At all times to maintain and keep in tenantable conditions and good repair the buildings erected or to be erected on the said land to the satisfaction of the authority under the Local Government Ordinance (and Town and Country Planning Ordinance) having jurisdiction over the said land and that in the event of the total or partial destruction of the said building, to repair, reinstate and rebuild in accordance with the last plans and specifications submitted to and approved by the said authority.*

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

B.2 MATERIAL PROPERTIES LEASED / TENANTED BY OUR GROUP

MALAYSIA

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
1.	WATSB (as landlord) / Shinko Industries Malaysia (as tenant) Part of Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.	<p><u>Description of property</u></p> <ul style="list-style-type: none"> • Uncovered production and covered storage facilities at production building measuring approximately complete with one (1) unit of five (5) metric tons mobile (b) overhead cranes and one (1) unit of ten (10) metric tons mobile overhead cranes • Office on mezzanine floor complete with telecommunication linkages and keyphone system <p><u>Existing use</u></p> <ul style="list-style-type: none"> • For production facilities, production office and management office of Shinko Industries Malaysia 	4 April 2007	30,437 sq ft (Uncovered production and covered storage facilities) and 897 sq ft (Office) / Not applicable	1 year from 1 January 2025 to 31 December 2025	RM297,600

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
2.	<p>Lim Guek Khem (as landlord) and WTSB (as tenant)</p> <p>Geran 278966, Lot 121896, Mukim Klang, Daerah Klang, Negeri Selangor</p> <p>No. 1-9-6, Pangsapuri Kemuning Aman, No. 2, Persiaran Kemuning Damai, Kemuning Utama, Seksyen 32, 40460 Shah Alam, Selangor.</p>	<p><u>Description of property</u></p> <ul style="list-style-type: none"> • One condominium unit <p><u>Existing use</u></p> <ul style="list-style-type: none"> • Used as workers' accommodation. 	5 September 2014	732 sq ft / Not applicable	1 year from 1 March 2025 to 28 February 2026 with an option to renew for a year	RM24,000
3.	<p>Neo Kian Keong (as landlord) and WTSB (as tenant)</p> <p>Geran 278966, Lot 121896, Mukim Klang, Daerah Klang, Negeri Selangor</p> <p>No. 2-10-9, Pangsapuri Kemuning Aman, No. 2, Persiaran Kemuning Damai, Kemuning Utama, Seksyen 32, 40460 Shah Alam, Selangor.</p>	<p><u>Description of property</u></p> <ul style="list-style-type: none"> • One condominium unit <p><u>Existing use</u></p> <ul style="list-style-type: none"> • Used as workers' accommodation. 	5 September 2014	732 sq ft / Not applicable	1 year from 1 February 2025 to 31 January 2026 with an option to renew for a year	RM11,400

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
4.	<p>Muhamad Faizal Bin Abdul Rasip (as landlord) and WTSB (as tenant)</p> <p>Geran 278966, M2/3/328, Lot 121896, Mukim Klang, Daerah Klang, Negeri Selangor</p> <p>No. 2-2-07, Pangsapuri Kemuning Aman, No. 2, Persiaran Kemuning Damai, Kemuning Utama, Seksyen 32, 40460 Shah Alam, Selangor.</p>	<p><u>Description of property</u></p> <ul style="list-style-type: none"> • One condominium unit <p><u>Existing use</u></p> <ul style="list-style-type: none"> • Used as workers' accommodation. 	5 September 2014	732 sq ft / Not applicable	1 year from 1 September 2025 to 31 August 2026 with an option to renew for a year	RM13,200
5.	<p>WTSB (as landlord) and Petro-Pipe Industrial Corporation Sdn Bhd ("Petro-Pipe") (as tenant)</p> <p>Part of Geran 32546, Lot 1944, Mukim Klang, Daerah Klang, Negeri Selangor</p> <p>Lot 1944, Jalan Sungai Terap 32/173, Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.</p>	<p><u>Description of property</u></p> <ul style="list-style-type: none"> • Detached factory / warehouse together with office building <p><u>Existing use</u></p> <ul style="list-style-type: none"> • Indoor and outdoor storage areas 	17 January 2011	468 (indoor floor area) and 36 (outdoor floor area) / Not applicable	1 year from 1 January 2025 to 31 December 2025	RM150,000

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
6.	WATSB (as landlord) and Refra Dinamik Sdn Bhd (as tenant) Lot 15480, Bintulu, Negeri Sarawak Sublot 23B, Lot 15480 Block 32, Nyabau Industrial Park, Kemena Land District, Jalan Tun Hussein Onn, 97000 Bintulu, Sarawak.	<u>Description of property</u> • Semi-detached industrial building <u>Existing use</u> • Office and warehouse for storage	11 October 2017	101.25 / 722.4	2 years from 1 August 2025 to 31 July 2027	RM38,400
7.	Wan Yoke Ann (as landlord) and WATSB (as tenant) Geran 278966, Lot 121896, Mukim Klang, Daerah Klang, Negeri Selangor No. 1-7-05, Pangsapuri Kemuning Aman, No. 2, Persiaran Kemuning Damai, Kemuning Utama, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.	<u>Description of property</u> • One condominium unit <u>Existing use</u> • Used as workers' accommodation	5 September 2014	75.6 / Not applicable	15 months from 1 July 2025 to 30 September 2026	RM26,400

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)**INDONESIA**

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/SLF	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
1.	Kangto Pranoto (as lessor) / Wong Kai Chean (as lessee) (on behalf of PT WATI) Jl. Jenderal Ahmad Yani, Banjarbaru, South Kalimantan.	Terrace warehouse, equipped with an electricity and clean water flow facilities / After-sales service centre and warehouse	12 November 2024	360 (floor area) / Not applicable	5 years from 1 January 2024 until 31 December 2028	IDR133,333,333.4 ⁽²⁾ (equivalent to RM34,644.80)
2.	Wilson Joenardi (as lessor) / Wong Kai Chean (as lessee) (on behalf of PT WATI) Medan Mega Trade Center Logistic, Block D-27, Deli Serdang, North Sumatera.	Intermediate 2 storey light-industrial building completed with electricity at 2,200 watt and installed tap water meter without any water flow from PAM (<i>Penyedia Air Minum</i>) / After-sales service centre and warehouse	Please refer to Note (1) below	600 / Not applicable	5 years from 1 July 2022 until 30 June 2027	IDR195,000,000 ⁽³⁾ (equivalent to RM50,668)
3.	Wilson Joenardi (as lessor) / Wong Kai Chean (as lessee) (on behalf of PT WATI) Medan Mega Trade Center Logistic, Block D-28, Deli Serdang, North Sumatera.	Intermediate 2 storey light-industrial building completed with electricity at 2,200 watt and installed tap water meter without any water flow from PAM (<i>Penyedia Air Minum</i>) / After-sales service centre and warehouse	Please refer to Note (1) below	600 / Not applicable	1 January 2024 until 30 June 2027	IDR195,000,000 ⁽⁴⁾ (equivalent to RM50,668)

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/SLF	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
4.	Panji Setiaji (as lessor) / Yusuf Purnomo (as lessee) (on behalf of PT WATI) Sunrise Garden residential area, Gg. Sunrise X Number 84, Pangkalan Bun, Central Kalimantan.	Terrace house equipped with electricity and water / Employee accommodation	Please refer to Note (1) below	112 / Not applicable	1 year from 31 May 2025 until 31 May 2026	IDR16,500,000 (nett) (equivalent to RM4,287.29)

Notes:

- (1) A "Sertifikat Laik Fungsi" ("**SLF**") issued by the local government is required before a building can be used. The SLF serves as evidence that the building has been constructed in accordance with the permitted specification as provided in the building permit and complies with building safety standards. Under the Government Regulation 16/2021 on the Implementation of Building Law and PUPR Minister Reg 27/2018 (as amended), the obligation to obtain and maintain the SLF rests with the building owner unless otherwise stipulated in an agreement between the building owner and the building occupier. As at the LPD, we have not been able to ascertain whether these properties have been issued with the required SLF as our landlords are unable to provide us with a copy of the required SLF for each of these properties. We will continue to work with our landlords to verify the issuance of the SLF. Notwithstanding the above, these properties are not material to our Group's operations based on their existing use as staff accommodation, office, service centre and small parts warehouse where a minimal number of spare parts are kept (which in aggregate is not substantial in value) and if our Group is required to vacate or relocate from these properties, our Group is able to do so without any material adverse impact to our Group's business operations and financial condition.
- (2) A lump sum payment of IDR666,666,667 was paid upfront by PT WATI for a lease of five years, which translates to an annual rental of IDR133,333,333.40.
- (3) A lump sum payment of IDR975,000,000 was paid upfront by PT WATI for a lease of five years, which translates to an annual rental of IDR195,000,000.
- (4) A lump sum payment of IDR682,500,000 was paid upfront by PT WATI for a lease of three and a half years, which translates to an annual rental of IDR195,000,000.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*



B.3 MATERIAL EQUIPMENT

Please refer to Section 7.11 of the Prospectus for information on our material plant and equipment.





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ANNEXURE C: DETAILS OF TRADEMARKS, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS




The trademarks that we are materially dependent on are as follows:

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
1.		WATSB	2017005670	Malaysia	30 May 2027	Class 7 Machines; machine tools; motors, other than for land vehicles; engines, other than for land vehicles; parts of machines; parts of motors; machine coupling components (except for land vehicles); machine transmission components (except for land vehicles); agricultural implements, other than hand-operated; separators (machines); steam turbines (other than for land vehicles); strainers (machines); centrifuges (machines); pumps (parts of machines, engines or motors); presses (machines).
2.		WATSB	IDM00006429	Indonesia	21 May 2033	Class 7 Spare parts for separating machines (separators), centrifugal machines, slurry pumps, pressing machines, and other machinery tools.





ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
3.		WATSB	IDM000298012	Indonesia	20 August 2029	Class 7 Machines and machine tools; motors and engines (except for land vehicles); machine couplings and transmission components (except for land vehicles); agricultural implements not operated by hand; spare parts for separating machines, rotating machines, slurry pumps, and pressing machines.
4.		WATSB	IDM000298013	Indonesia	20 August 2029	Class 11 Apparatus for heating, air conditioning/ventilation, cooling, drying, steam generating, lighting, and cooking.
5.		WATSB	IDM000292351	Indonesia	20 August 2029	Class 16 Paper, cardboard, and goods made from these materials not included in other classes; printed matter.
6.		WATSB	IDM000303011	Indonesia	20 August 2029	Class 37 Repair and installation services.





ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
7.		WATSB	IDM000683043	Indonesia	30 May 2027	Class 7 Machines; machine tools; motors, other than for land vehicles; engines, other than for land vehicles; parts of machines; parts of motors; machine coupling components (except for land vehicles); machine transmission components (except for land vehicles); agricultural implements, other than hand-operated; Separators (machines); steam turbines (other than for land vehicles); strainers (machines); centrifuges (machines); pumps (parts of machines, engines or motors); Presses (machines).
8.		WATSB	09013868	Malaysia	17 August 2029	Class 7 Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles), agricultural implements other than hand-operated; spares for separators, centrifuges, shurry pumps, presses; All included in Class 7.
9.		WATSB	09013869	Malaysia	17 August 2029	Class 11 Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, drying, ventilating; all included in Class 11.




ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
10.		WATSB	09013867	Malaysia	17 August 2029	Class 16 Paper, cardboard and goods made from these materials, not included in other classes; printed matter; all included in Class 16.
11.		WATSB	09013866	Malaysia	17 August 2029	Class 37 Repair; installation services; all included in Class 37.
12.		WATSB	09013870	Malaysia	17 August 2029	Class 16 Paper, cardboard and goods made from these materials, not included in other classes; printed matter; all included in Class 16.
13.		WATSB	09013871	Malaysia	17 August 2029	Class 7 Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles), agricultural implements other than hand-operated; spares for separators, centrifuges, shurry pumps, presses; all included in Class 7.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
14.		WATSB	09013872	Malaysia	17 August 2029	Class 37 Repair; installation services; all included in Class 37.
15.		WATSB	IDM000303013	Indonesia	20 August 2029	Class 37 Repair and installation services.
16.		WATSB	IDM000300676	Indonesia	20 August 2029	Class 7 Machines for processing oil palm and palm oil; pressing machines; shredders; machines and machine tools; motors and engines (except for land vehicles); machine couplings and transmission components (except for land vehicles); agricultural implements not operated by hand; spare parts for separating machines, rotating machines, slurry pumps, and pressing machines.
17.		WATSB	IDM000292350	Indonesia	20 August 2029	Class 16 Paper, cardboard, and goods made from these materials not included in other classes; printed matter.




ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
18.		WATSB	95013804	Malaysia	26 December 2032	Class 7 Spares for separators, centrifuges, shurry pumps, presses, and other machine tools; all included in Class 7.
19.		WTSB	07002920	Malaysia	15 February 2027	Class 7 Boiler fittings, boiler tubes [parts of machines], boiler feedwater degassers, boilers for turbines, connection pipes (boiler-), control apparatus [thermostatic valves] for conserving energy in boilers [parts of machines], electric boilers [parts of machines], feeding apparatus for engine boilers, fittings for engine boilers, flues for engine boilers, gas boilers [parts of machines], industrial cleaning apparatus for cleaning boilers, machine boiler scale collectors, steam boilers [parts of machines], steam boilers for steam generating [parts of machines], steam engine boilers; all included in Class 7.
20.		WTSB	07002921	Malaysia	15 February 2027	Class 11 Accumulation boilers, apparatus for enhancing the rate hot water may be drawn from a combination boiler, boiler pipes [tubes] for heating installations, boilers [other than parts of machines],




ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						boilers being parts of central heating installations, boilers for central heating installations, boilers for hot water supply installations, boilers for use in heating systems, burners for boilers, burners for the combustion of gas in boiler units, burners for the combustion of oil in boiler units, central heating boilers, control apparatus [thermostatic valves] for conserving energy in boilers [parts of heating installations], domestic boilers, electric boilers, electric central heating boiler systems, feeding apparatus for heating boilers, flues for heating boilers, fluidized bed combustion boilers, gas boilers, gas boilers [other than parts of machines], gas boilers for central heating, gas boilers for the heating of swimming pools, gas boilers for water heating, gas fired back boiler units for domestic central heating, gas fired back boiler units for domestic hot water systems, gas fired boilers, gasfired boilers for producing domestic hot water, gas fired boilers for providing hot water in conjunction with central heating installations, heating boilers, hot water boilers, hot water boilers for beverage making, installations combining boilers and steam generators for heating, installations combining boilers and steam generators for producing hot water, installations of boilers and steam




ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						generators for the production of heat, installations of boilers and steam generators for the production of hot water, laundry room boilers, meat boilers, oil fired boilers, sight glasses for boilers, steam boilers [other than parts of machines], steam boilers for steam generating [other than parts of machines], wash boilers, water boilers; all included in Class 11.
21.		WTSB	07002922	Malaysia	15 February 2027	Class 17 Boiler composition to prevent the radiation of heat included in Class 17.
22.		WTSB	07002923	Malaysia	15 February 2027	Class 37 Boiler cleaning and repair, boiler cleaning services, boiler repair services, cleaning of boilers, cleaning of industrial boilers, construction of nuclear boilers, installation of boilers, maintenance and repair of solid fuel boilers, renovation of industrial boilers, servicing of industrial boilers, supervisory services relating to the construction of boilers; all included in Class 37.
23.		WTSB	07002924	Malaysia	15 February 2027	Class 40 Advisory services relating to the use of water treatment boilers, boiler-making, chemical treatment of boiler pipework, chemical treatment of boilers; all included in Class 40.


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
24.		WTSB	IDM000803033	Indonesia	29 April 2035	Class 7 Boiler tubes [parts of machines]; Feeding apparatus for boilers; Fittings for boilers; Flues for boilers; Scale collectors for boilers; Steam engine boilers; Water heaters [part of machines]; De-aerators for feedwater; Machines and hydraulic motors; Hydraulic controls for machines, motors and engines.
25.		WTSB	IDM000577489	Indonesia	29 April 2035	Class 17 Boiler composition to prevent heat radiation.
26.		WTSB	IDM000612894	Indonesia	29 April 2035	Class 37 Construction consulting, Installation and repair of heating equipment, Installation, maintenance and repair of machinery, Construction and maintenance of pipelines, Rebuilding of worn or partially damaged machines, Cleaning and repair of boilers.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
27.		WTSB	IDM000612859	Indonesia	29 April 2035	Class 40 Steam boiler manufacturing, Steam boiler rental.
28.		WTSB	IDM000804532	Indonesia	29 April 2035	Class 42 (energy-saving); Industrial design, Engineering; Construction drafting; Consulting in the field of energy storage.
29.		WTSB	IDM000570522	Indonesia	29 April 2035	Class 11 Steam accumulators, Air re-heaters, Feeding lines for heating boilers, Flues for heating boilers, Refrigeration installations and machinery, Steam generating installations, Air valves for steam heating installations, Boilers, other than parts of machinery, Gas boilers, Heating boilers, Boiler tubes for heating installations, Pumps for heating installations.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
30.		Company	Please refer to Note (1) below.	Malaysia	Please refer to Note (1) below.	Class 35 Advertising, business management, business administration, office functions. Class 36 Insurance, financial affairs, monetary affairs, real estate affairs.

Note:

- (1) Our Company is in the process of appointing a trademark agent to assist with the submission of the trademark registration application to the Malaysian Intellectual Property Corporation ("MyIPO") and the trademark registration application is expected to be submitted to MyIPO by end November 2025.

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ANNEXURE D: COMMERCIAL CONTRACTS WHICH OUR GROUP IS MATERIALLY DEPENDENT ON

(I) Certificate of Appointment dated 7 July 2025 issued by Shinko Ind. Ltd. to WATSB (“Certificate of Appointment”)

Background

The Certificate of Appointment was issued by Shinko Ind. Ltd. to WATSB for the appointment of WATSB, as the agent of Shinko Ind. Ltd. for the sales promotion, installation, commissioning, after-sales services, maintenance and the spare parts supply of Shinko products (steam turbines including generators and pumps) for the palm oil industries and its related industries in South East Asia countries, Latin America and West Africa.

Term

The Certificate of Appointment is valid for a period of three years from 25 August 2025 until 24 August 2028 and thereafter, will be extended automatically on a year-to-year basis unless either party gives the other party a written notice to terminate this appointment at least three months prior to the termination.

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ANNEXURE E: GOVERNING LAWS AND REGULATIONS**(I) MALAYSIA****1. Occupational Safety and Health Act 1994 (“OSHA”)**

The OSHA imposes a general duty on every employer to ensure, so far as is practicable, the safety, health and welfare of its employees at work. Such duty, so far as is practicable, includes:

- (i) providing and maintaining plants and systems of work that are safe and without risks to health;
- (ii) making arrangements to ensure safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (iii) providing information, instruction, training and supervision as is necessary to ensure the safety and health at work of his employees;
- (iv) maintaining any place of work under the control of the employer, in a condition that is safe and without risks to health and providing and maintaining means of access to and egress from it that are safe and without such risks;
- (v) providing and maintaining a working environment for his employees that is safe, without risks to health, and adequate as regards facilities for their welfare at work; and
- (vi) formulating and implementing safety and health policies.

2. Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024 (“OSA (Plant Requiring Certificate of Fitness) Regulations”)

The OSA (Plant Requiring Certificate of Fitness) Regulations prescribes a steam boiler as a plant requiring a certificate of fitness. Any person who installs or causes to be installed any plant requiring a certificate of fitness shall make an application to the Director General to obtain design verification for any plant requiring a certificate of fitness to the Director General.

For purposes of an application for design verification, the application shall be made by a manufacturer who is a competent person and such person shall, amongst others:

- (i) ensure that the design, substance, construction, performance quality, inspection and testing of the plant requiring certificate of fitness comply with the recognised standard;
- (ii) ensure that the plant requiring certificate of fitness manufactured in Malaysia is manufactured by a competent person;
- (iii) ensure that the plant requiring certificate of fitness is new or has never suffered from any deterioration if the plant requiring certificate of fitness is manufactured outside Malaysia;
- (iv) where the plant requiring certificate of fitness is a steam boiler or lifting machinery as specified under the OSA (Plant Requiring Certificate of Fitness) Regulations, ensure that the steam boiler or lifting machinery is installed by a competent person or an origin manufacturer; and
- (v) ensure that the plant requiring certificate of fitness is tested or examined as specified in the design verification.

ANNEXURE E: GOVERNING LAWS AND REGULATIONS (Cont'd)**3. Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004 (“NADOPOD Regulations”)**

The NADOPOD Regulations provide that whenever any accident arising out of or in connection with work which caused any person either death or serious bodily injury which prevents the person from following his normal occupation for more than 4 calendar days or where a dangerous occurrence as specified under the NADOPOD Regulations takes place in any place of work, the employer shall:

- (i) notify the nearest Department of Occupational Safety and Health office by the quickest means available; and
- (ii) within 7 days send a report in an approved form.

Every employer shall also record and maintain a register, in an approved form of all accidents and dangerous occurrences which have occurred or all occupational poisonings or occupational diseases which have occurred or are likely to occur arising out of or in connection with work under his control, whether or not the accidents, dangerous occurrences, occupational poisonings and occupational diseases have been reported under the NADOPOD Regulations.

The record shall be kept at the place where the work to which it relates is carried on or, if this is not practicable, at the usual place of business of the employer or self-employed person and an entry in the registry shall be kept for at least 5 years from the date on which it was made.

4. Street, Drainage and Building Act 1974 (“SDBA”), Uniform Building By-Laws 1984 (“UBBL”)

The SDBA is enforced by the local authorities of Peninsular Malaysia and it provides for the requirement of having a Certificate of Completion and Compliance (“CCC”) for the occupation of any building or any part thereof.

Under the UBBL which was issued pursuant to the SDBA, a CCC will only be issued by the local authority upon receipt of certification in relevant forms by a qualified person, namely, an architect, registered building draughtsman or engineer.

A qualified person must be satisfied that, to their best knowledge:

- (i) the relevant building has been constructed in accordance to UBBL;
- (ii) any conditions imposed by the local authority have been satisfied;
- (iii) all essential services have been provided; and
- (iv) responsibilities have been accepted for the portions that are being concerned with.

Any person who occupies or permits to be occupied any building or any part thereof without a 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.

ANNEXURE E: GOVERNING LAWS AND REGULATIONS (Cont'd)**5. Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHAA"), Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("EMSHAA Regulations")**

The EMSHAA prescribes, amongst others, the minimum standards for accommodations for employees and centralised accommodations and requires employers to provide health, hospital, medical and social amenities.

The EMSHAA imposes the duty and responsibility on employers or centralised accommodation providers to, amongst others, ensure that:

- (i) every accommodation provided for employees complies with the minimum standards required under the EMSHAA and any regulations issued under the EMSHAA;
- (ii) no employee accommodation will be provided to an employee unless such accommodation is certified with a Certificate for Accommodation;
- (iii) the employee accommodation has decent and adequate amenities in accordance with the EMSHAA and any regulations issued under the EMSHAA; and
- (iv) preventive measures are taken to contain the spread of infectious diseases as ordered by the Medical Officer of Health in accordance with the relevant laws and the employer will, at his own expense, make arrangements as ordered by the Medical Officer of Health so that all or any of the employees be given immunisation against any infectious disease.

An employer who provides accommodation that is not certified with the Certificate for Accommodation to an employee commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.

Further, the EMSHAA Regulations imposes, amongst others, the minimum requirements for employee accommodations including the size of floor area for bedrooms and sleeping areas, the obligation on employers or centralised accommodation providers to ensure the provision of water and electricity supply as well as basic amenities.

6. Industrial Coordination Act 1975 ("ICA")

The ICA governs the licensing requirement of manufacturing licences in Malaysia. The legislation requires any person engaging in any manufacturing activity in Malaysia with a shareholder's fund of RM2.5 million and above or employing 75 or more full-time paid employees to obtain a manufacturing licence. Failure to observe and adhere to the licensing requirements under the ICA will constitute an offence which is punishable on conviction by a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 per day during which the non-compliance continues.

A manufacturing licence may be revoked if the manufacturer to whom a licence is issued:

- (i) has not complied with any condition imposed in the licence;
- (ii) is no longer engaged in the manufacturing activity in respect of which the licence is issued; or
- (iii) has made a false statement in his application for the licence.

ANNEXURE E: GOVERNING LAWS AND REGULATIONS (Cont'd)**(II) INDONESIA****1. Law No.7 of 2014 on Trade (“Trade Law”)**

A foreign investment company (“**PT PMA**”) engaged in the business of importing and distributing goods in Indonesia, including aftersales services (as applicable) (“**PT PMA Distribution Company**”), is generally allowed to be 100% foreign-owned, provided that PT PMA Distribution Company complies with all requirements under the Trade Law. These requirements include the following:

- (i) Obtaining all necessary business licences, specifically: (a) a Business Identification Number (*Nomor Induk Berusaha*, NIB), which also functions as a general importer licence (API-U), (b) Standard certification, (c) that is environmentally related and (d) a Warehouse Permit.
- (ii) The PT PMA Distribution Company must appoint a separate fully domestically-owned Indonesian wholesaler company (*Penanaman Modal Dalam Negeri*, PMDN) as an intermediary between the PMA and the retailer.
- (iii) Complying with the following regulatory requirements:
 - (a) As an importer, PT PMA Distribution Company must adhere to the following: (i) it may not import certain regulated goods, (ii) goods imported must be new, except for goods that are allowed to be imported in a less than new condition under the relevant regulations, (iii) import restrictions and/or provisions on verification or technical review of import of goods set out under a MoT regulation and (iv) post-border import regulations.
 - (b) As a wholesaler, PT PMA Distribution Company is prohibited from distributing goods directly to end customers (i.e., at the retail level), and the sale of goods directly to the general consumers may be performed by a retailer. Given this, PT PMA Distribution Company may not sell to the general consumers but must do so through its (existing or new) retail channels.
- (iv) The products sold by PT PMA Distribution Company comply with labelling, product or service standardisation, and technical requirements.

2. Product Standardisation Laws and Regulations

Product Standardisation Laws and Regulations are outlined in the Trade Law, Law No.20 of 2014 on Standardisation and Conformity Assessments, Government Regulation No.34 of 2018 on the National Standardisation and Conformity Assessment System and other implementing regulations (“**Product Standardisation Laws and Regulations**”). These laws and regulations oblige all goods and/or services traded or provided within the territory of Indonesia to comply with standardisation requirements, including:

- (i) compulsory Indonesian National Standards (*Standar Nasional Indonesia*, “**SNI**”);
- (ii) compulsory technical requirements; and
- (iii) compulsory qualifications.

To fulfil these requirements, companies must, among other things, (i) affix the SNI mark or a conformity mark, or provide a certificate of conformity issued by an accredited authority; (ii) ensure proper labelling; and (iii) provide a brochure.

Any non-compliance with this obligation will result in a prohibition on trading their goods in Indonesia and/or the imposition of administrative sanctions.

ANNEXURE E: GOVERNING LAWS AND REGULATIONS (Cont'd)**3. Law No.1 of 1970 regarding Occupational Health and Safety (“OHS Law”)**

The OHS Law stipulates that all workplaces involving the use of machinery, devices, tools, appliances, equipment, or installations that are hazardous or may pose risks of accidents, fires, or explosions must be manufactured, tested, and utilised and must comply with the following occupational health and safety requirements:

- (i) prevent and reduce accidents;
- (ii) prevent, mitigate, and extinguish fires;
- (iii) prevent and reduce explosion hazards;
- (iv) provide opportunities or ways to save the workers during fires or other dangerous events;
- (v) provide aid in an accident;
- (vi) provide personal protection equipment to workers;
- (vii) prevent and control the occurrence or spreading of temperature, humidity, dust, dirt, smoke, steam, gas, wind, weather, light or radiation, sound, and vibration;
- (viii) prevent and control the occurrence or spread of diseases due to work, both physical and psychological, poisoning, infections, and transmissions;
- (ix) provide sufficient and appropriate information;
- (x) provide good air temperature and humidity;
- (xi) provide adequate air fresheners;
- (xii) maintain cleanliness, health, and orderliness;
- (xiii) obtain compatibility between manpower, work equipment, environment, methods, and the work process;
- (xiv) secure and expedite the transportation of people, animals, plants, or goods;
- (xv) secure and maintain all types of buildings;
- (xvi) secure and expedite the work of loading and unloading, the treatment, and storage of goods;
- (xvii) prevent exposure to dangerous or unstable electrical lines or installations;
- (xviii) adjust and improve security in work where there is a greater danger of accidents.

4. Ministry of Manpower Regulation No.5 of 2021 (“MoM Regulation No.5/2021”)

MoM Regulation No.5/2021 (as amended by MoM Regulation No. 1 of 2025), obliges employers to report every workplace allegation and/or occurred accident to the Indonesian Social Welfare Manpower administration body (*Badan Penyelenggara Jaminan Sosial Ketenagakerjaan, BPJS Manpower*) and the local manpower office within 2 x 24 hours after the occurrence of the accident or the diagnosis of a workplace disease.

The company is also obliged to submit a second report on the outcome of the accident to the BPJS Manpower administration body and the local manpower office. This report must be submitted within 2 x 24 hours from the date on which the employee has been declared cured, disabled or deceased.

ANNEXURE E: GOVERNING LAWS AND REGULATIONS *(Cont'd)*

MoM Regulation No. 5/2021 regulates the following types of workplace accidents:

- (i) workplace accidents occurring due to the work itself or within the workplace;
- (ii) accidents that occur during an employee's regular commute from his/her place of residence to the workplace. Such accidents must be proven by a statement from the local police or two witnesses;
- (iii) accidents that occur when employees are carrying out their duties or during business trips. Such accidents must be proven by a statement from the local police or two witnesses;
- (iv) accidents during working hours or during rest periods, if the employee was doing urgent work or was given approval to work during a rest period. Such accidents must be proven by a statement from the local police or two witnesses and an assignment letter from the company;
- (v) disease/illness due to the employee's job;
- (vi) sudden death at work. MoM Regulation No.5/2021 refers to a situation where an employee, without any known reason, suddenly dies in a workplace or when an employee falls sick within the workplace and, after treatment, dies within 24 hours;
- (vii) physical violence and/or rape that occurs in the workplace and/or in employment relationships;
- (viii) accidents that occur during overtime, which must be proven with company authorisation for the employee to do overtime work;
- (ix) accidents that occur when carrying out other types of work for the company's benefit, which must be proven by a company assignment letter;
- (x) accidents that occur during an employee's commute to or from work or to do work when the employee is on leave;
- (xi) accidents that occur during an employee's commute to and from the base camp and the employee's residence, which must be supported by a further explanation from the company and the employee's work schedule; or
- (xii) accidents that occur during an employee's regular weekend commute to and from the employee's work location to the employee's actual place of residence (outside the work location).

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF WASCO GREENERGY BERHAD (“GREENERGY” OR THE “COMPANY”) DATED 20 NOVEMBER 2025 (“PROSPECTUS”).

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in the Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

1. OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10:00 A.M., 20 NOVEMBER 2025.

CLOSING OF THE APPLICATION PERIOD: 5:00 P.M., 28 NOVEMBER 2025.

In the event there is any change to the dates stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and make an announcement on Bursa Securities’ website.

Late Applications will not be accepted.

2. METHODS OF APPLICATIONS

2.1 Application of our Issue Shares by the Malaysian Public, the Eligible Greenergy Persons, Eligible Wasco Persons and the Entitled Shareholders of Wasco Berhad

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed.

<u>Type of Application and category of investors</u>	<u>Application method</u>
Applications by our Directors, the Eligible Greenergy Persons and Eligible Wasco Persons	PINK Application Form only
Applications by the Entitled Shareholders of Wasco Berhad	BLUE Application Form or electronic subscription via Issuing House’s digital platform namely Vistra Share Registry and IPO (MY) Portal (“ The Portal ”) (“ e-Subscription ”)
Applications by the Malaysian Public	
(i) Individuals	WHITE Application Form or Electronic Share Application or Internet Share Application
(ii) Non-individuals	WHITE Application Form only

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

2.2 Application by selected investors via placement

Types of Application	Application Method
Applications by selected investors	Our Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

3. ELIGIBILITY

3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 13 of this "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.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMISES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

3.2 Application by the Malaysian Public

You can only apply for our Issue Shares if you fulfill all of the following:

- (i) you must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares with a Malaysian address; 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

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (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 the Applications by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

3.3 Application by the Eligible Greenergy Persons, Eligible Wasco Persons and Entitled Shareholders of Wasco Berhad

The Eligible Greenergy Persons and Eligible Wasco 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. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Group through the Human Resource Department.

Eligible Greenergy Persons and Eligible Wasco Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, the Issuing House, CIMB, Participating Organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

The Eligible Greenergy Persons and Eligible Wasco Persons are not precluded from making additional application under the Malaysian Public category using the White Application Form. If you are the Entitled Shareholders of Wasco Berhad, you are also entitled to apply under the Restricted Offering using the Blue Application Form. Applicants using the Pink Application Form are not allowed to submit multiple applications in the same category of application.

3.4 Application by Entitled Shareholders of Wasco Berhad

Applications by the Entitled Shareholders of Wasco Berhad for the Issue Shares which have been set aside for the Restricted Offering must be made on the Blue Application Form. The Entitled Shareholders of Wasco Berhad must follow the notes and instructions in the said document as well as the cover letter accompanying the Blue Application Form and where relevant, in this Prospectus. The Entitled Shareholders of Wasco Berhad are not precluded from making additional applications for the Issue Shares made available under the Malaysian Public category using the White Application Form. 15,500,000 Issue Shares are reserved for application by the Entitled Shareholders of Wasco Berhad via the Restricted Offering and shall be allocated in the following manner:

- (a) each Entitled Shareholder of Wasco Berhad who applies for at least 100 Issue Shares is guaranteed an allocation of 100 Issue Shares;
- (b) any balance Issue Shares after the allocation under item (a) above shall be allocated to the Entitled Shareholders of Wasco Berhad who applied in excess of 100 Issue Shares on a pro-rata basis, computed based on their respective shareholdings in Wasco Berhad as at the Entitlement Date. For the avoidance of doubt, the allocation under item (b) prioritises the Entitled Shareholders of Wasco Berhad in proportion of their shareholdings held in Wasco Berhad; and

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (c) any balance Issue Shares after the allocation under items (a) and (b) above shall be allocated to the Entitled Shareholders of Wasco Berhad on a pro-rata basis, computed based on the quantum of their respective Issue Shares under application. For clarification, the allocation under item (c) distributes the balance Issue Shares from item (b) above to remaining applicants for excess Issue Shares in proportion to the size of their application,

subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out above is achieved. Any fractional entitlements and odd lots arising from the Restricted Offering will be disregarded and rounded down to the nearest board lot, and the aggregate of such fractions and such odd lots will be dealt with in such manner or on such terms as our Board may deem fit and expedient in the best interest of our Company.

As our Shares are prescribed securities, the Shares will be credited into the respective CDS accounts of the Entitled Shareholders of Wasco Berhad. No physical share certificate will be issued, but the notice of allotment shall be despatched.

The entitlement of the Entitled Shareholders of Wasco Berhad to participate in the Restricted Offering is non-renounceable and non-tradable.

Excluded Shareholders are advised that they shall be solely responsible to seek their own advice as to the laws of any jurisdiction which they may be subject to. Participation in the Restricted Offering by any of the shareholders of Wasco Berhad shall be based on their warranty to our Company or CIMB that they may lawfully so participate without our Company, CIMB, the Share Registrar and/or other advisers and experts being in breach of the laws of any jurisdiction other than the laws of Malaysia to which the Excluded Shareholders are or might be subject to. Excluded Shareholders will have no rights or claims whatsoever against us, the Promoter, CIMB, any of their respective Directors or any other persons involved in the Restricted Offering in respect of their entitlement to apply for the Issue Shares under the Restricted Offering. We, the Promoter, CIMB, any of their respective Directors or any other persons involved in the Restricted Offering shall not accept any responsibility and liability in the event that any acceptance under the Restricted Offering is or becomes illegal, unenforceable, voidable or void or shall contravene the laws in such countries and jurisdictions. This Prospectus will not be registered under any applicable securities legislation of any foreign jurisdiction. Accordingly, the Prospectus will not be sent to the Excluded Shareholders.

4. PROCEDURES FOR APPLICATION BY ENTITLED SHAREHOLDERS OF WASCO BERHAD**4.1 By way of Blue Application Form**

This Prospectus and the Blue Application Form will be distributed to the Entitled Shareholders of Wasco Berhad whose registered addresses are maintained with Bursa Depository. The Blue Application Form can be obtained from the Share Registrar. The FULL amount payable is RM1.00 per IPO Share. Application and payment for the Issue Shares under the Restricted Offering must be made on the Blue Application Form issued together with this Prospectus and must be completed in accordance with the notes and instructions printed therein.

The completed Blue Application Form, together with the remittance in RM for the full amount payable in the form of Banker's Draft or Cashiers Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made out in favour of "**WASCO GREENERGY BHD RESTRICTED OFFER A/C**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with the name, address and CDS account number of the applicant in block letters, must be received by our Share Registrar no later than 5.00 p.m. on 28 November 2025, or by such other time and date specified in any change to the date or time for closing. Cheques or any other modes of payment will not be accepted and will be rejected.

Effective 1 January 2024, the Inland Revenue Board of Malaysia ("**IRBM**") has terminated the usage of revenue stamp as a stamping method at all IRBM stamping duty counters and district stamping offices.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

In connection thereto, the application and payment of stamp duty for the Blue Form Application is to be performed online via IRBM system namely Stamp Duty Assessment and Payment System ("**STAMPS**") at <https://stamps.hasil.gov.my>. The payment of stamp duty must be made via the FPX medium or Bill Payment (CIMB Bizz Channel/Public Bank) from the same link. The stamp certificate/ official receipt will be issued via STAMPS as a proof of payment of stamp duty.

The applicant must attach a copy of the stamp certificate to the Blue Form Application before submitting to the Issuing House.

Alternatively, you may submit the acceptance and payment for the Blue Application Form together with the stamp duty electronically via The Portal. Please refer to the procedures for acceptance and payment via e-subscription as stated below.

Each completed Blue Application Form, must be 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 or **COURIER**, to the following address:

**Tricor Investor & Issuing House Services Sdn Bhd
(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 the following address:

Unit G-3, Ground Floor,
Vertical Podium,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,

so as to arrive no later than 5.00 p.m. on 28 November 2025, or by such other time and date specified in any change to the date or time for closing. The Entitled Shareholders of Wasco Berhad, who wish to apply for the Issue Shares which have been set aside for the Restricted Offering using the Blue Application Form may check their eligibility by referring to our Share Registrar at the address stated above.

4.2 By way of e-Subscription

The Entitled Shareholders of Wasco Berhad can have the option to subscribe for the Restricted Offering through e-Subscription available from The Portal at <https://srmy.vistra.com>. The e-Subscription is available to all Entitled Shareholders of Wasco Berhad including individuals, corporate or institutional shareholders.

Applications made by way of e-Subscription which do not conform **STRICTLY** to the terms of our Prospectus or notes and instructions will not be accepted. A processing fee of RM7.00 for an individual shareholder and RM4.00 for a corporate shareholder will be charged by the Issuing House for each CDS account subscribed for. The Entitled Shareholders of Wasco Berhad will also need to pay a stamp duty of RM10.00 for each CDS account applied for the Restricted Offering. The Entitled Shareholders of Wasco Berhad who wish to subscribe for the Restricted Offering by way of e-Subscription shall take note of the following:

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (a) any e-Subscription received by the Issuing House after the closing date shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Issuing House, is irrevocable and shall be bound;
- (b) The Entitled Shareholders of Wasco Berhad who has registered with The Portal ("**Registered Entitled Shareholder(s)**") will receive notification to login to The Portal in respect of their shareholding in their CDS Account(s). Accordingly, for each CDS Account, the Registered Entitled Shareholder can choose to subscribe to the Restricted Offering which they are entitled to;
- (c) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using The Portal, the terms and conditions of e-Subscription and the Prospectus. Any e-Subscription submitted that does not conform to the terms and conditions of The Portal and the Prospectus may not be accepted at the sole discretion of our Company. Our Company reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or completed incorrectly;
- (d) the minimum number of guaranteed Issue Shares under the Restricted Offering is set out in the electronic Blue Application Form. The Registered Entitled Shareholders are required to indicate the number of excess Issue Shares they wish to apply for;
- (e) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer; and
- (f) a handling fee is payable should the Registered Entitled Shareholder make the e-Subscription.

All Entitled Shareholders of Wasco Berhad who wish to opt for e-Subscription, please read and follow the procedures set below:

(i) Sign up as a user of The Portal

- (a) Visit The Portal at <https://srmy.vistra.com>.
- (b) Click "Register", select either "Individual Holder" or "Representative of Corporate Holder" and complete the New User Registration Form.
- (c) For guidance, you may refer to the tutorial guide available on the homepage.
- (d) Once registration is completed, you will receive an email notification to verify your registered email address.
- (e) Your registration will be reviewed and approved within one (1) to two (2) working days. A confirmation email will be sent once it is approved.
- (f) Once you received the confirmation, activate your account by creating your password.
- (g) You may login at any time using your registered email address and password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of The Portal, you are not required to sign up again. If you are signing up to represent a Corporate Holder Account(s), please contact our Share Registrar for further details and requirements.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**(ii) Procedures for e-Subscription****Individual Registered Entitled Shareholders**

- (a) Login to The Portal at <https://srmy.vistra.com>.
- (b) Select the corporate exercise name: **Wasco Greenergy Berhad Restricted Offering**.
- (c) Read and agree to the Terms & Conditions and confirm the Declaration.
- (d) Preview the CDS Account entitlement details to the Restricted Offering.
- (e) Select the relevant CDS Account and insert the number of minimum guaranteed Issue Shares to subscribe for and the number of excess Issue Shares to apply (if applicable) in the electronic Blue Application Form.
- (f) Review and confirm the number of Issue Shares which you are subscribing and the number of excess Issue Shares you are applying (if applicable) and the total amount payable for the Restricted Offering (if applicable).
- (g) Review the remittance to the subscription of the Restricted Offering, handling fee of RM7.00 and stamp duty of RM10.00 for each CDS are included in the total amount payable.
- (h) Proceed to pay via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account.
- (i) Upon completion of payment, go to "Submission History" to download/print the payment receipt and electronic Blue Application Form for record.

Corporation or Institutional Registered Entitled Shareholders

- (a) Login to The Portal at <https://srmy.vistra.com>.
- (b) Select the corporate exercise name: **Wasco Greenergy Berhad Restricted Offering**.
- (c) Read and agree to the Terms & Conditions and Declaration.
- (d) Proceed to download the "Electronic Blue Application Entitlement".
- (e) Preview the respective CDS Account details and its entitlement.
- (f) Arrange to pay for the remittance on the subscription of Issue Shares via telegraphic transfer into the Restricted Offering designated bank account as follows:

Account Name:	WASCO GREENERGY BHD RESTRICTED OFFER A/C
Bank:	Malayan Banking Berhad
Bank Account No.:	514057909772

and arrange to pay handling fee of RM4.00 and stamp duty fee of RM10.00 for each CDS account into the Issuing House's bank account as follows:

Account Name:	Tricor Investor & Issuing House Services Sdn Bhd
Bank:	Malayan Banking Berhad
Bank Account No.:	514012025081

Note: The above two bank accounts are for payment to be made by Corporation or Institutional Registered Entitled Shareholders who are subscribing via The Portal.

- (a) Once payment is completed, prepare the submission of the subscriptions by inserting the required information into the "Electronic Blue Application Entitlement" file and proceed to upload the duly completed file.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) Select "Confirm" to complete the submission.
- (c) Go to 'Submission History' to download/print the confirmation report of the submission for record.

(iii) Terms and conditions for e-Subscription

The e-Subscription shall be made on and subject to the terms and conditions appearing herein:

- (a) after login to The Portal, you are required to confirm and declare the following information given are true and correct:
 - (i) you have attained 18 years of age as at the last day for subscription and payment;
 - (ii) you have, prior to making the e-Subscription, received a printed copy of the Prospectus and/or have had access to the Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood;
 - (iii) you agree to all the terms and conditions for the e-Subscription as set out in the Prospectus and have carefully considered the risk factors as set out in the Prospectus, in addition to all other information contained in the Prospectus, before making the e-Subscription;
- (b) you agree and undertake to subscribe for and to accept the number of Issue Shares and excess Issue Shares applied for as stated in the electronic Blue Application Form. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Issue Shares that may be allotted to you;
- (c) by making and completing your e-Subscription, you, if successful, request and authorise the Issuing House to credit the new shares allotted to you into your CDS Account;
- (d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company or the Issuing House and irrevocably agree that if:
 - (i) our Company or the Issuing House does not receive your e-Subscription; or
 - (ii) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Issuing House, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against our Company or the Issuing House for any compensation, loss or damage relating to the e-Subscription;
- (e) you will ensure that your personal particulars recorded with The Portal and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository;
- (f) by making and completing an e-Subscription, you agree that:
 - (i) in consideration of our Company agreeing to allow and accept your e-Subscription for Issue Shares, your e-Subscription is irrevocable and cannot be subsequently withdrawn; and

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) the Issuing House will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
- (g) the Issuing House, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions; and
- (h) notification on the outcome of your e-Subscription will be despatched to you by ordinary post to the address as shown in the record of depositors of Wasco Berhad at your own risk within the timelines as follows:
 - (i) successful application - a notice of allotment will be despatched within 8 Market Days from the last day of the Application; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 10 Market Days from the date of the final ballot of the Application at your own risk.

The refund will be credited directly into your bank account if you have registered such bank account information with Bursa Depository for the purposes of cash dividend/ distribution. If you have not registered such bank account information with Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

If acceptance of and payment for the Restricted Offering offered to you (whether in full or in part, as the case may be) are not received by the Issuing House by 5.00 p.m. on 28 November 2025, the Issue Shares will be deemed to have been declined and will be cancelled. Our Board will then have the right to allot any Issue Shares not validly taken up to applicants applying for the excess in the manner as set out in the Prospectus.

5. PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS (EXCEPT FOR THE BLUE APPLICATION FORM)

Each application for our Shares must be made using the correct type of Application Form. The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The Malaysian Public must follow the following procedures in making their applications through the **White Application Form**:

- (i) obtain the relevant Application Form together with the Official “A” and “B” envelopes and our Prospectus.

The **White Application Form** together with our Prospectus, can be obtained subject to availability from the Participating Organisations of Bursa Securities, Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association, our Issuing House and our Company.
- (ii) in accordance with Section 232(2) of the CMSA, the **White Application Form** is accompanied by our Prospectus. You are advised to read and understand our Prospectus before making your Application.
- (iii) complete the **White Application Form** legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in our Prospectus, including:

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- (a) ensuring that your personal particulars submitted in your Application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any changes to your personal particulars as the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository;
 - (b) stating your CDS account number in the space provided in the **White Application Form**. Invalid or nominee or third party CDS accounts will **not** be accepted;
 - (c) stating the details of your payment in the appropriate boxes provided in the **White Application Form**; and
 - (d) stating the number of shares applied. Applications must be for at least 100 IPO Shares or multiples of 100 IPO Shares.
- (iv) prepare the appropriate form of payment in RM for the FULL amount payable based on the IPO Price of RM1.00 for each IPO Share.

Payment must be made out in favour of "**TIH SHARE ISSUE ACCOUNT NO. 817**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Only Banker's Draft or Cashier's Order drawn on a bank in Kuala Lumpur, Money or Postal Orders (for applicants from Sabah and Sarawak only) and Guaranteed Giro Order from Bank Simpanan Nasional Malaysia Berhad will be accepted.

We will not accept Applications with excess or insufficient remittances or inappropriate forms of payment. Remittances must be completed in the appropriate boxes provided in the **White Application Form**.

- (v) insert the **White Application Form** together with payment and a legible photocopy of your identification document (National Registration Identity Card ("**NRIC**") or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) for individual applicant; or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable)) into the Official "A" envelope and seal it. You must write your name and address on the outside of the Official "A" and "B" envelopes.

Affix RM1.50 stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

The name and address written must be identical to your name and address as in your NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) for individual applicant; or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable).

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (vi) each completed **White Application Form**, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:
- (a) 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
- (b) **DELIVERED 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 28 November 2025 or by such other time and date specified in any change to the date or time for closing. We will not accept late Applications.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your **White Application Form** or Application monies. Please direct all enquiries in respect of the **White Application Form** to our Issuing House.

6. PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS**6.1 Participating Financial Institutions**

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

The following processing fee for each Electronic Share Application will be charged by the respective Participating Financial Institutions (unless waived) as follows:

Participating Financial Institutions	Charges
Affin Bank Berhad	Free
Alliance Bank Malaysia Berhad	RM1.00
AmBank (M) Berhad	RM1.00
CIMB Bank Berhad	RM2.50
Malayan Banking Berhad	RM1.00
Public Bank Berhad	RM2.00
RHB Bank Berhad	RM2.50

Please note that these processing fees may be varied or waived from time to time at the discretion of the respective Participating Financial Institutions. Please contact the relevant Participating Financial Institutions for further enquiries.

6.2 Procedures for Electronic Share Application

The exact procedures, terms and conditions for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR ELECTRONIC SHARES APPLICATIONS SET OUT BELOW AND AT THE RESPECTIVE ATM CAREFULLY PRIOR TO MAKING AN ELECTRONIC SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Participating Financial Institutions.

You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for our IPO Shares at an ATM belonging to other Participating Financial Institutions.

You are to submit at least the following information through the ATM, where the instructions on the ATM screen require you to do so:

- Personal Identification Number (“PIN”);
- **TIH Share Issue Account No. 817**;
- Your CDS account number;
- Number of IPO Shares applied for and the RM amount to be debited from the account; and
- Confirmation of several mandatory statements as set out in Section 6.3 below.

Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or our Issuing House. The Transaction Record is for your records and should not be submitted with any Application Form.

6.3 Terms and conditions for Electronic Share Application

You must have a CDS account to be eligible to use the Electronic Share Application. Invalid, nominee or third party CDS accounts will not be accepted.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (i) the Electronic Share Application shall be made in relation to and subject to the terms of our Prospectus and our Company’s Constitution.
- (ii) you are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:
 - (a) you are at least 18 years old as at the date of the application for our IPO Shares;

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) you are a Malaysian citizen residing in Malaysia;
- (c) you have read our Prospectus and understood and agreed with the terms and conditions of the Application;
- (d) the Electronic Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public; and
- (e) you give consent to the disclosure by the relevant Participating Financial Institutions and/or Bursa Depository, as the case may be, of your information, your Electronic Share Application or your account with the Participating Financial Institution and Bursa Depository, to our Issuing House and other relevant authorities.

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, it is considered that you have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act, 2013 and Section 45 of Central Depositories Act) to the disclosure by the relevant Participating Financial Institutions and/or Bursa Depository, as the case may be, of your information to our Issuing House or any relevant authorities.

- (iii) you confirm that you are not applying for our IPO Shares offered to the Malaysian Public as a nominee of any other person and your Electronic Share Application is made in your name as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for our IPO Shares offered to the Malaysian Public.
- (iv) you must have sufficient funds in your account with the relevant Participating Financial Institution at the time the Electronic Share Application, to cover and pay for our Shares and the relating processing fees, charges and expenses, if any, to be incurred, failing which your Electronic Share Application will not be deemed complete. Any Electronic Share Application which does not conform strictly to the instructions set out in our Prospectus or any instruction displayed on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.
- (v) you irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated in the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate a lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation of the number of Shares applied for (by your action of pressing the designated keys or buttons on the ATM keyboard) shall be deemed to signify, and shall be treated as,
 - (a) your acceptance of the number of Shares that may be allotted or allocated to you in the event that your Electronic Share Application is successful or successful in part, as the case may be; and
 - (b) your agreement to be bound by our Constitution.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (vi) our Issuing House, on the authority of our Board, reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of Applicants with a view to establishing a liquid and adequate market for our Shares.
- (vii) you request and authorise us:
 - (a) to credit our IPO Shares allotted or allocated to you into your CDS account; and
 - (b) to issue share certificate(s) representing such IPO Shares or jumbo certificates which represent, amongst others, such IPO Shares, allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (viii) you acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond our control or the control of our Issuing House, Bursa Depository or the Participating Financial Institution, and irrevocably agree that if:
 - (a) our Company or our Issuing House does not receive your Electronic Share Application and/or payment; or
 - (b) the data relating to your Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company or our Issuing House,

you shall be deemed not to have made an Electronic Share Application and shall not make any claim whatsoever against our Company, our Issuing House and/or the relevant Participating Financial Institution for our IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (ix) all of your particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, our Issuing House and the relevant Participating Financial Institution, and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information, shall be entitled to rely on their accuracy thereof.
- (x) you shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (xi) by making and completing an Electronic Share Application, you agree that:
 - (a) in consideration of us agreeing to allow and accept the application for our IPO Shares through the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) we, the Participating Financial Institutions, Bursa Depository and our Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our or the control of any of them;
 - (c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase our IPO Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said IPO Shares;
 - (d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and other documents required for the issue or transfer of our IPO Shares allotted or allocated to you; and
 - (e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and/or the Electronic Share Application and/or any terms of our Prospectus, all rights, obligations and liabilities of the parties shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (xii) our Issuing House, acting on the authority of our Board, reserves the right to reject Applications which do not conform to these instructions.

7. APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

7.1 Internet Participating Financial Institutions or Participating Securities Firms

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

The following processing fee for each Internet Share Application will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) as follows:

YOU ARE ADVISED NOT TO APPLY FOR OUR IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS.

Internet Participating Financial Institution or Participating Securities Firm	Website address	Fees charged
Affin Bank Berhad	https://rib.affinalways.com	Free
Alliance Bank Malaysia Berhad	www.allianceonline.com.my	RM1.00
CGS International Securities Malaysia Sdn Bhd	https://eipo.cgsi.com.my/	RM2.00 for payment through CIMB Bank Berhad or Malayan Banking Berhad
Hong Leong Investment Bank Berhad	https://www.hlebroking.com/v3/	RM1.00

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Internet Participating Financial Institution or Participating Securities Firm	Website address	Fees charged
Kenanga Investment Bank Berhad	https://kentrade.com.my/	Free
Malacca Securities Sdn Bhd	https://eipo.mplonline.com/	Free
Malayan Banking Berhad	www.maybank2u.com.my	RM1.00
Moomoo Securities Malaysia Sdn Bhd	https://www.moomoo.com.my	Free
Public Bank Berhad	www.pbepbank.com	RM2.00
RHB Bank Berhad	www.rhbgroup.com/index.html	RM2.50
TA Securities Holdings Berhad	https://eservices.tasecurities.com.my/auth/login	Free
UOB Kay Hian (M) Sdn Bhd (formerly known UOB Kay Hian Securities (M) Sdn Bhd)	https://eipo.utrade.com.my	Free

Please note that these fees may be varied or waived from time to time at the discretion of the respective Internet Participating Financial Institutions or Participating Securities Firms. Please contact the relevant Internet Participating Financial Institutions or Participating Securities Firms for further enquiries.

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR INTERNET SHARE APPLICATIONS SET OUT BELOW AND AT THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Internet Participating Financial Institutions or Participating Securities Firms.

7.2 Terms and conditions for Internet Share Application

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS.

An Internet Share Application shall be made on and subject to the following terms and conditions:

- (i) you can make an Internet Share Application if you fulfill all of the following:
 - (a) you are an individual with a CDS account and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name;

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) you have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution or Participating Securities Firm. You must have your user identification ("**User ID**") and PIN/password for the relevant Internet financial services facilities; and
- (c) you are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions or Participating Securities Firms cannot be used to apply for our IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions or Participating Securities Firms.

- (ii) an Internet Share Application shall be made on and subject to the terms of our Prospectus and our Company's Constitution.
- (iii) you are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution or Participating Securities Firm) and to undertake that the following information given are true and correct:
 - (a) you are at least 18 years old as at the date of the application for our IPO Shares;
 - (b) you are a Malaysian citizen residing in Malaysia;
 - (c) you have, prior to making your Internet Share Application, received and/or have had access to a printed/electronic copy of our Prospectus, the contents of which you have fully read and understood;
 - (d) you agree to all the terms and conditions of the Internet Share Application as set out in our Prospectus and have carefully considered the risk factors as well as all other information and statements set out in our Prospectus, before making your Internet Share Application;
 - (e) your Internet Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public;
 - (f) you authorise the Internet Participating Financial Institution or Participating Securities Firm or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or Participating Securities Firm or the Authorised Financial Institution;
 - (g) you give express consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act, 2013 and Section 45 of Central Depositories Act) to the disclosure by the Internet Participating Financial Institution or Participating Securities Firm, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institution or Participating Securities Firm, to our Issuing House and the Authorised Financial Institution, the SC and any other relevant authorities;
 - (h) you are not applying for our IPO Shares offered to the Malaysian Public as a nominee of any other person and your Internet Share Application is made in your own name, as the beneficial owner and subject to the risks referred to in our Prospectus; and

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) you authorise the Internet Participating Financial Institution or Participating Securities Firm to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution or Participating Securities Firm, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with our IPO. Further, the Internet Participating Financial Institution or Participating Securities Firm will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution or Participating Securities Firm in connection with the use of the Internet Share Application services.
- (iv) your Application will not be successfully completed and cannot be recorded as a completed application unless you have paid for our IPO Shares through the website of the Authorised Financial Institution and completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purposes of our Prospectus, “**Confirmation Screen**” shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that your Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you will be deemed to have confirmed the truth of the statements set out in Section 7.2(iii) above. The Confirmation Screen is only a record of the completed transaction with an Internet Participating Financial Institution or Participating Securities Firm and not a record of the receipt of the Internet Share Application or any data relating to such an Internet Share Application by our Company or our Issuing House. The Confirmation Screen is for your record and should not be submitted with any Application Form.

- (v) you must have sufficient funds in your account with the Internet Participating Financial Institution or Participating Securities Firm or the Authorised Financial Institution at the time of making your Internet Share Application, to cover and pay for our IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which your Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in our Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made shall be rejected.
- (vi) you irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Internet Share Application. In the event that we decide to allot or allocate lesser number of such Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final.

In the course of completing your Internet Share Application on the website of the Internet Participating Financial Institution or the Authorised Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (a) your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
 - (b) your agreement to be bound by the Constitution of our Company.
- (vii) you are fully aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. **A PERSON WHO SUBMITS MULTIPLE INTERNET SHARE 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.** Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our Shares to a reasonable number of Applicants with a view to establishing a liquid and adequate market for our Shares.
- (viii) an Internet Share Application is deemed to be received only upon its completion, which is when the Confirmation Screen is displayed on the internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for reference and record purposes. Late Internet Share Applications will not be accepted.
- (ix) you acknowledge that your Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, and other events beyond our control or the control of the Internet Participating Financial Institution or Participating Securities Firm, the Authorised Financial Institution, our Issuing House and our Company and irrevocably agree that if:
- (a) our Company, our Issuing House, the Internet Participating Financial Institution or Participating Securities Firm and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment; and
 - (b) any data relating to your Internet Share Application or the tape or any other devices containing such data and/or payment is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially, and for any reason whatsoever,
- you will be deemed not to have made an Internet Share Application and you will not make any claim whatsoever against our Company, our Issuing House, the Internet Participating Financial Institution or Participating Securities Firm and/or the Authorised Financial Institution in relation to our IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (x) all of your particulars in the records of the relevant Internet Participating Financial Institution or Participating Securities Firm at the time of making your Internet Share Application shall be deemed to be true and correct, and we, our Issuing House, the relevant Internet Participating Financial Institutions or Participating Securities Firms, Authorised Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information, shall be entitled to rely on the accuracy thereof.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xi) you must ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution or Participating Securities Firm and/or the Authorised Financial Institution are correct and identical. Otherwise, your Internet Share Application will be rejected. The notification letter on successful allotment will be sent to your last address maintained with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution or Participating Securities Firm and Bursa Depository of any changes in your personal particulars that may occur from time to time.

8. AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

Your Application will be selected in a manner to be determined by our Board. Due consideration will be given to the desirability of allotting and allocating our Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares. 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 our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful Applicants) which would subsequently be refunded, where applicable (without interest) by:
- (a) ordinary post through the self-addressed and stamped Official "A" envelope which you have provided to our Issuing House;
 - (b) crediting into your bank account for the purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository; or
 - (c) ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository.

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.

9. OVER/UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House, will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

The basis of allocation of 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://srmy.vistra.com> within one business day after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.0% of our Company's shares capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Greenery Persons, Eligible Wasco Persons and Entitled Shareholders of Wasco Berhad, subject to the clawback and reallocation as set out in Section 4.2.4 of the Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Retail Underwriting Agreement.

10. 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:

10.1 For Applications by way of Application Forms

- (i) the Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) if your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) a number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) the Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**10.2 For applications by way of Electronic Share Application and Internet Share Application**

- (i) the Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within two Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within two Market Days after the receipt of confirmation from our Issuing House.
- (ii) you may check your account on the fifth Market Day from the balloting date.
- (iii) a number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by our Issuing House by crediting into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within two 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 two Market Days after the receipt of confirmation from the Issuing House.

10.3 For applications by Entitled Shareholders of Wasco Berhad by way of Blue Application Form

In respect of unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 10 Market Days from the date of the final ballot of the Application.

The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information to Bursa Depository, the refund will be made by issuance of banker's draft and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

11. SUCCESSFUL APPLICANTS

If you are successful in your Application:

- (i) our IPO Shares allotted to you will be credited into your CDS account.
- (ii) a notice of allotment will be despatched to you at your registered or correspondence address last maintained with 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 Central Depositories Act, Bursa Securities has prescribed our Shares as securities to be deposited in the CDS subject to the provision of the Central Depositories Act and the Rules of Bursa Depository. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the Central Depositories Act and Rules of Bursa Depository.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) in accordance with Section 29 of the Central Depositories Act, all dealings in our IPO 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.

12. ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of Application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at +603 2783 9299
Blue Application Form or e-Subscription	Share Registrar, Enquiry Services Telephone at +603 2783 9299
Electronic Share Application	The relevant Participating Financial Institutions
Internet Share Application	The relevant Internet Participating Financial Institutions or Participating Securities Firms and Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at <https://srmy.vistra.com>, by entering your National Registration Identity Card Number on the site on the allotment date by 10 December 2025. Alternatively, you may contact any of the ADAs set out in Section 13 below or the Issuing House at the telephone no. +603-2783 9299.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**13. LIST OF ADAS**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker code
<u>KUALA LUMPUR</u>		
AFFIN HWANG INVESTMENT BANK BHD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-009
AFFIN HWANG INVESTMENT BANK BHD	Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	068-018
PHILIP CAPITAL SDN BHD <i>(formerly known as Alliance Investment Bank Berhad)</i>	B-18-6, Block B, Level 18 Megan Avenue II No. 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel No.: 03-2783 0361	076-001
AMINVESTMENT BANK BERHAD	8-9, 11-18, 21-25th Floor Bagunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2031 0102	086-001
BIMB SECURITIES SDN BHD	32nd Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2613 1600	024-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	3rd Floor, Lot 1511 & 1512 Jalan Mutiara Timur Satu Taman Mutiara Cheras 56100 Kuala Lumpur Tel No.: 03-9132 7424/7428/7429	065-001
FA SECURITIES SDN BHD	A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No.: 03-2288 1676	021-001
HONG LEONG INVESTMENT BANK BERHAD	Mezzanine Floor Level 3A, Block B, HP Towers No.12 Jalan Gelenggang 60000 Kuala Lumpur Tel No.: 03-2080 8777	066-002

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
HONG LEONG INVESTMENT BANK BERHAD	Level 27 & 28, Menara Hong Leong No. 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel No.: 03-2083 1800	066-008
BERJAYA SECURITIES SDN BHD <i>(formerly known as Inter-Pacific Securities Sdn Bhd)</i>	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001
CIMB SECURITIES SDN BHD <i>(formerly known as KAF EQUITIES SDN BHD)</i>	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2171 0228	053-001
KENANGA INVESTMENT BANK BHD	Level 17, Kenanga Tower 237 Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-2172 2888	073-001
KENANGA INVESTMENT BANK BHD	Ground Floor, West Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 2888	073-021
M & A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 The Boulevard, Bandar Mid Valley Lingkar Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002
MALACCA SECURITIES SDN BHD	No. 76-1, Jalan Wangsa Maju Delima 6 Pusat Bandar Wangsa Maju (KLSC) 53300 Setapak, Kuala Lumpur Tel No.: 03-4144 2565	012-001
MALACCA SECURITIES SDN BHD	B-M-10, Block B Plaza Arkadia Jalan Intisari Perdana Desa Park City 52200 Kuala Lumpur Tel No.: 03-2733 9782	012-001
MALACCA SECURITIES SDN BHD	B01-A-13A Level 13A, Menara 2 No. 3 Jalan Bangsar KL ECO City 59200 Kuala Lumpur Tel No.: 03-2201 2100	012-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (a) any e-Subscription received by the Issuing House after the closing date shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Issuing House, is irrevocable and shall be bound;
- (b) The Entitled Shareholders of Wasco Berhad who has registered with The Portal ("**Registered Entitled Shareholder(s)**") will receive notification to login to The Portal in respect of their shareholding in their CDS Account(s). Accordingly, for each CDS Account, the Registered Entitled Shareholder can choose to subscribe to the Restricted Offering which they are entitled to;
- (c) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using The Portal, the terms and conditions of e-Subscription and the Prospectus. Any e-Subscription submitted that does not conform to the terms and conditions of The Portal and the Prospectus may not be accepted at the sole discretion of our Company. Our Company reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or completed incorrectly;
- (d) the minimum number of guaranteed Issue Shares under the Restricted Offering is set out in the electronic Blue Application Form. The Registered Entitled Shareholders are required to indicate the number of excess Issue Shares they wish to apply for;
- (e) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer; and
- (f) a handling fee is payable should the Registered Entitled Shareholder make the e-Subscription.

All Entitled Shareholders of Wasco Berhad who wish to opt for e-Subscription, please read and follow the procedures set below:

(i) Sign up as a user of The Portal

- (a) Visit The Portal at <https://srmy.vistra.com>.
- (b) Click "Register", select either "Individual Holder" or "Representative of Corporate Holder" and complete the New User Registration Form.
- (c) For guidance, you may refer to the tutorial guide available on the homepage.
- (d) Once registration is completed, you will receive an email notification to verify your registered email address.
- (e) Your registration will be reviewed and approved within one (1) to two (2) working days. A confirmation email will be sent once it is approved.
- (f) Once you received the confirmation, activate your account by creating your password.
- (g) You may login at any time using your registered email address and password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of The Portal, you are not required to sign up again. If you are signing up to represent a Corporate Holder Account(s), please contact our Share Registrar for further details and requirements.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BHD	Ground Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	087-058
TA SECURITIES HOLDINGS BERHAD	34th Floor, Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	N3, Plaza Damas No. 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6205 6000	078-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19th Floor Menara Keck Seng No. 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2147 1888	078-010
<u>SELANGOR DARUL EHSAN</u>		
AFFIN HWANG INVESTMENT BANK BHD	Suite B3A1, East Wing 3A, Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-010
AFFIN HWANG INVESTMENT BANK BHD	4th floors, Wisma Meru No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	068-019
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-001
APEX SECURITIES BHD (formerly known as JF Apex Securities Berhad)	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001
APEX SECURITIES BHD (formerly known as JF Apex Securities Berhad)	16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Level 1 & 2 3 Damansara Office Tower No. 3, Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. A-07-01 & A-07-02 Empire Office Tower Empire Subang Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5631 7934	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor (No. 26-2) Lorong Batu Nilam 4B Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03-3325 7105	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor (No. 11A) Jalan Kenari 1 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-5891 6852	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No.26A(F), 26A(M) & 26A(B), Jalan SJ6 Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan Tel No.: 03-5891 6852	065-001
KENANGA INVESTMENT BANK BHD	No. 55C, 2nd Floor Jalan USJ 10/1F 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8024 1773	073-001
KENANGA INVESTMENT BANK BHD	Level 1, East Wing Wisma Consplant 2 No. 7, Jalan SS16/1 47610 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5621 2118	073-001
KENANGA INVESTMENT BANK BHD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiar Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BHD	No. 35, (Ground, 1st & 2nd Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080	073-001
MALACCA SECURITIES SDN BHD	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533	012-001
MALACCA SECURITIES SDN BHD	No. 54M, Mezzanine Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7876 1533	012-001
MAYBANK INVESTMENT BANK BERHAD	Wisma Bently Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7718 8888	098-004
MAYBANK INVESTMENT BANK BERHAD	Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No.: 03-3050 8888	098-003
NEWPARADIGM SECURITIES SDN BHD <i>(formerly known as PM SECURITIES SDN BHD)</i>	1st Floor, 157-A Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003
NEWPARADIGM SECURITIES SDN BHD <i>(formerly known as PM SECURITIES SDN BHD)</i>	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007
RHB INVESTMENT BANK BHD	24, 24M, 24A, 26M, 28M, 28A & 30A Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366	087-011
RHB INVESTMENT BANK BHD	1st Floor 10 & 11, Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	087-047

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BHD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	087-048
RHB INVESTMENT BANK BHD	Unit 1B, 2B & 3B USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8022 1888	087-059
SJ SECURITIES SDN BHD	26, Jalan Pendaftar U1/54 Temasya Glenmarie 40150 Shah Alam Selangor Darul Ehsan Tel No.: 03-5567 3000	096-001
SJ SECURITIES SDN BHD	No. A-3-11, Block Alamanda 3rd Floor, 10 Boulevard Lebuhraya Sprint PJU 6A 47400 Damansara Selangor Darul Ehsan Tel No.: 03-7732 3862	096-005
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	2nd Floor, Wisma TA No. 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7795 5713	058-007
<u>PERAK DARUL RIDZUAN</u>		
AFFIN HWANG INVESTMENT BANK BHD	Tingkat Bawah, 1, 2 & 3 21, Jalan Stesen 30400 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688	068-003
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Ground, 1st, 2nd & 3rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088 688	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530 888	066-003
KENANGA INVESTMENT BANK BHD	Ground, 1st, 2nd & 4th Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828	073-022
M & A SECURITIES SDN BHD	5th, 6th & Unit 8A M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2419 800	057-001
MALACCA SECURITIES SDN BHD	1st Floor No. 3, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2541 533	012-013
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No. 42, Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2453 400	098-002
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236 498	087-014
RHB INVESTMENT BANK BHD	Gound & 1st Floor No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921 228	087-016
RHB INVESTMENT BANK BHD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2415 100	087-023
RHB INVESTMENT BANK BHD	Ground Floor No. 40, 42 & 44, Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8088 229	087-034

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BHD	No. 1 & 3, First Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170 888	087-033
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng, No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531 313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	153A, Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No.: 05-2411 290	078-002
<u>PENANG</u>		
AFFIN HWANG INVESTMENT BANK BHD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Penang Tel No.: 04-2636 996	068-001
AFFIN HWANG INVESTMENT BANK BHD	No. 2 & 4, Jalan Perda Barat, Bandar Perda 14000 Penang Tel No.: 04-5372 882	068-006
AMINVESTMENT BANK BERHAD	Level 3, Menara Liang Court No. 37, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2261 818	086-001
APEX SECURITIES BHD <i>(formerly known as JF Apex Securities Berhad)</i>	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Penang Tel No.: 04-2289 118	079-005
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Level 2, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2385 900	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. 20-1 & 20-2 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Penang Tel No.: 04-6412 881	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, Unit 1308 & 1309 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Penang Tel No.: 04-6412 881	065-001
BERJAYA SECURITIES SDN BHD (formerly known as Inter-Pacific Securities Sdn Bhd)	Canton Square Level 2 & 3 No. 56 Cantonment Road 10250 Penang Tel No.: 04-2268 288	054-002
KENANGA INVESTMENT BANK BHD	7th, 8th & 16th Floor Menara Boustead 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2283 355	073-023
MALACCA SECURITIES SDN BHD	28, Lorong Tangling Indah 3 Taman Tangling Indah 14100 Simpang Ampat Penang Tel No.: 04-5060 967	012-001
MALACCA SECURITIES SDN BHD	No. 17, 1st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Penang Tel No.: 04-6421 533	012-001
MAYBANK INVESTMENT BANK BERHAD	Ground Floor Bangunan KWSP No. 38, Lot PT 8, Seksyen 14 Jalan Sultan Ahmad Shah 10050 Georgetown Penang Tel No.: 04-2196 888	098-006
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor JKP Business Centre Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai Penang Tel No.: 04-3322 123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Penang Tel No.: 04-2639 118	093-004
NEWPARADIGM SECURITIES SDN BHD (formerly known as PM SECURITIES SDN BHD)	56B, 1st Floor Jalan Perak, Perak Plaza 10150 Penang Tel No.: 04-2273 000	064-004

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
PHILIP CAPITAL SDN BHD <i>(formerly known as Alliance Investment Bank Berhad)</i>	29A, Ground Floor Beach Street 10300 Penang Tel No.: 04-2616 363	076-015
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Penang Tel No.: 04-3900 022	087-005
RHB INVESTMENT BANK BHD	Ground Floor – Tingkat 3 & Tingkat 5 – Tingkat 8 64 & 64-D Lebuah Bishop 10200 Penang Tel No.: 04-2634 222	087-033
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Penang Tel No.: 04-6404 888	087-042
TA SECURITIES HOLDINGS BERHAD	3rd Floor, Bangunan Heng Guan 171, Jalan Burmah 10050 Penang Tel No.: 04-2272 339	058-010
UOB KAY HIAN SECURITIES (M) SDN BHD	1st and 2nd Floor Bangunan Heng Guan No. 171 Jalan Burmah 10050 Penang Tel No.: 04-2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	21 Jalan Bayu Mutiara 2 Taman Bayu Mutiara 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-5047 313/316	078-003
<u>KEDAH DARUL AMAN</u>		
AFFIN HWANG INVESTMENT BANK BHD	No. 70A, B & C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256 666	068-011
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor, No.102 Kompleks Persiaran Sultan Abdul Hamid Jalan Pegawai 05050 Alor Setar Kedah Darul Aman Tel No.: 04-7774 400	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
MALACCA SECURITIES SDN BHD	No. 9, Tingkat Satu Kompleks Perniagaan LITC Jalan Putra Mergong 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7300 299	012-001
PHILIP CAPITAL SDN BHD <i>(formerly known as Alliance Investment Bank Berhad)</i>	Lot T-30, 2nd Floor Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088	076-004
RHB INVESTMENT BANK BHD	Ground & 1st Floor 214-A & 214-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209 888	087-021
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 4, & 5A, 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7322 111	078-007
<u>NEGERI SEMBILAN DARUL KHUSUS</u>		
AFFIN HWANG INVESTMENT BANK BHD	No. 29G, Jalan S2 B16 Pusat Dagangan Seremban 2 70300 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-6037 408	068-007
AFFIN HWANG INVESTMENT BANK BHD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 188	068-013
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No.21 Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 155	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor, Lot 3110 Jalan Besar, Lukut 71010 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-6515 385	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Level 2, Wisma Dewan Perniagaan Melayu Negeri Sembilan Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7614 651	065-001
KENANGA INVESTMENT BANK BHD	1C & 1D, 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7655 998	073-001
MAYBANK INVESTMENT BANK BERHAD	Ground Floor, Wisma HM No. 43 Jalan Dr. Krishnan 70000, Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7669 555	098-005
NEWPARADIGM SECURITIES SDN BHD <i>(formerly known as PM SECURITIES SDN BHD)</i>	Ground, 1st, 2nd & 3rd Floor 19, 20 & 21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7623 131	064-002
NEWPARADIGM SECURITIES SDN BHD <i>(formerly known as PM SECURITIES SDN BHD)</i>	Ground & 1st Floor No. 3, Jalan Dato Abdullah 71200 Kuala Klawang Negeri Sembilan Darul Khusus Tel No.: 06-6137 767	064-002
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 32 & 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7641 641	087-024
<u>MELAKA</u>		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Ground, 1st & 2nd Floor No. 191 Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-2898 897	065-001
KENANGA INVESTMENT BANK BHD	71 & 73 (Ground, A&B) Jalan Merdeka, Taman Melaka Raya 75000 Melaka Tel No.: 06-2881 720	073-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang P.O Box 248 75250 Melaka Tel No.: 06-3371 533	012-001
MERCURY SECURITIES SDN BHD	81, 81A & 81B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921 898	093-003
NEWPARADIGM SECURITIES SDN BHD <i>(formerly known as PM SECURITIES SDN BHD)</i>	No. 6-1, Jalan Lagenda 2 Taman 1 Legenda 75400 Melaka Tel No.: 06-2866 008	064-006
RHB INVESTMENT BANK BHD	579, 580 & 581 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2825 211	087-026
TA SECURITIES HOLDINGS BERHAD	No. 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2862 618	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No.: 06-3352 511	078-014
<u>JOHOR DARUL TAKZIM</u>		
AFFIN HWANG INVESTMENT BANK BHD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222 692	068-004
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282	086-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. 73 Ground Floor No. 73A & 79A, First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3405 888	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, 101 Jalan Gambir 8 Bandar Baru Bukit Gambir 84800 Muar Johor Darul Takzim Tel No.: 07-9764 559	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No. 384A Jalan Simbang, Taman Perling 81200 Johor Bahru Johor Darul Takzim Tel No.: 07-2329 673	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor, 113 & 114 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9311 509	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No. 8A Jalan Dedap 20 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3537 669	065-001
BERJAYA SECURITIES SDN BHD (formerly known as Inter-Pacific Securities Sdn Bhd)	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231 211	054-004
KENANGA INVESTMENT BANK BHD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333 600	073-004
KENANGA INVESTMENT BANK BHD	No. 33 & 35 A & B, Ground Floor Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-7771 161	073-001
KENANGA INVESTMENT BANK BHD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-9782 292	073-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BHD	No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4326 963	073-001
KENANGA INVESTMENT BANK BHD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9531 222	073-001
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3381 233	057-003
MALACCA SECURITIES SDN BHD	No. 74, Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3351 533	012-001
MALACCA SECURITIES SDN BHD	Lot 880, Batu 3 ½ Jalan Salleh 84000 Muar Johor Darul Takzim Tel No.: 06-9536 948	012-001
MALACCA SECURITIES SDN BHD	Lot 880, 3 ½ Mile Jalan Salleh 84000 Muar Johor Darul Takzim Tel No.: 06-9536 948	012-001
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316 992	093-005
NEWPARADIGM SECURITIES SDN BHD <i>(formerly known as PM SECURITIES SDN BHD)</i>	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4333 608	064-001
PHILIP CAPITAL SDN BHD <i>(formerly known as Alliance Investment Bank Berhad)</i>	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922	076-006

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BHD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-2788 821	087-006
RHB INVESTMENT BANK BHD	53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380 288	087-009
RHB INVESTMENT BANK BHD	No. 33-1, 1st and 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 262	087-025
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577 628	087-029
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321 543	087-030
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 40, Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No.: 07-7979 655	087-031
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-6626 288	087-035
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3522 293	087-043

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
TA SECURITIES HOLDINGS BERHAD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No.: 07-9435 278	058-009
TA SECURITIES HOLDINGS BERHAD	15, Jalan Molek 1/5A Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3647 388	058-011
TA SECURITIES HOLDINGS BERHAD	No. 29-03, Jalan Sri Pelangi Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3364 672	058-013
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-2197 575	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6637 398	078-001
<u>KELANTAN DARUL NAIM</u>		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Level 4, Wisma TCH (formerly known as Wisma Square Point) Jalan Pengkalan Chepa 15400 Kota Baru Kelantan Darul Naim Tel No.: 09-7419 050	065-001
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 3953-H Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-7430 077	087-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7433 388	058-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground Floor & 1st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7473 906	078-004

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
<u>PAHANG DARUL MAKMUR</u>		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Ground 1st & 2nd Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-5057 800	065-001
KENANGA INVESTMENT BANK BHD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171 698	073-001
MALACCA SECURITIES SDN BHD	P11-3 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 09-2220 993	012-001
PHILIP CAPITAL SDN BHD <i>(formerly known as Alliance Investment Bank Berhad)</i>	Ground, Mezzanine & 1st Floor B-400 Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660 800	076-002
RHB INVESTMENT BANK BHD	No. 12, Ground Floor 1st and 2nd Floor Jalan Putra Square 1 Putra Square 25300 Pahang Darul Makmur Tel No.: 09-5173 811	087-007
<u>TERENGGANU DARUL IMAN</u>		
PHILIP CAPITAL SDN BHD <i>(formerly known as Alliance Investment Bank Berhad)</i>	No. 46, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6317 922	076-009
RHB INVESTMENT BANK BHD	1st Floor No. 59, Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816	087-055
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 37-B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6224 766	078-016

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
<u>SABAH</u>		
AFFIN HWANG INVESTMENT BANK BHD	Suite 1-9-E1, 9th Floor CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st – 3rd Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, Lot 12 Block A3, Phase 2 Utama Place Mile 6, Northern Road 90000 Sandakan Sabah Tel No.: 089-215 578	065-001
KENANGA INVESTMENT BANK BHD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	073-032
RHB INVESTMENT BANK BHD	2nd Floor No. 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-269 788	087-010
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 177 & 178 Ground Floor, Block 17 Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No.: 089-218 681	078-012
<u>SARAWAK</u>		
AFFIN HWANG INVESTMENT BANK BHD	Ground Floor & 1st Floor No. 1, Jalan Pending 93450 Kuching Sarawak Tel No.: 082-341 999	068-005
AMINVESTMENT BANK BERHAD	No. 162, 164, 166 & 168 1st Floor Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibul Sarawak Tel No.: 084-367 700	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Level 1 (North), Wisma STA No. 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 688	065-001
KENANGA INVESTMENT BANK BHD	Lot 1866, Jalan MS 2/5 Marina Square 2 Marina Parkcity 98000 Miri Sarawak Tel No.: 085-435 577	073-001
KENANGA INVESTMENT BANK BHD	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93400 Kuching Sarawak Tel No.: 082-338 000	073-001
KENANGA INVESTMENT BANK BHD	No. 11-12, (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No.: 084-313 855	073-001
MERCURY SECURITIES SDN BHD	1st Floor No.16 Jalan Getah 96100 Sarikei Sarawak Tel No.: 084-659 019	093-001
RHB INVESTMENT BANK BHD	Yung Kong Abell Units No. 1-10, 2nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-250 888	087-008
RHB INVESTMENT BANK BHD	102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel No.: 084-329 100	087-008

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 221, Park City Commerce Square Phase III Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	087-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibul Sarawak Tel No.: 084-319 998	058-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 1265, 1st Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-324 128	078-017
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground Floor & First Floor No. 16, Lorong Intan 6 96000 Sibul Sarawak Tel No.: 084-252 737	078-018