

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF WAWASAN DENGKIL HOLDINGS BERHAD (“WDHB” OR THE “COMPANY”) DATED 28 FEBRUARY 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, M & A Securities Sdn Bhd (“M&A Securities”), 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 Form is not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, M&A Securities and WDHB take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 28 February 2025 and will close at 5.00 p.m. on 11 March 2025.

In the event the Closing Date is extended, WDHB will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date, and make an announcement on Bursa Securities’ 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 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.

WawasanDengkil

Strong Foundation for a Strong Future

Dengkil
Selangor, Malaysia

WawasanDengkil WAWASAN DENGKIL HOLDINGS BERHAD
(202201013605 (1459302-T)) (Incorporated in Malaysia)

PROSPECTUS

PROSPECTUS WAWASAN DENGKIL HOLDINGS BERHAD WawasanDengkil

(202201013605 (1459302-T))
(Incorporated in Malaysia)

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

(I) PUBLIC ISSUE OF 108,025,800 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:

- 27,008,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 10,803,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
- 40,510,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY ("MITI"); AND
- 29,704,800 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

(II) OFFER FOR SALE OF 54,013,000 EXISTING SHARES IN THE FOLLOWING MANNER:

- 27,006,500 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY MITI; AND
- 27,006,500 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AT AN ISSUE/OFFER PRICE OF RM0.25 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Adviser, Sponsor, Underwriter and Placement Agent

Financial Adviser



M & A SECURITIES SDN BHD
(197301001503 (15017-H))

(A Participating Organisation of Bursa Malaysia Securities Berhad)



ECO ASIA CAPITAL ADVISORY SDN BHD
(201801022562 (1284581-H))

Bursa Securities has approved our admission to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities. This Prospectus has been registered by Bursa Securities. The approval of the listing and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities and registration of this Prospectus, should not be taken to indicate that Bursa Securities recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. Bursa Securities has not, in any way, considered the merits of the securities being offered for investment. Bursa Securities is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 198.

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

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

This Prospectus is dated 28 February 2025

Email: info@wawasandengkil.com

1F-9, Jalan Intan 5/1, Taman Intan, 43800 Dengkil, Selangor

www.Wawasandengkil.com

Our Directors, Promoters and Selling Shareholders (as defined herein) 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 the Prospectus false or misleading.

M & A Securities Sdn Bhd, being our Principal Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), 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.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the ROC (as defined herein), who takes no responsibility for its contents.

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

Shares are offered to the public premised on full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMA, is responsible.

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 13 November 2024. Our 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. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The SC (as defined herein) had on 13 November 2024 approved the resultant equity structure of our Company under the equity requirements for public listed companies pursuant to our Listing (as defined herein).

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

This Prospectus has not been and will not be made to 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 or other relevant body of any jurisdiction other than Malaysia.

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 accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

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.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall 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 us nor our Adviser nor any other advisers in relation to our IPO shall 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.

ELECTRONIC PROSPECTUS

This Prospectus can 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 Exchange are the same.

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

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, the Adviser or Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with Bursa Securities shall prevail.

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

- (i) We and our Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or costs 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 of any data, information, files or other material provided by such parties; and
- (iii) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

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

- (i) The Internet Participating Financial Institutions or Participating Securities Firms are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions or Participating Securities Firms and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions or Participating Securities Firms and thereafter communicated or disseminated in any manner to you or other parties; and
- (ii) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions or Participating Securities Firms shall not be liable (whether in tort or contract or otherwise) for any loss, damage or 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 an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institutions or participating securities firms, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Indicative date
Issuance of this Prospectus/Opening of Application	28 February 2025
Closing of Application	11 March 2025
Balloting of Application	13 March 2025
Allotment/Transfer of IPO Shares to successful applicants	21 March 2025
Date of Listing	25 March 2025

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used in this section are defined under "Definitions" commencing from page vii.

All references to "WDHB" and "Company" in this Prospectus are to Wawasan Dengkil Holdings Berhad (202201013605 (1459302-T)). Unless otherwise stated, references to "Group" are to our Company and our subsidiary taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiary. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or one decimal place (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All references to dates and times are references to dates and times in Malaysia.

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

This Prospectus includes statistical data provided by our Management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

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, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements 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 Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (i) demand for our services;
- (ii) our business strategies;
- (iii) our future plans;
- (iv) our future earnings, cash flows and liquidity; and
- (v) our ability to pay future dividends.

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

- (i) the economic, political and investment environment in Malaysia; and
- (ii) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information". 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 date of this Prospectus.

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 of the SC.

DEFINITIONS

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

COMPANIES WITHIN OUR GROUP:

"WDHB" or "Company"	: Wawasan Dengkil Holdings Berhad (202201013605 (1459302-T))
"WDHB Group" or "Group"	: WDHB and its subsidiary, collectively
"WDSB"	: Wawasan Dengkil Sdn Bhd (200301005307 (607727-H))

GENERAL:

"ACE Market"	: ACE Market of Bursa Securities
"Acquisition"	: Acquisition by WDHB of the entire equity interest of WDSB from T Force and Lim Soon Yik for a purchase consideration of RM60,494,400 which was wholly satisfied by the issuance of 432,102,860 new Shares at an issue price of approximately RM0.14 per Share, which was completed on 28 November 2024
"Act"	: Companies Act 2016
"ADA"	: Authorised Depository Agent
"Adviser" or "Sponsor" or "Placement Agent" or "Underwriter"	: M&A Securities
"Application(s)"	: Application(s) for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form(s)"	: Printed application form(s) for the application of our IPO Shares accompanying this Prospectus
"ATM"	: Automated teller machine
"BHSB"	: Bayu Hayati Sdn Bhd (201401023571 (1099658-X))
"BISB"	: Banjaran Impian Sdn Bhd (201001040050 (923975-U))
"BNM"	: Bank Negara Malaysia
"Board"	: Board of Directors of WDHB
"Bursa Depository" or "Depository"	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"CAGR"	: Compound annual growth rate
"CCC"	: Certificate of completion and compliance

DEFINITIONS (Cont'd)

"CCM"	: Companies Commission of Malaysia
"CDS"	: Central Depository System
"CDS Account"	: Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
"Central Depositories Act" or "SICDA"	: Securities Industry (Central Depositories) Act 1991
"CIDB"	: Construction Industry Development Board of Malaysia
"CIDB Act"	: Construction Industry Development Board Act 1994, as amended from time to time and any re-enactment thereof
"Closing Date"	: Date adopted in this Prospectus as the last date for acceptance and receipt of the Application
"CMSA"	: Capital Markets and Services Act 2007
"Collaboration Agreements"	: LASB Collaboration Agreement and WISB Collaboration Agreement, collectively
"Constitution"	: Our constitution
"COVID-19"	: Coronavirus disease, an infectious disease which affects the respiratory system, and it is a global pandemic
"Customer L"	: A private limited company incorporated and based in Malaysia, which is involved in the manufacturing and sales of solar ingots, solar wafers, solar cells and solar modules Customer L is an indirect wholly-owned subsidiary of a public company listed on the Main Board of Shanghai Stock Exchange. The ultimate parent company of Customer L is principally involved in the manufacture of solar energy products We are unable to disclose the identity of Customer L as they do not consent to the disclosure of any information relating to them, in line with their policy with their customers and suppliers
"Depository Rules" or "Rules of Bursa Depository"	: Rules of Bursa Depository and any appendices thereto as they may be amended from time to time
"Director(s)"	: An executive director or a non-executive director of WDHB within the meaning of Section 2 of the Act
"DLSB"	: Danau Lestari Sdn Bhd (201401028992 (1105078-P))
"EBIT"	: Earnings before interest and tax
"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

DEFINITIONS (Cont'd)

"Electronic Share Application(s)"	: Application(s) for IPO Shares through a Participating Financial Institution's ATM
"Eligible Person(s)"	: The eligible Director(s), employee(s), and person(s) who have contributed to the success of our Group who are eligible to participate in the Pink Form Allocations, collectively
"EPS"	: Earnings per share
"ESG"	: Environmental, social and governance
"FPE 2024"	: 4-months financial period from 1 July 2023 to 31 October 2023
"FPE 2025"	: 4-months financial period from 1 July 2024 to 31 October 2024
"FRSB"	: First Reap Sdn Bhd (200601022607 (742361-V))
"FYE"	: Financial year ended/ ending 30 June, as the case may be
"Government"	: Government of Malaysia
"GP"	: Gross profit
"IFRS"	: International Financial Reporting Standards
"IMR" or "Protégé"	: Protégé Associates Sdn Bhd (200401037256 (675767-H)), our Independent Market Researcher
"IMR Report"	: Independent Market Research Report titled "Independent Market Research Report on the Construction Industry in Malaysia" dated 7 February 2025
"Initial Public Offering" or "IPO"	: Our initial public offering comprising the Public Issue and Offer for Sale
"Internet Participating Financial Institution(s)" or "Participating Securities Firm(s)"	: Participating financial institution(s) for Internet Share Application as listed in Section 16.6
"Internet Share Application(s)"	: Application(s) for IPO Shares through an online share application service provided by Internet Participating Financial Institution or Participating Securities Firm
"IPO Price"	: Issue/Offer price of RM0.25 per Share under the Public Issue and Offer for Sale
"IPO Share(s)"	: Issue Share(s) and Offer Share(s), collectively
"ISO"	: International Organisation for Standardisation
"Issue Share(s)"	: 108,025,800 new Share(s) to be issued pursuant to Public Issue
"Issuing House"	: Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))

DEFINITIONS (Cont'd)

"JMSB"	: Jejaka Makmur Sdn Bhd (199401027828 (313510-W))
"JN Murni"	: JN Murni Sdn Bhd (200701011753 (769758-M))
"LASB"	: Landasan Angsana Sdn Bhd (201001019291 (903000-K))
"LASB Collaboration Agreement"	: Collaboration agreement dated 15 June 2023 between WDSB and LASB
"Listing"	: Listing of and quotation for the entire enlarged share capital of RM87,500,860 comprising 540,128,760 Shares on the ACE Market
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities, as amended from time to time
"Listing Scheme"	: Comprising the Public Issue, Offer for Sale and Listing, collectively
"LNBK"	: LNBK Development Sdn Bhd (201401001343 (1077416-T))
"LPD"	: 28 January 2025, being the latest practicable date for ascertaining certain information contained in this Prospectus
"LSSPV"	: Large scale solar photovoltaic
"M&A Securities"	: M & A Securities Sdn Bhd (197301001503 (15017-H))
"Malaysian Public"	: Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia, but excluding WDHB's Directors, substantial shareholders and persons connected or associated with them (as defined in the Listing Requirements)
"Market Day(s)"	: Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"MCCG"	: Malaysian Code on Corporate Governance
"MCO"	: The movement control order imposed in Malaysia implemented as a preventive measure by the Government in response to the COVID-19 pandemic in the country, which began from 18 March 2020 and unless otherwise specified, includes all its subsequent phases
"MFRS"	: Malaysian Financial Reporting Standards
"MITI"	: Ministry of Investment, Trade and Industry
"NA"	: Net assets
"NBV"	: Net book value
"NRP"	: National Recovery Plan, to help the country emerge from the COVID-19 pandemic and economic fallout, and consist of 4 phases
"NSSB"	: Nestcon Solar Sdn Bhd (201901041418 (1350748-V))

DEFINITIONS (Cont'd)

"Offer for Sale"	: Offer for sale by the Selling Shareholders of 54,013,000 Offer Shares at the IPO Price
"Offer Share(s)"	: 54,013,000 existing Share(s) to be offered by the Selling Shareholders pursuant to the Offer for Sale
"Official List"	: A list specifying all securities which have been admitted for listing on the ACE Market
"Participating Financial Institution(s)"	: Participating financial institution(s) for Electronic Share Application as listed in Section 16.5
"PAT"	: Profit after taxation
"PBT"	: Profit before taxation
"PE Multiple"	: Price-to-earnings multiple
"Pink Form Allocations"	: Allocation of 10,803,000 Issue Shares to our Eligible Persons, which forms part of our Public Issue
"PMVSB"	: Pristine Multi-Vision (M) Sdn Bhd (200601005566 (725315-K))
"PPE"	: Property, plant and equipment
"Promoter(s)"	: T Force, Lim Soon Yik and Lim Kok Seng, collectively
"Prospectus"	: This prospectus dated 28 February 2025 in relation to our IPO
"Public Issue"	: Public issue of 108,025,800 Issue Shares at the IPO Price
"QC"	: Quality control
"ROC"	: Registrar of Companies
"SC"	: Securities Commission Malaysia
"Selling Shareholder(s)"	: T Force and Lim Soon Yik, who are undertaking the Offer for Sale
"Share(s)" or "WDHB Share(s)"	: Ordinary share(s) in WDHB
"SOP(s)"	: Standard operating procedure(s)
"Specified Shareholder(s)"	: T Force, Lim Soon Yik, Lim Kok Seng, Lim Soon Keat and Sich Kah Yong, collectively
"SPKK"	: Sijil Perolehan Kerja Kerajaan
"T Force"	: T Force Holdings Sdn Bhd (202301028965 (1522888-V))
"TISB"	: Trinity Infra Sdn Bhd (201001022863 (906633-P))
"TNB"	: Tenaga Nasional Berhad (199001009294 (200866-W))
"TVSB"	: Triumvirate Vest Sdn Bhd (199401007968 (293647-K))

DEFINITIONS (*Cont'd*)

"Underwriting Agreement"	: Underwriting agreement dated 6 January 2025 entered into between WDHB and M&A Securities for the purpose of our IPO
"WD Development"	: WD Development Sdn Bhd (20130101698 (1040540-A))
"WD Solar"	: WD Solar Sdn Bhd (201801002101 (1264114-V))
"WISB"	: Warisan Infra Sdn Bhd (200701002022 (760020-U))
"WISB Collaboration Agreement"	: Collaboration agreement dated 14 November 2022 between WDSB and WISB
"WISB Shareholders"	: Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and Lim Kok Seng, collectively
"WLSB"	: WD Loader Sdn Bhd (200701000531 (758529-A))

CURRENCY, UNITS AND OTHERS:

"kg"	: Kilogram
"mm"	: Millimetres
"MT"	: Metric ton
"MWac"	: Megawatt alternating current
"RM" and "sen"	: Ringgit Malaysia and sen respectively
"sq ft"	: Square feet

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TECHNICAL GLOSSARY

This glossary contains an explanation of certain terms used throughout this Prospectus in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms:

"2D drawing"	: Two-dimensional drawing, any form of visual art that possesses the dimensions of length and width but not depth
"3D drawing"	: Three-dimensional drawing, any form of visual art that possesses all the dimensions of length, width, and depth
"As-built drawings"	: Drawings created to show a complete history of every change and update made to a project
"Asphalt binder"	: A residue from petroleum refining that is used as a glue to hold the aggregate in an asphalt pavement together
"Backfilled materials"	: Materials such as soil and gravel that is used to refill an excavated trench or hole
"Bill of quantities"	: A document prepared by the cost consultant (often a quantity surveyor) that provides specific measured quantities of the items of work identified by the drawings and specifications in the tender documentation
"Bitumen"	: A semi-solid hydrocarbon product obtained naturally or produced from refining crude oil
"Bitumen emulsion"	: A mixture of bitumen and water
"Cast-in-situ"	: Construction material that is to be assembled or cast on site rather than prefabricated in a factory
"CMGD"	: Certificate of Making Good Defects, issued to the contractor by the architect on behalf of the customer after identified defects have been rectified upon expiry of the DLP
"CPC"	: Certificate of Practical Completion, issued by the project's architect on behalf of the customer to the contractor, when the contractor has completed its assigned obligations and handed the work to the customer
"Crusher run"	: A blended mix of crushed stone and stone dust
"DLP"	: Defect liability period, a period of time after a development project has been completed where the developer is obliged to return to the site to remedy defects, if any
"Embankment"	: A volume of compressed earth materials that is placed and compacted to raise the grade line of a roadway above the existing surrounding ground surface level
"Field density test"	: An in-situ quality control test that is carried out at site to determine the level of density or compaction achieved at site on soil fillings
"GPS"	: Global positioning system, a satellite-based radio navigation system that provides users with positioning, navigation and timing

TECHNICAL GLOSSARY (Cont'd)

"Gravel"	: A loose aggregation of rounded rock fragments
"Guideway"	: A channel or track for controlling the line of motion of an urban rail
"LAD"	: Liquidated ascertained damages, damages due to customer calculated at a rate as stated in the contract agreement when a construction contractor fails to deliver the completed work within the period stipulated in the contract agreement
"Park and ride"	: A system in which a person can park his or her car at one location and then take public transportation to the next destination
"Precast"	: Construction material that is prefabricated in a factory rather than assembled or cast on site
"QMS"	: Quality management system, a system that documents policies, processes, procedures and responsibilities for achieving quality policies and objectives to meet customer and regulatory requirements and continuously improve its effectiveness and efficiency
"Resident Engineer"	: A person normally appointed by the customer and is responsible for ensuring that construction works are carried out according to the quality, time and cost requirements of the contract
"Retention sum"	: An amount of progress billings which is not paid until the conditions specified in the agreement for the payment of such amounts have been met or until defects have been rectified
"Roadbase"	: A layer of material that is laid on top of the subbase
"Sediment basin"	: A temporary pond built on a construction site to trap and store sediment and debris
"Sheet piling"	: Sections of sheet materials with interlocking edges that are driven into the ground to provide temporary or permanent retaining walls
"Shotfirer"	: A qualified individual who generally inspects blasting sites and activities as well as assembles, positions and detonates explosives at a blasting site to dislodge rocks
"Silt fence"	: Filter fabric stretched across and attached to supporting posts at construction site to control sediment and prevent soil erosion by trapping and filtering silt water
"Silt trap"	: A settling hole or basin that prevents silt from entering and damaging sewer systems
"Strutting"	: A technique of providing support to the side of a trench
"Subbase"	: A layer of material that is laid on top of the subgrade

TECHNICAL GLOSSARY (Cont'd)

"Superintending Officer"	: A person normally appointed by the customer to administer the terms and conditions of the construction contract between the customer and the contractor, whereby the person generally acts as the customer's representative to certify, supervise and issue work instructions in accordance with the provision of the construction contract
"Tack coat"	: A thin bituminous liquid asphalt and emulsion applied to the asphalt binder course surface to promote bonding
"Total station"	: An electronic/optical land surveying instrument used to measure distances and angles
"VOP"	: Variation of price
"Wearing course"	: The surface layer of a road that is in contact with traffic loads

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PROJECTS

This following is a brief description of some of the projects undertaken by our Group:

Ongoing projects

"Avalton Project"	Melaka	:	Provision of earthworks involving temporary works and drainage, site clearance and earthwork, ground treatment, shoreline rip-rap revetment (a shoreline hardened with rocks) and environmental protection works for the development of a service apartment at part of Lot PT 952 – PT 957 in Daerah Melaka Tengah VIII III, Melaka
"Central Spine Road Project"		:	Provision of earthworks and civil engineering services involving site clearance and demolition works, drainage works, pavement works, road furniture, geotechnical works and structures for the Central Spine Road from Kampung Laloh to Persimpangan FT66 in Kelantan
"Cybersouth Project"		:	Provision of earthworks involving site clearance, earthwork, temporary works and temporary hoarding for the development of gated and guarded community at PT 72121, PT 72126 and PT 72127 Cybersouth, Dengkil, Selangor
"Cybersouth Project"	Avaland	:	Provision of earthworks involving site clearance, earthwork, temporary works and temporary hoarding for the development of 18 units of 3-storey shop office, 31 units of 2-storey shop office and 1 unit of electrical substation at Lot 124449, Persiaran Cybersouth Utama in Dengkil, Selangor
"KLCC Project"		:	Provision of civil engineering services involving roadworks, drainage, sewerage and water reticulation for the construction and completion of substructure, retail podium, gallery and associated work for a mixed development in Kuala Lumpur City Centre
"LRT Line 3 Project"		:	Provision of civil engineering services involving guideway, stations, park and ride, ancillary building and other associated works for the construction and completion of light rail transit line 3 from Bandar Utama to Johan Setia in Selangor
"Nexus Cheras Project"		:	Provision of civil engineering services involving the supply, delivery, installation, testing and commissioning of external infrastructure works for the development of a service apartment in Kuala Lumpur
"Semenyih Project"	PT37330	:	Provision of earthworks involving desilting and maintenance works for the development of 2 blocks of Rumah Selangorku and 2 blocks of car park podium at Lot PT 37330 in Pekan Semenyih, Selangor
"Setia Alaman Project"		:	Provision of earthworks and associated works involving site clearance and earthworks, soil improvement work, detention pond and metal hoarding works in Klang, Selangor
"Setia Eco Park Project"		:	Provision of earthworks and associated works for Phase 19B, Phase 19C and Phase 23 at Precinct 2, Setia Eco Park in Shah Alam, Selangor
"Sungai Long Project"		:	Provision of earthworks and civil engineering services involving site clearing, excavation of rocks, temporary drainage and associated work in Hulu Langat, Selangor

PROJECTS (*Cont'd*)

- "Tanjong 12 Lot 68054 Project" : Provision of civil engineering services involving roadworks for the mixed development on Lot 68054 in Mukim Tanjong Dua Belas, Selangor known as Gamuda Cove (Phase 4)
- "UMW Package 14 Project" : Provision of civil engineering services involving piling works, drainage works, pavement works, water reticulation works and other miscellaneous works, and mechanical and electrical works for the development of UMW High Value Manufacturing Park, Northern Zone at Seksyen 20 in Serendah, Selangor
- "UMW Package 15 Project" : Provision of earthworks and civil engineering services involving site clearance, earthworks, temporary works and drainage works for the development of UMW High Value Manufacturing Park, Northern Zone at Seksyen 20 in Serendah, Selangor

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PROJECTS (*Cont'd*)

Completed projects

- "Air Terentang Project" : Provision of earthworks including site clearing and related works for a mixed development at Air Terentang in Sepang, Selangor
- "Asta Project" : Provision of earthworks and civil engineering services involving earthworks, piling works, reinforced concrete wall, reinforced earth wall and building works for the design and build, testing and commissioning of 2 units of semi-detached 3- and 4-storey office cum warehouse building at Kawasan Perindustrian Asta in Kajang, Selangor
- "Bandar Serendah Project" : Provision of earthworks involving site clearing, erosion and sediment control plan and ground treatment works for the construction of a solar panel manufacturing factory and warehouse in Serendah, Selangor
- "Bidor Solar PV Project" : Provision of earthworks and civil engineering services involving land clearing, topsoil removal, cut and fill (for earthworks), roadworks, drainage for storm water, retention pond, foundation, incoming water from local authority, water cleaning facility for photovoltaic panel, incoming electricity from local authority, guard house, fencing, gate, street lighting, disposal of waste, operations and maintenance site office, construction or site office, laydown area, turfing, wash through and temporary water and electricity supply for the development of 50 MWac LSSPV plant in Bidor, Perak
- "Cyberjaya Earthwork Project" : Provision of earthworks involving cutting, filling and compaction for the development of a condominium in Cyber10, Cyberjaya, Dengkil, Selangor
- "Cybersouth Apartment Project" : Provision of earthworks and related works for the development of service apartments in Cybersouth, Dengkil, Selangor
- "Hillpark 4 Project" : Provision of earthworks and civil engineering services involving site preparation, reinforced concrete wall, reinforced soil wall, slope strengthening works, erosion and sediment control, internal surface water drainage, internal sewerage reticulation, main drain and rubble wall for a residential development in Semenyih, Selangor known as Hillpark 4
- "Hulu Selangor Project" : Provision of earthworks involved cutting, filling and compaction and civil engineering services involving roadworks for the development of UMW High Value Manufacturing Park, at Seksyen 20 in Serendah, Selangor
- "Kajang 2 Project" : Provision of civil engineering services involving roadworks, mill and pave works for the construction of roadworks from Kajang 2 roundabout to the traffic light at an international school in Kajang, Selangor
- "Kem Rejimen 503 Project" : Provision of earthworks and related works for the development of "camp regiment 503" in Bagan Datuk, Perak
- "Kuala Kerak Project" : Provision of earthwork and civil engineering services for the construction of a LSSPV energy generating facility at Kuala Kerak, Kelantan
- "Kuala Muda Project" : Provision of earthwork and civil engineering services for the construction of a LSSPV energy generating facility at Kuala Muda, Kedah

PROJECTS (*Cont'd*)

- "MKH Boulevard 2 Project" : Provision of civil engineering services involving external and internal boundaries, retaining concrete wall, additional earthworks at school and prayer hall land, as well as temporary slope protection for Jalan Bukit upgrading works for the development of a block of service apartment in Kajang, Selangor known as MKH Boulevard 2
- "MRT Kajang Project" : Construction and completion of a maintenance depot, external works and other associated works for the construction and completion of Kajang Maintenance Depot for the Klang Valley Mass Rapid Transit (Sungai Buloh-Kajang Line) in Kajang, Selangor
- "Phase 3 Tanjong Dua Belas Project" : Provision of earthworks involving filling, compaction and excavation for a mixed development in Mukim Tanjung Dua Belas, Selangor
- "Rumah Keluarga Project" : Provision of earthworks and related works for the development of Rumah Keluarga Angkatan Tentera at camp regiment 503 in Bagan Datuk, Perak
- "Setia Eco Park Seksyen U13 Project" : Provision of earthworks and civil engineering services for the development of 28 units bungalows at Setia Eco Park, Seksyen U13 in Shah Alam, Selangor
- "Taman Beverly Heights Project" : Provision of earthworks and civil engineering services involving reinforced concrete wall, internal and external boundary for the development of 3 blocks of condominium at Taman Beverly Heights in Daerah Gombak, Selangor
- "Taman Sains Selangor 2 Project" : Provision of earthworks including site clearing for a higher education site at Taman Sains Selangor 2 in Dengkil, Selangor
- "Tanjung 12 Phase 1 Project" : Provision of earthworks involving cutting and filling works for the Tanjung Dua Belas development site in Mukim Tanjung Dua Belas, Selangor
- "Tanjung 12 Phase 2 Project" : Provision of earthworks involving cutting and filling works for the Tanjung Dua Belas development site in Mukim Tanjung Dua Belas, Selangor
- "Tanjung 12 Phase 3 Project" : Provision of earthworks involving cutting and filling works for the Tanjung Dua Belas development site in Mukim Tanjung Dua Belas, Selangor
- "Tanjung 12 Lot 8959 Project" : Provision of earthworks involving cutting, filling and compaction for the Tanjung Dua Belas development site in Mukim Tanjung Dua Belas, Selangor
- "Tanjung Industrial Area Project" : Provision of earthworks including site preparation for the industrial development at Kawasan Perindustrian Tanjung in Mukim Labu, Selangor
- "Techpark 2 Bandar Enstek Project" : Provision of earthworks and civil engineering services involving retaining structure, road, drainage, sewerage, water reticulation, landscape, and mechanical and electrical works for the development of infrastructure works at Bandar Enstek, Negeri Sembilan
- "UMW Bandar Serendah Project" : Provision of earthworks for the construction of 2 blocks of 1-storey factory, 1 block of 1-storey office, 1 unit of guard house, 1 electrical substation and 5 units of 'garbage house' in Serendah, Selangor

PROJECTS (*Cont'd*)

- "UMW Package 3, : Provision of earthworks and civil engineering services involving site
Section 2 Project" preparation, primary stormwater drainage system and detention pond for
the development of UMW High Value Manufacturing Park, Southern Zone
at Seksyen 20 in Serendah, Selangor
- "UMW Package 3, : Provision of earthworks and civil engineering services involving cut, fill
Section 3 Project" and compaction, erosion and sediment control plan and drainage works
for the development of UMW High Value Manufacturing Park, Southern
Zone at Seksyen 20 in Serendah, Selangor
- "UMW Package 8, : Provision of earthworks and civil engineering services involving cut, fill,
Section 1A Project" compaction, erosion and sediment control plan, road construction,
drainage works and sewerage works for the development of UMW High
Value Manufacturing Park, Southern Zone at Seksyen 20 in Serendah,
Selangor
- "UMW Package 8, : Provision of earthworks and civil engineering services involving cut, fill,
Section 1B Project" compaction, erosion and sediment control plan, road construction,
drainage works and sewerage works for the development of UMW High
Value Manufacturing Park, Southern Zone at Seksyen 20 in Serendah,
Selangor
- "UMW Package 8, : Provision of civil engineering services involving roadworks, drainage for
Section 2A Project" effluent sewerage drainage plant, TNB substation, and mechanical and
electrical infrastructure works for the development of UMW High Value
Manufacturing Park, Southern Zone at Seksyen 20 in Serendah, Selangor
- "UMW Package 8, : Provision of earthworks and civil engineering services involving cut, fill,
Section 2B Project" compaction, erosion and sediment control plan, road construction,
drainage works and sewerage works for the development of UMW High
Value Manufacturing Park, Southern Zone at Seksyen 20 in Serendah,
Selangor
- "UMW Package 10 : Provision of earthworks and civil engineering services involving site
Project" clearance, drainage works and other associated works for the
development of UMW High Value Manufacturing Park, Northern Zone at
Seksyen 20 in Serendah, Selangor

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TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	PROSPECTUS SUMMARY	
2.1	PRINCIPAL DETAILS OF IPO	4
2.2	GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS	4
2.3	INTERRUPTIONS IN BUSINESS.....	6
2.4	COMPETITIVE STRENGTHS	6
2.5	BUSINESS STRATEGIES.....	7
2.6	RISK FACTORS	7
2.7	DIRECTORS AND KEY SENIOR MANAGEMENT	9
2.8	PROMOTERS AND SUBSTANTIAL SHAREHOLDERS.....	10
2.9	UTILISATION OF PROCEEDS	11
2.10	FINANCIAL HIGHLIGHTS	11
2.11	DIVIDEND POLICY	13
3.	APPROVALS AND CONDITIONS	
3.1	APPROVALS AND CONDITIONS.....	14
3.2	MORATORIUM ON OUR SHARES.....	16
4.	DETAILS OF OUR IPO	
4.1	OPENING AND CLOSING OF APPLICATION PERIOD	17
4.2	INDICATIVE TIMETABLE	17
4.3	DETAILS OF OUR IPO	17
4.4	SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS	23
4.5	PURPOSES OF OUR IPO	23
4.6	BASIS OF ARRIVING AT OUR IPO PRICE	24
4.7	TOTAL MARKET CAPITALISATION UPON LISTING	24
4.8	DILUTION	25
4.9	UTILISATION OF PROCEEDS	26
4.10	BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION	30
4.11	SALIENT TERMS OF THE UNDERWRITING AGREEMENT	31
4.12	TRADING AND SETTLEMENT IN SECONDARY MARKET	34
5.	INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT	
5.1	PROMOTERS AND SUBSTANTIAL SHAREHOLDERS.....	35
5.2	DIRECTORS.....	40
5.3	KEY SENIOR MANAGEMENT.....	68
5.4	BOARD PRACTICE	81
5.5	RELATIONSHIPS AND/OR ASSOCIATIONS.....	88
5.6	EXISTING OR PROPOSED SERVICE AGREEMENTS	88
5.7	DECLARATIONS FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT	88
6.	INFORMATION ON OUR GROUP	
6.1	INFORMATION ON OUR COMPANY	90
6.2	ACQUISITION.....	90
6.3	GROUP STRUCTURE.....	92
6.4	SUBSIDIARY	94
6.5	MATERIAL CONTRACTS.....	95
6.6	PUBLIC TAKE-OVERS	96
6.7	MAJOR APPROVALS AND LICENCES	97
6.8	TRADEMARKS	100
6.9	PROPERTY, PLANT AND EQUIPMENT	102
6.10	RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS	106
6.11	ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES.....	110
6.12	EMPLOYEES.....	113

TABLE OF CONTENTS (*Cont'd*)

7.	BUSINESS OVERVIEW	
7.1	BACKGROUND INFORMATION	114
7.2	DESCRIPTION OF OUR BUSINESS.....	119
7.3	OPERATING OR TRADING MECHANISMS.....	144
7.4	PRINCIPAL MARKETS	152
7.5	SALES AND MARKETING.....	154
7.6	TECHNOLOGY USED OR TO BE USED.....	154
7.7	INTERRUPTIONS IN BUSINESS.....	155
7.8	SEASONALITY.....	155
7.9	MAJOR CUSTOMERS	156
7.10	MAJOR SUPPLIERS.....	167
7.11	MAJOR SUBCONTRACTORS	173
7.12	TYPES, SOURCES AND AVAILABILITY OF INPUTS	179
7.13	QUALITY CONTROL MANAGEMENT	180
7.14	RESEARCH AND DEVELOPMENT.....	181
7.15	COMPETITIVE STRENGTHS	181
7.16	FUTURE PLANS AND BUSINESS STRATEGIES	183
8.	IMR REPORT	186
9.	RISK FACTORS	
9.1	RISKS RELATING TO OUR BUSINESS AND OUR OPERATIONS	198
9.2	RISKS RELATING TO OUR INDUSTRY	205
9.3	RISKS RELATING TO THE INVESTMENT IN OUR SHARES.....	206
9.4	OTHER RISKS	207
10.	RELATED PARTY TRANSACTIONS	
10.1	RELATED PARTY TRANSACTIONS	208
10.2	OTHER TRANSACTIONS	240
11.	CONFLICT OF INTEREST	
11.1	INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS	244
11.2	DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS.....	245
12.	FINANCIAL INFORMATION	
12.1	HISTORICAL FINANCIAL INFORMATION	246
12.2	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	255
12.3	LIQUIDITY AND CAPITAL RESOURCES	310
12.4	BORROWINGS	311
12.5	TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES	315
12.6	MATERIAL CAPITAL COMMITMENTS	315
12.7	MATERIAL LITIGATION AND CONTINGENT LIABILITIES	315
12.8	KEY FINANCIAL RATIOS.....	318
12.9	SIGNIFICANT FACTORS AFFECTING OUR GROUP'S OPERATIONS AND FINANCIAL PERFORMANCE	324
12.10	IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES.....	325
12.11	IMPACT OF INFLATION	326
12.12	IMPACT OF FOREIGN EXCHANGE RATE	326
12.13	IMPACT OF INTEREST RATE.....	326
12.14	ORDER BOOK	326
12.15	DIRECTORS' STATEMENT ON OUR GROUP'S FINANCIAL PERFORMANCE	327
12.16	TREND INFORMATION	327
12.17	DIVIDEND POLICY	328
12.18	CAPITALISATION AND INDEBTEDNESS.....	329

TABLE OF CONTENTS (Cont'd)

13.	ACCOUNTANTS' REPORT	330
14.	REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION	434
15.	STATUTORY AND OTHER INFORMATION	
15.1	SHARE CAPITAL.....	447
15.2	SHARE CAPITAL OF OUR SUBSIDIARY	447
15.3	CONSTITUTION	448
15.4	GENERAL INFORMATION.....	455
15.5	CONSENTS	456
15.6	DOCUMENTS FOR INSPECTION	456
15.7	RESPONSIBILITY STATEMENTS	457
16.	SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE	
16.1	OPENING AND CLOSING OF APPLICATION PERIOD	458
16.2	METHODS OF APPLICATIONS	458
16.3	ELIGIBILITY	459
16.4	APPLICATION BY WAY OF APPLICATION FORMS	460
16.5	APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS	461
16.6	APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS	461
16.7	AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE	461
16.8	OVER/ UNDER SUBSCRIPTION	462
16.9	UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS	463
16.10	SUCCESSFUL APPLICANTS.....	464
16.11	ENQUIRIES.....	464

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Residential address	Nationality/ Profession	Gender
Thien Chiet Chai	Independent Non-Executive Chairman	63, Casaman 2, Changkat Intisari Desa Parkcity 52200 Kuala Lumpur	Malaysian/ Director	Male
Lim Soon Yik	Executive Director	Lot 2585, Batu 32 ¼ Jalan Banting 43800 Dengkil Selangor	Malaysian/ Director	Male
Lim Kok Seng	Executive Director	Lot 2585, Batu 32 ¼ Jalan Banting 43800 Dengkil Selangor	Malaysian/ Director	Male
Datuk Ir. Chow Pui Hee	Independent Non-Executive Director	C-09-1, 9 Bukit Utama 9, Persiaran Bukit Utama Bandar Utama 47800 Petaling Jaya Selangor	Malaysian/ Director	Female
Koay Lay Ling	Independent Non-Executive Director	42A, Jalan Puteri 6/7 Bandar Puteri 6 47100 Puchong Selangor	Malaysian/ Director	Female
Mohamad Anuar Bin Mohamad Isa	Independent Non-Executive Director	2, Jalan Tun Teja 35/4A Taman Alam Impian 40470 Shah Alam Selangor	Malaysian/ Director	Male

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Koay Lay Ling	Chairperson	Independent Non-Executive Director
Datuk Ir. Chow Pui Hee	Member	Independent Non-Executive Director
Mohamad Anuar Bin Mohamad Isa	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Mohamad Anuar Bin Mohamad Isa	Chairperson	Independent Non-Executive Director
Datuk Ir. Chow Pui Hee	Member	Independent Non-Executive Director
Koay Lay Ling	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Datuk Ir. Chow Pui Hee	Chairperson	Independent Non-Executive Director
Mohamad Anuar Bin Mohamad Isa	Member	Independent Non-Executive Director
Koay Lay Ling	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Teo Soon Mei (SSM PC 201908000235) (MAICSA 7018590)
(Chartered Secretary and Chartered Governance Professional, Fellow of the Malaysian Institute of Chartered Secretaries and Administrator and Master of Corporate Governance)
- Nazirah Binti Nazri (SSM PC 202408000275) (MAICSA 7071328)
(Chartered Secretary of the Malaysian Institute of Chartered Secretaries and Administrator)
- D-09-02, Level 9, EXSIM Tower
Millerz Square @ Old Klang Road, Megan Legasi
357, Jalan Kelang Lama
58000 Kuala Lumpur
- Telephone: 03-7971 8080
- REGISTERED OFFICE** : D-09-02, Level 9, EXSIM Tower
Millerz Square @ Old Klang Road, Megan Legasi
357, Jalan Kelang Lama
58000 Kuala Lumpur
- Telephone: 03-7971 8080
- HEAD OFFICE** : 1-5, 1-6, 1-7, 1-8 & 1-9
Jalan Intan 5/1
Taman Intan
43800 Dengkil
Selangor
- Telephone: 03-8768 6457
- EMAIL ADDRESS AND WEBSITE** : Website: <http://www.Wawasandengkil.com/>
Email address: info@wawasandengkil.com
- AUDITOR AND REPORTING ACCOUNTANT FOR OUR LISTING** : Ecovis Malaysia PLT (201404001750 (LLP0003185-LCA)) & (AF 001825)
- D-10-03, Level 10, EXSIM Tower
Millerz Square @ Old Klang Road, Megan Legasi,
357, Jalan Kelang Lama
58000 Kuala Lumpur
- Telephone: 03-7986 0066
- Engagement partner: Chua Kah Chun
(Chartered Accountant, Fellow of the Association of Chartered Certified Accountants and Member of the Malaysian Institute of Accountants)
Approved number: 2696/09/2025(J)

1. CORPORATE DIRECTORY (*Cont'd*)

SOLICITOR FOR OUR LISTING	: Teh & Lee A-3-3 & A-3-4 Northpoint Offices Mid Valley City 1, Medan Syed Putra Utara 59200 Kuala Lumpur Telephone: 03-2283 2800
ISSUING HOUSE AND SHARE REGISTRAR	: 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 Telephone: 03-2264 8888
INDEPENDENT MARKET RESEARCHER	: Protégé Associates Sdn Bhd (200401037256 (675767-H)) Suite C-09-12, Plaza Mont' Kiara 2, Jalan Kiara Mont' Kiara 50480 Kuala Lumpur Telephone: 03-6201 9301 Person-in-charge: Seow Cheow Seng (<i>Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia</i>)
PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	: M & A Securities Sdn Bhd (197301001503 (15017-H)) 45 & 47, Levels 3 and 7, The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone: 03-2284 2911
FINANCIAL ADVISER	: Eco Asia Capital Advisory Sdn Bhd (201801022562 (1284581-H)) Lot 1904, 19 th Floor Tower 1, Faber Towers Jalan Desa Bahagia, Taman Desa 58100 Kuala Lumpur Telephone: 03-7971 1822 Managing Director's name: Khoo Chee Siang (<i>Chartered Accountant, Fellow of the Association of Chartered Certified Accountants and Member of the Malaysian Institute of Accountants</i>) Malaysian Institute of Accountants membership number: CA 21553
LISTING SOUGHT	: ACE Market
SHARIAH STATUS	: Approved by Shariah Advisory Council of the SC

2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

2.1 PRINCIPAL DETAILS OF IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

No. of Shares to be issued under Public Issue

- For application by the Malaysian Public	27,008,000
- For Pink Form Allocations	10,803,000
- For private placement to Bumiputera investors approved by MITI	40,510,000
- For private placement to selected investors	29,704,800

No. of Shares to be offered under Offer for Sale

- For private placement to Bumiputera investors approved by MITI	27,006,500
- For private placement to selected investors	27,006,500

Enlarged no. of Shares upon Listing 540,128,760

IPO Price per Share (RM) 0.25

Market capitalisation (RM) (calculated based on our IPO Price and enlarged no. of Shares upon Listing) 135,032,190

Further details of our IPO are set out in Section 4.

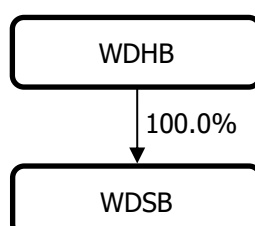
In compliance with the Listing Requirements, our Specified Shareholders' entire shareholdings after our IPO will be held under moratorium for 6 months from the date of our admission to the ACE Market. Thereafter, their shareholdings amounting to 45.0% of our share capital will remain under moratorium for another 6 months. Our Specified Shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight-line basis) of their shares held under moratorium upon expiry of the second 6-month period.

Our Specified Shareholders have provided written undertakings not to sell, transfer or assign their shareholdings under moratorium during the moratorium period (as applicable). In addition, the ultimate shareholders of T Force, namely Lim Soon Yik, Lim Kok Seng, Lim Soon Keat and Sich Kah Yong have also undertaken not to sell, transfer or assign their shareholdings in T Force. Further details on the moratorium on our Shares are set out in Section 3.2.

2.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Act on 13 April 2022 as a private limited company under the name of Wawasan Dengkil Holdings Sdn Bhd. On 13 June 2024, we were converted into a public limited company and adopted our present name.

Our Company was incorporated to facilitate our Listing and our principal activity is that of an investment holding company. Our Group structure as at LPD is as follows:



2. PROSPECTUS SUMMARY (Cont'd)

Further details of our Group structure are set out in Section 6.3.

Through our subsidiary, we are principally involved in the provision of construction services namely earthworks and civil engineering services, trading of construction materials as well as provision of machineries and commercial vehicles for hire.

Our Group's business model is illustrated in the diagram below:

Business segment	Provision of construction services	Trading of construction materials	Provision of machineries and commercial vehicles for hire
Activities	✓ Provision of earthworks ✓ Provision of civil engineering services	✓ Buying and selling of construction materials such as: • Sand i.e. coarse sand and fine sand; • Stone i.e. aggregate stone, crusher run and quarry dust; and • earth i.e. red earth and topsoil	✓ Providing machineries for hire such as: • back pusher; • bulldozer; • compactor; • excavator; and • others ✓ Providing commercial vehicles for hire such as: • tipper truck
Principal Market in FYE 2024 and FPE 2025	Malaysia		
Target Customers	➢ Property developers ➢ Property owners ➢ Government linked companies or bodies ➢ Renewable energy developers ➢ Contractors	➢ Contractors ➢ Concrete batching plant owners	➢ Suppliers of construction materials ➢ Contractors
Revenue Breakdown in FYE 2024	• RM162.83 million • 86.4% of total	• RM19.32 million • 10.2% of total	• RM6.39 million • 3.4% of total
Revenue Breakdown in FPE 2025	• RM53.61 million • 86.7% of total	• RM7.01 million • 11.3% of total	• RM1.26 million • 2.0% of total

Further details of our Group and our business model are set out in Sections 6 and 7.

Our principal market is Malaysia as we generate all our revenue locally for FYE 2021 to 2024 and FPE 2025. During FYE 2021 to 2024 and FPE 2025, our Group's revenue was mainly derived from the provision of construction services segment, which contributed approximately 36.1% to 86.7% of our Group's total revenue, whereas the remaining revenue was generated from the trading of construction materials and the provision of machineries and commercial vehicles for hire segments.

Further details on the breakdown of our revenue are set out in Section 12.2.2.

2. PROSPECTUS SUMMARY (Cont'd)

2.3 INTERRUPTIONS IN BUSINESS

2.3.1 Impact of COVID-19 pandemic and our Group's business operations

Save for the interruption in our operations arising from the imposition of movement controls in Malaysia following the outbreak of COVID-19 pandemic, our Group had not experienced any other interruptions which has significantly affected our business during the financial years/ period under review up to LPD.

During the COVID-19 period, our business cash flows and liquidity were impacted. As a result of the COVID-19 pandemic, our Group's trade receivables turnover period increased for FYE 2022 mainly due to slower collections from customers from both trading of construction materials and provision of machineries and commercial vehicles for hiring segments, and resulted in lowered liquidity. Nevertheless, our working capital was sufficient to meet the prevailing requirements and sustain our business during the COVID-19 pandemic. Furthermore, we did not face any claw backs or reduction in the limit of banking facilities granted to us.

Further details on the impact of COVID-19 pandemic are set out in in Section 7.7.

2.4 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and future growth are built on the following competitive strengths:

- (a) Our Group has accumulated more than 20 years of operating track record in the construction industry in Malaysia. Our Group can also participate directly in tenders for both private and public construction projects as WDSB is registered with both CIDB and SPKK as a G7 contractor;
- (b) We have a sizeable fleet of own machineries and commercial vehicles to support our business operations which we can also provide for hire to our customers upon request. We also benefit from lower operational costs as compared to costs incurred when engaging rental services from third-parties in the long run;
- (c) We are spearheaded by our Executive Directors, Lim Soon Yik and Lim Kok Seng, each with 11 and 18 years of working experience in the Malaysian construction industry. In addition, our Group is also ably supported by a team of dedicated key senior management consisting of experienced and/or qualified personnel; and
- (d) We are also committed in maintaining good quality standards and has put in place a QMS that is in line with internationally acceptable practices.

Further details of our competitive strengths are set out in Section 7.15.

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2. PROSPECTUS SUMMARY (Cont'd)

2.5 BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth in our business and create long-term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 24 months from the date of our Listing:

- (a) We intend to expand our presence in the local civil engineering and special trade work market (covering civil engineering services and earthworks) particularly on large scale projects involving residential, commercial and industrial property development projects as well as construction of roads, highways and utilities related projects. We believe such projects will support our business growth as well as further enhance our business profile within the construction industry in Malaysia;
- (b) We intend to acquire additional machineries and commercial vehicles such as excavators, mobile crane and dump trucks to support our future business expansion particularly for our construction segment. These acquisitions are intended to bolster the overall capacity and capabilities of our Group's fleet of machineries and commercial vehicles, enhancing the competitiveness of our Group and to support the expansion of our construction business; and
- (c) We intend to establish an environmental management system that is in line with internationally acceptable practices by pursuing the ISO 14001 environmental management systems certification. By implementing a framework that follows the ISO 14001 standard, we stand to benefit from the potential reduction in operational cost and increased workplace productivity through efficient resource and waste management. This further underscores our commitment towards identifying and managing the environmental aspects and impacts resulting from our business operations, and we believe this can boost our credibility and reassure all the stakeholders in the construction industry of our commitment towards environment protection.

Further details of our business strategies are set out in Section 7.16.

2.6 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 9. Some of the more important risk factors are summarised below:

- (a) We are subject to various regulatory requirements for our business operations. We are required to obtain and hold a valid certificate of registration issued by CIDB and comply with relevant governing laws and regulations to undertake construction works in Malaysia. Any failure to obtain/ renew the requisite approvals, licences and permits or adhere to the relevant governing laws and regulations may have an adverse effect on our business operations;
- (b) There is no assurance of continuity from one project to the next project as it is common for projects to be awarded based on competitive tendering. The continuity of our order book is not assured and any significant decline in our order book due to reduction in our scope of work, termination of ongoing projects or cancellation of upcoming secured projects will adversely affect our long-term sustainability and prospects. In addition, certain major customers such as WISB and LASB contribute significantly to our order book. Although we have entered into the Collaboration Agreements with WISB and LASB, there can be no assurance that they will continue to secure projects;

2. PROSPECTUS SUMMARY (Cont'd)

- (c) We are dependent on the services of our subcontractors for our construction activities as we generally undertake project management for our construction projects and strategically outsource the bulk of the construction labour works to subcontractors. As our subcontractors have no direct contractual relationship with our customers, we are subject to risks associated with non-performance, late performance or poor performance by our subcontractors;
- (d) Our financial performance may be impaired if there are any unanticipated increase in costs associated with our construction projects and unavailability of an adequate supply of construction materials at competitive prices. This is as our construction materials such as steel bars are commodities and their prices are subject to fluctuations in global market prices, which may vary from the point of project tender submission to actual start of construction work. Any unfavourable variations in project costs may cause certain contracts or projects to have lower than anticipated margins, or losses if actual costs for our contracts exceed our estimates. In the event we are not able to pass on the higher cost to our customers, our financial performance may be adversely affected;
- (e) We face possible delays in the completion of construction projects and potential reduction, termination and/or revision in the scope of work. Any extensions or delays in a project may lead to increased construction overheads, slower revenue recognition, a negative reputation and/or legal uncertainties such as the imposition of LAD by our customers; any of which could affect our Group's financial performance;
- (f) The continuous success of our Group is dependent on the experiences, abilities and continued efforts of our Executive Directors and key senior management. Therefore, the loss of any of our Executive Directors and key senior management simultaneously or within a short period of time may create unfavourable impacts on our Group's business and prospects;
- (g) Our business operations are dependent on our ability to obtain adequate financing at competitive rates as our Group relies on bank borrowings such as overdraft and trade financing to partially finance our working capital. Our business operations and financial performance may be adversely affected if we are unable to secure adequate credit facilities at competitive rates; and
- (h) We are subject to defects liability claims by our customers due to the nature of our construction business. We may incur substantial costs if there are a lot of defects in an affected project requiring rectification.

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2. PROSPECTUS SUMMARY *(Cont'd)*

2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
<u>Directors</u>	
Thien Chiet Chai	Independent Non-Executive Chairman
Lim Soon Yik	Executive Director
Lim Kok Seng	Executive Director
Datuk Ir. Chow Pui Hee	Independent Non-Executive Director
Koay Lay Ling	Independent Non-Executive Director
Mohamad Anuar Bin Mohamad Isa	Independent Non-Executive Director
<u>Key senior management</u>	
Wong Kar Mun	Financial Controller
Sich Ah Sing	Senior Project Manager
Li Shiun Pow	Contract Manager
Lee Pei Ting	Head of Human Resource and Administration
Kim Sheue Fong	Head of Accounts

Further details of our Directors and key senior management are set out in Sections 5.2 and 5.3.

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2. PROSPECTUS SUMMARY (Cont'd)

2.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are set out below:

Name	Place of incorporation/ Nationality	⁽¹⁾ Before our IPO				⁽²⁾⁽³⁾ After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and substantial shareholders</u>									
T Force	Malaysia	345,682,288	80.0	-	-	⁽⁵⁾ 302,471,888	⁽⁵⁾ 56.0	-	-
Lim Soon Yik	Malaysian	86,420,622	20.0	⁽⁴⁾ 345,682,288	⁽⁴⁾ 80.0	75,618,022	14.0	⁽⁴⁾ 302,471,888	⁽⁴⁾ 56.0
Lim Kok Seng	Malaysian	50	<0.1	⁽⁴⁾ 345,682,288	⁽⁴⁾ 80.0	50	<0.1	⁽⁴⁾ 302,471,888	⁽⁴⁾ 56.0
<u>Substantial shareholders</u>									
Lim Soon Keat	Malaysian	-	-	⁽⁴⁾ 345,682,288	⁽⁴⁾ 80.0	-	-	⁽⁴⁾ 302,471,888	⁽⁴⁾ 56.0
Sich Kah Yong	Malaysian	-	-	⁽⁴⁾ 345,682,288	⁽⁴⁾ 80.0	-	-	⁽⁴⁾ 302,471,888	⁽⁴⁾ 56.0

Notes:

- ⁽¹⁾ Based on our share capital of 432,102,960 Shares before our IPO.
- ⁽²⁾ After Public Issue and Offer for Sale.
- ⁽³⁾ Based on the enlarged share capital of 540,128,760 Shares after our IPO.
- ⁽⁴⁾ Deemed interested by virtue of their shareholdings in T Force pursuant to Section 8 of the Act.
- ⁽⁵⁾ The ultimate beneficial owners of our Group after our IPO are Lim Soon Yik, Lim Kok Seng, Lim Soon Keat and Sich Kah Yong, by virtue of their shareholdings in T Force pursuant to Section 8 of the Act. Further details are set out in Section 5.1.2(a).

Further details of our Promoters and substantial shareholders are set out in Section 5.1.

2. PROSPECTUS SUMMARY (Cont'd)**2.9 UTILISATION OF PROCEEDS**

The estimated gross proceeds from the Public Issue of RM27.01 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	RM'000	%	(1)Estimated timeframe for utilisation
Purchase of machineries and commercial vehicles	7,580	28.1	Within 12 months
Project working capital	9,850	36.5	Within 12 months
General working capital	1,426	5.3	Within 12 months
Repayment of bank borrowings	3,850	14.2	Within 6 months
Office renovations	300	1.1	Within 12 months
Estimated listing expenses	4,000	14.8	Within 1 month
Total	27,006	100.0	

Note:

(1) From the date of our listing.

There is no minimum subscription to be raised from IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9.

The gross proceeds from the Offer for Sale of approximately RM13.50 million shall accrue entirely to the Selling Shareholders.

2.10 FINANCIAL HIGHLIGHTS**2.10.1 Combined statements of comprehensive income**

The following table sets out the financial highlights based on our combined statements of comprehensive income for FYE 2021 to 2024 and FPE 2024 to 2025:

	Audited				Unaudited	Audited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	69,856	82,871	123,494	188,541	55,624	61,870
GP	12,723	7,620	16,747	26,609	8,284	9,287
PBT	10,079	7,738	11,674	15,685	5,128	5,587
PAT	7,775	7,004	8,740	11,324	3,571	4,008
GP margin (%) ⁽¹⁾	18.2	9.2	13.6	14.1	14.9	15.0
PBT margin (%) ⁽²⁾	14.4	9.3	9.5	8.3	9.2	9.0
PAT margin (%) ⁽³⁾	11.1	8.5	7.1	6.0	6.4	6.5
Basic EPS (sen) ⁽⁴⁾	1.80	1.62	2.02	2.62	0.83	0.93
Diluted EPS (sen) ⁽⁵⁾	1.44	1.30	1.62	2.10	0.66	0.74
Adjusted PBT ⁽⁶⁾	9,111	3,112	9,690	15,268	4,901	5,587
Adjusted PAT ⁽⁶⁾	6,807	2,378	6,756	10,907	3,344	4,008
Adjusted PBT margin (%)	13.0	3.8	7.8	8.1	8.8	9.0
Adjusted PAT margin (%)	9.7	2.9	5.5	5.8	6.0	6.5

2. PROSPECTUS SUMMARY (Cont'd)**Notes:**

- (1) Computed based on GP over revenue.
- (2) Computed based on PBT over revenue.
- (3) Computed based on PAT over revenue.
- (4) Computed based on PAT over share capital of 432,102,960 Shares before IPO.
- (5) Computed based on PAT over share capital of 540,128,760 Shares after IPO.
- (6) We recorded gain on disposal of PPE and investment properties during the financial years/ period under review. Hence, the adjusted PBT and PAT excluding the gain on disposal of PPE and investment properties for the financial years/ period under review are as follows:

	Audited				Unaudited	Audited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PBT	10,079	7,738	11,674	15,685	5,128	5,587
Less:						
Gain on disposal of PPE	(860)	(769)	(1,984)	(417)	(227)	-
Gain on disposal of investment properties	(108)	(3,857)	-	-	-	-
Adjusted PBT	9,111	3,112	9,690	15,268	4,901	5,587
Tax expense	(2,304)	(734)	(2,934)	(4,361)	(1,557)	(1,579)
Adjusted PAT	6,807	2,378	6,756	10,907	3,344	4,008

There were no exceptional items during the financial years/ period under review. Our audited combined financial statements for the past financial years/ period under review were not subject to any audit qualifications. Further details on the financial information are set out in Sections 12.1.1 and 13.

2.10.2 Pro forma statements of financial position

The following table sets out a summary of the pro forma statements of financial position of our Group based on our audited combined financial position as at 31 October 2024 to show the effects of the Acquisition, Public Issue and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma statements of financial position as set out in Section 14.

	Audited	I	II	III
	As at 31 October 2024	After Acquisition	After I and Public Issue	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Total non-current assets	64,347	64,347	64,347	64,347
Total current assets	127,159	127,159	154,166	147,382
TOTAL ASSETS	191,506	191,506	218,513	211,729

2. PROSPECTUS SUMMARY (Cont'd)

	Audited	I	II	III
	As at 31 October 2024	After Acquisition	After I and Public Issue	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
Share capital	(1)-	60,494	87,501	86,588
Invested equity	1,000	-	-	-
Reorganisation reserve	-	(59,494)	(59,494)	(59,494)
Retained earnings	69,381	69,381	69,381	67,386
TOTAL EQUITY	70,381	70,381	97,388	94,480
Total non-current liabilities	28,495	28,495	28,495	25,640
Total current liabilities	92,630	92,630	92,630	91,610
TOTAL LIABILITIES	121,125	121,125	121,125	117,250
TOTAL EQUITY AND LIABILITIES	191,506	191,506	218,513	211,730
No. of Shares in issue	100	403,102,960	540,128,760	540,128,760
NA per Share (RM)	703,850	0.16	0.18	0.17
Borrowings	55,282	55,282	55,282	51,432
Gearing (times)	0.79	0.79	0.57	0.54

Note:

(1) Representing RM10.00.

2.11 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. It is our intention to pay dividends to shareholders in the future, however, such payments will depend upon a number of factors, including our Group's recorded profits and excess funds not required to be retained for working capital of our business and any other factors considered relevant by our Board.

During FYE 2021 to 2024, FPE 2025 and up to LPD, we declared and paid the following dividends:

	Audited					Unaudited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 November 2024 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	3,000	-	-	-	-	-
Dividends paid	-	3,000	-	-	-	-

As at LPD, there is no outstanding dividends declared but remained unpaid. The dividends declared in FYE 2021 and paid in FYE 2022 are not an indication of our future dividend payment. Subsequent to LPD, no dividend was declared, made or paid by our Group. Further, we do not intend to declare and pay any dividends from LPD up to our Listing.

Further details of our dividend policy are set out in Section 12.17.

3. APPROVALS AND CONDITIONS

3.1 APPROVALS AND CONDITIONS

3.1.1 Bursa Securities approval

Bursa Securities had, vide its letter dated 13 November 2024, approved our admission to the Official List of the ACE Market, the listing of and quotation for our entire enlarged issued share capital on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	Submit the following information with respect to the moratorium on the shareholdings of the specified shareholders to Bursa Depository: (i) Name of shareholders; (ii) Number of Shares; and (iii) Date of expiry of the moratorium for each block of Shares.	To be complied
(b)	Confirm that approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied
(c)	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	Complied
(d)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
(e)	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of WDHB on the first day of Listing;	To be complied
(f)	In relation to the public offering to be undertaken by WDHB, to announce at least 2 Market Days prior to the listing date, the result of the offering including the following: (i) level of subscription of public balloting and placement; (ii) basis of allotment/ allocation; (iii) a table showing the distribution for placement tranche; and (iv) disclosure of placees who become substantial shareholders of WDHB arising from the public offering, if any;	To be complied
(g)	WDHB/ M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of WDHB to the Official List of the ACE Market.	To be complied

3. APPROVALS AND CONDITIONS (Cont'd)**3.1.2 SC approval**

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

The SC had, vide its letter dated 13 November 2024, approved our resultant equity structure pursuant to our Listing under the Bumiputera equity requirement for public listed companies. The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	WDHB is to allocate 12.5% of its enlarged share capital issued shares to Bumiputera investors to be approved by MITI; and	To be complied
(b)	WDHB is to make available at least 50.0% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors.	To be complied

The effects of our Listing on our equity structure are as follows:

Category of shareholders	As at incorporation		After our Listing	
	No. of Shares	%	No. of Shares	%
Bumiputera				
- Bumiputera investors to be approved by MITI	-	-	⁽¹⁾ 67,516,500	12.5
- Bumiputera public investors via balloting	-	-	⁽¹⁾ 13,504,000	2.5
- Others	-	-	⁽²⁾ 400,000	0.1
Total Bumiputera	-	-	81,420,500	15.1
Non-Bumiputera	100	100.0	458,708,260	84.9
Malaysians	100	100.0	540,128,760	100.0
Foreigners	-	-	-	-
Total	100	100.0	540,128,760	100.0

Notes:

- (1) Based on the assumption that our Shares offered to Bumiputera investors approved by MITI and Bumiputera public investors via balloting will be fully subscribed.
- (2) Based on the assumption that our Shares offered to Mohamad Anuar Bin Mohamad Isa, our Independent Non-Executive Director, under the Pink Form Allocations will be fully subscribed.

Shariah Advisory Council of the SC had on 14 November 2024, classified our Shares as shariah-compliant based on our audited financial statements for FYE 2024.

3.1.3 MITI approval

The MITI had, vide its letter dated 19 September 2024, taken note and has no objection to our Listing.

3. APPROVALS AND CONDITIONS (Cont'd)

3.2 MORATORIUM ON OUR SHARES

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

- The moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- Upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45.0% of the total number of issued ordinary shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- On the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of those Shares held under moratorium.

Details of our Specified Shareholders, as well as their respective Shares which will be subject to the abovementioned moratorium, are set out below:

	Year 1				Year 2		Year 3	
	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium		Moratorium shares		Moratorium shares	
	(1)No. of Shares	(2)%	(1)No. of Shares	(2)%	(1)No. of Shares	(2)%	(1)No. of Shares	(2)%
Specified Shareholders⁽³⁾								
T Force	302,471,888	56.0	194,446,302	36.0	129,630,868	24.0	64,815,434	12.0
Lim Soon Yik	75,618,022	14.0	48,611,608	9.0	32,407,738	6.0	16,203,869	3.0
Lim Kok Seng	50	<0.1	32	<0.1	21	<0.1	10	<0.1
	378,089,960	70.0	243,057,942	45.0	162,038,627	30.0	81,019,313	15.0

Notes:

- (1) After Offer for Sale.
- (2) Based on the enlarged share capital of 540,128,760 Shares after our IPO.
- (3) Excluding Lim Soon Keat and Sich Kah Yong, who do not have any direct shareholdings in our Company after our IPO. The moratorium undertaking from them is in relation to their shareholdings in T Force.

The moratorium has been fully accepted by our Specified Shareholders, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by our Specified Shareholders to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

The ultimate shareholders of T Force, namely Lim Soon Yik, Lim Kok Seng, Lim Soon Keat and Sich Kah Yong have also undertaken not to sell, transfer or assign their shareholdings in T Force during the moratorium period.

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The period for Application will open at 10.00 a.m. on 28 February 2025 and will remain open until 5.00 p.m. on 11 March 2025. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus/ Opening of Application	28 February 2025
Closing of Application	11 March 2025
Balloting of Application	13 March 2025
Allotment/Transfer of IPO Shares to successful applicants	21 March 2025
Date of Listing	25 March 2025

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

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(a) Public Issue

A total of 108,025,800 Issue Shares, representing approximately 20.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

27,008,000 Shares, representing approximately 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 13,504,000 Shares made available to public investors; and

(bb) 13,504,000 Shares made available to Bumiputera public investors.

(ii) Eligible Persons

10,803,000 Shares, representing approximately 2.0% of our enlarged share capital, are reserved for our Eligible Persons under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3.

(iii) Private placement to Bumiputera investors approved by MITI

40,510,000 Shares, representing approximately 7.5% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

4. DETAILS OF OUR IPO (Cont'd)

(iv) Private placement to selected investors

29,704,800 Shares, representing approximately 5.5% of our enlarged share capital, are reserved for private placement to selected investors.

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

Upon completion of our Public Issue, our share capital will increase from RM60.49 million comprising 432,102,960 Shares to RM87.50 million comprising 540,128,760 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

(b) Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 54,013,000 Offer Shares, representing approximately 10.0% of our enlarged share capital at our IPO Price. The Offer Shares shall be undertaken by way of private placement in the following manner:

- (i) 27,006,500 Offer Shares made available for selected Bumiputera investors approved by MITI; and
- (ii) 27,006,500 Offer Shares made available for selected investors.

Further details of our Selling Shareholders are set out in Section 4.3.2.

Our Offer for Sale is subject to the terms and conditions of this Prospectus.

(c) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM87.50 million comprising 540,128,760 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO (Cont'd)

4.3.2 Offer for Sale

The details of our Selling Shareholders and their relationship with our Group are as follows:

Name/ Registered/ Residential address	Relationship with our Group	⁽¹⁾ As at LPD/ Before IPO	Offer Shares offered			After IPO		
		No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %	⁽³⁾ %	No. of Shares	⁽³⁾ %
T Force/ D-09-02, Level 9, EXSIM Tower Millerz Square @ Old Klang Road, Megan Legasi 357, Jalan Kelang Lama 58000 Kuala Lumpur	Promoter, substantial shareholder	345,682,288	80.0	43,210,400	10.0	8.0	302,471,888	56.0
Lim Soon Yik/ Lot 2585, Batu 32 ¼ Jalan Banting 43800 Dengkil Selangor	Promoter, substantial shareholder, Executive Director	86,420,622	20.0	10,802,600	2.5	2.0	75,618,022	14.0

Notes:

- ⁽¹⁾ After completion of Acquisition but prior to Public Issue.
- ⁽²⁾ Based on the share capital of 432,102,960 Shares before our IPO.
- ⁽³⁾ Based on the enlarged share capital of 540,128,760 Shares after our IPO.

Further details of our Selling Shareholders, who are also our Promoters and substantial shareholders can be found in Sections 5.1.2 and 5.2.

4. DETAILS OF OUR IPO (Cont'd)**4.3.3 Pink Form Allocations**

We have allocated 10,803,000 Issue Shares under the Pink Form Allocations to our Eligible Persons as follows:

Category	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Eligible Directors	3	1,200,000
Eligible employees	18	3,223,000
Persons who have contributed to the success of our Group	61	6,380,000
	82	10,803,000

Entitlements which are not accepted by certain Eligible Persons will be re-allocated among the Eligible Persons at the discretion of our Board.

(a) Allocation to our eligible Directors

The criteria for allocation to our eligible Directors (as approved by our Board wherein the interested eligible Directors have abstained from deliberating on their respective allocations) are based on amongst others their anticipated contribution to our Group.

Lim Soon Yik (our Promoter, substantial shareholder and Executive Director) has opted not to participate in the Pink Form Allocations as he is already undertaking the Offer for Sale. In addition, Lim Kok Seng (our Promoter, substantial shareholder and Executive Director) and Koay Lay Ling (our Independent Non-Executive Director) have also opted not to participate in the Pink Form Allocations.

Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Thien Chiet Chai	Independent Non-Executive Chairman	400,000
Datuk Ir. Chow Pui Hee	Independent Non-Executive Director	400,000
Mohamad Anuar Bin Mohamad Isa	Independent Non-Executive Director	400,000
		1,200,000

(b) Allocation to our eligible employees

The criteria of allocation to our eligible employees (as approved by our Board) are based on, inter-alia, the following factors:

- (i) Our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) The number of shares allocated to our eligible employees are based on their seniority, position, their length of service and their respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (iii) Full time employee of at least 18 years of age.

4. DETAILS OF OUR IPO (Cont'd)

Included in the allocation to our eligible employees are the proposed allocations to our key senior management:

Name	Designation	No. of Issue Shares allocated
Wong Kar Mun	Financial Controller	800,000
Li Shiun Pow	Contract Manager	400,000
Kim Sheue Fong	Head of Accounts	20,000
		1,220,000

Sich Ah Sing (our Senior Project Manager) and Lee Pei Ting (our Head of Human Resource and Administration) have opted not to participate in the Pink Form Allocations.

(c) Allocation to persons who have contributed to the success of our Group

Persons who have contributed to the success of our Group include business associates, clients, subcontractors and suppliers.

The number of Issue Shares to be allotted to those persons who have contributed to the success of our Group are based on amongst others, the nature and terms of their business relationship, length of their relationship and the level of contribution and support to our Group.

4.3.4 Placement and underwriting arrangement

Our Underwriter will underwrite 37,811,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 70,214,800 Issue Shares and 54,013,000 Offer Shares available for application by Bumiputera investors approved by MITI and selected investors will not be underwritten and shall be placed out by our Placement Agent.

Any of our Issue Shares not subscribed by the Malaysian Public and Pink Form Allocations shall be subject to the following clawback and reallocation provisions:

- (a) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated for excess application by our Eligible Persons (subject always that public spread requirements are met). Likewise, any Issue Shares which not taken up under the Pink Form Allocations, will be allocated to the Malaysian Public in the event of an oversubscription.
- (b) After (a) above, the remaining portion will be made available for application by way of private placement to selected investors to be identified.
- (c) Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

4. DETAILS OF OUR IPO (Cont'd)

The allocation of Issue Shares to identified Bumiputera investors shall be subject to the allocation as approved by MITI. Such Issue Shares shall be subject to the following clawback and reallocation provisions:

- (a) Any unsubscribed Issue Shares allocated to Bumiputera investors approved by MITI shall firstly be reallocated to Bumiputera public investors via public balloting. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Malaysian institutional investors (in the event of an oversubscription).
- (b) After (a) above, the remaining portion will be made available for:
 - (i) Malaysian Public, in the event of an oversubscription; or
 - (ii) application by way of private placement to selected investors to be identified, the proportion of which will be determined by our Board and the Placement Agent.

The clawback and reallocation shall not apply in the event of oversubscription of the Issue Shares allocated to the Malaysian Public, Pink Form Allocations and private placement to Bumiputera investors approved by MITI. Our Board will ensure that any excess IPO Shares will be allocated in a fair and equitable manner.

4.3.5 Minimum and oversubscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

In the event of an oversubscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Board. Our Board will ensure that any excess Issue Shares will be allocated on a fair and equitable manner.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

As at LPD, save as disclosed in Section 4.3.2, to the extent known to our Company:

- (a) there are no substantial shareholder(s), Directors or key senior management of our Company who have indicated to our Company that they intend to subscribe for the IPO Shares; and
- (b) there are no person(s) who have indicated to our Company that they intend to subscribe for more than 5.0% of the IPO Shares.

4. DETAILS OF OUR IPO (Cont'd)**4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS**

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

Details	No. of Shares	RM
Share capital		
As at the date of incorporation	100	10
To be issued pursuant to the Acquisition	432,102,860	60,494,400
As at the date of this Prospectus	432,102,960	60,494,410
To be issued under our Public Issue	108,025,800	27,006,450
Enlarged share capital upon our Listing	540,128,760	87,500,860

Our Offer for Sale will not have an effect on our share capital.

As at the date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person or by proxy or by other duly authorised representative. On a poll, every shareholder present in person or by proxy or other duly authorised representative shall have one vote for each ordinary share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) To enable our Group to raise funds for the purposes specified in Section 4.9 herein;
- (b) To gain recognition through our listing status to enhance our reputation when tendering for new construction projects and to retain and attract new, skilled employees from the construction industry;
- (c) To provide an opportunity for the Malaysian Public, including our Eligible Person(s) to participate in our equity; and
- (d) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4. DETAILS OF OUR IPO (Cont'd)**4.6 BASIS OF ARRIVING AT OUR IPO PRICE**

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

- (a) Our pro forma NA per Share as at 31 October 2024 after the Acquisition, IPO and utilisation of proceeds of RM0.17, calculated based on our pro forma NA after Acquisition, IPO and utilisation of proceeds as at 31 October 2024 of approximately RM94.48 million and enlarged share capital of 540,128,760 Shares upon Listing;
- (b) The PE Multiple of our IPO Price of approximately 12.38 times based on our Group's adjusted PAT (excluding gain on disposal of PPE) of RM10.91 million for FYE 2024 and the market capitalisation of RM135.03 million upon Listing;
- (c) Our historical financial track record as follows:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	69,856	82,871	123,494	188,541	61,870
GP	12,723	7,620	16,747	26,609	9,287
PAT	7,775	7,004	8,740	11,324	4,008
Adjusted PAT	6,807	2,378	6,756	10,907	4,008

- (d) Our competitive strengths as set out in Section 7.15;
- (e) Our future plans and business strategies as set out in Section 7.16; and
- (f) Our unbilled order book of RM378.14 million as at LPD, as set out in Section 12.14.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 540,128,760 Shares upon Listing, our total market capitalisation will be RM135.03 million.

4. DETAILS OF OUR IPO (Cont'd)**4.8 DILUTION**

Dilution is the amount by which our IPO Price exceeds our pro forma NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.25
Pro forma NA per Share as at 31 October 2024 after Acquisition and before Public Issue	0.16
Pro forma NA per Share as at 31 October 2024 after Acquisition, Public Issue and utilisation of proceeds	0.17
Increase in pro forma NA per Share attributable to existing shareholders	0.01
Dilution in pro forma NA per Share to our new public investors	0.08
Dilution in pro forma NA per Share as a percentage of our IPO Price	32.0%

Further details of our pro forma NA per Share as at 31 October 2024 is set out in Section 14.

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to the date of this Prospectus:

Shareholders	⁽¹⁾No. of Shares received	⁽²⁾Total consideration RM	Average effective cost per Share RM
T Force	345,682,288	48,395,520	0.14
Lim Soon Yik	86,420,622	12,098,885	0.14
Lim Kok Seng	50	5	0.10
	432,102,960	60,494,410	

Notes:

(1) Issued under the Acquisition and including 100 existing Shares.

(2) Being the consideration for the Acquisition and 100 existing Shares.

Save as disclosed above and the Pink Form Allocations to our eligible Directors and key senior management, there has been no acquisitions or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

4. DETAILS OF OUR IPO (Cont'd)**4.9 UTILISATION OF PROCEEDS****4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM27.01 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Purchase of machineries and commercial vehicles	(a)	7,580	28.1	Within 12 months
Project working capital	(b)	9,850	36.5	Within 12 months
General working capital	(c)	1,426	5.3	Within 12 months
Repayment of bank borrowings	(d)	3,850	14.2	Within 6 months
Office renovations	(e)	300	1.1	Within 12 months
Estimated listing expenses	(f)	4,000	14.8	Within 1 month
		27,006	100.0	

Note:

⁽¹⁾ From the date of our Listing.

(a) Purchase of machineries and commercial vehicles

We intend to utilise RM7.58 million or 28.1% of the proceeds raised from our Public Issue for the purchase of additional machineries and commercial vehicles to support our business expansion for projects involving earthworks and civil engineering. We have taken into consideration our scope of work for our ongoing projects as well as our order book and tender book in determining the following machineries and commercial vehicles to be purchased.

The machineries and commercial vehicles will be purchased from various suppliers in Malaysia, of which quotations have been provided to determine the costs in the table below:

Type⁽¹⁾	Key usage	Purchase quantity	Total cost RM'000
Excavator	To dig and move the excavated materials	5	3,800
Mobile crane	To lift and move large loads	1	580
Dump truck	To transport heavy loads	10	3,200
			7,580

Note:

⁽¹⁾ These acquisitions will enable us to reduce our rental cost of approximately RM2.38 million per annum, calculated based on the intended purchase quantity of the machineries and commercial vehicles and the prevailing rental cost of such machineries and commercial vehicles. Nevertheless, our Group is expected to incur additional operating costs consisting of depreciation, insurance, road tax, maintenance of machineries and commercial vehicles as well as hiring of operators amounting to approximately RM2.07 million per annum. For clarification, diesel consumption cost was excluded as we bear the cost regardless of renting or owning. As a result, we are expected to achieve a net saving of approximately RM0.31 million per annum.

4. DETAILS OF OUR IPO (Cont'd)

We generally prioritise the use of machineries and commercial vehicles for our projects and we will deploy our unutilised and available machineries and commercial vehicles for hire. As at LPD, there is no idle machinery and commercial vehicle as they are either utilised directly by us in our construction projects (79.3%) or hired to others (20.7%). As a result, we still hire machineries and commercial vehicles from third-parties as our current fleet is insufficient to serve our project requirements. This is a result of (a) timing differences as we might have hired out the necessary machineries and commercial vehicles before the commencement of a project; (b) cost of transporting the machineries and commercial vehicles are high as certain projects awarded to us are located in remote areas; and (c) we generally hire out older machineries and commercial vehicles of more than 3 years and hire new machineries and commercial vehicles to improve efficiency in our projects due to lesser downtime. As at LPD, approximately 48.4% of our machineries and commercial vehicles are aged more than 3 years.

The purchase of additional machineries and commercial vehicles is expected to increase our capacity and flexibility to cater for future demands as it allows us to use these machineries and commercial vehicles as and when required without delays or incurring additional costs to rent from external parties. Further, we will also be able to manage our costs more efficiently while at the same time enable our Group to be more competitive in our pricing when bidding for contracts as the rental cost of machineries and commercial vehicles outweighs the cost to maintain our own machineries and commercial vehicles.

The purchase of these machineries and commercial vehicles is in line with our Group's future plans to further grow our construction services segment. As at LPD, we have also submitted 44 tenders with a total tender sum of RM1.30 billion, all of which are still pending decision from clients. These tendered projects, if awarded to us, will further increase the usage of our machineries and commercial vehicles.

In the event that the allocated proceeds are insufficient for the purchase of the machineries and commercial vehicles, any shortfall will be funded via internally generated funds and/or bank borrowings. Conversely, if the actual cost is lower than the amount budgeted above, the excess will be allocated for our general working capital requirements.

(b) Project working capital

Our Group intends to allocate RM9.85 million, representing 36.5% of the proceeds raised from our Public Issue to finance the project working capital requirements of our Group. The proceeds allocated to finance our Group's project working capital requirements are for the purchase of diesel and subcontractor costs. This will enhance our Group's ability to bid for more new projects, ultimately facilitating the expansion of our Group's construction portfolio.

Details	RM'000
Purchase of diesel	5,850
Subcontractor costs ⁽¹⁾	4,000
	9,850

4. DETAILS OF OUR IPO (Cont'd)**Note:**

- (1) The proposed payment of subcontractor costs are for the Central Spine Road Project and Sungai Long Project, which amounts to approximately RM43.54 million and RM48.26 million respectively.

In the event the actual expenses for the project working capital requirements are lower than the allocated amount, the excess will be utilised for our Group's general working capital requirements. If the allocated proceeds are insufficient for our project working capital, any shortfall will be funded via internally generated funds and/or bank borrowings.

(c) General working capital

We have allocated RM1.43 million, representing 5.3% of the proceeds raised from our Public Issue to supplement our general working capital requirements. This allocation for working capital will mainly be used for the day-to-day operations of our Group, including but not limited to payroll and administrative expenses, utility expenses as well as other office related expenses.

(d) Repayment of bank borrowings

We have allocated RM3.85 million or 14.2% from our Public Issue proceeds to partially repay our term loan facilities from Hong Leong Islamic Bank Berhad to reduce our overall bank borrowings. As at LPD, our outstanding balance of the aforesaid term loan facilities amounted to RM4.36 million, details of which are as follows:

Financier/ Type of facility	Purpose	Effective interest rate %	Maturity date	Balance as at LPD RM'000	Amount to be repaid from gross proceeds RM'000
Hong Leong Islamic Bank Berhad/ Term loan	To part finance the purchase of machineries	6.7	August 2028	1,553	1,553
Hong Leong Islamic Bank Berhad/ Term loan	To part finance the purchase of machineries	6.2	May 2027	1,467	1,467
Hong Leong Islamic Bank Berhad/ Term loan	To finance the purchase of keyman insurance	6.8	August 2032	386	386
Hong Leong Islamic Bank Berhad/ Term loan	To finance the purchase of keyman insurance	6.8	September 2034	218	218
Hong Leong Islamic Bank Berhad/ Term loan	To refinance the acquisition of a piece of freehold land	5.3	May 2032	733	226
					3,850

4. DETAILS OF OUR IPO (Cont'd)

The selection on the type of facilities to be repaid via utilisation of IPO proceeds was determined after taking into account the following factors:

- (a) interest cost of such facilities; and
- (b) outstanding loan amount.

A repayment of RM3.85 million of the term loan facilities using the proceeds raised from our Public Issue is expected to result in a total interest savings of RM0.47 million to our Group, computed based on the effective interest rate up to the maturity date of the facility. However, the actual interest savings may vary depending on the then applicable interest rates.

As at LPD, our total outstanding borrowings (excluding lease liabilities in relation to rental lease arrangement of RM0.07 million) amounted to RM54.13 million. After the proposed repayment, our Group's total borrowings will amount to RM50.28 million. The proposed repayment of borrowings coupled with the increase in total equity from the issuance of new Shares under our Public Issue will reduce our pro forma gearing level from 0.57 times (after the Public Issue but prior to utilisation of proceeds) to 0.54 times (after the utilisation of proceeds).

If our actual repayment of borrowings is lower than the amount budgeted, the excess will be utilised for our general working capital requirements.

(e) Office renovation

As at LPD, our Group operates from a double storey shop lot unit located at 1-5, 1-6, 1-7, 1-8 & 1-9, Jalan Intan 5/1, Taman Intan, 43800 Dengkil, Selangor with a total built-up area of approximately 8,859 sq ft. We have allocated RM0.30 million or 1.1% of our Public Issue proceeds for the renovation of our existing headquarters, the breakdown of which is as follows:

Details	RM'000
Interior constructions and fit-out, including mechanical & electrical works, plaster ceiling, lightings, partitioning, walls, doors and flooring	99
Interior furnishings and fixtures, including cabinetries and joineries, office furniture and grills	185
Miscellaneous works ⁽¹⁾	16
	300

Note:

- ⁽¹⁾ Relates to expenses such as mobilisation and construction, contractor all risks and workmen compensation insurances, cleaning works and rubbish disposal.

The renovation cost above was estimated based on contractor's quotations received. Such renovation is expected to result in more efficient utilisation of our headquarters to accommodate more employees (from 50 to 70 employees). Such renovation, when completed, will enable our headquarters to accommodate 20 additional employees as we intend to refurbish spaces that are currently idle and unused into working areas. In the event the allocated proceeds are insufficient for the renovation of our office, any shortfall will be funded via internally generated funds. Conversely, if the actual renovation cost for our office is lower than the amount budgeted above, any excess will be allocated for our general working capital requirements.

4. DETAILS OF OUR IPO (Cont'd)**(f) Estimated listing expenses**

An amount of RM4.00 million or 14.8% is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	2,713
Fees payable to authorities	80
Underwriting, placement and brokerage fees	640
Printing, advertising fees and contingencies ⁽²⁾	567
	4,000

Notes:

(1) Includes advisory fees for, amongst others, our Principal Adviser, financial adviser, solicitors, reporting accountants, IMR, internal control reviewer and Issuing House.

(2) Other incidental or related expenses in connection with our IPO.

If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our general working capital requirements. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be utilised for our general working capital requirements.

4.9.2 Offer for Sale

The Offer for Sale will raise gross proceeds of approximately RM13.50 million which will accrue entirely to our Selling Shareholders.

The Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.27 million.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION**4.10.1 Brokerage fees**

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association or Issuing House.

4.10.2 Placement fees

Our Placement Agent will place out a total of 70,214,800 Issue Shares and 54,013,000 Offer Shares to Bumiputera investors approved by MITI and selected investors.

We will pay our Placement Agent a placement fee of 2.5% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 2.5% of the value of those Offer Shares placed out by our Placement Agent will be borne entirely by the Selling Shareholders.

4. DETAILS OF OUR IPO (Cont'd)

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 37,811,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 3.0% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 37,811,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.4.

The salient terms in the Underwriting Agreement are as follows:

Conditions precedent

- (i) The obligations of our Underwriter under the Underwriting Agreement are conditional upon:
 - (a) the acceptance of the Listing and the clearance of registrable Prospectus from Bursa Securities and the lodgement of registrable Prospectus with the CCM respectively together with copies of all documents required under Section 154 of the Act prior to the issuance of the Prospectus to the public;
 - (b) the issuance of the Prospectus (including all procedures, requirements, letters and documents) required under Section 154 of the Act to the public within three months from the date thereof or such extension as consented by our Underwriter;
 - (c) there having been, as at any time hereafter up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of our Group (which is in the reasonable opinion of our Underwriter is or will be material in the context of the issue of the Issue Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained in the Underwriting Agreement, if they are repeated on and as of the Closing Date;
 - (d) the issue, offer and subscription of the Issue Shares in accordance with the provisions thereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
 - (e) all necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect;
 - (f) our Underwriter having been satisfied that arrangements have been made by our Company to ensure payment of the expenses referred to in the Underwriting Agreement;

4. DETAILS OF OUR IPO (Cont'd)

- (g) the delivery to our Underwriter prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of our Company of all the resolutions of our Directors and our shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of our Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Paragraph (i)(c) above;
- (h) the delivery to our Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from our Board as our Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of our Group nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties contained in the Underwriting Agreement as though they have been given and/or made on such date; and
- (i) our Underwriter being satisfied that our Company will, following completion of the Public Issue be admitted to the Official List and its issued and paid-up share capital listed and quoted on the ACE Market without undue delay.

(collectively, the "**Conditions Precedent**")

- (ii) In the event any of the Conditions Precedent are not satisfied by the Closing Date, our Underwriter shall thereupon be entitled but not bound to terminate the Underwriting Agreement by notice given to our Company not later than 3 Market Days after the Closing Date and upon such termination our Company and our Underwriter shall be released and discharged from their obligations save for our Company's obligations pursuant to the Underwriting Agreement and none of the parties shall have a claim against the other save for antecedent breaches by our Company and claims arising therefrom. Each party shall in such event return any and all monies paid to the other under the Underwriting Agreement within 72 hours of the receipt of such notice (except for monies paid by our Company for the payment of the expenses as provided in the Underwriting Agreement). Our Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice our Underwriter's rights under the Underwriting Agreement.

Termination

Notwithstanding anything contained in the Underwriting Agreement, our Underwriter may by notice in writing to our Company given at any time on or before the allotment and issuance of the Issue Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:

- (i) there is any breach by our Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from our Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Public Issue, or the distribution of the Issue Shares; or

4. DETAILS OF OUR IPO (*Cont'd*)

- (ii) there is withholding of information of a material nature from our Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, which, in the opinion of our Underwriter, would have or can reasonably be expected to have a material adverse effect on the business or operations of our Group and the success of the Public Issue, or the distribution of the Issue Shares; or
- (iii) there shall have occurred, happened or come into effect in the opinion of our Underwriter any material and/or adverse change to the business or financial condition of our Group;
- (iv) there shall have occurred, happened or come into effect any of the following circumstances:
 - (a) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to interbank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (b) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Company and/or our Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of our Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of our Group and the success of the Public Issue, or the distribution of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (c) the FSTE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day: -
 - on or after the date of the Underwriting Agreement; and
 - prior to the allotment of the Issue Shares,

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 such date and remains at or below that level for at least 3 Market Days; or
 - (d) in the event of national disorder, outbreak of war or the declaration of a state of national emergency; or
- (v) there is failure on the part of our Company to perform any of our respective obligations herein contained; or
- (vi) any matter which arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the Public Issue; or
- (vii) any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on our Company pursuant to the indemnities contained under the Underwriting Agreement.

4. DETAILS OF OUR IPO (Cont'd)

Upon such notice(s) being given, our Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Underwriting Agreement, except that our Company shall remain liable in respect of our obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees pursuant to the Underwriting Agreement, and for any antecedent breach, and our undertaking to indemnify our Underwriter pursuant to the provisions of the Underwriting Agreement.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Upon our Listing, 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.

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 will 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.

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are set out below:

Name	Place of incorporation/ Nationality	⁽¹⁾ Before our IPO				⁽²⁾⁽³⁾ After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and substantial shareholders</u>									
T Force	Malaysia	345,682,288	80.0	-	-	⁽⁵⁾ 302,471,888	⁽⁵⁾ 56.0	-	-
Lim Soon Yik	Malaysian	86,420,622	20.0	⁽⁴⁾ 345,682,288	⁽⁴⁾ 80.0	75,618,022	14.0	⁽⁴⁾ 302,471,888	⁽⁴⁾ 56.0
Lim Kok Seng	Malaysian	50	<0.1	⁽⁴⁾ 345,682,288	⁽⁴⁾ 80.0	50	<0.1	⁽⁴⁾ 302,471,888	⁽⁴⁾ 56.0
<u>Substantial shareholders</u>									
Lim Soon Keat	Malaysian	-	-	⁽⁴⁾ 345,682,288	⁽⁴⁾ 80.0	-	-	⁽⁴⁾ 302,471,888	⁽⁴⁾ 56.0
Sich Kah Yong	Malaysian	-	-	⁽⁴⁾ 345,682,288	⁽⁴⁾ 80.0	-	-	⁽⁴⁾ 302,471,888	⁽⁴⁾ 56.0

Notes:

- (1) Based on our share capital of 432,102,960 Shares before our IPO.
- (2) After our Public Issue and Offer for Sale.
- (3) Based on enlarged share capital of 540,128,760 Shares after our IPO.
- (4) Deemed interested by virtue of their shareholdings in T Force pursuant to Section 8 of the Act.
- (5) The ultimate beneficial owners of our Group after our IPO are Lim Soon Yik, Lim Kok Seng, Lim Soon Keat and Sich Kah Yong, by virtue of their shareholdings in T Force pursuant to Section 8 of the Act. Further details are set out in Section 5.1.2(a) below.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Group.

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

5.1.2 Profiles of Promoters and/or substantial shareholders

Save for the profiles of Lim Soon Yik and Lim Kok Seng who are our Promoters, substantial shareholders and Executive Directors which are set out in Section 5.2.2, the profiles of our other Promoter and/or substantial shareholders are as follows:

(a) T Force

T Force was incorporated in Malaysia on 28 July 2023 under the Act as a private limited company, is our Promoter and substantial shareholder. T Force is an investment holding company. As at LPD, the issued share capital of T Force is RM44,000,100 comprising 800,100 ordinary shares. The directors and shareholders of T Force as at LPD are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of T Force shares	%	No. of T Force shares	%
Lim Soon Yik	Director/ shareholder	Malaysian	200,025	25.0	-	-
Lim Kok Seng	Director/ shareholder	Malaysian	200,025	25.0	-	-
Lim Soon Keat	Director/ shareholder	Malaysian	200,025	25.0	-	-
Sich Kah Yong	Shareholder	Malaysian	200,025	25.0	-	-

On 28 July 2023, T Force was initially incorporated to facilitate the succession planning of WDSB which Lim Soon Yik (son of Lim Kok Leong), Lim Soo Yen (daughter of Lim Kok Leong), Lim Soon Keat (son of Lim Kok Seong), Sich Kah Yong (son of Sich Ah Sing) and Lim Kok Seng each held 20.0% equity interest in the company. Subsequently, as Lim Soo Yen was reluctant to involve herself in WDSB's business, she disposed her entire 20.0% equity interest to her brother, Lim Soon Yik on 22 November 2023, resulting in Lim Soon Yik holding 40.0% equity interest in T Force. Subsequently, on 22 December 2023, Lim Soon Yik disposed 5.0% equity interest each to Lim Soon Keat, Sich Kah Yong and Lim Kok Seng respectively to better reflect the pre-listing structure, resulting in all shareholders of T Force holding 25.0% equity interest each in the company (as shown in table above).

On 31 December 2023, Lim Kok Seong, Lim Kok Leong, Lim Kok Seng and Sich Ah Sing, each being a 20.0% shareholder of WDSB, entered into a share sale agreement for the disposal of their entire 80.0% equity interest in WDSB to T Force, for a purchase consideration of RM44.00 million, based on the audited NA of WDSB as at 30 June 2023, which was satisfied by the issuance of 800,000 T Force shares. In view of WDSB's succession planning and in accordance with the terms of the share sale agreement, Lim Kok Leong, Lim Kok Seong and Sich Ah Sing relinquished all their rights, interests and benefits attached to the T Force shares in favour of their offsprings, Lim Soon Yik, Lim Soon Keat and Sich Kah Yong respectively (2nd generation members).

As at LPD, T Force does not have any interest in other companies.

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

(b) Lim Soon Keat

Lim Soon Keat, a Malaysian, aged 27, is our substantial shareholder. He is the cousin of Lim Soon Yik (our Executive Director) and the nephew of Lim Kok Seng (our Executive Director) and Lee Pei Ting (our Head of Human Resource and Administration). In 2020, he obtained his Bachelor of Economics in Finance (Honours) from Xiamen University (Malaysia Campus).

In 2018, he worked on a part time basis with WISB as a Finance Assistant, where he was responsible for preparing financial reports, monitoring financial records and coordinating the daily accounting procedures of the company. Upon completing his undergraduate education in 2020, he assumed the role on a full time basis. In 2021, he was transferred to WDSB and assumed the position of Finance Executive with the same responsibilities. In 2024, he was promoted to Assistant Finance Manager, where he was responsible for assisting in the preparation of periodical financial reports and acting as a liaison personnel between the finance department and other departments within the organisation. As at LPD, his position in our Group remains unchanged.

(c) Sich Kah Yong

Sich Kah Yong, a Malaysian, aged 28, is our substantial shareholder. He is the son of Sich Ah Sing (our Senior Project Manager).

In 2014, he completed his Form 5 education at Sekolah Menengah Kebangsaan Dengkil, Selangor.

In 2016, he joined the workforce and assisted his father in the construction and trading of construction materials businesses, gaining valuable exposure and learning the industry traits until 2019.

In 2020, he joined WDSB as a Logistic Executive, where he was responsible for coordinating all our machineries and commercial vehicles as well as construction materials transportation activities. In 2022, he was transferred to the project department and assumed the position of Site Supervisor, where he was responsible for overseeing daily operations at project sites. As at LPD, his position in our Group remains unchanged.

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

5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings since our incorporation are as follows:

Name	⁽¹⁾ As at incorporation				⁽¹⁾ As at 30 June 2022				⁽¹⁾ As at 30 June 2023			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and substantial shareholders</u>												
T Force	-	-	-	-	-	-	-	-	-	-	-	-
Lim Soon Yik	20	20.0	-	-	20	20.0	-	-	20	20.0	-	-
Lim Kok Seng	20	20.0	-	-	20	20.0	-	-	20	20.0	-	-
<u>Substantial shareholders</u>												
Lim Soon Keat	-	-	-	-	-	-	-	-	-	-	-	-
Sich Kah Yong	-	-	-	-	-	-	-	-	-	-	-	-
Name	⁽²⁾ After our Acquisition				⁽³⁾⁽⁴⁾ After our IPO							
	Direct		Indirect		Direct		Indirect					
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%				
<u>Promoters and substantial shareholders</u>												
T Force	345,682,288	80.0	-	-	⁽⁶⁾ 302,471,888	⁽⁶⁾ 56.0	-	-				
Lim Soon Yik	86,420,622	20.0	⁽⁵⁾ 345,682,288	⁽⁵⁾ 80.0	75,618,022	14.0	⁽⁵⁾ 302,471,888	⁽⁵⁾ 56.0				
Lim Kok Seng	50	<0.1	⁽⁵⁾ 345,682,288	⁽⁵⁾ 80.0	50	<0.1	⁽⁵⁾ 302,471,888	⁽⁵⁾ 56.0				
<u>Substantial shareholders</u>												
Lim Soon Keat	-	-	⁽⁵⁾ 345,682,288	⁽⁵⁾ 80.0	-	-	⁽⁵⁾ 302,471,888	⁽⁵⁾ 56.0				
Sich Kah Yong	-	-	⁽⁵⁾ 345,682,288	⁽⁵⁾ 80.0	-	-	⁽⁵⁾ 302,471,888	⁽⁵⁾ 56.0				

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

Notes:

- (1) Our Company was incorporated on 13 April 2022. Upon incorporation, the remaining 60 shares representing 60.0% equity interest in our Company were held by Lim Kok Leong (20.0%), Lim Kok Seong (20.0%) and Sich Ah Sing (20.0%).
- (2) Based on our share capital of 432,102,960 Shares before our IPO.
- (3) After our Public Issue and Offer for Sale.
- (4) Based on enlarged share capital of 540,128,760 Shares after our IPO.
- (5) Deemed interested by virtue of their shareholdings in T Force pursuant to Section 8 of the Act.
- (6) The ultimate beneficial owners of our Group after our IPO are Lim Soon Yik, Lim Kok Seng, Lim Soon Keat and Sich Kah Yong, by virtue of their shareholdings in T Force pursuant to Section 8 of the Act. Further details are set out in Section 5.1.2(a) above.

5.1.4 Persons exercising control over the corporation

Save for our Promoters as set out in Section 5.1.1, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. There is no arrangement of which may, at a subsequent date, result in a change in control of our Company.

5.1.5 Amounts or benefits paid or intended to be paid or given to our Promoters and substantial shareholders

Save for the issuance of our Shares as consideration for the Acquisition, dividends paid or intended to be paid as disclosed in Section 12.17, and aggregate remuneration and benefits paid or proposed to be paid for services rendered to our Group in all capacities as disclosed in Section 5.2.4, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus.

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

5.2 DIRECTORS

5.2.1 Directors' shareholdings

The shareholdings of our Directors in our Company before and after IPO assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	⁽¹⁾ As at LPD/ Before IPO				⁽²⁾⁽³⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Thien Chiet Chai	Independent Non-Executive Chairman/ Malaysian	-	-	-	-	400,000	<0.1	-	-
Lim Soon Yik	Executive Director/ Malaysian	86,420,622	20.0	⁽⁴⁾ 345,682,288	⁽⁴⁾ 80.0	75,618,022	14.0	⁽⁴⁾ 302,471,888	⁽⁴⁾ 56.0
Lim Kok Seng	Executive Director/ Malaysian	50	<0.1	⁽⁴⁾ 345,682,288	⁽⁴⁾ 80.0	50	<0.1	⁽⁴⁾ 302,471,888	⁽⁴⁾ 56.0
Datuk Ir. Chow Pui Hee	Independent Non-Executive Director/ Malaysian	-	-	-	-	400,000	<0.1	-	-
Koay Lay Ling	Independent Non-Executive Director/ Malaysian	-	-	-	-	-	-	-	-
Mohamad Anuar Bin Mohamad Isa	Independent Non-Executive Director/ Malaysian	-	-	-	-	400,000	<0.1	-	-

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

Notes:

- (1) Based on share capital of 423,102,960 Shares before our IPO.
- (2) After our Public Issue and Offer for Sale.
- (3) Based on enlarged share capital of 540,128,760 Shares after our IPO and assuming that our eligible Directors (save for Koay Lay Ling, our Independent Non-Executive Director, who opted out of the Pink Form Allocations) will fully subscribe for their respective entitlements under the Pink Form Allocations.
- (4) Deemed interested by virtue of their shareholdings in T Force pursuant to Section 8 of the Act.

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

5.2.2 Profiles of Directors

The profiles of our Directors are as follows:

Thien Chiet Chai, a Malaysian male aged 58, is our Independent Non-Executive Chairman. He was appointed to the Board on 15 April 2024.

He pursued part time studies to obtain his Graduate Diploma in Business and Management from SEGi College, Malaysia ("**SEGi**") in 2006. He continued his part time studies at SEGi whereby SEGi provides distance study in collaboration with the University of the Sunshine Coast, Australia and he obtained his Master of Business Administration from the University of the Sunshine Coast, Australia in 2009. He brings with him 36 years of working experience in the upstream oil and gas industry.

In 1986, he started his career with a company that is involved in graphic design and printing, paper products and stationery supply business, Eltech Sdn Bhd as a Technician, where he was responsible for the maintenance and servicing of photocopiers. He left the company in July 1989. In August 1989, he joined an oilfield service provider, Far East Oilwell Services Sdn Bhd as a Trainee Cementer and was responsible for providing cementing services. In 1990, he was (internally) transferred to another oilfield service provider Halliburton Energy Services (Malaysia) Sdn Bhd and became a Trainee Operator, where he was responsible for maintaining, setting up, testing and operating equipment at customer's location and field camp. In 1991, he was promoted to Field Service Specialist and was responsible for performing cementing services and well testing jobs delivery for customers in the Asia Pacific region and Denmark. In 1999, he assumed the role of Service Operator with the responsibility of performing tasks at product line service operations. He assumed the role of Service Leader in 2000 and was responsible for heading the product service lines operations in Malaysia. In 2003, he assumed the role of Manager (Product Service Line Business Segment) and was responsible for managing the product service line business segment including managing and planning budget, communicating related business information, analysing business segment service delivery processes and ensuring compliance with health, safety and environmental regulations and guidelines among others. He was promoted to Country Manager (Tools Testing and Tubing Conveyed Perforating) in January 2007 and was responsible for the company's drill stem test tools, service tools, perforation services, well testing services, reservoir performance services, and expandable liner hanger services. He left the company in May 2007.

In March 2007, he ventured into his own business by setting up and becoming the director of Reservoir Link Resources Sdn Bhd (now known as Thimi Resources Sdn Bhd) which was involved in the trading of industrial products and contractor work. With his exposure and experience in the upstream oil and gas industry, he ceased the operations of Reservoir Link Resources Sdn Bhd in October 2008 and joined Reservoir Link Engineering Sdn Bhd (now known as Reservoir Link Sdn Bhd), a company involved in the provision of well perforation, well testing, well leak repair, wash and cement services, wireline services and supply of specialised oilfield chemicals, in November 2008 as Executive Director (Operation). He is responsible for developing and implementing growth strategies and establishing the group's vision, mission and value. He also supports the Chairman of the group and assists in high level business development and customer relations. In 2014, he was appointed as the Non-Independent Executive Director of Reservoir Link Energy Bhd (a company listed on the Main Market of Bursa Securities), the parent company of Reservoir Link Sdn Bhd. In 2023, he was redesignated from Non-Independent Executive Director to Executive Deputy Chairman of Reservoir Link Energy Bhd. As at LPD, his designation in Reservoir Link Energy Bhd remains unchanged.

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

He presently holds directorships in a public listed company and a number of private limited companies. Please refer to Section 5.2.3(a) for his involvement in other business activities outside of our Group.

Lim Soon Yik, a Malaysian male aged 32, is our Promoter, substantial shareholder and Executive Director. He was appointed to the Board on 13 April 2022. He co-directs our Group together with our other Executive Director, Lim Kok Seng. He is primarily responsible for the formulation and implementation of the overall business strategy and corporate development of our Group, overseeing all corporate policies and matters as well as management practices. He also jointly handles the sales and marketing functions with Lim Kok Seng.

He obtained his Bachelor of Art (Honours) in Business (Finance) from the University of Hertfordshire, United Kingdom and Bachelor of Business (Honours) Finance from INTI International University in September 2014 and 2015 respectively. He has 11 years of working experience in the local construction industry particularly on earthworks and civil engineering service projects.

In August 2014, he started his career with WISB as a Project Officer, where he was responsible for supervising, coordinating and monitoring project activities including managing the resources used for the projects undertaken. He was promoted to Project Manager in 2018, where he was responsible for undertaking project planning and evaluation, managing project budget and leading a team of project supervisors to coordinate the implementation of projects.

In 2017, he joined WDSB as a Project Officer, where he was responsible for assisting the Project Manager, Lim Kok Seng in certain projects only whilst his primary focus remained with the implementation of projects at WISB. He was subsequently promoted to Project Manager in 2019, where he was responsible for overseeing specific projects whilst he also continued to fulfil his responsibilities at WISB.

As part of WDSB succession planning, Lim Soon Yik (one of the identified successors) became the shareholder and Executive Director of WDSB in June 2021, a position he holds to date. Accordingly, he exited WISB in August 2021.

He is the nephew of Lim Kok Seng and Lee Pei Ting as well as the cousin of Lim Soon Keat.

He presently holds directorships in a number of private limited companies outside of our Group. Please refer to Section 5.2.3(b) for his involvement in other business activities outside of our Group.

Lim Kok Seng, a Malaysian male aged 53, is our Promoter, substantial shareholder and Executive Director. He was appointed to the Board on 13 April 2022. He co-directs our Group together with our other Executive Director, Lim Soon Yik. His main responsibility is to oversee the day-to-day operations of our business, and jointly handles sales and marketing functions with Lim Soon Yik.

In 1995, he obtained his Engineering Diploma in Electronic Engineering from the Federal Institute of Technology in Kuala Lumpur. He has more than 18 years of working experience in the local construction industry with extensive experience in earthworks and civil engineering services related projects.

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

In 1996, he started his career with a supplier of keyphone systems, Pan Digital Business System Sdn Bhd as a Technician, where he was responsible for providing installation and maintenance of keyphone systems. He left the company in 1997. From 1998 to May 2000, he was attached to a provider of private automatic branch exchange systems, Tele Dynamics Sdn Bhd as a Technician, where he was involved in the installation and maintenance of private automatic branch exchange systems (switchboards which connect several devices with each other and with the public telephone network).

In June 2000, he joined a sole proprietorship business, CLS Communication, which was involved in the trading of telecommunication and computer equipment as well as provision of related services. He worked as a marketing personnel responsible for undertaking marketing activities and driving sales.

In 2003, he left CLS Communication and formed a partnership business named Infinity Communications Sales and Services, principally involved in the provision of office automation solutions. In 2007, he left his partnership business and joined WISB as a Project Manager, where he was responsible for supervising the daily operations at the construction sites.

In 2008, he also joined WDSB as a Project Manager, where he was responsible for overseeing the planning and delivery of construction projects. With this appointment, he was involved in managing the implementation of construction projects for both WDSB and WISB. In 2010, he was appointed as a Director of WISB.

As part of WDSB succession planning, Lim Kok Seng (one of the identified successors) became the shareholder and Executive Director of WDSB in June 2021, a position he holds to date. Accordingly, he subsequently resigned as a Director of WISB in November 2022.

He is the spouse of Lee Pei Ting as well as the uncle of Lim Soon Yik and Lim Soon Keat.

He presently holds a directorship in a number of private limited companies outside of our Group. Please refer to Section 5.2.3(c) for his involvement in other business activities outside of our Group.

Datuk Ir. Chow Pui Hee, a Malaysian female aged 47, is our Independent Non-Executive Director. She was appointed to the Board on 15 April 2024.

In 2001, she obtained her Bachelor of Engineering (Chemical) (Honours) from Universiti Putra Malaysia. She was elected as a member of The Institution of Engineers, Malaysia in December 2014. She is a registered Professional Engineer with Practicing Certificate in Chemical Engineering with the Board of Engineers Malaysia since 2015, a Registered Electricity Energy Manager with Energy Commission Malaysia since 2016, and an Environment Impact Assessment Subject Consultant in Wastewater and Waste Management with the Department of Environment Malaysia since 2010 and 2024. She also holds a Certificate of Competency for Grid-Connected Photovoltaics Systems Design by Sustainable Energy Development Authority Malaysia issued in February 2014. She brings with her 24 years of working experience in the engineering field, renewable energy and the environmental sectors. She was also named EY Woman Entrepreneur of the Year 2024 Malaysia.

In 2001, she started her career with a pump supplier and system solution provider, Waterfield Sdn Bhd, as an Application Engineer, where she was responsible for specifying pumping system for water and wastewater treatment plant. She left the company in July 2002.

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

In August 2002, she joined an engineering company specialising in the turnkey design and construction of water, environmental solutions and chemical supply for industrial and municipal clients, Aquakimia Sdn Bhd as an Environmental Sales Engineer and was responsible for engineering design and project management. She was subsequently promoted to Manager, Environmental Division in 2007 where she was involved in the design and build of wastewater treatment plants.

In 2009, she left Aquakimia Sdn Bhd and joined a provider of environmental consultancy services, Teknik Edisi Sdn Bhd and was seconded to a related company that is involved in environmental advisory, environmental assets management and carbon trading, Climate Change Group Sdn Bhd as a Technical Manager. She was responsible for the management of landfill closure and provision of technical advisory services of contaminated land management, solid waste and wastewater management.

In July 2010, she left Climate Change Group Sdn Bhd as she was seconded to another company related to Teknik Edisi Sdn Bhd, Strec Sdn Bhd, an environmental consultant that specialises in solid waste management, waste transfer and recovery facilities, leachate and landfill gas management, environmental works related to landfills, groundwater and contaminated land, consultancy on climate change policies, consultancy on clean development mechanism, and environmental due diligence advisory, as a Senior Technical Manager, where she was responsible for providing environmental consulting services. She left the company in January 2011.

She returned to Teknik Edisi Sdn Bhd from February 2011 to June 2014 as an Assistant General Manager, where she was responsible for the implementation of photovoltaic system projects.

In July 2014, she joined Samaiden Sdn Bhd as General Manager before assuming the role as the Managing Director in 2018. Since then, she has been spearheading the growth and expansion of the company from a contractor of solar photovoltaic system to providing end-to-end services for solar photovoltaic power plant projects covering front-end consultancy, engineering, procurement, construction and commissioning, as well as operation and maintenance services. She was appointed to the board of directors of Samaiden Group Berhad (a company listed on Main Market of Bursa Securities) as an Executive Director in October 2019. She assumed the role as the Group Managing Director in December 2019, a position she still holds to date.

She presently holds directorships in a public listed company and a number of private limited companies outside of our Group. Please refer to Section 5.2.3(d) for her involvement in other business activities outside of our Group.

Koay Lay Ling, a Malaysian female aged 44, is our Independent Non-Executive Director. She was appointed to the Board on 15 April 2024.

In August 2005, she obtained her Bachelor of Accounting (Honours) from Universiti Malaya. She has been a member of the Malaysian Institute of Accountants since 2024. She brings with her 16 years of working experience in the accounting and finance field.

In April 2005, she started her career with a provider of consulting, assurance, tax and transaction services, Ernst & Young as an Associate 2. She was subsequently promoted to Associate 1 in 2006, Senior Associate 2 in 2007, Senior Associate 1 in 2008 and Assistant Manager in March 2009. During her stint with the firm, she was involved in performing statutory and special audit works, developing and overseeing audit plan, identifying and assessing risks, directing and reviewing audit procedures, supervising and managing the audit team as well as preparing the audit report.

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

In December 2009, she left Ernst & Young and joined a company that is involved in the manufacture and sales of consumer and pharmaceutical products, Reckitt Benckiser (Malaysia) Sdn Bhd as a Financial Accountant and Head of Credit Control, where she was responsible for financial reporting and compliance assurance, and overseeing matters related to credit control, budgeting and forecasting, management reporting, treasury management and business planning support. In May 2012, she was redesignated as Commercial Accountant and was responsible for performing distributor audit, strategic commercial financial support, pricing review and management reporting. She left the company in November 2012.

From November 2012 to May 2015, she was attached to a company that is involved in the distribution of nutritional products, Mead Johnson Nutrition (Malaysia) Sdn Bhd as a Manager, General Accounting where she was responsible for handling financial reporting, financial analysis, financial compliance, internal controls and compliance assurance among others.

In August 2015, she joined a brewer, Heineken Malaysia Berhad (a company listed on the Main Market of Bursa Securities) as Treasury and Accounts Payable Manager and was responsible for financial compliance, cash forecast planning and funding strategy among others. She was redesignated as Commercial Finance Manager in June 2018 and was responsible for providing decision support and analysis to deliver the desired business performance, providing strategic financial support to ensure successful delivery of innovation projects, management reporting, and conducting pricing review. In November 2018, she was transferred from finance department to internal audit department and was redesignated as Internal Audit Manager and responsible for audit planning, developing and implementing audit methodologies, procedures and checklists, audit execution, preparing and presenting audit reports. She left the company in October 2020.

From October 2020 to July 2021, she joined a private entity involved in providing coaching services, Cloud United PLT, as Chief Executive Officer, where she was responsible for project management and strategic planning related works.

In April 2021, she joined a company that is involved in the provision of face masks, personal care products, home care products and sanitiser dispensers, Neutrovis Sdn Bhd as Head of Finance and Special Projects, where she was mainly responsible for overseeing finance-related functions and audit management, as well as developing and implementing strategic plan to manage and clear stocks. She also acted as the spokesperson of the company and handled media relations, event management, stakeholder relations, corporate social responsibility strategy and community engagement. She left the company in 2022.

In 2023, she was engaged by 10X CEOs Sdn Bhd as a Strategy Coach on a contract basis, where she was responsible for providing guidance and coaching to clients including helping clients to create and refine their strategic plans, conduct a thorough business analysis and developing detailed action plans. As at LPD, her role as a Strategy Coach remains unchanged.

Mohamad Anuar Bin Mohamad Isa, a Malaysian male aged 66, is our Independent Non-Executive Director. He was appointed to the Board on 15 April 2024.

In September 1981, he obtained his Diploma in Business Studies from Institut Teknologi MARA. He has 42 years of combined working experience in property management, facilities management, logistics operation, procurement, industrial property acquisition and sales, shared services, human resources management and general administration.

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

In January 1981, he started his career with a marketing agency under the Ministry of Agriculture and Food Industry, Federal Agricultural Marketing Authority ("**FAMA**") as a Cold Room Manager, where he was responsible for managing the cold room (an insulated and refrigerated room that is designed to maintain an environment below the outdoor temperature for storage of goods) facilities at FAMA Complex in Negeri Sembilan. He left FAMA in July 1981.

In July 1981, he joined a consumer goods distribution company, Pernas Edar Sdn Bhd as a Purchasing Officer (Buyer), where he was responsible for handling central purchasing activities involving non-consumable goods and assisting the Merchandise Manager. He left the company in August 1983.

In September 1983, he joined a national energy group, Petroliam Nasional Berhad as a Management Executive and was responsible for conducting product research, sourcing for and evaluating suppliers, negotiating contracts and preparing reports on orders and costs involving non-consumable items. He was promoted to Section Head (Administration) in 1990 and was responsible for managing the travel and ticketing unit, supervising the group's Human Resource Division's administrative functions and preparing annual budget. He was subsequently redesignated as Section Head (Planning and Development) of the Education Sponsorship Section in June 1995 and was responsible for managing the planning and budgeting of local and overseas students' sponsorship programmes. He left the company in December 1995.

He later held various positions at a company that amongst others, provides corporate, administrative, professional, security services and financial support to its subsidiaries and associated companies, UMW Corporation Sdn Bhd. Between December 1995 to April 2006, he held various managerial positions and was involved in manpower planning, management and development. In April 2006, he was promoted to Assistant General Manager, Human Resource (Planning and Development) where he was responsible for handling the manpower planning functions and managing the training centre for non-motor divisions of the group. In July 2006, he was re-designated to Assistant General Manager, Corporate Services Division and was responsible for managing the group's property and facility maintenance in Shah Alam, Selangor, Bukit Minyak, Penang and Larkin, Johor, a position he held until 2013. He was subsequently promoted to General Manager (Property) and was responsible for managing the groups' property and facility maintenance, as well as handling the sale and disposal of assets and properties in Shah Alam and Serendah in Selangor. He retired from the company in February 2019.

He presently holds directorship in a private limited company outside of our Group. Please refer to Section 5.2.3(e) for his involvement in other business activity outside of our Group.

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

5.2.3 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Thien Chiet Chai

Company			Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
							Direct	Indirect
Present involvement								
Reservoir Sdn Bhd ⁽¹⁾	Link	Provision of well leak repair, perforation, testing, wash and cement and wireline related services	Director/ Indirect shareholder	27 November 2008	-	-	(4)23.7	
Reservoir (Labuan) Ltd ⁽¹⁾	Link	Provision of well perforation and well leak repair services in Vietnam	Director/ Indirect shareholder	7 February 2013	-	-	(4)23.7	
Reservoir Energy Bhd (listed on Main Market of Bursa Securities)	Link Bhd	Investment holding in subsidiaries providing oil and gas well services	Executive Deputy Chairman/ Shareholder/ Indirect shareholder	2 December 2014	-	10.2	(3)13.5	
WHHT Sdn Bhd	Holdings	Property investment	Director/ Shareholder	6 May 2015	-	25.0	-	
Reservoir Solutions Bhd ⁽¹⁾	Link Sdn	Development and provision of oil and gas production enhancement services and sand management solutions	Director/ Indirect shareholder	5 November 2015	-	-	(4)14.2	

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
Amsito Oilwell Services (Malaysia) Sdn Bhd ⁽¹⁾	Provision of wireline related services	Director/ Indirect shareholder	1 December 2015	-	-	⁽⁴⁾ 23.7
Reservoir Holdings Bhd	Link Sdn Investment holding in shares of company involved in mining operations	Director/ Shareholder	30 May 2019	-	43.8	-
Reservoir Renewable Bhd ⁽¹⁾	Link Sdn Investment holding of subsidiaries and associates involved in operation of electricity generation facilities, provision of renewable energy, consultancy services in energy management and clean energy systems, trading of solar roof top related products and provision of water waste treatment	Director/ Indirect shareholder	4 August 2020	-	-	⁽⁴⁾ 23.7
RL Hydro Assets Sdn Bhd ⁽¹⁾	Operation of electricity generation facilities	Director/ Indirect shareholder	7 August 2020	-	-	⁽⁴⁾ 23.7
RL Bina Sdn Bhd (formerly known as RL Healthcare Sdn Bhd) ⁽¹⁾	Investment holding and trading of healthcare related products	Director/ Indirect shareholder	13 January 2021	-	-	⁽⁴⁾ 23.7
Starview Venture Sdn Bhd	Dormant (with no intended future principal activities)	Director/ Shareholder	20 January 2021	-	100.0	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
RL Sigma Engineering Sdn Bhd ⁽¹⁾	Generation, distribution of renewable energy, consultancy services in energy management and clean energy systems	Director/ Indirect shareholder	29 March 2021	-	-	⁽⁴⁾ 23.7
Founder Energy Sdn Bhd ⁽¹⁾	Provision and implementation of solar photovoltaic projects	Director/ Indirect shareholder	25 August 2021	-	-	⁽⁴⁾ 10.3
RL Sunseap Energy Sdn Bhd ⁽¹⁾	Provision of renewable energy for commercial and industrial use	Director/ Indirect shareholder	18 April 2022	-	-	⁽⁴⁾ 12.1
Founder Energy (Singapore) Pte Ltd ⁽¹⁾	Construction of solar projects	Director/ Indirect shareholder	27 May 2022	-	-	⁽⁴⁾ 10.3
Agensi Pekerjaan RL Sdn Bhd ⁽¹⁾	Private employment agency	Director/ Indirect shareholder	31 May 2022	-	-	⁽⁴⁾ 23.7
RL Protec Sdn Bhd ⁽¹⁾	Production of technology product and services	Director/ Indirect shareholder	9 June 2022	-	-	⁽⁴⁾ 12.3
Solacycle Sdn Bhd (formerly known as RL ADS Power Sdn Bhd) ⁽¹⁾	Trading and manufacturing of power energy storage, consultancy services and project management	Director/ Indirect shareholder	17 August 2022	-	-	⁽⁴⁾ 23.7
Founder Assets Sdn Bhd ⁽¹⁾	Investment in renewable energy projects	Director/ Indirect shareholder	21 September 2022	-	-	⁽⁴⁾ 10.3

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
PT EnviroTech Akva Indonesia ⁽¹⁾	Provision of water waste treatment	Director/ Indirect shareholder	15 December 2022	-	-	⁽⁴⁾ 20.1
Founder Group Limited ⁽¹⁾	Investment holding in companies involved in solar projects	Director/ Indirect shareholder	1 June 2023	-	-	⁽⁴⁾ 10.3
RL Venture Pte Ltd (formerly known as RL Renewable Pte Ltd) ⁽¹⁾	Wholesale trade of solar roof top related products	Director/ Indirect shareholder	18 August 2023	-	-	⁽⁴⁾ 23.7
WHT Mining Sdn Bhd	Mining operations	Director/ Indirect shareholder	3 October 2023	-	-	⁽³⁾ 43.8
SRM Utama Selambau Sdn Bhd ⁽²⁾	Operation of electricity generation facilities	Director/ Indirect shareholder	5 October 2023	-	-	⁽⁴⁾ 6.9
Renewa Ventures Pte Ltd ⁽¹⁾	Generation of electricity by solar	Director/ Indirect shareholder	16 October 2023	-	-	⁽⁴⁾ 23.7
RL IDC Sdn Bhd ⁽¹⁾	Data processing activities, provision of infrastructure for hosting and data processing services	Director/ Indirect shareholder	15 January 2024	-	-	⁽⁴⁾ 11.8
SAG Renewables Sdn Bhd ⁽¹⁾	Installation of non-electric solar energy collectors	Director/ Indirect shareholder	29 January 2024	-	-	⁽⁴⁾ 23.7

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u>						
Thimi Resources Sdn Bhd	Dissolved on 13 April 2022. Prior to dissolution, the company was involved in trading of industrial products and contractor works	Director/Shareholder	6 March 2007	13 April 2022	30.0	-
RL Glove Sdn Bhd	Dissolved on 13 December 2023. Prior to dissolution, the company was involved in manufacturing, export and import of rubber gloves	Director/Shareholder	8 January 2021	13 December 2023	30.0	-

Notes:

- (1) A subsidiary of Reservoir Link Energy Bhd, a company listed on the Main Market of Bursa Securities.
- (2) An associate of Reservoir Link Energy Bhd, a company listed on the Main Market of Bursa Securities.
- (3) Deemed interested by virtue of his shareholdings in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his shareholdings in Reservoir Link Energy Bhd pursuant to Section 8 of the Act.

(b) Lim Soon Yik

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
WD Solar	Installation of non-electric solar energy collectors	Director	2 April 2018	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
Tab Venture Sdn Bhd	Dormant (with no intended future principal activities)	Director/Shareholder	3 July 2023	-	100.0	-
T Force	Investment holding in our Group	Director/Shareholder	28 July 2023	-	25.0	-
Past involvement						
NSSB	Engineering, procurement, construction and commissioning contractor for solar projects	Director	5 February 2020	20 December 2021	-	-
TISB ⁽¹⁾	Dormant (with no intended future principal activities, and previously involved in provision of earthworks)	Director/Shareholder	14 December 2021	Ceased to be a director and shareholder on 12 September 2023	20.0	-
LASB ⁽²⁾	General contractor	Indirect shareholder	-	Ceased to be an indirect shareholder on 15 June 2023	-	⁽³⁾ 6.0
JN Murni	Property investment in oil palm plantation	Shareholder	-	Ceased to be a shareholder on 5 June 2024	5.0	-
ON Gemilang Sdn Bhd	Property investment in oil palm plantation	Shareholder	-	Ceased to be a shareholder on 1 June 2024	5.0	-

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

Notes:

- (1) TISB was acquired on 13 July 2010 by Lim Kok Seong (50.0%) and Lim Kok Leong (50.0%) from the subscriber shareholders, to undertake provision of earthworks. On even date, Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and Lim Kok Seng were appointed as directors of TISB. On 4 August 2010, through an allotment of shares, the shareholdings of Lim Kok Leong and Lim Kok Seong changed to 30.0% each, and Sich Ah Sing (30.0%) as well as Lim Kok Seng (10.0%) joined as shareholders. However, since March 2020, the shareholders of TISB decided to cease operations of the company. On 9 November 2021, Lim Kok Seong, Lim Kok Leong and Sich Ah Sing disposed part of their shareholdings to Lim Kok Seng and Lim Soon Yik, resulted in Lim Kok Seong, Lim Kok Leong, Lim Kok Seng, Lim Soon Yik and Sich Ah Sing each held 20.0% equity interest in the dormant company. On 12 September 2023, the 5 shareholders disposed their entire shareholdings to Dato' Adanan Sukri Bin Musa and Mohd Alimin Bin Mahmood (non-related parties) for RM10,000, being the shareholders' cost of investment.
- (2) On 30 December 2020, WDSB acquired 30% shareholdings in LASB from TISB (a company then owned by Lim Kok Seng, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong). Arising thereto, LASB became an associate of WDSB and on 12 January 2021, Lim Kok Seong was appointed as a director of LASB. On 15 June 2023, Lim Kok Seong resigned as a director and WDSB disposed its entire 30.0% shareholdings in LASB to Mat Sani Bin Jasli (non-related party) for a purchase consideration of RM3.00 million, being the value of WDSB's investment in LASB, as LASB intends to concentrate on tendering for projects which requires the tenderer to have 100.0% Bumiputera equity. Further details are as set out in Note (4) of Section 10.1.
- (3) Deemed interested by virtue of his shareholdings in WDSB pursuant to Section 8 of the Act.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
(c) Lim Kok Seng

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
WLSB	Dormant (with no intended future principal activities, and previously involved in provision of transportation services for heavy machineries)	Director/ Shareholder	9 January 2007	-	30.0	-
BISB ⁽¹⁾	Dormant (with no intended future principal activities, and previously involved in the provision of earthworks)	Director/ Shareholder	17 January 2011	-	50.0	-
Warisan Dengkil Sdn Bhd	Property investment and oil palm cultivation	Director/ Shareholder	26 May 2011	-	25.0	-
Garuda Timur Sdn Bhd	Oil palm cultivation	Director/ Indirect shareholder	18 November 2011	-	-	⁽⁷⁾ 25.0
TVSB	Property investment in oil palm plantation	Director/ Indirect shareholder	29 August 2012	-	-	⁽⁷⁾ 25.0
JMSB	Property investment in oil palm plantation	Director/ Indirect shareholder	1 April 2013	-	-	⁽⁷⁾ 25.0
LN BK	Property investment	Director/ Shareholder	13 January 2014	-	16.7	-
Barisan Budimas Sdn Bhd ⁽²⁾	Property investment	Director/ Shareholder	3 April 2015	-	25.0	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
PMVSB	Property investment	Shareholder	13 April 2015	12 September 2023	17.5	-
Golden Domes Sdn Bhd	Trading of fertiliser and related products as well as property development	Director	24 May 2016	-	-	-
BHSB	Management of petrol station	Director/ Shareholder	2 June 2016	-	25.0	-
WD Land Sdn Bhd	Property development	Director/ Shareholder	9 June 2016	-	20.0	-
T Force	Investment holding in our Group	Director/ Shareholder	28 July 2023	-	25.0	-
JN Murni	Property investment in oil palm plantation	Shareholder	-	-	25.0	-
ON Gemilang Sdn Bhd	Property investment in oil palm plantation	Shareholder	-	-	25.0	-
WD Development	Property development	Shareholder	-	-	20.0	-
<u>Past involvement</u>						
TISB ⁽³⁾	Dormant (with no intended future principal activities, and previously involved in provision of earthworks)	Director/ Shareholder	13 July 2010	Ceased to be a director and shareholder on 12 September 2023	20.0	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
LASB ⁽⁴⁾	General contractor	Director/ Indirect shareholder	14 July 2010	Ceased to be a director on 30 December 2015 and indirect shareholder on 15 June 2023	-	⁽⁸⁾ 6.0
WISB ⁽⁵⁾	Construction contractor	Director/ Shareholder	20 July 2010	Ceased to be a director on 23 November 2022 and shareholder on 14 November 2022	25.0	-
FRSB	Property investment and holding company of companies involved in trading of fertiliser and property development	Director/ Shareholder	18 November 2011	Ceased to be a director and shareholder on 12 September 2023	25.0	-
PMVSB	Property investment	Director/ Shareholder	13 April 2015	Ceased to be a director on 12 September 2023 and shareholder on 30 January 2024	17.5	-
DLSB ⁽⁶⁾	Provision of rock blasting services	Director	7 June 2019	30 March 2022	-	-

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

Notes:

- (1) BISB was acquired on 17 January 2011 by Lim Kok Seng (50.0%) and Mok Thin Meng (50.0%, non-related party) from the subscriber shareholders, to provide earthworks services. On even date, Lim Kok Seng and Mok Thin Meng were appointed as directors of the company. Mok Thin Meng assisted Lim Kok Seng in the day-to-day operations of the company. On 10 February 2011, Mok Thin Meng disposed his 50.0% shareholdings to Mok Wei Hoong, and resigned as a director whereas Mok Wei Hoong was appointed as a director. On 29 June 2012, Mok Wei Hoong disposed his 50.0% shareholdings to Sich Ah Sing, resulting in Sich Ah Sing and Lim Kok Seng holding 50.0% equity interests each in the company. On even date, Mok Wei Hoong resigned as director and, Sich Ah Sing was appointed as director to date. However, since January 2022, the shareholders decided to cease operations of the company. As at LPD, BISB is still collecting its remaining receivables of approximately RM0.23 million, which is expected to be collected by February 2025. Upon collection of the receivables, the shareholders of BISB have undertaken to close down the company.
- (2) The company was previously involved in excavation and trading of soil but had ceased operations as at 15 March 2020.
- (3) TISB was acquired on 13 July 2010 by Lim Kok Seong (50.0%) and Lim Kok Leong (50.0%) from the subscriber shareholders, to undertake provision of earthworks services. On even date, Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and Lim Kok Seng were appointed as directors of TISB. On 4 August 2010, through an allotment of shares, the shareholdings of Lim Kok Leong and Lim Kok Seong changed to 30.0% each, and Sich Ah Sing (30.0%) as well as Lim Kok Seng (10.0%) joined as shareholders. However, since March 2020, the shareholders of TISB decided to cease operations of the company. On 9 November 2021, Lim Kok Seong, Lim Kok Leong and Sich Ah Sing disposed part of their shareholdings to Lim Kok Seng and Lim Soon Yik, resulted in Lim Kok Seong, Lim Kok Leong, Lim Kok Seng, Lim Soon Yik and Sich Ah Sing each holding 20.0% in the dormant company. On 12 September 2023, the 5 shareholders disposed their entire shareholdings to Dato Adanan Sukri Bin Musa and Mohd Alimin Bin Mahmood (non-related parties) for RM10,000, being the shareholders' cost of investment.
- (4) On 30 December 2020, WDSB acquired 30% shareholdings in LASB from TISB (a company then owned by Lim Kok Seng, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong). Arising thereto, LASB became an associate of WDSB and on 12 January 2021, Lim Kok Seong was appointed as a director of LASB. On 15 June 2023, Lim Kok Seong resigned as director and WDSB disposed its entire 30.0% shareholdings in LASB to Mat Sani Bin Jasli (non-related party) for a purchase consideration of RM3.00 million, being the value of WDSB's investment in LASB, as LASB intends to concentrate on tendering for projects which requires the tenderer to have 100.0% Bumiputera equity. Further details are as set out in Note (4) of Section 10.1.

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

- (5) WISB was incorporated on 19 January 2007 by Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and 2 other non-related shareholders (i.e. Liew San Thin and Lee Gee Say), where each shareholder held 20.0% equity interest, to undertake construction works. Upon incorporation, Lim Kok Seong, Lim Kok Leong and Sich Ah Sing were also appointed as directors where they led the business. On 1 June 2007, Chong Boon Thai (Lim Kok Seong's brother-in-law) joined the company as the Project Manager and was managing the day-to-day operations of the company. On 3 December 2007, Liew San Thin fully exited the company by disposing her shareholdings equally to the remaining shareholders, resulted in Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and Lee Gee Say holding 25.0% equity interest each in the company. As WISB's business started to expand, on 20 July 2010, Lim Kok Seng joined the company by acquiring Lee Gee Say's entire 25.0% shareholdings and was also appointed as director on even date. Arising thereto, WISB Shareholders, namely Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and Lim Kok Seng each held 25.0% equity interest in the company.

WISB Shareholders decided to focus on expanding WDSB, and disposed their entire shareholdings to non-related parties on 14 November 2022 and 30 March 2023, resulting in the final shareholdings of WISB being held by Chong Kam Soon (27.0%), Nur Atikah binti Taslim (71.0%, registered in her name as nominee of Dato' Adanan Sukri bin Musa, the controlling shareholder of LASB) and Chong Boon Thai (2.0%), for a total purchase consideration of RM5.00 million, being the unaudited NA of WISB as at 30 November 2022 after adjusting for bad debts. Accordingly, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong resigned as directors on 17 October 2022 and Lim Kok Seng resigned as director on 23 November 2022. Further details are as set out in Note (5) of Section 10.1.

- (6) DLSB was acquired on 22 September 2014 by Lim Soon Yik (50.0%) and Sich Ah Sing (50.0%) as a dormant company from the subscriber shareholders and on even date appointed as directors. On 7 June 2019, Lim Soon Yik and Sich Ah Sing disposed their entire shareholdings to Ling Siak Pang (non-related party), where the company commenced operations in the provision of rock blasting services. Ling Siak Pang is an experienced rock blasting specialist, and he continues to manage and led the company till date. On even date, Lim Soon Yik and Sich Ah Sing resigned as directors and Ling Siak Pang, Lim Kok Seong and Lim Kok Seng were appointed as directors. On 30 March 2022, Lim Kok Seong and Lim Kok Seng resigned as directors of DLSB, to focus on their own business and not undertake the specialisation of rock blasting services. Further details are as set out in Note (7) of Section 10.1.
- (7) Deemed interested by virtue of his shareholdings in Warisan Dengkil Sdn Bhd pursuant to Section 8 of the Act.
- (8) Deemed interested by virtue of his shareholdings in WDSB pursuant to Section 8 of the Act.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
(d) Datuk Ir. Chow Pui Hee

Company		Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
						Direct	Indirect
Present involvement							
Samaiden Bhd ⁽¹⁾	Sdn	Engineering, procurement, construction and commissioning of solar photovoltaic systems and power plants and provision of operation and maintenance services	Director/ Indirect shareholder	10 April 2018	-	-	⁽⁵⁾ 52.0
Samaiden Consultancy Bhd ⁽¹⁾	Sdn	Provision of consulting services in relation to renewable energy	Director/ Indirect shareholder	7 March 2019	-	-	⁽⁵⁾ 52.0
SC Green Solutions Bhd ⁽¹⁾	Sdn	Operations of electricity generation facilities	Director/ Indirect shareholder	19 June 2019	-	-	⁽⁵⁾ 31.2
Samaiden Berhad	Group (listed on the Main Market of Bursa Securities)	Investment holding in subsidiaries involved in construction, operations, management and service of solar photovoltaic systems and power plants	Group Managing Director/ Shareholder/ Indirect shareholder	17 December 2019	-	31.3	⁽³⁾ 20.7
Samaiden Capital Management Sdn Bhd ⁽¹⁾		Financial leasing activities and investment holding of companies involved in operations of electricity generation facilities	Director/ Indirect shareholder	9 April 2021	-	-	⁽⁵⁾ 52.0

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
Samaiden Energy (Vietnam) Limited Liability Company ⁽¹⁾	Dormant (incorporated for future principal activities involving engineering, procurement, construction and commissioning of solar photovoltaic system and power plant and subcontracting services)	Director/ Indirect shareholder	31 May 2021	-	-	⁽⁵⁾ 52.0
Samaiden Energy (Cambodia) Co. Ltd. ⁽¹⁾	Dormant (incorporated for future principal activities involving engineering, procurement, construction and commissioning of solar photovoltaic system and power plant and subcontracting services)	Director/ Indirect shareholder	21 November 2022	-	-	⁽⁵⁾ 52.0
Angelaxy Power Sdn Bhd	Construction of power plants and utility project	Director/ Shareholder	1 December 2022	-	100.0	-
Samaiden Biomass Energy Sdn Bhd ⁽¹⁾	Operations of electricity generation facilities	Director/ Indirect shareholder	6 July 2023	-	-	⁽⁵⁾ 52.0
Bahau Power Sdn Bhd	Operations of electricity generation facilities	Director/ Indirect shareholder	11 October 2023	-	-	⁽⁴⁾ 51.0
Bright Winter Sdn Bhd ⁽²⁾	Operations of electricity generation facilities	Director/ Indirect shareholder	6 December 2023	-	-	⁽⁵⁾ 15.6

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

Company		Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
						Direct	Indirect
Legasi Energy Bhd ⁽¹⁾	Green Sdn	Operations of electricity generation facilities	Director/ Indirect shareholder	12 December 2023	-	-	⁽⁵⁾ 52.0
Legasi Power Sdn Bhd	Green Sdn	Operations of electricity generation facilities	Director/ Indirect shareholder	15 December 2023	-	-	⁽⁴⁾ 30.0
Legasi Resources Bhd ⁽¹⁾	Green Sdn	Manufacture of gaseous fuels, wholesale of other solid, liquid and gaseous fuels and operation of electricity generation facilities	Director/ Indirect shareholder	31 December 2024	-	-	⁽⁵⁾ 48.8
Samaiden Energy (Sarawak) Bhd ⁽²⁾	Sdn	Wholesale of variety of goods without any particular specialisation, provision of engineering and management consultancy activities	Director/ Indirect shareholder	20 November 2024	-	-	⁽⁵⁾ 25.5
Envirofeed Trading Bhd ⁽²⁾	Sdn	Wholesale of agricultural raw material, live animal, metal, non-metal waste, scrap, materials for recycling and collection of non-hazardous solid waste	Director/ Indirect shareholder	18 December 2024	-	-	⁽⁵⁾ 25.5
Sumas Energy Sdn Bhd ⁽¹⁾	Sdn	Manufacture of gaseous fuels, wholesale of other solid, liquid and gaseous fuels and operation of electricity generation facilities	Director/ Indirect shareholder	24 December 2024	-	-	⁽⁵⁾ 26.6

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
Samaiden Biogas Energy Sdn Bhd ⁽¹⁾	Manufacture of gaseous fuels, wholesale of other solid, liquid and gaseous fuels and operation of electricity generation facilities	Director/ Indirect shareholder	31 December 2024	-	-	⁽⁵⁾ 52.0
Federation of Public Listed Companies Bhd	Promote and encourage the healthy development of the capital market in Malaysia	Director	13 January 2025	-	-	-
Samaiden Legasi Timur Sdn Bhd ⁽¹⁾	Management consultancy activities and engineering services	Director/ Indirect shareholder	17 January 2025	-	-	⁽⁵⁾ 52.0
Samaiden SG Pte Ltd ⁽¹⁾	Dormant (incorporated for future principal activities involving engineering, procurement, construction and commissioning of solar photovoltaic system and power plant and subcontracting services)	Indirect shareholder	-	-	-	⁽⁵⁾ 52.0
Samaiden Chudenko Renewables Sdn Bhd ⁽¹⁾	Investment holding in renewable energy assets and/or renewable energy business	Indirect shareholder	-	-	-	⁽⁵⁾ 26.5
Samaiden (Southern) Sdn Bhd ⁽¹⁾	Management consultancy activities and engineering services	Indirect shareholder	-	-	-	⁽⁵⁾ 36.4

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
PT Samaiden Energy Indonesia ⁽¹⁾	Project developer of renewable energy generation facilities and/ or engineering, procurement, construction and commissioning of renewable energy generation facilities, and provision of operations and maintenance services	Commissioner/ Indirect shareholder	-	-	-	⁽⁵⁾ 36.4
Past involvement						
Asanaga Sdn Bhd	Development, installation and operation of electricity generation facilities	Director/ Shareholder	1 December 2022	Ceased to be a director and shareholder on 22 August 2023	100.0	-

Notes:

- (1) A subsidiary of Samaiden Group Berhad, a company listed on the Main Market of Bursa Securities.
- (2) An associate of Samaiden Group Berhad, a company listed on the Main Market of Bursa Securities.
- (3) Deemed interested by virtue of her spouse's shareholdings in Samaiden Group Berhad pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of her shareholdings in Angelaxy Power Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of her own and spouse's shareholdings in Samaiden Group Berhad pursuant to Section 8 of the Act.

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

(e) Mohamad Anuar Bin Mohamad Isa

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Madinatul FM Services Sdn Bhd	Cleaning of buildings, combined facility support activities, provision of human resources, construction of buildings, interior completion and management consultancy activities	Director/ Shareholder	25 November 2021	-	49.0	-

Past involvement

Nil

As at LPD, the directorships of our Directors in other companies are in compliance with Rule 15.06 of the Listing Requirements as our Directors do not hold more than 5 directorships in public listed companies on Bursa Securities.

Save as disclosed in Section 11, the involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. Further, the involvement of our Executive Directors in other businesses or corporations does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the management and day-to-day operations of these businesses, other than attending meetings of the board of directors on which they serve. Such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management. Our Executive Directors are of the view that although they are involved in other businesses as set out above, they are able to devote sufficient time and attention to the affairs of our Group to carry out their respective duties. The involvement of our Independent Non-Executive Directors in other directorships or business activities outside our Group are not expected to affect their contribution to our Group as they are not involved in our Group's day-to-day operations.

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

5.2.4 Directors' remuneration and benefits

The remuneration of our Executive Directors including fees, salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. The Director's fees and any benefits payable to Directors shall be subject to annual approval by our shareholders pursuant to an ordinary resolution passed at a general meeting in accordance with our Constitution. Please refer to Section 15.3 for further details.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2023 to 2025 are as follows:

	Directors' fees	Salaries	⁽¹⁾ Bonuses	Other emolument	Benefits-in-kind	Total
	RM'000					
FYE 2023 (Paid)						
Lim Soon Yik	-	84	-	19	-	103
Lim Kok Seng	-	232	-	⁽²⁾ 161	-	393
FYE 2024 (Paid)						
Thien Chiet Chai	-	-	-	-	-	-
Lim Soon Yik	-	180	-	34	-	214
Lim Kok Seng	-	336	-	⁽³⁾ 220	-	556
Datuk Ir. Chow Pui Hee	-	-	-	-	-	-
Koay Lay Ling	-	-	-	-	-	-
Mohamad Anuar Bin Mohamad Isa	-	-	-	-	-	-
FYE 2025 (Proposed)						
Thien Chiet Chai	60	-	-	2	-	62
Lim Soon Yik	-	180	-	42	-	222
Lim Kok Seng	-	336	-	76	-	412
Datuk Ir. Chow Pui Hee	42	-	-	2	-	44
Koay Lay Ling	42	-	-	2	-	44
Mohamad Anuar Bin Mohamad Isa	42	-	-	2	-	44

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

Notes:

- (1) The bonuses for FYE 2025 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.
- (2) Relates to incentive for the completion of Tanjung Industrial Area Project, after the first half of retention sum was released. In the past, the person-in-charge handling certain projects which achieved a higher profit margin as compared to budgeted, is entitled to receive an incentive upon project completion and receipt of retention sum. This practice has been discontinued since June 2021.
- (3) Relates to incentive for the completion of Tanjung Industrial Area Project, after the second half of retention sum was released. In the past, the person-in-charge handling certain projects which achieve a higher profit margin as compared to budgeted, is entitled to receive an incentive upon project completion and receipt of retention sum. This practice has been discontinued since June 2021.

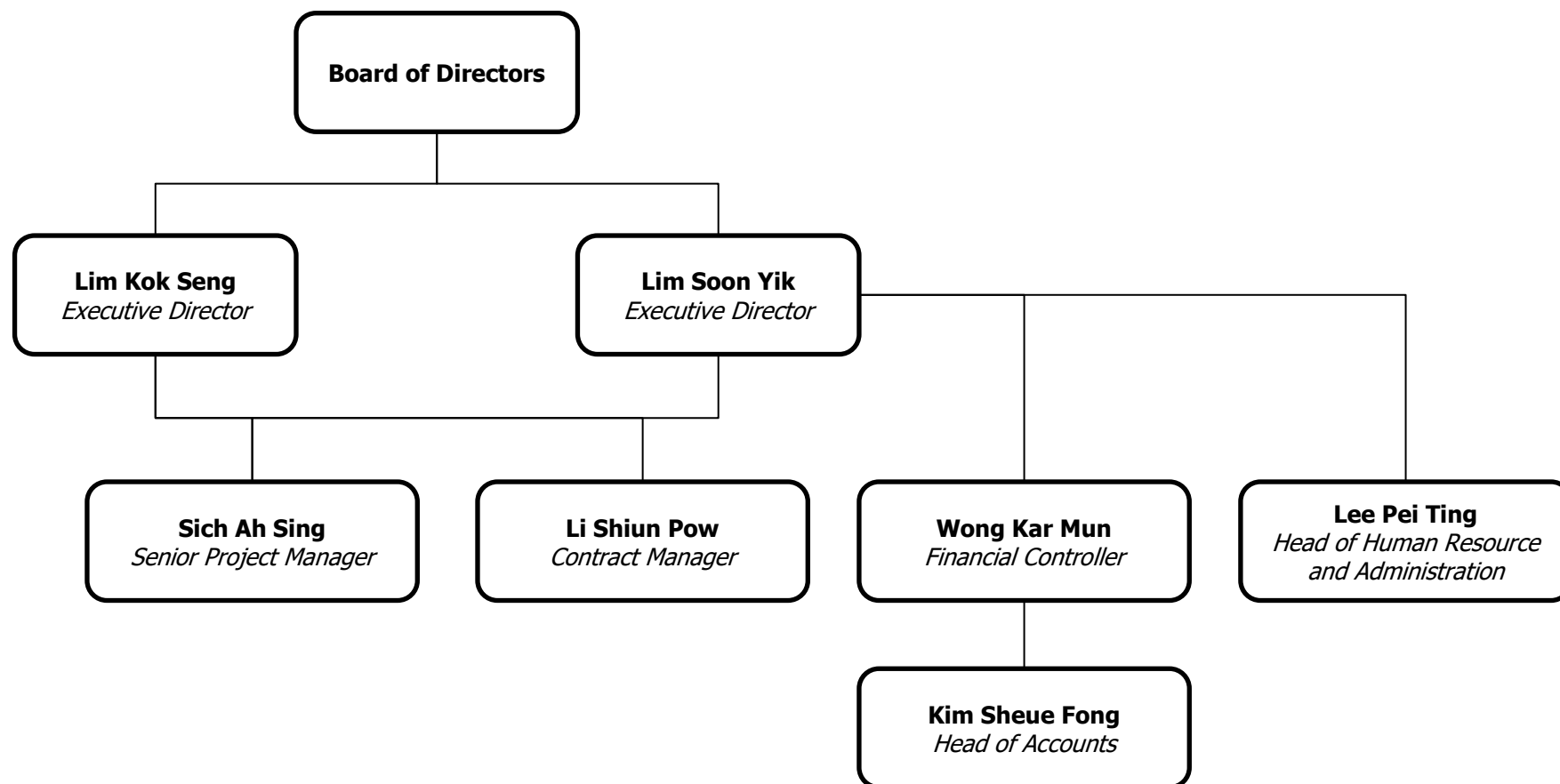
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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management structure

The management reporting structure of our Group is as follows:



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

5.3.2 Key senior management shareholdings

The shareholdings of our key senior management in our Company before and after IPO assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	⁽¹⁾ As at LPD/ Before IPO				⁽²⁾⁽³⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	⁽⁴⁾ No. of Shares	%	No. of Shares	%
Wong Kar Mun	Financial Controller/ Malaysian	-	-	-	-	800,000	0.2	-	-
Sich Ah Sing	Senior Project Manager/ Malaysian	-	-	-	-	-	-	-	-
Li Shiun Pow	Contract Manager/ Malaysian	-	-	-	-	400,000	<0.1	-	-
Lee Pei Ting	Head of Human Resource and Administration/ Malaysian	-	-	-	-	-	-	-	-
Kim Sheue Fong	Head of Accounts/ Malaysian	-	-	-	-	20,000	<0.1	-	-

Notes:

- ⁽¹⁾ Based on our share capital of 432,102,960 Shares before our IPO.
- ⁽²⁾ After our Public Issue and Offer for Sale.
- ⁽³⁾ Based on enlarged share capital of 540,128,760 Shares after our IPO.
- ⁽⁴⁾ Assuming he/ she fully subscribes for his/her respective entitlements under the Pink Form Allocations.

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

5.3.3 Profiles of key senior management

Save for the profiles of Lim Soon Yik and Lim Kok Seng, which are set out in Section 5.2.2, the profiles of the other key senior management of our Group are as follows:

Wong Kar Mun, a Malaysian female aged 34, is our Financial Controller. She is responsible for overseeing our Group's finance-related functions including execution of financial reporting, compliance of tax matters and maintenance of internal controls.

In 2013, she obtained her Bachelor of Business from Victoria University, Australia. She has been a member of the Association of Chartered Certified Accountants since January 2021 and the Malaysian Institute of Accountants since October 2022.

In 2013, she started her career with Omega Restaurant & Music Lounge Sdn Bhd as an Administrative Executive, where she was responsible for summarising accounting information, creating financial reports and documenting financial transactions. She left the company in 2014 to pursue her accounting studies on a full-time basis to prepare for the Association of Chartered Certified Accountants examinations.

In 2015, she resumed her career by joining U Business Consultancy Sdn Bhd as a Tax cum Audit Executive, where she was responsible for preparing tax computation and tax notes for companies, preparing and compiling audit report and audit working paper, and preparing and maintaining accounting records for companies. She left the company in August 2016.

From November 2016 to December 2022, she was attached to Ecovis Malaysia PLT, firstly as an Assurance Associate from November 2016 to June 2017, and subsequently as Assurance Senior III from July 2017 to June 2018, as Assurance Senior II from July 2018 to June 2019, Assurance Senior I from July 2019 to December 2020, as Assurance Assistant Manager II from January 2021 to June 2022 and as Assurance Assistant Manager I from July 2022 to December 2022. During her stint with the firm, she was involved in planning, supervising, coordinating, performing, and assigning corporate-wide compliance audits on a wide portfolio of customers which included small- and medium-sized enterprises, multinational companies, public listed companies and not-for-profit organisation.

In January 2023, she joined Grandpine Capital Sdn Bhd as a Financial Controller and was responsible for overseeing the finance and accounting function and team, managing and monitoring all business planning and financial management activities, planning annual budget as well as reviewing internal controls. She left the company in July 2023.

In August 2023, she joined our Group and assumed her current position.

She presently does not hold any directorships in other private limited companies outside of our Group.

Sich Ah Sing, a Malaysian male aged 54, is our Senior Project Manager. He is responsible for overseeing the construction materials transportation and distribution activities and managing site operations including facilitating long-term planning, strategy and day-to-day operations of our project department.

In 1982, he completed his primary 5 education at Sekolah Jenis Kebangsaan (Cina) Dengkil in Sepang, Selangor.

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

From 1982 to 1993, he worked as a general worker in his family food business. He performed various duties which included the preparation of rice and dishes, buying ingredients, serving customers and selling meals. In 1993, he joined Menta Construction Sdn Bhd as an Excavator Operator. The job provided him with the opportunity to gain hands-on experience in the use of an excavator for the removal of earth and other materials in construction projects. He left the company in 1995.

In 1996, he co-founded a partnership business named KK Plus Enterprise which was involved in the provision of construction services focusing on earthworks and infrastructure works as well as the transport of sand and other minerals in Malaysia. He was the managing partner of the business and was responsible for managing the day-to-day business operations. KK Plus Enterprise ceased operations in 1998. After that, he sought for new business opportunities. As he was not able to find suitable business opportunities, he then decided to join the workforce again. In 2000, he joined T-Force Enterprise as a Project Manager, where he was responsible for managing site operations and transportation activities involving the transport of construction materials including supervising all heavy machinery operators and lorry drivers. He left T-Force Enterprise in 2003 as the business and assets of T-Force Enterprise were being taken over by WDSB as part of a corporatisation exercise for business expansion.

He subsequently joined our Group in 2004 as a Marketing Executive, where he was responsible for implementing our marketing strategies and initiatives to drive business growth. He was later promoted to Marketing Manager in 2009 and was responsible for supervising our day-to-day marketing activities. He was transferred to our project department in 2010 where he assumed the position of Project Manager and was responsible for managing site operations. In 2021, he was promoted to Senior Project Manager cum Head of Logistics where he was involved in overseeing the construction materials transportation and distribution activities and managing site operations. He was subsequently redesignated to his current position in 2023.

He presently holds directorships in a number of private limited companies outside of our Group. Please refer to Section 5.3.4(a) for his involvement in other business activities outside of our Group.

He is the father of Sich Kah Yong, our substantial shareholder.

Li Shiun Pow, a Malaysian female aged 38, is our Contract Manager. She is responsible for overseeing the drafting, reviewing, and negotiation of pre- and post-tender contracts as well as managing and resolving all contractual issues for our Group.

She obtained her Diploma in Technology (Quantity Surveying) with Distinction and Advanced Diploma in Technology (Building) with Merit from Tunku Abdul Rahman College in 2007 and March 2009 respectively. In 2009, she obtained her Bachelor of Science in Quantity Surveying Studies with First Class Honours from Sheffield Hallam University, United Kingdom.

In 2009, she started her career with ICT Development Sdn Bhd as an Assistant Quantity Surveyor. She was subsequently promoted to Quantity Surveyor in 2010. During her stint with the company, she was responsible for preparing progress claims, evaluating subcontractor, preparing project tender documents and assisting in materials sourcing. She left the company in April 2012.

In May 2012, she joined Cergas Conso Sdn Bhd as a Senior Quantity Surveyor and was responsible for supporting the project site team in the submission of progress claim, extension of time and loss and expense, dealing with consultants for approval of work methods of statement, material and shop drawing, monitoring of work progress and budgeting for materials, and evaluation of subcontractors and suppliers. She left the company in 2017.

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

In 2018, she became a shareholder and director of a company involved in the provision of construction contract advisory services, Pro Age Resources (M) Sdn Bhd. As at LPD, she is still the shareholder and director of the company.

From 2020 to July 2021, she was attached to WISB as a Contract Manager, where she was responsible for managing and resolving all contractual issues, providing project costing as well as monitoring progress of work and cash flow. In August 2021, she was transferred to WDSB and assumed similar position and job responsibilities. She left WDSB in June 2022 as she received better job offer from Continuum Builders Sdn Bhd. Consequently, in February 2023, WDSB re-offered her better employment terms and she re-joined WDSB and assumed her current position.

She presently holds directorship in a private limited company outside of our Group. Please refer to Section 5.3.4(b) for her involvement in other business activity outside of our Group.

Lee Pei Ting, a Malaysian female aged 51, is our Head of Human Resource and Administration. She is responsible for overseeing our Group's administrative functions and human resource matters.

In 1994, she completed her Form 6 education at Sekolah Menengah Seri Ampangan in Seremban, Negeri Sembilan.

In 1995, she started her career with Tai Luen Choo Hee Co as an Accounts Clerk, where she was responsible for preparing a full set of accounts. She left the company in 1996 to join Achiever Management Services in a similar position and assumed similar job responsibility. In 1997, she left Achiever Management Services and joined MBF Finance Berhad as General Clerk, where she was responsible for performing a variety of clerical and administrative duties such as undertaking vouchers posting and performing bank reconciliation as well as being a Teller. She left MBF Finance Berhad in 1998.

In 1999, she joined Sterling Glory Sdn Bhd as an Accounts Clerk and was responsible for undertaking accounting and clerical support works. She left the company in April 2000.

In June 2000, she joined Yun Nam Hair Care Sdn Bhd as an Accounts Clerk, where she was responsible for performing clerical support to the accounting department such as documents upkeeping and account reconciliation. She was later redesignated as Accounts Assistant in September 2000. Subsequently, she was promoted to Accounts Officer and Account Executive in 2002 and 2005 respectively, where she was responsible for a full set of accounts, invoice billing, data entry and daily accounts recording functions. She left the company in 2006.

In August 2006, she joined WDSB as an Account Clerk and was initially responsible for keeping financial records updated and reconciling bank statements. She was subsequently put in charge of reviewing and providing support on the preparation of account receivables, account payables, balance sheet, and profit and loss statements to ensure timely financial reporting to the management. In 2020, she was transferred to the administrative department and assumed the position of Administrative Executive, where she was responsible for coordinating office activities, managing supplies and scheduling appointments. In 2021, she was promoted to Administration Manager and was responsible for planning, streamlining, and executing administrative workflows and procedures as well as handling human resource matters and inter-department coordination. In 2023, she assumed her current position.

She presently holds directorships in a number of private limited companies outside of our Group. Please refer to Section 5.3.4(c) for her involvement in other business activities outside of our Group.

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

She is the spouse of Lim Kok Seng, the aunt of Lim Soon Yik and Lim Soon Keat.

Kim Sheue Fong, a Malaysian female aged 48, is our Head of Accounts. She is responsible for preparing financial reports, managing cash flow, handling internal audit and liaising with external auditors. She reports directly to Wong Kar Mun, our Group's Financial Controller.

In February 1997, she obtained her Third Level Group Diploma in Accounting from the London Chamber of Commerce and Industry Examinations Board. In March 1997, she obtained her Diploma in Business (Majoring in Financial Accounting) from Systematic Business Training Centre.

In 1998, she started her career with Falik Construction Sdn Bhd as an Accounts Clerk and was responsible for the preparation of the full set of accounts. She left the company in February 1999. From March 1999 to January 2005, she was attached to RSH Manufacturing (M) Sdn Bhd as an Accounts Clerk, where she was responsible for handling the full set of accounts.

In February 2005, she joined our Group as an Account Clerk and was responsible for providing clerical support on payments and invoices. In 2020, she was promoted to Account Officer and was responsible for preparing financial reports and liaising with external auditors. In 2023, she assumed her current position.

She presently does not hold any directorships in other private limited companies outside of our Group.

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

5.3.4 Principal business performed outside our Group

Save as disclosed in Section 5.2.3 and below, none of our key senior management has any other principal directorship and/or principal business activities performed outside our Group within the last 5 years up to LPD:

(a) Sich Ah Sing

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
WD Land Sdn Bhd	Property development	Director/Shareholder	9 June 2016	-	20.0	-
PMVSB	Property investment	Director/Shareholder	13 April 2015	-	25.0	-
BHSB	Management of petrol station	Director/Shareholder	2 August 2018	-	25.0	-
BISB ⁽¹⁾	Dormant (with no intended future principal activities, and previously involved in the provision of earthworks)	Director/Shareholder	29 June 2012	-	50.0	-
WLSB	Dormant (with no intended future principal activities, and previously involved in provision of transportation services for heavy machineries)	Director/Shareholder	9 January 2007	-	30.0	-
Barisan Budimas Sdn Bhd ⁽²⁾	Property investment	Director/Shareholder	3 April 2015	-	25.0	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
Baiduri Amanjaya Sdn Bhd	Dormant (with no intended future principal activities)	Director/ Shareholder	2 June 2016	-	50.0	-
FRSB	Property investment and holding company of companies involved in trading of fertiliser and property development	Director/ Shareholder	18 October 2006	-	25.0	-
Warisan Dengkil Sdn Bhd	Property investment and oil palm cultivation	Director/ Shareholder	3 September 2007	-	25.0	-
Garuda Timur Sdn Bhd	Oil palm cultivation	Director/ Indirect shareholder	18 November 2011	-	-	⁽⁶⁾ 25.0
TVSB	Property investment in oil palm plantation	Director/ Indirect shareholder	29 August 2012	-	-	⁽⁶⁾ 25.0
Golden Domes Sdn Bhd	Trading of fertiliser and related products and property development	Director/ Indirect shareholder	24 May 2016	-	-	⁽⁷⁾ 21.3
JMSB	Property investment in oil palm plantation	Director/ Indirect shareholder	1 April 2013	-	-	⁽⁶⁾ 25.0
JN Murni	Property investment in oil palm plantation	Shareholder	-	-	25.0	-
ON Gemilang Sdn Bhd	Property investment in oil palm plantation	Shareholder	-	-	25.0	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
WD Development	Property development	Shareholder	-	-	20.0	-
<u>Past involvement</u>						
WISB ⁽³⁾	Construction contractor	Director/ Shareholder	19 January 2007	Ceased to be a director on 17 October 2022 and shareholder on 14 November 2022	25.0	-
TISB ⁽⁴⁾	Dormant (with no intended future principal activities, and previously involved in provision of earthworks)	Director/ Shareholder	13 July 2010	Ceased to be a director on 14 December 2021 and shareholder on 12 September 2023	20.0	-
LASB ⁽⁵⁾	General contractor	Director/ Indirect shareholder	14 July 2010	Ceased to be a director on 30 December 2015 and indirect shareholder on 15 June 2023	-	⁽⁸⁾ 6.0

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

Notes:

- (1) BISB was acquired on 17 January 2011 by Lim Kok Seng (50.0%) and Mok Thin Meng (50.0%, non-related party) from the subscriber shareholders, to provide earthworks services. On even date, Lim Kok Seng and Mok Thin Meng were appointed as directors of the company. Mok Thin Meng assisted Lim Kok Seng in the day-to-day operations of the company. On 10 February 2011, Mok Thin Meng disposed his 50.0% shareholdings to Mok Wei Hoong, and resigned as a director whereas Mok Wei Hoong was appointed as a director. On 29 June 2012, Mok Wei Hoong disposed his 50.0% shareholdings to Sich Ah Sing, resulting in Sich Ah Sing and Lim Kok Seng holding 50.0% equity interests each in the company. On even date, Mok Wei Hoong resigned as director and, Sich Ah Sing was appointed as director to date. However, since January 2022, the shareholders decided to cease operations of the company. As at LPD, BISB is still collecting its remaining receivables of approximately RM0.23 million, which is expected to be collected by February 2025. Upon collection of the receivables, the shareholders of BISB have undertaken to close down the company.
- (2) The company was previously involved in excavation and trading of soil but had ceased operations as at 15 March 2020.
- (3) WISB was incorporated on 19 January 2007 by Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and 2 other non-related shareholders (i.e. Liew San Thin and Lee Gee Say), where each shareholder held 20.0% equity interest, to undertake construction works. Upon incorporation, Lim Kok Seong, Lim Kok Leong and Sich Ah Sing were also appointed as directors where they led the business. On 1 June 2007, Chong Boon Thai (Lim Kok Seong's brother-in-law) joined the company as the Project Manager and was managing the day-to-day operations of the company. On 3 December 2007, Liew San Thin fully exited the company by disposing her shareholdings equally to the remaining shareholders, resulted in Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and Lee Gee Say holding 25.0% equity interest each in the company. As WISB's business started to expand, on 20 July 2010, Lim Kok Seng joined the company by acquiring Lee Gee Say's entire 25.0% shareholdings and was also appointed director on even date. Arising thereto, Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and Lim Kok Seng each held 25.0% equity interest in the company.

WISB Shareholders decided to focus on expanding WDSB, and disposed their entire shareholdings to non-related parties on 14 November 2022 and 30 March 2023, resulting in the final shareholdings of WISB being held by Chong Kam Soon (27.0%), Nur Atikah binti Taslim (71.0%, registered in her name as nominee of Dato' Adanan Sukri bin Musa, the controlling shareholder of LASB) and Chong Boon Thai (2.0%), for a total purchase consideration of RM5.00 million, being the unaudited NA of WISB as at 30 November 2022 after adjusting for bad debts. Accordingly, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong resigned as directors on 17 October 2022 and Lim Kok Seng resigned as director on 23 November 2022. Further details are as set out in Note (5) of Section 10.1.

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

- (4) TISB was acquired on 13 July 2010 by Lim Kok Seong (50.0%) and Lim Kok Leong (50.0%) from the subscriber shareholders, to undertake provision of earthworks services. On even date, Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and Lim Kok Seng were appointed as directors of TISB. On 4 August 2010, through an allotment of shares, the shareholdings of Lim Kok Leong and Lim Kok Seong changed to 30.0% each, and Sich Ah Sing (30.0%) as well as Lim Kok Seng (10.0%) joined as shareholders. However, since March 2020, the shareholders of TISB decided to cease operations of the company. On 9 November 2021, Lim Kok Seong, Lim Kok Leong and Sich Ah Sing disposed part of their shareholdings to Lim Kok Seng and Lim Soon Yik, resulted in Lim Kok Seong, Lim Kok Leong, Lim Kok Seng, Lim Soon Yik and Sich Ah Sing each holding 20.0% in the dormant company. On 12 September 2023, the 5 shareholders disposed their entire shareholdings to Dato Adanan Sukri Bin Musa and Mohd Alimin Bin Mahmood (non-related parties) for RM10,000, being the shareholders' cost of investment.
- (5) On 30 December 2020, WDSB acquired 30% shareholdings in LASB from TISB (a company then owned by Lim Kok Seng, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong). Arising thereto, LASB became an associate of WDSB and on 12 January 2021, Lim Kok Seong was appointed as a director of LASB. On 15 June 2023, Lim Kok Seong resigned as director and WDSB disposed its entire 30.0% shareholdings in LASB to Mat Sani Bin Jasli (non-related party) for a purchase consideration of RM3.00 million, being the value of WDSB's investment in LASB, as LASB intends to concentrate on tendering for projects which requires the tenderer to have 100.0% Bumiputera equity. Further details are as set out in Note (4) of Section 10.1.
- (6) Deemed interested by virtue of his shareholdings in Warisan Dengkil Sdn Bhd pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of his shareholdings in FRSB pursuant to Section 8 of the Act.
- (8) Deemed interested by virtue of his indirect shareholdings in WDSB pursuant to Section 8 of the Act.

(b) Li Shiun Pow

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Pro Age Resources (M) Sdn Bhd	Dormant (with no intended future principal activities, and previously involved in provision of consultation services for project management)	Director/Shareholder	4 January 2018	-	100.0	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u>						
Nil						

(c) Lee Pei Ting

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
ON Gemilang Sdn Bhd	Property investment in oil palm plantation	Director/ Shareholder/ Indirect shareholder	1 September 2014	-	10.0	⁽¹⁾ 25.0
JN Murni	Property investment in oil palm plantation	Director/ Shareholder/ Indirect shareholder	1 September 2014	-	10.0	⁽²⁾ 25.0
PMVSB	Property investment	Director/ Shareholder	12 September 2023	-	25.0	-
FRSB	Property investment and investment holding of companies involved in trading of fertiliser and property development	Director/ Shareholder	12 September 2023	-	25.0	-

Past involvement

Nil

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

Notes:

- (1) Deemed interested by virtue of her spouse's shareholdings in ON Gemilang Sdn Bhd pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of her spouse's shareholdings in JN Murni pursuant to Section 8 of the Act.

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

5.3.5 Key senior management remuneration and benefits

The remuneration of our key senior management including salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management (save for our Executive Directors which are disclosed in Section 5.2.4) for services rendered in all capacities to our Group for FYE 2023 to 2025 are as follows:

	⁽¹⁾ Remuneration band		
	FYE 2023 (Paid)	FYE 2024 (Paid)	FYE 2025 (Proposed)
	RM'000		
Wong Kar Mun	-	100 - 150	100 - 150
Sich Ah Sing	250 - 300	500 - 550	450 - 500
Li Shiun Pow	50 - 100	200 - 250	200 - 250
Lee Pei Ting	100 - 150	100 - 150	100 - 150
Kim Sheue Fong	100 - 150	100 - 150	100 - 150

Note:

- ⁽¹⁾ The remuneration for key senior management includes salaries, bonuses, allowances and other emoluments. Such bonuses, if any, will be determined at a later date based on our Group's performance.

5.4 BOARD PRACTICE

5.4.1 Board

Our Board has adopted the following responsibilities for effective discharge of its functions:

- To provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;
- To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, and our employees and assets and to ensure compliance with applicable laws and regulations;
- To ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
- To review and approve our annual business plans, financial statements and annual reports;

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

- (f) To monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group;
- (g) To ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;
- (h) To ensure the integrity of our Group's financial and non-financial reporting;
- (i) To establish and maintain a strong ethical culture and standards within an organisation including combating corruption, bribery and money laundering practices; and
- (j) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.

In accordance with our Constitution, an election of Directors shall take place each year. At the first Annual General Meeting ("**AGM**") of our Company, all the Directors shall retire from office, and at the AGM in every subsequent year, 1/3 of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires whether adjourned or not.

As at LPD, 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 office are as follows:

Name	Designation	Date of appointment as Director	Date of expiration of the current term of office in AGM	Tenure in office as at LPD
Thien Chiet Chai	Independent Non-Executive Chairman	15 April 2024	At the AGM in the year of 2025	Less than 1 year
Lim Soon Yik	Executive Director	13 April 2022	At the AGM in the year of 2027	2 years 10 months
Lim Kok Seng	Executive Director	13 April 2022	At the AGM in the year of 2025	2 years 10 months
Datuk Ir. Chow Pui Hee	Independent Non-Executive Director	15 April 2024	At the AGM in the year of 2026	Less than 1 year
Koay Lay Ling	Independent Non-Executive Director	15 April 2024	At the AGM in the year of 2026	Less than 1 year
Mohamad Anuar Bin Mohamad Isa	Independent Non-Executive Director	15 April 2024	At the AGM in the year of 2027	Less than 1 year

As at LPD, our Group has adhered to the MCGG requirement in respect of Board composition. Details of our overall adherence to the MCGG requirements in respect of our Board composition is set out in Section 6.11(c)(iii).

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

The Board and each board committee have clearly defined roles and responsibilities aligned with MCCG's principles and practices, ensuring consistent governance practices. Save for the practices that are only applicable post-listing, which we intend to apply after our Listing and practices that are only applicable to large companies which are not applicable to our Group, we have adhered to all other MCCG's recommendations as at LPD.

5.4.2 Audit and Risk Management Committee

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its responsibility on the oversight of the integrity of our Group's accounting and financial reporting matters.

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

- (a) To review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services;
- (b) To review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (c) To review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (d) To review and approve our quarterly and annual financial statements for recommendation to our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (e) To review any related party transactions entered into by our Group and any conflict of interest situations that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;
- (f) To consider the major findings of internal investigations and management's response;
- (g) To discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management);
- (h) To communicate their insights, views and concerns about relevant transactions and events to internal auditors;
- (i) To review the policies and procedures for assessment of suitability and independence of external auditors;
- (j) To review the policies and procedures governing the provision of non-audit services by external auditors;
- (k) To perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where our Group conducts its business and affairs;

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

- (l) To review effectiveness of the management information system;
- (m) To review and discuss any management letter sent by the external auditors to the Company and the management's response to such letter;
- (n) To establish, oversee and review the sustainability framework of our Company, which is grounded in the ESG pillars, in order to ensure its alignment with evolving local and global sustainability trends and developments, while also confirming its feasibility within our Company's resources and capabilities;
- (o) To oversight on the establishment, implementation and maintain of a sound risk management framework which identifies, assesses, manages and monitors our Group's business risk; and
- (p) To perform such other functions as may be requested by our Board.

The recommendations of our Audit and Risk Management Committee are subject to the approval of our Board.

The members of our Audit and Risk Management Committee as at LPD are as follows:

Name	Designation	Directorship
Koay Lay Ling	Chairperson	Independent Non-Executive Director
Datuk Ir. Chow Pui Hee	Member	Independent Non-Executive Director
Mohamad Anuar Bin Mohamad Isa	Member	Independent Non-Executive Director

Our Nomination Committee will review the composition, performance and effectiveness of our Audit and Risk Management Committee annually.

5.4.3 Remuneration Committee

The main function of our Remuneration Committee is to support our Board in actively overseeing the design and operation of our Group's remuneration system to ensure corporate accountability and governance. Our Remuneration Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (a) To recommend a remuneration framework for our Executive Directors and key senior management for our Board's approval to ensure corporate accountability and governance with respect to our Board's remuneration and compensation. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain Directors and key senior management of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefits-in-kind;
- (b) To recommend specific remuneration packages for our Executive Directors and key senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of our Board;
- (c) To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of our Executive Directors and key senior management;

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

- (d) To implement the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of our Board and key senior management;
- (e) To structure the component parts of remuneration so as to align with the business strategy and sustainability as well as long term objectives of our Company and to link rewards to individual performance and to assess the needs of our Company for talent at Board level at a particular time;
- (f) When recommending the fee and other benefits for our Independent Directors, our Remuneration Committee shall ensure it does not conflict with our Independent Directors' obligations to bring objectivity and independent judgment on matters discussed at Board meetings;
- (g) To establish frequent communication with other board committees, namely Nomination Committee, to align remuneration policies and procedures to succession plans and talent management of executives and Audit and Risk Management Committee to ensure risk outcomes are adequately considered in the design of remuneration policies and procedure;
- (h) To ensure fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings; and
- (i) To perform any other functions as defined by our Board.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

The members of our Remuneration Committee as at LPD are as follows:

Name	Designation	Directorship
Mohamad Anuar Bin Mohamad Isa	Chairman	Independent Non-Executive Director
Datuk Ir. Chow Pui Hee	Member	Independent Non-Executive Director
Koay Lay Ling	Member	Independent Non-Executive Director

Our Nomination Committee review the composition, performance and effectiveness of our Remuneration Committee annually.

5.4.4 Nomination Committee

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

- (a) To establish an appropriate (fit and proper) selection criteria and processes, recruitment process and to recommend to our Board, candidates for all directorships of our Company and members of the relevant board committees;
- (b) To oversee and shape our Group's governance policies and practices to put in place the succession planning of our Board and senior management and to achieve board effectiveness and governance;
- (c) To integrate ESG considerations into nomination processes such as training criteria and ESG experience in order to recruit directors that will bring ESG expertise to our Board;

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

- (d) To ensure sufficient diversity and independence in our Board in order to achieve greater depth and breadth in the decision-making process;
- (e) The chairman of the Nomination Committee shall refer to the succession planning policy duly approved by our Board to lead the succession planning for Directors and senior management and appointment of members of our Board and senior management and oversee the development of a diverse pipeline for our Board and management succession, including the future chairman and/or managing director;
- (f) To establish the mechanisms for the formal assessment on an annual basis on the effectiveness of our Board as a whole, the effectiveness of each Directors; the effectiveness of our board committees and senior management; the performance of the Directors and senior management of our Company and the need to bring new skills and perspective to our Board and the senior management. Performance evaluations of our Board and senior management include a review of the performance of our Board and senior management in addressing our Company's material sustainability risks and opportunities;
- (g) To utilise the annual evaluation forms duly approved by our Board to assess the effectiveness of our Board, our board committees and the contribution and performance of each individual Director and the chairman and to disclose the annual evaluation methodology and results in the corporate governance report of our Company;
- (h) To review on an annual basis, the meeting attendance of our Board and/or board committee(s) meetings and sufficiency of time commitment of the Directors in discharging their roles and responsibilities in our Company;
- (i) To review on an annual basis, the term of office and performance of our audit committee and each of its members to determine whether our and risk management committee and members have carried out their duties in accordance with the terms of reference of the audit and risk management committee;
- (j) To assess our independent non-executive Directors in terms of their independence and ability to discharge their responsibilities or functions as well as the exercise of their independent judgment or their ability to act in the best interests of our Company;
- (k) To review on an annual basis, the length of service of each independent non-executive Director. The tenure of an independent director shall not exceed a term limit of 9 years. After a cumulative term of 9 years, the independent director may continue to serve on our Board as a non-independent Director. However, if our Board intends to retain an independent director beyond 9 years, it should provide justification and seek shareholders' approval annually through a two-tier voting process in a general meeting;
- (l) To review and recommend on an annual basis to our Board the appropriate size, structure, balance and composition of our Board, required mix of skills, experience, boardroom diversity and other qualities, including core competencies in order for our Board to function effectively and efficiency and to ensure that the contribution of our Directors and senior management are in line with our Group's requirements and in compliance with the Listing Requirements;

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

- (m) To facilitate our Board induction programme for newly appointed Directors and identify suitable educational and training programmes for continuous development of Directors to ensure the Directors and senior management keep abreast with development in the industry, regulatory changes, sustainability issues relevant to our Company and Board business trends;
- (n) To recommend to our Board the removal of a Director including the executive directors and senior management if he is ineffective, errant or negligent in discharging his responsibilities;
- (o) To review and recommend to our Board re-election if Directors who retired by rotation pursuant to our Company's Constitution and re-appointment of Directors who retired pursuant to relevant provisions of the Act and in our Company's Constitution, subject to the conduct of the fit and proper assessment;
- (p) To assist our Board to assess and evaluate circumstances where Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving the declaration of the same. After deliberation with our audit and risk management committee, to recommend to our Board on the necessary actions to be taken in the circumstances where there is a conflict of interest. To ensure that the individual candidate standing for election should be transparent and make the necessary declaration of the potential conflict of interest to our Board and shareholders;
- (q) To provide shareholders of our Company the information they require to make an informed decision on the appointment and/or re-appointment of a director. The information should be included in the notes accompanying the notice of the general meeting;
- (r) To act in line with the directions of our Board;
- (s) To provide a report summarising activities of our Nomination Committee for the year which include the application of fit and proper policy in compliance with the MCGG, Listing Requirements and any relevant regulations; and
- (t) To carry out such other functions or assignments as may be delegated by our Board from time to time within the scope of our Nomination Committee or as may be required under the Listing Requirements.

The recommendations of our Nomination Committee are subject to the approval of our Board.

The members of our Nomination Committee as at LPD are as follows:

Name	Designation	Directorship
Datuk Ir. Chow Pui Hee	Chairperson	Independent Non-Executive Director
Mohamad Anuar Bin Mohamad Isa	Member	Independent Non-Executive Director
Koay Lay Ling	Member	Independent Non-Executive Director

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

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

Save as disclosed in the table below, there are no family relationships or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD:

Name	Position	Relationship
Lim Soon Yik	Promoter, substantial shareholder (direct and via his substantial shareholdings in T Force), Executive Director	• Cousin of Lim Soon Keat • Nephew of Lim Kok Seng and Lee Pei Ting
Lim Kok Seng	Promoter, substantial shareholder via his substantial shareholdings in T Force and Executive Director	• Spouse of Lee Pei Ting • Uncle of Lim Soon Yik and Lim Soon Keat
Lim Soon Keat	Substantial shareholder via his substantial shareholdings in T Force	• Cousin of Lim Soon Yik • Nephew of Lim Kok Seng and Lee Pei Ting
Sich Kah Yong	Substantial shareholder via his substantial shareholdings in T Force	Son of Sich Ah Sing
Sich Ah Sing	Senior Project Manager	Father of Sich Kah Yong
Lee Pei Ting	Head of Human Resource and Administration	• Spouse of Lim Kok Seng • Aunt of Lim Soon Yik and Lim Soon Keat

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at LPD, there are no existing or proposed service agreements entered into between our Company with any Directors; or between any companies within our Group with any key senior management which provide for benefits upon termination of employment.

5.7 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at LPD, none of our Promoters, Directors or key senior management is or has been involved in any of the following events (whether within or outside Malaysia):

- in the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a Director or a member of key senior management;
- disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- in the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

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

- (d) in the last 10 years, any judgment that was entered against him, 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;
- (e) in the last 10 years, was 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;
- (f) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (g) 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
- (h) has any unsatisfied judgment against him.

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6. INFORMATION ON OUR GROUP**6.1 INFORMATION ON OUR COMPANY**

Our Company was incorporated in Malaysia under the Act on 13 April 2022 as a private limited company under the name of Wawasan Dengkil Holdings Sdn Bhd. On 13 June 2024, our Company was converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD. Through our subsidiary, we are principally involved in the provision of construction services, namely earthworks and civil engineering services, trading of construction materials as well as provision of machineries and commercial vehicles for hire.

Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM60.49 million comprising 432,102,960 Shares, all of which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Cumulative share capital RM
13 April 2022	100	RM10/ Subscriber's shares	10
28 November 2024	432,102,860	RM60,494,400/ Consideration for the Acquisition	60,494,410

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

Upon completion of our IPO, our enlarged share capital will increase to RM87.50 million comprising 540,128,760 Shares.

6.2 ACQUISITION

In preparation for our Listing, we have undertaken the Acquisition. On 11 June 2024, we entered into a conditional share sale agreement with T Force and Lim Soon Yik to acquire the entire equity interest in WDSB comprising 1,000,000 ordinary shares for a purchase consideration of RM60.49 million which was satisfied by the issuance of 432,102,860 new Shares to T Force and Lim Soon Yik at an issue price of approximately RM0.14 each.

Details of the Acquisition and the number of Shares issued to the vendors pursuant to the Acquisition are as follows:

WDSB vendors	Shareholdings in WDSB		Purchase consideration RM	No. of Shares issued
	No. of shares acquired	% of share capital		
T Force	800,000	80.0	48,395,520	345,682,288
Lim Soon Yik	200,000	20.0	12,098,880	86,420,572
	1,000,000	100.0	60,494,400	432,102,860

6. INFORMATION ON OUR GROUP (Cont'd)

The purchase consideration for the Acquisition of RM60.49 million was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of WDSB as at 31 December 2023 of RM60.49 million.

The Acquisition was completed on 28 November 2024. Thereafter, WDSB became our wholly-owned subsidiary, as set out in our group structure in Section 6.3.

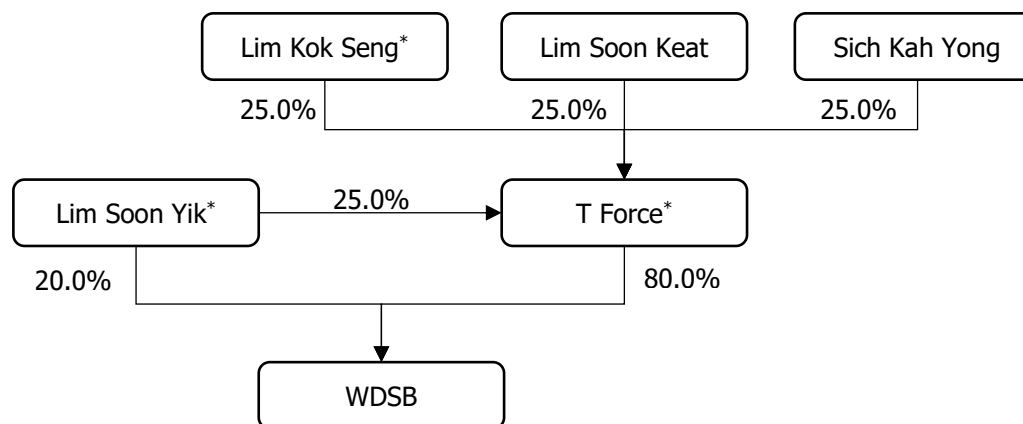
The new Shares issued under the Acquisition rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

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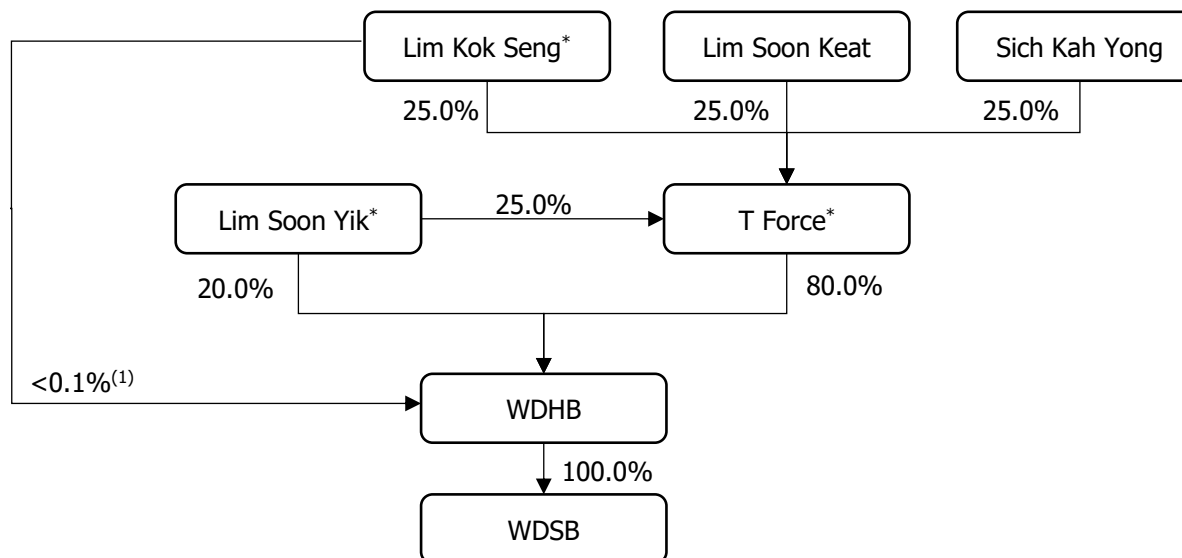
6. INFORMATION ON OUR GROUP *(Cont'd)*

6.3 GROUP STRUCTURE

Before the Acquisition

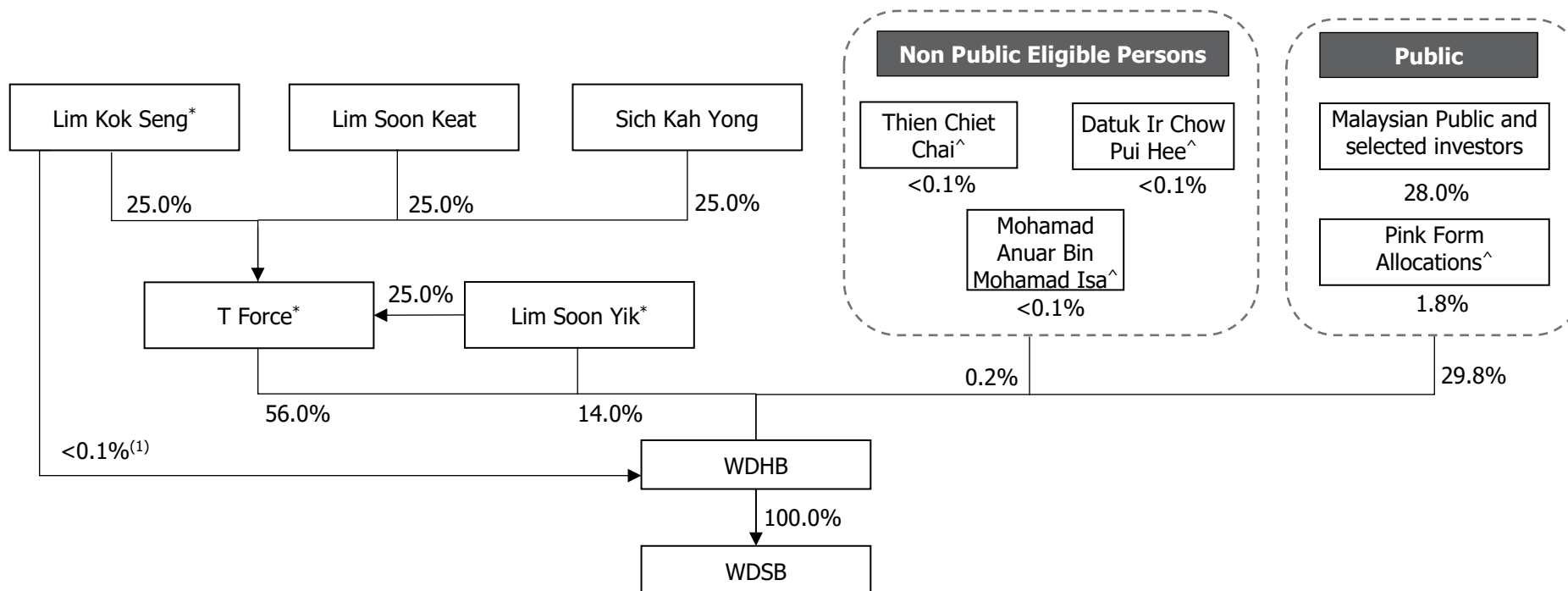


After the Acquisition but before our IPO



6. INFORMATION ON OUR GROUP (Cont'd)

After the Acquisition and our IPO



Notes:

* Relates to Promoters.

^ Assuming full subscription of Pink Form Allocations by all the Eligible Persons (save for Koay Lay Ling, our Group's Independent Non-Executive Director, Sich Ah Sing, our Senior Project Manager and Lee Pei Teng, our Head of Human Resource and Administration, who have opted out of the Pink Form Allocations).

⁽¹⁾ Represents 50 existing Shares held by Lim Kok Seng, representing less than 0.1% shareholdings of our Company.

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

6.4 SUBSIDIARY

Details of our subsidiary as at LPD are summarised as follows:

Company/ Registration no.	Date/ Place of incorporation	Principal place of business	Issued share capital RM	Effective equity interest %	Principal activities
WDSB/ 200301005307 (607727-H)	28 February 2003/ Malaysia	Malaysia	1,000,000	100.0	Provision of construction services namely earthworks and civil engineering services, trading of construction materials as well as provision of machineries and commercial vehicles for hire

Details of the share capital of our subsidiary are set out in Section 15.2.

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

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for FYE 2021 to 2024, FPE 2025 and up to LPD:

- (a) Sale and purchase agreement dated 29 June 2021 entered into between WDSB and FRSB (a related party) for the disposal of an apartment unit bearing postal address No. 3-2-1, Jalan Baiduri 8, Taman Baiduri, 43800 Dengkil, Sepang, Selangor measuring approximately 616 sq ft for a cash consideration of RM272,865, which was completed on 29 June 2021;
- (b) Sale and purchase agreement dated 29 June 2021 entered into between WDSB and FRSB (a related party) for the disposal of an apartment unit bearing postal address B9-13A, Shaftsbury Suite Residence, Jalan Impact, Cyber 6, 63000 Cyberjaya, Selangor measuring approximately 463 sq ft for a cash consideration of RM243,075, which was completed on 29 June 2021;
- (c) Sale and purchase agreement dated 29 June 2021 entered into between WDSB and FRSB (a related party) for the disposal of an apartment unit bearing postal address B9-15, Shaftsbury Suite Residence, Jalan Impact, Cyber 6, 63000 Cyberjaya, Selangor measuring approximately 906 sq ft for a cash consideration of RM475,650, which was completed on 29 June 2021;
- (d) Sale and purchase agreement dated 29 June 2021 entered into between WDSB and FRSB (a related party) for the disposal of a condominium unit bearing postal address 1-3A-10, Putra Intan Condominium, 43800 Dengkil, Sepang, Selangor measuring approximately 716 sq ft for a cash consideration of RM189,740, which was completed on 29 June 2021;
- (e) Sale and purchase agreement dated 29 June 2021 entered into between WDSB and FRSB (a related party) for the disposal of an apartment unit bearing postal address E-2-001-1A, Jalan LP 7/2, Seksyen 7, Taman Lestari Perdana, 43300 Seri Kembangan, Selangor measuring approximately 864 sq ft for a cash consideration of RM150,336, which was completed on 29 June 2021;
- (f) Sale and purchase agreement dated 29 June 2021 entered into between WDSB and FRSB (a related party) for the disposal of an apartment unit bearing postal address N-09-1, D'Wharf Residence, Persiaran Waterfront, 71000 Port Dickson, Negeri Sembilan measuring approximately 924 sq ft for a cash consideration of RM545,589, which was completed on 29 June 2021;
- (g) Sale and purchase agreement dated 15 October 2021 entered into between WDSB and Softlabs Technologies Sdn Bhd for the disposal of a piece of freehold land measuring approximately 19,321 sq ft together with a 1 ½ storey factory erected thereon bearing postal address No. 7, Jalan Mega 2/1, Kawasan Perindustrian Mega 2, 43500 Semenyih, Selangor for a cash consideration of RM4.90 million, which was completed on 6 July 2022;
- (h) Sale and purchase agreement dated 3 January 2022 entered into between WDSB, Teoh Yoke Choon and Cheng Lye Peng for the disposal of a piece of freehold land measuring approximately 19,310 sq ft together with a 1 ½ storey semi-detached factory and office bearing postal address No. 9, Jalan Mega 2/1, Kawasan Perindustrian Mega 2, 43500 Semenyih, Selangor for a cash consideration of RM4.80 million, which was completed on 15 December 2022;

6. INFORMATION ON OUR GROUP (Cont'd)

- (i) Share transfer form dated 16 December 2022 entered into between WDSB and PMVSB (a related party) for the disposal of 950 ordinary shares in WD Solar, representing 95.0% equity interest in WD Solar, for a cash consideration of RM950, which was completed on 16 December 2022;
- (j) Share sale agreement dated 15 June 2023 between WDSB and Mat Sani bin Jasli for the disposal of 1,500,000 ordinary shares in LASB, representing 30.0% equity interest in LASB, for a cash consideration of RM3.00 million, which was completed on 15 June 2023;
- (k) Conditional share sale agreement dated 11 June 2024 entered into between our Company, T Force and Lim Soon Yik for the Acquisition, which was completed on 28 November 2024; and
- (l) Underwriting agreement dated 6 January 2025 entered into between our Company and M&A Securities for the underwriting of 37,811,000 Issue Shares for an underwriting commission of 3.0% of the IPO Price multiplied by the number of Issue Shares underwritten.

6.6 PUBLIC TAKE-OVERS

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

- (a) no public take-over offers by third-parties in respect of our Shares; and
- (b) no public take-over offers by our Company in respect of other companies' shares.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.7 MAJOR APPROVALS AND LICENCES

Save as disclosed below, as at LPD there are no other major approvals, licenses and permits issued to our Group that we are dependent on in order to carry out our operations:

No.	Licencee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(a)	WDSB	CIDB	7 February 2023/ 31 January 2026	Certificate of Registration pursuant to Section 4 of the CIDB Act – Grade 7 Licence	1. This certificate is non-transferrable; 2. CIDB reserves the rights to review the registration grade of the registered contractor from time to time; 3. The contractor shall not participate in any tender or execute any construction works after the expiration of this certificate unless it is renewed; 4. Renewal of the certificate shall be made at least 60 days prior to the expiry of the certificate; 5. The contractor shall not undertake any construction projects which exceeds the value for construction works specified under the registration grade and shall not execute any type of construction work outside of its registered category(ies); 6. The contractor shall submit information regarding any construction works or contract(s) within 14 days of the award or before the commencement of work or whichever is earlier; and 7. There is no equity restriction imposed by the issuing authority on the contractor.	Noted Noted Noted Noted Noted Noted Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(b)	WDSB	CIDB	10 May 2024/ 31 January 2026	Government Employment Certificate (SPKK)	1. This certificate is non-transferrable; 2. CIDB reserves the rights to review the registration grade of the registered contractor from time to time; 3. The contractor shall not participate in any tender or execute any construction works after the expiration of this certificate unless it is renewed; 4. Renewal of the certificate shall be made in tandem with the renewal of the certificate of registration; 5. The contractor shall not undertake any construction projects which exceeds the value for construction works specified under the registration grade and shall not execute any type of construction work outside of its registered category(ies); 6. The contractor shall submit information regarding any construction works or contract(s) within 14 days of the award or before the commencement of work or whichever is earlier; and 7. There is no equity restriction imposed by the issuing authority on the contractor.	Noted Noted Noted Noted Noted Noted Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(c)	WDSB	Ministry of Finance Malaysia	25 September 2023/ 1 November 2026	Certificate of Registration for the participation in government and semi-government sectors tenders and contracts	- Any updates to the information within this certificate shall be updated online within 21 days from the date of change; - The Ministry of Finance Malaysia reserves the rights to visit or perform an audit on the registered contractor at any time without notice; - The registered contractor may not change its owner or director within 6 months from the date of incorporate; - Failure to renew this certificate after 1 year from expiration may result in the registration of the contractor with the Ministry of Finance Malaysia under this certificate to be cancelled and removed automatically from the 'e-Perolehan System'; - Renewal of the certificate shall be made at least 3 months prior to the expiry of the certificate; and - There is no equity restriction imposed by the issuing authority on the contractor.	Noted Noted Noted Noted Noted Noted
(d)	WDSB	Sepang City Council	19 December 2024/ 31 December 2025	Business licence for our Group's headquarters at No. 1-5, 1-6, 1-7, 1-8 & 1-9, Jalan Intan 5/1, Taman Intan, 43800 Dengkil, Selangor	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

6.8 TRADEMARKS

As at LPD, our Group owns the following trademarks:

Trademark	Trademark no.	Registered owner	Class/ Description	Status	Place of registration	Validity period
	TM2020017950 ⁽¹⁾	WDSB	Class 19/ ⁽²⁾	Registered	Malaysia	18 August 2020 to 18 August 2030
	TM2020017961 ⁽¹⁾	WDSB	Class 37/ ⁽³⁾	Registered	Malaysia	18 August 2020 to 18 August 2030
WawasanDengkil	TM2022011036	WDSB	Class 19/ ⁽⁴⁾	Registered	Malaysia	29 April 2022 to 29 April 2032
WawasanDengkil	TM2022011037	WDSB	Class 37/ ⁽³⁾	Registered	Malaysia	29 April 2022 to 29 April 2032

Notes:

- (1) As at LPD, we no longer use these trademarks and we have no intention to renew these trademarks upon expiry.
- (2) Building material, not of metal; sand for use in civil engineering constructions; earth for bricks; building stone; ground rock; gravel; binding agents for making stones; bitumen; concrete products for use in building; concrete reinforced with synthetic fibres; wood.

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

- (3) Soil blasting; soil dredging; soil foundation work; soil stabilisation; building and construction of real estate subdivisions and developments; building cleaning; building demolition; building services; civil construction services; earthmoving; excavating; groundwork; highway maintenance; ground consolidation; ground stabilisation; mining extraction; quarrying services; reclamation of land; redevelopment of buildings; refurbishment of buildings; road paving; roofing services; supervision of construction projects.
- (4) Building material, not of metal; sand for use in building; sand for use in civil engineering constructions; earth for bricks; building stone; ground rock; building and construction materials and elements made of sand, stone, rock, clay, minerals and concrete; gravel; binding agents for making stones; bitumen; concrete; concrete building materials; reinforced concrete; concrete reinforced with synthetic fibres; building materials of wood; building and construction elements and materials made of wood and artificial wood.

Our Group is not materially dependent on the abovementioned trademarks as our clients do not rely on the recognition of our trademarks in engaging us for our services and the said trademarks are not expected to have any impact to our business operations and financial performance.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Properties owned by our Group

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

No.	Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Beneficial owner	Land area/ sq ft	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 31 October 2024 RM'000
(a)	PM 2293, Lot 15899, Mukim Dengkil Daerah Sepang Selangor	Piece of leasehold agriculture land/ Vacant/ 4 October 2094/ Agriculture	WDSB	287,719	22 April 2008/ N/A	Charged to Hong Leong Islamic Bank Berhad	1,302
(b)	Geran Mukim 1148 Lot 3025, Mukim Dengkil Daerah Sepang Selangor	Piece of freehold agriculture land/ Vacant/ Freehold/ Agriculture	WDSB	217,797	15 December 2009/ N/A	Charged to Hong Leong Islamic Bank Berhad	1,346
(c)	Geran 310315 Lot 6328, Mukim Dengkil Daerah Sepang Selangor	Piece of freehold land/ Vacant/ Freehold/ Nil	WDSB	470,490	16 July 2012/ N/A	Charged to Hong Leong Islamic Bank Berhad	2,931
(d)	Geran 310316 Lot 6329, Mukim Dengkil Daerah Sepang Selangor	Piece of freehold land/ Vacant/ Freehold/ Nil	WDSB	2,088	16 July 2012/ N/A	Nil	14
Total							5,593

6. INFORMATION ON OUR GROUP (Cont'd)

The properties owned by our Group are not in breach of any other land use conditions and/ or are in non-compliance with current statutory requirements, land rules or building regulations/ by-laws, which will have material adverse impact on our operations as at LPD.

6.9.2 Properties rented by our Group

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

No.	Postal address	Landlord/ Tenant	Description/ Existing use	Built-up area sq ft	Date of CCC	Period of tenancy/ Rental per annum
(a)	1-5, 1-6, 1-7, 1-8 & 1-9 Jalan Intan 5/1 Taman Intan 43800 Dengkil Selangor	FRSB ⁽¹⁾ / WDSB	Five units of a 2-storey shop office block/ Headquarters	8,859	2 October 2017/ 25 January 2022 ⁽²⁾	1 June 2023 to 31 May 2025/ RM120,000
(b)	2, Jalan Jed 1 Taman Jed 43800 Dengkil Selangor	Tew Ching Hung/ WDSB	2-storey terrace house/ Workers' accommodation	1,399	9 September 2003	16 October 2024 to 15 October 2026/ RM14,400

Notes:

⁽¹⁾ Relates to our related party, further details are set out in Note (11) of Section 10.1.

⁽²⁾ Being the additional proposal and changes to the internal restrictions and breaking down of existing partition walls within the property.

The properties rented by our Group are not in breach of any other land use conditions and/ or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD.

As at LPD, we do not rent any land for storing our machineries and commercial vehicles as we do not have any idle machineries and commercial vehicles. All of our machineries and commercial vehicles are either utilised directly by us in our construction projects or hired to others. Going forward, we may rent a land to store our idle machineries and commercial vehicles, if required.

6. INFORMATION ON OUR GROUP (Cont'd)**6.9.3 Acquisition of properties**

We have not entered into any agreements to acquire any properties during FYE 2021 to 2024, FPE 2025 and up to LPD.

6.9.4 Material capital expenditures and divestitures**(a) Material capital expenditures**

Save for the expenditures disclosed below, there were no other capital expenditures made by us for FYE 2021 to 2024, FPE 2025 and up to LPD:

Capital expenditures	At cost					
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 November 2024 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Furniture and fittings	-	9	-	26	4	-
Machineries	82	(2)1,460	(3)29,801	(4)5,141	85	(5)440
Motor vehicles ⁽¹⁾	-	(2)2,855	(3)15,261	(4)8,815	-	-
Office equipment	13	333	123	218	72	49
Renovation	-	-	-	12	-	-
Site equipment	-	15	106	679	140	343
	95	4,672	45,291	14,891	301	832

Notes:

- (1) Relates to our commercial vehicles (tipper trucks and dump trucks) and other motor vehicles.
- (2) Mainly relates to the purchase of additional 4 units of machineries and 10 units of commercial vehicles (dump trucks).
- (3) Mainly relates to the purchase of 56 units of machineries and 41 units of commercial vehicles (dump trucks) in line with the expansion of the provision of construction services segment.
- (4) Mainly relates to the purchase of 9 units of machineries and 26 units of commercial vehicles for the Sungai Long Project.
- (5) Mainly relates to the purchase of 1 unit of machinery (bulldozer).

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Our capital expenditures, particularly for machineries and commercial vehicles are mainly driven by the construction projects awarded to us during the relevant year as well as for replacement purposes. Our primary capital expenditures are associated with the acquisition of machineries and commercial vehicles for construction projects, such as excavators, bulldozers, compactors, motor graders, backhoes, back pushers, mobile cranes, wheel loaders and dump trucks.

6. INFORMATION ON OUR GROUP (Cont'd)**(b) Material capital divestitures**

Save for the divestitures disclosed below, there were no other capital divestitures made by us for FYE 2021 to 2024, FPE 2025 and up to LPD:

	At cost					1
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025	November 2024 up to LPD
Capital divestitures	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Land and building	⁽²⁾ 816	-	-	-	-	-
Machineries	1,880	1,080	⁽³⁾ 12,202	⁽⁷⁾ 1,254	-	⁽⁹⁾ 590
Motor vehicles ⁽¹⁾	756	1,673	⁽⁴⁾ 7,119	⁽⁸⁾ 1,661	-	-
Investment properties	⁽⁵⁾ 1,296	⁽⁶⁾ 6,152	-	-	-	-
Site equipment	175	-	-	6	-	-
	4,923	8,905	19,321	2,921	-	590

Notes:

- (1) Relates to our commercial vehicles (tipper trucks and dump trucks) and other motor vehicles.
- (2) Mainly relates to the disposal of 1 apartment unit and 1 condominium unit located at Dengkil, Sepang, Selangor and 1 apartment unit located at Seri Kembangan, Selangor to FRSB. Further details are set out in Section 6.5 (a), (d) and (e).
- (3) Mainly relates to the disposal of 19 units of excavators and 5 units of bulldozers.
- (4) Mainly relates to the disposal of 17 units of dump trucks.
- (5) Mainly relates to the disposal of 2 apartment units located at Cyberjaya, Selangor and 1 apartment unit at Port Dickson, Negeri Sembilan to FRSB. Further details are set out in Section 6.5 (b), (c) and (f).
- (6) Mainly relates to the disposal of 2 freehold lands together with semi-detached factories located at Semenyih, Selangor to 2 non-related parties. Further details are set out in Section 6.5 (g) and (h).
- (7) Mainly relates to the disposal of 1 unit of motor grader, 2 units of bulldozers and 1 unit of excavator.
- (8) Mainly relates to the disposal of 3 units of tipper trucks and 1 unit of motor vehicle as well as the write off of 6 units of tipper trucks.
- (9) Mainly relates to the disposal of 1 unit of excavator.

The above capital divestitures were carried out in the ordinary course of business as part of our periodic review of our fixed asset register to identify and eliminate those assets which have been fully depreciated or no longer in use or obsolete or surpassed their useful lives.

Moving forward, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9.1, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

6. INFORMATION ON OUR GROUP (Cont'd)

6.9.5 Material plans to construct, expand or improve our facilities

Save for the proposed utilisation of proceeds from our Public Issue vis-à-vis our proposed capital expenditure as set out in Section 4.9.1, our Group does not have any other immediate plans to construct, expand and improve our facilities as at LPD.

6.10 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS

The following is an overview of the regulatory requirements governing our Group which are material to our business:

(a) CIDB Act

The CIDB Act governs the establishment of CIDB and provides for its function in relation to the construction industry and all matters connected therewith.

Section 25(1) of the CIDB Act provides that no person shall carry out or complete, undertake to carry out or complete any construction work or hold himself out as a contractor, unless he is registered with CIDB and holds a valid certificate of registration issued by CIDB. Any person who fails to comply with Section 25(1) of the CIDB Act shall be guilty of an offence and shall, on conviction be liable to a fine of not less than RM10,000 but not more than RM100,000 as provided by Section 29 of the CIDB Act.

WDSB has been in the business of providing earthworks and civil engineering works since its incorporation in 2003 up to LPD. Prior to 6 December 2005, WDSB had tendered for and was awarded 9 letters of awards with a total contract value of RM37.89 million although WDSB was not yet a registered contractor under CIDB as WDSB was of the view that the CIDB Act does not apply to a project management company which subcontracted out all its works. These projects commenced and completed at various dates, with the earliest commencement being June 2003 and latest completion being August 2006. On an occasion when WDSB was submitting tender for a project, the company was informed by a prospect that they are required to be a registered contractor under CIDB. To rectify such non-compliance, WDSB registered themselves with CIDB as a G5 contractor on 6 December 2005 and was not subjected to any penalty or disciplinary action from CIDB. For the period between 6 December 2005 and 30 December 2014, WDSB, while being registered as a G5 contractor, had tendered for and was awarded 6 letters of awards with a total contract value of RM94.09 million, and ranging from RM5.40 million to RM34.68 million, even though the tendering capacity of a G5 contractor is up to a contract value of RM5.00 million only. These projects commenced and completed at various dates, with the earliest commencement date being October 2007 and the latest completion date being July 2014. The Group is of the view that it is not likely for the authorities to take action against the Company given that the CPC and CMGD for the 15 projects awarded to WDSB had already been issued and that WDSB had successfully registered itself as a G7 contractor on 30 December 2014 without any penalty or disciplinary action from CIDB.

6. INFORMATION ON OUR GROUP (Cont'd)

WDSB acknowledges that it was an oversight of the previous directors of WDSB for the non-registration as a contractor under the CIDB Act prior to submitting tender for projects in the past which occurred during WDSB's incorporation back in 2003 until 6 December 2005 as the former directors were of the view that WDSB, then being a project management company which subcontracted out all its works, need not be a registered contractor with CIDB. Furthermore, there was an internal control weakness in the past during the period of 2005 and 2014, where WDSB did not monitor the contract value of projects, before submitting tenders. Over the years, WDSB has implemented stringent measures to strengthen its internal controls. Our contract department, in collaboration with our project department, prepares all necessary documents required such as work method statements, preliminary work program and other relevant documents for each tender. Before submitting a tender, a pre-tender meeting is held to review and confirm the project costing and budget which are then presented to our Executive Directors for approval.

To enhance oversight and prevent non-compliance, contract values are closely monitored by our Contract Manager before tender submission, and all tender documents are reviewed and approved by our Executive Directors. The strengthened procedures, formalised in our Group's tender SOP, ensure comprehensive oversight, regulatory compliance and safeguards our Group's tender practice.

However, based on our Group's dealings with CIDB, the above-mentioned past non-compliance would not result in any retrospective penalties as there has been no indication of penalties from CIDB as at LPD. It is not likely for CIDB to take action against our Group for the past non-compliance given that the abovementioned projects have already been completed since July 2014. In addition, our Group was successfully registered as a G7 contractor since 30 December 2014.

As at LPD, our Group has not received any notices, penalties or compounds from CIDB for the abovementioned past non-compliance. Our Group is of the view that the past non-compliance is not material and, based on the Group's dealings with CIDB, it would not result in any retrospective penalties nor have a significant impact to the Group, as it has been rectified.

(b) Occupational Safety and Health Act, 1994 ("OSHA")

The OSHA regulates the safety, health and welfare of persons at work.

Section 16 of the OSHA provides that it is the duty of every employer and every self-employed person to prepare and as often as may be appropriate revise a written statement of his general policy with respect to the safety and health at work of his employees and the organisation and arrangements for the time being in force for carrying out that policy, and to bring the statement and any revision of it to the notice of all of his employees. Section 19 of the OSHA provides that a person who contravenes Section 16 shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or both.

Section 29(2) of the OSHA provides that an occupier of a place of work shall employ a competent person to act as a safety health officer. Section 29(5) of the OSHA provides that an occupier who contravenes the provisions of Section 29 of the OSHA shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to a term of imprisonment not exceeding 6 months or both.

6. INFORMATION ON OUR GROUP (Cont'd)

Section 30(1) of the OSHA provides that an employer shall establish a safety and health committee at the place of work in accordance with this section if there are 40 or more persons employed at the place of work, or the Director General directs the establishment of such committee at the place of work. Section 30(4) of the OSHA provides that a person who contravenes the provisions of this section shall be guilty of an offence and shall, on conviction be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding 6 months or both.

As at LPD, our Group is in compliance with the abovementioned provisions under the OSHA.

(c) Construction Industry Payment and Adjudication Act, 2012 ("CIPAA")

The CIPAA facilitates regular and timely payment, providing a mechanism for speedy dispute resolution through adjudication and remedies for the recovery of payment in the construction industry.

Section 5(1) of the CIPAA provides that any unpaid party may serve a payment claim on a non-paying party for payment pursuant to a construction contract and Section 6(1) of the CIPAA provides that a non-paying party who admits to the payment claim served on him shall serve a payment response on the unpaid party together with the whole amount claimed or any amount admitted by him.

Section 6(2) of the CIPAA provides that a non-paying party who disputes the amount claimed in the payment claim, either wholly or partly, shall serve a payment response in writing on the unpaid party stating the amount disputed and the reason for the dispute.

Section 7(1) of the CIPAA provides that any unpaid party or non-paying party may refer a dispute arising from a payment claim made under Section 5 to adjudication. An adjudicator shall conduct the adjudication in an appropriate manner and the decision by the adjudicator shall be binding unless it is either set aside by the High Court of Malaysia ("**High Court**"), the subject matter of the decision is settled by a written agreement between the parties or the dispute is finally decided by arbitration or the court.

Section 28(1) of the CIPAA provides that a party may enforce an adjudication decision by applying to the High Court for an order to enforce the adjudication decision as if it is a judgment or order of the High Court.

Section 30(1) of the CIPAA provides that if a party against whom an adjudication decision was made fails to make payment of the adjudicated amount, the party who obtained the adjudication decision in his favour may make a written request for payment of the adjudicated amount direct from the principal of the party against whom the adjudication decision is made.

As at LPD, there are no claims under the CIPAA against our Group.

6. INFORMATION ON OUR GROUP (Cont'd)

(d) Employment Act, 1995 ("EA") and Immigration Act, 1959 ("IA")

The EA and IA govern the employment laws in Peninsular Malaysia.

Section 60K(1) of the EA provides that no employer shall employ a foreign employee unless prior approval has been obtained from the Director General. Section 60K(5) of the EA provides that any employer who contravenes Section 60K(1) of the EA commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 5 years or both.

Section 55B(1) of the IA provides that any person who employs one or more persons, other than a citizen or a holder of an entry permit who is not in possession of a valid pass shall be guilty of an offence and shall, on conviction be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months or both for each such employee. Section 55B(3) of the IA provides that where the person at the same time employed more than 5 such employees, that person shall, on conviction be liable to imprisonment for a term of not less than 6 months but not more than 5 years and shall also be liable to whipping of not more than 6 strokes.

As at LPD, all of our foreign employees are in possession of a valid work permit and our Group is in compliance with the abovementioned provisions.

(e) Local Government Act, 1976 ("LGA")

The LGA empowers every local authority to grant licence or permit for any trade, occupation or premise through by-laws. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor. As our Group's headquarters is in Taman Intan, Dengkil, Sepang, we are subject to the by-laws of Sepang and fall under the purview of the Sepang Municipal Council.

The Licensing of Trades, Business and Industries (Sepang Municipal Council) By-Laws 2007 provides that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of Sepang for any activity of trade, business and industry or exhibit any advertisement, without a licence issued by the licensing authority. Any person in contravention of the abovementioned by-law shall be deemed to have committed an offence and shall, upon conviction be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both.

As at LPD, our Group is in compliance with the abovementioned provisions.

(f) Employees' Minimum Standards of Housing, Accommodations and Amenities Act, 1990 ("Act 446")

Act 446, as amended by the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019, establishes the minimum housing, nurseries and accommodation for employees, as well as health, hospital, medical and social amenities to be provided by the employers to their employees. Pursuant to Section 24D(1) of Act 446, no accommodation shall be provided to an employee unless certified with a certificate of accommodation. Section 24D(4) of Act 446 provides that an employer who contravenes Section 24D(1) commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.

6. INFORMATION ON OUR GROUP (Cont'd)

As at LPD, our Group provides one accommodation to our 4 foreign workers bearing the postal address of No. 2, Jalan Jed 1, Taman Jed, 43800 Dengkil, Sepang, Selangor and is compliant with the necessary requirements of Act 446 and its regulations. Further details of the rented property are set out in Section 6.9.2(b).

As at LPD, our Group has complied with the aforesaid laws, regulations, rules and requirements. With regards to the past non-compliance as stated in Section 6.10(a) above, our Group has taken the necessary rectification measures in the past to address the same and has not been issued any penalties pursuant to the laws, regulations, rules or requirements as disclosed above. As such, no additional time and cost will be required from our Group to rectify such non-compliance.

6.11 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

Our Group is committed to act responsibly in our business operations and maintain sound ESG practices. Our Group has formed a management working sustainability committee, led by our Executive Directors, to formulate and monitor ESG compliance with our Group's sustainability related framework, policies and strategies.

Our Group is committed to implementing the following ESG practices and measures in line with Bursa Securities' Sustainability Reporting Guide ("**Sustainability Guide**"):

(a) Environmental

(i) Energy resource management

Effective energy usage and management plays a significant role in supporting environmental sustainability. In line with the Government's initiative to steer transformation towards a future energy ecosystem that delivers a balance between environmental sustainability, secure and reliable energy supply and optimal economic development, our Group plans to install rooftop solar photovoltaics systems at our headquarters in Dengkil, Selangor.

(ii) Waste management

We practice effective waste management by adopting the '*Reduce, Reuse and Recycle*' approach, where we reduce and reuse construction waste by, (1) excess soil and red earth excavated during our earthwork activities will be used to either fill or level the existing project sites or transported to other project sites for the purpose of being used as filling materials; and (2) quarry dust are often used as backfilled materials or sold to other parties.

This contributes to a more sustainable and economically viable approach to waste management by reducing landfill use and environmental footprint from our earthwork activities within our provision of construction services segment and at the same time lowering our waste disposal costs.

As part of effective waste management initiative, our construction site workers are educated to properly segregate domestic and construction waste. We also engage the services of locally sourced licenced waste management vendors to manage our waste disposal.

Through these initiatives, our Group strives to lead in sustainable practices, ensuring a positive impact on the environment while maintaining operational excellence.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Social

(i) Safe and healthy workplace

Our Group is committed to maintaining a safe and healthy workplace for our employees. Our appointed Health, Safety and Environment Officer oversees the stringent implementation and compliance to the Site Safety and Health Guidelines which is reflective of current Malaysian laws, rules and regulations. We provide all relevant personnel with adequate and necessary safety tools, information, training and personal protective equipment. These efforts underscore our Group's strong commitment on the wellbeing of our employees by fostering a healthy and secure work environment.

(ii) Supply chain management

Our Group places an emphasis on the quality of our services and construction materials. We achieve this by adhering to responsible sourcing practices for construction materials and services by evaluating potential new suppliers and subcontractors prior to onboarding, followed by annual performance assessments for continual improvement.

We are committed to sustainable supply chain management. Since the incorporation of WDSB, we have only engaged local suppliers and subcontractors. This strategic decision not only fosters a sense of community but also serves to bolster the local economy.

(c) Governance

Our Board is dedicated to maintain high corporate governance standard across our Group with the aim of preserving long-term value for stakeholders.

(i) Corporate governance compliance

Our Group as a whole is progressively adopting the principles and practices of the MCCG, where appropriate.

In seeking to conduct our business ethically, our Group has adopted a zero-tolerance policy towards any form of bribery and corruption in our business dealings and as such we have put in place policies and procedures to manage our corporate liability risks. This includes the formalisation and adaptation of the Whistleblowing Policy; Anti-Bribery and Anti-Corruption Policy; and Code of Conduct and Ethics.

(ii) Risk management

In relation to our Group's Risk Management Framework, we are constantly updating our Group's risk register to reflect the current strategic, operational and regulatory risks faced by our Group. We also monitor the mitigation plans and actions in place on a periodic basis. This will ensure the risks identified are at an acceptable level towards achieving our Company's objectives. Our Group assures a transparent reporting on risk exposure and mitigation measures especially to the unique risks associated with the industry.

6. INFORMATION ON OUR GROUP (Cont'd)

(iii) Board composition

Our Group is committed to achieving diverse representation on our Board, ensuring a broad spectrum of perspectives and expertise. This includes professionals with specialised knowledge in areas such as construction, civil engineering, renewable energy, accounting and finance and business management.

Our Board comprises 2 Executive Directors, 4 Independent Non-Executive Directors and thus, more than half of our Board comprises independent directors. Furthermore, 2 board members are female, which represents more than 30% women directors in place.

Our Independent Non-Executive Chairman, Thien Chiet Chai who is not a member of board committee will provide leadership for the Board and leading the Board in the adoption and implementation of good corporate governance practices.

Moving forward, our Group shall continue to adopt applicable good corporate governance practices as promulgated in the MCCG.

(iv) Integrity in corporate reporting

Our Group's financial statements are audited by independent auditors so as to give a true and fair view of the financial positions of the entities within our Group.

Meetings are also held to review and approve the audited financial statements and to deliberate on the prospects, performance of our Group and other matters of interest.

Our Board recognises the fact that our Group's business environment is dynamic and our Group's ESG practices are to continuously evolve to keep abreast with the challenging business environment. Therefore, our Board will, and when necessary, direct and formulate initiatives and action plans to further elevate our Group's ESG practices.

Moving forward, the ESG practices of our Group will be disclosed via the Sustainability Statement in the annual report and prepared in accordance with the standards and requirements set out in the Sustainability Reporting Guide issued by Bursa Securities.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.12 EMPLOYEES**

As at LPD, we have a total workforce of 156 employees, which consists of permanent and contractual employees. Local employees accounted for approximately 97.4% of total workforce while the remaining 2.6% were foreign workers. All of our foreign workers have valid working permits.

The breakdown of our employees as at 31 October 2024 and LPD are as follows:

	Permanent		Contractual ⁽¹⁾		Total
Category	Local	Foreign	Local	Foreign	
As at 31 October 2024					
Executive Directors	2	-	-	-	2
Key senior management	5	-	-	-	5
Contract	9	-	2	-	11
Project	11	-	7	-	18
Construction site workers	30	12	44	-	86
Maintenance	8	-	5	-	13
Finance	9	-	-	-	9
Human resource and administration	12	-	1	-	13
Total	86	12	59	-	157

	Permanent		Contractual ⁽¹⁾		Total
Category	Local	Foreign	Local	Foreign	
As at LPD					
Executive Directors	2	-	-	-	2
Key senior management	5	-	-	-	5
Contract	9	-	2	-	11
Project	11	-	9	-	20
Construction site workers	30	4	48	-	82
Maintenance	8	-	4	-	12
Finance	11	-	-	-	11
Human resource and administration	12	-	1	-	13
Total	88	4	64	-	156

Note:

⁽¹⁾ Mainly employees that we engage on a contractual basis for certain projects such as Central Spine Road Project and LRT Line 3 Project.

There were no significant changes in the number of employees of our Group from 31 October 2024 up to LPD.

None of our employees belong to any labour union and as at LPD, there is no material dispute between our management and our employees. Over FYE 2021 to 2024, FPE 2025 and up to LPD, there has not been any incident of work stoppage or labour disputes that has materially affected our operations.

7. BUSINESS OVERVIEW

7.1 BACKGROUND INFORMATION

7.1.1 Ownership and group structure

WDHB

Our Company was incorporated in Malaysia under the Act as a private limited company on 13 April 2022, under the name of Wawasan Dengkil Holdings Sdn Bhd. On 13 June 2024, our Company was converted into a public limited company under our present name. Our Company was incorporated as a special purpose vehicle to facilitate the listing on the ACE Market.

Our Company was incorporated by 5 subscribers, namely Lim Soon Yik, Lim Kok Seng (our Executive Directors), Lim Kok Seong (uncle of Lim Soon Yik and brother of Lim Kok Seng), Lim Kok Leong (father of Lim Soon Yik and brother of Lim Kok Seng) and Sich Ah Sing (our Senior Project Manager), each holding 20.0% equity interest. On 20 October 2023, as part of our Company's succession planning, Lim Kok Leong, Sich Ah Sing and Lim Kok Seong exited our Company by disposing their entire equity interest in our Company equally to our Executive Directors, Lim Soon Yik and Lim Kok Seng, resulting in both of them holding 50.0% equity interest each in our Company.

WDSB

WDSB is our wholly-owned subsidiary. It was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 28 February 2003, under the name of Wawasan Dengkil Trading Sdn Bhd. On 7 September 2004, the company adopted its present name. WDSB was incorporated by Lim Kok Seong and Tee Lam Hiong (nominee shareholder and mother of Sich Ah Sing), with each of them holding a 50.0% equity interest. Lim Kok Seong was also representing his family by holding on behalf of himself, Lim Kok Leong and Lim Kok Seng. Lim Soon Yik, Lim Kok Seng, Lim Kok Leong and Sich Ah Sing first emerged as shareholders of WDSB in June 2021. The details of shareholding movements in WDSB since its incorporation up to LPD are as follows:

Nature of restructuring/ Issuance	Date of allotment/ transfer	Transferor	Transferee/ Allottee/ Existing shareholder	No. of shares allotted/ transferred by transferor	Cash consideration (RM)/ Otherwise	Eventual no. of shares held by transferee/ allottee	Equity interest (%)
Incorporation	28 February 2003	-	Lim Kok Seong	5,000	5,000	5,000	50.0
		-	Tee Lam Hiong	5,000	5,000	5,000	50.0
			Total	10,000	10,000	10,000	100.0

7. BUSINESS OVERVIEW (Cont'd)

Nature of restructuring/ Issuance	Date of allotment/ transfer	Transferor	Transferee/ Allottee/ Existing shareholder	No. of shares allotted/ transferred by transferor	Cash consideration (RM)/ Otherwise	Eventual no. of shares held by transferee/ allottee	Equity interest (%)
Allotment	18 August 2004	-	Lim Kok Seong	115,000	115,000	120,000	60.0
		-	Tee Lam Hiong	75,000	75,000	80,000	40.0
			Total	190,000	190,000	200,000	100.0
Allotment	13 September 2004	-	Lim Kok Seong	30,000	30,000	150,000	60.0
		-	Tee Lam Hiong	20,000	20,000	100,000	40.0
			Total	50,000	50,000	250,000	100.0
Allotment	3 December 2007	-	Lim Kok Seong	550,000	550,000	700,000	70.0
		-	Tee Lam Hiong	200,000	200,000	300,000	30.0
			Total	750,000	750,000	1,000,000	100.0
Disposal	28 June 2021	Lim Kok Seong	Lim Kok Leong	200,000	200,000	200,000	20.0
			Lim Soon Yik	200,000	200,000	200,000	20.0
			Lim Kok Seng	100,000	100,000	100,000	10.0
		Tee Lam Hiong	Lim Kok Seng	100,000	100,000	100,000	10.0
			Sich Ah Sing	200,000	200,000	200,000	20.0
		-	Lim Kok Seong	-	-	200,000	20.0
			Total	800,000	800,000	1,000,000	100.0
Disposal	31 December 2023	Lim Kok Leong Lim Kok Seng Sich Ah Sing Lim Kok Seong	T Force	200,000	11,000,000	800,000	80.0
				200,000	11,000,000		
				200,000	11,000,000		
				200,000	11,000,000		
		-	Lim Soon Yik	-	-	200,000	20.0
			Total	800,000	44,000,000	1,000,000	100.0

7. BUSINESS OVERVIEW (Cont'd)

By way of allotment of shares on 18 August 2004, 13 September 2004 and 3 December 2007 for working capital requirements, Lim Kok Seong and Tee Lam Hiong subsequently held 70.0% and 30.0% equity interest respectively in the company. On 28 June 2021, an internal restructuring exercise took place to transfer the equity interest by Lim Kok Seong to Lim Kok Leong (20.0%), Lim Soon Yik (20.0%) and Lim Kok Seng (10.0%) to better reflect the family shareholding structure and to facilitate the entry of an identified successor, our Executive Director, Lim Soon Yik (who is a 2nd Generation Member, as defined below) as part of the company's succession planning. At the same time, Tee Lam Hiong also transferred her entire shareholdings in WDSB to Sich Ah Sing (20.0%) and Lim Kok Seng (10.0%) as part of the internal restructuring and succession planning exercise.

On 31 December 2023, T Force entered into a share sale agreement to acquire a combined 80.0% equity interest in WDSB from Lim Kok Leong, Lim Kok Seng, Sich Ah Sing and Lim Kok Seong collectively for a purchase consideration of RM44.00 million, based on the audited NA of WDSB as at 30 June 2023 of RM55.06 million. In view of WDSB's succession planning, Lim Kok Leong, Lim Kok Seong and Sich Ah Sing relinquished all their rights, interest and benefits in the T Force shares, which resulted in T Force shares being registered in favour of their offsprings, namely Lim Soon Yik, Lim Soon Keat and Sich Kah Yong respectively ("**2nd Generation Member(s)**"). With the emergence of the 2nd Generation Members, Lim Kok Leong and Lim Kok Seong retired from WDSB.

On 11 June 2024, we undertook the Acquisition as part of our Listing which resulted in the formalisation of our Group's structure.

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7. BUSINESS OVERVIEW (*Cont'd*)

7.1.2 History and key milestones

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

Year	Key events and milestones
1997	• Our history began with the formation of a sole proprietorship business named T-Force Enterprise by Lim Kok Seong on 26 September 1997. T-Force Enterprise was involved in the business of trading construction materials such as sand, earth and stones, which subsequently evolved to include the provision of earthworks. • T-Force Enterprise was a family business with active participation from his brother, Lim Kok Leong. • T-Force Enterprise operated its business in Dengkil, Selangor.
2003	• On 28 February 2003, WDSB was incorporated under the Companies Act 1965 as a private limited company to take over the business and assets of T-Force Enterprise as part of a corporatisation exercise for business expansion. Upon incorporation, the shareholders and directors of WDSB were Lim Kok Seong and Tee Lam Hiong. • Upon commencement of business, WDSB was principally involved in undertaking earthworks involving land preparation works and trading of construction materials. Lim Kok Seong and Lim Kok Leong were the key senior management of WDSB at that point in time.
2005	• WDSB was registered as a G5 contractor with CIDB under the categories of B04 (Building general works) and CE21 (General civil engineering works). • WDSB expanded its construction service offerings by providing civil engineering services. Through its earthwork activities, WDSB rode on opportunities arising within the civil engineering industry, particularly roadworks and drainage works. • WDSB secured various civil engineering service contracts involving the provision of drainage works and roadworks. • WDSB secured other civil engineering service contracts involving the construction of sewerage systems.
2007	• WDSB noticed that other construction players generally hire machineries and commercial vehicles from external parties, and seized the opportunity to further expand its revenue stream by hiring out its existing machineries and commercial vehicles.
2008	• Lim Kok Seng joined WDSB as a Project Manager. • WDSB focused on expanding its trading of construction materials and provision of machineries and commercial vehicles for hire businesses.
2014	• On 30 December 2014, WDSB was registered as a G7 contractor with CIDB under the categories of B04 (Building general works) and CE21 (General civil engineering works).
2015	• WDSB secured its first earthworks project, exceeding RM10.00 million contract sum, as main contractor for the UMW Bandar Serendah Project, from UMW Corporation Sdn Bhd. This contract value amounted to RM29.39 million.

7. BUSINESS OVERVIEW (Cont'd)

Year	Key events and milestones
2017	• Lim Soon Yik joined WDSB as a Project Officer.
2020	• On 30 December 2020, WDSB acquired 30.0% equity interest in LASB from TISB, for a purchase consideration of RM1.50 million. LASB is principally engaged as a general contractor. The acquisition arose as WDSB saw a synergistic business relationship between both companies to collaborate in future construction projects secured by LASB where WDSB can undertake subcontracting works related to the provision of earthworks and civil engineering services.
2021	• We diversified our customer base with the inclusion of renewable energy developers and engineering, procurement, construction and commissioning contractors. WDSB secured and completed various projects which relate to the provision of earthworks and civil engineering services for the renewable energy industry, totalling RM8.95 million. • WDSB was awarded with the ISO 9001:2015 certification by CARE Certification International (M) Sdn Bhd under the scope of 'The provision of services of earthworks and civil engineering services, and trading of construction material'. • Lim Kok Seng and Lim Soon Yik emerged as the Executive Directors of WDSB as part of the company's succession planning. Lim Kok Seong and Lim Kok Leong continued to provide guidance to the newly appointed Directors and ensured a smooth transition in the subsequent change of leadership and the continuity of the business operations of WDSB. Upon their appointments as Executive Director, WDSB expanded its provision of construction services.
2022	• WDSB secured its first project which exceeded RM100.00 million from LASB, amounting to RM146.17 million. The contract secured relates to the Central Spine Road Project. This was also our first participation into highway construction related project. • WDSB secured its biggest construction project up to LPD with a contract value of RM168.00 million from Ang Cheng Ho Quarry Sdn Bhd. The contract secured relates to the Sungai Long Project. • WDSB was awarded with the ISO 37001:2016 certification by CARE Certification International (M) Sdn Bhd under the scope of 'The provision of services of earthworks and civil engineering services, and trading of construction material'.
2023	• WDSB disposed its entire 30.0% shareholdings in LASB to Mat Sani Bin Jasli (non-related party) on 15 June 2023 for the purchase consideration of RM3.00 million. The purpose of the disposal was to convert LASB into a 100.0% Bumiputera company as it intends to concentrate on tendering for projects which requires the tendered company to have a 100.0% Bumiputera equity. In conjunction with the disposal, WDSB entered into the LASB Collaboration Agreement. • On 31 December 2023, Lim Kok Seong and Lim Kok Leong retired from WDSB.
2024	• On 13 February 2024, WDSB became a holder of the SPKK with a contractor registration grade of G7 under the B (Building Construction), CE (Civil Engineering Construction) and ME (Mechanical and Electrical) categories.

7. BUSINESS OVERVIEW (Cont'd)**7.2 DESCRIPTION OF OUR BUSINESS**

Our Group is involved in the construction industry and our business can be divided into 3 main segments as follows:

- Provision of construction services;
- Trading of construction materials; and
- Provision of machineries and commercial vehicles for hire.

Our business model is as follows:

Business segment	Provision of construction services	Trading of construction materials	Provision of machineries and commercial vehicles for hire
Activities	✓ Provision of earthworks ✓ Provision of civil engineering services	✓ Buying and selling of construction materials such as: • Sand i.e. coarse sand and fine sand; • Stone i.e. aggregate stone, crusher run and quarry dust; and • earth i.e. red earth and topsoil	✓ Providing machineries for hire such as: • back pusher; • bulldozer; • compactor; • excavator; and • others ✓ Providing commercial vehicles for hire such as: • tipper truck
Principal Market in FYE 2024 and FPE 2025	Malaysia		
Target Customers	➤ Property developers ➤ Property owners ➤ Government linked companies or bodies ➤ Renewable energy developers ➤ Contractors	➤ Contractors ➤ Concrete batching plant owners	➤ Suppliers of construction materials ➤ Contractors
Revenue Breakdown in FYE 2024	• RM162.83 million • 86.4% of total	• RM19.32 million • 10.2% of total	• RM6.39 million • 3.4% of total
Revenue Breakdown in FPE 2025	• RM53.61 million • 86.7% of total	• RM7.01 million • 11.3% of total	• RM1.26 million • 2.0% of total

7. BUSINESS OVERVIEW (Cont'd)

7.2.1 Provision of construction services

Our Group undertakes the provision of construction services namely earthworks and civil engineering services in Malaysia, where we focus on the project management aspects for all the construction projects and strategically outsources the bulk of the construction labour works to subcontractors. We also own a fleet of machineries and commercial vehicles, which we prioritise for our own construction projects.

Our earthworks activities involve the removal, moving and adding of large quantities of earth and stones from a particular area to another, and to construct an embankment or platform to be used for further construction works. Our civil engineering services involve constructing infrastructures such as roads (including highways), drainage system and sewerage system. From time to time, our Group may be required to undertake other types of construction activities such as building structural works as part of the project scope awarded to our Group.

Our Group has a sizeable fleet of our own machineries and commercial vehicles that provides critical support for our construction activities. As at LPD, our Group owns 287 machineries and commercial vehicles comprising tipper trucks, dump trucks, excavators, back pushers, bulldozers, compactors, motor graders, backhoes, wheel loaders and mobile crane in our fleet. The availability of our own fleet of machineries and commercial vehicles enables our Group to utilise them without delays and thus, enabling us to achieve timely completion of construction projects undertaken. Our Group also utilises various specialised surveying equipment such as drones, total station and GPS devices to support our construction operations.

As part of our project management activity, our Group oversees the execution of construction projects across key construction stages ranging from project planning to project implementation to project delivery and liaises with construction project stakeholders. Through our more than 20 years of operating history, our Group has expanded our network and established relationships with various key stakeholders such as civil and structural consulting companies, test laboratory companies as well as construction material suppliers.

Our Group acts either as a main contractor or a subcontractor for construction projects. A main contractor is appointed by the project owner/project developer whereas a subcontractor is appointed by a project's appointed main contractor to support the latter in undertaking construction activities in a construction project. When acting as a main contractor, our Group will be responsible for leading the entire project from project planning, designing the required work programme including the project milestones for all scopes of a construction project and ensuring that all appointed subcontractors follow the designed work programme to successfully complete the construction project within the stipulated time. Where our Group acts as a subcontractor, our Group will follow the scope of works awarded by the main contractor and design our work programme according to the stipulated project milestones and work programme provided by the main contractor.

Our wholly-owned subsidiary, WDSB is registered with CIDB and holds a G7 licence under B (Building Construction), CE (Civil Engineering Construction) and ME (Mechanical and Electrical) categories. As a G7 licence holder, WDSB can tender for construction projects of unlimited size.

WDSB is also registered as a SPKK holder with a contractor registration grade of G7 under the B (Building Construction), CE (Civil Engineering Construction) and ME (Mechanical and Electrical) categories. The SPKK registration allows WDSB to participate in public sector tenders with value of more than RM10 million for building, civil, mechanical and facility works and RM200,001 and above for electrical works, anywhere in Malaysia.

7. BUSINESS OVERVIEW (Cont'd)

As earthworks activities are generally required at the starting stage of buildings and infrastructures construction, our Group can directly participate in a wide range of construction projects across various end-user markets for both public and private sectors, leading to a potentially more diversified customer base. The key target customers of our Group for this business segment include property developers, property owners, government linked companies or bodies, renewable energy developers and contractors.

7.2.1.1 Earthworks

Our Group undertakes earthwork activities which involve the removal, moving and adding of large quantities of earth and stones from a particular area to another, and to construct an embankment or platform to be used for further construction works. There are 3 main stages involved in earthwork activities as follows:

Stage 1: Site visit and preparation

Our Group will send a land surveyor team to carry out site boundary survey for the project site upon the acceptance of the letter of award. The land surveyor team will ensure that the site boundaries of the project site are in accordance with the construction drawing(s) provided to us by our customer. Any discrepancies are reported back to our Group by the land surveyor, and another round of measurements would be conducted.

A geotechnical consultant (which is generally appointed by our customer) will conduct soil investigation and prepare a report on the suitability of the physical properties of soil around the site for subsequent construction activities. A copy of the report is furnished to us and subsequently, our project team will evaluate the soil condition and assess the laboratory test results highlighted in the soil investigation report to better understand the characteristics of the soil. This will enable us to determine the construction sequence and methodology (such as the removing of unsuitable soil material method of statement) that are appropriate for our project management team.

Our Group will proceed to construct the hoarding (fencing) that surrounds the perimeter of the project site once the project site is deemed satisfactory by our land surveyor and project teams. The hoarding serves to help manage access across the project site including prohibiting unauthorised people from gaining access to the project site and preventing theft or vandalism on the project site. The hoarding also helps to reduce environmental impact by forming efficient barriers that prevent dust and debris from leaving the construction site, as well as ensuring adherence to zoning and safety rules by clearly defining the boundaries of construction.



Fencing

7. BUSINESS OVERVIEW (*Cont'd*)

Stage 2: Site clearance

We carry out site clearance works concurrently during the construction of the hoarding surrounding the project site. Trees, bushes, stumps, roots as well as other obstructions that may interfere with the construction works on the project site are removed as part of the site clearance works.



Before site clearance

During site clearance

After site clearance

Stage 3: Earthworks activities

Our Group will proceed to conduct a survey of the original ground level at the project site by deploying total station, GPS devices and/or drone to ascertain the level of ground that existed before any excavation on the land is conducted.

Our Group also engages a soil testing laboratory to conduct a field density test to determine the density of the filled soil with the result of the test being used by the Superintending Officer to determine whether another layer of compaction is needed. The initial frequency or number of points for the field density test is stated in the bill of quantities. Any additional field density tests are subject to variation order.

Once the project site is cleared, our Group will undertake earthworks to create a platform or embankment to be used for further construction works. This stage can be separated into 3 major activities that run concurrently namely (i) cut and fill, and compaction, (ii) erosion and sediment control plan, as well as (iii) rock blasting.

Upon the completion of the earthwork activities, the land surveyor team will deploy a drone to collect the final as-built drawings for final verification by customer.

Details of earthwork activities are as follows:

(i) Cut and fill, and compaction

Cut and fill is the earthworks process whereby an amount of soil obtained from 'cutting' (through the excavation process) the land is subsequently placed to an area that requires filling. The excavation process shall conform with the dimensions, lines, levels, and slope as indicated on the construction drawing(s). During the excavation process, excavators will be used to excavate the land and dump trucks will be used to transport the earth to the fill area while during the fill process, bulldozers and back pushers are used to even out the land to create the platform or embankment.

The excavated soil required for filling is inspected by a Resident Engineer or Superintending Officer appointed by our customer throughout the cut and fill process to ensure that they meet the specifications required before being used for filling. Any soil that does not comply with the required specification or has been damaged by weather or in any other way will be removed and replaced with other suitable soil.

7. BUSINESS OVERVIEW (Cont'd)

Our Group undertakes the compaction of platform or embankment to ensure the structural quality of the final surfaces. The filled soil is spread and levelled uniformly with the use of bulldozer(s) and back pusher(s) until it reaches the thickness approved by the Resident Engineer or Superintending Officer. We then use compactor(s) to compact the filled areas. The compaction of the fill is executed in layers to ensure that the land is uniformly and thoroughly compacted to obtain a level, even and uniformly compacted base.

We engage a soil testing laboratory to conduct a field density test to determine the density of the filled and compacted soil with the result of the test being used by the Superintending Officer to determine whether another layer of compaction is needed. The frequency or number of points for the field density test is stated in the bill of quantities. Any additional field density tests are subject to variation order. The steps undertaken for the compaction of the first layer of filled soil are repeated until the density level of the filled materials meets the specification that is acceptable to the Superintending Officer.

We will use motor grader(s) to trim the final layer of the filled soil for the compacted platform or embankment. After that, the platform or embankment is ready for onwards construction of building structures or roadways.



Cut and fill, and compaction

(ii) Erosion and sediment control plan

The soil is exposed to weather conditions by earthworks, which accelerates natural erosion processes. As such, we need to put an erosion and sediment control plan in place to prevent the erosion of the soil at the project site. Erosion control methods may include covering the ground with canvas sheets or use of vegetative material (also known as turfing). Our Group will also implement sediment control methods which may include the construction of silt traps, silt fences and sediment basins to keep any eroded soil on the construction site so that it does not cause water pollution to the vicinity. For slope areas, we will construct slope drains or retaining walls to ensure the stability of the slope.



Erosion and sediment control plan

7. BUSINESS OVERVIEW (Cont'd)**(iii) Rock blasting**

During the cut and fill process, we may come across hard materials that may interfere with our works as it is too hard to excavate. Under such circumstance, we need to conduct rock blasting with the use of explosives. We engaged third-party certified shotfirer who holds a shotfirer licence issued by the Royal Malaysia Police, and has training, knowledge or experience in the field of transporting, storing, handling and use of explosives, to conduct and supervise all blasting activities.

A blasting consultant and shotfirer appointed by our Group will conduct a site inspection with our surveyor team before the commencement of the blasting operations to determine and record the existing conditions of all structures likely to be affected by our blasting activity. After that, a written report (supported by photos where necessary) detailing the proposed drilling, blasting, and excavation technique including the proposed quantity and type of explosive, blasting technique, as well as noise insulation and vibration methods will be prepared by the blasting consultant and submitted to the Royal Malaysian Police for approval before our blasting operations are carried out. The blasting consultant will also apply for a clearance to conduct our blasting operations from the Minerals and Geoscience Department Malaysia.

We will proceed to conduct our blasting operations once the required written clearance from the Minerals and Geoscience Department Malaysia and a blasting permit from the Royal Malaysia Police are obtained. A signboard with details of our blasting operations will be displayed at the designated blasting site one week before blasting activity as a notification to nearby occupants of the time of blasting, frequency, duration, purpose and precautions to be undertaken to prevent property damage as well as furnish our representatives' contact details for enquiry purposes.

Prior to blasting, sirens are sounded to warn the surrounding site workers to gather at a safety point. The blasting consultant will carry out inspections around the blasting site after the blast to ensure all the shot holes (containing explosives) are fired correctly. Upon the completion of our blasting operations, the residue rocks arising from the blasts are generally further crushed into smaller sizes with the use of hydraulic breakers, when necessary. With the permission from the customer and subject to approval of the Superintending Officer, suitable residual crushed rocks are then excavated and used as our fill material, and subsequently transported by dump truck(s) to the fill area designated (by the Superintending Officer).



Rock blasting

7. BUSINESS OVERVIEW (Cont'd)

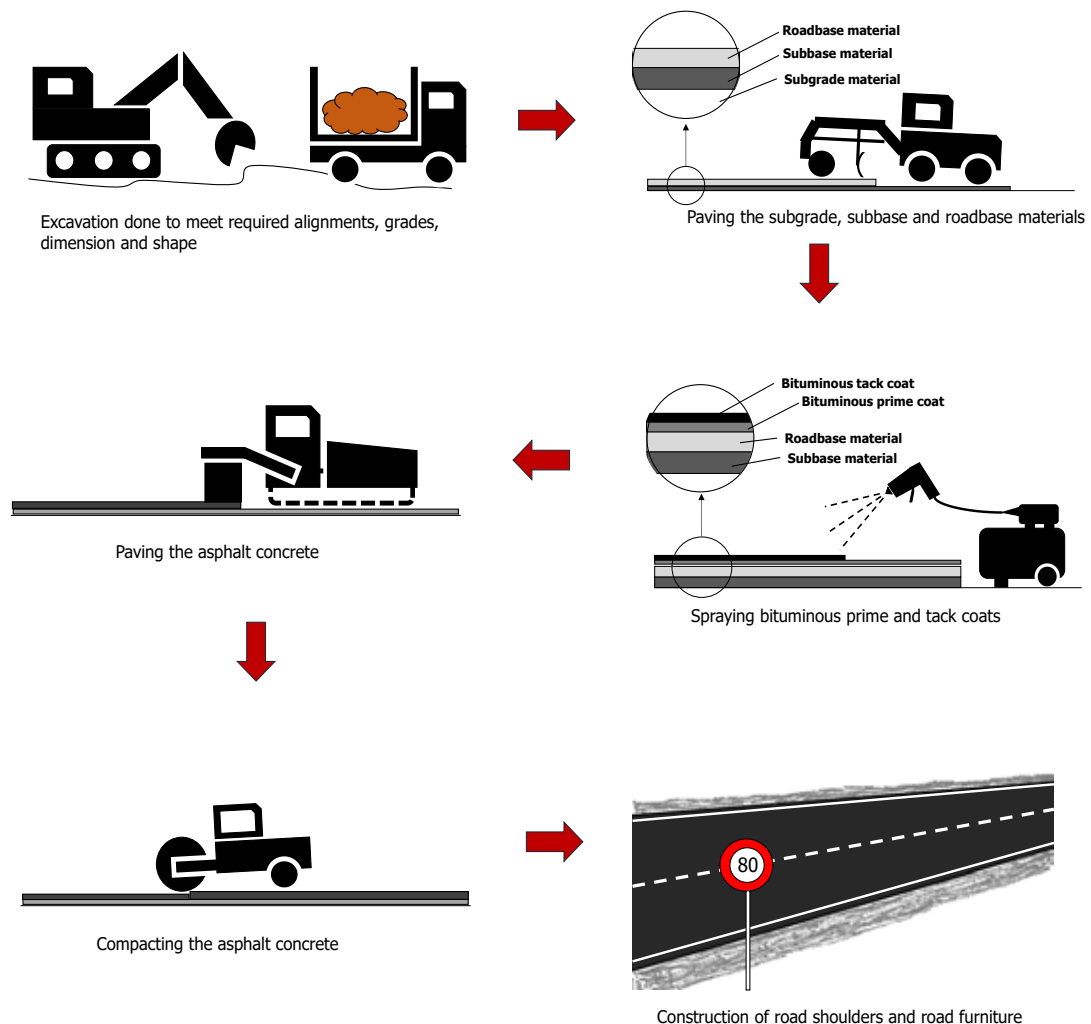
7.2.1.2 Civil engineering services

We undertake civil engineering services involving the construction and maintenance of physical and naturally built infrastructures that serve the public. Our key civil engineering service offerings are as follows:

(a) Road construction

Road construction involves the creation of a continuous right of way across geographical obstacles and allows for the use of vehicles or foot to travel along the constructed roads. Road construction mainly encompasses earthworks, excavation and installation of drainage and utilities systems, preparation of subgrade, laying of subbase and roadbase, the paving and compaction of asphalt binder and wearing course, and installation of road furniture and markings.

A brief description of the process flow of the above stages is illustrated as follows:



7. BUSINESS OVERVIEW (Cont'd)

There are 5 stages involved in our road construction activities, as follows:

Stage 1: Site survey and earthworks

A land surveyor team is mobilised to the designated project site to undertake ground surveying works and ensure that the site boundaries and the original ground level condition are as stipulated in the construction drawings. Our project team will assess the findings from the land surveyor team and review the soil investigation report prepared by the geotechnical consultant to ascertain the appropriate construction sequence and project methodology to be used.

Once the project site is deemed ready for construction works by our project team, we will proceed to clear any obstacles at the project site and construct the hoarding/ fencing that surrounds the perimeter of the project site. We also undertake earthworks activities such as cutting, clearing, grubbing and removal of topsoil, as well as inspection on the suitability of the underlying soil following the removal of the topsoil. Should there be any unsuitable material, it shall be removed or treated in accordance with the instructions issued by the customer or geotechnical consultant.

During the site control phase, the project manager/ project engineer/ site engineer/ site manager shall work together with the surveyor/ site supervisor to establish enough benchmarks for the overall project site. The project engineer/ site supervisor will then provide the initial layout of the site, as well as conduct inspection and final checks to ensure that all works performed conform to the construction drawings/ required specifications.

Earthworks will be carried out to form the road embankment which will be constructed to closely conform to the lines, grades and cross sections indicated by the construction drawings/ required specifications. The depth and size of the road embankment are dependent on the location and topography of the road embankment.

In conjunction with earthwork activities, we will also commence the preparation of the subgrade. Subgrade represents the first layer upon which the road pavement is constructed upon. The subgrade will be compacted in accordance with the construction drawings/ required specifications. In the event that compaction with the existing soil is insufficient, other granular materials such as sand or suitable earth will be mixed into the subgrade to achieve the required standards as per the construction drawings/ required specifications.

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7. BUSINESS OVERVIEW (Cont'd)

Stage 2: Preparation of underlying foundation

Once the road embankment and preparation of subgrade have been completed, the next stage of road construction involves the laying and compaction of the underlying foundation of the road. The underlying foundation serves as the support for the road pavement and is constructed with the purpose of withstanding the usage of the roads without causing excessive deformation, and it generally comprises 2 layers, namely subbase and roadbase as follows:

(i) Subbase

Subbase is laid on the subgrade and the materials used comprise crusher runs, gravel, sand or any mixture of such materials. The quality of the materials used must be able to absorb a certain amount of moisture content and meet the required load bearing capacity as per the construction drawings/ required specifications.

The subbase material will be laid on the subgrade, and spread and levelled by a motor grader into a uniform layer which will be subsequently compacted using road roller to obtain the required compaction of the subbase as per the construction drawings/ required specifications.

The thickness of the compacted subbase shall comply with the construction drawings/ required specifications. A test will be conducted to determine the load bearing capacity of the subbase and the compaction of the subbase will be repeated until the subbase complies with the construction drawings/ required specifications.

(ii) Roadbase

Roadbase is laid atop the subbase and the materials used for the roadbase are crusher run aggregates which comprise of crushed rock, crush gravel or a mixture of crushed and natural aggregates. The quality of the materials used must adhere to the required standards for moisture content absorption and meet the required load bearing capacity as per the construction drawings/ required specifications.

Prior to laying the roadbase material, the underlying subbase should have already been shaped, compacted, levelled and aligned. The crushed aggregate roadbase material is then placed based on the required width and thickness. Before spreading, the crushed aggregate roadbase material is to be processed to bring its moisture content to a uniform level and make it suitable for compaction.

Compaction shall be carried out on the roadbase in such a manner that each section receives equal compactive effort. A test will be conducted to determine the load bearing capacity of the roadbase under the supervision of the Resident Engineer or Superintending Officer. The compaction of the roadbase will be repeated until it complies with the construction drawings/ required specifications.

After compaction, the top surface of the crushed aggregate roadbase material should be of the required shape, elevation, level, grade, and dimension as per the construction drawings/ required specifications.

7. BUSINESS OVERVIEW (Cont'd)

Stage 3: Coating, paving and compaction

After the preparation of the roadbase, the roadbase is to be swept and cleaned before a layer of coating is applied to act as a layer of protection to the underlying foundation (i.e. subbase and roadbase) followed by the paving and compaction of asphalt concrete binder and wearing course.

(i) Prime coat application

Bitumen emulsion prime coat is applied to the prepared roadbase to block against moisture, dust and debris and to prevent the underlying foundation from delamination. A prime coat comprised of bituminous priming material will be applied on the compacted crushed aggregate roadbase.

The application of this bitumen emulsion prime coat is to be carried out under dry conditions. The bitumen emulsion prime coat will be initially sprayed via an emulsion distribution truck on the cleaned road base surface and any touch up to the bitumen emulsion prime coat will be done manually if necessary.

The bitumen prime coat is distributed uniformly over the surface to be treated without streaking and is allowed to dry for not less than 24 hours. We will ensure that the surface of the structures, road furniture and trees adjacent to the area being sprayed must be protected and any residual bituminous material is not discharged into road drains and gutters.

(ii) Paving and compaction of asphalt binder course

Asphalt concrete is a composite material that is used for the construction of the asphalt binder course. The asphalt binder course will be placed and compacted on top of the earlier prepared prime coated roadbase. The asphalt concrete is filled into the paver to be uniformly distributed.

A tyre roller is then used to compact the asphalt concrete until any remaining irregularities in the asphalt concrete surface are smoothen out to produce a good surface finish. The paved asphalt concrete binder course should not be open to traffic until compaction has been completed and the material has thoroughly cooled and dry after a period of 24 hours.

(iii) Tack coat application

A light application of bitumen emulsion tack coat is applied onto the asphalt binder course surface to form a strong adhesive bond without slippage. The tack coat should be applied to a clean and dry surface. The underlying bituminous coating is necessary to achieve a satisfactory degree of tackiness before the overlying material is placed. Before applying the tack coat, the full width of the binder course to be treated is to be swept using a power broom, if necessary, followed by a compressed air blower.

The tack coat is then sprayed on the cleaned asphalt binder course surface using a distribution spraying truck or hand spraying system. The bitumen tack coat is allowed to dry as per specifications and a test will be conducted to determine whether the application of the tack coat complies with the construction drawings or required specifications.

7. BUSINESS OVERVIEW (Cont'd)

We will ensure that the surface of the structures, road furniture and trees adjacent to the area being sprayed must be protected and any residual bituminous material is not discharged into road drains and gutters.

(iv) Paving and compaction of asphalt wearing course

The general process of the paving and compaction of the asphalt wearing course is similar with the paving and compaction of the asphalt binder course. The main difference between both is the type of materials used as the asphalt wearing course uses dense graded asphalt concrete which mainly functions to provide friction and smoothness of the road and to protect the underlying foundation from the weakening effect of water. This is the final layer for road construction.

Any damage to or deterioration of this newly constructed road shall be made good to the satisfaction before proceeding with the construction of road shoulder.

Stage 4: Shoulder construction

Shoulder refers to a lane by the edge of the road intended for motorist to stop in the event of an emergency. It can be earth, gravel or paved shoulder. Shoulder construction includes the construction of cast-in-situ or precast concrete kerbs which will be in accordance with the line, levels, grades, dimension and types as per the construction drawings/ required specifications.

Before the kerb is constructed or placed, excavation shall be conducted to the required depth and the base is trimmed and compacted to a firm and even surface. The kerb is then constructed or placed as per the construction drawings/ required specifications. Backfilling is then conducted on the surrounding of the kerb.

During road construction, drainage holes or inlets are installed at designated locations along the kerb. These openings are often connected to an underground drainage system. When it rains, stormwater flows towards the kerb. The drainage holes or inlets capture this water, preventing it from pooling on the road surface.

Stage 5: Shoulder finishing

Once the asphalt concrete wearing course has been paved and compacted, the finishing touches would be added for the road construction works, which would involve road furniture installation and markings.

(i) Road furniture installation

Road furniture refers to road or roadside objects that are generally used for safety and traffic management purposes. Notable road furniture includes guardrails and traffic sign.

Traffic sign includes the supply, assembly and installation of signages and posts, in accordance with the details shown on the construction drawings and based on the required specifications. It also includes the excavation and backfilling, as well as all necessary foundations, fixtures and fastenings, brackets, reflectors (where required), and application of paints and finishing to complete the work.

7. BUSINESS OVERVIEW (*Cont'd*)

Guardrail is a barrier placed along the edge of the road or highway. The work area for guardrail requirement will be marked before the start of installation work. Based on the extent of the length of guardrail given or directed by Resident Engineer or Superintending Officer, we will measure the space between the road and guardrail beam. Resident Engineer or Superintending Officer shall be responsible for verifying underground facilities such as utilities ducts, cables, and pipes at locations where we will drive in the guardrail posts.

The alignment and finished level of post and guardrail shall be set accurately on site. All posts will be driven in based on approved depth level and maintained at an accurate vertical alignment by using measuring tape, alignment string, steel rod, and levelling ruler. The spacing in-between each post is subject to approval of Resident Engineer or Superintending Officer.

(ii) Road marking

This includes the supply of road marking material and its application to form continuous and intermittent lines, letters, arrows, symbols, or figures. The markings shall be white or yellow (for temporary markings only), laid to the dimensions and at locations shown on the construction drawings and as specified or as directed by the Resident Engineer or Superintending Officer.

The material and its colour along with the road marking paint to be used shall comply with the required specifications/ approved drawings and applied on a surface which is clean and dry. It shall not be laid over loose debris, mud or extraneous matter or over old material or paint marking incompatible with the paint. If a primer or undercoat is necessary to ensure proper adhesion of the marking paint to the road surface, the primer or undercoat shall be in accordance with the instruction and to the satisfaction of the Resident Engineer or Superintending Officer.

The centre line, lane lines and edge line shall be marked by a road marking machine as approved and directed by customers. Other markings shall be applied by brush, spray, screed, hand-propelled or self-propelled machine according to the marking configuration and the type of marking material.



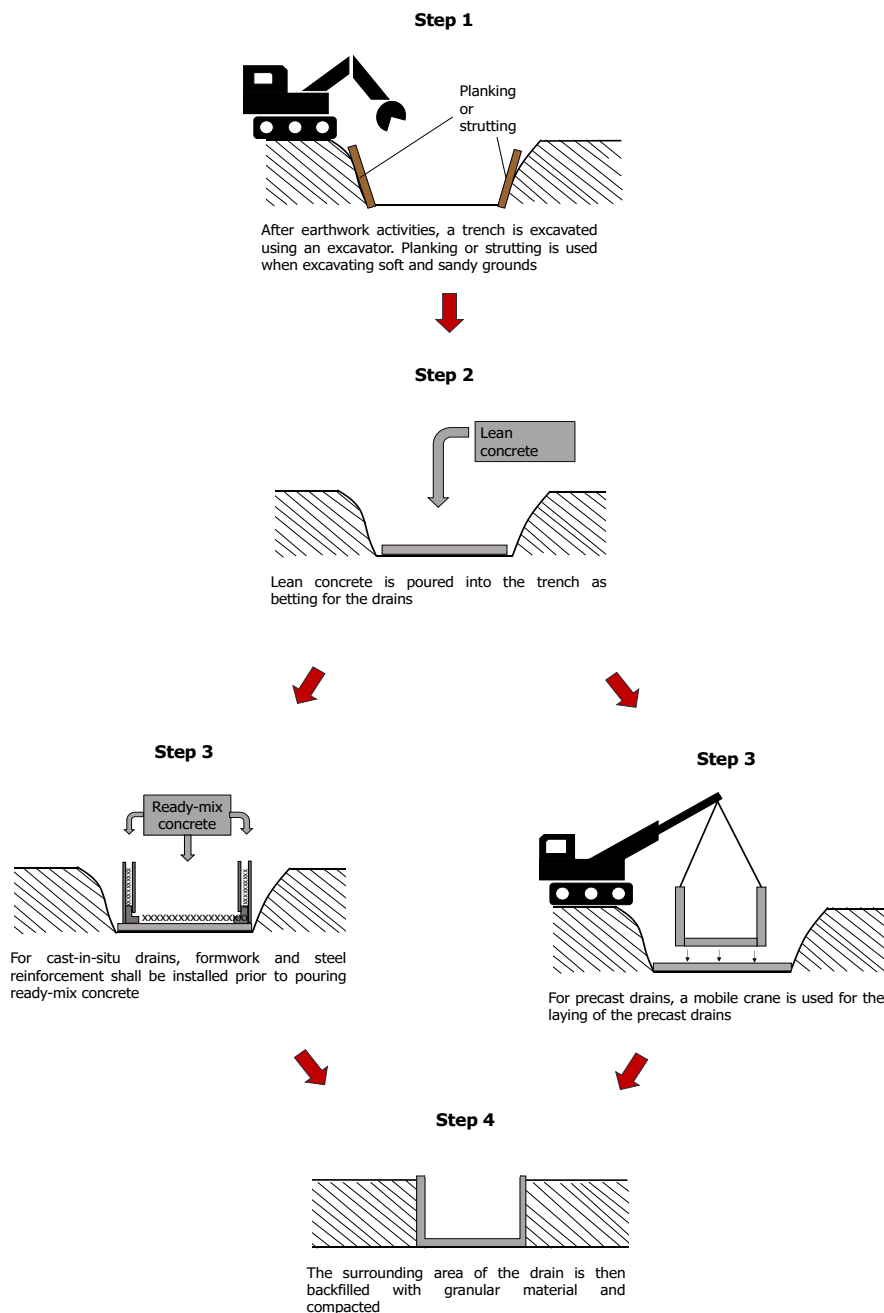
Road construction

7. BUSINESS OVERVIEW (Cont'd)

(b) Drainage system

The scope of the drainage works generally includes the construction of roadside drains, scupper drains, cascade drains, berm drains, interceptor drains, subsoil drains as well as inlet and outlet structures (headwalls and wingwalls). The construction of the drainage system is typically bundled together in projects involving the construction of new roads. For projects involving the upgrading of roads, drainage works are generally not required as the drainage system is usually already existent. The drains are either cast-in-situ or precast drains which are supplied by our suppliers.

The processes involved in construction activities for drainage system are as follows:



7. BUSINESS OVERVIEW (Cont'd)

During the preparation phase, a land surveyor team will be mobilised to the designated project site to undertake drainage work survey operation. A survey of the original ground level of the drainage alignment is conducted prior to carrying out earthwork activities such as the clearing, grubbing and topsoil stripping of the designated area. Reference lines and invert elevation levels are then set out to be cut or filled. At this time, we will also carry out inspection on precast drains delivered to the site.

After the preparatory works, a trench is excavated to achieve a smooth and firm surface. The excavated trench should have sufficient working space on either side for works to be conducted. Planking, strutting and/or sheet piling will be used as per construction drawings/ required specifications.

Prior to the pouring of lean concrete as bedding for the drains, inspection and approval must first be obtained from the Resident Engineer or Superintending Officer. For cast-in-situ (assembled or formed on site rather than prefabricated in a factory) structures, steel or wooden formwork as well as steel reinforcements shall be installed. Inspection and approval must be obtained from the consultant prior to the pouring of concrete into the formworks.

In the case involving precast (that are already prefabricated in a factory) drains, the drains are laid using mobile cranes, beginning from the downstream end upwards. Rebated joints and lifting holes are then to be fully mortared using cement mortar. The surrounding area of the drain is then backfilled with granular material/ suitable materials and compacted as per construction drawings/ required specifications. A final joint inspection with the Resident Engineer or Superintending Officer will then be conducted.



Drainage system

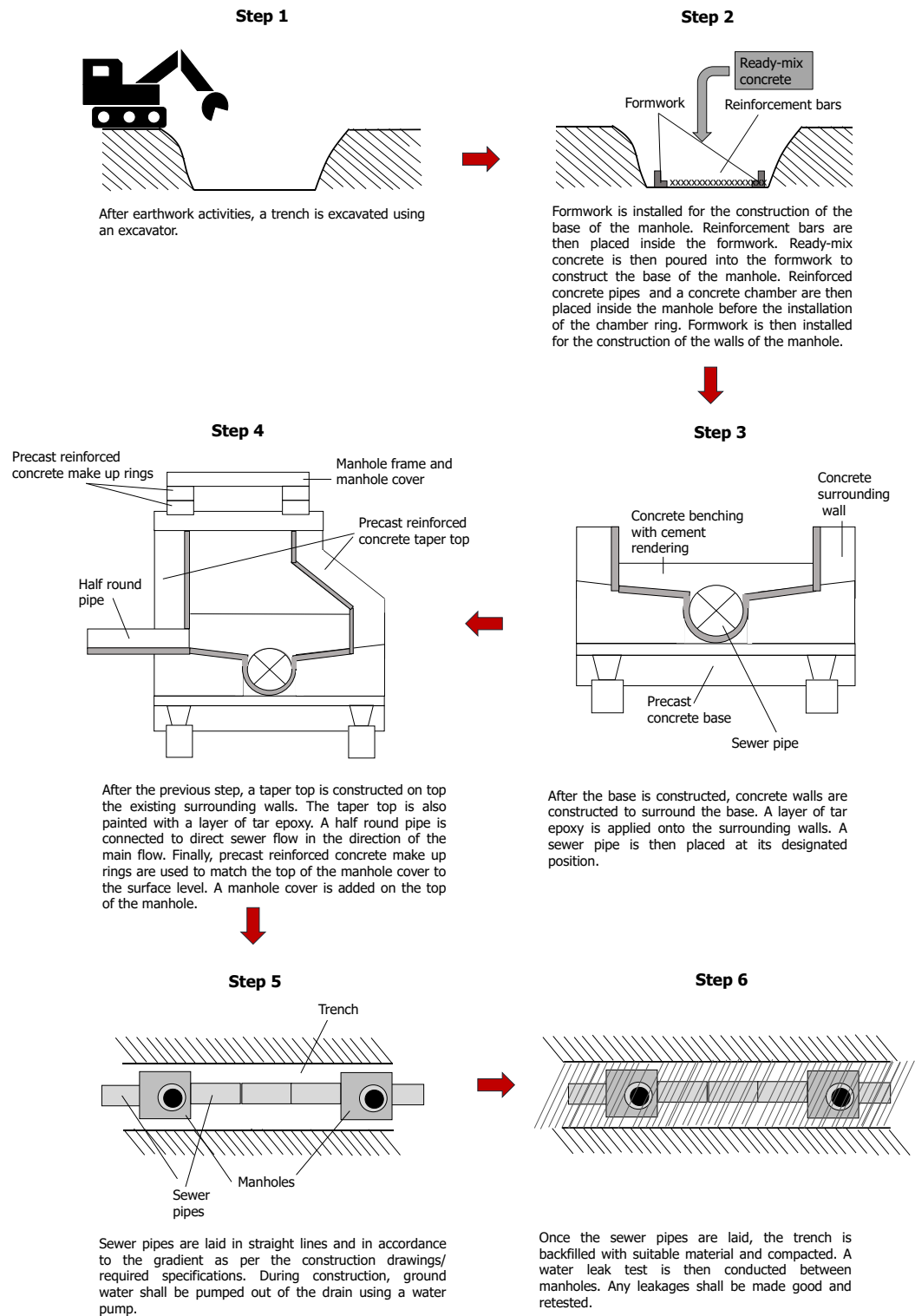
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7. BUSINESS OVERVIEW (Cont'd)

(c) Sewerage system

A sewerage system refers to an underground wastewater carriage system that forms a network of manholes and pipes connecting buildings to the sewerage treatment plant.

The processes involved in construction activities for sewerage system are as follows:



7. BUSINESS OVERVIEW (*Cont'd*)

During the preparation phase, all lines and points are set out for inspection as per the construction drawings. Our Group will then carry out earthwork activities such as the clearing, grubbing and removal of topsoil of the designated site. Before any excavation is conducted, a survey of the original ground level of the wastewater distribution pipes and manholes alignment is also conducted. Reference lines and invert elevation levels are then set out to be cut or filled. We will also be carrying out inspection on precast products delivered to the site.

After the preparation has been done, a trench is firstly excavated to achieve a smooth and firm surface with the required working space allowance on either side. An excavator is mobilised to perform the excavation works.

After that, in accordance with the details shown in the construction drawings, formwork is installed for the construction of the base of the manhole. Reinforcement bars are then placed inside the formwork. Ready-mix concrete is then poured into the formwork to construct the base of the manhole. Reinforced concrete pipes and a concrete chamber are then placed inside the manhole before the installation of the chamber ring. Formwork is then installed for the construction of the walls of the manhole. This process is repeated until the manhole is completed.

After the base is constructed, concrete walls are then constructed to surround the base. A layer of tar epoxy is applied onto the surrounding walls and a sewer pipe is subsequently placed at its designated position.

Next, a taper top is constructed on top the existing surrounding walls. The taper top is also painted with a layer of tar epoxy. A half round pipe is connected to direct sewer flow in the direction of the main flow. Precast reinforced concrete make up rings are then used to match the top of the manhole cover to the surface level. A manhole cover is added on the top of the manhole.

At the next stage, sewer pipes are laid in straight lines and in accordance with the gradient as per the construction drawings/ required specifications. During construction, ground water shall be pumped out of the drain using a water pump.

Finally, once the sewer pipes are laid, the trench is backfilled with suitable material and compacted. The process is repeated for all sections of the sewerage system. A water leak test is then conducted between manholes. Any leakage shall be made good and retested. A final joint inspection with the Resident Engineer or Superintending Officer will then be conducted together with the local authority to obtain approval and permit.



Sewerage system

7. BUSINESS OVERVIEW (Cont'd)

7.2.1.3 Ongoing and completed contracts

(i) Ongoing contracts

As at LPD, our Group has 14 ongoing contracts with a total contract value of RM571.48 million and unbilled contract value of RM378.14 million or 66.2% of the total value.

Our Group's ongoing projects as at LPD are set out in the table below:

	Project details	Role	Customer name	Contract value/ Unbilled contract value as at LPD RM'000	Contract period ⁽¹⁾	Stage of completion as at LPD ⁽²⁾ %
(a)	Tanjong 12 Lot 68054 Project	Subcontractor	WISB	4,650/ 477	February 2022 to March 2025	89.7
(b)	Central Spine Road Project	Subcontractor	LASB	146,173/ 125,648	July 2022 to August 2026	14.0
(c)	KLCC Project	Subcontractor	Samsung C&T (KL) Sdn Bhd	5,886/ 4,001	September 2022 to March 2025	32.0
(d)	Sungai Long Project ⁽³⁾	Main contractor	Ang Cheng Ho Quarry Sdn Bhd	168,000/ 123,155	November 2022 to April 2030	26.7
(e)	LRT Line 3 Project	Subcontractor	Milmix Sdn Bhd	123,011/ 19,474	June 2023 to March 2025	84.2
(f)	UMW Package 14 Project	Subcontractor	LASB	17,385/ 16,389	⁽⁵⁾ April 2024 to February 2025	5.7
(g)	Setia Alaman Project	Subcontractor	WISB	34,567/ 23,853	May 2024 to November 2025	31.0

7. BUSINESS OVERVIEW (Cont'd)

	Project details	Role	Customer name	Contract value/ Unbilled contract value as at LPD RM'000	Contract period ⁽¹⁾	Stage of completion as at LPD ⁽²⁾ %
(h)	Nexus Cheras Project	Subcontractor	Sri Binaraya Sdn Bhd	5,600/ 5,468	June 2024 to July 2025	2.4
(i)	Setia Eco Park Project	Subcontractor	WISB	21,680/ 17,123	May 2024 to April 2025	21.0
(j)	Semenyih PT37330 Project	Subcontractor	Aliran Perkasa Sdn Bhd	480/ 420	November 2024 to October 2026	12.5
(k)	Cybersouth Project	Subcontractor	Ecolake Residence Sdn Bhd	1,668/ 872	October 2024 to March 2025	47.7
(l)	Cybersouth Avaland Project	Subcontractor	Casa Boulevard Sdn Bhd	2,073/ 2,073	January 2025 to April 2025	(4)-
(m)	UMW Package 15 Project	Subcontractor	LASB	32,209/ 31,087	December 2024 to October 2025	3.5
(n)	Avalton Melaka Project	Main contractor	Chin Hin Property (Melaka) Sdn Bhd	8,100/ 8,100	February 2025 to August 2025	-

Notes:

- ⁽¹⁾ Refers to the period from the commencement of project to the expected completion of project including the extension of time granted to our Group.

7. BUSINESS OVERVIEW (*Cont'd*)

- (2) Calculated based on billed contract value as at LPD over total contract value of the contract.
- (3) We are able to apply for VOP for this project from our customer. Once the VOP has been approved, we will be able to claim for the difference in prices of bulk explosives and diesel based on the index provided by us and verified by our customer. Please refer to Section 9.1.4 for further details on the variation of price clause.
- (4) As at LPD, our Group has commenced works in January 2025. However, our Group has yet to issue the progress billings to the customer as at LPD.
- (5) Our Group expects that there will be a delay for this project due to revision of work scope and construction drawings by the project owner between May 2024 to December 2024. As such by February 2025, our Group intends to apply for an extension of time up to May 2025 to complete this project. In the unlikely event that the extension of time is not granted, our Group may face both financial and operational impacts, where LAD may be imposed, failure to meet the agreed timelines will lead to revision of works and project cost overrun which in turn affect our Group's margins. However, our Group is of the view that extension of time will be provided as the delay for the project is not attributable by the actions of our Group as mentioned above.

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7. BUSINESS OVERVIEW (Cont'd)

(ii) Completed contracts

Since the commencement of our Group's business in 2003, our Group had completed 101 contracts involving the provision of earthworks and civil engineering services. The total value of these completed contracts since the commencement of our business in 2003 up to LPD amounts to more than RM464.25 million.

The table below sets out completed projects with contract value above RM10.00 million:

	Project details / Brief work scope	Customer name	Contract sum RM'000	Project completion	Status of retention sum
(a)	Air Terentang Project ⁽¹⁾	Menta Construction Sdn Bhd	18,884	October 2005	Released
(b)	Taman Sains Selangor 2 Project ⁽¹⁾	Mindar Enterprises Sdn Bhd	31,768	April 2011	Released
(c)	MRT Kajang Project ⁽¹⁾	Pembinaan Bukit Timah Sdn Bhd	34,675	February 2014	Released
(d)	UMW Bandar Serendah Project	UMW Corporation Sdn Bhd	29,389	June 2016	Released
(e)	Tanjung 12 Phase 1 Project	Gamuda Engineering Sdn Bhd	19,000	April 2019	Released
(f)	Tanjung 12 Phase 2 Project	Gamuda Engineering Sdn Bhd	21,000	February 2020	Released
(g)	Tanjung 12 Phase 3 Project	Gamuda Engineering Sdn Bhd	12,985	January 2020	Released
(h)	Tanjung Industrial Area Project	Hartalega NGC Sdn Bhd	24,291	March 2022	Released
(i)	UMW Package 8, Section 2A Project	LASB	15,784	March 2024	Pending release of the remaining 50.0% of the retention sum upon expiry of DLP

7. BUSINESS OVERVIEW *(Cont'd)*

	Project details / Brief work scope	Customer name	Contract sum	Project completion	Status of retention sum
(j)	UMW Package 3, Section 2 Project	LASB	15,018	October 2024	Pending release of the remaining 50.0% of the retention sum upon expiry of DLP
(k)	Hillpark 4 Project	WISB	17,829	October 2024	Pending release of the remaining 50.0% of the retention sum upon expiry of DLP
(l)	Bandar Serendah Project	Customer L	25,357	September 2024	No retention sum required
(m)	UMW Package 10 Project	LASB	22,971	January 2025	Pending release of the remaining 50.0% of the retention sum upon expiry of DLP

Note:

- ⁽¹⁾ Refers to the projects which our Group has tendered and completed in the past without obtaining the required registration from CIDB. Please refer to Section 6.10(a) for further details.

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7. BUSINESS OVERVIEW (Cont'd)

7.2.2 Trading of construction materials

We are involved in the trading of construction materials consisting of coarse sand, fine sand, aggregate stone, crusher run, quarry dust, red earth and topsoil.

Construction material	Description
 Coarse sand	- A larger sand particle generally with a diameter in the range of 2mm to 4.76mm. - It is used to make reinforced concrete structures, paver base, and as additive to soil amongst others.
 Fine sand	- A very small sand particle generally with a diameter in the range of 0.125mm to 0.25mm. - It is used for general mortar mixes, plastering, rendering and block or brick works.
 Aggregate stone	- A type of rock fragment that has been subject to mechanical processing such as crushing. - It is suitable for use in concreting works, asphalt paving, construction entrances, infiltration trenches and sand filters amongst others.
 Crusher run	- A blended mix of crushed rocks and stone dust. - It is commonly used as foundations for a range of surface such as driveways and patios.
 Quarry dust	- A residue or tailing waste material produced during the crushing of stones. - It is used to backfill trenches, build up low areas, pack under concrete slabs, create pipe bedding, form a base under water tanks as well as create a hard base for a variety of applications such as footpaths amongst others.
 Red earth	- A hard red deep clay of tropical climate containing oxidised iron. - It is used as a material in road and building construction.

7. BUSINESS OVERVIEW (Cont'd)**Construction material**

Topsoil

Description

- An upper layer of soil which forms the top layer of ground.
- It is used for backfilling or as a base for patios amongst others.

Our Group generally purchases all our construction materials from local traders of construction materials and quarry products. The key target customers of our Group for this business segment are contractors and concrete batching plant owners. For FPE 2025, revenue generated from the trading of construction materials business segment amounted to RM7.01 million, representing 11.3% of our total revenue.

7.2.3 Provision of machineries and commercial vehicles for hire

Our Group has a sizeable fleet of our own machineries and commercial vehicles that provides critical support for our construction activities. The ownership of machineries and commercial vehicles better position us to undertake more construction projects without relying on third-party providers of machineries and commercial vehicles.

We generally prioritise the use of machineries and commercial vehicles for our projects and will deploy our unutilised and available machineries and commercial vehicles for hire. We offer flexible hiring arrangement/terms, generally ranging from an hour to 1 year depending on the customers' project schedule and requirements.

To ensure our machineries and commercial vehicles' operability and efficiency, and to minimise breakdown, the hiring arrangement/terms include general repair and maintenance services, i.e. replacement of certain spare parts such as air filter, oil filter, lubricant and battery. Such repair and maintenance services are provided and handled by our in-house and outsourced maintenance team throughout the hiring period at our cost. However, if there is any damage to the hired machineries and commercial vehicles and/or lost or damaged spare parts occurred during the hiring period due to mishandling, misuse or improper usage by our customers, we will seek for damage claims. We will supply the lost or damaged spare parts and the cost for parts' replacement are borne by our customers. During FYE 2021 to 2024, FPE 2025 and up to LPD, we have not claimed for any damages against our hiring customers.

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7. BUSINESS OVERVIEW (Cont'd)

As at LPD, we owned the following machineries and commercial vehicles, as follows:

Types of machineries and commercial vehicles	Description	No. of units owned as at LPD
 Tipper truck	- A road-registered truck with a hydraulic system that tilts the entire truck bed to allow the emptying of loads from one side. - It is used to transport and unload substantial loads and materials.	54
 Dump truck	- A large, heavy-duty truck with a hydraulic system that lifts the truck bed for enabling the discharging of materials in a backward direction. - It is used to transport and unload substantial loads and materials across varied terrain.	105
 Excavator	- A construction machinery that can rotate 360 degrees and has a boom, arm and bucket. - It is used to dig and move earth.	67
 Back pusher	- A machinery with attachment such as bucket, shredder and sweeper. - It is used to clean, transfer and remove waste materials.	9
 Bulldozer	- A large vehicle with caterpillar tracks and a broad curved upright blade at the front. - It is used to push or move earth and debris.	13

7. BUSINESS OVERVIEW (Cont'd)

Types of machineries and commercial vehicles	Description	No. of units owned as at LPD
 Compactor	- A machinery designed to apply downward pressure through hydraulic, mechanical, or pneumatic force. - It is used to compress, reduce, and compact a variety of materials such as dirt, soil and gravel.	20
 Motor grader	- A wheeled equipment with an adjustable blade. - It is used to grade, spread and level materials.	6
 Backhoe	- An excavating machinery that can rotate 200 degrees and has a boom, arm and bucket on its rear and a large bucket at its front. - It is used to dig deep holes and trenches.	6
 Wheel loader	- A machinery with a front-mounted square wide bucket connected to the end of 2 arms. - It is used to scoop and transfer materials.	6
 Mobile crane	- A wheeled, self-propelled vehicle with either a cable-controlled crane or a hydraulic -powered telescoping boom crane that can move from one place to another. - It is used to move and lift loads.	1

287

Our key target customers for this business segment are suppliers of construction materials, and contractors (including our Group's subcontractors). For FPE 2025, revenue generated from this business segment amounted to RM1.26 million, representing 2.0% of our total revenue.

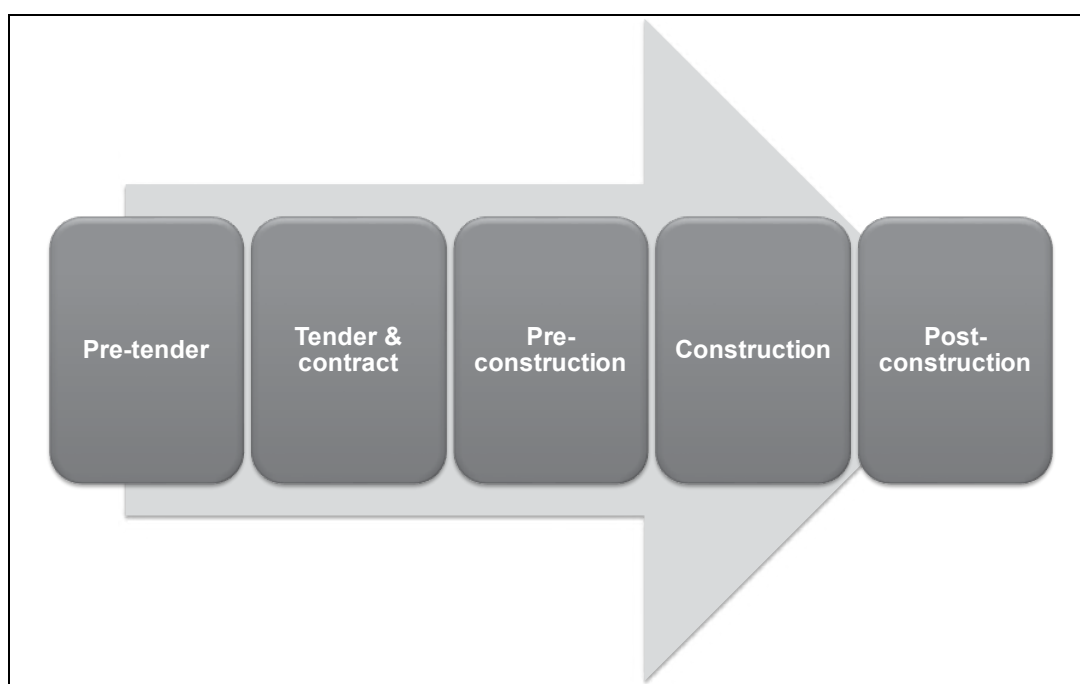
7. BUSINESS OVERVIEW (Cont'd)

7.3 OPERATING OR TRADING MECHANISMS

7.3.1 Provision of construction services

Our business process as a contractor in respect of earthworks and civil engineering services includes identifying potential projects, tendering as well as project management and execution. We have developed an operating framework which covers the entire business process, including pre-tender analysis, tender preparation and submission, project management, project control, project completion and project handover. Effective execution of construction projects is dependent on the project collaboration between our Group and our customers, subcontractors and suppliers, which will impact our timely delivery of services and materials, health, safety and environmental compliance, building quality as well as cost and overruns.

The general process flow of our construction business is as follows:



(a) Pre-tender

We identify potential projects through the following:

- (i) recommendations from project consultants such as architects, engineers and quantity surveyors;
- (ii) referrals and direct invitations from our existing and past customers and other property owners or property developers; and
- (iii) tender notices from the newspaper or the Internet.

7. BUSINESS OVERVIEW (Cont'd)

Once a project is identified, we will conduct preliminary assessments based on a variety of factors including but are not limited to the following:

- (i) the financial feasibility of the identified project such as capital requirements, adequacy of working capital to cope with the estimated cash flow requirements and potential returns of the project;
- (ii) risk assessment on the background and financial position of the customer;
- (iii) the scope, complexity and specification of the identified project including related statutory and regulatory requirements;
- (iv) achievability of the project timetable;
- (v) prospects of the projects based on current market demand;
- (vi) the required and availability of resources including manpower for the identified project; and
- (vii) our current order book.

After our preliminary assessments, we will make the decision on whether to pursue the project and to participate in the tender process.

(b) Tender and contract

We will commence preliminary work for the preparation of tender submission including purchasing and collecting the tender documents once we decide to pursue the identified project. Our contract department will liaise with the customer to prepare a tender proposal based on the project scope and its requirements. Besides that, the overall costing of the tender submission will also be ascertained.

We draw reference to various historical construction cost items maintained in our database, our previous tender records, the raw materials price trend, wages trend and the awarded tender prices of similar jobs (if any) when preparing tender submissions and quotations. In addition, we will request for quotations from our suppliers and subcontractors to get the latest prices of raw materials, labour or heavy machineries and equipment. We may also be required to complete pre-tender qualification exercises which include the evaluation on our previous track record and financial strengths.

It usually takes between 2 and 4 weeks for us to complete the preparation phase. During this period, the tender price, proposed master work programme (including proposed timeline for each major construction activity), proposed project organisation chart and method statement (including proposed construction methodology and the manpower and machineries utilisation schedule) will be prepared.

A tender bond will be submitted together with the tender documents to provide an assurance to the customer that we will undertake the contract in accordance with the terms and conditions as stipulated in the tender documents upon the acceptance of our proposal. Our finalised proposal will have to be approved internally by our 2 Executive Directors before our tender is submitted to the customer.

The customer will call us for a tender interview to present our proposal and provide clarification on technical details and commercial terms. We can gather additional information on the customer's specific needs and requirements during the tender interview too. A revised tender may be submitted if there are changes made and/or new requirements being imposed following the tender interview. The customer will issue a letter of award followed by the signing of the contract between both parties.

7. BUSINESS OVERVIEW (Cont'd)

The tender bond will be returned to us in exchange for a performance bond upon our acceptance of the letter of award. A performance bond gives an assurance to the customer on the satisfactory completion of the project by our Group. On the contrary, the customer may call on our tender bond if the project is rejected by our Group after the customer has issued a letter of award to us.

(c) Pre-construction

At the pre-construction stage, we will assemble and assign a project team to initiate project planning by establishing the project framework and structure and working with the project information and our customer's requirements provided by our contract department.

A project manager will be assigned as the lead to supervise the project team and be responsible for overseeing the management and implementation of the various aspects of the project such as construction activities, quality control, time management and project costing. Concurrently, a contract manager and a purchasing manager will assist the project team on the implementation of the construction activities including procurement of construction materials, supplies and deployment of heavy machineries and equipment as well as the appointment of subcontractors.

To ensure successful delivery of the project, our project team will undertake detailed planning activities with the customer and various consultants. This will include resource planning and project budgeting, preparation of project plan, project quality plan, master work programme and construction methodology. We will also be responsible for preparing, submitting and procuring the relevant permits and/or approvals from the relevant authorities.

Our project team through our contract department will source for quotations from our approved suppliers as well as make the required purchases from the project's nominated supplier, if required. Upon closing of the tender and/or submission of quotations, the submitted quotations and tenders will be evaluated by our contract department. We may seek further tender clarifications and enter negotiations to identify other subcontractors that meet our requirements, which is done prior to the issuance of letter of award and/or work order to the appointed subcontractors.

(d) Construction

We commence construction activities upon receiving the required permits and/or approvals from the relevant authorities, where applicable. A master work programme outlining the work activities, sequence of works and project milestones will be prepared by our project team in accordance with the project requirements and specifications. The construction drawings and technical specifications will also be issued to site personnel and our subcontractors, if any.

Individual tasks in the project are closely monitored in accordance with the timeline planned in the master work programme to avoid any idling, and to ensure the timely completion of construction works. We also provide technical support and value engineering input, where applicable, to our customer to ensure cost effectiveness and methodology efficiency as well as time saving. From the construction drawings, we will coordinate and develop shop drawings and coordination drawings.

7. BUSINESS OVERVIEW (Cont'd)

At this stage, our project team will act as the site administrator to devise a detailed construction plan, monitor, coordinate and supervise subcontractors, liaise with our customer and consultants as well as monitor the progress of construction activities. Our project team will also set up site facilities where planning, coordination and allocation of the required resources, managing the site throughout the project and liaising with the relevant utility provider for utility relocation and temporary diversion, where applicable.

We carry out earthworks such as site clearance, excavation of all types of material, filling and compaction of backfilled materials, forming embankments and slopes as well as erosion and sediment control plan. We also undertake civil engineering works such as road works, drainage works as well as sewerage works.

We will outsource bulk of the construction works to subcontractors depending on the nature of project, availability of our internal resources, cost effectiveness, licensing/specialist requirements. In accordance with the master work programme, our contract department, and project department will jointly coordinate the transfer and/or procurement of the heavy machineries and equipment and construction materials needed for the project site. In addition, both departments will also evaluate the construction works done on-site to ascertain the progress made and to resolve contractual issues, if any.

The project site will be monitored to ensure compliance on quality, site occupational safety, health and environmental guidelines and policies. We will also develop and implement a project plan in accordance with the construction activities to ensure a safe working environment.

We typically receive (progress) payments from our customer when we complete a project milestone during the duration of the project. The progress claim for the project will be submitted by our contract department to our customer's consultants. Thereafter, the progress of our construction work done will be assessed and verified together with the consultants through a joint project site inspection. Subsequently, the monthly progress claim recommendation based on the amount of work done will be prepared by the consultants for subsequent submission to the project architect and/or Resident Engineer or Superintendent Officer and/or our customer for certification of payment.

Similarly, our subcontractors are also required to submit their progress claims to us for our evaluation after the completion of each agreed project milestone. A progress certificate will be issued upon successful verification of the subcontractor's progress claim against the actual work done. We will then make payment based on the subcontractors' contracts and/or work orders.

The final inspection, testing and commissioning will be carried out by our project team jointly with the customer or customer's representatives at the end of construction works and prior to demobilising resources from the project site. The project team will be responsible for compiling the final project documentation which includes as-built drawings and inspection records. A complete set of final project documents will be presented to our customer during the handover stage by our project team. After that, the project team will proceed to demobilise resources from the project site in stages.

Once the project's architect issues a CPC, the project is deemed completed. Upon receipt of the CPC, a final claim will be submitted by us. Our final claim will include claim for partial release of the retention sum, with the remaining retention sum to be retained by our customer until the end of the DLP and upon issuance of CMGD.

7. BUSINESS OVERVIEW (Cont'd)

(e) Post-construction

Upon receipt of the CPC, the DLP will commence. If we do receive any written complaint from our customer on defects identified during the DLP, our project department will, at our costs or at our subcontractors' costs (if applicable), investigate and rectify the issues by carrying out remedial action or rectification and/or get our subcontractors involved to rectify the defects. The duration of the DLP is generally in between 12 and 24 months after the issuance of the CPC.

Upon expiry of the DLP and completion of the rectification of identified defects, a CMGD will be issued. We also extend joint warranties or guarantees together with relevant suppliers for selected proprietary systems, materials and goods installed, such as piping and water proofing works beyond the DLP, subject to terms of the contract. Any defects that are identified during this period will be rectified by our project team or our subcontractors involved if the defects are due to defective materials or workmanship.

The draft final accounts are issued to us within 6 to 12 months after the issuance of the CPC. Once both parties have agreed to the draft, our customer will issue the final accounts to us. The final accounts will be certified by the project's architect and/or Resident Engineer or Superintendent Officer and/or customer, as stipulated in terms of the contract.

Our customers are generally entitled to retain 10.0% of each progress billing, as retention sum, up to a maximum of 5.0% of the contract sum. No further amount shall be retained by our customer when a maximum limit of 5.0% of the contract sum has been retained. The entire retention sum will be retained by our customer throughout the contract period until the issuance of CPC, where half of the total retention sum will be released to us. Our customer will retain the remaining half of the retention sum upon issuance of the CMGD. Our customer may utilise the remaining retention sum to remedy defects if we fail to rectify the defects within the agreed period.

Similarly, 10.0% of each certified work done against our subcontractors will be retained by us as retention sum, up to a maximum of 5.0% of the awarded subcontract value. The retention sum will be released to our subcontractors, of which half of the retention sum will be released upon the issuance of the CPC, whilst the remaining half will be released upon the issuance of the CMGD.

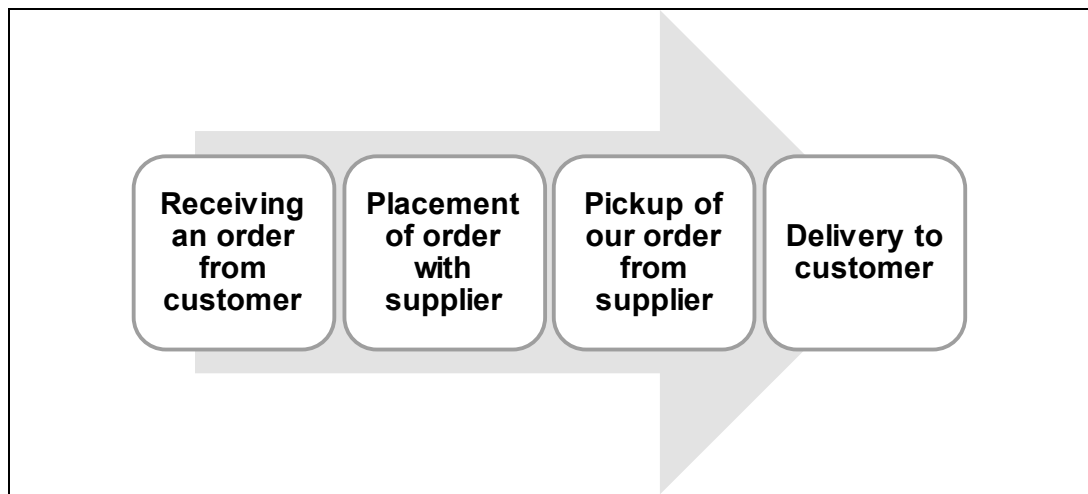
For the FYE 2021 to 2024 and FPE 2025, we have not incurred any LAD.

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7. BUSINESS OVERVIEW (Cont'd)

7.3.2 Trading of construction materials

The general process flow for the trading of construction materials is as follows:



(a) Receiving an order from customer

When we receive an order from our customer via a purchase order, we will make enquiries with various suppliers on the price and availability of the required quantity of construction materials. Upon ascertaining the pricing and quantity, we will then prepare a quotation and submit to the customer.

(b) Placement of order with supplier

Upon acceptance of our quotation by the customer, we will then proceed to issue our purchase order to our supplier.

(c) Pickup of our order from supplier

We will appoint 3rd party transporters to undertake the delivery of the ordered construction materials to our customer. The appointed 3rd party transporters will conduct visual inspection on the construction materials to ensure that they match our order in terms of type and quantity.

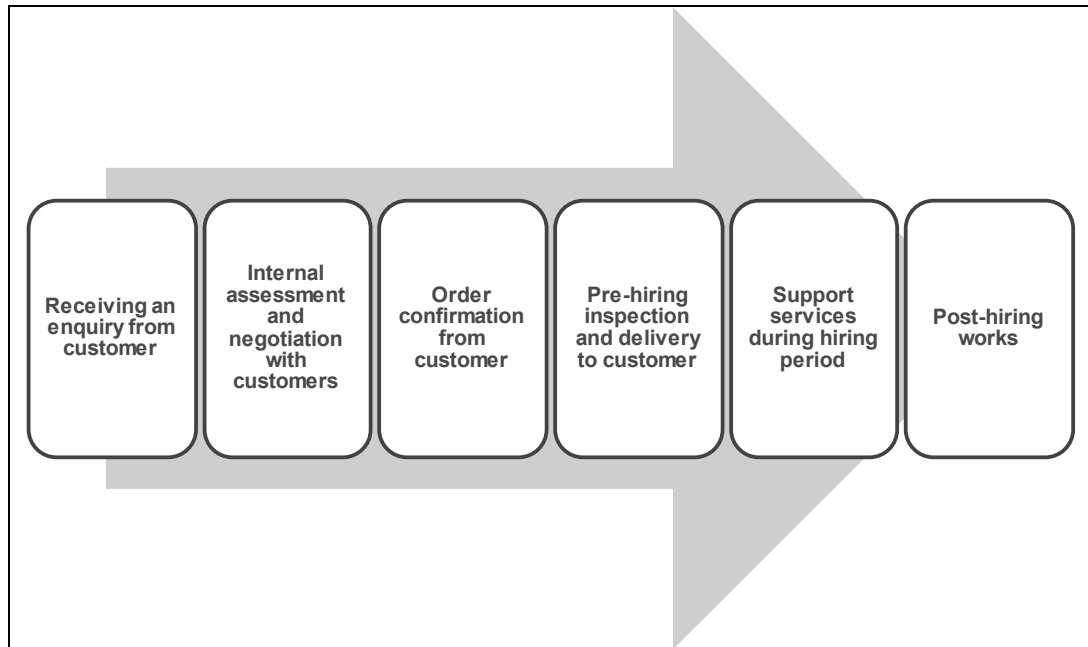
(d) Delivery to customer

They will then directly transport the construction materials to our customer. Upon successful delivery of the construction materials to our customer, an invoice will be issued to our customer. Our customers are generally given a credit term of 30 to 90 days in which to make payment.

7. BUSINESS OVERVIEW (Cont'd)

7.3.3 Provision of machineries and commercial vehicles for hire

The general process flow for the provision of machineries and commercial vehicles for hire is as follows:



(a) Receiving an enquiry from customer

Once we receive an enquiry from our customer, we will engage with the customer to obtain relevant project information such as types of machineries and commercial vehicles to be hired, project location(s) and schedule(s).

(b) Internal assessment and negotiation with customer

Based on the information gathered, we will conduct an internal assessment and check availability of the required machineries and/or commercial vehicles. Based on availability, we will provide to the customer a formal price quotation which specifies the hiring rate, details of proposed hiring arrangement including terms and conditions, for the customers' consideration.

Hiring rate quoted to customers would take into account (i) hiring duration and (ii) type and condition of the machineries and/or commercial vehicles to be hired.

(c) Order confirmation from customer

The customer will formally request for the hiring of our machineries and/or commercial vehicles once the customer has agreed with our price quotation and/or hiring agreement which consist of the types and number of machineries and/or commercial vehicles. This may be done through a request for hire order from the customer on an ad hoc basis or through an agreement for a fixed hiring duration.

(d) Pre-hiring inspection and delivery to customer

We conduct pre-hiring inspections on the machineries and/or commercial vehicles that will be hired to ensure that they are in good working conditions prior to their delivery to the designated project site(s).

7. BUSINESS OVERVIEW (Cont'd)

(e) Support services during hiring period

During hiring period, general repair and maintenance services including replacement of certain spare parts such as air filter, oil filter, lubricant and battery will be provided by our maintenance team upon receiving repair works request from our customer. The cost of machinery parts and consumables needed for repair works shall be borne by us.

(f) Post-hiring works

At the end of the hiring period, we will conduct post-hiring inspections on the machineries and/or commercial vehicles involved before accepting them. A confirmation of acceptance of the return will be issued to our customer. Our in-house maintenance team will then carry out the cleaning process to remove dirt, residues and other water-soluble contaminations by means of high pressure washing.

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7. BUSINESS OVERVIEW (Cont'd)**7.4 PRINCIPAL MARKETS**

During FYE 2021 to 2024 and FPE 2025, the revenue of our Group was derived from the provision of construction services, trading of construction materials, and provision of machineries and commercial vehicles for hire business segments, with the principal market being solely in Malaysia.

7.4.1 Revenue by geographical region in Malaysia

The breakdown of our revenue by geographical region in Malaysia is as follows:

Analysis of revenue by geographical region in Malaysia

	Audited								Unaudited		Audited	
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Peninsular Malaysia												
• Northern region ⁽¹⁾	4,117	5.9	6,487	7.8	13,232	10.7	18,364	9.8	6,425	11.5	4,753	7.7
• Central region ⁽²⁾	65,739	94.1	75,934	91.6	110,203	89.3	170,131	90.2	49,155	88.4	57,117	92.3
• Southern region ⁽³⁾	-	-	450	0.6	59	⁽⁴⁾ -	46	⁽⁴⁾ -	44	0.1	-	-
	69,856	100.0	82,871	100.0	123,494	100.0	188,541	100.0	55,624	100.0	61,870	100.0

Notes:

- (1) Comprises Kedah, Kelantan and Perak.
- (2) Comprises Kuala Lumpur, Selangor and Negeri Sembilan.
- (3) Relates to Johor.
- (4) Represents less than 0.1%.

7. BUSINESS OVERVIEW (Cont'd)

7.4.2 Revenue by business segment

The breakdown of our revenue by business segment is as follows:

Analysis of revenue by business segments

	Audited								Unaudited		Audited	
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of construction services	25,196	36.1	55,792	67.3	92,968	75.3	162,834	86.4	46,727	84.0	53,607	86.7
Trading of construction materials	24,098	34.5	20,453	24.7	21,436	17.3	19,316	10.2	6,672	12.0	7,007	11.3
Provision of machineries and commercial vehicles for hire	20,562	29.4	6,626	8.0	9,090	7.4	6,391	3.4	2,225	4.0	1,256	2.0
	69,856	100.0	82,871	100.0	123,494	100.0	188,541	100.0	55,624	100.0	61,870	100.0

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7. BUSINESS OVERVIEW (Cont'd)

7.5 SALES AND MARKETING

Our Group's sales and marketing are handled by our Executive Directors, with support from our contract department. They will identify and source for new projects or sales based on the recommendations of architects and engineers, property owners and developers or via direct invitations from our existing customers. Our contract department will also monitor and source for new projects or sales from tender notices in the newspaper and the Internet. As construction materials as well as our machineries and commercial vehicles are heavily used in the construction industry, our Executive Directors will also be in charge of the sales and marketing for the trading of construction materials as well as the provision of our machineries and commercial vehicles for hire.

We leverage on our operating track record and established relationships with our existing customers to secure new projects. Our senior management team and project managers are generally responsible for liaising and maintaining our relationship with existing and potential customers and keeping abreast with the latest market development for potential business opportunities.

7.6 TECHNOLOGY USED OR TO BE USED

The major technologies that are relevant to our Group include the following:

Software	Description
AutoCAD	A computer-aided design and drafting software application which is used to create 2D and 3D drawings
AutoCount Accounting	An accounting software with integration of accounting (general ledger, accounts receivable and accounts payable), inventory (stock) and billing (sales and purchase) among others
MAGNET Field	A surveying software to control the Global Navigation Satellite System (GNSS) rover which is used to collect points and measurements, lay out or stake job sites, and verify as-built conditions

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7. BUSINESS OVERVIEW (Cont'd)

7.7 INTERRUPTIONS IN BUSINESS

Our Group has not experienced any interruptions that had significant effect on our operations during the past 12 months preceding LPD. However, our business operations were interrupted during the COVID-19 period. Our business operations were temporarily suspended from 18 March 2020 to 28 April 2020 during the first MCO as well as from 3 July 2021 to 16 July 2021 during the Enhanced MCO. (Note: Enhanced MCO is a lockdown measure imposed by the Government in 34 mukim in Selangor and 14 localities in Kuala Lumpur from 3 July 2021 to 16 July 2021). The total costs incurred by our Group for COVID-19 testing, disinfection, vaccination against COVID-19, personal protection equipment and sanitisation since the first MCO and up to LPD are approximately RM77,780, which was not material to our Group.

Impact of COVID-19 and lockdown measures on our projects

Over the course of various different MCOs, 4-phase NRP and up to LPD, we have not received any cancellation or suspension of any contracts, reduction in scope of works or changes in tenders due to COVID-19.

Impact of COVID-19 on our revenue, business cash flows, liquidity, financial position and financial performance

During the COVID-19 period, our business cash flows and liquidity were impacted. For example, our trade receivables turnover period increased from 118 days for FYE 2021 to 134 days for the FYE 2022 mainly due to slower collections from both the trading of construction materials segment and provision of machineries and commercial vehicles for hire segment in FYE 2022. As at 30 June 2022, approximately 54.4% of our total trade receivables are collectively arising from customers from the trading of construction materials segment and provision of machineries and commercial vehicles for hire segment. The trade receivable turnover days from both these segments collectively has increased from 164 days in FYE 2021 to 280 days in FYE 2022 as most of our customers were facing temporary cash flow issues due to the disruptions caused by the COVID-19 pandemic. Nevertheless, our working capital was sufficient to meet the prevailing requirements and sustain our businesses during the COVID-19 pandemic. We did not face any claw back or reduction in the limit of banking facilities granted to us by our lenders during the COVID-19 pandemic.

7.8 SEASONALITY

Our sales and operations are not subject to any seasonality factors.

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7. BUSINESS OVERVIEW (Cont'd)

7.9 MAJOR CUSTOMERS

Our Group's top 5 major customers for FYE 2021 to 2024 and FPE 2025 are as follows:

FYE 2021

No.	Customers	Principal activities	Type of services	(1)Length of relationship	Revenue contribution	
				Years	RM'000	(2)%
(1)	WISB ⁽³⁾	Construction contractor	Provision of construction services, trading of construction materials and provision of machineries and commercial vehicles for hire	14	19,008	27.2
(2)	Hartalega Sdn Bhd	NGC Manufacturing of latex gloves	Provision of construction services	<1	18,229	26.1
(3)	Gamuda Engineering Sdn Bhd	Civil engineering and building construction	Trading of construction materials	4	11,934	17.1
(4)	LASB ⁽³⁾	General contractor	Trading of construction materials and provision of machineries and commercial vehicles for hire	10	4,906	7.0
(5)	Asas Jati Sdn Bhd	Construction contractor	Trading of construction materials	2	2,393	3.4
					56,470	80.8

7. BUSINESS OVERVIEW (Cont'd)

FYE 2022

No.	Customers	Principal activities	Type of services	(1)Length of relationship	Revenue contribution	
				Years	RM'000	(2)%
(1)	LASB ⁽³⁾	General contractor	Provision of construction services and provision of machineries and commercial vehicles for hire	11	19,354	23.4
(2)	WISB ⁽³⁾	Construction contractor	Provision of construction services, trading of construction materials and provision of machineries and commercial vehicles for hire	15	18,830	22.7
(3)	Asas Jati Sdn Bhd	Construction contractor	Trading of construction materials	3	7,911	9.5
(4)	Mujur Minat Sdn Bhd	Construction contractor	Provision of construction services and trading of construction materials	2	4,631	5.6
(5)	Hartalega Sdn Bhd	NGC Manufacturing of latex gloves	Provision of construction services	1	4,593	5.5
					55,319	66.7

7. BUSINESS OVERVIEW (Cont'd)

FYE 2023

No.	Customers	Principal activities	Type of services	(1)Length of relationship	Revenue contribution	
				Years	RM'000	(2)%
(1)	LASB ⁽³⁾	General contractor	Provision of construction services, trading of construction materials and provision of machineries and commercial vehicles for hire	12	21,086	17.1
(2)	Customer L	Manufacturer and sale of solar ingots, solar wafers, solar cells and solar modules	Provision of construction services	<1	15,643	12.7
(3)	WISB ⁽³⁾	Construction contractor	Provision of construction services, trading of construction materials and provision of machineries and commercial vehicles for hire	16	15,426	12.5
(4)	Ang Cheng Ho Quarry Sdn Bhd	Quarrying, rough trimming and sawing of monumental and building stone such as marble, granite (dimension stone) and sandstone	Provision of construction services and trading of construction materials	<1	12,675	10.3
(5)	Asas Jati Sdn Bhd	Construction contractor	Trading of construction materials	4	12,035	9.7
					76,865	62.3

7. BUSINESS OVERVIEW (Cont'd)

FYE 2024

No.	Customers	Principal activities	Type of services	(1)Length of relationship	Revenue contribution	
				Years	RM'000	(2)%
(1)	Milmix Sdn Bhd	Provision of engineering and construction services	Provision of construction services	1	58,990	31.3
(2)	LASB	General contractor	Provision of construction services, trading of construction materials and provision of machineries and commercial vehicles for hire	13	42,107	22.3
(3)	Ang Cheng Ho Quarry Sdn Bhd	Quarrying, rough trimming and sawing of monumental and building stone such as marble, granite (dimension stone) and sandstone	Provision of construction services and trading of construction materials	1	37,239	19.8
(4)	WISB	Construction contractor	Provision of construction services, trading of construction materials and provision of machineries and commercial vehicles for hire	17	16,184	8.6
(5)	Asas Jati Sdn Bhd	Construction contractor	Provision of construction services and trading of construction materials	5	11,890	6.3
					166,410	88.3

7. BUSINESS OVERVIEW (Cont'd)

FPE 2025

No.	Customers	Principal activities	Type of services	⁽¹⁾ Length of relationship	Revenue contribution	
				Years	RM'000	⁽²⁾ %
(1)	Milmix Sdn Bhd	Provision of engineering and construction services	Provision of construction services	1	19,136	30.9
(2)	LASB	General contractor	Provision of construction services and trading of construction materials	13	12,927	20.9
(3)	Ang Cheng Ho Quarry Sdn Bhd	Quarrying, rough trimming and sawing of monumental and building stone such as marble, granite (dimension stone) and sandstone	Provision of construction services and trading of construction materials	1	10,919	17.7
(4)	WISB	Construction contractor	Provision of construction services and trading of construction materials	17	10,653	17.2
(5)	Asas Jati Sdn Bhd	Construction contractor	Trading of construction materials	5	4,174	6.7
					57,809	93.4

Notes:

- (1) Length of relationship as a customer of our Group is determined as at end of the respective financial years/period.
- (2) Calculated based on our Group's total revenue for FYE 2021 to 2024 and FPE 2025 of RM69.86 million, RM82.87 million, RM123.49 million, RM188.54 million and RM61.87 million respectively.
- (3) LASB and WISB were related parties of our Group for FYE 2021 to 2023. Please refer to Section 10.1 for further details.

7. BUSINESS OVERVIEW (Cont'd)

Our Group's top 5 customers collectively accounted for 80.8%, 66.7%, 62.3%, 88.3% and 93.4% of our total revenue in FYE 2021 to 2024 and FPE 2025 respectively.

Other than WISB and LASB, our Group is not dependent on any of our other major customers as the revenue contribution from our top 5 major customers may vary from year to year given the nature of our business being conducted on a contract basis, and our Group may not secure similar contracts in terms of size and scope from the same customers every year. In addition, our Group is not dependent on Milmix Sdn Bhd and Ang Cheng Ho Quarry Sdn Bhd despite their contributions in FYE 2024 and FPE 2025 in view that our Group only has a single contract with each of them, and our Group will need to participate in the tender process for any other projects in the future.

Our Group's total customer base for FYE 2021 to 2024 and FPE 2025 is as follows:

Business segment	No. of customers				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Provision of construction services	7	22	25	20	14
Trading of construction materials	86	96	48	32	17
Provision of machineries and commercial vehicles for hire	37	20	12	8	7
	130	138	85	60	38

Since our Group has decided to shift our focus towards the provision of construction services segment during FYE 2021, the total customer base for the trading of construction materials segment decreased from 86 customers in FYE 2021 to 17 customers in FPE 2025 as we have not actively pursue customers in this segment. In addition, the customer base for the provision of machineries and commercial vehicles for hire segment decreased from 37 customers to 7 customers as most of our machineries and commercial vehicles were deployed for our provision of construction services segment, resulted in lesser machineries and commercial vehicles available for hiring to our customers. Meanwhile, our customer base for the provision of construction services segment decreased from 25 in FYE 2023 to 14 in FPE 2025 as we undertook more large-scale projects to further enhance our business profile within the construction industry in Malaysia. As a result, our unbilled order book remains stable and sustainable.

To mitigate our Group's dependency on WISB and LASB, WDSB has entered into the Collaboration Agreements. The Collaboration Agreements are entered into due to the long working relationship between our Group and Dato' Adanan Sukri Bin Musa. As at LPD, Dato' Adanan Sukri Bin Musa is the controlling shareholder of both LASB (40.0% equity interest) and WISB (71.0% equity interest). Dato' Adanan Sukri Bin Musa has been a controlling shareholder of LASB since 12 January 2021 via the acquisition of stake from non-related parties of our Group, and WISB since 14 November 2022 via the acquisition of stake by Nur Atikah Binti Taslim (his nominee) from Lim Kok Seng, Lim Kok Leong and Sich Ah Sing. As at LPD, LASB is a 100.0% Bumiputera-owned company, whereas the sale of 29.0% equity interest in WISB from Chong Boon Thai to Mestar Bin Shukor is pending completion. The expected completion of such sale is by March 2025. It is the intention of Dato' Adanan Sukri Bin Musa for LASB and WISB to be fully owned by Bumiputera, with the aim to focus on tendering for projects that require the tenderer to have 100.0% Bumiputera equity. Further details on the relationship of WDSB and WISB/ LASB are set out in Notes (4) and (5) of Section 10.1.

7. BUSINESS OVERVIEW (*Cont'd*)

The salient terms of each of the Collaboration Agreements are as follows:

	Descriptions
Parties	(1) WISB/ LASB (2) WDSB (collectively referred as the Parties)
Purpose of the agreement	(1) To regulate the relationship between the Parties in relation to construction contracts and project tenders entered into by WISB/ LASB and subcontractor to WDSB prior to 14 November 2022 (WISB)/ 15 June 2023 (LASB) ("Subsisting Contracts"). (2) To manage the retention sum paid by the project owner in accordance with the construction contracts deposited into bank accounts controlled by WISB/ LASB which would only be released after the DLP ("Retention Sum"). (3) To collaborate on potential projects awarded, appointed, tendered and/or secured or will be awarded to WISB/ LASB by the Government and private sectors ("Potential Projects").
Tenure	14 November 2022 to 13 November 2026 (WISB)/ 15 June 2023 to 14 June 2027 (LASB)
Obligation of the Parties	<u>WISB/ LASB's obligation</u> (1) WISB/ LASB to grant WDSB an irrevocable first right of refusal to any of the letter of award or any other document of similar nature pursuant to Potential Projects identified by WISB/ LASB ("Letter of Award(s)"). (2) WISB/ LASB to notify WDSB within 30 days after identification and submission of tender for the Potential Projects. (3) WISB/ LASB to award WDSB a Letter of Award(s) within 90 days after successful tender and acceptance of the letter of award by the potential employer ("Employer"), for the sole purpose of appointing WDSB as the sole and exclusive subcontractor, subject to the terms and conditions contained therein the letter of award by the Employer. (4) WISB/ LASB to grant WDSB the exclusive right to manage each and every project under the Letter of Award(s), at WDSB's own cost and expenses.

7. BUSINESS OVERVIEW (*Cont'd*)

Descriptions

- (5) WISB/ LASB to grant WDSB the absolute right to enter into any joint venture arrangements with any party including to appoint any subcontractor, consultants and professionals to undertake and complete the scope of work under the Letter of Award(s) and undertake not to interfere, prohibit, restrict nor object to any appointment of any subcontractors, consultants and professionals.
- (6) WISB/ LASB shall grant WDSB an irrevocable first right of refusal to any variation of the job scope under the letter of award ("**Variation**") by the Employer.
- (7) WISB/ LASB shall notify WDSB within 14 days after being informed of the Variation by the Employer.
- (8) WISB/ LASB shall award all works under the Variation to WDSB subject to the terms and conditions contained therein within 30 days from the acceptance of the Variation.
- (9) WISB/ LASB shall grant WDSB the exclusive right to manage each and every Variation, at WDSB's own cost and expenses.
- (10) WISB / LASB shall grant WDSB the absolute right to enter into any joint venture arrangements with any party including to appoint any subcontractor, consultants and professionals to undertake and complete the scope of work under the Variation and undertake not to interfere, prohibit, restrict nor object to any appointment of any subcontractor, consultants and professionals.
- (11) WISB/ LASB shall hold the Retention Sum on trust for WDSB and cause and procure the same to be transferred to WDSB no later than 30 days upon receiving the Retention Sum.
- (12) WISB/ LASB shall cause all receivables, benefits and interest other than the Retention Sum arising from the Subsisting Contracts to be assigned, novated or delivered to WDSB within 30 days from the date of receipt by WISB/ LASB.
- (13) WISB/ LASB shall not use and shall no longer own or claim any ownership or any other right, title or interest in any intellectual property conceived, developed, invented or made solely by any personnel of WDSB during their employment or any agents engaged by WDSB for the purpose of the Subsisting Contracts.
- (14) WISB/ LASB shall not advertise, publicise or carry out any act or omission that may result in WISB/ LASB being inferred to as an affiliated or related company of WDSB and WDHG Group.
- (15) WISB/ LASB shall not solicit personnel or business and compete with WDSB without the prior written consent of WDSB, unless the business is in relation to construction projects that require the companies submitting tenders to be Bumiputera owned.

7. BUSINESS OVERVIEW (Cont'd)

Descriptions

- (16) WISB/ LASB shall refrain from using or disclosing any confidential information relating to WDSB other than publicly available information.
- (17) WISB/ LASB shall collate all billings for work done to be forwarded to the Employer under the Letter of Award(s).

WDSB's obligations

- (1) WDSB to act as the sole and exclusive subcontractor of WISB/ LASB in relation to the Letter of Award(s) and provide consultancy, construction and services following the prescribed scope of work that may be required, stated or prescribed in the Letter of Award(s), from time to time.
- (2) WDSB to manage each and every Letter of Award(s) at WDSB's own costs and expenses.
- (3) WDSB to notify WISB/ LASB in the event WDSB is entering into any joint venture arrangement with any parties including the appointment of any subcontractors, consultants and professionals to undertake and complete the scope of work under the Letter of Award(s).
- (4) WDSB to obtain relevant financing including providing bank guarantee(s) in relation to the Letter of Award(s), if required.
- (5) WDSB to apply and obtain all relevant licenses, permits, approvals and/or certificates required for undertaking the scope of work under the Letter of Award(s), if required.
- (6) WDSB to maintain insurance policy(ies) for the purpose of undertaking the scope of work under the Letter of Award(s), if required.
- (7) WDSB to complete or cause all scope of work under the Letter of Award(s) to be completed on a timely basis.
- (8) WDSB to manage each and every Variation at WDSB's own costs and expenses.
- (9) WDSB to notify WISB/ LASB in the event WDSB is entering into any joint venture arrangement with any parties including the appointment of any subcontractors, consultants and professionals to undertake and complete the scope of work under the Variation.
- (10) WDSB to obtain relevant financing including providing bank guarantee(s) in relation to the Variation, if required.

7. BUSINESS OVERVIEW *(Cont'd)*

	Descriptions
	(11) WDSB to apply and obtain all relevant licenses, permits, approvals and/or certificates required for undertaking the scope of work under the Variation, if required. (12) WDSB to complete or cause all scope of work under the Variation to be completed on a timely basis. (13) WDSB to notify WISB/ LASB of any communication by the Employer to vary scope of work under the Letter of Award(s) within 14 days of the communication. (14) WDSB to cause each progressive claims and invoices to be submitted to WISB/ LASB based on the terms and conditions contained in the Letter of Award(s).
Terms of payment	WISB/ LASB shall remit payment to WDSB within the agreed credit term as stipulated in the Letter of Award(s) from the date of receipt of the payment from the Employer.
Profit sharing	None
Penalty clauses	In the event of a default of any of the Parties' undertaking, the defaulting Party shall compensate the Party not at fault with a sum of RM1,000,000 as agreed liquidated damages failing which the defaulting Party shall pay to the Party not at fault interest on the agreed liquidated damages at the rate of 8% per annum calculated on a daily basis commencing from the day immediately after expiry of such 30 days till the date the Party not at fault is in receipt of the agreed liquidated damages and interest. The Parties agreed that monetary compensation is insufficient and that the Party not at fault shall have the right to the remedy of specific performance of this Agreement and any other damages that may be granted by a court of law shall be borne and paid by the defaulting Party.
Other matters	In the event any project carried out by WDSB in relation to the Letter of Award(s) is behind schedule, subject to any extension of time granted by the Employer or WISB/ LASB, in accordance with the terms of the letter of award between the Employer and WISB/ LASB, WISB/ LASB shall discuss in good faith with WDSB to resolve the matter amicably and if required, to appoint additional subcontractor(s) to complete the scope of work under the Letter of Award(s) on time at the cost of WDSB. For the avoidance of doubt, WDSB has not been subject to any LAD for FYE 2021 to 2024, FPE 2025 and up to LPD.

7. BUSINESS OVERVIEW *(Cont'd)*

	Descriptions
Governing law	Laws of Malaysia

For the avoidance of doubt, whilst WISB/ LASB can obtain quotations from other subcontractors, WISB/ LASB is obligated under the Collaboration Agreements, to appoint WDSB as the sole and exclusive subcontractor. This only applies as long as WDSB notifies WISB/ LASB of its intention to participate in a project and the parties are agreeable to the contract value, in which event WISB/ LASB shall within 90 days from their acceptance of a project issue a letter of award to WDSB for this purpose. In the event WISB/ LASB or WDSB disagrees on the final contract value, WDSB has the right to reject the offer and WISB/ LASB may subsequently award the job to other subcontractors.

Notwithstanding the obligation by WISB/ LASB under the Collaboration Agreements to appoint WDSB as the sole and exclusive subcontractor, each of the Collaboration Agreements are legal, valid and enforceable under the laws of Malaysia. Each of the Collaboration Agreements were entered into voluntarily between the parties for lawful consideration and based on commercial decision made by the respective parties taking into account their corporate history and future business plans; and are not in contravention of any laws in Malaysia, including the Act and Competition Act 2010.

The Collaboration Agreements applies to both private and government tenders awarded to WISB/ LASB, which may or may not require participation from companies with Bumiputera status. The Government policies which are introduced in relation to Bumiputera rights will only apply to WISB and LASB, as they are the tendering parties with the Government and/ or participating project owner. However, in the event any project acquired by LASB and WISB is solely restricted to participation by Bumiputera-owned subcontractor(s), such project will not be awarded to WDSB as awarding such project to a non-Bumiputera subcontractor would result to a contractual breach. In this regard, the Collaboration Agreements will not in contravention of any Bumiputera policies in Malaysia.

Our Group entered into the Collaboration Agreements to mitigate our dependency on WISB and LASB. However, upon expiration, our Group has no plans to renew the Collaboration Agreements with neither WISB nor LASB. Our Board believes that the tenure of the Collaboration Agreements is sufficient to enable us to build our own portfolio of customers outside of WISB and LASB. Our Group's tender book as at LPD does not include any potential contracts from WISB and LASB.

Our Group will focus on continuing to expand our presence within the civil engineering and special trade work market in Malaysia and consolidate our position within the construction industry in Malaysia amidst the projected growth as highlighted in our IMR Report. We will instead continue to tender for projects independently, leveraging on our competitive strengths as set out in Section 7.15.

7. BUSINESS OVERVIEW (Cont'd)

7.10 MAJOR SUPPLIERS

Our Group's top 5 major suppliers for FYE 2021 to 2024 and FPE 2025 are as follows:

FYE 2021

No.	Suppliers	Principal activities	Main products or services sourced	(1)Length of relationship	Total purchases	
				Years	RM'000	(2)%
(1)	Sanjung Universal (M) Sdn Bhd	Dealer for sand, stone and earth, transportation services and contractor of all kinds of construction works	Supply of red earth	13	9,966	28.1
(2)	FRSB ⁽⁴⁾	Quarrying sand	Supply of red earth	14	3,880	10.9
(3)	Chop Yew Lee Energy Sdn Bhd	Trading agent for petroleum product	Supply of diesel	4	3,605	10.2
(4)	JS Petroleum Sdn Bhd	Trading of diesel, petrol, lubricants, bitumen, fuel oil and other petroleum related products and provision of transportation services	Supply of diesel	6	1,760	5.0
(5)	Kajang Rocks Group of Companies ⁽³⁾	Quarrying operations	Supply of quarry products	5	1,134	3.2
					20,345	57.4

7. BUSINESS OVERVIEW (Cont'd)

FYE 2022

No.	Suppliers	Principal activities	Main products or services sourced	(1)Length of relationship	Total purchases	
				Years	RM'000	(2)%
(1)	Premium Integrity Sdn Bhd	Trading of soil and providing transportation services	Provision of transportation services and supply of construction materials	5	5,921	14.6
(2)	Hap Seng Trading (M) Sdn Bhd	Trading in petroleum products and building materials as well as operating convenience stores	Supply of diesel	<1	2,765	6.8
(3)	WISB ⁽⁵⁾	Construction contractor	Supply of premix and steel bar	14	2,679	6.6
(4)	Shell Malaysia Trading Sdn Bhd	Blending of lubricating oils and marketing of petroleum products	Supply of diesel	11	2,024	5.0
(5)	Sunmaju Sdn Bhd	General trading in petroleum and transportation related businesses	Supply of diesel	5	1,471	3.6
					14,860	36.6

7. BUSINESS OVERVIEW (Cont'd)

FYE 2023

No.	Suppliers	Principal activities	Main products or services sourced	(1)Length of relationship	Total purchases	
				Years	RM'000	(2)%
(1)	Premium Integrity Sdn Bhd	Trading of soil and providing transportation services	Provision of transportation services and supply of construction materials	6	19,727	32.7
(2)	Hap Seng Trading (M) Sdn Bhd	Trading in petroleum products and building materials as well as operating convenience stores	Supply of diesel	1	7,882	13.0
(3)	New KC Trading Sdn Bhd	Distributor of petrochemicals and diesel	Supply of diesel	<1	3,320	5.5
(4)	Kajang Rocks Group of Companies ⁽³⁾	Quarrying operations, as well as manufacturing of premix products, trading of premix products and rental of paving machines	Supply of quarry products	7	2,936	4.9
(5)	Tiong Weei Enterprise	Freight transport by road	Supply of crusher run	1	2,015	3.3
					35,880	59.4

7. BUSINESS OVERVIEW (Cont'd)

FYE 2024

No.	Suppliers	Principal activities	Main products or services sourced	(1)Length of relationship	Total purchases	
				Years	RM'000	(2)%
(1)	Hap Seng Trading (M) Sdn Bhd	Trading in petroleum products and building materials as well as operating convenience stores	Supply of diesel	2	12,479	18.4
(2)	Premium Integrity Sdn Bhd	Trading of soil and providing transportation services	Provision of transportation services and supply of construction materials	7	8,505	12.6
(3)	LASB ⁽⁶⁾	General contractor	Supply of premix, steel bar and concrete	7	5,680	8.4
(4)	Pandamaran Synergy Petroleum Sdn Bhd	Trading of diesel, petrol, lubricants, fuel oil related products, and transportation services	Supply of diesel	8	4,366	6.5
(5)	New KC Trading Sdn Bhd	Distributor of petrochemicals and diesel	Supply of diesel	1	2,306	3.4
					33,336	49.3

7. BUSINESS OVERVIEW (Cont'd)

FPE 2025

No.	Suppliers		Principal activities	Main products or services sourced	(1)Length of relationship	Total purchases	
					Years	RM'000	(2)%
(1)	Premium Sdn Bhd	Integrity	Trading of soil and providing transportation services	Provision of transportation services and supply of construction materials	7	6,454	22.8
(2)	Sunmax Sdn Bhd	Petroleum	Wholesaling of petrol, diesel and lubricants	Supply of diesel	1	3,067	10.8
(3)	QL Global Sdn Bhd	Resources	General contractor and wholesaling of construction material and other related services	Supply of quarry sand	<1	2,083	7.4
(4)	LASB ⁽⁶⁾		General contractor	Supply of premix, steel bar and concrete	7	1,649	5.8
(5)	Brilliant Petroleum Sdn Bhd	Shine	Wholesaling of petrol, diesel and lubricants	Supply of diesel	<1	1,216	4.3
						14,469	51.1

Notes:

- (1) Length of relationship as a supplier of our Group is determined as at end of the respective financial years/period.
- (2) Calculated based on our Group's total purchases from suppliers for FYE 2021 to 2024 and FPE 2025 of RM35.44 million, RM40.48 million, RM60.39 million, RM67.67 million and RM28.33 million respectively.
- (3) Kajang Rocks Group of Companies comprises Kajang Rocks Quarry Sdn Bhd and Kajang Rocks Premix Sdn Bhd.
- (4) The supply of red earth by FRSB, who is a related party of our Group, only occurred in FYE 2021.

7. BUSINESS OVERVIEW (Cont'd)

- (5) Being materials supplied by WISB to our Group. WISB as the main contractor procured the materials for the projects which are subsequently supplied to our Group as the subcontractor. WISB has ceased to be our Group's related party since 30 March 2023. Please refer to Note (5) of Section 10.1 for further details.
- (6) Being materials supplied by LASB to our Group. LASB as the main contractor procured the materials for the projects which are subsequently supplied to our Group as the subcontractor. LASB has ceased to be our Group's related party since 15 June 2023. Please refer to Note (4) of Section 10.1 for further details.

Our Group's top 5 major suppliers collectively accounted for 57.4%, 36.6%, 59.4%, 49.3% and 51.1% of our total purchases from suppliers in FYE 2021 to 2024 and FPE 2025 respectively.

None of our Group's major suppliers are nominated by our Group's customers and there is no monopoly of materials from a single supplier for the materials that our Group uses. The suppliers are also selected based on several criteria such as the quality of their products and the reliability of suppliers. From time to time, for projects which our Group is appointed as subcontractor, our Group may also procure materials from the main contractor. Our Group is not dependent on any single major supplier as in the event our Group is unable to source the products from the above suppliers, we are still able to source the products from other suppliers in the local market.

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7. BUSINESS OVERVIEW (Cont'd)

7.11 MAJOR SUBCONTRACTORS

Our Group's top 5 major subcontractors for FYE 2021 to 2024 and FPE 2025 are as follows:

FYE 2021

No.	Subcontractors		Principal activities	Main services sourced	(1)Length of relationship	Subcontractor cost	
					Years	RM'000	(2)%
(1)	Tech Construction Bhd	Max Sdn	General construction works	Construction of various infrastructure works, and supply of labour at project site	<1	2,115	41.6
(2)	DLSB ⁽³⁾		Provision of rock blasting services	Provision of rock blasting services	2	1,449	28.5
(3)	Great Broz Resources Sdn Bhd		General contractor, engineering contractor, civil engineer, site information and plant layout advisers and consultant	Provision of site clearance works and supply of labour at project site	<1	742	14.6
(4)	WISB ⁽³⁾		Construction contractor	Supply of labour at project site	5	379	7.5
(5)	LASB ⁽³⁾		General contractor	Supply of labour at project site	4	71	1.4
						4,756	93.6

7. BUSINESS OVERVIEW (Cont'd)

FYE 2022

No.	Subcontractors	Principal activities	Main services sourced	(1)Length of relationship	Subcontractor cost		
				Years	RM'000	(2)o/o	
(1)	Tech Construction Bhd	Max Sdn	General construction works	Construction of various infrastructure works, and supply of labour at project site	1	3,155	13.9
(2)	PCH Infracore Sdn Bhd	Sdn	Construction works	Provision of road rectification works, rectification of pothole areas, and mill and pave works	<1	2,682	11.8
(3)	Mega Geosolutions Sdn Bhd		General contractor of all types of civil and geotechnical engineering works, services, solutions and to trade with all kinds of geotechnical products	Provision of mobilisation, demobilisation and site clearance works	<1	2,120	9.3
(4)	Cekap Construction Enterprise		Construction and renovation works	Provision of sewerage installation works	<1	1,525	6.7
(5)	LLC Construction Sdn Bhd		General contractor and related activities	Provision of relocation and diversion of existing water utility infrastructures	<1	1,239	5.5
						10,721	47.2

7. BUSINESS OVERVIEW (Cont'd)

FYE 2023

No.	Subcontractors	Principal activities	Main services sourced	(1)Length of relationship	Subcontractor cost	
				Years	RM'000	(2)%
(1)	Full Platform Sdn Bhd	General construction works	Provision of civil engineering services and other associated works	<1	6,000	18.9
(2)	PCH Infracore Sdn Bhd	Construction works	Provision of building construction and commissioning	1	5,592	17.6
(3)	Tech Construction Bhd	Max Sdn General construction works	Construction of various infrastructure works, and supply of machineries and labour at project site	2	3,884	12.2
(4)	DLSB	Provision of rock blasting services	Provision of rock blasting services	4	1,580	5.0
(5)	LLC Construction Sdn Bhd	General contractor and related activities	Provision of relocation and diversion of existing water utility infrastructure	1	1,242	3.9
					18,298	57.6

7. BUSINESS OVERVIEW (Cont'd)

FYE 2024

No.	Subcontractors	Principal activities	Main services sourced	(1)Length of relationship	Subcontractor cost		
				Years	RM'000	(2)o/o	
(1)	IJ Geotechnic Sdn Bhd	Civil and building construction	Provision of site clearance, demolition, earthworks and drainage works	1	25,000	33.9	
(2)	DLSB	Provision of rock blasting services	Provision of rock blasting services	5	7,537	10.2	
(3)	PCH Infracore Sdn Bhd	Construction works	Provision of infrastructure works, as well as construction of reinforced concrete wall, road and drainage works	2	6,261	8.5	
(4)	Great Broz Resources Sdn Bhd	General contractor, engineering contractor, civil engineer, site information and plant layout advisers and consultant	Provision of site clearance works and concrete installation as well as supply of labour at project site	3	5,849	7.9	
(5)	Tech Construction Bhd	Max Sdn	General construction works	Construction of various infrastructure works, and supply of machineries and labour at project site	3	4,785	6.5
					49,432	67.0	

7. BUSINESS OVERVIEW (Cont'd)

FPE 2025

No.	Subcontractors	Principal activities	Main services sourced	(1)Length of relationship	Subcontractor cost		
				Years	RM'000	(2)o/o	
(1)	Grand Flame Sdn Bhd	Trading, building and construction works	Provision of soil improvement works, and supply and installation of prefabricated vertical drains	<1	2,355	14.1	
(2)	Great Broz Resources Sdn Bhd	General contractor, engineering contractor, civil engineer, site information and plant layout advisers and consultant	Provision of site clearance works and concrete installation as well as supply of labour at project site	3	2,270	13.6	
(3)	DLSB	Provision of rock blasting services	Provision of rock blasting services	5	1,757	10.5	
(4)	Tech Construction Bhd	Max Sdn	General construction works	Construction of various infrastructure works, and supply of machineries and labour at project site	3	1,316	7.9
(5)	H&E Creative Service Sdn Bhd	Provision of infrastructure works of all kinds, including but are not limited to water reticulation, sewage drainage and road works; providing renovation services of all kinds for commercial and residential building; and providing cleaning services for buildings of all kinds	Provision of infrastructure works as well as road and drainage works	1	996	5.9	
					8,694	52.0	

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) Length of relationship as a subcontractor of our Group is determined as at end of the respective financial years/period.
- (2) Calculated based on our Group's total subcontractor cost for FYE 2021 to 2024 and FPE 2025 of RM5.09 million, RM22.70 million, RM31.77 million, RM73.74 million and RM16.72 million respectively.
- (3) LASB and WISB were related parties of our Group for FYE 2021 to 2023 and DLSB was a related party of our Group for FYE 2021 to 2022. Please refer to Section 10.1 for further details.

Our Group's top 5 subcontractors collectively accounted for 93.6%, 47.2%, 57.6%, 67.0% and 52.0% of our total subcontractor cost in FYE 2021 to 2024 and FPE 2025 respectively.

Our Group is not dependent on any single major subcontractor as we work with 109 subcontractors in the local market as at LPD. Our Group does not enter into any long-term agreement with our subcontractors, as the subcontractors are usually engaged on a project-to-project basis which covers the requirements of the relevant project. Our Group's length of relationships with most of our major subcontractors were less than 2 years as our Group had only in FYE 2022 focused on the expansion of the provision of construction services segment. As a result, our Group broadened our pool of subcontractors and engaged multiple new subcontractors to undertake more construction projects to ensure timely completion. Our Group's project team works closely with our customer's consultant to inspect and monitor the works performed by our subcontractors to ensure good quality of works undertaken by the subcontractors.

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7. BUSINESS OVERVIEW (Cont'd)

7.12 TYPES, SOURCES AND AVAILABILITY OF INPUTS

The following table sets out our major cost components for FYE 2021 to 2024 and FPE 2025:

	Audited									
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%
Purchases:										
- construction materials	4,503	7.9	4,610	6.1	14,718	13.8	14,436	8.9	8,487	16.1
- trading materials	12,012	21.0	11,797	15.7	14,270	13.4	6,201	3.8	2,928	5.6
Subcontractors cost	5,085	8.9	22,703	30.2	31,765	29.7	73,737	45.6	16,719	31.8
Diesel and petrol	5,689	10.0	10,612	14.1	14,343	13.4	19,838	12.3	6,640	12.6
Hiring of machineries and commercial vehicles	3,326	5.8	3,082	4.1	5,638	5.3	10,987	6.8	3,703	7.1
Depreciation	10,225	17.9	9,030	12.0	10,335	9.7	13,032	8.0	4,591	8.7
Staff cost	6,382	11.2	3,035	4.0	4,257	4.0	7,488	4.6	2,945	5.6
Upkeep of machineries and motor vehicles	7,971	13.9	5,471	7.3	5,252	4.9	6,805	4.2	3,112	5.9
Direct labour cost	301	0.5	1,028	1.4	2,097	2.0	846	0.5	378	0.7
Others ⁽²⁾	1,639	2.9	3,883	5.1	4,072	3.8	8,562	5.3	3,080	5.9
	57,133	100.0	75,251	100.0	106,747	100.0	161,932	100.0	52,583	100.0

Notes:

(1) As a percentage of our Group's total cost of sales.

(2) Others mainly consist of transportation charges, insurance and road tax.

7. BUSINESS OVERVIEW (Cont'd)

The main components of our cost of sales are purchase of materials, subcontractors cost, and diesel and petrol. Our Group purchases materials for trading and use in our provision of construction services. These include construction materials that we trade such as aggregate stones, fine sand and red earth, and other materials used in our provision of construction services which include, but are not limited to, steel products such as steel bars and wire mesh, ready-mixed concrete, cement, hollow sections and galvanised iron pipes, electrical items, bricks, and quarry products. These materials are widely available from local suppliers. The prices for materials in general are subject to price fluctuations because of demand and supply conditions. For our construction materials trading business, we only procure materials based on the purchase orders made by customers. For the purchases of materials used in construction activities, we generally consider our suppliers' lead times to prevent potential major disruptions to our construction progress. We generally purchase such materials on a project or per purchase order basis.

For the provision of construction services, we engage subcontractors to carry out selected parts of our construction activities. For example, we engage subcontractors to undertake other specialised trade works such as mechanical and electrical engineering works, piping and plumbing works, and water proofing works for our construction projects. In addition, we also engage subcontractors to carry out works which include supply and/or installation of construction materials, heavy machineries and equipment with the objective of reducing the amount of workforce required and/or to lower our operating costs. We select our subcontractors based on our internal policies and procedures.

We also use diesel and petrol as fuel in our machineries and commercial vehicles. Diesel and petrol are oil-based substances that are produced from the fractional distillation of crude oil and hence, are exposed to crude oil price fluctuation. Moving forward, any increase in prices of crude oil will likely lead to the increase in prices of diesel following the recent rationalisation of diesel subsidies by the Government, resulting in a higher total cost of sales incurred by our Group.

During FYE 2021 to 2024 and FPE 2025, our Group has not faced acute shortages or major price differentials for any of our required construction materials as well as major price differentials for our labour wages which have materially affected our financial performance. In addition, we have not experienced major cost differentials for any of our subcontract agreements during FYE 2021 to 2024 and FPE 2025 which has materially affected our financial performance.

7.13 QUALITY CONTROL MANAGEMENT

7.13.1 Quality management system

We are committed to delivering quality construction services that meet the expectations and requirements of our customers. Our Group has developed and implemented a QMS that is in line with internationally accepted practices. On 22 July 2021, the QMS of WDSB was assessed and certified to have conformed to the requirements of the ISO 9001:2015 standard by CARE Certification International (M) Sdn Bhd for the provision of services of earthworks services and civil engineering services, and trading of construction materials.

Our Group has also developed a quality manual which documents our QMS including our quality policy and related objectives, procedures and records as required under the ISO 9001:2015 as well as information needed for effective development, implementation and updating purposes. The scope of our quality manual revolves around 5 key elements namely leadership, planning, support and operation, performance evaluation and improvement.

7. BUSINESS OVERVIEW (Cont'd)

We also strive to promote good governance throughout our business operations. To this end, the internal and external issues and risk management of WDSB has met the requirements of international Anti-bribery Management System and was awarded with the ISO 37001:2016 certification on 25 July 2022 by CARE Certification International (M) Sdn Bhd for the provision of services of earthworks and civil engineering services, and trading of construction material. The ISO 37001:2016 certification is an internationally recognised standard that specifies the requirements for an organisation to prevent, detect and address bribery by adopting an anti-bribery policy, appointing a person to oversee anti-bribery compliance, training, risk assessments and due diligence on projects and business associates, implementing financial and commercial controls and instituting reporting and investigation procedures. The pursuit of the ISO 37001:2016 certification underscores our commitment towards enhancing transparency and building trust, and we believe this can boost our credibility and reassure all the stakeholders in the construction industry of our seriousness in preventing bribery and corruption.

7.13.2 Stringent partner selection

Our Group has put in place a set of standard procedures in selecting our subcontractors and suppliers to ensure the quality of our services. We evaluate new domestic subcontractors and suppliers through their pre-qualification submissions such as company profile, operating track record and financial position prior to inviting them for project tenders. Our existing subcontractors and suppliers are invited for project tenders based on their respective operating track record and working history with us.

We will evaluate all the selected subcontractors and suppliers based on their ability to deliver products and services that meet our Group's quality requirements, and have good financial performance, capabilities and ability to deliver products and services in a timely manner. Besides that, we also conduct assessments on our subcontractors and suppliers periodically to ensure their capabilities and certifications are up to date.

7.14 RESEARCH AND DEVELOPMENT

We do not engage in any research and development activities.

7.15 COMPETITIVE STRENGTHS

7.15.1 Established operating track record with direct participation in both private and public construction projects

Our Group has accumulated more than 20 years of operating track record in the construction industry in Malaysia. Through WDSB, our Group had completed 101 contracts with total contract value of RM464.25 million involving the provision of earthworks and/ or civil engineering services since its incorporation in 2003 up to LPD. Please refer to Section 7.2.1.3 for further details of selected completed projects as well as all our Group's ongoing projects up to LPD. The quality of our Group's construction works has also allowed us to secure recurring construction contracts from our existing customers.

Our Group also stands to generate revenue stream from a bigger pool of customers due to our ability to participate directly in tenders for both private and public construction projects. WDSB is registered with CIDB and holds a G7 licence under B (Building Construction), CE (Civil Engineering Construction) and ME (Mechanical and Electrical) categories. As a G7 licence holder, WDSB can tender for construction projects of unlimited size in the private sector.

7. BUSINESS OVERVIEW (Cont'd)

In addition, WDSB is also registered as a SPKK holder with a contractor registration grade of G7 under the B (Building Construction), CE (Civil Engineering Construction) and ME (Mechanical and Electrical) categories. The SPKK registration allows WDSB to participate in public sector tenders with value of more than RM10 million for building, civil, mechanical and facility works and RM200,001 and above for electrical works, anywhere in Malaysia.

7.15.2 A sizeable fleet of machineries and commercial vehicles

We have a sizeable fleet of our own machineries and commercial vehicles to support our business operations which we can also deploy for hire to our customers upon request. Hence, we are not heavily dependent on third-party machinery and commercial vehicle providers to undertake our construction activities.

As at LPD, our Group's fleet of machineries and commercial vehicles comprises 54 tipper trucks, 105 dump trucks, 67 excavators, 9 back pushers, 13 bulldozers, 20 compactors, 6 motor graders, 6 backhoes, 6 wheel loaders and 1 mobile crane. By owning a sizeable fleet of machineries and commercial vehicles, our Group enjoys flexibility for our internal construction activities and stands to gain potential revenue from our provision of machineries and commercial vehicles for hire business segment. In addition, we also benefit from lower operational costs as compared to costs incurred when engaging rental services from third-parties in the long run.

7.15.3 Qualified and experienced management and technical team

Our Group is spearheaded by our Executive Directors, Lim Soon Yik and Lim Kok Seng, each with 11 and 18 years of working experience respectively in the Malaysian construction industry. Both their leadership, expertise, experience and network of business contacts built from working in the industry over the years have helped to drive the growth of our Group's business. Our Group is also ably supported by a team of dedicated key senior management consisting of experienced and/or qualified personnel.

Please refer to Sections 5.2.2 and 5.3.3 for further details of our Executive Directors and key senior management.

7.15.4 Commitment in maintaining good quality standards

Our Group places great emphasis on the quality of our services to our customers. To ensure that we deliver consistent quality within the stipulated timeframe, we undertake proper enforcement and execution of stringent quality standards and procedures at each stage of our business process. To this end, we have put in place a QMS that is in line with internationally acceptable practices.

WDSB has been certified as ISO 9001:2015 compliant which provides assurance to customers on its commitment in providing quality services. WDSB is also ISO 37001:2016 compliant, which underscores its commitment towards anti-bribery and anti-corruption practices.

As at LPD, there has not been any non-conformance report (a document that addresses specification deviation or work that fails to meet quality standards) issued by the external auditors during their checks performed on WDSB in relation to its certifications.

7. BUSINESS OVERVIEW (Cont'd)

7.16 FUTURE PLANS AND BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth in our business and create long-term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 24 months from the date of our Listing.

7.16.1 Continued expansion within the civil engineering and special trade work market

We intend to expand our presence in the local civil engineering and special trade work market (covering civil engineering services and earthworks) particularly on large scale projects involving residential, commercial and industrial property development projects as well as construction of roads, highways and utilities related projects. We intend to participate in tenders for large scale (more than RM100.0 million in project value) civil engineering services projects to support our business growth as well as further enhance our business profile within the construction industry in Malaysia.

- (a) Provision of earthworks and civil engineering services for property development as well as highways and urban rail construction projects

As at LPD, we have 14 ongoing contracts for earthworks and civil engineering services projects related to property development as well as highways and urban rail construction across Malaysia including Central Spine Road Project and LRT Line 3 Project, with an unbilled contract value of RM378.14 million. As at LPD, our Group has participated in 38 tenders for earthworks and civil engineering services projects related to property development as well as highways and urban rail construction across Malaysia with a total tender sum of RM724.82 million, which are pending decision. We believe that our established track record and sizeable fleet of machineries and commercial vehicles will stand us in good stead when tendering for earthworks and civil engineering services related projects.

As outlined in Budget 2025 ("3rd MADANI Budget"), the allocation for development expenditure stands at RM86.0 billion (excluding RM2.0 billion earmarked for contingency reserves) and it is expected to continue driving the growth in the local construction industry. Our Group anticipates sustained demand for public sector projects, particularly those associated with the construction of houses and public transportation infrastructures such as highways and urban rails. We will leverage on our track record in the Central Spine Road Project and LRT Line 3 Project to tender for more public sector transportation infrastructure projects particularly those involving highways and urban rail construction projects.

- (b) Solar farm infrastructure works

On the utilities front, we intend to ride on the national energy transition push with increased use of renewable energy as highlighted under the National Energy Transition Roadmap by participating in tenders for more solar farms related infrastructure works in the country. As at LPD, our Group has also participated in 6 tenders for earthworks and civil engineering services projects related to the construction of solar farms across Malaysia with a total tender sum of RM572.22 million, which are pending decision.

We have also made strategic appointments of Independent Directors with experience in renewable energy, namely Datuk Ir. Chow Pui Hee from Samaiden Group Berhad, and Thien Chiet Chai from Reservoir Link Energy Bhd to our Board. Their industry insights and extensive connections enhance our ability to navigate and thrive in the competitive renewable energy market, putting us in a better position to penetrate and execute solar farm infrastructure related construction projects.

7. BUSINESS OVERVIEW (Cont'd)

As at LPD, we have unutilised banking facilities totalling RM68.24 million which can be tapped by our Group as tender bond to participate in tendering for large scale civil engineering services projects. In addition, we can also leverage on our sizeable fleet of machineries and commercial vehicles (as detailed in Section 7.2.3 above) and our existing qualified and experienced management and technical team (as detailed in Sections 5.2.2 and 5.3.3) to undertake future successful tenders for large scale civil engineering services projects.

Our Group currently has the management and technical personnel needed to effectively manage our existing project pipelines. To further enhance our capabilities, our Group has implemented a strategy that allows us to swiftly onboard skilled professionals for specialised roles by gaining access to a pool of qualified candidates through online employment marketplace or recruitment platform. We focus on attracting talent with specific skills and experience that align with our project needs, whether in engineering, project management or employees which meets our technical requirements. This proactive approach ensures that we are always well-equipped with the right personnel to manage and execute projects awarded in the future.

We expect to complete this business strategy within 24 months from the date of our Listing.

As at LPD, we have participated in 44 tenders with a total tender sum of RM1.30 billion, all of which are still pending decision. We estimate that we have a 10.0% chance of success for the remaining tenders based on our past success rate.

7.16.2 Enhancing internal capabilities to support construction works

Our Group intends to allocate RM7.58 million from our IPO proceeds to acquire additional construction machineries and commercial vehicles to support our future business expansion particularly for projects involving earthworks and road construction. The details of our Group's intended purchases are as follows:

(a) Excavator

Our Group intends to purchase 5 units of large excavators with operating weight ranging from 34,300kg to 38,700kg at a total estimated price of RM3.80 million. These machineries are used to dig and move excavated materials.

(b) Mobile crane

Our Group intends to purchase 1 unit of mobile crane with a maximum lifting capacity of 30,000kg at an estimated price of RM0.58 million. A mobile crane is a type of truck-type carrier with a crane built into its structure to lift and move large loads.

(c) Dump truck

Our Group intends to purchase 10 units of dump truck with a gross vehicle weight (the maximum operating weight/mass of a vehicle) of 48,000kg at total estimated price of RM3.20 million. A dump truck is used to transport heavy loads.

Such acquisitions are intended to further enhance the capacity and capability of our Group's fleet of machineries and commercial vehicles to support our business expansion. These acquisitions are intended to bolster the overall capacity and capabilities of our Group's fleet of machineries, enhancing the competitiveness of our Group and to support the expansion of our construction business.

We expect to complete this acquisition within 12 months from the date of our Listing.

7. BUSINESS OVERVIEW (Cont'd)

7.16.3 Pursuing the ISO 14001 certification

We intend to establish an environmental management system that is in line with internationally acceptable practices. To this end, we are pursuing the ISO 14001 environmental management systems certification. ISO 14001 sets out the requirements for an environmental management system in which a corporation can utilise to ensure its compliance with environmental laws and policies as well as to promote good governance throughout the business operations.

Our Group has conducted internal meetings to discuss and understand the requirements for the ISO 14001 certification. Consequently, we are progressively aligning our environmental management practices, specifically waste management at project sites, with the requirements of the ISO 14001 standard. By implementing a framework that follows the ISO 14001 standard, we stand to benefit from the potential reduction in operational cost and increased workplace productivity through efficient resource and waste management. Reduction in wastages at project site also contributes to a cleaner and safer working environment. The pursuit of ISO 14001 environmental management systems certification underscores our commitment towards identifying and managing the environmental aspects and impacts resulting from our business operations, and we believe this can boost our credibility and reassure all the stakeholders in the construction industry of our commitment in environment protection.

As a start, we are looking to engage an external consultant to provide consultation and training services to our Group to develop and implement an environmental management system that meet the requirements of the latest ISO 14001 standard (ISO 14001:2015) and waste management company to assist in the disposal of both construction and general waste generated from our construction sites. Thereafter, we will be undergoing the certification cycle by an independent certification body and expect to receive the ISO 14001 environmental management systems certification under the scope of 'The provision of services of earthworks and civil engineering services, and trading of construction material'. This business strategy is expected to cost approximately RM30,000 which will be funded by our internally generated funds.

We expect to complete this business strategy within 12 months from the date of our Listing.

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8. IMR REPORT

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Selangor

7 February 2025

Dear Sirs/Madams,

Independent Market Research Report on the Construction Industry in Malaysia ("IMR Report")

Protégé Associates Sdn Bhd ("**Protégé Associates**") has prepared this IMR Report for inclusion in the Prospectus of Wawasan Dengkil Holdings Berhad ("**WDHB**" or the "**Company**") in relation to its initial public offering on the ACE Market of Bursa Malaysia Securities Berhad.

We have been engaged to provide an independent market research of the abovementioned industry in which WDHB and its subsidiaries ("**WDHB Group**", or the "**Group**") operate in. The market research process undertaken involved secondary research as well as detailed primary research when required, which involves interviews with the relevant stakeholders of the industry to discuss the state of the industry. Quantitative market information could be sourced from such interviews and therefore, the information is subject to fluctuations due to changes in business, industry, and economic conditions.

We have prepared this IMR Report in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the boundaries and limitations of secondary statistics, primary research, and continued industry movements. Our research has been conducted to present an overall view of the industry and may not necessarily reflect the performance of individual companies in this industry. Protégé Associates is not responsible for the decisions and/ or actions of the readers of this report. This 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 report.

Thank you.

Yours sincerely,



Seow Cheow Seng
Managing Director

About Protégé Associates Sdn Bhd

Protégé Associates is an independent market research and business consulting company. Our market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, industry trends and the outlook of the industry.

Profile of signing partner, Seow Cheow Seng

Seow Cheow Seng is the Managing Director of Protégé Associates. He has 25 years of experience in market research, having started his career at Frost & Sullivan where he spent 7 years. He has a Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia.

8. IMR REPORT (Cont'd)



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The research for this IMR Report was completed in January 2025.

For further information, please contact:

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8. IMR REPORT (Cont'd)**1.0 Introduction and Overview of the Construction Industry in Malaysia**

WDHB is involved in the provision of construction services namely earthworks and civil engineering. The construction industry in Malaysia was valued at RM64.67 billion in 2024, which was an increase of 14.1% from RM56.66 billion registered in 2023. Construction refers to the conversion of raw materials using labour into various forms of buildings and infrastructures. It typically covers new work, repair, additions and alterations, the erection of prefabricated buildings or structures on the site as well as construction of a temporary nature. The construction industry in Malaysia is largely domestic-oriented and it is an important component within Malaysia's economy due to its strategic and extensive linkages with the rest of the economy. As such, the Malaysian Government's policies have been accommodative and supportive of the growth in the local construction industry which typically include proposed government projects as part of its development expenditure.

The construction industry in Malaysia can generally be segmented into 2 distinct segments namely, real estate construction, and civil engineering and special trade work. Real estate construction refers to the construction of structures and buildings for residential and non-residential purposes. Residential buildings refer to buildings which are mainly used for dwelling purposes and can be single-family houses or multi-family buildings. Examples of residential buildings are terraced houses, semi-detached houses, town houses, flat and condominiums or apartments. Meanwhile, non-residential buildings can be divided into various main categories such as commercial, industrial and leisure properties. Examples of non-residential buildings include but are not limited to factories, shops, purpose-built offices, hotels, and shopping complexes.

Civil engineering mainly refers to the construction of infrastructures such as roads and highways, utility structures and buildings, and public infrastructures like bridges, stadiums, ports, dams and railways. Meanwhile, special trade works involve the construction of parts of buildings and civil engineering works without responsibility for the entire project. Special trade works consist of activities such as metal works, electrical works, refrigeration and air-conditioning works, painting works, plumbing, sewerage and sanitary works, glass works, carpentry as well as tiling and flooring works. WDHB is involved in the civil engineering and special trade work segment of the construction industry in Malaysia.

The share of the real estate construction market as well as the civil engineering and special trade work market in the local construction industry in 2024 stood at 42.5% and 57.5% respectively. The local construction industry is projected to expand by 9.4% to RM70.77 billion in 2025. As outlined in Budget 2025 ("**3rd MADANI Budget**"), the allocation for development expenditure stood at RM86.0 billion (excluding RM2.0 billion earmarked for contingency reserves) and it is expected to continue driving the growth in the local construction industry. The Malaysian Government intends to promote an inclusive development by focusing on financing projects that are *rakyat*-centric and the facilities that support the industrial areas according to state priorities. These projects and facilities include the construction of the Machang Water Treatment Plant and Sultan Ismail Petra Airport, Kota Bahru runway extension project in Kelantan; the expansion of Kulim Hi-Tech Park and construction of an additional block at Hospital Kulim in Kedah; the Penang Light Rail Transit, Penang International Airport expansion project and Batu Kawan Industrial Park 3 project in Penang; and the 3rd phase of the North-South Expressway expansion (increasing from 4 to 6 lanes on the Simpang Renggam-Machap stretch), the Johor-Singapore Rapid Transit System project, and the construction project of a riverbank barrage and water reservoir at Sungai Sedili Besar in Johor, among others.

In the 3rd MADANI Budget, the Malaysian Government has prioritised road maintenance to reduce accident cases due to unsafe road conditions. RM2.8 billion has been allocated to maintain federal roads and this includes RM1 billion for immediate repair of non-main roads such as secondary roads, Federal Land Development Authority roads, industrial roads as well as roads damaged by flood, and RM450 million designated for G1 to G4 contractors. In addition, RM5.5 billion of the Malaysian Road Records Information System fund is allocated for state

8. IMR REPORT (Cont'd)

roads. The Malaysian Government has also allocated RM178 million for the installation of new streetlamps and smart traffic lights at federal roads across the country.

The Malaysian Government has also continued to place utmost priority on ensuring housing is affordable for the *rakyat*. In the 3rd MADANI Budget, it was announced that nearly RM900 million is allocated for the development of 48 Program Perumahan Rakyat ("**PPR**") projects and 14 Rumah Mesra Rakyat projects, including 2 new PPRs in Seberang Perai Tengah, Pulau Pinang and Port Dickson, Negeri Sembilan. By the end of 2025, 30 PPRs are expected to be completed, benefitting almost 17,500 new residents. Besides that, the Malaysian Government will continue to guarantee housing financing up to RM10 billion for the benefit of 20,000 home buyers. There were also efforts made to ensure a more humane environment for PPR and housing communities, which include allocation of almost RM200 million for the maintenance of low- and medium-cost strata public housing, including replacement of dilapidated lifts and almost RM100 million for the upgrading of 48 MADANI Public Parks among others. To support individuals purchasing their first home, the Malaysian Government is proposing individual tax relief on mortgage interest payments of up to RM7,000 for residential houses valued up to RM500,000 and up to RM5,000 for residential houses priced valued above RM500,000 to RM700,000, for 3 consecutive years of assessment on sale and purchase agreements completed between 1 January 2025 and 31 December 2027. On another note, over RM1.8 billion is allocated to build, maintain and refurbish civil servants' quarters, encompassing doctors, firefighters, prisons, teachers, the police, and the Armed Forces Family Housing.

Sabah and Sarawak stand as major beneficiaries of the 3rd MADANI Budget with development allocation of RM6.7 billion and RM5.9 billion respectively. The Malaysian Government has also agreed to double the rate of the special grants to Sabah and Sarawak, to RM600 million each. Besides that, Letters of Acceptance have been issued for 17 work packages of the Pan Borneo Sabah Phase 1B with a combined contract value of RM9.7 billion, covering areas of Kota Belud to Kudat, Tawau to Kampung Lot M and Telupid to Ranau. The Malaysian Government has also finalised 4 Sabah Sarawak Link Road Phase 2 work packages valued at RM7.4 billion and agreed to carry out the expansion projects for Tawau Airport, Sabah and Miri Airport, Sarawak, costing RM253 million.

The commitment of the Malaysian Government extends to supporting other industries including the logistic and renewable energy industries. RM107 million has been allocated for the construction and upgrading of the Pulau Indah Ring Road and North Port Klang in Selangor to drive the local logistics industry. Meanwhile, over RM300 million will be provided under the National Energy Transition Facilitation fund with several projects entering the implementation phase including the Hybrid Hydro Floating Solar Farms Phase 1 in Chenderoh and Kenyir, Pahang that is envisaged to generate up to 1,000 megawatts, and the development of a utility-scale solar power plant with a quota of 2,000 megawatts.

2.0 Historical Market Performance and Growth Forecast

Protégé Associates has provided the historical performance and growth forecast of the construction industry in Malaysia based on a combination of resources, including the data from the Department of Statistics Malaysia ("**DOSM**"), Ministry of Finance Malaysia ("**MOF**"), Bank Negara Malaysia ("**BNM**") and the annual reports of public listed construction companies. Data is also gathered from further secondary and primary research works conducted. Searches on private construction companies are also conducted with the Companies Commission of Malaysia ("**CCM**") to gather more disclosures on their business performance. Primary research works are conducted with stakeholders in the local construction industry such as contractors, suppliers and customers to gather their insights on the industry. All the findings are collated, analysed and/or computed to ascertain the outlook of the construction industry in Malaysia.

The construction industry in Malaysia serves as an important economic pillar in the country due to its strategic and extensive linkages with the rest of the economy. As such, the Malaysian Government's policies have generally been accommodative and supportive of the growth in the

8. IMR REPORT (Cont'd)

local construction industry which typically includes proposed government projects as part of its development expenditure.

The construction industry in Malaysia was valued at RM64.67 billion in 2024, which was an increase of 14.1% from RM56.66 billion in the previous year. The growth in the local construction industry for 2024 was broad-based, supported by expansion across all subsectors.

Figure 1: Historical Size (Revenue) and Growth Forecast for the Construction Industry in Malaysia, 2022-2029

Year	Size (Revenue)* (RM billion)	Growth Rate (%)
2022	53.43	-
2023	56.66	6.0
2024 ^e	64.67	14.1
2025 ^f	70.77	9.4
2026 ^f	77.01	8.8
2027 ^f	83.86	8.9
2028 ^f	90.09	7.4
2029 ^f	96.81	7.5

Notes:

Compound annual growth rate ("**CAGR**") (2025-2029) (base year of 2024) = 8.4%;

^e denotes estimate; ^f denotes forecast; and

* At constant 2015 prices.

Sources: DOSM, MOF and Protégé Associates

Moving forward, the local construction industry is forecast to grow from RM70.77 billion in 2025 to reach RM96.81 billion in 2029, registering a CAGR of 8.4% for the forecast period of 2025 to 2029 (base year of 2024). Growth within the industry is expected to continue being supported by broad-based growth across all subsectors. The industry is also expected to be further boosted by the additional RM15 billion in development expenditure for the Twelfth Malaysia Plan ("**12MP**") period (2021-2025) announced in the Mid-Term Review of the 12MP. Growth in the residential buildings subsector is expected to be driven by new housing launches amid further improvement in housing demand. Besides that, the non-residential buildings subsector is expected to be boosted by the implementation of the New Industrial Master Plan ("**NIMP**") 2030 which provides a platform to attract more investments into the country. Meanwhile, strategic infrastructure and utilities projects including ongoing projects such as the Pan Borneo Sabah Highway, the Central Spine Road, and the acceleration of projects under the 12MP are expected to provide further impetus for the growth in the civil engineering subsector. The special trade work subsector also stands ride on any growth traction in the residential, non-residential and civil engineering subsectors.

On a closer look, the civil engineering and special trade work market (which covers the civil engineering and earthwork activities) in Malaysia gained further traction in 2024. The local civil engineering and special trade work market was valued at RM37.21 billion in 2024, which was an increase of 17.6% from RM31.63 billion registered in 2023 on the back of robust construction activities in the residential, non-residential and civil engineering subsectors in tandem with increased economic activities.

8. IMR REPORT (Cont'd)**Figure 2: Historical Size (Revenue) and Growth Forecast for the Civil Engineering and Special Trade Work Market in Malaysia, 2022-2029**

Year	Size (Revenue) (RM billion)	Growth Rate (%)
2022	28.60	-
2023	31.63	10.6
2024 ^e	37.21	17.6
2025 ^f	40.72	9.4
2026 ^f	45.05	10.6
2027 ^f	49.57	10.0
2028 ^f	53.81	8.6
2029 ^f	58.29	8.3

Notes:

CAGR (2025-2029) (base year of 2024) = 9.4%;

^e denotes estimate; ^f denotes forecast; and

* At constant 2015 prices.

Sources: DOSM and Protégé Associates

Moving forward, the civil engineering and special trade work market in Malaysia is forecast to grow from RM40.72 billion in 2025 to reach RM58.29 billion in 2029, registering a CAGR of 9.4% for the forecast period of 2025 to 2029 (base year of 2024). Like the broader construction industry, growth in the local civil engineering and special trade work market is expected to be supported by further expansion in construction activities in the residential, non-residential and civil engineering subsectors particularly stemming from projects under the 3rd MADANI Budget, 12MP and NIMP 2030.

2.1 Overview and Outlook of the Construction Materials Industry in Malaysia

WDHB is involved in the trading of construction materials. Construction materials are naturally occurring minerals or substances or man-made products that are used for constructing buildings and infrastructures. Examples of construction materials are aggregates, sand and gravel, limestone, and clays. The construction materials industry plays a vital role in providing raw and processed materials to the construction industry.

On the supply side, construction materials are generally available in Malaysia. In 2023, Malaysia produced 118.7 million tonnes of aggregates (2022: 138.6 million tonnes), 46.1 million tonnes of sand and gravel (2022: 33.6 million tonnes), 23.8 million tonnes of limestone (for cement) (2022: 22.8 million tonnes), 27.3 million tonnes of earth materials (2022: 24.3 million tonnes), 5.6 million tonnes of clays (2022: 5.7 million tonnes), and 550,781 tonnes of dolomite (2022: 519,447 tonnes). The level of participation in the production of construction materials in Malaysia varies across different type of construction materials involved. For Malaysia in 2023, there were 348 quarries producing various forms of aggregates, 896 sand and gravel permit holders, 12 limestone quarries comminution for cement manufacturing, 1,475 earth material producers, 119 clay producers and 5 dolomite producers.

The level of demand for construction materials is positively correlated with the performance of the construction industry with a higher growth in the construction industry leads to a higher growth in the construction materials industry and vice versa. Given that the local construction industry is projected to register a CAGR of 8.4% for the forecast period of 2025 to 2029 (base year of 2024), the outlook for the construction materials industry in Malaysia is also positive during the forecast period.

8. IMR REPORT (Cont'd)**2.2 Overview and Outlook of the Machineries and Commercial Vehicles for Hire Market in Malaysia**

WDHB is involved in the provision of machineries and commercial vehicles for hire. Machineries and commercial vehicles for hire refer to the renting and leasing of machineries such as bulldozers, excavators and compactors, as well as commercial vehicles such as trucks, which in the case of WDHB, are predominantly used in the construction industry. As such, the machineries and commercial vehicles for hire market also plays a vital role in supporting construction activities.

The machineries and commercial vehicles for hire market helps to fill a gap in demand particularly for short-term use of machineries and commercial vehicles to undertake specialised activities such as digging, filling and levelling of soil, and transportation of construction materials. End-users are also hiring machineries and commercial vehicles to have a leaner operating cost structure through the minimisation of high upfront capital expenditure (due to renting instead of buying new machineries and commercial vehicles) and avoiding the hassle and cost of subsequent maintenance and repair works. The machineries and commercial vehicles for hire market in Malaysia is already an established market with the presence of a large pool of participants estimated at more than 600 establishments in 2025. In Malaysia, the size (revenue) of the renting of machineries for construction activities is estimated to be around RM1.65 billion in 2025 and this figure is projected to reach RM2.16 billion in 2029, registering a CAGR of 7.0% for the forecast period of 2025 to 2029 (base year of 2024).

The level of demand for the hiring of machineries and commercial vehicles is also positively correlated with the performance of the construction industry with a higher growth in the construction industry leads to a higher growth in the machineries and commercial vehicles for hire market and vice versa. Moving forward, the outlook for the machineries and commercial vehicles for hire market in Malaysia for the forecast period of 2025 to 2029 is also positive in tandem with the projected growth in the local construction industry.

3.0 Competitive Landscape

The construction industry in Malaysia is regulated by the Malaysian Government, and it is mandatory for all contractors, whether local or foreign, to register with the Construction Industry Development Board Malaysia ("CIDB") before they participate in any construction works in Malaysia. The construction industry is highly competitive and fragmented with different grades of contractors capable of bidding for varying project according to their capabilities and levels of services.

There are 4 main registration categories for registered contractors in Malaysia, namely building, civil engineering, mechanical and electrical engineering and facility management. Each main category can be further segmented into various specialisations. As at LPD, there were 136,503 registered local contractors in Malaysia, each categorised by a grade ranging from G1 to G7.

Figure 3: Number of Local Contractors in the Malaysian Construction Industry as at LPD

Grade	Tender Capacity	Number of Contractors
G1	Not exceeding RM200,000	67,800
G2	Not exceeding RM500,000	23,407
G3	Not exceeding RM1,000,000	19,657
G4	Not exceeding RM3,000,000	5,860
G5	Not exceeding RM5,000,000	7,705
G6	Not exceeding RM10,000,000	1,973
G7	Unlimited	10,101

Source: CIDB

8. IMR REPORT (Cont'd)

G7 contractors mainly comprise of established contractors who can compete for and undertake projects of unlimited size as they have the required financial strength, track record, reputation and technical expertise to undertake larger scale projects. G7 contractors can undertake and manage the entire project on their own and may work with or subcontract certain portion/process to smaller contractors to benefit from cost and time savings. They typically have existing work relationships and track record with many customers that they can leverage upon to attain new projects. Some would have been pre-qualified with certain of their customers, allowing them to participate in closed tenders, giving them an edge in winning the bid. On a closer look at the states in Malaysia, Selangor had the highest number of local G7 contractors in Malaysia with 3,559 G7 contractors while Labuan had the lowest number of local G7 contractors with only 18 local G7 contractors as at LPD.

Contractors that participate in civil engineering and earthworks activities are typically registered under the CE21 and CE36 specialisations with CIDB respectively. CE21 specialisation refers to general civil engineering works while CE36 specialisation refers to earthwork. Among the registered local contractors, 136,485 local contractors or almost all of the local contractors in Malaysia were registered under the CE21 specialisation as at LPD. Besides that, there were 30,707 local contractors registered under the CE36 specialisation as at LPD. Hence, the level of competition for both civil engineering and earthworks activities is high.

Figure 4: Number of Local Contractors Registered under the CE21 and CE36 Specialisations by Grade in Malaysia as at LPD

Grade	Number of Local Contractors under CE21	Number of Local Contractors under CE36
G1	67,798	18,002
G2	23,403	5,455
G3	19,653	1,932
G4	5,859	1,342
G5	7,702	838
G6	1,972	498
G7	10,098	2,640

Source: CIDB

3.1 Industry Players Analysis

Industry players involved in the provision of civil engineering services and earthworks in Malaysia are typically registered with CIDB under the CE21 and CE36 specialisations respectively. Wawasan Dengkil Sdn Bhd, a wholly-owned subsidiary of WDHB, is registered as a grade G7 contractor with CIDB under B04 (Building general works), CE01 (Road and pavement construction), CE02 (Bridge and jetty construction), CE03 (Marine structures), CE06 (Flood control system), CE07 (Rail track), CE08 (Slope protection system), CE21 (General civil engineering works), CE36 (Earthwork) and M15 (Miscellaneous mechanical equipment) specialisations. For the financial year ended 30 June 2024, WDHB recorded revenue of RM188.5 million (with RM162.8 million in revenue derived from the provision of construction services) and a profit after tax of RM11.3 million.

For the purpose of this report, Protégé Associates has used the following criteria when selecting other industry players in Malaysia for comparison with WDHB:

- Operates or undertakes projects in a similar area;
- Registered as a G7 contractor or have at least a subsidiary that is registered as a contractor with CIDB with the CE21 (General civil engineering works) and CE36 (Earthwork) specialisations; and
- Registered annual revenue of above RM90 million.

8. IMR REPORT (Cont'd)

After taking into consideration the above criteria, Protégé Associates has selected 4 industry players namely Advancecon Holdings Berhad ("**Advancecon**"), Binaform Sdn Bhd ("**Binaform**"), Gadang Engineering (M) Sdn Bhd ("**Gadang**") and Menta Construction Sdn Bhd ("**Menta**") for comparison purpose. It needs to be highlighted that the list of industry players used for comparison purpose is not exhaustive. The list of industry players only serves as a reference for readers.

Advancecon Holdings Berhad

Advancecon Holdings Berhad was incorporated in Malaysia on 9 April 1997 as a private limited company with CCM under the name of Advance Earthworks Sdn Bhd. Its name was subsequently changed to Advancecon Holdings Sdn Bhd on 23 September 2010. It was converted into a public limited company and assumed its present name. It is currently listed on the Main Market of Bursa Malaysia Securities Berhad. It is principally engaged in the business of providing management services. The principal activities of its subsidiaries include providing earthworks and civil engineering services and sales of construction materials, and providing earth-moving machineries for hire among others.

Binaform Sdn Bhd

Binaform was incorporated in Malaysia on 3 January 1995 as a private limited company with CCM. It is principally engaged in a wide range of construction activities and specialises in earthworks and infrastructure works.

Gadang Engineering (M) Sdn Bhd

Gadang was incorporated in Malaysia on 24 June 1980 as a private limited company with CCM. It is a wholly owned subsidiary of Gadang Holdings Berhad, a company that is currently listed on the Main Market of Bursa Malaysia Securities Berhad. It is principally engaged in earthworks, building and civil engineering construction works and investment holding.

Menta Construction Sdn Bhd

Menta was incorporated in Malaysia on 6 April 1982 as a private limited company with CCM. It is principally engaged in business as a contractor for infrastructure, earthworks and investment holding and to carry out all transportation services.

Figure 5: Financial Comparison between WDHB and Selected Industry Players in the Construction Industry in Malaysia

Indicator	WDHB	Advancecon	Binaform	Gadang	Menta
Information from Financial Year Ended ("FYE")*	30/06/2024	31/12/2023	31/12/2023	31/05/2024	31/03/2024
Revenue (RM'000)	188,541**	449,765	277,435	259,655	218,850
Gross Profit/(Loss) (RM'000)	26,609	368	27,800	(7,509)	31,067
Profit/(Loss) before Tax (RM'000)	15,685	(42,939)	11,012	(25,814)	(3,599)
Profit/(Loss) after Tax (RM'000)	11,324	(45,875)	6,835	(23,067)	(5,393)
Gross Profit/(Loss) Margin ¹ (%)	14.1	0.1	10.0	(2.9)	14.2
Profit/(Loss) before Tax Margin ² (%)	8.3	(9.5)	4.0	(9.9)	(1.6)

8. IMR REPORT (Cont'd)

Indicator	WDHB	Advancecon	Binaform	Gadang	Menta
Profit/(Loss) after Tax Margin ³ (%)	6.0	(10.2)	2.5	(8.9)	(2.5)

Notes:

- 1) The list of selected market players above is not exhaustive;
- 2) The above figures only provide an indication and are not considered directly comparable due to the following reasons:
 - (a) Not all market players have the same financial year end;
 - (b) The financial figures may be at the group level; and
 - (c) Not all companies carry out activities which are completely similar to each other or in the same geographical area.

* This represents the latest available financial information from searches conducted with CCM as at LPD;

** RM188.5 million in revenue was made up of revenue generated from the provision of construction services business segment (RM162.8 million), trading of construction materials business segment (RM19.3 million), and provision of machineries and commercial vehicles for hire business segment (RM6.4 million);

¹ Gross Profit/(Loss) before Tax Margin = Gross Profit or (Loss) / Revenue;

² Profit/(Loss) before Tax Margin = Profit or (Loss) before Tax / Revenue; and

³ Profit/(Loss) after Tax Margin = Profit or (Loss) after Tax / Revenue.

Source: WDHB, Bursa Malaysia Securities Berhad, CCM and Protégé Associates

3.2 Market Share Analysis

For FYE 30 June 2024, WDHB generated revenue of RM162.8 million from the provision of construction services, equivalent to 0.3% share of the RM64.67 billion market size (revenue) of the local construction industry and 0.4% share of the RM37.21 billion market size (revenue) of the civil engineering and special trade work market in Malaysia in 2024.

4.0 Demand Conditions

The following factors represent key trends, developments and events influencing market demand of the construction industry in Malaysia.

Figure 6: Demand Conditions Affecting the Construction Industry in Malaysia, 2025-2029

Impact	Demand Conditions	Short-Term	Medium-Term	Long-Term
		2025-2026	2027-2028	2029
+	Government-Led Initiatives and Spending	High	High	High
+	A stable and favourable interest rate environment	Medium	Medium	Medium
+	Steady Population Growth	Low	Low	Low
-	Persistent Property Overhang Situation	Medium	Medium	Low
-	Technological Advancements, the Rise of e-Commerce, and Improved Online Tools Reduce Demand for Office Spaces	Low	Low	Medium

Source: Protégé Associates

The support from the Malaysian Government has played a crucial role in bolstering the local construction industry. Various government initiatives have been implemented to foster growth within this sector. For example, one of the Policy Enablers under 12MP (2021-2025) focuses on enhancing connectivity and transport infrastructure, which is expected to spur infrastructure construction activities. The 3rd MADANI Budget is expected to further drive construction activities in the country. The Malaysian Government also remains steadfast in its commitment

8. IMR REPORT (Cont'd)

towards promoting home ownership through the National Affordable Housing Council's ambitious goal of constructing 500,000 affordable homes by 2025.

On another note, the interest rate environment is expected to be stable and favourable for construction industry players. The last change in the local overnight policy rate (an indicator of interest rate movement) was made back in May 2023. With the lessening of inflationary pressure and possible interest rate cuts in the United States of America (leading to a weaker United States dollar), BNM is expected to be more inclined towards maintaining or lowering the existing interest rate. This augurs well for the overall growth in the property sector in Malaysia. The expected increase in demand for properties in turn serves to alleviate uncertainties for property developers and buyers, and support the growth in the local construction industry. The growing Malaysian population is also anticipated to underpin growth of the local construction industry, perpetuating a sustained demand for housing. The population in Malaysia stood at 34.1 million in 2024 and it is expected to reach 41.5 million in 2040.

On the flip side, the persistent high property overhang in Malaysia is expected to temper industry growth. The combined overhang for residential, shop and industrial units amounted to 32,857 units in 2023, a decrease from 35,334 units in 2022. This elevated overhang situation is expected to affect new property project launches thereby resulting in lower demand for construction services. At the same time, technological advancements, the rise of e-commerce, and improved online tools have rendered remote working more appealing and widespread. Correspondingly, demand for office spaces could decline as well, as companies increasingly adopt remote working arrangements albeit this will take time to eventuate as companies gradually scale down their physical workspace.

5.0 Supply Conditions

The following factors represent key trends, developments and events influencing market supply of the construction industry in Malaysia.

Figure 7: Supply Conditions Affecting the Construction Industry in Malaysia, 2025-2029

Impact	Supply Conditions	Short-Term	Medium-Term	Long-Term
		2025-2026	2027-2028	2029
+	CIDB Providing the Necessary Leadership in Spearheading the Development of the Local Construction Industry	High	High	High
+	Activism by Master Builders Association Malaysia ("MBAM") Raising Profile and Pushing for the Betterment of the Construction Industry in Malaysia	High	High	High
+	Strengthened Mechanism to Address Payment Disputes and Facilitate Adjudication	Medium	Medium	Medium
+	Rising Sustainable Construction Practice	Low	Medium	Medium
-	Labour Shortage and High Dependency on Foreign Workers	High	High	High
-	High Prices of Building Materials and Diesel	Medium	Medium	Medium

Source: Protégé Associates

Both CIDB and MBAM have exerted significant efforts to elevate the profile and growth of the local construction industry. CIDB had developed construction industry masterplans that outline strategic goals and milestones to bring the local construction industry to the next level. Meanwhile, MBAM serves to promote, enhance, protect and safeguard the interest of the local

8. IMR REPORT (Cont'd)

construction; operating as a unified voice for the industry when engaging with policy makers and relevant government bodies – leading to an increase in bargaining power. The introduction of the Construction Industry Payment and Adjudication Act 2012 and the establishment of specialised construction courts in Malaysia have also helped to alleviate the widespread issue of delayed, underpayment and/or non-payment for works carried out under a construction contract in Malaysia. In addition, the updated CIDB Standard Form of Contract for Building Works 2022 is embedded with a mediation clause to resolve disputes.

On another note, there is a growing awareness on the importance of sustainable construction practice in Malaysia. The digitalisation of industrial building system (“**IBS**”) (where buildings can be designed digitally and manufactured for sustainability) is already being offered in Malaysia while green cement (eco-friendly cement) has already been used for construction in the country. These encouraging developments signify the construction industry's advancing commitment to sustainable construction practices in Malaysia.

On the flip side, the persistent problem of labour shortage in the country continues to adversely affect the local construction industry. Locals have continued to shun construction jobs, perceiving them as dangerous, dirty and difficult, often expecting elevated wages as compensation. Consequently, the construction industry has become heavily reliant on foreign labour. This challenge has been compounded by the frequent changes in policies on foreign workers, especially those pertaining to levy rates and permissible count of foreign workers allowed to work in Malaysia. In addition, the construction industry players have also been grappling with costlier construction costs due to high prices of building materials and diesel which is used to run machineries. Costlier building materials impact the business operations of property developers and drive higher property prices, which can hurt property demand, dampening growth in the local construction industry.

6.0 Prospect and Outlook of the Construction Industry in Malaysia

The outlook of the local construction industry is positive. Factors boosting growth within the construction industry is likely to come from the government-led initiatives and spending particularly those relating to infrastructure and housing development, an expected stable and favourable interest rate environment as well as a steady population growth. However, persistent property overhang situation is expected to reduce growth in the property market, a key source of demand for construction activities although this is expected to be cushioned by ongoing efforts by the Malaysian Government in providing housing for all. The rising trend in interest rate places upward pressure on the cost of borrowing can lead to dampened demand for properties. Besides that, the demand for office spaces is also expected to be affected by technological advancements, the rise of e-commerce, and improved online tools.

On the supply side, the industry is expected to be boosted by efforts from industry bodies such as CIDB and MBAM by providing the necessary leadership in spearheading the development of the local construction industry as well as raising profile and pushing for the betterment of the construction industry in Malaysia. In addition, the introduction of the CIPAA and the establishment of specialised construction courts in Malaysia have also served as a strengthened mechanism to address payment disputes and facilitate adjudication within the industry. It also helps that sustainable construction practice is gaining traction in the country. However, the Malaysian construction industry is expected to be hampered by labour shortage and high dependency on foreign workers, as well as high prices of building materials and diesel.

Moving forward, the construction industry in Malaysia is expected to remain positive throughout the forecast period. Protégé Associates projects the size (revenue) of the construction industry in Malaysia to reach RM96.81 billion in 2029, registering a CAGR of 8.4% for the forecast period of 2025 to 2029 (base year of 2024). During the same forecast period, the civil engineering and special trade work market in Malaysia is also expected to keep growing and reach RM58.29 billion in 2029, registering a CAGR of 9.4%.

9. RISK FACTORS

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

9.1 RISKS RELATING TO OUR BUSINESS AND OUR OPERATIONS

9.1.1 We are subject to regulatory requirements for our business operations

Our business operations are subject to various regulatory requirements. We have obtained the required certificates of registrations and licences as set out in Section 6.7 and are in compliance with the relevant governing laws and regulations as set out in Section 6.10, to carry out our operations. In the local construction industry, our Group and subcontractors are required to obtain and hold a valid certificate of registration issued by CIDB for undertaking and completing construction works in Malaysia.

As at LPD, we are registered with CIDB as a G7 contractor for the building, civil engineering, and mechanical and electrical engineering category. If our registration as a G7 contractor is revoked, suspended or not renewed by CIDB and/or we fail to obtain other newly required approvals, licenses and permits to perform construction activities, our business operations and prospects may be affected. We also hold a SPKK certificate issued by CIDB since February 2024 which allows WDSB to participate in government tenders. If our SPKK certificate is revoked, suspended or not renewed by CIDB, we will not be able to participate in government tenders. Any breach of these conditions, laws and regulations can result in penalties, fines, potential prosecution against us and/or our directors, restrictions on operations and/or remedial liabilities which would have a material impact on our Group.

WDSB had previously failed to comply with the CIDB Act by tendering for and then accepting 9 letters of awards for construction works prior to being registered as a contractor with CIDB. Subsequently after being registered as a G5 contractor with CIDB on 6 December 2005, WDSB tendered for and was awarded 6 letters of awards for construction works with a contract value of above RM5.00 million, which was above the tender limit as a G5 contractor with CIDB. WDSB was eventually upgraded to a G7 contractor on 30 December 2014 without any penalty or disciplinary action from CIDB. Further details of the non-compliance are set out in Section 6.10(a).

Since WDSB is the sole subsidiary of our Group as at LPD, our Group would be subject to the risk of not having any other entity being registered with CIDB in the event the G7 licence and SPKK certificate held by WDSB is revoked or not renewed by CIDB, which would materially affect our business operations. As at LPD, WDSB has not experienced any instances where its certificate of registration as a G7 contractor have been revoked or suspended prior to their expiration or faced any difficulties in renewing our certificate as a G7 contractor with CIDB. With regards to the SPKK certificate, WDSB obtained the same in February 2024 and it is only due for renewal in January 2026 together with the G7 licence.

9. RISK FACTORS (Cont'd)**9.1.2 The continuity of our order book is not assured and certain major customers contributed significantly to our order book**

Construction projects in Malaysia are generally awarded on a project-to-project basis based on competitive tendering. As our principal business is in the construction services namely earthworks and civil engineering services, we are required to tender competitive bids for the construction projects that we wish to secure. As at LPD, our Group's unbilled contract value stands at RM378.14 million. There is no assurance that the continuity of one project will lead to the next project or that our existing order book can be maintained or increased in the future. Besides that, we may also face the risk of declining order book due to reduction in our scope of work, termination of ongoing projects or cancellation of upcoming secured projects; any one of which may adversely affect our financial performance and prospects.

During FYE 2021 to 2024 and FPE 2025, the revenue contributions from WISB and LASB were as follows:

Customers	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%
WISB	19,008	27.2	18,830	22.7	15,426	12.5	16,184	8.6	10,653	17.2
LASB	4,906	7.0	19,354	23.4	21,086	17.1	42,107	22.3	12,927	20.9
	23,914	34.2	38,184	46.1	36,512	29.6	58,291	30.9	23,580	38.1

Note:

(1) Computed based on the total revenue of the respective financial years/ period.

We expect that the abovementioned major customers will continue to contribute significantly to our Group's revenue in the future. We have entered into the WISB Collaboration Agreement and LASB Collaboration Agreement with WISB and LASB respectively. As at LPD, the order book attributable to WISB and LASB is RM214.57 million, representing 56.7% of our Group's unbilled order book.

Although we have entered into the Collaboration Agreements with WISB and LASB, there can be no assurance that they will continue to secure projects. The Collaboration Agreements with WISB and LASB will expire on 13 November 2026 and 14 June 2027 respectively, and our Group has no plans to renew the Collaboration Agreements with neither WISB nor LASB upon its expiration. As such, no assurance can be given that we are able to secure projects from either WISB or LASB in the future. Separately, while we have not encountered any major disputes with the abovementioned major customers, there can be no assurance that the current working relationship with them will not deteriorate due to potential disputes that could not be resolved and that we would continue to be successful in securing projects from them in future.

As at LPD, our Group has not experienced any termination, cancellation or any adverse situation in relation to all of our projects since incorporation, save for the Cyberjaya Earthwork Project, which was mutually terminated due to prolonged delays arising from change of design by our customer as disclosed in Note (6) of Section 12.2.2 (a)(i).

9. RISK FACTORS (Cont'd)

9.1.3 We are dependent on services of subcontractors for our construction activities

Our Group generally undertakes project management for our construction projects and strategically outsource bulk of the construction labour works to subcontractors. We select and manage our subcontractors by assessing their tender submissions as well as our past working relationships with them. Once a subcontractor is selected, both parties (our Group and the selected subcontractor) will enter into a formal contractual agreement detailing all the agreed terms and conditions. Our total subcontractor costs accounted for 8.9%, 30.2%, 29.7%, 45.6% and 31.8% of our Group's total cost of sales for FYE 2021 to 2024 and FPE 2025 respectively, in line with the increase in our construction activities.

As our subcontractors have no direct contractual relationship with our customers, we are subject to risks associated with non-performance, late performance or poor performance by our subcontractors. Subcontractors' failures are generally a result of lack of financial resources, quality workforce, quality management team, or they generally produce poor quality work or use substandard materials that do not meet the contract's specifications.

While we may attempt to seek compensation from the relevant subcontractors, we may from time to time, be required to compensate our customers prior to receiving the said compensation. If no corresponding claim can be asserted against a subcontractor, or the amounts of the claim cannot be recovered in full or at all from the subcontractor, we may be required to bear some or all the costs of the claims, of which our Group's financial performance may be adversely affected. During FYE 2021 to 2024, FPE 2025, and up to LPD, we did not experience any situations where our subcontractors delayed the progress or performed poorly or failed to perform their works, which required us to compensate our customers.

9.1.4 Any unanticipated increase in costs associated with our construction projects and unavailability of an adequate supply of construction materials at competitive prices may impair our financial performance

The cash flows and profitability of our construction business are dependent upon our ability to accurately estimate the costs associated with our construction projects. Such costs may be affected by a variety of factors such as higher costs of materials and subcontractors, lower than expected productivity rate, delay in the availability of financing as well as political or social disruptions, among others. Our construction materials such as steel bars are commodities and their prices are subject to fluctuations in global market prices, which may vary from the point of project tender submission to actual start of construction work. As such, we may also face the risk of not having sufficient quantities of construction materials at the right competitive price.

The recent hike in diesel prices could impacts our Group's construction project costs, as diesel is the primary fuel needed for our machineries and commercial vehicles to run. The increase in diesel prices could also raise the cost of transporting the construction materials required from our Group's suppliers to the construction project sites, which leads to an increase in overall project cost, especially for projects without the variation clause, which would allow us to make claims from our customer on the hike in diesel prices. As at LPD, such clause is not included in the contracts for all our other ongoing projects as detailed in Section 7.2.1.3(i) save for the Sungai Long Project (for bulk explosives and diesel), and may also not be included in any of our future projects secured. Any unfavourable variations in project costs coupled with the absence of variation clauses in the contracts may cause certain contracts or projects to have lower than anticipated margins, or losses if actual costs for our contracts exceed our estimates. In the event we are not able to pass on the higher cost to our customers, our financial performance may be adversely affected. For illustration purpose, an increase in diesel price by 28.0% since July 2024 up to LPD, will result in a 3.3% increase in our total cost of sales. Nonetheless, we did not experience any incident that had a material impact towards our cash flows and profit after taxation during FYE 2021 to 2024 and FPE 2025.

9. RISK FACTORS (Cont'd)

For construction activities, we are dependent on the continuous supply of a wide range of construction materials such as sand and other minerals, steel bars and wire mesh, ready-mix concrete, cement and diesel from a number of local suppliers. If we fail to gain access of the required construction materials in sufficient quantities and/or in a timely manner, we may not be able to complete the projects within the stipulated time leading to LAD being imposed on us by our customers. Our Group has not experienced any shortage in construction materials for our construction projects that have adversely affected our financial performance during FYE 2021 to 2024 and FPE 2025.

9.1.5 We face possible delays in the completion of construction projects and potential reduction, termination and/or revision in the scope of work

Construction projects need to be delivered within agreed timelines and are subject to budgets and scope of work. Our ability to complete construction projects on a timely manner is dependent on various external factors, which include but are not limited to adverse weather conditions, timely receipt and renewal of requisite licences, permits and approvals, availability of construction materials and labour, availability of financing, satisfactory performance of works done by our subcontractors and force majeure event.

Any resulting impacts from these external factors could lead to premature termination, postponement, revision in scope of works or scaling down of the project by our customers and project cost overrun. Furthermore, any extensions or delays in a project may lead to increased construction overheads, slower revenue recognition, a negative reputation and/or legal uncertainties such as the imposition of LAD by our customers; all of which could affect our Group's financial performance. Subject to the approval from our customer, we can seek for an extension of time in the event that there is a possibility of delay in the completion of construction project. As at LPD, we have not experienced any material delay, termination or cancellation of any of our on-going construction projects as well as any situations where our customers impose LAD on us.

9.1.6 Our continued success is dependent on our Executive Directors and key senior management team

We believe that the continuous success of our Group is dependent on the experiences, abilities and continued efforts of our Executive Directors and key senior management. Our Executive Directors, Lim Soon Yik and Lim Kok Seng each has more than 11 and 18 years of experience in the construction industry. They are supported by our key senior management with experience in their respective functions. Our key senior management team has extensive and in-depth knowledge of our operations and industry.

We believe that our continued and future success is dependent on our ability to hire, train, motivate and retain our management team and skilled employees, who are responsible for formulating and implementing our business strategies, business development and daily management of operations. Therefore, the loss of any of our Executive Directors and key senior management simultaneously or within a short period of time may create unfavourable impact on our Group's business and prospects. If we are unable to attract suitable talents to replace the loss of any of our Executive Directors and key senior management in the timely manner, our business, financial performance and prospects may be adversely affected.

9. RISK FACTORS (Cont'd)

9.1.7 Our business operations and financial performance are dependent on our ability to obtain adequate financing at competitive rates

Our Group relies on bank borrowings such as overdraft and trade financing to partially finance our working capital. These credit facilities may be callable on demand or have a short-term repayment tenure. In addition, we also rely on bank guarantees for tender bonds and/or performance bonds for all aspects of the project construction contract life cycle from the start of the tender process to the expiration of our liability towards the customers in accordance with the terms of each respective contract. The tenure requirements for these bank guarantees are structured to match the underlying contracts with the respective counterparties.

Our business operations and financial performance may be adversely affected if we are unable to secure adequate credit facilities at competitive rates for the abovementioned requirements. Should we fail to meet our contractual obligations, there are possible risks of (i) simultaneous demand for immediate repayment on our outstanding credit facilities; and (ii) calling on the tender bonds and/or performance bonds by our customers.

As at 31 October 2024, our total bank borrowings and bank guarantees issued for contract works carried out by our Group amounted to approximately RM55.28 million and RM10.26 million respectively. Furthermore, our Group has banking facilities of RM102.51 million, of which RM68.24 million is unutilised as at LPD. Any increase in interest rates on our banking facilities may adversely affect our Group's financial performance.

9.1.8 We are subject to defects liability claims

Due to the nature of our construction business, we are exposed to defects liability claims by our customers. We are liable for any repairs works or rectification of any defects attributable to the construction works including those carried out by our subcontractors during the DLP, which typically ranges from 12 to 24 months from the issuance of CPC.

We may incur substantial costs if there are a lot of defects in an affected project requiring rectification. Our customer may use the retention sum of the affected project to rectify those defects if we fail or unable to provide satisfactory rectification works. In such case, we may not be able to recover the full retention sum from our customer and as such, it may impact our Group's financial performance and reputation. For FYE 2021 to 2024 and FPE 2025, and up to LPD, we have not incurred any defects liability claims from our customers.

9.1.9 We are subject to inadequate insurance coverage on our employees and machines and commercial vehicles

Our employees and subcontractors are exposed to potential workplace hazards such as bodily injuries and loss of life due to workplace accidents and hence, as at LPD, we have purchased workmen's compensation insurance policy with coverage of up to RM19.22 million to indemnify our Group against all sums which we are liable on compensation payments to our employees for personal injuries sustained due to accidents arising in the course of employment. We have also purchased the contractors' all risks insurance policy with coverage of up to RM196.16 million as at LPD to provide protection against losses or damages for contract works at contract site and third-party (including subcontractors) injury and damage claims arising for construction works performed under contract.

9. RISK FACTORS (Cont'd)

We are exposed to risk of loss and damage of our machineries and commercial vehicles such as excavators, back pushers, bulldozers, compactors, motor graders, backhoes, wheel loaders, tipper trucks and dump trucks arising from among others, fire and lightning, theft and external accidental damage. As such, we have purchased the machineries and commercial vehicles insurance policies with total combined coverage of up to RM79.12 million, which covers the carrying value of our machineries and commercial vehicles. Although we have taken reasonable steps to ensure that all our Group's key assets are adequately insured, there can be no assurance that the insurance coverage will be sufficient to cover all of the liabilities that we may be potentially liable for.

As at LPD, our Group has not made any insurance claims or compensation relating to injuries or loss of life, nor has there been any compensation payments filed against us. However, we have made insurance claims for damages of our machineries and commercial vehicles for FYE 2021 to 2024 and FPE 2025 as below:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance claims for damages of our machineries and commercial vehicles	108	<1	247	232	-

9.1.10 Our cash flow may be adversely affected by delays in collection or non-recoverability of trade receivables

We are exposed to the risk of possible delays in collection and/or non-recoverability of trade receivables. As at LPD, we grant our customers a credit term of up to 90 days from the date of the invoice issued. However, our average trade receivables turnover days (excluding retention sum) were 118 days, 134 days, 102 days, 65 days and 72 days in FYE 2021 to 2024, and FPE 2025 respectively, which were generally higher than our credit period granted to our customers save for FYE 2024 and FPE 2025. In addition, the trade receivables as at 31 October 2024 which exceeded the credit period amounting to RM11.69 million, is still outstanding as at LPD.

If we experience any delay and/or non-payment by our customers, we may be required to make allowance for doubtful debts or write-off the uncollectible trade receivables, which will adversely affect our financial performance. Delays in collection or non-recoverability of trade receivables will subject us to potential cash flow constraints which may affect our ability to pay our suppliers and subcontractors, and/or potentially delaying the progress of our projects.

9.1.11 Our Group's overall profitability margin is subject to changes in the composition of our segmental revenue

We derive revenue from 3 business segments, namely the provision of construction services, trading of construction materials and provision of machineries and commercial vehicles for hire. However, the overall profitability margin of our Group is subject to changes in the revenue contribution from each of the business segment.

9. RISK FACTORS (Cont'd)

The breakdown and analysis of our Group's GP margin by business segments for FYE 2021 to 2024 and FPE 2025 are as follows:

		Audited				
		FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
		GP margin	GP margin	GP margin	GP margin	GP margin
		%	%	%	%	%
Provision of construction services		11.4	10.0	14.7	13.8	15.0
Trading of construction materials		12.9	9.8	11.4	19.1	16.4
Provision of machineries and commercial vehicles for hire		32.7	0.4	6.6	6.8	7.4
		18.2	9.2	13.6	14.1	15.0

There was a significant change to our Group's overall GP margin as we shifted our focus towards the provision of construction services segment during FYE 2022. Despite recognising higher total revenue of RM82.87 million in FYE 2022 as compared to RM69.86 million in FYE 2021, our overall GP margin decreased by 9.0% from 18.2% in FYE 2021 to 9.2% in FYE 2022. This was mainly due to lower GP margin from our provision of machineries and commercial vehicles for hire segment as we deployed more machineries and commercial vehicles for our own construction projects and we continued to incur semi variable costs such as depreciation and upkeep cost despite the significant decrease in hiring revenue.

Moving forward, our Group intends to continue our focus on the provision of construction services segment. We manage our overall GP margin for this business segment by undertaking careful and diligent project cost estimation when submitting tenders for projects, taking into consideration key factors such as the scope of work involved, complexity of project, type, amount, pricing trend and availability of resources, project timeline and prevailing economic conditions among others. We also adopt regular monitoring on the financial performance of each project, including regular cost analysis and profit margin reviews, enabling us to make timely adjustments and decisions. Notwithstanding the above, no assurance can be given that our Group is able to maintain our overall GP margin in the future as our project cost estimations may be inaccurate, leading to cost overruns and reduced profit margins from our provision of construction services business segment and adversely affecting our overall GP margin.

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9. RISK FACTORS (Cont'd)

9.2 RISKS RELATING TO OUR INDUSTRY**9.2.1 We operate in a highly fragmented and competitive construction industry**

The construction industry in Malaysia is highly fragmented and competitive. We face competition from many construction companies ranging from large public listed companies to small independent companies. As at LPD, total local contractors registered with CIDB stood at 136,503, of which 10,101 local contractors are registered as G7 contractors according to the IMR Report. Our competitors may have a longer operating track record, specialised expertise in certain segments and access to better or more resources in terms of capital, machineries and labour as compared to our Group. Due to the nature of our construction business, we are actively participating in project tenders. In order to remain competitive, we actively seek to submit competitive bids to secure contracts and strive to maintain our competitive edge in terms of cost efficiency, service quality and reliability in construction projects. However, no assurance can be given that we will be able to compete effectively against our existing competitors and new industry entrants in the future.

9.2.2 We are dependent on the supply of foreign workers to undertake our construction activities

Our business operations are dependent on foreign workers which are either under our employment or our subcontractors' employment. As at LPD, we only employed a total of 4 foreign workers which represents 2.6% of our total employees. All our foreign workers are solely deployed for our own projects. We depend heavily on foreign workers from our subcontractors, the number of which will depend on each project requirement which may change from time to time. As such, our business operations and our ability to complete our projects in a timely manner may be adversely affected by any disruption or scarcity in the supply of foreign workers.

The employment of foreign workers in Malaysia is subject to compliance with the laws and regulations enforced by the Immigration Department of Malaysia. At this juncture, we have obtained work permits for our foreign workers, which may be renewed on a yearly basis for up to 10 years. Any adverse changes to the policies relating to the employment of foreign workers in the construction industry between Malaysia and the countries from which our foreign workers are sourced or any significant increase in costs of foreign workers recruitment including their wages, may adversely affect our Group.

9.2.3 Our operations may be affected by any occurrence of extraordinary or unavoidable events such as the global pandemic risks, extreme weather conditions and natural disasters, and any other accidents

Due to the nature of our businesses which are mostly conducted at construction sites, we are affected by extreme weather conditions, natural disasters, and other unavoidable accidents such as the transboundary haze pollution. For examples, extreme rainfall can lead to the risk of site flooding while land and/ or forest fire in neighbouring country may lead to transboundary haze pollution; both which have a negative impact on our business operations.

9. RISK FACTORS (Cont'd)

The occurrence of such extraordinary or unavoidable incidents may prohibit us from carrying out our business operations particularly construction works and as a result, we may not be able to meet the specified timeline for our construction projects leading to the delay in completion. Furthermore, our business operations are also susceptible to the risks of any future prolonged and/or uncontrolled disease outbreaks. If we are unable to get an extension of time on the affected construction projects under such circumstances, we may be liable for the LAD penalties imposed by our customers, which could lead to an adverse impact on our Group's business operations and financial performance. As our trading of construction materials as well as the provision of machineries and commercial vehicles for hire business segments rely heavily on the construction industry, their business and financial performance could also be adversely impacted by any prolonged interruptions in construction activities caused by the occurrence of the abovementioned extraordinary or unavoidable incidents.

9.2.4 We are subject to the political, economic and regulatory conditions in Malaysia

All our business operations are concentrated in Malaysia and are governed by the terms of the licences awarded by relevant local authorities including CIDB. Besides that, the majority of the construction projects secured by our Group as at LPD are related to the development of properties and infrastructures in Malaysia. As such, our financial performance and business prospects are subject to local political, economic and regulatory risks. Political, economic and regulatory uncertainties include but are not limited to changes in government legislations and policies affecting the construction and mineral mining industries, general economic and business conditions, changes in the political leadership leading to unstable political situation, inflation rate, movement in interest rates, changes in accounting and taxation policies as well as expropriation, nationalisation, renegotiation or nullification of existing contracts. The performance of the property development industry as well as the amount of spendings on infrastructure developments in Malaysia are subject to government policies in the country. Any unfavourable changes in government policies related to housing, land, interest rates, foreign workers and economic development can dampen consumer sentiment, purchasing power and demand for properties and reduced the number of infrastructure development projects, which in turn, lead to reduced demand for construction activities.

9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES**9.3.1 There is no prior market for our Shares**

Prior to our Listing, there was no public trading for our Shares. The listing of our Shares on the ACE Market does not guarantee that an active market for our Shares will develop.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market.

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

Our Listing may be aborted or delayed should any of the following occurs:

- (a) The selected investors fail to subscribe for their portion of our IPO Shares;
- (b) Our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein; and
- (c) We are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.0% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

9. RISK FACTORS (Cont'd)

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMSA will apply.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules.

Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and ROC within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117(3) of the Act.

There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

9.3.3 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

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

9.4 OTHER RISKS**9.4.1 Our Promoters will be able to exert significant influence over our Company**

Our Promoters will collectively hold approximately 70.0% of our enlarged share capital upon Listing. Because of the size of their shareholdings, our Promoters will have significant influence on the outcome of certain matters requiring the vote of shareholders unless they are required to abstain from voting by law and/or as required by the relevant authorities.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisition and as disclosed below, there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them which are material to our Group during FYE 2021 to 2024, FPE 2025 and up to LPD:

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		RM'000	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
LASB/ General contractor	WDSB	• Lim Soon Keat	• LASB was a 30.0% associate of WDSB	• Sales of construction materials to LASB	-	-	-	-	366	(1)0.3	-	-	-	-	-	-
		• Lim Kok Seng	• Lim Kok Seong was a director of LASB ⁽⁴⁾	• Hiring of machineries to LASB	2,898	(1)4.1	182	(1)0.2	47	(1)<0.1	-	-	-	-	-	-
		• Lim Yik	• Lim Kok Seong was also a director and shareholder of WDSB	• Construction revenue generated from LASB	-	-	19,172	(1)23.1	20,614	(1)16.7	-	-	-	-	-	-
			• Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders	• Purchase of materials from LASB ⁽⁶⁾	-	-	(1,248)	(2)1.7	(924)	(2)0.9	-	-	-	-	-	-
				• Subcontract or charges charged by LASB	(35)	(2)0.1	(585)	(2)0.7	(277)	(2)0.3	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature relationship	of	Nature of transaction	Transaction value										1 November 2024 up to LPD	
						FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		RM'000	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
					Hiring expenditure of machineries charged by LASB	-	-	(388)	⁽²⁾ 0.5	(462)	⁽²⁾ 0.4	-	-	-	-	-	-
					Net advances/ payment on behalf to LASB⁽¹⁹⁾	(4,708)	N/A	(5,437)	N/A	(3,157)	N/A	-	-	-	-	-	-
					Net repayment from LASB	3,488	N/A	4,228	N/A	3,346	N/A	-	-	-	-	-	-
WD Solar/ Installation of non-electric solar energy collectors	WDSB	Lim Yik	Soon	- WD Solar was a 95.0% owned subsidiary of WDSB - Lim Soon Yik is a director of WD Solar. He is also our Executive Director and substantial shareholder	Net repayment from WD Solar	-	-	-	-	⁽¹⁸⁾ 75	N/A	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
BISB/ Dormant	WDSB	• Lim Kok Seng • Sich Kah Yong	• Lim Kok Seng and Sich Ah Sing are directors and shareholders of BISB ⁽⁹⁾ • Sich Ah Sing was a shareholder of WDSB • Lim Kok Seng is our Executive Director and substantial shareholder • Sich Ah Sing, who is our Senior Project Manager is the father of Sich Kah Yong, who is our substantial shareholder	• Sales of construction materials to BISB	397	⁽¹⁾ 0.6	-	-	-	-	-	-	-	-	-	-		
				• Hiring of machineries to BISB	494	⁽¹⁾ 0.7	-	-	-	-	-	-	-	-	-			
				• Net advances/ payment on behalf (to)/from BISB	(150)	N/A	-	-	760	N/A	-	-	-	-	-	-		
				• Net repayment from/(to) BISB	150	N/A	-	-	(380)	N/A	(380)	N/A	-	-	-	-		

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
WD Development/ Property development	WDSB	• Lim Kok Seng	• Lim Kok Seng, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong are the shareholders of WD Development. In addition, Lim Kok Leong and Lim Kok Seong are directors of WD Development	• Sales of construction materials to WD Development	-	-	-	-	42	⁽¹⁾ <0.1	-	-	-	-	-	-		
		• Lim Yik Soon																
		• Lim Keat Soon		• Hiring of machineries to WD Development	-	-	-	-	6	⁽¹⁾ <0.1	-	-	-	-	-	-		
		• Sich Kah Yong		• Net advances/ payment on behalf to WD Development	-	-	-	-	(15)	N/A	-	-	-	-	-	-		
			• Lim Kok Leong and Lim Kok Seong were directors and shareholders of WDSB															
			• Sich Ah Sing was a shareholder of WDSB															
			• Lim Kok Seng is our Executive Director and substantial shareholder															

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 November 2024 up to LPD	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			- Sich Ah Sing, who is our Senior Project Manager is the father of Sich Kah Yong, who is our substantial shareholder - Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders. He is also the uncle of Lim Soon Keat, our substantial shareholder													

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		RM'000	%		
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%				
			Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders															
WISB/ Construction contractor	WDSB	Lim Soon Yik	- Lim Kok Seng, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong were directors and shareholders of WISB⁽⁵⁾ - Lim Kok Leong and Lim Kok Seong were directors and shareholders of WDSB - Sich Ah Sing was a shareholder of WDSB	Sales of construction materials to WISB	1,731	⁽¹⁾ 2.5	176	⁽¹⁾ 0.2	97	⁽¹⁾ 0.1	-	-	-	-	-	-		
		Lim Kok Seng		Hiring of machineries to WISB	13,160	⁽¹⁾ 18.8	1,299	⁽¹⁾ 1.6	50	⁽¹⁾ <0.1	-	-	-	-	-	-		
		Lim Soon Keat		Construction revenue generated from WISB	4,117	⁽¹⁾ 5.9	17,355	⁽¹⁾ 20.9	4,146	⁽¹⁾ 3.4	-	-	-	-	-	-		
		Sich Kah Yong																
				Subcontract or charges charged by WISB	(379)	⁽²⁾ 0.7	(1,022)	⁽²⁾ 1.4	(320)	⁽²⁾ 0.3	-	-	-	-	-	-		

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		RM'000	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			• Lim Kok Seng is our Executive Director and substantial shareholder	• Purchase of materials from WISB ⁽⁶⁾	-	-	(2,289)	⁽²⁾ 3.0	(128)	⁽²⁾ 0.1	-	-	-	-	-	-
			• Sich Ah Sing, who is our Senior Project Manager is the father of Sich Kah Yong, who is our substantial shareholder	• Hiring expenditure of machineries charged by WISB	(161)	⁽²⁾ 0.3	(390)	⁽²⁾ 0.5	(143)	⁽²⁾ 0.1	-	-	-	-	-	-
			• Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders. He is also the uncle of Lim Soon Keat, our substantial shareholder	• Net advances/ payment on behalf (to)/from WISB ⁽²⁰⁾	(1,501)	N/A	1,296	N/A	(53)	N/A	-	-	-	-	-	-
				• Net repayment from WISB	548	N/A	285	N/A	310	N/A	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
			Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders															
DLSB/ Provision of rock blasting services	WDSB	• Lim Kok Seng	- DLSB was a 51.0% owned subsidiary of WISB. WISB's shareholders and directors were Lim Kok Seng, Sich Ah Sing, Lim Kok Leong, Lim Kok Seong⁽⁷⁾ - Lim Kok Seng and Lim Kok Seong were directors of DLSB - Lim Kok Leong and Lim Kok Seong were directors and shareholders of WDSB	• Sales of construction materials to DLSB	1	⁽¹⁾ <0.1	-	-	-	-	-	-	-	-	-	-		
		• Lim Soon Keat		• Rock blasting charges charged by DLSB	(1,449)	⁽²⁾ 2.5	(325)	⁽²⁾ 0.4	-	-	-	-	-	-	-	-		
		• Lim Soon Yik																
		• Sich Kah Yong		• Hiring expenditure of machineries charged by DLSB	-	-	(30)	⁽²⁾ <0.1	-	-	-	-	-	-	-	-		

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		1 November 2024 up to LPD	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			- Sich Ah Sing was a shareholder of WDSB - Lim Kok Seng is our Executive Director and substantial shareholder - Sich Ah Sing, who is our Senior Project Manager is the father of Sich Kah Yong, who is our substantial shareholder - Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders. He is also the uncle of Lim Soon Keat, our substantial shareholder	- Net advances/ payment on behalf to DLSB - Net repayment from DLSB	(159)	N/A	(63)	N/A	-	-	-	-	-	-	-	-
					(18)241	N/A	11	N/A	-	-	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders															
FRSB ⁽¹⁰⁾ /Property investment and holding company for companies involved in trading of fertiliser and property development	WDSB	Lim Kok Seng	- Sich Ah Sing, Lim Kok Leong, Lim Kok Seong and Lee Pei Ting are the shareholders and directors of FRSB - Lim Kok Seng was a director and shareholder of FRSB - Lim Kok Leong and Lim Kok Seong were directors and shareholders of WDSB	Hiring of machineries (excavators) to FRSB	867	⁽¹⁾ 1.2	-	-	-	-	-	-	-	-	-	-	-	
		Lim Soon Yik		Subcontract or charges charged by FRSB	(23)	⁽²⁾ <0.1	-	-	-	-	-	-	-	-	-	-		
		Lim Soon Keat		Purchase of construction materials from FRSB	(3,862)	⁽²⁾ 6.8	-	-	-	-	-	-	-	-	-	-		
		Sich Kah Yong		Hiring expenditure of tipper truck	(18)	⁽²⁾ <0.1	(34)	⁽²⁾ <0.1	(18)	⁽²⁾ <0.1	(5)	⁽²⁾ <0.1	-	-	-	-		

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		RM'000	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			• Sich Ah Sing was a shareholder of WDSB	charged by FRSB												
			• Lim Kok Seng is our Executive Director and substantial shareholder	• Rental expense to FRSB ⁽¹¹⁾	(36)	⁽³⁾ 1.0	(88)	⁽³⁾ 1.6	(120)	⁽³⁾ 1.8	(120)	⁽³⁾ 1.4	(40)	⁽³⁾ 1.6	(30)	⁽³⁾ 1.6
			• Sich Ah Sing, who is our Senior Project Manager is the father of Sich Kah Yong, who is our substantial shareholder	• Net advances/ payment on behalf (to)/from FRSB	(27)	N/A	3	N/A	-	-	-	-	-	-	-	-
			• Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders. He is also the uncle of Lim Soon Keat, our substantial shareholder	• Net repayment (to)/from FRSB	⁽¹⁷⁾ (71)	N/A	⁽¹⁸⁾ 179	N/A	(10)	N/A	-	-	-	-	-	-
				• Disposal of PPE to FRSB ⁽¹³⁾	⁽¹³⁾ 613	N/A	-	-	-	-	-	-	-	-	-	-
				• Disposal of investment properties to FRSB ⁽¹⁴⁾	⁽¹⁴⁾ 1,264	N/A	-	-	-	-	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		RM'000	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders													
BHSB/ Management of petrol station	WDSB	- Lim Kok Seng - Lim Soon Yik - Lim Soon Keat - Sich Kah Yong	- Lim Kok Seng, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong are directors and shareholders of BHSB - Lim Kok Leong and Lim Kok Seong were directors and shareholders of WDSB - Sich Ah Sing was a shareholder of WDSB	Construction revenue generated from BHSB	965	(1)1.4	575	(1)0.7	-	-	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 November 2024 up to LPD		
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025				
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000
			- Lim Kok Seng is our Executive Director and substantial shareholder - Sich Ah Sing, who is our Senior Project Manager is the father of Sich Kah Yong, who is our substantial shareholder - Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders. He is also the uncle of Lim Soon Keat, our substantial shareholder														

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders															
WLSB/ Dormant	WDSB	- Lim Kok Seng - Lim Soon Yik - Sich Kah Yong	- Lim Kok Seng, Sich Ah Sing and Lim Kok Leong are the directors and shareholders of WLSB - Lim Kok Leong was a director and shareholder of WDSB - Sich Ah Sing was a shareholder of WDSB	- Transportation of heavy machineries charged by WLSB - Net advances/ payment on behalf to WLSB - Net repayment from WLSB	(67)	⁽²⁾ 0.1	(82)	⁽²⁾ 0.1	(3)	⁽²⁾ <0.1	-	-	-	-	-	-		
					(61)	N/A	(67)	N/A	(3)	N/A	-	-	-	-	-	-		
					⁽¹⁸⁾ 68	N/A	37	N/A	40	N/A	-	-	-	-	-	-		

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025			
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			- Lim Kok Seng is our Executive Director and substantial shareholder - Sich Ah Sing, who is our Senior Project Manager is the father of Sich Kah Yong, who is our substantial shareholder - Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders. He is also the uncle of Lim Soon Keat, our substantial shareholder													

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
LNBK/ Property investment	WDSB	- Lim Kok Seng - Lim Soon Yik - Lim Soon Keat	- Lim Kok Seng, Lim Kok Leong, Lim Kok Seong, Lim Geok Ching and Lim Yoke Eng are the directors and shareholders of LNBK - Lim Kok Leong and Lim Kok Seong were directors and shareholders of WDSB - Lim Kok Seng is our Executive Director and substantial shareholder	Lease payment to LNBK⁽¹²⁾	(72)	⁽²⁾ 0.1	(36)	⁽²⁾ <0.1	-	-	-	-	-	-	-	-		

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			- Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders. He is also the uncle of Lim Soon Keat, our substantial shareholder - Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders															

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			Lim Geok Ching and Lim Yoke Eng are the brothers of Lim Kok Seng, our Executive Director and substantial shareholder. They are also the uncles of Lim Soon Yik, our Executive Director and substantial shareholder and Lim Soon Keat, our substantial shareholder															
PMVSB/ Property investment	WDSB	Lim Kok Seng	- Lim Kok Seng was a director and shareholder of PMVSB - Lim Kok Leong, Lim Kok Seong and Sich Ah Sing are the directors and shareholders of PMVSB	Lease payment to PMVSB⁽¹⁶⁾	(480)	⁽²⁾ 0.8	-	-	-	-	-	-	-	-	-	-	-	
		Lim Soon Yik		Disposal of shareholdings in WD Solar to PMVSB	-	-	-	-	1	N/A	-	-	-	-	-	-		
		Lim Soon Keat																
		Sich Kah Yong		Sales of construction materials to PMVSB	-	-	-	-	-	-	78	⁽¹⁾ <0.1	-	-	-	-		

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			- Lim Kok Leong and Lim Kok Seong were directors and shareholders of WDSB - Sich Ah Sing was a shareholder of WDSB - Lim Kok Seng is our Executive Director and substantial shareholder - Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders. He is also the uncle of Lim Soon Keat, our substantial shareholder															

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		RM'000	%		
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%				
			- Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders - Sich Ah Sing, who is our Senior Project Manager is the father of Sich Kah Yong, who is our substantial shareholder															
NSSB/ Engineering, procurement, construction and commissioning contractor for solar projects	WDSB	Lim Yik Soon	- Lim Soon Yik was also a director in NSSB - He is our Executive Director and substantial shareholder	- Net advances/ payment on behalf to NSSB - Net repayment from NSSB	(1,512)	N/A	(3,492)	N/A	-	-	-	-	-	-	-	-	-	
					1,826	N/A	3,178	N/A	-	-	-	-	-	-	-	-	-	

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		RM'000	%
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
Warisan Dengkil Sdn Bhd/ Property investment and oil palm cultivation	WDSB	• Lim Kok Seng • Lim Yik Soon • Lim Keat Soon • Sich Kah Yong	• Lim Kok Seng, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong are the directors and shareholders of Warisan Dengkil Sdn Bhd • Lim Kok Leong and Lim Kok Seong were directors and shareholders of WDSB • Sich Ah Sing was a shareholder of WDSB • Lim Kok Seng is our Executive Director and substantial shareholder • Sich Ah Sing, who is our Senior Project Manager is the father of Sich Kah Yong, who is our substantial shareholder	• Net repayment from Warisan Dengkil Sdn Bhd	(18)2,400	N/A	-	-	-	-	-	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			- Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders. He is also the uncle of Lim Soon Keat, our substantial shareholder - Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders															

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
TISB/ Dormant	WDSB	• Lim Seng Kok	• Lim Kok Seng, Lim Soon Yik, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong were directors and shareholders of TISB ⁽⁸⁾	• Acquisition of shareholdings in LASB ⁽⁴⁾	(1,500)	N/A	-	-	-	-	-	-	-	-	-	-		
		• Lim Yik Soon																
		• Lim Keat Soon		• Net repayment from TISB	⁽¹⁸⁾ 34	N/A	-	-	-	-	-	-	-	-	-	-		
		• Sich Yong Kah	• Lim Kok Leong and Lim Kok Seong were directors and shareholders of WDSB															
			• Sich Ah Sing was a shareholder of WDSB															
			• Lim Kok Seng and Lim Soon Yik are our Executive Directors and substantial shareholders															
			• Sich Ah Sing, who is our Senior Project Manager is the father of Sich Kah Yong, who is our substantial shareholder															

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025		RM'000	%		
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%				
			- Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng. He is also the uncle of Lim Soon Keat, our substantial shareholder - Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders															

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Lim Kok Seong	WDSB	- Lim Soon Keat - Lim Soon Yik - Lim Kok Seng	- Lim Kok Seong is the father of Lim Soon Keat, our substantial shareholder. He is also the uncle of Lim Soon Yik and the brother of Lim Kok Seng who are our Executive Directors and substantial shareholders - He was a director and shareholder of WDSB	Net repayment to Lim Kok Seong	⁽¹⁷⁾ (914)	N/A	-	-	-	-	-	-	-	-	-	-		
Tee Lam Hiong	WDSB	Sich Kah Yong	- Tee Lam Hiong is the mother of Sich Ah Sing, our Senior Project Manager and the grandmother of Sich Kah Yong, our substantial shareholder - She was a director and shareholder of WDSB	- Net repayment to Tee Lam Hiong - Rental expense to Tee Lam Hiong⁽¹⁵⁾	⁽¹⁷⁾ (68)	N/A	-	-	-	-	-	-	-	-	-	-		
					(12)	⁽³⁾ 0.3	(6)	⁽³⁾ 0.1	-	-	-	-	-	-	-	-		

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
Lim Kok Leong	WDSB	- Lim Soon Yik - Lim Kok Seng - Lim Soon Keat	- Lim Kok Leong is the father of Lim Soon Yik and brother of Lim Kok Seng, who are our Executive Directors and substantial shareholders. He is also the uncle of Lim Soon Keat, our substantial shareholder - He was a director and shareholder of WDSB	Net repayment to Lim Kok Leong	(17)(566)	N/A	-	-	-	-	-	-	-	-	-	-		
T Force/ Investment holding in our Group	WDSB	- Lim Soon Yik - Lim Kok Seng - Lim Soon Keat - Sich Kah Yong	- T Force is the ultimate holding company of WDSB - Lim Soon Yik, Lim Kok Seng, Lim Soon Keat and Sich Kah Yong are our substantial shareholders. - Lim Soon Yik and Lim Kok Seng are our Executive Directors	- Expenses paid on behalf for T Force - Net repayment from T Force	-	-	-	-	-	-	(136)	N/A	-	-	-	-		
					-	-	-	-	-	-	-	-	-	-	136	N/A		

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related party/ Principal activities	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value												1 November 2024 up to LPD	
					FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025					
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
			Lim Soon Yik, Lim Kok Seng, Lim Soon Keat and Sich Kah Yong are the directors of T Force															

Notes:

N/A Not applicable

(1) Calculated based on our Group's revenue for each of the respective financial years/period.

(2) Calculated based on our Group's cost of sales for each of the respective financial years/period.

(3) Calculated based on our Group's administrative expenses for each of the respective financial years/period.

(4) On 30 December 2020, WDSB acquired 30% shareholdings in LASB from TISB (a company then owned by Lim Kok Seng, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong). Arising thereto, LASB became an associate of WDSB and on 12 January 2021, Lim Kok Seong was appointed as a director of LASB. On 15 June 2023, Lim Kok Seong resigned as director and WDSB disposed its entire 30.0% shareholdings in LASB to Mat Sani Bin Jasli (non-related party) for a purchase consideration of RM3.00 million, being the value of WDSB's investment in LASB, as LASB intends to concentrate on tendering for projects which requires the tenderer to have 100.0% Bumiputera equity. In return, Dato' Adanan Sukri bin Musa, the controlling shareholder of LASB, had on even date agreed for LASB and WDSB to enter into LASB Collaboration Agreement whereby LASB shall grant WDSB an irrevocable first right of refusal to any of the letter of awards or any other document of similar nature pursuant to potential projects identified by LASB as the sole and exclusive subcontractor. In addition, LASB shall not solicit any personnel or business of WDSB and not compete with WDSB, without WDSB's prior consent for a period of 4 years from 15 June 2023. Please refer to Section 7.10 for further details of the LASB Collaboration Agreement. LASB is no longer our related party since 15 June 2023.

10. RELATED PARTY TRANSACTIONS (*Cont'd*)

- (5) WISB was incorporated on 19 January 2007 by Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and 2 other non-related shareholders (i.e. Liew San Thin and Lee Gee Say), where each shareholder held 20.0% equity interest, to undertake construction works. Upon incorporation, Lim Kok Seong, Lim Kok Leong and Sich Ah Sing were also appointed as directors where they led the business. On 1 June 2007, Chong Boon Thai (Lim Kok Seong's brother-in-law) joined the company as the Project Manager and was managing the day-to-day operations of the company. On 3 December 2007, Liew San Thin fully exited the company by disposing her shareholdings equally to the remaining shareholders, resulted in Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and Lee Gee Say holding 25.0% equity interest each in the company. As WISB's business started to expand, on 20 July 2010, Lim Kok Seng joined the company by acquiring Lee Gee Say's entire 25.0% shareholdings and was also appointed director on even date. Arising thereto, WISB Shareholders each held 25.0% equity interest in the company.

WISB Shareholders decided to focus on expanding WDSB, and disposed their entire shareholdings to non-related parties on 14 November 2022 and 30 March 2023, resulting in the final shareholdings of WISB being held by Chong Kam Soon (27.0%), Nur Atikah binti Taslim (71.0%, registered in her name as nominee of Dato' Adanan Sukri bin Musa, the controlling shareholder of LASB) and Chong Boon Thai (2.0%), for a total purchase consideration of RM5.00 million, being the unaudited NA of WISB as at 30 November 2022 after adjusting for bad debts. Accordingly, Sich Ah Sing, Lim Kok Leong and Lim Kok Seong resigned as directors on 17 October 2022 and Lim Kok Seng resigned as director on 23 November 2022. WISB is no longer a related party of our Group since 30 March 2023.

Upon Dato' Adanan Sukri bin Musa's entrance as the shareholder of WISB (via Nur Atikah binti Taslim) and the longstanding working relationship between himself and WDSB, both the companies entered into the WISB Collaboration Agreement dated 14 November 2022 where WISB granted WDSB an irrevocable first right of refusal to any of the letters of awards or any other document of similar nature pursuant to potential projects identified by WISB as the sole and exclusive subcontractor. In addition, WISB shall not solicit any personnel or business of WDSB and to not compete with WDSB, without WDSB's prior consent for a period of 4 years from 14 November 2022. Please refer to Section 7.10 for further details of the WISB Collaboration Agreement.

Upon further share transfers on 29 May 2023 and 22 August 2023, the shareholdings of WISB changed to Nur Atikah binti Taslim (71.0%) and Chong Boon Thai (29.0%). Later on 29 March 2024, Dato' Adanan Sukri bin Musa informed that Mestar Bin Shukor (an unrelated party, Dato' Adanan Sukri bin Musa's business partner) had entered into a share sale agreement dated 29 March 2024 to acquire the remaining 29.0% shareholdings from Chong Boon Thai with the intention to convert WISB to a company that is able to tender for projects that requires the tenderer to have 100.0% Bumiputera equity. The acquisition will be completed upon WISB obtaining Sijil Taraf Bumiputera – Kontraktor Kerja from the Ministry of Entrepreneur and Cooperatives Development.

- (6) Relates to materials purchased by LASB and WISB, for certain projects where our Group acts as the subcontractor and LASB and WISB are the main contractor. Such materials are purchased directly by LASB and WISB as the main contractor and sold to us.

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (7) DLSB was acquired on 22 September 2014 by Lim Soon Yik (50.0%) and Sich Ah Sing (50.0%) as a dormant company from the subscriber shareholders and on even date appointed as directors. On 7 June 2019, Lim Soon Yik and Sich Ah Sing disposed their entire shareholdings to Ling Siak Pang (non-related party), the company commenced operations in the provision of rock blasting services. Ling Siak Pang is an experienced rock blasting specialist, and he continues to manage and led the company till date. On even date, Lim Soon Yik and Sich Ah Sing resigned as directors and Ling Siak Pang, Lim Kok Seong and Lim Kok Seng were appointed as directors.

Upon an allotment of shares on 20 June 2019, WISB became a 51.0% shareholder and diluted Ling Siak Pang to a 49.0% shareholder, as WISB Shareholders intended to include rock blasting services as part of their business operations. Since 2019, our Group subcontracted our rock blasting works to DLSB.

On 30 March 2022, Lim Kok Seong and Lim Kok Seng resigned as directors of DLSB, to focus on their own business and not undertake the specialisation of rock blasting services. On even date, WISB disposed their 51.0% shareholdings to Mat Sani bin Jasli (non-related party) at a purchase consideration of RM510, being the cost of WISB's investment, following which, DLSB is no longer our related party.

- (8) TISB was acquired on 13 July 2010 by Lim Kok Seong (50.0%) and Lim Kok Leong (50.0%) from the subscriber shareholders, to undertake the provision of earthworks. On even date, Lim Kok Seong, Lim Kok Leong, Sich Ah Sing and Lim Kok Seng were appointed as directors of TISB. On 4 August 2010, through an allotment of shares, the shareholdings of Lim Kok Leong and Lim Kok Seong changed to 30.0% each, and Sich Ah Sing (30.0%) as well as Lim Kok Seng (10.0%) joined as shareholders. However, since March 2020, the shareholders of TISB decided to cease operations of the company. On 9 November 2021, Lim Kok Seong, Lim Kok Leong and Sich Ah Sing disposed part of their shareholdings to Lim Kok Seng and Lim Soon Yik, resulted in Lim Kok Seong, Lim Kok Leong, Lim Kok Seng, Lim Soon Yik and Sich Ah Sing each holding 20.0% in the dormant company. On 12 September 2023, the 5 shareholders disposed their entire shareholdings to Dato' Adanan Sukri Bin Musa and Mohd Alimin Bin Mahmood (non-related parties) for RM10,000 being the shareholders' cost of investment, following which, TISB is no longer our related party.

- (9) BISB was acquired on 17 January 2011 by Lim Kok Seng (50.0%) and Mok Thin Meng (50.0%, non-related party) from the subscriber shareholders, to provide earthworks services. On even date, Lim Kok Seng and Mok Thin Meng were appointed as directors of the company. Mok Thin Meng assisted Lim Kok Seng in the day-to-day operations of the company. On 10 February 2011, Mok Thin Meng disposed his 50.0% shareholdings to Mok Wei Hoong, and resigned as a director whereas Mok Wei Hoong was appointed as a director. On 29 June 2012, Mok Wei Hoong disposed his 50.0% shareholdings to Sich Ah Sing, resulting in Sich Ah Sing and Lim Kok Seng holding 50.0% equity interests each in the company. On even date, Mok Wei Hoong resigned as director and, Sich Ah Sing was appointed as director to date. However, since January 2022, the shareholders decided to cease operations of the company. As at LPD, BISB is still collecting its remaining receivables of approximately RM0.23 million, which is expected to be collected by February 2025. Upon collection of the receivables, the shareholders of BISB have undertaken to close down the company.

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (10) Since incorporation on 27 July 2006, FRSB was principally involved in quarrying and trading of sand and property development. Since September 2022, FRSB ceased its quarrying and trading of sand business and is principally involved in property development, property investment and investment in companies involved in trading of fertiliser.
- (11) We currently rent our headquarters located at 1-5, 1-6, 1-7, 1-8 & 1-9, Jalan Intan 5/1, Taman Intan, 43800 Dengkil, Selangor from FRSB since 1 March 2019. The subsisting tenancy period is from 1 June 2023 to 31 May 2025, with option to renew for another 2 years. We intend to exercise the option to renew the tenancy upon expiry.
- (12) We previously rented a vacant land at Lot 2585, Batu 32 ¼, Jalan Banting, 43800 Dengkil, Selangor from LNBK as storage for machineries and vehicles. The tenancy commenced on 1 May 2019 and was rented on a monthly basis. This rental arrangement ceased on 30 April 2022.
- (13) Relates to disposal of 1 apartment unit and 1 condominium unit located at Dengkil, Sepang, Selangor and 1 apartment unit located at Seri Kembangan, Selangor.
- (14) Relates to disposal of 2 apartment units located at Cyberjaya, Selangor and 1 apartment unit at Port Dickson, Negeri Sembilan.
- (15) We previously rented a hostel located at No. 32A, Jalan Bintang Mas, Taman Bintang Mas, 43800 Dengkil, Selangor from Tee Lam Hiong as our staff accommodation for the Bidor Solar PV Project. The tenancy commenced on 1 January 2019 and was rented on a monthly basis. This rental arrangement ceased on 31 December 2021.
- (16) We previously rented a piece of vacant land located at Lot 22975 & 22976, Ampar Tenang, Mukim Dengkil, Daerah Sepang, Selangor from PMVSB as storage for our machineries. The tenancy commenced on 1 April 2019 and was rented on a monthly basis. The rental arrangement ceased on 30 June 2021.
- (17) Includes repayment made for advances received from related party prior to FYE 2021.
- (18) Includes repayment received for advances provided to related party prior to FYE 2021.
- (19) Includes staff cost paid to LASB for administrative services rendered to WDSB's project and contract departments.
- (20) Includes staff cost paid to WISB for administrative services rendered to WDSB's project and contract departments.

10. RELATED PARTY TRANSACTIONS (Cont'd)

Based on the related party transactions mentioned above, the only related party transactions that will subsist after the Listing is the tenancy between WDSB and FRSB for our Group's headquarters, as stated in Note (11) above.

The transactions in relation to advances given to our related parties and expenses paid on behalf of our related party were not conducted on arm's length basis as they were interest free. In addition, the consideration for the disposal of WD Solar shares to PVMSB and acquisition of LASB shares from TISB were based on the vendors' cost of investment and not benchmarked against the then financial position of the company. However, all such advances and expenses paid on behalf have been fully settled by the related parties as at LPD and the disposal and acquisition of WD Solar shares and LASB shares respectively were one-off share transactions. Moving forward, if there are potential related party transactions, the related parties must first inform our Audit and Risk Management Committee on their interests in the transaction and the nature of the transaction before the transaction is entered into. The Audit and Risk Management Committee is responsible for the review of all related party transactions to ensure that there is no conflict of interest.

Save as disclosed above, we are of the view that all our related party transactions were conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties. This was determined based on transfer pricing documentations for FYE 2021 to 2023 as well as the following:

- (a) Trading of construction materials were based on the prevailing market rates and comparable quotations and/or invoices obtained at the relevant time;
- (b) Lease payments incurred for the rental of the office and vacant land were based on the prevailing rental rates of comparable properties at the relevant time;
- (c) Disposal price of the properties to FRSB were based on the prevailing market prices of comparable quotations at the relevant time as well; and
- (d) Provision of subcontracting works to our Group were based on the prevailing market rates and comparable quotations obtained from non-related third-parties by our Group.

10. RELATED PARTY TRANSACTIONS (Cont'd)

As at LPD, the related companies for the financial years/period under review are currently in operations, save for the following:

- (a) BISB, which has ceased its operations on January 2022 but is still collecting remaining receivables of approximately RM0.23 million. The remaining receivables are expected to be collected by February 2025. Upon collection, the shareholders of BISB intend to close down the company;
- (b) TISB, which has ceased its operations on March 2020 and was fully disposed by the previous shareholders of TISB (Lim Soon Yik, Lim Kok Seng, Lim Kok Seong, Lim Kok Leong and Sich Ah Sing) to Dato' Adanan Sukri Bin Musa and Mohd Alimin Bin Mahmood on 12 September 2023; and
- (c) WLSB, which has ceased its operations on September 2022. The shareholders of WLSB intend to close down WLSB by March 2025 whereby WLSB's financial statements for FYE 2024 has been lodged with ROC to commence striking off process.

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

- (i) At least 2 other contemporaneous transactions with third-parties for similar products and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third-parties for the same or substantially similar type of products/services and/or quantities; or
- (ii) If quotation or comparative pricing from third-parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third-parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(b) Other related party transactions

- (i) Whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;
- (ii) The rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and
- (iii) Whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

10. RELATED PARTY TRANSACTIONS (Cont'd)

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

For related party transactions that require shareholders' approval, the Directors, major shareholders and/or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant Directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on our Board resolutions relating to these transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit and Risk Management Committee has an interest in any related party transaction, he is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

10.2 OTHER TRANSACTIONS

10.2.1 Transactions entered into that are unusual in their nature or conditions

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for FYE 2021 to 2024, FPE 2025 and up to LPD.

10.2.2 Outstanding loans (including guarantees of any kind)

(a) Outstanding loans and/or balances

As at LPD, there are no outstanding loans made by our Group to/ for the benefit of a related party or granted by the related parties for the benefit of our Group.

(b) Guarantees

- (i) As at LPD, our Promoters namely T Force, Lim Soon Yik and Lim Kok Seng have provided guarantees in respect of WDSB for banking and hire purchase facilities extended by the following institutions:
 - (aa) Joint and several guarantee by Lim Soon Yik and Lim Kok Seng for banking facilities extended by Hong Leong Islamic Bank Berhad ("**HLIBB**");

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (bb) Joint and several guarantee by Lim Soon Yik and Lim Kok Seng for hire purchase facilities extended by Hap Seng Credit Sdn Bhd ("**HSCSB**"), Malayan Banking Berhad ("**MBB**"), Mitsubishi HC Capital Malaysia Sdn Bhd ("**MHCMSB**"), Public Bank Berhad ("**PBB**"), Pac Lease Berhad ("**PLB**") and SMFL Hire Purchase (Malaysia) Sdn Bhd ("**SMFL**");
- (cc) Joint and several guarantee by Lim Soon Yik for hire purchase facilities extended by Hong Leong Bank Berhad ("**HLBB**"); and
- (dd) Corporate guarantee by T Force as well as joint and several guarantee by Lim Soon Yik and Lim Kok Seng for hire purchase facilities extended by AmBank (M) Berhad ("**ABB**").
- (ii) As at LPD, the former directors and shareholders of WDSB, namely Lim Kok Seong and Lim Kok Leong have provided guarantees in respect of WDSB for banking and hire purchase facilities extended by the following institutions:
 - (aa) Joint and several guarantee by Lim Kok Seong and Lim Kok Leong for banking facilities extended by HLIBB; and
 - (bb) Joint and several guarantee by Lim Kok Seong for hire purchase facilities extended by HSCSB, MBB, ABB, MHCMSB, PBB and SMFL.
- (iii) As at LPD, Sich Ah Sing has provided guarantees to HLIBB for WDSB's banking facilities.

(ABB, HLIBB, HLBB, HSCSB, MBB, MHCMSB, PBB, PLB and SMFL shall collectively be referred to as "**Financiers**").

Details of our financing facilities which are secured by the guarantees are as follows:

Financiers	Type of facilities	Outstanding balance as at LPD RM'000	Guaranteed sum RM'000	Guarantor(s)
ABB	Hire purchase blanket facility	14,406	16,000	Lim Kok Seong Lim Soon Yik Lim Kok Seng
ABB	Hire purchase blanket facility	7,789	8,000	Lim Soon Yik Lim Kok Seng T Force
MBB	Hire purchase blanket facility	2,850	8,000	Lim Kok Seong Lim Soon Yik Lim Kok Seng
HLIBB	1 cashline facility, 1 revolving credit facility, 1 trade facility and 6 term loans	20,446	58,850	Lim Kok Seong Lim Kok Leong Lim Soon Yik Lim Kok Seng Sich Ah Sing

10. RELATED PARTY TRANSACTIONS (Cont'd)

Financiers	Type of facilities	Outstanding balance as at LPD RM'000	Guaranteed sum RM'000	Guarantor(s)
HLIBB	1 revolving contract financing line facility	8,400	40,000	Lim Kok Seong Lim Kok Leong Lim Soon Yik Lim Kok Seng Sich Ah Sing
HLBB	1 hire purchase facility	209	540	Lim Soon Yik
MHCMSB	12 hire purchase facilities	4,088	6,064	Lim Kok Seong Lim Kok Seng Lim Soon Yik
HSCSB	7 hire purchase facilities	1,568	2,792	Lim Kok Seong Lim Kok Seng Lim Soon Yik
SMFL	4 hire purchase facilities	1,962	3,552	Lim Kok Seong Lim Kok Seng Lim Soon Yik
PBB	6 hire purchase facilities	275	740	Lim Kok Seong Lim Kok Seng Lim Soon Yik
PLB	1 hire purchase facility	397	451	Lim Kok Seng Lim Soon Yik

In conjunction with the Listing, we have applied to the Financiers to obtain consents for the release and/ or discharge of the abovementioned guarantees by substituting the same with a corporate guarantee from our Company and/ or other securities from our Group acceptable to the Financiers subject to the completion of the Listing. Until such consents have been release and/or discharge are obtained from the respective Financiers, the abovementioned guarantees will remain intact as security for the banking and/ or hire purchase facilities which were extended to our Group.

As at LPD, our Group has received conditional approvals from all the Financiers for the release and/or discharge of the abovementioned guarantees, subject to, amongst others the success of the Listing, and the replacement of the guarantees with corporate guarantees from our Group.

During the financial years/ period under review, WDSB has provided corporate guarantees in favour of financiers in respect of banking facilities extended to LASB, PMVSB and WISB, all of which have been discharged.

10. RELATED PARTY TRANSACTIONS (Cont'd)

10.2.3 Financial assistance provided for the benefit of the related party

As at the date of this Prospectus, there is no financial assistance provided by us for the benefit of any related party.

10.2.4 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

- (a) Agreement dated 12 October 2021 between WDSB and M&A Securities for the appointment of M&A Securities as Adviser, Placement Agent and Sponsor for our Listing; and
- (b) Underwriting Agreement dated 6 January 2025 entered into between our Company and M&A Securities for the underwriting of 37,811,000 Issue Shares.

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11. CONFLICT OF INTEREST

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

As at LPD, Lim Kok Seng is a director and 50.0% shareholder of BISB, a dormant company which was previously principally involved in the provision of earthworks. Other than that, none of our Directors and substantial shareholders have any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as our Group as at LPD.

Separately, none of our Directors and/or substantial shareholders have any interest, direct or indirect, in the business of our customers and/or suppliers as at LPD.

Our Board is of the view that the interests of Lim Kok Seng in BISB which previously carries a similar trade as our Group, does not give rise to a conflict of interest situation based on the following:

- (a) Since January 2022, the shareholders of BISB have decided to cease operations of the company. As such, we will not have any future dealings with the company; and
- (b) As at LPD, BISB is still collecting its remaining receivables of approximately RM0.23 million, which is expected to be collected by February 2025. Upon collection of the receivables, the shareholders of BISB undertakes to close down the company.

Save for the above conflict of interest situation which has been resolved and mitigated, there are no other existing and potential conflict of interest situations as at LPD.

It is our Director's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Nomination Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Nomination Committee will first then evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Nomination Committee will then:

- (a) immediately inform our Audit and Risk Management Committee and Board of the conflict of interest situation;
- (b) after deliberation with our Audit and Risk Management Committee, to make recommendations to our Board to direct the conflicted Director to:
 - (i) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and
 - (ii) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b)(ii) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Nomination Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

11. CONFLICT OF INTEREST (*Cont'd*)

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Nomination Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit and Risk Management Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 10.1 for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

11.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

- (a) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Sponsor, Underwriter and Placement Agent for our Listing;
- (b) Eco Asia Capital Advisory Sdn Bhd has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Financial Adviser for our Listing. Its salient terms of engagement and scope of work as Financial Adviser includes the following:
 - (i) to conceptualise and advise on our Group's restructuring, equity and corporate structure in preparation for our Listing;
 - (ii) to assist our Group in compiling information and documents for our Listing;
 - (iii) to assist our Group in liaising and coordinating work performed by the due diligence working group and any other professional in relation to our Listing;
 - (iv) to assist in the preparation of the Management Discussion and Analysis section for inclusion in this Prospectus;
 - (v) to assist in reviewing the draft documents prepared by the relevant advisers in relation to our Listing; and
 - (vi) to assess and advise on any other issues relevant to our Listing;
- (c) Teh & Lee has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors for our Listing;
- (d) Ecovis Malaysia PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing; and
- (e) Protégé has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our Group's historical financial information comprises the combined statements of comprehensive income, combined statements of financial position and combined statements of cash flows for the financial years/ period under review. The historical financial information has been prepared in accordance with MFRS and IFRS.

The following financial information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations set out in Section 12.2 and Accountants' Report included in Section 13.

12.1.1 Combined statements of comprehensive income

The following table sets out a summary of our Group's audited combined statements of comprehensive income for FYE 2021 to 2024 and FPE 2025 as well as unaudited combined statements of comprehensive income for FPE 2024, which was extracted from the Accountants' Report set out in Section 13.

	Audited				Unaudited	Audited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	69,856	82,871	123,494	188,541	55,624	61,870
Cost of sales	(57,133)	(75,251)	(106,747)	(161,932)	(47,340)	(52,583)
GP	12,723	7,620	16,747	26,609	8,284	9,287
Other income	1,447	5,362	2,711	874	427	223
Net impairment gain/(loss) on financial assets	48	457	61	(405)	(494)	(153)
Administrative expenses	(3,516)	(5,499)	(6,570)	(8,527)	(2,222)	(2,574)
Other operating expenses	(130)	(36)	(52)	(61)	(55)	(64)
Profit from operations	10,572	7,904	12,897	18,490	5,940	6,719
Finance costs	(892)	(754)	(1,485)	(2,805)	(812)	(1,132)
Share of profit of an equity-accounted associate, net of tax	399	588	262	-	-	-
PBT	10,079	7,738	11,674	15,685	5,128	5,587
Tax expense	(2,304)	(734)	(2,934)	(4,361)	(1,557)	(1,579)
PAT/ Total comprehensive income	7,775	7,004	8,740	11,324	3,571	4,008

12. FINANCIAL INFORMATION (Cont'd)

	Audited				Unaudited	Audited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EBITDA ⁽¹⁾	21,530	17,768	23,917	32,174	10,251	11,494
GP margin (%) ⁽²⁾	18.2	9.2	13.6	14.1	14.9	15.0
PBT margin (%) ⁽³⁾	14.4	9.3	9.5	8.3	9.2	9.0
PAT margin (%) ⁽⁴⁾	11.1	8.5	7.1	6.0	6.4	6.5
Basic EPS (sen) ⁽⁵⁾	1.80	1.62	2.02	2.62	0.83	0.93
Diluted EPS (sen) ⁽⁶⁾	1.44	1.30	1.62	2.10	0.66	0.74
Adjusted PBT ⁽⁷⁾	9,111	3,112	9,690	15,268	4,901	5,587
Adjusted PAT ⁽⁷⁾	6,807	2,378	6,756	10,907	3,344	4,008
Adjusted PBT margin (%)	13.0	3.8	7.8	8.1	8.8	9.0
Adjusted PAT margin (%)	9.7	2.9	5.5	5.8	6.0	6.5

Notes:

(1) The table below sets forth a reconciliation of our PBT to EBITDA:

	Audited				Unaudited	Audited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PBT	10,079	7,738	11,674	15,685	5,128	5,587
Adjusted for:						
Finance costs	892	754	1,485	2,805	812	1,132
Depreciation of PPE	10,439	9,240	10,758	13,684	4,311	4,775
Depreciation of investment properties	120	36	-	-	-	-
EBITDA	21,530	17,768	23,917	32,174	10,251	11,494

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

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

12. FINANCIAL INFORMATION (Cont'd)

- (4) PAT margin is computed based on our PAT over revenue.
- (5) Computed based on PAT over share capital of 432,102,960 Shares before IPO.
- (6) Computed based on PAT over share capital of 540,128,760 Shares after IPO.
- (7) We recorded gain on disposal of PPE and investment properties during the financial years/ period under review. Hence, the adjusted PBT and PAT excluding the gain on disposal of PPE and investment properties for the financial years/ period under review are as follows:

	Audited				Unaudited	Audited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PBT	10,079	7,738	11,674	15,685	5,128	5,587
Less:						
Gain on disposal of PPE	(860)	(769)	(1,984)	(417)	(227)	-
Gain on disposal of investment properties	(108)	(3,857)	-	-	-	-
Adjusted PBT	9,111	3,112	9,690	15,268	4,901	5,587
Tax expense	(2,304)	(734)	(2,934)	(4,361)	(1,557)	(1,579)
Adjusted PAT	6,807	2,378	6,756	10,907	3,344	4,008

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12. FINANCIAL INFORMATION (Cont'd)

12.1.2 Combined statements of financial position

The following table sets out a summary of our Group's audited combined statements of financial position for the financial years/ period under review, which was extracted from the Accountants' Report set out in Section 13.

	Audited				
	As at 30 June				As at 31 October
	2021	2022	2023	2024	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
PPE	35,470	30,952	64,340	65,305	60,831
Investment properties	8,441	2,945	2,945	2,945	2,945
Investment in a subsidiary ⁽²⁾	1	1	-	-	-
Investment in an associate ⁽³⁾	1,898	2,487	-	-	-
Other investment	-	250	389	570	571
	45,810	36,635	67,674	68,820	64,347
Current assets					
Inventories	147	211	190	44	215
Trade receivables	27,596	37,539	43,157	48,864	58,785
Contract assets	309	15,969	20,562	36,931	47,005
Other receivables, deposits and prepayments	2,762	5,881	9,505	7,541	9,289
Amount owing by holding company ⁽⁴⁾	-	-	-	136	136
Amount owing by a subsidiary	75	75	-	-	-
Amount owing by an associate	1,184	2,027	-	-	-
Amount owing by related parties	1,759	805	1	-	-
Tax recoverable	-	552	-	-	-
Fixed deposits with licensed bank	-	-	-	977	1,159
Cash and bank balances	2,499	3,655	6,817	9,810	10,570
	36,331	66,714	80,232	104,303	127,159
TOTAL ASSETS	82,141	103,349	147,906	173,123	191,506

12. FINANCIAL INFORMATION (Cont'd)

	Audited			
	As at 30 June			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES				
Equity				
Share capital	-	(1)_	(1)_	(1)_
Invested equity	1,000	1,000	1,000	1,000
Retained earnings	38,305	45,309	54,049	65,373
TOTAL EQUITY	39,305	46,309	55,049	66,373
Non-current liabilities				
Loans and borrowings	3,803	3,033	4,421	3,961
Lease liabilities	4,688	1,736	19,166	26,616
Deferred tax liabilities	1,305	1,560	1,933	1,098
	9,796	6,329	25,520	31,675
Current liabilities				
Trade payables	14,451	27,438	31,840	40,309
Contract liabilities	595	1,062	6,013	3,899
Other payables, accruals and deposits received	6,658	7,552	14,647	5,527
Amount owing to related parties	314	1,901	391	-
Loans and borrowings	3,824	8,501	6,008	11,486
Lease liabilities	5,528	4,257	7,834	12,075
Income tax payable	1,670	-	604	1,779
	33,040	50,711	67,337	75,075
Total liabilities	42,836	57,040	92,857	106,750
TOTAL EQUITY AND LIABILITIES	82,141	103,349	147,906	173,123

Notes:

(1) Represents less than RM1,000.

(2) Being a former subsidiary, WD Solar.

12. FINANCIAL INFORMATION (*Cont'd*)

(3) Being a former associate, LASB.

(4) Being T Force.

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12. FINANCIAL INFORMATION (Cont'd)**12.1.3 Combined statements of cash flows**

The following table sets out a summary of our Group's audited combined statements of cash flows for the financial years/ period under review, which was extracted from the Accountants' Report set out in Section 13.

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flow from operating activities					
PBT	10,079	7,738	11,674	15,685	5,587
<u>Adjustments for:</u>					
Depreciation of PPE	10,439	9,240	10,758	13,684	4,775
Depreciation of investment properties	120	36	-	-	-
Bad debt written off	-	-	52	-	64
Gain on disposal of PPE	(860)	(769)	(1,984)	(417)	-
Gain on disposal of investment properties	(108)	(3,857)	-	-	-
Gain on remeasurement of lease liabilities	-	(3)	(4)	(1) -	-
Gain on disposal of investment in an associate	-	-	(252)	-	-
Net impairment (gain)/loss on trade receivables	(48)	(457)	(61)	405	153
PPE written off	10	-	-	61	-
Interest expenses	892	754	1,485	2,805	1,132
Interest income	(1) -	(1)	(2)	(6)	(2)
Share of profit of an equity-accounted associate, net of tax	(399)	(588)	(262)	-	-
Operating profit before working capital changes	20,125	12,093	21,404	32,217	11,709
<u>Changes in working capital:</u>					
Decrease/(increase) in inventories	15	(64)	21	145	(171)
Increase in trade and other receivables	(8,440)	(12,552)	(6,395)	(4,147)	(11,887)
Decrease/(increase) in contract assets	2,982	(15,660)	(4,592)	(16,370)	(10,073)
(Decrease)/increase in trade and other payables	(3,617)	13,802	(2,379)	8,529	(261)
Increase/(decrease) in contract liabilities	313	467	4,951	(2,114)	15,965
Cash generated from/(used in) operations	11,378	(1,914)	13,010	18,260	5,282

12. FINANCIAL INFORMATION (Cont'd)

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Interest received	(1)-	1	(1)-	4	(1)-
Income tax paid	(1,061)	(2,701)	(1,405)	(4,021)	(1,320)
Net cash generated from/(used in) operating activities	10,317	(4,614)	11,605	14,243	3,962
Cash flows from investing activities					
Acquisition of an associate	(1,500)	-	-	-	-
Addition in other investment	-	(250)	(138)	(178)	-
Placement of pledged fixed deposits with licensed bank	-	-	-	(976)	(183)
Disposal of a subsidiary, net cash outflow	(1)-	-	-	-	-
Proceeds from disposal of investment properties, net of tax	1,264	9,317	-	-	-
Proceeds from disposal of PPE	1,443	1,066	3,244	549	-
Proceeds from disposal of a subsidiary	-	-	1	-	-
Proceeds from disposal of an associate	-	-	3,000	-	-
Purchase of PPE	(95)	(3,082)	(3,182)	(1,121)	(224)
Repayment received from a subsidiary, net	-	-	75	-	-
Advance to holding company, net	-	-	-	(136)	-
Advance to an associate company, net	(1,223)	(844)	(173)	-	-
Repayment received from/(advances to) related parties, net	1,363	900	165	1	-
Net cash generated from/(used in) investing activities	1,252	7,107	2,992	(1,861)	(407)

12. FINANCIAL INFORMATION (Cont'd)

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities					
Issuance of shares	-	(1)	-	-	-
Interest paid	(892)	(754)	(1,485)	(2,805)	(1,132)
Advance received from/(repayment to) related parties, net	180	1,587	501	(391)	-
Repayment to Directors, net	(1,548)	-	-	-	-
Repayment of lease liabilities	(10,289)	(6,077)	(6,468)	(10,536)	(4,158)
Net movement of revolving credit	-	3,000	-	-	-
Net movement of invoice financing	-	-	636	3,336	2,880
Drawdown of term loans	-	-	250	250	-
Repayment of term loans	(246)	(709)	(1,001)	(1,327)	(473)
Net cash used in financing activities	(12,795)	(2,953)	(7,567)	(11,473)	(2,883)
Net (decrease)/increase in cash and cash equivalents	(1,226)	(460)	7,030	909	672
Cash and cash equivalents at beginning of financial year/ period	268	(958)	(1,418)	5,612	6,521
Cash and cash equivalents at end of financial year/ period	(958)	(1,418)	5,612	6,521	7,193

Note:

⁽¹⁾ Represents less than RM1,000.

12. FINANCIAL INFORMATION (Cont'd)**12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following management's discussion and analysis of our Group's financial condition and results of operations for the financial years/ period under review should be read in conjunction with our combined financial statements and the accompanying notes as set out in the Accountants' Report included in Section 13.

This discussion and analysis contain data derived from our combined financial statements as well as forward-looking statements that reflect our views with respect to future events and our future financial performance. Actual events and results may differ significantly from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under Section 9.

12.2.1 Overview of our business operations**(a) Principal activities**

Our Group is principally involved in the construction industry, which can be divided into 3 main business segments, namely provision of construction services, trading of construction materials and provision of machineries and commercial vehicles for hire. The principal market of our business is within Malaysia.

Please refer to Section 7 for further information on our business operations.

(b) Revenue

Revenue for the financial years/ period under review were mainly derived from the following 3 reportable business segments as follows:

Business segment	Description	Basis for revenue recognition
Provision of construction services	Our Group provides both earthworks and civil engineering services within the construction industry in Malaysia. Our earthworks activities involve cut, fill and compaction, erosion and sediment control as well as rock blasting (if required) to create a platform or embankment to be used for further construction works. Our civil engineering services involve road construction, drainage system and sewerage system.	Our Group constructs infrastructure work under long-term contracts with customers. Revenue is recognised upon rendering of services. When the outcome of a construction contract can be reliably estimated, contract revenue is recognised as revenue by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for works performed to date over the estimated total contract costs.

12. FINANCIAL INFORMATION (Cont'd)

Business segment	Description	Basis for revenue recognition
Trading of construction materials	Our Group generates revenue from the trading of aggregate stones, coarse sand, crusher run, fine sand, quarry dust, red earth and topsoil. Our Group also recognises transportation charges revenue from the Sungai Long Project which is a one-off request by our customer.	Revenue from trading of construction materials is recognised at the point in time when control of the asset is transferred to the customer, generally upon the transfer of significant risks and rewards of ownership of the goods to the customers.
Provision of machineries and commercial vehicles for hire	Our Group provides machineries and commercial vehicles for hire with flexible hiring arrangement/terms, generally ranging from an hour to 1 year, depending on the customers' project schedule and requirements.	Our hiring revenue is recognised on a straight-line basis over the hiring term on accrual basis according to the terms stated in the sales invoice issued.

(c) Cost of sales

Our cost of sales mainly consists of purchases of trading and construction materials, subcontractor cost, direct labour cost, staff cost and other direct costs as follows:

(i) Purchases of trading and construction materials

Our Group's direct materials mainly consist of aggregate stones, coarse sand, crusher run, fine sand, quarry dust, red earth and topsoil.

We generally purchase materials based on our customer's demand as well as our construction project's requirements. These materials are widely available in Malaysia and is sourced from a large base of approved suppliers. Our suppliers are selected based on location, pricing, availability and lead time for delivery. Whilst we have maintained long-term business relationship with our approved suppliers, we also source for materials from new suppliers, if the need arises.

(ii) Subcontractor cost

We engage subcontractors for mechanical and electrical engineering works, piping and plumbing works, water proofing works, road rectification works, rectification of pothole areas, mill and pave works, sewerage installation works, rock blasting services, and other specialist works, as well as supply of labour at project site.

(iii) Direct labour cost

Our direct labour cost consists of outsourced workers to transport materials to our customers and mechanics to maintain our machineries and commercial vehicles.

12. FINANCIAL INFORMATION (Cont'd)

(iv) Staff cost

Our staff cost consists of wages for workers employed by our Group whom are directly involved in the provision of construction services, trading of construction materials and provision of machineries and commercial vehicles for hire.

(v) Other direct costs

Other direct costs mainly consist of expenses incurred over the course of our operations such as diesel and petrol, depreciation, upkeep and hiring of machineries and commercial vehicles.

(d) Other income

Other income mainly consists of gain on disposal of PPE, gain on disposal of investment properties, gain on disposal of an associate company, administrative fee and insurance compensation.

(e) Administrative expenses

Administrative expenses consist of overheads incurred to maintain our operations such as staff costs, directors' remuneration, depreciation, professional fees, office expenses as well as travelling, toll and parking expenses.

(f) Other operating expenses

Other operating expenses consist of depreciation of investment properties, PPE written off and bad debts written off.

(g) Finance cost

Finance cost consists of lease liabilities interest, term loan interest, bank overdraft interest and bank guarantee interest.

(h) Others

(i) Retention sum in trade receivables

Retention sum is a percentage of contract value, generally 10.0% of each progress billing, up to a maximum of 5.0% of the contract sum that is retained by our customer as follows:

- (aa) entire retention sum to be retained throughout the contract period until the issuance of CPC; and
- (bb) half of the retention sum to be retained until the end of the DLP and upon issuance of CMGD.

(ii) Retention sum in trade payables

Similarly, we also retain 10.0% of each certified work done against our subcontractors as retention sum, up to a maximum of 5.0% of the awarded subcontract value as follows:

- (aa) entire retention sum to be retained throughout the contract period until the issuance of CPC; and

12. FINANCIAL INFORMATION (Cont'd)

(bb) half of the retention sum to be retained until the end of the DLP and upon issuance of CMGD.

(i) Recent development

Save for the Acquisition, there were no other significant events subsequent to our Group's audited combined financial statements for FPE 2025.

(j) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during FYE 2021 to 2024 and FPE 2025. In addition, our audited financial statements for the financial years/ period under review were not subjected to any audit qualifications.

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12. FINANCIAL INFORMATION (Cont'd)

12.2.2 Review of results of our business operations

The segmental analysis of our financial results for the financial years/ periods under review were based on business activities.

(a) Revenue

(i) Analysis of revenue by segment

	Audited								Unaudited		Audited	
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of construction services	25,196	36.1	55,792	67.3	92,968	75.3	162,834	86.4	46,727	84.0	53,607	86.7
Trading of construction materials	24,098	34.5	20,453	24.7	21,436	17.3	19,316	10.2	6,672	12.0	7,007	11.3
Provision of machineries and commercial vehicles for hire	20,562	29.4	6,626	8.0	9,090	7.4	6,391	3.4	2,225	4.0	1,256	2.0
	69,856	100.0	82,871	100.0	123,494	100.0	188,541	100.0	55,624	100.0	61,870	100.0

Our revenue for the financial years/ periods under review were mainly derived from the provision of construction services segment, contributing between 36.1% to 86.7% of our Group's total revenue. This is followed by revenue from our trading of construction materials segment and provision of machineries and commercial vehicles for hire segment which contributed between 10.2% to 34.5% and 2.0% to 29.4% respectively during the financial years/ periods under review.

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12. FINANCIAL INFORMATION (Cont'd)

Overall, our revenue growth over the financial years/ periods under review was mainly derived from the provision of construction services segment as we secured and completed more construction projects. Major construction projects contributing to our revenue during the financial years/ periods under review are as follows:

No.	Project name	Customer name	Contract period ⁽⁸⁾	Total contract sum as at FPE 2025 ⁽¹⁾	Revenue recognised					
					FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1.	Phase 3 Tanjong Dua Belas Project	Mujur Minat Sdn Bhd	December 2019 to August 2022	⁽²⁾ 2,987	880	1,278	218	-	-	⁽³⁾ 304
2.	Tanjung Industrial Area Project	Hartalega NGC Sdn Bhd	September 2020 to March 2022	24,291	18,229	4,593	⁽³⁾ 1,469	-	-	-
3.	Kuala Kerak Project	WISB	May 2021 to October 2021	5,870	3,226	2,644	-	-	-	-
4.	Kuala Muda Project	WISB	May 2021 to October 2021	2,630	891	1,739	-	-	-	-
5.	Hulu Selangor Project	SQA Builders Sdn Bhd	May 2021 to May 2022	3,736	10	3,109	⁽³⁾ 617	-	-	-
6.	Taman Beverly Heights Project	WISB	August 2021 to July 2022	5,007	-	3,729	1,278	-	-	-
7.	MKH Nexus @ Kajang Station Project	WISB	August 2021 to October 2024	3,709	-	337	1,141	1,915	1,746	316
8.	Hillpark 4 Project	WISB	August 2021 to October 2024	17,829	-	3,807	8,230	4,441	1,461	1,351
9.	UMW Package 8 Project ⁽⁴⁾	LASB	August 2021 to August 2024	26,671	-	10,803	9,328	5,780	2,368	760

12. FINANCIAL INFORMATION (Cont'd)

No.	Project name	Customer name	Contract period ⁽⁸⁾	Total contract sum as at FPE 2025 ⁽¹⁾ RM'000	Revenue recognised					
					FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
10.	UMW Package 3 Project ⁽⁵⁾	LASB	August 2021 to October 2024	20,061	-	8,369	7,754	3,711	1,997	227
11.	MKH Boulevard 2 Project	WISB	August 2021 to May 2024	2,649	-	372	1,023	1,254	533	-
12.	Cyberjaya Earthwork Project ⁽⁶⁾	OIB Construction Sdn Bhd	September 2021 to January 2022	3,175	-	1,619	1,556	-	-	-
13.	Setia Eco Park Seksyen U13 Project	WISB	September 2021 to October 2023	3,111	-	1,540	542	1,029	-	-
14.	Kajang 2 Project	WISB	September 2021 to December 2023	3,099	-	2,192	205	702	-	-
15.	Bidor Solar PV Project	Fabulous Sunview Sdn Bhd	December 2021 to September 2023	9,385	-	1,576	6,392	1,417	1,070	-
16.	Asta Project	Konsortium Sumber Alam Sdn Bhd	December 2021 to June 2024	7,888	-	1,853	2,506	3,529	1,259	-
17.	Tanjong 12 Lot 68054 Project	WISB	February 2022 to March 2025	4,650	-	994	1,558	1,919	1,165	⁽⁷⁾ 159
18.	Techpark 2 Bandar Enstek Project	Intechcity Construction Sdn Bhd	March 2022 to February 2023	1,974	-	146	1,828	-	-	-
19.	Kem Rejimen 503 Project	Ukay Builders Sdn Bhd	March 2022 to December 2022	1,496	-	401	966	⁽³⁾ 129	⁽³⁾ 64	-

12. FINANCIAL INFORMATION (Cont'd)

No.	Project name	Customer name	Contract period ⁽⁸⁾	Total contract sum as at FPE 2025 ⁽¹⁾ RM'000	Revenue recognised					
					FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
20.	Rumah Keluarga Project	Ukay Builders Sdn Bhd	March 2022 to May 2024	3,282	-	125	2,574	583	177	-
21.	Cybersouth Apartment Project	Ecolake Residence Sdn Bhd	July 2022 to October 2022	1,238	-	-	1,093	⁽³⁾ 145	⁽³⁾ 106	-
22.	Central Spine Road Project	LASB	July 2022 to August 2026	146,173	-	-	3,259	16,235	5,113	⁽⁷⁾ 4,978
23.	Bandar Serendah Project	Customer L	October 2022 to September 2024	25,357	-	-	15,643	9,251	6,560	463
24.	Sungai Long Project	Ang Cheng Ho Quarry Sdn Bhd	November 2022 to April 2030	168,000	-	-	11,422	34,010	11,367	⁽⁷⁾ 9,643
25.	Tanjung 12 Lot 8959 Project	Mujur Minat Sdn Bhd	December 2022 to October 2023	1,009	-	-	1,008	1	1	-
26.	UMW Package 10 Project	LASB	May 2023 to January 2025	22,971	-	-	273	15,892	4,245	⁽⁷⁾ 6,092
27.	LRT Line 3 Project	Milmix Sdn Bhd	June 2023 to March 2025	123,011	-	-	7,378	58,990	6,411	⁽⁷⁾ 19,136
28.	Setia Alaman Project	WISB	May 2024 to November 2025	34,567	-	-	-	27	-	⁽⁷⁾ 7,430
29.	Setia Eco Park Project	WISB	May 2024 to April 2025	21,680	-	-	-	213	-	⁽⁷⁾ 1,241
				Total	23,236	51,226	89,261	161,173	45,643	52,100
				% of total construction revenue	92.2	91.8	96.0	99.0	97.7	97.2

12. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Variation orders occur throughout construction periods and are recognised as part of the contract sum in accordance to the certified progress billings and variation order approval letters.
- (2) Revenue of RM0.31 million was recognised in the previous financial year, FYE 2020.
- (3) Revenue was recognised subsequent to completion date in the following financial year/ period, upon finalisation of the final accounts.
- (4) This project was awarded by one customer but consists of several individual contracts by sections, including UMW Package 8, Section 1A Project, UMW Package 8, Section 1B Project, UMW Package 8, Section 2A Project, UMW Package 8, Section 2B Project and UMW Package 8, Section 3 Project. Kindly refer to the list of projects in pages xvi to xx for further details on the respective individual contracts.
- (5) This project was awarded by one customer but consists of several individual contracts by sections, including UMW Package 3, Section 2 Project and UMW Package 3, Section 3 Project. Kindly refer to the list of projects in pages xvi to xx for further details on the respective individual contracts.
- (6) This project was mutually terminated in December 2022 as a result of a prolong delay arising from the change of design by our customer and hence, revenue was recognised based on work done up to the termination date. The contract value of RM3.18 million represents the total revenue of work done up to the termination date.
- (7) The remaining balance revenue for each project will be recognised progressively in the subsequent financial year/ period as such projects are still ongoing as at FPE 2025.
- (8) Refers to the period from the commencement of project to the expected completion of project including the extension of time granted to our Group as at LPD.

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12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2021 and FYE 2022

Our Group's revenue is primarily derived from our construction services segment which focuses on the provision of earthwork activities such as cut, fill and compaction, erosion and sediment control as well as rock blasting to create a platform or embankment to be used for further construction works. Our revenue from construction services segment increased by RM30.60 million or 121.4% in FYE 2022 as we focused on expanding our construction services segment by securing more projects during FYE 2022. Such increase was partially offset by the decrease in revenue from our provision of machineries and commercial vehicles for hire segment as most of our machineries and commercial vehicles were used for our own construction projects. As a result, our total revenue increased by RM13.01 million or 18.6% from RM69.86 million in FYE 2021 to RM82.87 million in FYE 2022.

Provision of construction services

Revenue from provision of construction services segment increased by RM30.60 million mainly due to higher number of ongoing construction projects undertaken by our Group in FYE 2022 as compared to the previous financial year, detailed as follows:

- (i) higher level of construction activities of an ongoing project, Hulu Selangor Project. This project has a contract value of RM3.74 million and was substantially completed during FYE 2022. This project contributed revenue of RM3.11 million, representing 5.6% of our Group's provision of construction services segment revenue in FYE 2022; and
- (ii) commencement of the following new projects:
 - (a) UMW Package 8 Project with a total contract value of RM26.67 million. This project collectively contributed revenue of RM10.80 million, representing 19.4% of our Group's provision of construction services segment revenue in FYE 2022;
 - (b) UMW Package 3 Project with a total contract value of RM20.06 million. This project collectively contributed revenue of RM8.37 million, representing 15.0% of our Group's provision of construction services segment revenue in FYE 2022;
 - (c) Hillpark 4 Project with a contract value of RM17.83 million. This project contributed revenue of RM3.81 million, representing 6.8% of our Group's provision of construction services segment revenue in FYE 2022; and
 - (d) Taman Beverly Heights Project with a contract value of RM5.01 million. This project contributed revenue of RM3.73 million, representing 6.7% of our Group's provision of construction services segment revenue in FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)

Trading of construction materials

Revenue from trading of construction materials segment decreased by RM3.65 million or 15.1% from RM24.10 million in FYE 2021 to RM20.45 million in FYE 2022. The decrease in revenue was mainly due to the lower revenue from the sale of coarse sand which reduced by RM2.86 million from RM5.39 million in FYE 2021 to RM2.53 million in FYE 2022. The decrease in revenue from the sale of coarse sand was mainly due to lower quantity sold by 49.7% from 167,393 MT in FYE 2021 to 84,251 MT in FYE 2022 as we focused on the provision of construction services segment and did not actively pursue customers in the trading of construction materials segment during this period.

Provision of machineries and commercial vehicles for hire

Revenue from provision of machineries and commercial vehicles for hire segment is derived from hiring of machineries and commercial vehicles such as excavator, back pusher, motor grader, bulldozer and tipper truck to our customers. Since FYE 2022, our Group hires out unutilised and available machineries and commercial vehicles to our customers when it is not used for our construction projects. Depending on hiring duration, types and condition of machineries and commercial vehicles, our hiring rates generally ranges from RM115 to RM2,000 per day.

In FYE 2022, the availability of machineries and commercial vehicles for hiring purpose reduced significantly in line with the increase in construction activities during the financial year as we had utilised the majority of the machineries and commercial vehicles for our own projects. Hence, revenue from provision of machineries and commercial vehicles for hire segment decreased by RM13.93 million or 67.8% from RM20.56 million in FYE 2021 to RM6.63 million in FYE 2022.

During FYE 2022, our Group had entered into a rental agreement with a non-related transportation company which also trades in soil materials, namely Premium Integrity Sdn Bhd ("**Premium Integrity**") to rent out 54 tipper trucks for a period of 1 year, subject to an option for renewal for another 1 year. Tipper trucks are used to transport materials to and from construction sites and are not used within the construction site. Hence, the availability of our tipper trucks for hire was not significantly affected by the increase in construction activities undertaken by our Group during FYE 2022. As a result of the rental agreement, 65.6% of our total hiring revenue in FYE 2022 was derived from Premium Integrity.

Comparison between FYE 2022 and FYE 2023

Revenue from the provision of construction services remained as our largest segment, contributing 67.3% and 75.3% of our total revenue for FYE 2022 and FYE 2023 respectively. Our Group's revenue increased by RM40.62 million or 49.0% from RM82.87 million in FYE 2022 to RM123.49 million in FYE 2023 mainly due to higher revenue contribution from our provision of construction services segment as we continue to secure more new projects as well as achieving higher percentage of completion for our ongoing projects.

12. FINANCIAL INFORMATION (Cont'd)

Provision of construction services

Revenue from provision of construction services segment increased by RM37.18 million or 66.6% from RM55.79 million in FYE 2022 to RM92.97 million in FYE 2023 mainly due to the following:

- (i) higher level of construction activities in the following ongoing projects:
 - (a) Hillpark 4 Project which contributed revenue of RM8.23 million, representing 8.9% of our Group's provision of construction services segment revenue in FYE 2023; and
 - (b) Bidor Solar PV Project which contributed revenue of RM6.39 million, representing 6.9% of our Group's provision of construction services segment revenue in FYE 2023.
- (ii) commencement of the following new projects:
 - (a) Bandar Serendah Project with a contract value of RM27.54 million, which has been subsequently revised to RM25.36 million in FPE 2025 as the customer reduced the original scope of work for the project. This project contributed revenue of RM15.64 million, representing 16.8% of our Group's provision of construction services segment revenue in FYE 2023;
 - (b) Sungai Long Project with a contract value of RM168.00 million. This project contributed revenue of RM11.42 million, representing 12.3% of our Group's provision of construction services segment revenue in FYE 2023; and
 - (c) LRT Line 3 Project with a contract value of RM123.01 million. This project contributed a total revenue of RM7.38 million, representing 7.9% of our Group's provision of construction services segment revenue in FYE 2023.

Trading of construction materials

Revenue generated from trading of construction materials segment increased by RM0.99 million or 4.8% from RM20.45 million in FYE 2022 to RM21.44 million in FYE 2023 mainly due to:

- (i) increase in revenue from the sale of red earth and crusher run by RM0.98 million and RM0.96 million respectively due to the increase in quantity of red earth and crusher run sold by 13.9% from 1,965,083 MT in FYE 2022 to 2,237,919 MT in FYE 2023 and by 115.4% from 27,427 MT in FYE 2022 to 59,083 MT in FYE 2023 respectively. This was mainly due to the increase in orders from our existing major customers; and

12. FINANCIAL INFORMATION (Cont'd)

- (ii) increase in revenue from transportation charges amounting to RM1.26 million for the Sungai Long Project. We generally charge our customers transportation charges to transport construction materials sold to them. However, transportation charges revenue of RM1.26 million from the Sungai Long Project is a one-off request by our customer, to transport excavated rocks and sand from the project site to the customer's designated locations.

The increase in revenue was partially offset by the decrease in trading of sand by RM2.27 million or 81.3%.

Provision of machineries and commercial vehicles for hire

Revenue from provision of machineries and commercial vehicles for hire segment increased by RM2.46 million or 37.1% from RM6.63 million in FYE 2022 to RM9.09 million in FYE 2023, mainly due to an increase in hiring capacity arising from higher number of unutilised and available older machineries and commercial vehicles due to the purchase of additional 97 units of machineries and commercial vehicles which are allocated for our own construction projects during FYE 2023. The increase in revenue was attributable to additional machineries and commercial vehicles which were mainly hired to Premium Integrity, representing 89.2% of this segment's revenue.

Comparison between FYE 2023 and FYE 2024

Revenue from the provision of construction services remained as our largest segment, contributing 75.3% and 86.4% of our total revenue for FYE 2023 and FYE 2024 respectively. Our Group's total revenue increased by RM65.05 million or 52.7% from RM123.49 million in FYE 2023 to RM188.54 million in FYE 2024 mainly due to higher revenue contribution from our provision of construction services segment as we recognise higher percentage of completion for our ongoing projects.

Provision of construction services

Revenue from provision of construction services segment increased by RM69.86 million or 75.1% from RM92.97 million in FYE 2023 to RM162.83 million in FYE 2024 mainly due to:

higher level of construction activities in the following ongoing projects:

- (i) LRT Line 3 Project which contributed revenue of RM58.99 million, representing 36.2% of our Group's provision of construction services segment revenue in FYE 2024;
- (ii) Sungai Long Project which contributed revenue of RM34.01 million, representing 20.9% of our Group's provision of construction services segment revenue in FYE 2024;

12. FINANCIAL INFORMATION (Cont'd)

- (iii) Central Spine Road Project which contributed revenue of RM16.24 million, representing 10.0% of our Group's provision of construction services segment revenue in FYE 2024; and
- (iv) UMW Package 10 Project which contributed revenue of RM15.89 million, representing 9.8% of our Group's provision of construction services segment revenue in FYE 2024.

Trading of construction materials

Revenue generated from trading of construction materials segment decreased by RM2.12 million or 9.9% from RM21.44 million in FYE 2023 to RM19.32 million in FYE 2024 mainly due to lower revenue from sale of red earth and earth stone by RM3.40 million and RM0.66 million respectively. The decrease in revenue from sale of red earth and earth stone was mainly due to lower quantity sold by 31.6% from 2,237,919 MT in FYE 2023 to 1,531,542 MT in FYE 2024 and by 99.4% from 51,120 MT in FYE 2023 to 314 MT in FYE 2024 respectively as we continued to focus on the provision of construction services segment and did not actively pursue customers in the trading of construction materials segment during the financial year.

However, the decrease in revenue was partially offset by the increase in revenue from transportation charges by RM1.96 million as we had a one-off request from our customer, to transport excavated rocks and sand to the customer's designated locations.

Provision of machineries and commercial vehicles for hire

Our revenue from provision of machineries and commercial vehicles for hire segment decreased by RM2.70 million or 29.7% from RM9.09 million in FYE 2023 to RM6.39 million in FYE 2024. The overall decrease was mainly due to lesser unutilised and available machineries and commercial vehicles for hiring purpose as we mobilised the machineries and commercial vehicles for our own use, in line with the increase in construction activities during FYE 2024.

Comparison between FPE 2024 and FPE 2025

Revenue from the provision of construction services remained as our largest segment, contributing 84.0% and 86.7% of our total revenue for FPE 2024 and FPE 2025 respectively. Our Group's total revenue increased by RM6.25 million or 11.2% from RM55.62 million in FPE 2024 to RM61.87 million in FPE 2025 mainly due to higher revenue contribution from our provision of construction services segment as we continue to secure more new projects as well as achieving higher percentage of completion for our ongoing projects.

12. FINANCIAL INFORMATION (Cont'd)

Provision of construction services

Revenue from the provision of construction services segment increased by RM6.88 million or 14.7% from RM46.73 million in FPE 2024 to RM53.61 million in FPE 2025 mainly due to the following:

- (i) higher level of construction activities in the following ongoing projects:
 - (a) LRT Line 3 Project which contributed revenue of RM19.14 million, representing 35.7% of our Group's provision of construction services segment revenue in FPE 2025; and
 - (b) UMW Package 10 Project which contributed revenue of RM6.09 million, representing 11.4% of our Group's provision of construction services segment revenue in FPE 2025.
- (ii) commencement of the following new projects:
 - (a) Setia Alaman Project with a contract value of RM34.57 million. This project contributed revenue of RM7.43 million, representing 13.9% of our Group's provision of construction services segment revenue in FPE 2025; and
 - (b) Setia Eco Park Project with a contract value of RM21.68 million. This project contributed revenue of RM1.24 million, representing 2.3% of our Group's provision of construction services segment revenue in FPE 2025.

Trading of construction materials

Revenue generated from trading of construction materials segment increased by RM0.34 million or 5.1% from RM6.67 million in FPE 2024 to RM7.01 million in FPE 2025 mainly due to increase in revenue from the sale of crusher run by RM0.29 million, mainly due to higher quantity sold by 175.0% from 26,146 MT in FPE 2024 to 71,898 MT in FPE 2025. This was mainly due to increased orders from a new customer.

Provision of machineries and commercial vehicles for hire

Revenue from provision of machineries and commercial vehicles for hire segment decreased by RM0.97 million or 43.6% from RM2.23 million in FPE 2024 to RM1.26 million in FPE 2025, mainly due to lesser unutilised and available machineries and commercial vehicles for hiring purpose as we mobilised the machineries and commercial vehicles for our own use, in line with the increase in construction activities during FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)

(b) Cost of sales

(i) Analysis of cost of sales by segment

The table below sets forth the breakdown and analysis of our Group's cost of sales by business activities:

	Audited								Unaudited		Audited	
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of construction services	22,318	39.1	50,197	66.7	79,273	74.3	140,348	86.7	39,815	84.1	45,565	86.7
Trading of construction materials	20,984	36.7	18,456	24.5	18,982	17.8	15,625	9.6	5,422	11.5	5,855	11.1
Provision of machineries and commercial vehicles for hire	13,831	24.2	6,598	8.8	8,492	7.9	5,959	3.7	2,103	4.4	1,163	2.2
	57,133	100.0	75,251	100.0	106,747	100.0	161,932	100.0	47,340	100.0	52,583	100.0

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12. FINANCIAL INFORMATION (Cont'd)

(ii) Analysis of cost of sales by cost items

The table below sets forth the breakdown and analysis of our Group's cost of sales by:

	Audited								Unaudited		Audited	
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Purchases:												
- construction materials	4,503	7.9	4,610	6.1	14,718	13.8	14,436	8.9	3,926	8.3	8,487	16.1
- trading materials	12,012	21.0	11,797	15.7	14,270	13.4	6,201	3.8	2,452	5.2	2,928	5.6
Subcontractor cost	5,085	8.9	22,703	30.2	31,765	29.7	73,737	45.6	17,782	37.6	16,719	31.8
Diesel and petrol	5,689	10.0	10,612	14.1	14,343	13.4	19,838	12.3	7,548	15.9	6,640	12.6
Hiring of machineries and commercial vehicles	3,326	5.8	3,082	4.1	5,638	5.3	10,987	6.8	4,164	8.8	3,703	7.1
Depreciation	10,225	17.9	9,030	12.0	10,335	9.7	13,032	8.0	4,093	8.6	4,591	8.7
Staff cost	6,382	11.2	3,035	4.0	4,257	4.0	7,488	4.6	2,321	4.9	2,945	5.6
Upkeep of machineries and motor vehicles	7,971	13.9	5,471	7.3	5,252	4.9	6,805	4.2	2,169	4.6	3,112	5.9
Direct labour cost	301	0.5	1,028	1.4	2,097	2.0	846	0.5	370	0.8	378	0.7
Others ⁽¹⁾	1,639	2.9	3,883	5.1	4,072	3.8	8,562	5.3	2,515	5.3	3,080	5.9
	57,133	100.0	75,251	100.0	106,747	100.0	161,932	100.0	47,340	100.0	52,583	100.0

Note:

⁽¹⁾ Mainly consists of transportation charges, insurance and road tax.

The main components of our cost of sales are purchases of construction and trading materials, subcontractor cost, diesel and petrol consumed, depreciation of PPE, staff cost and upkeep cost, which collectively accounted for 86.3% to 90.8% of our total cost of sales for FYE 2021 to 2024 and FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2021 and FYE 2022

Our Group's total cost of sales increased by RM18.12 million or 31.7% from RM57.13 million in FYE 2021 to RM75.25 million in FYE 2022. The increase was mainly driven by higher subcontractor cost as well as diesel and petrol cost by RM17.61 million and RM4.92 million respectively, in line with the overall increase in construction activities during FYE 2022. Such increase was partially offset by the decrease in staff cost and upkeep cost by RM3.35 million and RM2.50 million respectively.

Provision of construction services

Cost from provision of construction services segment increased by RM27.88 million or 124.9% from RM22.32 million in FYE 2021 to RM50.20 million in FYE 2022, mainly in line with the increase in construction activities from our ongoing projects as well as new projects commenced during the financial year. The overall increase was mainly attributable to the following cost items:

- (i) increase in subcontractor cost by RM17.61 million or 346.0% from RM5.09 million in FYE 2021 to RM22.70 million in FYE 2022;
- (ii) increase in diesel and petrol cost by RM6.41 million or 348.4% from RM1.84 million in FYE 2021 to RM8.25 million in FYE 2022; and
- (iii) Depreciation of machineries and commercial vehicles are allocated among all 3 business segments based on actual usage. In line with the increase in construction activities during the financial year, higher number of machineries and commercial vehicles were used in the provision of construction services segment. This resulted in the increase in allocation of depreciation of machineries and commercial vehicles by RM3.25 million or 172.9% from RM1.88 million in FYE 2021 to RM5.13 million in FYE 2022.

However, the overall increase in the cost of sales for provision of construction services segment was partially offset by the decrease in staff cost by RM1.74 million or 53.9% mainly due to the decrease in headcount of our construction site workers from 79 site workers in FYE 2021 to 28 site workers in FYE 2022. In order to ease the management of construction site workers, our Group decided to mainly outsource the construction labour works while retaining staff for site supervision.

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12. FINANCIAL INFORMATION (Cont'd)

Trading of construction materials

Cost from trading of construction materials segment decreased by RM2.52 million or 12.0% from RM20.98 million in FYE 2021 to RM18.46 million in FYE 2022 mainly due to the net savings arising from the appointment of Premium Integrity to partially manage the delivery of our construction materials to the customer's location which commenced from third quarter of FYE 2022 onwards. While Premium Integrity charged our Group transportation charges of RM1.30 million during FYE 2022, this arrangement enabled our Group to maintain lesser tipper trucks within the trading of construction materials segment and hence, resulted in the overall decrease in the following corresponding costs:

- (i) decrease in diesel and petrol cost by RM0.60 million or 29.6% from RM2.03 million in FYE 2021 to RM1.43 million in FYE 2022;
- (ii) decrease in upkeep cost by RM1.31 million or 85.6% from RM1.53 million in FYE 2021 to RM0.22 million in FYE 2022; and
- (iii) decrease in allocated depreciation cost by RM0.66 million or 52.8% from RM1.25 million in FYE 2021 to RM0.59 million in FYE 2022 as the depreciation of tipper trucks hired to Premium Integrity are reallocated to the provision of machineries and commercial vehicles for hire segment.

In addition to the above, our hiring of tipper trucks cost from other third-party service provider has also decreased by RM0.58 million or 47.2% from RM1.23 million in FYE 2021 to RM0.65 million in FYE 2022 in line with the decrease in our revenue from trading of construction materials segment.

Provision of machineries and commercial vehicles for hire

Cost from provision of machineries and commercial vehicles for hire segment decreased by RM7.23 million or 52.3% from RM13.83 million in FYE 2021 to RM6.60 million in FYE 2022 in line with the overall decrease in hiring revenue. As most of our Group's machineries and commercial vehicles were mainly used for our own construction projects, lesser machineries and commercial vehicles were available for this segment. Hence, the decrease in cost was mainly attributable to the following cost items:

- (i) decrease in diesel and petrol cost by RM0.88 million or 48.4% from RM1.82 million in FYE 2021 to RM0.94 million in FYE 2022;
- (ii) decrease in upkeep cost by RM1.70 million or 53.3% from RM3.19 million in FYE 2021 to RM1.49 million in FYE 2022;
- (iii) decrease in allocated depreciation cost of RM3.79 million or 53.4% from RM7.10 million in FYE 2021 to RM3.31 million in FYE 2022 due to lesser machineries and commercial vehicles for this segment; and
- (iv) decrease in staff cost by RM0.82 million or 95.3% from RM0.86 million in FYE 2021 to RM0.04 million in FYE 2022 mainly due to the reallocation of certain maintenance and repair staff to support our provision of construction services segment.

12. FINANCIAL INFORMATION *(Cont'd)*

Comparison between FYE 2022 and FYE 2023

Our Group's total cost of sales increased further by RM31.50 million or 41.9% from RM75.25 million in FYE 2022 to RM106.75 million in FYE 2023, mainly driven by higher purchases of materials, subcontractor cost as well as diesel and petrol cost by RM12.58 million, RM9.07 million and RM3.73 million respectively in line with the overall increase in construction activities during FYE 2023.

Provision of construction services

Cost from provision of construction services segment increased by RM29.07 million or 57.9% from RM50.20 million in FYE 2022 to RM79.27 million in FYE 2023 in line with the increase in construction activities from our ongoing projects as well as new projects commenced during the financial year. The overall increase in cost was mainly attributable to the following cost items:

- (i) increase in purchase of construction materials by RM10.11 million or 219.3% from RM4.61 million in FYE 2022 to RM14.72 million in FYE 2023 mainly due to a few projects namely, UMW Package 3 Project, Rumah Keluarga Project, Bidor Solar PV Project, Cyberjaya Earthwork Project and UMW Package 8 Project which requires a large amount of red earth, crusher run and coarse sand;
- (ii) increase in subcontractor cost by RM9.07 million or 40.0% from RM22.70 million in FYE 2022 to RM31.77 million in FYE 2023; and
- (iii) increase in diesel and petrol cost by RM3.67 million or 44.5% from RM8.25 million in FYE 2022 to RM11.92 million in FYE 2023.

Trading of construction materials

Cost from trading of construction materials segment increased marginally by RM0.52 million or 2.8% from RM18.46 million in FYE 2022 to RM18.98 million in FYE 2023. The increase was mainly due to higher purchases of trading materials by RM2.47 million or 20.9% from RM11.80 million in FYE 2022 to RM14.27 million in FYE 2023 in line with the overall increase in demand for construction materials.

Nevertheless, as the delivery of our construction materials is mainly outsourced to Premium Integrity, the increase in our purchase cost was offset by the decrease in the following cost items mainly arising from a full year of outsourcing of our tipper trucks to Premium Integrity:

- (i) decrease in diesel and petrol cost by RM0.90 million or 62.9% from RM1.43 million in FYE 2022 to RM0.53 million in FYE 2023;
- (ii) decrease in hiring cost by RM0.54 million or 83.1% from RM0.65 million in FYE 2022 to RM0.11 million in FYE 2023; and
- (iii) decrease in allocated depreciation cost by RM0.35 million or 59.3% from RM0.59 million in FYE 2022 to RM0.24 million in FYE 2023.

12. FINANCIAL INFORMATION *(Cont'd)*

Provision of machineries and commercial vehicles for hire

Cost from provision of machineries and commercial vehicles for hire segment increased by RM1.89 million or 28.6% from RM6.60 million in FYE 2022 to RM8.49 million in FYE 2023 mainly in line with the overall increase in hiring revenue by 37.1% during the financial year. The overall increase in cost was mainly attributable to the following cost items:

- (i) increase in diesel and petrol cost by RM0.95 million or 101.1% from RM0.94 million in FYE 2022 to RM1.89 million in FYE 2023; and
- (ii) increase in allocated depreciation cost of RM1.15 million or 34.7% from RM3.31 million in FYE 2022 to RM4.46 million in FYE 2023 mainly driven by the increase in hiring capacity due to higher number of unutilised and available older machineries and commercial vehicles available for this segment as newer machineries and commercial vehicles that we purchased are deployed for our own construction projects.

The overall increase in cost was offset by a decrease in upkeep cost by RM0.33 million or 22.1% from RM1.49 million in FYE 2022 to RM1.16 million in FYE 2023 as our Group had traded in 41 used machineries and commercial vehicles to purchase new ones. Our Group was able to decrease the upkeep cost as new machineries and commercial vehicles generally require lesser upkeep and maintenance.

Comparison between FYE 2023 and FYE 2024

The increase in total cost of sales by RM55.18 million or 51.7% from RM106.75 million in FYE 2023 to RM161.93 million in FYE 2024 are mainly driven by higher subcontractor cost, diesel and petrol, hiring of machineries and commercial vehicles as well as staff cost by RM41.97 million, RM5.50 million, RM5.35 million and RM3.23 million respectively, in line with the overall increase in construction activities during FYE 2024.

Provision of construction services

Cost from provision of construction services segment increased by RM61.08 million or 77.1% from RM79.27 million in FYE 2023 to RM140.35 million in FYE 2024 in line with the higher level of construction activities of our ongoing projects during the financial year. The overall increase in cost was mainly attributable to the following cost items:

- (i) increase in subcontractor cost by RM41.97 million or 132.1% from RM31.77 million in FYE 2023 to RM73.74 million in FYE 2024 mainly due to higher construction activities from LRT Line 3 Project and Sungai Long Project which increased by RM30.89 million and RM8.96 million respectively. The increase is attributed to the recognition of a full year of construction activities in FYE 2024, as both projects commenced during FYE 2023;
- (ii) increase in diesel and petrol cost by RM5.46 million or 45.8% from RM11.92 million in FYE 2023 to RM17.38 million in FYE 2024;

12. FINANCIAL INFORMATION (Cont'd)

- (iii) increase in hiring cost by RM5.35 million or 96.7% from RM5.53 million in FYE 2023 to RM10.88 million in FYE 2024 mainly arising from UMW Package 10 Project and LRT Line 3 Project as we rented additional machineries and commercial vehicles to speed up our construction progress towards the completion stage; and
- (iv) increase in staff cost by RM2.93 million or 81.6% from RM3.59 million in FYE 2023 to RM6.52 million in FYE 2024 due to recruitment of 59 additional staff for our project department progressively during FYE 2023, where full year of staff cost for the additional staff was recognised in FYE 2024.

Trading of construction materials

Cost from trading of construction materials segment decreased by RM3.35 million or 17.7% from RM18.98 million in FYE 2023 to RM15.63 million in FYE 2024 mainly due to lower quantity and average purchase price of red earth. The reduction in quantity of red earth purchased was in line with the decrease in sale of red earth, while the lower average purchase price of red earth was mainly due to change in supplier which offered a more competitive price. Overall, the quantity of red earth purchased reduced from 2,237,919 MT in FYE 2023 to 1,531,542 MT in FYE 2024, whilst the average purchase price inclusive of transportation cost reduced from RM5.86 per MT in FYE 2023 to RM5.12 per MT in FYE 2024.

Provision of machineries and commercial vehicles for hire

Cost from provision of machineries and commercial vehicles for hire segment decreased by RM2.53 million or 29.8% from RM8.49 million in FYE 2023 to RM5.96 million in FYE 2024 mainly in line with the overall decrease in hiring revenue by 29.7% during the financial year. The overall decrease in cost was mainly attributable to decrease in the following cost items in line with lesser number of machineries and commercial vehicles available for hire:

- (i) decrease in diesel and petrol cost by RM1.06 million or 56.1% from RM1.89 million in FYE 2023 to RM0.83 million in FYE 2024;
- (ii) decrease in allocated depreciation cost by RM0.79 million or 17.7% from RM4.46 million in FYE 2023 to RM3.67 million in FYE 2024;
- (iii) decrease in upkeep cost by RM0.40 million or 34.5% from RM1.16 million in FYE 2023 to RM0.76 million in FYE 2024; and
- (iv) decrease in direct labour cost by RM0.20 million or 36.4% from RM0.55 million in FYE 2023 to RM0.35 million in FYE 2024.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FPE 2024 and FPE 2025

Our Group's total cost of sales increased by RM5.24 million or 11.1% from RM47.34 million in FPE 2024 to RM52.58 million in FPE 2025, mainly driven by higher purchases of materials, upkeep cost and staff cost by RM5.04 million, RM0.94 million and RM0.62 million respectively in line with the overall increase in construction activities during FPE 2025.

Provision of construction services

Cost from provision of construction services segment increased by RM5.75 million or 14.4% from RM39.82 million in FPE 2024 to RM45.57 million in FPE 2025 in line with the higher level of construction activities of our ongoing projects as well as new projects commenced during the financial period. The overall increase in cost was mainly attributable to the following cost items:

- (i) increase in purchase of construction materials by RM4.56 million or 116.0% from RM3.93 million in FPE 2024 to RM8.49 million in FPE 2025 mainly due to a few projects, such as Setia Alaman Project and LRT Line 3 Project which requires a large amount of crusher run, red earth and concrete; and
- (ii) increase in upkeep cost by RM1.02 million or 58.6% from RM1.74 million in FPE 2024 to RM2.76 million in FPE 2025 mainly arising from additional usage of own commercial vehicles and machineries in Sungai Long Project and UMW Package 10 Project.

Trading of construction materials

Cost from trading of construction materials segment increased marginally by RM0.44 million or 8.1% from RM5.42 million in FPE 2024 to RM5.86 million in FPE 2025 mainly due to:

- (i) the increase in purchases of trading materials by RM0.48 million or 19.6% from RM2.45 million in FPE 2024 to RM2.93 million in FPE 2025 in line with the overall increase in demand for crusher run; and
- (ii) increase in machinery-related costs such as allocation depreciation cost, diesel and petrol cost, upkeep cost, direct labour cost as well as insurance and road tax cost collectively by RM0.71 million or 70.3% from RM1.01 million in FPE 2024 to RM1.72 million in FPE 2025 due to higher machinery usage to load trading materials onto tipper trucks prior to delivery by Premium Integrity.

Despite an increase in revenue from trading of construction materials segment, we incurred lower transportation charges by RM0.79 million mainly due to reduced total delivery distance covered by Premium Integrity during FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)

Provision of machineries and commercial vehicles for hire

Cost from provision of machineries and commercial vehicles for hire segment decreased by RM0.94 million or 44.7% from RM2.10 million in FPE 2024 to RM1.16 million in FPE 2025 mainly in line with the overall decrease in hiring revenue by 43.6% during the financial period. The overall decrease in cost was mainly attributable to decrease in the following cost items in line with lesser number of machineries and commercial vehicles available for hire:

- (i) decrease in allocated depreciation cost by RM0.32 million or 27.1% from RM1.18 million in FPE 2024 to RM0.86 million in FPE 2025;
- (ii) decrease in diesel and petrol cost by RM0.24 million or 70.6% from RM0.34 million in FPE 2024 to RM0.10 million in FPE 2025;
- (iii) decrease in upkeep cost by RM0.22 million or 71.0% from RM0.31 million in FPE 2024 to RM0.09 million in FPE 2025; and
- (iv) decrease in direct labour cost by RM0.16 million.

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12. FINANCIAL INFORMATION (Cont'd)

(c) GP and GP margin

On a combined basis, our Group's GP and GP margin for the financial years/ periods under review were analysed as follows:

Analysis of GP and GP margin by segment

The table below sets forth the breakdown and analysis of our Group's GP by business activities:

	Audited								Unaudited		Audited	
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	GP		GP		GP		GP		GP		GP	
	GP	margin	GP	margin	GP	margin	GP	margin	GP	margin	GP	margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of construction services	2,878	11.4	5,595	10.0	13,695	14.7	22,486	13.8	6,912	14.8	8,042	15.0
Trading of construction materials	3,114	12.9	1,997	9.8	2,454	11.4	3,691	19.1	1,250	18.7	1,152	16.4
Provision of machineries and commercial vehicles for hire	6,731	32.7	28	0.4	598	6.6	432	6.8	122	5.5	93	7.4
	12,723	18.2	7,620	9.2	16,747	13.6	26,609	14.1	8,284	14.9	9,287	15.0

Comparison between FYE 2021 and FYE 2022

Our overall GP decreased by RM5.10 million or 40.1% from RM12.72 million in FYE 2021 to RM7.62 million in FYE 2022 while our overall GP margin decreased by 9.0% from 18.2% in FYE 2021 to 9.2% in FYE 2022. The overall decrease in our GP and GP margin was mainly due to lower profitability derived from both our trading of construction materials segment and provision of machineries and commercial vehicles for hire segment.

Provision of construction services

Our GP and GP margin from provision of construction services segment are dependent on our overall project mix during the financial year. We price our construction projects based on cost estimates taking into consideration the complexity and scale of the project and as such, our GP and GP margin are also dependent on the accuracy of our cost estimates.

12. FINANCIAL INFORMATION (Cont'd)

In addition, our GP and GP margin may fluctuate throughout our project period due to variation orders as well as when there is a need to revise our cost estimates. Such fluctuations are generally more significant towards the completion of the project when we can estimate our cost more accurately.

GP from provision of construction services segment increased by RM2.72 million or 94.4% from RM2.88 million in FYE 2021 to RM5.60 million in FYE 2022 in line with the overall increase in construction activities as our Group secured more projects during the financial year.

However, despite an increase in project revenue recognised, the overall GP margin by projects secured were generally lower as compared to the previous financial year in order to remain competitive when bidding for a few new major projects such as UMW Package 3 Project and UMW Package 8 Project and Hillpark 4 Project. Overall, our GP margin from provision of construction services segment decreased from 11.4% in FYE 2021 to 10.0% in FYE 2022.

Trading of construction materials

GP derived from trading of construction materials segment decreased by RM1.11 million or 35.7% from RM3.11 million in FYE 2021 to RM2.00 million in FYE 2022, while our GP margin decreased from 12.9% in FYE 2021 to 9.8% in FYE 2022. The overall decrease in our GP and GP margin was mainly attributable to:

- (i) decrease in our trading revenue by 15.1% mainly due to lower quantity of coarse sand sold; and
- (ii) increase in trading material price as the average purchase price of red earth for our Group normalised during the financial year. Our Group enjoyed an overall reduction in the average purchase price of red earth from excess red earth excavated from a few cut and fill projects undertaken in FYE 2021. The excavated red earth were provided to our Group at no cost as the project owner would otherwise incur additional cost to dispose than from the project site as they were not used for the filling process. As there were no similar arrangement during FYE 2022, our average purchase price of red earth per MT increased by 17.3% from RM4.21 per MT in FYE 2021 to RM4.94 per MT in FYE 2022.

Provision of machineries and commercial vehicles for hire

GP derived from provision of machineries and commercial vehicles for hire segment decreased significantly by RM6.70 million or 99.6% from RM6.73 million in FYE 2021 to RM0.03 million in FYE 2022 mainly attributable to the substantial decrease in hiring revenue by RM13.93 million or 67.8% as we shifted our focus to expand our provision of construction services segment in FYE 2022 and utilised our machineries and commercial vehicles for our own projects.

In line with the decrease in hiring revenue, our GP margin also decreased from 32.7% in FYE 2021 to only 0.4% in FYE 2022 mainly due to the lack of economies of scale as we continued to incur semi variable costs such as depreciation and upkeep cost despite the significant decrease in hiring revenue, leading to the semi variable cost incurred being spread over a smaller revenue base.

12. FINANCIAL INFORMATION (Cont'd)

The decrease in GP margin was also partially contributed by the increase in average idle rate of our machineries allocated to this business segment during FYE 2022 as the depreciation for idle machineries are still allocated to this business segment. Despite the growth in our provision of construction services segment during this transition year, we still had sufficient capacity to cater for both the provision of construction services segment and the provision of machineries and commercial vehicles for hire segment. In addition to the depreciation for idle machineries, we also continue to incur upkeep cost to ensure our machineries and commercial vehicles are in good condition. Total depreciation and upkeep cost represented 50.0% and 72.5% of our total hiring revenue in FYE 2021 and FYE 2022 respectively.

Comparison between FYE 2022 and FYE 2023

Our overall GP increased by RM9.13 million or 119.8% from RM7.62 million in FYE 2022 to RM16.75 million in FYE 2023, while our GP margin increased from 9.2% in FYE 2022 to 13.6% in FYE 2023. The overall increase in our GP and GP margin was mainly due to higher profitability recorded from all 3 business segments during the financial year.

Provision of construction services

GP derived from provision of construction services segment increased by RM8.10 million or 144.6% from RM5.60 million in FYE 2022 to RM13.70 million in FYE 2023, while our GP margin increased from 10.0% in FYE 2022 to 14.7% in FYE 2023. The increase in our GP margin in FYE 2023 was mainly due to:

- (i) revision in budgeted cost for the following completed or nearing completion projects as the actual cost incurred was lower than our previous budgeted cost:
 - (a) Hulu Selangor Project;
 - (b) Hillpark 4 Project; and
 - (c) Bidor Solar PV Project.

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12. FINANCIAL INFORMATION (Cont'd)

- (ii) variation in the initial project job scope and/or additional variation orders secured for the following projects which led to an overall higher GP margin as compared to the initial margin:
 - (a) Tanjung Industrial Area Project;
 - (b) UMW Package 3 Project;
 - (c) UMW Package 8 Project; and
 - (d) Taman Beverly Heights Project.
- (iii) higher GP margin mainly from Sungai Long Project, Central Spine Road Project and Bandar Serendah Project secured during FYE 2023. These projects have a higher average GP margin ranging from 15% to 17% as compared to the overall GP margin of 10% in FYE 2022 mainly due to:
 - (a) Cost savings arising from the use of new machineries and commercial vehicles for Sungai Long Project and Central Spine Road Project, resulting from lower consumption of diesel and petrol, as well as higher efficiency due to lesser downtime; and
 - (b) Location of Bandar Serendah Project within close proximity to the UMW Package 8 Project. Hence, our Group incurred lower cost to mobilise our machineries and commercial vehicles.

Trading of construction materials

GP derived from trading of construction materials segment increased by RM0.45 million or 22.5% from RM2.00 million in FYE 2022 to RM2.45 million in FYE 2023, while our GP margin increased from 9.8% in FYE 2022 to 11.4% in FYE 2023. The overall increase in our GP margin was mainly attributable to cost savings arising from fully outsourcing our transportation requirements to Premium Integrity, resulting in the overall decrease in diesel and petrol cost as well as allocated depreciation cost.

Provision of machineries and commercial vehicles for hire

GP derived from provision of machineries and commercial vehicles for hire segment increased by RM0.57 million from RM0.03 million in FYE 2022 to RM0.60 million in FYE 2023, while our GP margin increased from 0.4% in FYE 2022 to 6.6% in FYE 2023.

The overall increase in our GP and GP margin was mainly attributable to the overall increase in revenue from hiring activity by RM2.46 million or 37.1% as well as cost saving from an overall decrease in upkeep cost as our Group had traded in 41 used machineries and commercial vehicles to purchase new ones in FYE 2023 which generally require lesser upkeep and maintenance.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2023 and FYE 2024

Our overall GP increased by RM9.86 million or 58.9% from RM16.75 million in FYE 2023 to RM26.61 million in FYE 2024, while our GP margin increased from 13.6% in FYE 2023 to 14.1% in FYE 2024. The overall increase in our GP was mainly due to the higher level of construction activities of our Group's ongoing projects. Meanwhile, the overall increase in our GP margin was mainly due to higher profitability recorded from our trading of construction materials segment.

Provision of construction services

GP derived from provision of construction services segment increased by RM8.79 million or 64.2% from RM13.70 million in FYE 2023 to RM22.49 million in FYE 2024 in line with the overall increase in construction activities during the financial year. However, our GP margin decreased by 0.9% from 14.7% in FYE 2023 to 13.8% in FYE 2024 mainly due to:

- (i) revision in budgeted cost for Hillpark 4 Project due to renegotiation of subcontractor cost as we decided to pass on additional scope of work to the same subcontractor, which was initially intended to be assigned to another subcontractor as it was more cost effective. As the changes in estimated profit are adjusted prospectively, any under-recognition of estimated profit from previous financial years are accounted for collectively during FYE 2023, resulting in a higher overall estimated GP margin in FYE 2023. The estimated GP margin from the project was subsequently normalised in FYE 2024 (reflecting the revised estimated GP margin based on the revised project estimates) which resulted in the slight decrease in our GP margin in FYE 2024; and
- (ii) higher actual subcontractor costs incurred following the finalisation of the accounts with our customers for 2 completed projects, namely Taman Beverly Heights Project and Hulu Selangor Project.

Trading of construction materials

GP derived from trading of construction materials segment increased by RM1.24 million or 50.6% from RM2.45 million in FYE 2023 to RM3.69 million in FYE 2024, while our GP margin increased from 11.4% in FYE 2023 to 19.1% in FYE 2024. The overall increase in our GP and GP margin was mainly attributable to the lower purchase price of red earth sourced from an alternative supplier during FYE 2024.

Provision of machineries and commercial vehicles for hire

GP derived from provision of machineries and commercial vehicles for hire segment decreased by RM0.17 million or 28.3% from RM0.60 million in FYE 2023 to RM0.43 million in FYE 2024. Our GP margin remained fairly consistent at 6.8% in FYE 2024 as compared to 6.6% in FYE 2023.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FPE 2024 and FPE 2025

Our overall GP increased by RM1.01 million or 12.2% from RM8.28 million in FPE 2024 to RM9.29 million in FPE 2025, while our GP margin increased marginally from 14.9% in FPE 2024 to 15.0% in FPE 2025. The overall increase in our GP was mainly due to the higher level of construction activities of our Group's ongoing projects as well as commencement of new projects. Meanwhile, the marginal increase in our GP margin was mainly due to higher profitability recorded from our provision of construction services segment and provision of machineries and commercial vehicles for hire segment.

Provision of construction services

GP derived from provision of construction services segment increased by RM1.13 million or 16.4% from RM6.91 million in FPE 2024 to RM8.04 million in FPE 2025 in line with the overall increase in our construction activities during the financial period. The increase in our GP margin was mainly due to:

- (i) revision in budgeted cost for LRT Line 3 Project due to lower actual cost incurred as compared to initial budgeted cost as we incurred lower actual preliminary expenses as well as lower raw material purchases; and
- (ii) additional variation orders secured for UMW Package 8 Project which led to an overall higher GP margin as compared to the initial project margin.

Trading of construction materials

GP derived from trading of construction materials segment decreased by RM0.10 million or 8.0% from RM1.25 million in FPE 2024 to RM1.15 million in FPE 2025, while our GP margin decreased from 18.7% in FPE 2024 to 16.4% in FPE 2025. The overall decrease in our GP and GP margin was mainly attributable to higher purchase costs of trading materials during FPE 2025 in line with the overall increase in demand for crusher run.

Provision of machineries and commercial vehicles for hire

GP derived from provision of machineries and commercial vehicles for hire segment decreased by RM0.03 million or 25.0% from RM0.12 million in FPE 2024 to RM0.09 million in FPE 2025 in line with the decrease in our hiring revenue. However, our GP margin increased by 1.9% from 5.5% in FPE 2024 to 7.4% in FPE 2025, mainly arising from the overall decrease in depreciation, diesel and petrol, as well as upkeep cost in line with lesser number of unutilised and available machineries and commercial vehicles.

12. FINANCIAL INFORMATION (Cont'd)

(d) Other income

	Audited								Unaudited		Audited	
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Gain on disposal of PPE	860	59.4	769	14.3	1,984	73.2	417	47.7	227	53.2	-	-
Gain on disposal of investment properties	108	7.5	3,857	71.9	-	-	-	-	-	-	-	-
Administrative fee ⁽¹⁾	36	2.4	449	8.4	223	8.2	206	23.6	133	31.1	222	99.6
Gain on disposal of an associate company	-	-	-	-	252	9.3	-	-	-	-	-	-
Insurance compensation ⁽⁴⁾	108	7.5	(2)-	(3)-	247	9.1	232	26.5	57	13.4	-	-
Rental income	205	14.2	156	2.9	-	-	-	-	-	-	-	-
Wages subsidy	127	8.8	127	2.4	-	-	-	-	-	-	-	-
Others ⁽⁵⁾	3	0.2	4	0.1	5	0.2	19	2.2	10	2.3	1	0.4
	1,447	100.0	5,362	100.0	2,711	100.0	874	100.0	427	100.0	223	100.0

Notes:

- (1) Relates to administrative cost charged to our subcontractors for assisting to purchase construction materials on their behalf, mainly steel bars, concrete as well as other construction materials such as cement and aggregates.
- (2) Represents less than RM1,000.
- (3) Represents less than 0.1%.
- (4) Relates to the compensation received for damaged machineries and commercial vehicles.
- (5) Mainly consists of gain on remeasurement of lease liability, unwinding of interest arising from keyman insurance policy and interest income.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2021 and FYE 2022

Our other income increased by RM3.91 million or 269.7% from RM1.45 million in FYE 2021 to RM5.36 million in FYE 2022. The increase was mainly due to an one-off gain on disposal of investment properties amounting to RM3.86 million, relating to 2 freehold lands together with semi-detached factories located at Semenyih, Selangor.

Comparison between FYE 2022 and FYE 2023

Our other income decreased by RM2.65 million or 49.4% from RM5.36 million in FYE 2022 to RM2.71 million in FYE 2023. The decrease was mainly due to:

- (i) non-recurrence of gain on disposal of investment properties amounting to RM3.86 million which we recorded in FYE 2022; and
- (ii) decrease in rental income by RM0.16 million as the 2 freehold lands together with semi-detached factories located at Semenyih, Selangor were disposed in FYE 2022.

Nevertheless, the overall decrease was offset by the following:

- (i) gain on disposal of PPE by RM1.21 million mainly arising from the disposal of 41 units of machineries and commercial vehicles; and
- (ii) gain on disposal of an associate company of RM0.25 million which relates to the disposal of 30.0% equity interest in LASB. Further details on the disposal are set out in Section 6.5(j).

Comparison between FYE 2023 and FYE 2024

Our other income decreased by RM1.84 million or 67.9% from RM2.71 million in FYE 2023 to RM0.87 million in FYE 2024 mainly due to lower gain on disposal of PPE by RM1.57 million. Gain on disposal of PPE amounting to RM0.42 million during FYE 2024 were mainly due to the disposal of 7 machineries and commercial vehicles.

The decrease in other income was also partially due to the non-recurrence of gain on disposal of an associate company of RM0.25 million which relates to the disposal of 30.0% equity interest in LASB during FYE 2023.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FPE 2024 and FPE 2025

Our other income decreased by RM0.21 million or 48.8% from RM0.43 million in FPE 2024 to RM0.22 million in FPE 2025 mainly due to:

- (i) non-recurrence of gain on disposal of PPE amounting to RM0.23 million which was recorded in FPE 2024; and
- (ii) non-recurrence of insurance compensation amounting to RM0.06 million which was recorded in FPE 2024.

Nevertheless, the overall decrease was offset by the increase in administrative fee charged to our subcontractors by RM0.09 million.

(e) Net impairment gain/loss on financial assets

At each financial year end, our Group assesses the credit risk associated with our trade receivables by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. Any impairment from previous financial year will be reversed in the following financial year when the credit quality of the financial asset improves.

Our Group recognised a net impairment gain on financial assets of RM0.05 million, RM0.46 million and RM0.06 million in FYE 2021, FYE 2022 and FYE 2023 respectively as the initial impairment provided on trade receivables was subsequently reversed upon collections received from the said customers. However, we recorded a net impairment loss on financial assets of RM0.41 million and RM0.15 million during FYE 2024 and FPE 2025 respectively due to higher impairment recognised for long outstanding debts mainly arising from our customers in the provision of construction services segment.

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12. FINANCIAL INFORMATION (Cont'd)

(f) Administrative expenses

	Audited								Unaudited		Audited	
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs	1,678	47.7	2,724	49.5	3,438	52.3	3,653	42.8	1,020	45.9	924	35.9
Directors' remuneration	1,065	30.3	560	10.2	1,048	16.0	1,405	16.5	359	16.2	195	7.6
Depreciation	214	6.1	210	3.8	423	6.4	652	7.7	218	9.8	184	7.1
Professional fees	40	1.1	475	8.6	174	2.7	917	10.7	123	5.5	696	27.0
Administrative services ⁽¹⁾	-	-	361	6.6	39	0.6	1	(4)-	1	(4)-	-	-
Audit fee	39	1.1	48	0.9	77	1.2	155	1.8	38	1.7	55	2.1
Commission ⁽²⁾	4	0.1	175	3.2	-	-	-	-	-	-	-	-
Entertainment	12	0.4	69	1.3	112	1.7	121	1.4	12	0.5	71	2.8
Insurance and road tax	45	1.3	47	0.8	80	1.2	67	0.8	22	1.0	-	-
Office expenses	98	2.8	88	1.6	116	1.8	131	1.5	34	1.5	58	2.2
Stamp duty and documentation fees	36	1.0	179	3.3	216	3.3	383	4.5	84	3.8	35	1.4
Subscription fee	-	-	2	(4)-	128	1.9	77	0.9	61	2.8	13	0.5
Travelling, toll and parking	76	2.2	89	1.6	145	2.2	109	1.3	41	1.8	53	2.1
Upkeep expenses	141	4.0	204	3.7	298	4.5	311	3.7	117	5.3	111	4.3
Others ⁽³⁾	68	1.9	268	4.9	276	4.2	545	6.4	92	4.2	179	7.0
	3,516	100.0	5,499	100.0	6,570	100.0	8,527	100.0	2,222	100.0	2,574	100.0

Notes:

- (1) Mainly relates to LASB and WISB's staff cost for administrative services rendered to our Group's project and contract department which was discontinued after the divestment of WISB Shareholders and disposal of LASB by WDSB on 14 November 2022 and 15 June 2023 respectively.
- (2) Relates to commission payable to introducer for the introduction of suppliers to our Group for FYE 2021 and for the introduction of the purchase for the disposal of 2 freehold lands together with semi-detached factories located at Semenyih, Selangor in FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)

- (3) Mainly consists of advertising and promotion, gifts and donation, overdue interest for late payment of hire purchase facilities, late payment penalty charges by suppliers/subcontractors, sales and service tax as well as quit rent and assessment, each representing not more than 1.0% of our total administrative expenses.
- (4) Representing less than 0.1%.

Comparison between FYE 2021 and FYE 2022

Administrative expenses increased by RM1.98 million or 56.3% from RM3.52 million in FYE 2021 to RM5.50 million in FYE 2022. The increase was mainly due to the following:

- (i) increase in staff costs by RM1.04 million or 61.9% from RM1.68 million in FYE 2021 to RM2.72 million in FYE 2022 mainly due to the recruitment of 13 additional staff for various departments such as project, contract, human resource and administration as well as finance departments. In addition, the increase was also attributed to the annual increment and accrued performance incentives amounting to RM0.30 million;
- (ii) increase in professional fees by RM0.44 million from RM0.04 million in FYE 2021 to RM0.48 million in FYE 2022. The increase was mainly due to legal fee incurred for the preparation of banking facilities application documentation and other professional fees amounting to RM0.18 million and RM0.24 million respectively;
- (iii) increase in administrative services by RM0.36 million in FYE 2022 mainly relating to administrative services sourced from LASB and WISB to our Group's project and contract departments to support the relevant ongoing projects; and
- (iv) increase in commission by RM0.17 million due to one-off commission payable to introducer for the disposal of 2 freehold lands together with semi-detached factories located at Semenyih, Selangor.

The overall increase was partially offset by decrease in directors' remuneration by RM0.51 million or 47.7% from RM1.07 million in FYE 2021 to RM0.56 million in FYE 2022 mainly attributable to the decrease in directors' fee in view of the lower profit from operations recorded by our Group during the financial year.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2022 and FYE 2023

Administrative expenses increased by RM1.07 million or 19.5% from RM5.50 million in FYE 2022 to RM6.57 million in FYE 2023. The increase was mainly due to the following:

- (i) increase in staff costs by RM0.72 million or 26.5% from RM2.72 million in FYE 2022 to RM3.44 million in FYE 2023 mainly due to annual salary increment and performance incentives paid amounting to RM0.34 million. The overall increase in staff cost was also due to the recruitment of 4 additional staff for our Group's contract and finance departments;
- (ii) increase in directors' remuneration by RM0.49 million or 87.5% from RM0.56 million in FYE 2022 to RM1.05 million in FYE 2023 mainly due to additional incentives such as performance incentives provided to our Directors; and
- (iii) increase in depreciation by RM0.21 million or 100.0% from RM0.21 million in FYE 2022 to RM0.42 million in FYE 2023 mainly due to the purchase of additional computers and motor vehicles.

Nevertheless, the overall increase was offset by decreases in the following:

- (i) administrative services by RM0.32 million mainly due to lesser administrative services sourced from LASB and WISB; and
- (ii) professional fees by RM0.30 million.

Comparison between FYE 2023 and FYE 2024

Administrative expenses increased by RM1.96 million or 29.8% from RM6.57 million in FYE 2023 to RM8.53 million in FYE 2024. The increase was mainly due to the following:

- (i) increase in professional fees by RM0.75 million or 441.2% from RM0.17 million in FYE 2023 to RM0.92 million in FYE 2024 mainly relating to our Listing;
- (ii) increase in directors' remuneration by RM0.36 million or 34.3% from RM1.05 million in FYE 2023 to RM1.41 million in FYE 2024 mainly due to increment on our Directors' salary as well as additional performance incentives provided to our Directors;
- (iii) increase in depreciation by RM0.23 million or 54.8% from RM0.42 million in FYE 2023 to RM0.65 million in FYE 2024 mainly due to purchase of additional motor vehicles during the second half of FYE 2023 where full year of depreciation was recognised in FYE 2024;

12. FINANCIAL INFORMATION (Cont'd)

- (iv) increase in staff costs by RM0.21 million or 6.1% from RM3.44 million in FYE 2023 to RM3.65 million in FYE 2024 mainly due to higher performance incentive paid; and
- (v) increase in stamp duty and documentation fees by RM0.16 million or 72.7% from RM0.22 million in FYE 2023 to RM0.38 million in FYE 2024 mainly arising from the preparation of banking facilities application.

Comparison between FPE 2024 and FPE 2025

Administrative expenses increased by RM0.35 million or 15.8% from RM2.22 million in FPE 2024 to RM2.57 million in FPE 2025. The increase was mainly due to the increase in professional fees by RM0.58 million or 483.3% from RM0.12 million in FPE 2024 to RM0.70 million in FPE 2025 mainly relating to our Listing.

However, the overall increase was partially offset by the following:

- (i) decrease in directors' remuneration by RM0.16 million or 44.4% from RM0.36 million in FPE 2024 to RM0.20 million in FPE 2025 mainly due to the retirement of one of our Directors; and
- (ii) decrease in staff costs by RM0.10 million or 9.8% from RM1.02 million in FPE 2024 to RM0.92 million in FPE 2025 mainly due to non-recurrence of performance incentive paid to our key senior management, following the full collection from Tanjung Industrial Area Project in FPE 2024.

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12. FINANCIAL INFORMATION (Cont'd)

(g) Other operating expenses

	Audited								Unaudited		Audited	
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Depreciation of investment properties	120	92.3	36	100.0	-	-	-	-	-	-	-	-
PPE written off	10	7.7	-	-	-	-	61	100	55	100.0	-	-
Bad debt written off	-	-	-	-	52	100.0	-	-	-	-	64	100.0
	130	100.0	36	100.0	52	100.0	61	100.0	55	100.0	64	100.0

For the financial years/ periods under review, our other operating expenses mainly comprise:

- (i) depreciation of investment properties in FYE 2021 and FYE 2022 relating to the 2 freehold lands together with semi-detached factories located at Semenyih, Selangor which was subsequently disposed during FYE 2022;
- (ii) PPE written off such as PPE were damaged and non-repairable, including workshop equipment such as generator, meter, electric pump, meter diesel, camera and battery tester in FYE 2021, drone and spare parts of excavator in FYE 2024 as well as spare parts of excavator in FPE 2024; and
- (iii) bad debt written off in FYE 2023 due to the reversal of over recognised rental income from the 2 freehold lands together with semi-detached factories located at Semenyih, Selangor after it was disposed, and in FPE 2025 due to an unrecoverable amount from the disposal of machineries in prior years.

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12. FINANCIAL INFORMATION (Cont'd)

(h) Finance costs

	Audited								Unaudited		Audited	
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Lease liabilities interest	655	73.4	511	67.8	806	54.3	1,966	70.1	545	67.1	779	68.8
Borrowings interest ⁽¹⁾	177	19.9	142	18.8	378	25.4	561	20.0	175	21.6	247	21.8
Bank overdraft interest	26	2.9	68	9.0	203	13.7	128	4.6	48	5.9	43	3.8
Bank guarantee interest	34	3.8	33	4.4	98	6.6	150	5.3	44	5.4	63	5.6
	892	100.0	754	100.0	1,485	100.0	2,805	100.0	812	100.0	1,132	100.0

Note:

(1) Relates to interests from term loans, revolving credit and invoice financing facilities.

Comparison between FYE 2021 and FYE 2022

Finance costs decreased by RM0.14 million or 15.7% from RM0.89 million in FYE 2021 to RM0.75 million in FYE 2022. The decrease was attributable to the decrease in lease liabilities interest by RM0.14 million due to the expiry of tenancy agreements for 2 parcels of land for our Group to then store our idle machineries and commercial vehicles.

Comparison between FYE 2022 and FYE 2023

Finance costs increased by RM0.74 million or 98.7% from RM0.75 million in FYE 2022 to RM1.49 million in FYE 2023. The increase was due to the following:

- (i) increase in lease liabilities interest by RM0.30 million mainly arising from additional hire purchase facilities utilised amounting to RM27.36 million to finance the purchase of 65 units of machineries and commercial vehicles;
- (ii) increase in borrowings interest by RM0.24 million mainly arising from the drawdown of additional term loan facilities amounting to RM5.15 million to finance the purchase of 21 units of machineries and commercial vehicles as well as the drawdown of revolving credit;
- (iii) increase in bank overdraft interest by RM0.14 million mainly due to the higher utilisation of overdraft facilities to finance our working capital requirements; and

12. FINANCIAL INFORMATION (Cont'd)

- (iv) increase in bank guarantee interest by RM0.06 million which relates to the Sungai Long Project.

Comparison between FYE 2023 and FYE 2024

Finance costs increased by RM1.32 million or 88.6% from RM1.49 million in FYE 2023 to RM2.81 million in FYE 2024 due to:

- (i) increase in lease liabilities interest by RM1.16 million mainly arising from additional hire purchase facilities utilised amounting to RM22.28 million to mainly finance the purchase of 59 machineries and commercial vehicles; and
- (ii) increase in borrowings interest by RM0.18 million mainly arising from the drawdown of additional term loan facilities to finance the purchase of a machinery and keyman insurance as well as the drawdown of additional invoice financing for working capital purpose.

Comparison between FPE 2024 and FPE 2025

Finance costs increased by RM0.32 million or 39.5% from RM0.81 million in FPE 2024 to RM1.13 million in FPE 2025 mainly due to:

- (i) increase in lease liabilities interest by RM0.23 million mainly arising from additional hire purchase facilities utilised amounting to RM11.06 million to mainly finance the purchase of 34 machineries and commercial vehicles; and
- (ii) increase in borrowings interest by RM0.07 million mainly arising from the drawdown of additional invoice financing facilities to finance the purchase of construction materials for Setia Alaman Project.

(i) Share of profit of an equity-accounted associate, net of tax

Share of profit relates to our 30.0% equity investment in LASB. Under the equity method, our Group is entitled to recognise a share of profit from LASB in proportion to our equity investment percentage.

Our Group recognised a share of profit from LASB amounting to RM0.40 million, RM0.59 million and RM0.26 million in FYE 2021, FYE 2022 and FYE 2023 respectively in line with the profitability of LASB in the respective financial years. We fully disposed our equity interest in LASB during FYE 2023. Hence, there is no share of profit from LASB recognised in FYE 2024 and FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)**(j) PBT and PBT margin**

	Audited				Unaudited	Audited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
PBT (RM'000)	10,079	7,738	11,674	15,685	5,128	5,587
PBT margin (%)	14.4	9.3	9.5	8.3	9.2	9.0
Adjusted PBT (RM'000)	9,111	3,112	9,690	15,268	4,901	5,587
Adjusted PBT margin (%)	13.0	3.8	7.8	8.1	8.8	9.0

Comparison between FYE 2021 and FYE 2022

Our PBT decreased by RM2.34 million or 23.2% from RM10.08 million in FYE 2021 to RM7.74 million in FYE 2022 mainly due to the overall decrease in our Group's GP as we recorded lower profitability from the trading of construction materials and provision of machineries and commercial vehicles for hire segments during the financial year.

The decrease in PBT margin from 14.4% in FYE 2021 to 9.3% in FYE 2022 was mainly due to the overall decrease in GP margin by 9.0% in FYE 2022 as well as higher administrative expenses by RM1.98 million. Nevertheless, this was cushioned by an one-off gain on disposal of PPE and investment properties. Excluding such one-off gain, our Group's adjusted PBT decreased by RM6.00 million from RM9.11 million in FYE 2021 to RM3.11 million in FYE 2022, and adjusted PBT margin decreased from 13.0% in FYE 2021 to 3.8% in FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our PBT increased by RM3.93 million or 50.8% from RM7.74 million in FYE 2022 to RM11.67 million in FYE 2023 while our PBT margin increased marginally from 9.3% in FYE 2022 to 9.5% in FYE 2023.

Although our GP margin increased by 4.4% in FYE 2023, our PBT margin only increased marginally by 0.2% from 9.3% in FYE 2022 to 9.5% in FYE 2023, mainly due to the non-recurrence of the one-off gain on disposal of PPE and investment properties recorded in FYE 2022. Excluding such one-off gain, our adjusted PBT increased by RM6.58 million from RM3.11 million in FYE 2022 to RM9.69 million in FYE 2023, and adjusted PBT margin increased from 3.8% in FYE 2022 to 7.8% in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our PBT increased by RM4.02 million or 34.4% from RM11.67 million in FYE 2023 to RM15.69 million in FYE 2024 due to the overall increase in our Group's GP as we recorded higher profitability from the provision of construction services segment and trading of construction materials segment in FYE 2024.

12. FINANCIAL INFORMATION (Cont'd)

However, despite the increase in our GP margin by 0.5% from 13.6% in FYE 2023 to 14.1% in FYE 2024, our PBT margin decreased by 1.2% from 9.5% in FYE 2023 to 8.3% in FYE 2024 mainly due to higher one-off gain on disposal of PPE during FYE 2023. Excluding such one-off gain, our adjusted PBT increased by RM5.58 million from RM9.69 million in FYE 2023 to RM15.27 million in FYE 2024, and adjusted PBT margin increased by 0.3% from 7.8% in FYE 2023 to 8.1% in FYE 2024 mainly due to the overall increase in our GP margin.

Comparison between FPE 2024 and FPE 2025

Our PBT increased by RM0.46 million or 9.0% from RM5.13 million in FPE 2024 to RM5.59 million in FPE 2025 mainly due to the overall increase in our Group's GP as we recorded higher profitability from the provision of construction services segment during the financial period.

Despite the marginal increase of our GP margin by 0.1% from 14.9% in FPE 2024 to 15.0% in FPE 2025, our PBT margin decreased marginally by 0.2% from 9.2% in FPE 2024 to 9.0% in FPE 2025, mainly due to non-recurrence of gain on disposal of PPE and insurance compensation recorded in FPE 2024 as well as higher lease liabilities and borrowing interests in FPE 2025. Excluding such one-off gain, our adjusted PBT increased by RM0.69 million from RM4.90 million in FPE 2024 to RM5.59 million in FPE 2025, and adjusted PBT margin increased from 8.8% in FPE 2024 to 9.0% in FPE 2025.

(k) Tax expense

	Audited				Unaudited	Audited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
Tax expense (RM'000)	2,304	734	2,934	4,361	1,557	1,579
Effective tax rate (%)	22.9	9.5	25.1	27.8	30.3	28.3
Statutory tax rate (%)	24.0	24.0	24.0	24.0	24.0	24.0

Our Group's effective tax rate decreased significantly from 22.9% in FYE 2021 to 9.5% in FYE 2022 mainly due to non-taxable income from the gain on disposal of investment properties as well as an overprovision of deferred tax.

Our effective tax rate in FYE 2023 was higher than the statutory tax rate mainly due to the recognition of deferred tax amounting to RM0.37 million arising from the temporary differences between the NBV and tax written down value of qualifying assets.

12. FINANCIAL INFORMATION *(Cont'd)*

Our Group's effective tax rate increased from 25.1% in FYE 2023 to 27.8% in FYE 2024, both higher than the statutory tax rate, mainly due to higher non-deductible expenses such as professional fee relating to our Listing as well as stamp duty and documentation fee arising from the preparation of banking facilities application.

In FPE 2024, our effective tax rate was higher than statutory tax rate mainly due to higher non-deductible expenses arising from depreciation of PPE as well as higher underprovision of deferred tax and current tax in prior years. In FPE 2025, our effective tax rate was higher than statutory tax rate mainly due to higher non-deductible expenses arising from professional fee relating to our Listing.

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12. FINANCIAL INFORMATION (Cont'd)**12.2.3 Review of financial position****(a) Assets**

	Audited				As at 31
	As at 30 June				October
	2021	2022	2023	2024	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets					
PPE	35,470	30,952	64,340	65,305	60,831
Investment properties	8,441	2,945	2,945	2,945	2,945
Investment in a subsidiary	1	1	-	-	-
Investment in an associate	1,898	2,487	-	-	-
Other investment	-	250	389	570	571
	45,810	36,635	67,674	68,820	64,347
Current assets					
Inventories	147	211	190	44	215
Trade receivables	27,596	37,539	43,157	48,864	58,785
Contract assets	309	15,969	20,562	36,931	47,005
Other receivables, deposits and prepayments	2,762	5,881	9,505	7,541	9,289
Amount owing by holding company	-	-	-	136	136
Amount owing by a subsidiary	75	75	-	-	-
Amount owing by an associate	1,184	2,027	-	-	-
Amount owing by related parties	1,759	805	1	-	-
Tax recoverable	-	552	-	-	-
Fixed deposits with licensed bank	-	-	-	977	1,159
Cash and bank balances	2,499	3,655	6,817	9,810	10,570
	36,331	66,714	80,232	104,303	127,159
Total assets	82,141	103,349	147,906	173,123	191,506

Comparison between 30 June 2021 and 30 June 2022

Our total assets increased by RM21.21 million or 25.8% from RM82.14 million as at 30 June 2021 to RM103.35 million as at 30 June 2022, mainly due to:

- (i) increase in trade receivables by RM9.94 million or 36.0% from RM27.60 million as at 30 June 2021 to RM37.54 million as at 30 June 2022 mainly due to higher revenue generated from our provision of construction services segment. The increase in trade receivables was also due to slower collections from customers in both the trading of construction materials segment and provision of machineries and commercial vehicles for hire segment as our overall trade receivables turnover days increased from 118 days as at 30 June 2021 to 134 days as at 30 June 2022;

12. FINANCIAL INFORMATION (Cont'd)

- (ii) increase in contract assets by RM15.66 million or 5,051.6% from RM0.31 million as at 30 June 2021 to RM15.97 million as at 30 June 2022 which were mainly derived from the following projects:

- (a) UMW Package 3 Project;
- (b) Hillpark 4 Project;
- (c) Taman Beverly Heights Project;
- (d) Cyberjaya Earthwork Project; and
- (e) Bidor Solar PV Project.

Such increase was mainly due to timing differences with higher revenue recognised based on cost incurred in accordance to stage of completion method compared to the certified progress billing issued to our customers; and

- (iii) increase in other receivables, deposits and prepayments by RM3.12 million or 113.0% from RM2.76 million as at 30 June 2021 to RM5.88 million as at 30 June 2022 mainly due to outstanding proceeds from the disposal of a freehold land together with a semi-detached factory located at Semenyih, Selangor.

The increase in current assets above was partially offset by the following:

- (i) decrease in PPE by RM4.52 million or 12.7% from RM35.47 million as at 30 June 2021 to RM30.95 million as at 30 June 2022 mainly due to depreciation charged during the financial year and disposal of 13 machineries and commercial vehicles; and
- (ii) decrease in our investment properties by RM5.50 million as at 30 June 2022 due to the disposal of 2 freehold lands with semi-detached factories located at Semenyih, Selangor.

Comparison between 30 June 2022 and 30 June 2023

Our total assets increased by RM44.56 million or 43.1% from RM103.35 million as at 30 June 2022 to RM147.91 million as at 30 June 2023, mainly due to:

- (i) increase in PPE by RM33.39 million or 107.9% from RM30.95 million as at 30 June 2022 to RM64.34 million as at 30 June 2023 mainly due to the purchase of 97 machineries and commercial vehicles amounting to RM42.90 million;
- (ii) increase in trade receivables by RM5.62 million or 15.0% from RM37.54 million as at 30 June 2022 to RM43.16 million as at 30 June 2023 mainly due to higher revenue generated from all 3 business segments; and
- (iii) increase in contract assets by RM4.59 million or 28.7% from RM15.97 million as at 30 June 2022 to RM20.56 million as at 30 June 2023, which was mainly derived from the following projects:
 - (a) Hillpark 4 Project;
 - (b) Cyberjaya Earthwork Project;
 - (c) Bidor Solar PV Project;

12. FINANCIAL INFORMATION (Cont'd)

- (d) Sungai Long Project;
- (e) Bandar Serendah Project; and
- (f) Central Spine Road Project.

Such increase was mainly due to timing differences with higher revenue recognised based on cost incurred in accordance to stage of completion method compared to the certified progress billing issued to our customers.

- (iv) increase in other receivables, deposits and prepayments by RM3.63 million or 61.7% from RM5.88 million as at 30 June 2022 to RM9.51 million as at 30 June 2023 mainly due to advance payment made to subcontractors and suppliers, prepayment of insurance and hire purchase installments for the purchase of additional machineries and commercial vehicles, as well as prepayment of bank guarantee interest for the Sungai Long Project.

Comparison between 30 June 2023 and 30 June 2024

Our total assets increased by RM25.21 million or 17.0% from RM147.91 million as at 30 June 2023 to RM173.12 million as at 30 June 2024, mainly due to:

- (i) increase in contract assets by RM16.37 million or 79.6% from RM20.56 million as at 30 June 2023 to RM36.93 million as at 30 June 2024, which was mainly derived from the following projects:
 - (a) Sungai Long Project;
 - (b) Central Spine Road Project;
 - (c) Tanjong 12 Lot 68054 Project; and
 - (d) UMW Package 3 Project.

Such increase was mainly due to timing differences with higher revenue recognised based on cost incurred in accordance to stage of completion method compared to the certified progress billing issued to our customers;

- (ii) increase in trade receivables by RM5.70 million or 13.2% from RM43.16 million as at 30 June 2023 to RM48.86 million as at 30 June 2024 mainly due to higher revenue generated from our provision of construction services segment; and
- (iii) increase in cash and bank balance by RM2.99 million or 43.8% from RM6.82 million as at 30 June 2023 to RM9.81 million as at 30 June 2024.

Comparison between 30 June 2024 and 31 October 2024

Our total assets increased by RM18.39 million or 10.6% from RM173.12 million as at 30 June 2024 to RM191.51 million as at 31 October 2024, mainly due to:

- (i) increase in contract assets by RM10.08 million or 27.3% from RM36.93 million as at 30 June 2024 to RM47.01 million as at 31 October 2024, which was mainly derived from the following projects:
 - (a) Sungai Long Project;
 - (b) Setia Alaman Project;

12. FINANCIAL INFORMATION (Cont'd)

(c) UMW Package 10 Project; and

(d) Hillpark 4 Project.

Such increase was mainly due to timing differences with higher revenue recognised based on cost incurred in accordance to stage of completion method compared to the certified progress billing issued to our customers;

(ii) increase in trade receivables by RM9.93 million or 20.3% from RM48.86 million as at 30 June 2024 to RM58.79 million as at 31 October 2024 mainly due to higher revenue generated from our provision of construction services segment;

(iii) increase in other receivables, deposits and prepayments by RM1.75 million or 23.2% from RM7.54 million as at 30 June 2024 to RM9.29 million as at 31 October 2024 mainly due to advance payment made to subcontractors and suppliers; and

(iv) increase in cash and bank balances by RM0.76 million or 7.7% from RM9.81 million as at 30 June 2024 to RM10.57 million as at 31 October 2024.

The increase in current assets above was partially offset by the decrease in PPE by RM4.48 million or 6.9% from RM65.31 million as at 30 June 2024 to RM60.83 million as at 31 October 2024 due to depreciation charged during FPE 2025.

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12. FINANCIAL INFORMATION (Cont'd)**(b) Liabilities**

	Audited				As at 31
	As at 30 June				October
	2021	2022	2023	2024	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current liabilities					
Loans and borrowings	3,803	3,033	4,421	3,961	3,288
Lease liabilities	4,688	1,736	19,166	26,616	24,507
Deferred tax liabilities	1,305	1,560	1,933	1,098	700
	9,796	6,329	25,520	31,675	28,495
Current liabilities					
Trade payables	14,451	27,438	31,840	40,309	40,126
Contract liabilities	595	1,062	6,013	3,899	19,864
Other payables, accruals and deposits received	6,658	7,552	14,647	5,527	2,619
Amount owing to related parties	314	1,901	391	-	-
Loans and borrowings	3,824	8,501	6,008	11,486	14,653
Lease liabilities	5,528	4,257	7,834	12,075	12,932
Income tax payable	1,670	-	604	1,779	2,436
	33,040	50,711	67,337	75,075	92,630
Total liabilities	42,836	57,040	92,857	106,750	121,125

Comparison between 30 June 2021 and 30 June 2022

Our total liabilities increased by RM14.20 million or 33.1% from RM42.84 million as at 30 June 2021 to RM57.04 million as at 30 June 2022 mainly due to:

- (i) increase in trade payables by RM12.99 million or 89.9% from RM14.45 million as at 30 June 2021 to RM27.44 million as at 30 June 2022 mainly due to higher subcontractor cost as well as the purchase of diesel and petrol for our business growth;
- (ii) increase in loans and borrowings by RM3.90 million or 51.1% from RM7.63 million as at 30 June 2021 to RM11.53 million as at 30 June 2022 mainly due to additional drawdown of revolving credit facility amounting to RM3.00 million to finance our working capital requirements; and
- (iii) increase in amount owing to related parties, mainly WISB, by RM1.59 million or 512.9% from RM0.31 million as at 30 June 2021 to RM1.90 million as at 30 June 2022 for payments made on our behalf.

However, the overall increase in total liabilities was partially offset by the decrease in lease liabilities by RM4.23 million or 41.4% from RM10.22 million as at 30 June 2021 to RM5.99 million as at 30 June 2022, resulted from the scheduled repayment of finance lease during FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between 30 June 2022 and 30 June 2023

Our total liabilities increased by RM35.82 million or 62.8% from RM57.04 million as at 30 June 2022 to RM92.86 million as at 30 June 2023 mainly due to:

- (i) increase in lease liabilities by RM21.01 million or 350.8% from RM5.99 million as at 30 June 2022 to RM27.00 million as at 30 June 2023 mainly due to the purchase of 65 machineries and commercial vehicles;
- (ii) increase in trade payables by RM4.40 million or 16.0% from RM27.44 million as at 30 June 2022 to RM31.84 million as at 30 June 2023 in line with higher construction activities in FYE 2023;
- (iii) increase in contract liabilities by RM4.95 million or 467.0% from RM1.06 million as at 30 June 2022 to RM6.01 million as at 30 June 2023 mainly derived from the LRT Line 3 Project where we billed advance payment at the onset of the project which commenced in June 2023; and
- (iv) increase in other payables, accruals and deposits received by RM7.10 million or 94.0% from RM7.55 million as at 30 June 2022 to RM14.65 million as at 30 June 2023 mainly due to the net increase in other payables which was mainly arising from outstanding payment for the purchase of machineries and commercial vehicles.

However, the overall increase in total liabilities was partially offset by the decrease in loans and borrowings by RM1.10 million or 9.5% from RM11.53 million as at 30 June 2022 to RM10.43 million as at 30 June 2023 mainly due to repayment of bank overdraft facilities.

Comparison between 30 June 2023 and 30 June 2024

Our total liabilities increased by RM13.89 million or 15.0% from RM92.86 million as at 30 June 2023 to RM106.75 million as at 30 June 2024 mainly due to:

- (i) increase in lease liabilities by RM11.69 million or 43.3% from RM27.00 million as at 30 June 2023 to RM38.69 million as at 30 June 2024 mainly to finance the purchase of 59 machineries and commercial vehicles;
- (ii) increase in trade payables by RM8.47 million or 26.6% from RM31.84 million as at 30 June 2023 to RM40.31 million as at 30 June 2024 mainly due to higher cost incurred from subcontractors as a result of higher revenue generated from our provision of construction services segment;
- (iii) increase in loans and borrowings by RM5.02 million or 48.1% from RM10.43 million as at 30 June 2023 to RM15.45 million as at 30 June 2024 mainly due to additional drawdown of invoice financing and bank overdraft for working capital purpose as well as term loan to finance the purchase of a machinery and keyman insurance; and
- (iv) increase in income tax payable by RM1.18 million or 196.7% from RM0.60 million as at 30 June 2023 to RM1.78 million as at 30 June 2024.

12. FINANCIAL INFORMATION (Cont'd)

However, the overall increase in total liabilities was partially offset by the following:

- (i) decrease in other payables, accruals and deposits received by RM9.12 million or 62.3% from RM14.65 million as at 30 June 2023 to RM5.53 million as at 30 June 2024 mainly due to net repayment of RM9.08 million for the purchase of machineries and commercial vehicles; and
- (ii) decrease in contract liabilities by RM2.11 million or 35.1% from RM6.01 million as at 30 June 2023 to RM3.90 million as at 30 June 2024.

Comparison between 30 June 2024 and 31 October 2024

Our total liabilities increased by RM14.38 million or 13.5% from RM106.75 million as at 30 June 2024 to RM121.13 million as at 31 October 2024 mainly due to:

- (i) increase in contract liabilities by RM15.96 million or 409.2% from RM3.90 million as at 30 June 2024 to RM19.86 million as at 31 October 2024 mainly derived from LRT Line 3 Project where we billed advance payment at the onset of the project which commenced in June 2023; and
- (ii) increase in loans and borrowings by RM2.49 million or 16.1% from RM15.45 million as at 30 June 2024 to RM17.94 million as at 31 October 2024 mainly due to additional drawdown of invoice financing for the purchase of construction materials.

However, the overall increase in total liabilities was partially offset by the following:

- (i) decrease in other payables, accruals and deposits received by RM2.91 million or 52.6% from RM5.53 million as at 30 June 2024 to RM2.62 million as at 31 October 2024 mainly due to repayment of RM2.83 million for the purchase of machineries and commercial vehicles in FYE 2024; and
- (ii) decrease in lease liabilities by RM1.25 million or 3.2% from RM38.69 million as at 30 June 2024 to RM37.44 million as at 31 October 2024 due to scheduled repayment of finance lease during FPE 2025.

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12. FINANCIAL INFORMATION (Cont'd)**12.2.4 Review of cash flows**

The table below sets forth a summary of our Group's combined statements of cash flows for the financial years/ period under review. This should be read in conjunction with the Accountants' Report as set out in Section 13.

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from/ (used in) operating activities	10,317	(4,614)	11,605	14,243	3,962
Net cash generated from/ (used in) investing activities	1,252	7,107	2,992	(1,861)	(407)
Net cash used in financing activities	(12,795)	(2,953)	(7,567)	(11,473)	(2,883)
Net (decrease)/ increase in cash and cash equivalents	(1,226)	(460)	7,030	909	672
Cash and cash equivalents at the beginning of the financial year/ period	268	(958)	(1,418)	5,612	6,521
Cash and cash equivalents at the end of the financial year/ period⁽¹⁾	(958)	(1,418)	5,612	6,521	7,193

Note:

⁽¹⁾ The components of cash and cash equivalents are set out below:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	2,499	3,655	6,817	9,810	10,570
Fixed deposits pledged to a licensed bank	-	-	-	976	1,159
	2,499	3,655	6,817	10,786	11,729
Less: Bank overdrafts	(3,457)	(5,073)	(1,205)	(3,289)	(3,377)
Less: Fixed deposits pledged to a licensed bank	-	-	-	(976)	(1,159)
	(958)	(1,418)	5,612	6,521	7,193

FYE 2021**Net cash generated from operating activities**

In FYE 2021, our net cash generated from operating activities amounted to RM10.32 million. This was due to our Group's collections of RM59.42 million which was mainly offset by outflow of RM49.10 million for:

(a) payment to our suppliers and subcontractors of RM38.87 million;

12. FINANCIAL INFORMATION (Cont'd)

- (b) staff cost and directors' remuneration of RM9.12 million;
- (c) income tax paid of RM1.06 million; and
- (d) insurance and road tax paid of RM0.05 million.

Net cash generated from investing activities

In FYE 2021, our net cash generated from investing activities amounted to RM1.25 million, mainly due to the following:

- (a) proceeds mainly from the disposal of 5 units of apartment, 1 unit of condominium and 17 machineries and commercial vehicles, with a net sale consideration of RM2.71 million; and
- (b) net repayment received from related parties namely, FRSB, DLSB and Warisan Dengkil Sdn Bhd (formerly known as Wawasan Dengkil Properties Sdn Bhd) amounted to RM1.36 million.

However, this was partially offset by the purchase of an associate company, LASB, for a purchase consideration of RM1.50 million and net advances to LASB, amounted to RM1.22 million.

Net cash used in financing activities

In FYE 2021, our net cash used in financing activities amounted to RM12.80 million. This was due to the following:

- (a) net repayment of lease liabilities of RM10.29 million;
- (b) repayment outstanding balances to directors of RM1.55 million;
- (c) interest paid of RM0.89 million; and
- (d) net repayment of term loans of RM0.25 million.

This was partially offset by net advances received from related parties, WISB and FRSB, which collectively amounted to RM0.18 million, mainly for payments made on our behalf.

FYE 2022

Net cash used in operating activities

In FYE 2022, our net cash used in operating activities amounted to RM4.61 million. Our collections of RM72.10 million was mostly offset by outflow of RM76.71 million, for:

- (a) payment to our suppliers and subcontractors of RM67.65 million;
- (b) staff cost and directors' remuneration of RM6.32 million;
- (c) income tax paid of RM2.70 million; and
- (d) insurance and road tax paid of RM0.04 million.

12. FINANCIAL INFORMATION (Cont'd)

We recorded lower net cash from operating activities for FYE 2022 despite higher revenue generated. This was mainly due to lower GP, higher administrative costs and slower collections received from our customers which resulted in the overall increase in our trade receivables turnover period from 118 days to 134 days. In addition, the lower net cash from operating activities was also due to faster payment made to certain suppliers which resulted in the overall decrease in our trade payables turnover period from 138 days in FYE 2021 to 118 days in FYE 2022.

Net cash generated from investing activities

In FYE 2022, our net cash generated from investing activities amounted to RM7.11 million due to the following:

- (a) proceeds from the disposal of 2 freehold lands together with semi-detached factories located at Semenyih, Selangor of RM9.32 million;
- (b) proceeds from the disposal of PPE amounted to RM1.07 million, mainly consists of 13 machineries and commercial vehicles; and
- (c) repayment received from related parties of RM0.90 million from WISB and FRBSB mainly due to payment made on behalf.

However, the net cash generated was partially offset against the purchase of PPE which consists of 14 machineries and commercial vehicles amounted to RM3.08 million, net advances given to the associate company of RM0.84 million and purchase of keyman insurance policy of RM0.25 million.

Net cash used in financing activities

In FYE 2022, our net cash used in financing activities amounted to RM2.95 million. This was mainly due to the following:

- (a) net repayment of lease liabilities of RM6.08 million;
- (b) interest paid of RM0.75 million; and
- (c) net repayment of term loan of RM0.71 million.

This was partially offset against the additional drawdown of revolving credit facility of RM3.00 million and advances received from related parties amounted to RM1.59 million, mainly relates to the payment made on behalf by WISB.

FYE 2023**Net cash generated from operating activities**

In FYE 2023, we recorded a net cash generated from operating activities of RM11.61 million. Our collections of RM116.98 million was partially offset by outflow of RM105.37 million, for:

- (a) payment to our suppliers and subcontractors of RM95.14 million;
- (b) staff cost and directors' remuneration of RM8.74 million;
- (c) income tax paid of RM1.41 million; and
- (d) insurance and road tax paid of RM0.08 million.

12. FINANCIAL INFORMATION (Cont'd)

We recorded significantly higher net cash inflow from operating activities in FYE 2023, mainly due to higher PBT compared to FYE 2022, and a lower increment of contract assets and trade and other receivables. Moreover, the overall improvement in our operating cash flow was also contributed by better collection from customers where our trade receivables turnover period has improved from 134 days in FYE 2022 to 102 days in FYE 2023.

Net cash generated from investing activities

In FYE 2023, our net cash inflow from investing activities amounted to RM2.99 million. This was mainly due to proceeds of disposal of PPE of RM3.24 million, mainly consist of 41 machineries and commercial vehicles as well as proceeds of disposal of an associate company, LASB, for RM3.00 million.

The net cash generated from investing activities was partially offset by the purchase of PPE mainly consisting of 97 machineries and commercial vehicles amounting to RM42.90 million of which RM3.18 million was paid in cash and the balance was financed through lease liabilities and term loans.

Net cash used in financing activities

In FYE 2023, our net cash used in financing activities amounted to RM7.57 million. This was mainly due to the following:

- (a) net repayment of lease liabilities of RM6.47 million;
- (b) interest paid of RM1.49 million; and
- (c) net repayment of term loan of RM1.00 million.

The net cash used in financing activities was offset by net advances from BISB and net payment on our behalf by WISB amounted to RM0.38 million and RM0.13 million respectively as well as drawdown of invoice financing and term loans of RM0.64 million and RM0.25 million respectively.

FYE 2024**Net cash generated from operating activities**

In FYE 2024, we recorded a net cash generated from operating activities of RM14.24 million. Our collections of RM166.50 million was partially offset by outflow of RM152.26 million, for:

- (a) payment to our suppliers and subcontractors of RM135.58 million;
- (b) staff cost and directors' remuneration of RM12.59 million;
- (c) income tax paid of RM4.02 million; and
- (d) insurance and road tax paid of RM0.07 million.

Net cash used in investing activities

In FYE 2024, our net cash used in investing activities amounted to RM1.86 million. This was mainly due to purchase of PPE amounting to RM1.12 million, which mainly consists of 2 machineries as well as placement of pledged fixed deposits amounted to RM0.98 million with a licensed bank.

12. FINANCIAL INFORMATION (Cont'd)

Net cash used in financing activities

In FYE 2024, our net cash used in financing activities amounted to RM11.47 million. This was due to the following:

- (a) net repayment of lease liabilities of RM10.54 million;
- (b) interest paid of RM2.81 million; and
- (c) net repayment of term loan of RM1.08 million.

The net cash used in financing activities was partially offset by net drawdown of invoice financing of RM3.34 million.

FPE 2025

Net cash generated from operating activities

In FPE 2025, our net cash generated from operating activities amounted to RM3.96 million. Our collections of RM41.94 million was partially offset by outflow of RM37.98 million for:

- (a) payment to our suppliers and subcontractors of RM32.60 million;
- (b) staff cost and directors' remuneration of RM4.06 million; and
- (c) income tax paid of RM1.32 million.

Net cash used in investing activities

In FPE 2025, our net cash used in investing activities amounted to RM0.41 million. This was mainly due to purchase of PPE amounting to RM0.22 million, which mainly consists of 5 site equipment and 3 computers as well as placement of fixed deposits amounted to RM0.18 million with a licensed bank.

Net cash used in financing activities

In FPE 2025, our net cash used in financing activities amounted to RM2.88 million. This was due to the following:

- (a) net repayment of lease liabilities of RM4.16 million;
- (b) interest paid of RM1.13 million; and
- (c) net repayment of term loan of RM0.47 million.

The net cash used in financing activities was partially offset by net drawdown of invoice financing of RM2.88 million.

12. FINANCIAL INFORMATION (Cont'd)

12.3 LIQUIDITY AND CAPITAL RESOURCES**12.3.1 Working capital**

Our business operations have been financed through a combination of internal and external sources of funds. Internal sources comprise shareholders' equity and cash generated from business operations while external sources are credits granted by our suppliers, subcontractors and banking facilities from financial institutions such as term loans, finance leases, revolving credit and bank overdrafts. The principal utilisation of these funds are for our business operations and growth.

After taking into consideration the following, we have sufficient working capital for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus:

- (i) Our cash and cash equivalent of approximately RM7.87 million (excluding bank overdrafts) as at LPD;
- (ii) Our total banking facilities as at LPD of RM102.51 million (excluding finance leases), of which RM68.24 million is available for utilisation;
- (iii) Proceeds from the Public Issue of RM1.43 million and RM9.85 million allocated for our general working capital and project working capital respectively; and
- (iv) Our pro forma gearing level of 0.54 times, based on our pro forma statements of financial position as at 31 October 2024 after the Acquisition, IPO and utilisation of proceeds.

At this juncture, we do not foresee any circumstances which will materially affect our liquidity. Our Group has not encountered any major disputes with our customers. Our finance department works closely with our project department for the collection of our outstanding trade receivables. This measure has proven to be effective while maintaining a cordial relationship with our customers.

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12. FINANCIAL INFORMATION (Cont'd)

12.4 BORROWINGS

As at 31 October 2024, our Group's total outstanding borrowings (excluding lease liabilities in relation to rental lease arrangement) stood at RM55.28 million, all of which are secured, interest-bearing and denominated in RM. Details of our borrowings are set out below:

Type	Purpose	Security	Tenure of the facility	Effective interest rate %	As at 31 October 2024 RM'000
Interest bearing short-term borrowings, payable within 1 year:					
Term loans	Purchase of machineries/ Working capital/ Purchase of keyman insurance	(a) First party charge over PPE; (b) First party charge over investment properties; (c) Pledge of first party fixed deposit together with the interest accrued thereon; (d) Specific debenture over plant and machinery; (e) Legal assignment over the rights and interest to the proceeds generated from the contract between our Company and contract awarder; and (f) Joint and several guarantees by our Directors, key senior management and previous directors.	Ranging from 60 to 120 months	5.4 - 6.9	1,424
Bank overdraft	Working capital	(a) Joint and several guarantees by our Directors, key senior management and previous directors.	On demand	2.8 - 3.6	3,377
Invoice financing	Working capital	(a) First party charge over PPE; (b) First party charge over investment properties; (c) Pledge of first party fixed deposit together with the interest accrued thereon; (d) Specific debenture over plant and machinery; (e) Legal assignment over the rights and interest to the proceeds generated from the contract between our Company and contract awarder; and (f) Joint and several guarantees by our Directors, key senior management and previous directors.	Up to 120 days	6.4	6,853

12. FINANCIAL INFORMATION (Cont'd)

Type	Purpose	Security	Tenure of the facility	Effective interest rate	As at 31 October 2024
				%	RM'000
Revolving credit	Working capital	(a) First party charge over PPE; (b) First party charge over investment properties; (c) Pledge of first party fixed deposit together with the interest accrued thereon; (d) Specific debenture over plant and machinery; (e) Legal assignment over the rights and interest to the proceeds generated from the contract between our Company and contract awarder; and (f) Joint and several guarantees by our Directors, key senior management.	30 days	6.1	3,000
Lease liabilities	Hire purchase of machineries and commercial vehicles	(a) Machineries and commercial vehicles under finance lease; and (b) Joint and several guarantees by our Directors, key senior management and previous directors.	Ranging from 36 to 60 months	3.9 – 7.1	12,848
					27,502
Interest bearing long-term borrowings, payable after 1 year:					
Term loans	Purchase of machineries/ Working capital/ Purchase of keyman insurance	(a) First party charge over PPE; (b) First party charge over investment properties; (c) Pledge of first party fixed deposit together with the interest accrued thereon; (d) Specific debenture over plant and machinery; (e) Legal assignment over the rights and interest to the proceeds generated from the contract between our Company and contract awarder; and (f) Joint and several guarantees by our Directors, key senior management and previous directors.	Ranging from 60 to 120 months	5.4 - 6.9	3,288

12. FINANCIAL INFORMATION (Cont'd)

Type	Purpose	Security	Tenure of the facility	Effective interest rate %	As at 31 October 2024 RM'000
Lease liabilities	Hire purchase of machineries and commercial vehicles	(a) Machineries and commercial vehicles under finance lease; and (b) Joint and several guarantees by our Directors, key senior management and previous directors.	Ranging from 36 to 60 months	3.9 – 7.1	24,492
Total borrowings					27,780
					55,282

Gearing (times)

After Acquisition but before IPO and utilisation of proceeds⁽¹⁾

0.79

After Acquisition, IPO and utilisation of proceeds⁽²⁾

0.54

Notes:

- (1) Computed based on our pro forma equity attributable to the owners of our Company of RM70.38 million in the pro forma statements of financial position after the Acquisition, but before IPO and utilisation of proceeds.
- (2) Computed based on our pro forma equity attributable to the owners of our Company of RM94.48 million in the pro forma statements of financial position after the Acquisition, IPO and utilisation of proceeds.

Separately, we have also recognised the following lease liabilities in relation to rental lease arrangement which are denominated in RM:

	Purpose	Tenure	As at 31 October 2024 RM'000
Lease liabilities payable within 1 year	Rental of office and staff hostel	Ranging from 2 years to 5 years	83
Lease liabilities payable after 1 year	Rental of office and staff hostel	Ranging from 2 years to 5 years	15
			98

12. FINANCIAL INFORMATION (Cont'd)

We also rely on bank guarantees for tender bonds and performance bonds. Such bank guarantees are used for all aspects of the contract lifecycle from the start of tender process to expiration of our liability towards the customer in accordance with the terms of each contract. The bank guarantees allow us to tender, execute and guarantee our deliverables to our customers. The tenure requirements for the bank guarantees are structured to match the underlying contracts with the respective counterparties.

Our total bank guarantees as at 31 October 2024 stood at RM10.26 million, details as set out below. All our bank guarantees are secured, interest-bearing and denominated in RM.

Type	Purpose	Security	Tenure	Interest rate	As at
				% per annum	31 October 2024 RM'000
Bank guarantees	Performance guarantees for contract works carried out by our Group	(a) First party charge over investment properties; (b) Fixed and floating charges over present and future assets; and (c) Joint and several guarantees by Directors, key senior management and previous directors of our Group.	Up to 92 months	1.5	10,259

The liabilities in respect of the bank guarantees will only crystallise and become payable following a call by our customers of the tender bonds or performance bonds in accordance with the terms and conditions of such construction contracts. During FYE 2021 to 2024 and FPE 2025, we did not experience any call of the tender bonds or performance bonds issued to our customers.

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

We have not defaulted on payments of principal sums and/or interests in respect of any of our borrowings throughout FYE 2021 to 2024 and FPE 2025 and up to LPD.

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

During FYE 2021 to 2024 and FPE 2025, we did not experience any termination, claw back or reduction in the facilities limit granted to us by our lenders.

In relation to the guarantees given by Directors of our Company, we have applied to the financiers to obtain a release and/or discharge of the guarantees and other securities by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the financiers. Until such release and/or discharge are obtained from the respective financiers, our Directors will continue to guarantee the banking facilities extended to our Group. As at LPD, we have received conditional approvals from majority of the financiers to release and/or discharge the guarantees. Please refer to Section 10.2.2 for further details.

12. FINANCIAL INFORMATION (Cont'd)**12.5 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES**

During the financial years/ period under review and up to LPD, our Group has not used any financial instruments for hedging purposes.

Our operations have been predominantly funded by shareholders' equity, internally generated funds from our operations and external funds including borrowings from various financial institutions as well as credit terms granted by our suppliers and subcontractors.

Our credit facilities as at LPD are disclosed in the previous section above.

As at LPD, we have unutilised banking facilities of RM68.24 million that may be utilised by us to fund our operations.

Our Group manages our exposure to interest rate movements by obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

12.6 MATERIAL CAPITAL COMMITMENTS

Save as disclosed below, we do not have other material capital commitments as at LPD:

	To be funded from Public Issue
	RM'000
Approved but not contracted for:	
Purchase of machineries and commercial vehicles ⁽¹⁾	7,580

Note:

⁽¹⁾ Further details are set out in Section 4.9.1(a).

12.7 MATERIAL LITIGATION AND CONTINGENT LIABILITIES**(a) Material litigation**

Save as disclosed below, as at LPD, we have not been engaged in any government, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on the financial position or profitability of our Group:

Wawasan Dengkil Holdings Berhad and Wawasan Dengkil Sdn Bhd (collectively "Plaintiffs") v Lim Chuin How (trading as MLCH Enterprise or "Defendant")

On 27 August 2024, the Plaintiffs jointly filed a writ ("**Writ**") and statement of claim ("**SOC**") at Shah Alam High Court ("**Court**") against the Defendant for defamation, tort of unlawful interference of business and tort of harassment claiming for, amongst others, an apology and an injunction to prevent further harassment against our Group ("**Libel Claim**"). The Writ and SOC were duly served on the Defendant on 9 September 2024. The Defendant had on 18 September 2024 entered appearance for the Libel Claim and was instructed by the Court to file its defence against the Libel Claim after the disposal of the Interim Injunction Application ("**Interim Injunction Application**").

12. FINANCIAL INFORMATION (Cont'd)

In addition to the Libel Claim, the Plaintiffs had on 5 September 2024 filed an application with the Court for an ex-parte interim injunction application with the Court ("**Ex Parte Injunction Application**") to stop the Defendant from causing further harassment and defamation to our Group including the due diligence working group for the Listing ("**DDWG**") pending disposal of the Libel Claim.

There are 2 ongoing litigations which commenced on 28 August 2023 and 24 April 2024, involving amongst others, the Defendant with LASB (a former associate of our Group) together with Lim Kok Leong and Lim Kok Seong (who are both former shareholders and directors of WDSB and former directors of LASB) (collectively referred to as "**LASB Suits**"). In this respect, prior to the filing of the Ex Parte Injunction Application, the Defendant, had between 17 July 2024 and 27 August 2024, issued multiple correspondences to the DDWG, amongst others. These correspondences requested various documents and responses from the DDWG on matters related to LASB and alluding that our Group is involved in the LASB Suits. For avoidance of doubt, our Group is not a named defendant in relation to the LASB Suits.

On 9 September 2024, the Court granted a 21-day Ex Parte injunction against the Defendant for an effective period commencing on 9 September 2024 and ending on 30 September 2024 ("**Ex Parte Injunction**"). The Court also instructed the Plaintiffs to serve the Interim Injunction Application on the Defendant and set 23 September 2024 for inter-parte hearing in respect of the Interim Injunction Application.

On 19 September 2024, the Plaintiffs received an affidavit in reply from the Defendant ("**Defendant's AIR**") to oppose the Interim Injunction Application.

On 23 September 2024, the Defendant applied to the Court for additional time to file a supplemental affidavit to supplement the Defendant's AIR to which the Court allowed the same. As the Ex Parte Injunction lapsed on 30 September 2024 and the inter partes hearing for the injunction application was only fixed on 10 December 2024, the Plaintiffs sought for an ad-interim injunction pending disposal of the inter partes Injunction Application ("**Ad-Interim Injunction**"). The Court granted the Ad-Interim Injunction and instructed both parties to file their respective affidavits and written submissions by 4 December 2024.

However, on 4 December 2024, the Defendant filed another supplemental affidavit without leave from the Court ("**Defendant's 2nd Supplemental Affidavit**"). During the inter-partes hearing on 10 December 2024, the Plaintiffs objected to the Defendant's 2nd Supplemental Affidavit on the grounds that the Defendant had filed the said affidavit without obtaining leave from the Court. Further, if the Defendant's 2nd Supplemental Affidavit was accepted by the Court and the hearing was to proceed, it would deprive the Plaintiffs of their right to reply to the same.

In response, the Court decided to reschedule the inter-partes hearing for the injunction application in order to allow the Plaintiff to reply to the Defendant's 2nd Supplemental Affidavit whereby the Court gave the following directions:

- (i) the Plaintiffs to file an affidavit in reply to the Defendant's 2nd Supplemental Affidavit by 6 January 2025;
- (ii) the Plaintiffs to provide an update on the Listing;
- (iii) the inter-partes hearing for the injunction application is rescheduled to 26 February 2025;
- (iv) the Ad-Interim Injunction to remain in force until the inter-partes hearing for the injunction application on 26 February 2025; and

12. FINANCIAL INFORMATION (Cont'd)

On 6 January 2025, the Plaintiffs filed their affidavit in reply to the Defendant's 2nd Supplemental Affidavit. On 19 February 2025, both the Plaintiffs and the Defendant decided to mutually withdraw the case without liberty to file afresh and without order as to cost. On 20 February 2025, the Court recorded both parties' respective notices of discontinuance without liberty to file afresh and without order as to cost, and thereafter instructed for all subsequent hearing dates to be vacated.

To this end, although both parties have filed for a discontinuance for the case, our Group is not a party to the LASB Suits and has no involvement or interests in the matters being contested under the LASB Suits. As such, Lim Kok Leong and Lim Kok Seong being the former directors of LASB have on 4 October 2024 agreed and undertake to fully indemnify and keep our Group fully indemnified and harmless against all losses, damages, and claims, that our Group may suffer as a result of the letters issued by the Defendant, LASB Suits, Libel Claim and any other legal claims initiated against/by our Group arising from this matter ("**Indemnity**").

Given the Indemnity, our Board is of the view that the above litigation will not have any material adverse impact to our Group's business operations and financial performance nor expose our Group to potential risk from the LASB Suits. Our Sponsor and our Board are also satisfied that both Lim Kok Leong and Lim Kok Seong have sufficient financial resources to provide the Indemnity to our Group.

(b) Contingent liabilities

As at LPD, we do not have any contingent liabilities which will or may substantially affect our financial results or position upon becoming enforceable.

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12. FINANCIAL INFORMATION (Cont'd)**12.8 KEY FINANCIAL RATIOS**

The table below sets forth the key financial ratios based on our Group's combined financial statements for the financial years/ period under review:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Trade receivables turnover period (days) ⁽¹⁾	118	134	102	65	72
Trade payables turnover period (days) ⁽²⁾	138	118	112	86	100
Inventory turnover period (days) ⁽³⁾	3	3	3	2	2
Current ratio (times) ⁽⁴⁾	1.10	1.32	1.19	1.39	1.37
Gearing ratio (times) ⁽⁵⁾	0.45	0.37	0.67	0.81	0.79

Notes:

- (1) Computed based on average of the opening and closing trade receivables (excluding retention sum) over total revenue for the year/ period and multiplied by 365 days for each financial year and 123 days for each financial period.
- (2) Computed based on average of the opening and closing trade payables (excluding retention sum) over total cost of sales (excluding depreciation and staff cost) for the year/ period and multiplied by 365 days for each financial year and 123 days for each financial period.
- (3) Computed based on average of the opening and closing inventories over total purchases of trading materials as well as diesel and petrol and multiplied by 365 days for each financial year and 123 days for each financial period.
- (4) Computed based on current assets over current liabilities as at each financial year/ period end.
- (5) Computed based on total borrowings and lease liabilities (excluding lease liabilities in relation to rental lease arrangement) over total equity as at each financial year/ period end.

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12. FINANCIAL INFORMATION (Cont'd)**12.8.1 Trade receivables turnover**

All our Group's trade receivables are classified as current assets. The normal credit period granted by us to our customers is between 30 to 90 days from the date of invoice.

Our trade receivables turnover period was computed excluding retention sum. Due to the nature of our provision of construction services, our customers are entitled to retain 10.0% of each progress billing as retention sum, up to a maximum of 5.0% of the total contract sum awarded, in accordance to the terms of the contracts. Our customers will retain the entire retention sum throughout the contract period until the issuance of the CPC, of which half of the total retention sum will be released to us, whilst the remaining half will be released to us at the end of the contracted DLP and upon issuance of the CMGD. As such, the exclusion of the retention sum in the computation of trade receivables turnover period represents a more accurate measure of the average number of days that our Group requires for the collection of debts.

Our trade receivables turnover period has increased from 118 days for FYE 2021 to 134 days for FYE 2022 mainly due to slower collections from both the trading of construction materials and provision of machineries and commercial vehicles for hire segments in FYE 2022.

As at 30 June 2022, approximately 54.4% of our total trade receivables are collectively from customers from the trading of construction materials and provision of machineries and commercial vehicles for hire segments. The trade receivable turnover days from both these segments collectively has increased from 164 days in FYE 2021 to 280 days in FYE 2022 as most of our customers were facing temporary cash flow issues due to the disruptions caused by the COVID-19 pandemic. Nevertheless, we closely monitored the recoverability of our overdue trade receivables on a regular basis, and when required, have provided for impairment of these trade receivables and ceased the supply of construction materials and services, when necessary.

Our trade receivables turnover period decreased to 102 days in FYE 2023 mainly due to the improvement in collections from our customers from both the trading of construction materials segment and provision of machineries and commercial vehicles for hire segment. Trade receivable balances from both these segments represent approximately 19.0% of the total trade receivable balance as at 30 June 2023. Collectively, the trade receivable turnover days from both these segments improved from 280 days in FYE 2022 to 171 days in FYE 2023 as we have undertaken necessary actions to accelerate the incoming collections, including but not limited to closely following up with customers via phone calls and sending payment reminder letters. We also continue to closely monitor the recoverability of our overdue trade receivables on a regular basis, and when required, provide for impairment of trade receivables.

Our trade receivables turnover period has decreased to 65 days in FYE 2024 mainly due to the improvement in collections from our customers from our provision of construction services segment. Trade receivables balance from this segment represents approximately 75.5% of the total trade receivables balance as at 30 June 2024. With our continuous follow up and close monitoring process, our trade receivables turnover days from this segment improved from 79 days in FYE 2023 to 52 days in FYE 2024. We also continue to closely monitor the recoverability of our overdue trade receivables on a regular basis, and when required, provide for impairment of trade receivables.

For FPE 2025, we recorded trade receivables turnover period of 72 days. The increase in our trade receivables turnover period was mainly due to slower collections from both the provision of construction services and provision of machineries and commercial vehicles for hire segments during the financial period. Trade receivables balance from both these segments represents approximately 88.0% of the total trade receivables balance as at 31 October 2024.

12. FINANCIAL INFORMATION (Cont'd)

Collectively, the trade receivable turnover days from both these segments increased from 56 days in FYE 2024 to 66 days in FPE 2025. Similarly, we conduct close monitoring on the recoverability of our overdue trade receivables regularly, and when required, will provide for impairment of trade receivables.

The ageing analysis of our Group's trade receivable as at 31 October 2024 and the subsequent collections up to LPD are set out below:

	Trade receivables as at 31 October 2024		Amount collected from 1 November 2024 up to LPD	Balance trade receivables not collected as at LPD
	RM'000	Percentage of trade receivables (a)/total of (a)	RM'000	RM'000
	(a)	(a)	(b)	(c) = (a)-(b)
Neither past due nor impaired	11,547	19.6	8,836	2,711
Past due but not impaired:				
- less than 30 days	7,874	13.4	4,033	3,841
- 31 to 60 days	3,938	6.7	2,399	1,539
- 61 to 90 days	3,242	5.5	2,989	253
- over 90 days	13,624	23.2	7,569	6,055
	28,678	48.8	16,990	11,688
Retention sum	18,560	31.6	-	18,560
	58,785	100.0	25,826	32,959

Our Group's total trade receivables which were past due as at 31 October 2024 amounted to RM28.68 million, representing 48.8% of total trade receivables, of which RM20.05 million of the past due amount was attributed from 4 existing customers, namely Fabulous Sunview Sdn Bhd, LASB, Premium Integrity and WISB.

Subsequent to 31 October 2024 and up to LPD, we collected RM16.99 million of the past due amount, representing 59.2% of the total past due amount as at 31 October 2024. Out of the total subsequent collection, RM10.82 million was collectively collected from the 4 customers, while remaining uncollected balance of RM9.23 million as at LPD is mainly due from LASB, due to slower collection from the Central Spine Road Project. We are of the view the outstanding amount from LASB as at LPD is recoverable as LASB has consistently met its payment obligations over our 13 years business relationship.

In addition, we have not encountered any major disputes with our trade receivables. With respect to the balance past due amount as at LPD, we are also of the view that they are recoverable and we will closely monitor their recoverability on a regular and ongoing basis.

Generally, we will assess the adequacy of impairment loss allowance on the overall trade receivables balance at every reporting period and the need for bad debts written off based on our historical collection experience. Our impairment on trade receivables and bad debts written off for the financial years/ period under review are as follows:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Impairment gain/(loss) on trade receivables, net	48	457	61	(405)	(153)

12. FINANCIAL INFORMATION (Cont'd)

The net impairment gain on trade receivables for FYE 2021 to FYE 2023 consists of specific allowance and lifetime expected credit loss allowance less reversal of impairment as a result of reduction in expected risk of default. Nonetheless, the recognition of net impairment loss on trade receivables for FYE 2024 was mainly due to higher lifetime ECL provided for during the financial year.

Our management closely monitors the recoverability of the trade receivables on a regular basis, and when appropriate, provides for specific impairment of these trade receivables. Our Board is of the view that the remaining trade receivables are recoverable and no further provision for impairment is required after taking into consideration our relationship with our customers as well as our effort to improve collection with various credit control measures to reduce the potential exposure on credit risk.

12.8.2 Trade payables turnover

The normal credit terms granted to us by our suppliers and subcontractors range from 30 to 90 days from the date of invoice.

Our Group's trade payables turnover days for the financial years/ period under review were generally beyond the normal credit terms granted by our suppliers as a result of our working capital management taking into account, inter-alia, and collections from our customers. Our trade payables turnover period improved from 138 days in FYE 2021 to 118 days in FYE 2022 to 112 days in FYE 2023. Subsequently, our trade payables turnover days in FYE 2024 of 86 days were within the normal credit terms granted by our suppliers as we were able to make timely payments to our suppliers, resulting from the overall improvement in our collections from customers.

However, our trade payables turnover days increased to 100 days in FPE 2025, beyond the normal credit terms granted by our suppliers, mainly due to the timing difference between the certification of project billings and issuance of invoice from our subcontractors for Sungai Long Project, LRT Line 3 Project and Setia Alaman Project.

The ageing analysis of our Group's trade payables as at 31 October 2024 is as follows:

	Trade payables as at 31 October 2024		Amount paid from 1 November 2024 up to LPD	Balance of trade payables not paid as at LPD
	RM'000	Percentage of trade payables (a)/total of (a)	RM'000	RM'000
	(a)	(a)	(b)	(c) = (a)-(b)
Within credit period	23,082	57.5	13,586	9,496
Exceeding credit period:				
- 1 to 30 days	1,974	4.9	224	1,750
- 31 to 60 days	2,744	6.9	1,165	1,579
- 61 to 90 days	2,284	5.7	821	1,463
- More than 90 days	6,302	15.7	4,567	1,735
	13,304	33.2	6,777	6,527
Retention sum	3,740	9.3	-	3,740
	40,126	100.0	20,363	19,763

12. FINANCIAL INFORMATION (Cont'd)

Our Group's total trade payables which were past due as at 31 October 2024 amounted to RM13.30 million, representing 33.2% of total trade payables. Subsequent to 31 October 2024 and up to LPD, we have made payments of RM20.36 million, representing 50.7% of the total trade payables as at 31 October 2024, of which RM6.78 million relates to trade payables which were past due as at 31 October 2024.

As at LPD, there are no disputes in respect of our total outstanding trade payables and no legal action has been initiated by our suppliers and subcontractors to demand for payment from us.

12.8.3 Inventory turnover

Our Group's inventories mainly consist of spare parts as well as diesel and petrol. Our Group maintains minimal inventories as construction materials are directly delivered to customers' location upon confirmation of orders.

Our inventory turnover days remained fairly consistent at 2 to 3 days across the financial years/ period under review.

We assess whether inventories should be impaired by identifying damaged and slow-moving inventories during periodic stock count. Damaged inventories will be written off while slow-moving inventories will be written down to their net realisable value.

12.8.4 Current ratio

Our current ratio for the financial years/ period under review are as follows:

	Audited				As at 31
	As at 30 June				October
	2021	2022	2023	2024	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Current assets	36,331	66,714	80,232	104,303	127,159
Current liabilities	(33,040)	(50,711)	(67,337)	(75,075)	(92,630)
Net current assets	3,291	16,003	12,895	29,228	34,529
Current ratio (times)	1.10	1.32	1.19	1.39	1.37

Our current ratio for the financial years/ period under review was above 1 time. This indicates that our Group is capable of meeting our current obligations as our current assets which can be readily converted to cash, together with our cash in bank balances are sufficient to meet our current liabilities.

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12. FINANCIAL INFORMATION (Cont'd)**12.8.5 Gearing ratio**

Our Group's gearing ratio for the financial years/ period under review are as follows:

	Audited				As at 31
	As at 30 June				October
	2021	2022	2023	2024	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Total borrowings	17,843	17,527	37,429	54,138	55,380
Lease liabilities in relation to rental lease arrangement	(130)	(341)	(317)	(142)	(98)
Net borrowings ⁽¹⁾	17,713	17,186	37,112	53,996	55,282
Total equity	39,305	46,309	55,049	66,373	70,381
Gearing ratio (times)	0.45	0.37	0.67	0.81	0.79

Note:

- ⁽¹⁾ Net borrowings are based on the combination of both long-term and short-term loans and borrowings and lease liabilities of our Group, excluding lease liabilities arising from the rental of land, office and staff hostel.

Our Group's gearing ratio improved from 0.45 times as at 30 June 2021 to 0.37 times as at 30 June 2022 due to the increase in our total shareholders' equity by RM7.00 million as at 30 June 2022 mainly arising from the PAT recognised in FYE 2022.

Our Group's gearing ratio increased from 0.37 times as at 30 June 2022 to 0.67 times as at 30 June 2023 due to the increase in our net borrowings by RM19.93 million as at 30 June 2023 mainly arising from the drawdown of additional hire purchase facilities for the purchase of machineries and commercial vehicles.

Our Group's gearing ratio further increased from 0.67 times as at 30 June 2023 to 0.81 times as at 30 June 2024 due to the increase in our net borrowings by RM16.88 million as at 30 June 2024 mainly arising from the drawdown of additional hire purchase facilities for the purchase of machineries and commercial vehicles as well as drawdown of invoice financing and bank overdraft for working capital purpose.

Subsequently, our Group's gearing ratio improved marginally from 0.81 times as at 30 June 2024 to 0.79 times as at 31 October 2024 due to the increase in our total equity as a result of an increase in our retained earnings during FPE 2025.

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12. FINANCIAL INFORMATION (Cont'd)

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

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

(i) The continuity of our order book is not assured and certain major customers contributed significantly to our order book

Construction projects in Malaysia are generally awarded on a project-to-project basis based on competitive tendering. As part of our business continuity, we are required to competitively tender for construction projects that we wish to secure. There is no assurance that we would be able to maintain or increase our existing order book. We also face the risk of declining order book due to reduction in our scope of works, termination of ongoing projects or cancellation of upcoming secured projects. Our prospects could be materially and adversely affected if we fail to secure new contracts or there is a significant reduction in our order book.

As at LPD, the order book attributable to WISB and LASB is RM214.57 million, representing 56.7% of our Group's unbilled order book. Moving forward, WISB and LASB are expected to continue contributing to our order book by virtue of the Collaboration Agreements. Although we have entered into the Collaboration Agreements with WISB and LASB, there can be no assurance that they will continue to secure projects. The Collaboration Agreements with WISB and LASB will expire on 13 November 2026 and 14 June 2027 respectively, and our Group has no plans to renew the Collaboration Agreements with neither WISB nor LASB upon its expiration. As such, no assurance can be given that we are able to secure projects from either WISB or LASB in future. Separately, while we have not encountered any major disputes with the abovementioned major customers, there can be no assurance that the current working relationship with them will not deteriorate due to potential disputes that could not be resolved and that we would continue to be successful in securing projects from them in future.

(ii) Any unanticipated increase in costs associated with our construction projects and unavailability of an adequate supply of construction materials at competitive prices may impair our financial performance

The cash flows and profitability of our construction business are dependent upon our ability to accurately estimate the costs associated with the construction projects. Any errors in estimation and/or unfavourable variations in project costs occurring after the contracts or projects are awarded to us may result in lower than anticipated margins, or losses if actual costs exceed our estimates. If we are not able to pass on the higher cost to our customers, our financial performance may be adversely affected.

For construction activities, we are dependent on the continuous supply of a wide range of construction materials from a number of local suppliers. Failure to procure the required construction materials in sufficient quantities and/or in a timely manner may result in delays in the projects leading to LAD being imposed on us by our customers.

12. FINANCIAL INFORMATION (Cont'd)

(iii) We face possible delays in the completion of construction projects resulting in potential reduction, termination and/or revision in the scope of works and imposition of LAD

Construction projects are to be delivered within agreed timelines and are subject to budgets and scope of work. Any failure to meet the agreed timelines of our contracts could lead to premature termination, postponement, revision in scope of works or scaling down of the project by our customers and project cost overrun. They may also lead to increased construction overheads, slower revenue recognition, negative reputation and/or legal uncertainties such as the imposition of LAD by our customers; which could affect our Group's financial performance.

(iv) Our business operations and financial performance are dependent on our ability to obtain adequate financing at competitive rates

Our Group relies on bank borrowings such as overdraft and trade financing to partially finance our working capital. In addition, we also rely on bank guarantees for tender bonds and/or performance bonds. Our business operations and financial performance may be adversely affected if we are unable to secure adequate credit facilities at competitive rates for the abovementioned requirements.

(v) We are subject to defects liability claims

Due to the nature of our construction business, we are exposed to defects liability claims by our customers. We may incur substantial costs if there are a lot of defects in an affected project requiring rectification which may impact our Group's financial performance and reputation.

(vi) Our cash flow may be adversely affected by delays in collection or non-recoverability of trade receivables

We are exposed to the risk of possible delays in collection and/or non-recoverability of trade receivables. Failure by our customers to make timely or full repayment may affect our financial performance, liquidity and financial position. Such liquidity constraints may further affect our ability to pay our suppliers and subcontractors, and/or potentially delaying the progress of our projects.

Further details of the above factors including other risk factors affecting our business are set out in Section 9.

12.10 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

There were no government, economic, fiscal or monetary policies or factors which have materially affected our financial performance during the financial years/ period under review. There is no assurance that our financial performance will not be adversely affected by the impact of changes in government, economic, fiscal or monetary policies or factors moving forward. Risks relating to government, economic, fiscal or monetary policies or factors which may adversely and materially affect our business operations are set out in Section 9.

12. FINANCIAL INFORMATION (Cont'd)**12.11 IMPACT OF INFLATION**

Inflation has not had a material impact on our business, financial condition or results of operations for the financial years/ period under review. However, there is no assurance that our business operations and financial performance will not be adversely affected by the impact of inflation in the future.

12.12 IMPACT OF FOREIGN EXCHANGE RATE

Our transactions are solely denominated in RM.

12.13 IMPACT OF INTEREST RATE

Our exposure to interest rate risks relates primarily to our borrowings from banks. We manage our net exposure to interest rate risks by obtaining financing at acceptable borrowing costs and by monitoring the changes in interest rates on an ongoing basis. We do not enter into interest rate hedging transactions as the cost involved outweighs the potential risk impact of interest rate fluctuation.

A sensitivity analysis performed on our Group based on our outstanding floating rate bank borrowings as at 31 October 2024 indicates that our PBT for FPE 2025 would increase or decrease by approximately RM55,445 as a result of increase or decrease in interest rates by 50 basis points on these borrowings, assuming all other variables remain constant.

Our financial results for the financial years/ period under review were not materially affected by fluctuations in interest rates.

12.14 ORDER BOOK

Details of our unbilled order book for ongoing projects are as follows:

	As at 31 October 2024 RM'000	As at LPD RM'000
Provision of construction services	392,465	378,140

The above unbilled order book relates to the contract value of projects which are ongoing less progress billings up to 31 October 2024 or LPD, as the case may be. Save for the Sungai Long Project (unbilled contract value of RM123.16 million) which is expected to be realised within the next 5 financial years, our Group's remaining unbilled order book as at LPD will be recognised progressively over the next 2 to 3 financial years based on the expected progress of each project.

Our unbilled order book of RM378.14 million as at LPD represents 3.11 times of our average revenue of RM121.62 million, calculated based on our audited revenue from FYE 2021 to 2024 and FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)

12.15 DIRECTOR'S STATEMENT ON OUR GROUP'S FINANCIAL PERFORMANCE

Our Board is of the opinion that:

- (a) our Group's revenue will remain sustainable with an upward growth trend, in line with positive outlook of the construction industry as set out in the IMR Report in Section 8;
- (b) our liquidity will improve subsequent to the Public Issue given the additional funds to be raised for us to carry out our business strategies as stated in Section 7.16; and
- (c) our capital resources will strengthen, considering the proceeds to be raised from our Public Issue as well as internally generated funds. We may consider debt funding for our business expansion should the need arise.

In addition to the above, our Board confirms that there are no circumstances which would result in a significant decline in our revenue and GP margins or know of any factors that are likely to have a material impact on our liquidity, revenue or profitability.

12.16 TREND INFORMATION

Based on our track record for the financial years/ period under review, including our segmental analysis of revenue and profitability, the following trends may continue to affect our business:

- (a) During the financial years/ period under review, revenue derived from the provision of construction services segment remains as our largest revenue contributor ranging from 36.1% to 86.7% of our total revenue. We expect this segment to continue contributing significantly to our revenue in the future;
- (b) The main components of our cost of sales are purchases of materials, subcontractor cost, diesel and petrol consumed, depreciation of PPE, staff costs and upkeep cost, which accounted for 86.3% to 90.8% of our total cost of sales for FYE 2021 to FYE 2024 and FPE 2025. Moving forward, our cost of sales is expected to fluctuate in tandem with the growth of our business and would depend on amongst others, the availability and price fluctuation of our construction materials, diesel and petrol cost and subcontractor cost; and
- (c) We achieved a GP margin of 18.2%, 9.2%, 13.6%, 14.1% and 15.0% for FYE 2021 to FYE 2024 and FPE 2025 respectively. Moving forward, our GP margin will depend on, amongst others, our continued ability to manage our costs efficiently and the types and complexity of projects that we can secure in the future.

As at LPD, our financial performance, position and operations are not affected by any of the following:

- (a) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations, save as disclosed in Sections 8, 9 and 12.2;
- (b) material commitments for capital expenditure as disclosed in Section 12.6;
- (c) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position, save as disclosed in Sections 9 and 12; and

12. FINANCIAL INFORMATION (Cont'd)

- (d) known events or uncertainties that have had or that we reasonably expect to have, a material unfavourable impact on our financial performance, financial position, operations, liquidity and capital resources in relation to interruptions to our business operations, save as disclosed in Sections 7, 9 and 12.

Our Board is optimistic about the future prospects of our Group given the positive outlook of the construction industry in Malaysia as set out in the IMR Report in Section 8, and our Group's competitive strengths, as well as our future plans and business strategies as set out in Sections 7.15 and 7.16.

12.17 DIVIDEND POLICY

We currently do not have a fixed dividend policy. Our ability to distribute dividends or make other distributions to shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for our business expansion, working capital or our capital expenditure.

In making recommendations for dividends, our Board will consider various factors including, amongst others, our Group's:

- (a) ability to generate positive operating cash flow;
- (b) working capital needs and availability of cash;
- (c) capital expenditure and business expansion;
- (d) compliance with financial covenants of loan agreements, if any;
- (e) compliance with requirements of Section 132 of the Act;
- (f) overall financial performance and condition; and
- (g) prospects taking into account the general economic and business conditions prevailing.

The dividends declared and paid by our Group for the financial years/ period under review and up to LPD are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 November up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	3,000	-	-	-	-	-
Dividends paid	-	3,000	-	-	-	-

We do not intend to declare further dividends prior to our Listing.

Our ability to declare and pay dividends is subject to the discretion of our Board. However, the intention to recommend dividends should not be treated as a legal obligation to do so. The level of dividends should also not be treated as an indication of our future dividend policy.

As we are an investment holding company, our income, and therefore our ability to pay dividends, depends on the dividends we receive from our subsidiary. The payment of dividends by our subsidiaries will in turn depend on their distributable profits, financial performance, financial condition and capital expenditure plans.

12. FINANCIAL INFORMATION (Cont'd)

Save for certain banking restrictive covenants which our Group is subject to, there are no dividend restrictions imposed on our Group as at LPD. There are no specific legal, financial or economic restrictions on our subsidiary to declare and pay dividends to us.

12.18 CAPITALISATION AND INDEBTEDNESS

The following table sets out our Group's capitalisation and indebtedness based on our latest financial information as at 31 December 2024 and after adjusting for the effects of our Public Issue and utilisation of proceeds from our Public Issue.

	Unaudited	I	II
	As at	After our	After I and
	31 December	Public	utilisation
	2024	Issue	of
	RM'000	RM'000	proceeds
			RM'000
Cash and short-term deposits			
Cash and bank balances	12,171	39,177	32,434
Fixed deposits with financial institutions	1,306	1,306	1,306
	13,477	40,483	33,740
Indebtedness⁽¹⁾			
Short-term indebtedness			
- Loans and borrowings	16,075	16,075	15,081
- Lease liabilities ⁽²⁾	12,888	12,888	12,888
Long-term indebtedness			
- Loans and borrowings	3,049	3,049	193
- Lease liabilities ⁽²⁾	22,389	22,389	22,389
Contingent liabilities	-	-	-
Total indebtedness	54,401	54,401	50,551
Capitalisation			
Shareholders' equity	72,418	99,424	96,557
Total capitalisation	72,418	99,424	96,557
Total capitalisation and indebtedness	126,819	153,825	147,108
Gearing ratio (times) ⁽³⁾	0.75	0.55	0.52

Notes:

- (1) All of our indebtedness are secured and guaranteed.
- (2) Excluding lease liabilities in relation to rental lease arrangement.
- (3) Computed based on total indebtedness divided by total shareholders' equity.

13. ACCOUNTANTS' REPORT



WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No: 202201013605 (1459302-T)

**ACCOUNTANTS' REPORT ON
COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
31 OCTOBER 2024
AND FINANCIAL YEAR ENDED
30 JUNE 2024, 30 JUNE 2023,
30 JUNE 2022 AND 30 JUNE 2021**

ECOVIS MALAYSIA PLT
201404001750 (LLP0003185-LCA) & AF 001825
Chartered Accountants

13. ACCOUNTANTS' REPORT (Cont'd)



7 February 2025

The Board of Directors
WAWASAN DENGKIL HOLDINGS BERHAD
1-5, 1-6, 1-7, 1-8 & 1-9,
Jalan Intan 5/1,
Taman Intan,
43800 Dengkil,
Selangor.

Dear Sirs

**REPORTING ACCOUNTANTS' OPINION ON THE COMBINED FINANCIAL STATEMENTS
CONTAINED IN THE ACCOUNTANTS' REPORT OF WAWASAN DENGKIL HOLDINGS
BERHAD**

Opinion

We have audited the accompanying combined financial statements of **WAWASAN DENGKIL HOLDINGS BERHAD** (the "Company") and its combining entities, (collectively the "Group"), which comprises the combined statements of financial position as at 31 October 2024, 30 June 2024, 30 June 2023, 30 June 2022 and 30 June 2021, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flow for the financial period ended ("FPE") 31 October 2024 and each of the financial years ended ("FYE") 30 June 2024, 30 June 2023, 30 June 2022 and 30 June 2021, including a material accounting policy information and other explanatory notes as set out on page 4 to 101.

The historical combined financial statements have been prepared solely for inclusion in the Company's prospectus (the "Prospectus") in relation to the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

In our opinion, the accompanying combined financial statements give a true and fair view of the financial positions of the Group as at 31 October 2024, 30 June 2024, 30 June 2023, 30 June 2022 and 30 June 2021, and of their financial performance and cash flows for financial period ended 31 October 2024 and each of the financial years ended 30 June 2024, 30 June 2023, 30 June 2022 and 30 June 2021 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

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

ECOVIS MALAYSIA PLT 201404001750 (LLP0003185-LCA) & AF 001825 Chartered Accountants, D-10-03, Level 10, Exsim Tower, Millerz Square@Old Klang Road, Megan Legasi, No.357, Jalan Kelang Lama, 58000 Kuala Lumpur. **Phone:** +60(3) 7986 0066 **E-Mail:** kuala-lumpur@ecovis.com.my

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13. ACCOUNTANTS' REPORT (Cont'd)**Basis for Opinion (cont'd)***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 Combined Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole is 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 ISAs 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 basis of these combined financial statements.

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

13. ACCOUNTANTS' REPORT (Cont'd)



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

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: (cont'd)

- (d) 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 of 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 auditors' report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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.

Other Matters

The comparative information that comprises the combine statement of comprehensive income, combine statement of changes in equity and the combine statement of cash flows for the financial period ended 31 October 2023 and their related explanatory information has not been audited.

Restriction on Distribution and Use

This report is made solely to the Company for inclusion in the Company's prospectus in relation to the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

Kuala Lumpur
7 February 2025

CHUA KAH CHUN
02696/09/2025 J
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT**COMBINED STATEMENTS OF FINANCIAL POSITION**

		Audited				
	Note	31.10.2024 RM	30.06.2024 RM	30.06.2023 RM	30.06.2022 RM	30.06.2021 RM
Non-current assets						
Property, plant and equipment	7	60,831,056	65,305,194	64,339,615	30,952,270	35,469,352
Investment properties	8	2,945,473	2,945,473	2,945,473	2,945,473	8,441,173
Investment in a subsidiary	9	-	-	-	950	950
Investment in an associate	10	-	-	-	2,486,630	1,898,273
Other investment	11	570,965	569,739	389,223	250,000	-
		<u>64,347,494</u>	<u>68,820,406</u>	<u>67,674,311</u>	<u>36,635,323</u>	<u>45,809,748</u>
Current assets						
Inventories	12	215,148	44,225	189,558	210,552	146,976
Trade receivables	13	58,785,021	48,863,486	43,157,319	37,538,707	27,596,159
Contract assets	14	47,004,716	36,931,334	20,561,624	15,969,312	309,510
Other receivables, deposits and prepayments	15	9,289,265	7,541,191	9,505,306	5,880,904	2,761,609
Amount owing by holding company	16	135,656	135,656	-	-	-
Amount owing by a subsidiary	17	-	-	-	75,157	75,157
Amount owing by an associate	18	-	-	-	2,027,293	1,183,648
Amount owing by related parties	19	-	-	950	805,338	1,758,747
Tax recoverable		-	-	-	551,906	-
Fixed deposits with licensed bank	20	1,159,320	976,452	-	-	-
Cash and bank balances		<u>10,569,548</u>	<u>9,810,045</u>	<u>6,816,771</u>	<u>3,654,879</u>	<u>2,499,416</u>
		<u>127,158,674</u>	<u>104,302,389</u>	<u>80,231,528</u>	<u>66,714,048</u>	<u>36,331,222</u>
Total assets		191,506,168	173,122,795	147,905,839	103,349,371	82,140,970

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

		Audited				
	Note	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
		RM	RM	RM	RM	RM
Equity						
Share capital	21	10	10	10	10	-
Invested equity	21	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Retained earnings		69,380,506	65,372,527	54,048,570	45,308,836	38,305,226
Total equity		70,380,516	66,372,537	55,048,580	46,308,846	39,305,226
Non-current liabilities						
Loans and borrowings	22	3,288,137	3,961,446	4,421,552	3,033,078	3,803,023
Lease liabilities	23	24,507,384	26,615,856	19,165,598	1,735,759	4,687,668
Deferred tax liabilities	24	700,170	1,097,530	1,933,351	1,560,524	1,305,005
		28,495,691	31,674,832	25,520,501	6,329,361	9,795,696
Current liabilities						
Trade payables	25	40,125,747	40,308,932	31,840,083	27,437,992	14,450,595
Contract liabilities	14	19,864,144	3,899,257	6,013,493	1,062,177	595,456
Other payables, accruals and deposits received	26	2,618,743	5,527,010	14,646,831	7,552,133	6,657,774
Amount owing to related parties	19	-	-	390,674	1,900,787	313,867
Loans and borrowings	22	14,653,557	11,486,182	6,007,539	8,500,946	3,824,026
Lease liabilities	23	12,931,654	12,074,943	7,834,229	4,257,129	5,527,929
Income tax payable		2,436,116	1,779,102	603,909	-	1,670,401
		92,629,961	75,075,426	67,336,758	50,711,164	33,040,048
Total liabilities		121,125,652	106,750,258	92,857,259	57,040,525	42,835,744
Total equity and liabilities		191,506,168	173,122,795	147,905,839	103,349,371	82,140,970

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

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

		Audited	Unaudited	Audited	Audited	Audited	Audited
		01.07.2024	01.07.2023	01.07.2023	01.07.2022	01.07.2021	01.07.2020
		to	to	to	to	to	to
	Note	31.10.2024	31.10.2023	30.06.2024	30.06.2023	30.06.2022	30.06.2021
		RM	RM	RM	RM	RM	RM
Revenue	27	61,870,419	55,623,626	188,541,096	123,493,577	82,870,821	69,856,338
Cost of sales		(52,583,171)	(47,339,404)	(161,931,729)	(106,746,769)	(75,251,340)	(57,132,765)
Gross profit		9,287,248	8,284,222	26,609,367	16,746,808	7,619,481	12,723,573
Other operating income		223,443	426,912	874,038	2,711,405	5,362,766	1,446,709
Net impairment (loss)/gain on financial assets		(153,153)	(493,647)	(405,458)	60,785	456,619	47,812
Administrative expenses		(2,574,222)	(2,221,763)	(8,527,222)	(6,569,522)	(5,498,952)	(3,516,294)
Other operating expenses		(64,000)	(55,464)	(60,925)	(52,425)	(36,000)	(129,680)
Profit from operations		6,719,316	5,940,260	18,489,800	12,897,051	7,903,914	10,572,120
Finance costs	28	(1,131,746)	(811,463)	(2,805,001)	(1,484,738)	(754,332)	(891,882)
Share of profit of equity-accounted associate, net of tax		-	-	-	261,398	588,357	398,273
Profit before tax	29	5,587,570	5,128,797	15,684,799	11,673,711	7,737,939	10,078,511
Tax expense	30	(1,579,591)	(1,557,522)	(4,360,842)	(2,933,977)	(734,329)	(2,303,780)
Net profit/Total comprehensive income for the financial period/year		4,007,979	3,571,275	11,323,957	8,739,734	7,003,610	7,774,731
Net profit/Total comprehensive income attributable to:							
- Owners of the Group		4,007,979	3,571,275	11,323,957	8,739,734	7,003,610	7,774,731
EPS attributable to owners of the Group							
- Basic and diluted	33	4.01	3.57	11.32	8.74	7.00	7.77

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

13. ACCOUNTANTS' REPORT (Cont'd)
WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)
COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital RM	Invested equity RM	Retained earnings RM	Total RM
Audited					
At 1 July 2020		-	1,000,000	33,530,495	34,530,495
Net profit/total comprehensive income for the financial year		-	-	7,774,731	7,774,731
Dividend paid	31	-	-	(3,000,000)	(3,000,000)
At 30 June 2021/1 July 2021		-	1,000,000	38,305,226	39,305,226
Issuance of shares	21	10	-	-	10
Net profit/total comprehensive income for the financial year		-	-	7,003,610	7,003,610
At 30 June 2022/1 July 2022		10	1,000,000	45,308,836	46,308,846
Net profit/total comprehensive income for the financial year		-	-	8,739,734	8,739,734
At 30 June 2023/1 July 2023		10	1,000,000	54,048,570	55,048,580
Net profit/total comprehensive income for the financial year		-	-	11,323,957	11,323,957
At 30 June 2024/ 1 July 2024		10	1,000,000	65,372,527	66,372,537
Net profit/total comprehensive income for the financial period		-	-	4,007,979	4,007,979
At 31 October 2024		10	1,000,000	69,380,506	70,380,516

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Note	Share capital RM	Invested equity RM	Retained earnings RM	Total RM
Unaudited					
1 July 2023		10	1,000,000	54,048,570	55,048,580
Net profit/total comprehensive income for the financial period		-	-	3,571,275	3,571,275
At 31 October 2023		10	1,000,000	57,619,845	58,619,855

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

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

COMBINED STATEMENTS OF CASH FLOWS

Note	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Cash flow from operating activities						
Profit before tax	5,587,570	5,128,797	15,684,799	11,673,711	7,737,939	10,078,511
Adjustments for :-						
Depreciation of property, plant and equipment	4,774,934	4,310,952	13,683,964	10,757,911	9,239,468	10,438,698
Depreciation of investment properties	-	-	-	-	36,000	119,760
Bad debt written off	64,000	-	-	52,425	-	-
Gain on disposal of property, plant and equipment	-	(227,000)	(416,529)	(1,984,458)	(769,312)	(859,921)
Gain on disposal of investment properties	-	-	-	-	(3,857,039)	(108,242)
Gain on remeasurement of lease liabilities	-	(409)	(409)	(3,528)	(3,227)	-
Gain on disposal of investment in an associate	-	-	-	(251,972)	-	-
Net impairment loss/(gain) on trade receivables	153,153	493,647	405,458	(60,785)	(456,619)	(47,812)
Property, plant and equipment written off	-	55,464	60,925	-	-	9,920
Interest expenses	1,131,746	811,463	2,805,001	1,484,738	754,332	891,882
Interest income	(1,624)	(2,181)	(5,789)	(1,629)	(535)	(406)
Share of profit of equity-accounted associate, net of tax	-	-	-	(261,398)	(588,357)	(398,273)
Operating profit before working capital changes	11,709,779	10,570,733	32,217,420	21,405,015	12,092,650	20,124,117
Changes in working capital:						
Inventories	(170,923)	(97,048)	145,333	20,994	(63,576)	15,313
Trade and other receivables	(11,886,762)	8,536,590	(4,147,510)	(6,395,292)	(12,552,213)	(8,440,107)
Contract assets	(10,073,382)	(8,426,566)	(16,369,710)	(4,592,312)	(15,659,802)	2,982,600
Trade and other payables	(261,352)	(4,224,519)	8,529,428	(2,380,139)	13,802,756	(3,616,958)
Contract liabilities	15,964,887	(1,853,280)	(2,114,236)	4,951,316	466,721	312,979
Cash generated from/(used in) operations	5,282,247	4,505,910	18,260,725	13,009,582	(1,913,464)	11,377,944

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

		Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Note							
	Cash flow from operating activities (cont'd)						
	Interest received	398	1,424	3,513	378	535	406
	Tax paid	(1,319,937)	(462,998)	(4,021,470)	(1,405,335)	(2,701,117)	(1,060,985)
	Net cash generated from/(used in) operating activities	3,962,708	4,044,336	14,242,768	11,604,625	(4,614,046)	10,317,365
	Cash flows from investing activities						
	Acquisition of an associate	-	-	-	-	-	(1,500,000)
	Addition in other investment	-	-	(178,240)	(137,972)	(250,000)	-
	Placement of pledged fixed deposits with licensed bank	(182,868)	-	(976,452)	-	-	-
	Disposal of a subsidiary, net cash outflow	-	-	-	-	-	60
	Proceeds from disposal of investment properties, net of tax	-	-	-	-	9,316,739	1,264,314
	Proceeds from disposal of property, plant and equipment	-	286,000	549,000	3,244,000	1,065,500	1,443,041
	Proceeds from disposal of a subsidiary	-	-	-	950	-	-
	Proceeds from disposal of an associate	-	-	-	3,000,000	-	-
(a)	Purchase of property, plant and equipment	(224,296)	(515,147)	(1,120,754)	(3,182,669)	(3,082,410)	(94,970)
	Repayment received from subsidiary, net	-	-	-	75,157	-	-
	Advance to holding company, net	-	-	(135,656)	-	-	-
	Advance to an associate, net	-	-	-	(172,857)	(843,645)	(1,223,215)
	(Advance to)/repayment received from related parties, net	-	(2,550)	950	165,176	900,398	1,362,925
	Net cash flow (used in)/generated from investing activities	(407,164)	(231,697)	(1,861,152)	2,991,785	7,106,582	1,252,155

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

		Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
	Note						
Cash flows from financing activities							
Issuance of shares		-	-	-	-	10	-
Interest paid		(1,131,746)	(811,463)	(2,805,001)	(1,484,738)	(754,332)	(891,882)
(Repayment to)/advance from related parties, net	(b)	-	(380,000)	(390,674)	500,815	1,586,920	180,298
Repayment to Directors, net	(b)	-	-	-	-	-	(1,548,182)
Repayment of lease liabilities	(b)	(4,158,361)	(3,142,603)	(10,536,204)	(6,467,462)	(6,076,646)	(10,288,950)
Net movement of revolving credit	(b)	-	-	-	-	3,000,000	-
Net movement of invoice financing	(b)	2,880,210	244,684	3,336,409	636,049	-	-
Drawdown of term loans	(b)	-	-	250,000	250,000	-	-
Repayment of term loans	(b)	(473,236)	(417,529)	(1,327,501)	(1,001,188)	(708,532)	(246,390)
Net cash flow used in financing activities		(2,883,133)	(4,506,911)	(11,472,971)	(7,566,524)	(2,952,580)	(12,795,106)
Net increase/(decrease) in cash and cash equivalents		672,411	(694,272)	908,645	7,029,886	(460,044)	(1,225,586)
Cash and cash equivalents at beginning of the financial period/year		6,520,540	5,611,895	5,611,895	(1,417,991)	(957,947)	267,639
Cash and cash equivalents at end of the financial period/year	32	7,192,951	4,917,623	6,520,540	5,611,895	(1,417,991)	(957,947)

13. ACCOUNTANTS' REPORT *(Cont'd)*

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

Notes: -

(a) Purchase of property, plant and equipment

The Group made the following cash payments to purchase property, plant and equipment:

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Acquisition of property, plant and equipment	300,796	9,472,547	14,891,354	45,347,450	5,086,595	94,970
Less: Amount settled via lease	(76,500)	(444,400)	(10,567,500)	(26,898,581)	(602,185)	-
Less: Amount settled via term loan	-	-	-	(1,998,200)	-	-
Less: Other payables	-	(8,513,000)	(3,203,100)	(13,268,000)	(1,402,000)	-
	<u>224,296</u>	<u>515,147</u>	<u>1,120,754</u>	<u>3,182,669</u>	<u>3,082,410</u>	<u>94,970</u>

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

Notes: -

(b) Changes in liabilities arising from financing activities:

	At 1 July RM	Acquisition of property, plant and equipment RM	Other payables settled via term loan RM	Addition of new lease RM	Remeasurement of lease liabilities RM	Reclassification RM	Net cash flows RM	At 31 October RM
Audited								
FPE 31 October 2024								
Lease liabilities	38,690,799	-	-	2,906,600	-	-	(4,158,361)	37,439,038
Invoice financing	3,972,458	-	-	-	-	-	2,880,210	6,852,668
Revolving credit	3,000,000	-	-	-	-	-	-	3,000,000
Term loans	5,185,665	-	-	-	-	-	(473,236)	4,712,429
	<u>50,848,922</u>	<u>-</u>	<u>-</u>	<u>2,906,600</u>	<u>-</u>	<u>-</u>	<u>(1,751,387)</u>	<u>52,004,135</u>
Unaudited								
FPE 31 October 2023								
Amount owing to related parties	390,674	-	-	-	-	-	(380,000)	10,674
Lease liabilities	26,999,827	-	-	11,469,030	(48,824)	-	(3,142,603)	35,277,430
Invoice financing	636,049	-	-	-	-	-	244,684	880,733
Revolving credit	3,000,000	-	-	-	-	-	-	3,000,000
Term loans	5,588,166	-	675,000	-	-	-	(417,529)	5,845,637
	<u>36,614,716</u>	<u>-</u>	<u>675,000</u>	<u>11,469,030</u>	<u>(48,824)</u>	<u>-</u>	<u>(3,695,448)</u>	<u>45,014,474</u>

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

Notes: -

(b) Changes in liabilities arising from financing activities: (cont'd)

	At 1 July RM	Acquisition of property, plant and equipment RM	Other payables settled via term loan RM	Addition of new lease RM	Remeasurement of lease liabilities RM	Reclassification RM	Net cash flows RM	At 30 June RM
Audited FYE 30 June 2024								
Amount owing to related parties	390,674	-	-	-	-	-	(390,674)	-
Lease liabilities	26,999,827	-	-	22,276,000	(48,824)	-	(10,536,204)	38,690,799
Invoice financing	636,049	-	-	-	-	-	3,336,409	3,972,458
Revolving credit	3,000,000	-	-	-	-	-	-	3,000,000
Term loans	5,588,166	-	675,000	-	-	-	(1,077,501)	5,185,665
	<u>36,614,716</u>	<u>-</u>	<u>675,000</u>	<u>22,276,000</u>	<u>(48,824)</u>	<u>-</u>	<u>(8,667,970)</u>	<u>50,848,922</u>
Audited FYE 30 June 2023								
Amount owing to related parties	1,900,787	-	-	-	-	(2,010,928)	500,815	390,674
Lease liabilities	5,992,888	-	-	27,420,581	53,820	-	(6,467,462)	26,999,827
Invoice financing	-	-	-	-	-	-	636,049	636,049
Revolving credit	3,000,000	-	-	-	-	-	-	3,000,000
Term loans	3,461,154	1,998,200	880,000	-	-	-	(751,188)	5,588,166
	<u>14,354,829</u>	<u>1,998,200</u>	<u>880,000</u>	<u>27,420,581</u>	<u>53,820</u>	<u>(2,010,928)</u>	<u>(6,081,786)</u>	<u>36,614,716</u>

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

Notes: -

(b) Changes in liabilities arising from financing activities: (cont'd)

	At 1 July RM	Acquisition of property, plant and equipment RM	Other payables settled via term loan RM	Addition of new lease RM	Remeasurement of lease liabilities RM	Reclassification RM	Net cash flows RM	At 30 June RM
Audited								
FYE 30 June 2022								
Amount owing to related parties	313,867	-	-	-	-	-	1,586,920	1,900,787
Lease liabilities	10,215,597	-	-	1,925,185	(71,248)	-	(6,076,646)	5,992,888
Revolving credit	-	-	-	-	-	-	3,000,000	3,000,000
Term loans	4,169,686	-	-	-	-	-	(708,532)	3,461,154
	<u>14,699,150</u>	<u>-</u>	<u>-</u>	<u>1,925,185</u>	<u>(71,248)</u>	<u>-</u>	<u>(2,198,258)</u>	<u>14,354,829</u>
FYE 30 June 2021								
Amount owing to related parties	133,569	-	-	-	-	-	180,298	313,867
Amount owing to Directors	1,548,182	-	-	-	-	-	(1,548,182)	-
Lease liabilities	13,558,189	-	-	6,946,358	-	-	(10,288,950)	10,215,597
Term loans	4,416,076	-	-	-	-	-	(246,390)	4,169,686
	<u>19,656,016</u>	<u>-</u>	<u>-</u>	<u>6,946,358</u>	<u>-</u>	<u>-</u>	<u>(11,903,224)</u>	<u>14,699,150</u>

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

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

1. GENERAL INFORMATION

Wawasan Dengkil Holdings Berhad (the "Company") was incorporated on 13 April 2022 under the Companies Act 2016 ("Act") as a private limited liability company. The Company is domiciled in Malaysia.

On 13 June 2024, Wawasan Dengkil Holdings Sdn. Bhd. was converted into a public limited company and assumed its present name of Wawasan Dengkil Holdings Berhad.

The registered office of the Company is located at No. D-09-02, Level 9, Exsim Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur. The principal place of business is located at 1-5, 1-6, 1-7, 1-8 & 1-9, Jalan Intan 5/1, Taman Intan, 43800 Dengkil, Selangor.

The principal activity of the Company is investment holding. The Company was incorporated to be the holding company for the restructured group pursuant to the internal restructuring exercise as disclosed elsewhere in the report.

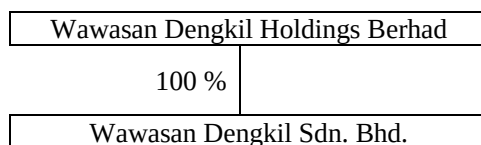
2. RESTRUCTURING EXERCISE

For the purpose of its Listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing"), the Company undertook a restructuring exercise via the acquisition of Wawasan Dengkil Sdn. Bhd. (collectively known as "Group").

The Company was incorporated as a special purpose investment holding vehicle to hold the combining entities pursuant to an internal restructuring.

On 11 June 2024, Wawasan Dengkil Holdings Berhad entered into a conditional share sale agreement with T Force Holdings Sdn. Bhd. and Lim Sook Yik to acquire entire of the equity interest in Wawasan Dengkil Sdn. Bhd. for a total purchase consideration of RM60,494,400 to be satisfied by issuance of 432,102,860 new ordinary shares in Wawasan Dengkil Holdings Berhad at an issue price of approximately RM0.14 per share ("The Acquisition"). The Acquisition was completed on 28 November 2024.

The corporate structure following completion of the Acquisition is as follows:



Wawasan Dengkil Holdings Berhad and its combining entities are collectively known as "Group" in the combined financial statements contained in this Accountants' Report.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

2. RESTRUCTURING EXERCISE (CONT'D)

Details of the combining entities as at the date of this report are as follows:

<u>Name of combining entities</u>	<u>Date of incorporation</u>	<u>Issued share capital (RM)</u>	<u>Effective equity interest (%)</u>						<u>Principal activities</u>
			<u>FPE 31 October</u>		<u>FYE 30 June</u>				
			<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	
Wawasan Dengkil Holdings Berhad	13 April 2022	10	100	100	100	100	100	-	Investment holding.
Wawasan Dengkil Sdn. Bhd.	28 February 2003	1,000,000	100	100	100	100	100	100	Provision of construction services namely earthworks and civil engineering services, trading of construction materials as well as provision of machineries and commercial vehicles for hire.

3. AUDITED COMBINED FINANCIAL STATEMENTS

This Report comprises solely the audited combined financial statements of the combining entities for the Financial Period Ended ("FPE") 31 October 2024 and Financial Year Ended ("FYE") 30 June 2021, 2022, 2023 and 2024.

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

4. RELEVANT FINANCIAL YEARS/PERIOD

The relevant financial years of the audited financial statements presented for the purpose of this report ("Relevant Financial Years/Period") and the statutory auditors of the respective companies within the Group are as follows:

Company	Relevant Financial Years/Period	Auditor
Wawasan Dengkil Holdings Berhad	FYE 30 June 2022	Ecovis Malaysia PLT ⁽ⁱ⁾
	FYE 30 June 2023	Ecovis Malaysia PLT
	FYE 30 June 2024	Ecovis Malaysia PLT
	FPE 31 October 2024	Ecovis Malaysia PLT
Wawasan Dengkil Sdn. Bhd.	FYE 30 June 2021	Ecovis Malaysia PLT
	FYE 30 June 2022	Ecovis Malaysia PLT
	FYE 30 June 2023	Ecovis Malaysia PLT
	FYE 30 June 2024	Ecovis Malaysia PLT
	FPE 31 October 2024	Ecovis Malaysia PLT

- ⁽ⁱ⁾ Wawasan Dengkil Holdings Berhad was incorporated on 13 April 2022. The first statutory financial year end was fixed at 30 June 2023. Hence, no audited financial statements was available and the management's financial statements was used in the preparation of combined financial statements.

The audited financial statements of combining entities within the Group for the Relevant Financial Years/Period reported above were not subject to any qualification or modification.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The combined financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of common controlled entities are included in the financial statements from the day that control commences until the date that control ceases.

The financial statements of the Group for the relevant period were prepared in a manner similar to the "pooling-of-interest" method, as if the entities within the Group were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period from the days the control commences, if later. Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant years.

The combined financial statements consist of the financial statements of the Group as disclosed in page 4 to 101 of this report, which were under common control throughout the reporting periods.

The audited combined financial statements of the Group have been prepared as if the Group has operated as a single economic entity throughout FYE 30 June 2021 to FYE 30 June 2024 and FPE 31 October 2024 have been prepared from the books and records maintained by each entity. The financial statements of Wawasan Dengkil Holdings Berhad was only included in FYE 30 June 2022, FYE 30 June 2023, FYE 30 June 2024 and FPE 31 October 2024 as the Company incorporated on 13 April 2022. The financial statements of the Group have been audited by Ecovis Malaysia PLT.

The combined financial statements are prepared under the historical cost convention except otherwise indicated in the summary of material accounting policy information.

The material accounting policy information set out in Note 5.3 of this report have been applied in preparing the combined financial statements for the FYE 30 June 2021, FYE 30 June 2022, FYE 30 June 2023, FYE 30 June 2024, FPE 31 October 2023 and FPE 31 October 2024.

The combined financial statements are presented in RM, which is also the functional currency of the Group.

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****5.1 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int")**

The Group has adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that are mandatory for FPE 31 October 2024:

<u>MFRS (including the consequential amendments)</u>		<u>Effective Date</u>
Amendments to MFRS 7	'Financial Instruments: Disclosures' – Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16	'Leases' – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	'Presentation of Financial Statements' – Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107	'Statement of Cash Flows' – Supplier Finance Arrangements	1 January 2024

The adoption of the above MFRS and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and has no significant effect on the financial performance or position of the Group for the relevant financial years.

5.2 New MFRS, amendments/improvements to MFRSs and new IC Interpretations that have been issued, but not yet adopted

The following are amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB"), but are not yet effective and have not been adopted by the Group. The Group intends to adopt these amendments to MFRSs, if applicable, when they become effective for the following financial year:

<u>MFRS (including the consequential amendments)</u>		<u>Effective Date</u>
Amendments to MFRS 121	'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability	1 January 2025
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards– Volume 11	1 January 2026
Amendments to MFRS 7	'Financial Instruments: Disclosures' – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9	'Financial Instruments' – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.2 New MFRS, amendments/improvements to MFRSs and new IC Interpretations that have been issued, but not yet adopted (cont'd)

The following are amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB"), but are not yet effective and have not been adopted by the Group. The Group intends to adopt these amendments to MFRSs, if applicable, when they become effective for the following financial year: (cont'd)

<u>MFRS (including the consequential amendments)</u>			<u>Effective Date</u>
MFRS 18	'Presentation and Disclosure in Financial Statements'		1 January 2027
MFRS 19	'Subsidiaries without Public Accountability: Disclosures'		1 January 2027
Amendments to MFRS 10	'Consolidated Financial Statements' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		To be announced
Amendments to MFRS 128	'Investment in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		To be announced

The Group plans to apply the abovementioned amendments to MFRS, where applicable to the Group, from the beginning of the financial year where they become effective.

The initial application of the above amendments to MFRSs, where applicable, are not expected to have any material financial impact to the combined financial statements.

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 Material accounting policy information

(a) Basis of combination

Common control business combination outside the scope of MFRS 3, 'Business Combinations' ("MFRS 3")

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, are outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements.

The Group is regarded as a continuing entity since the management of all the combining entities which took part were managed by the common shareholders before and immediately after the restructuring exercise in Note 2. Accordingly, the financial information have been prepared on the basis of merger accounting.

In applying merger accounting, financial statement line items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the combined financial statements of the combining entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the combining entities. Therefore, the assets, liabilities and equity of the combining entities or businesses are recognised at the carrying amounts in the combined financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such combined financial statements had been prepared by the controlling party, including adjustments required for conforming to the Company's accounting policies and applying those policies to all years presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the combined financial statements of the combining entity.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the combining entity are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The combined financial statements were prepared based on the audited financial statements of combining entities which were prepared in accordance with MFRS and IFRS for the purpose of combination. The combining entities maintain their accounting records and prepare the relevant statutory financial statements in accordance with MFRS, IFRS and the requirements of the Act in Malaysia.

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 Material accounting policy information (cont'd)

(a) Basis of combination (cont'd)

Common control business combination outside the scope of MFRS 3, 'Business Combinations' ("MFRS 3") (cont'd)

The Group resulting from the restructuring exercise as disclosed in Note 2, is made up by two entities under common control. Accordingly, the combined financial statements have been accounted for using the principles of merger accounting where financial statements line items of the merged entities for the reporting periods in which the common control combination occur are included in the combined financial statements as if the combination had occurred from the date when the merged entities first came under the control of the same shareholders.

(b) Basis of consolidation

(i) Investment in subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the combined financial statements from the date that control commences until the date that control ceases.

Control is achieved when the Group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable are taken into account.

The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investments in subsidiaries are measured in the Company's separate financial statements at cost less any impairment losses, unless the investment is held for sale (accounted for in accordance with MFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations') or distribution. The cost of investment includes transaction costs.

The policy for the recognition and measurement of impairment losses is in accordance with Note 5.3(g) to this report. On disposal, the difference between the net disposal proceeds and its carrying amount is recognised as gain or loss on disposal in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 Material accounting policy information (cont'd)

(b) Basis of consolidation (cont'd)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9, 'Financial Instruments' ("MFRS 9") is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

(iii) Acquisitions of non-controlling interests

Changes in the Company's ownership interest in a combining entity that do not result in a loss of control are accounted for as equity transactions between the Group and its non-controlling interest holders. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributable to the equity holders of the Company.

(iv) Loss of control

Upon the loss of control of a combining entity, the Group derecognises the assets and liabilities of the former combining entity, any non-controlling interests and the other components of equity related to the former combining entity from the consolidated statements of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former combining entity, then such interest is measured at fair value at the date the control ceases. Subsequently it is accounted for as an equity-accounted investee or as an equity instrument at fair value through other comprehensive income ("FVTOCI") depending on the level of influence retained.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(b) Basis of consolidation (cont'd)****(v) Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a combining entity not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statements of financial position and statements of changes in equity, separately from equity attributable to equity holders of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statements of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the equity holders of the Company.

Losses applicable to non-controlling interests in a combining entity are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and carrying amount of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the combined financial statements.

(c) Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in associate is accounted for using the equity method. The associate is equity accounted for from the date of the Group gains significant influence or joint control until the date of the Group ceases to have significant influence over the associate.

Under the equity method, the investment in associate is initially recognised at cost. The carrying amount of the investment is adjusted for changes in the Group's share of net assets of the associate since the acquisition date.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(c) Investment in associate (cont'd)**

The combined statements of comprehensive income reflects the Group's share of the results of operation of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's statement of comprehensive income. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes and discloses this, when applicable, in the combined statements of changes in equity. Unrealised gains and losses resulting from the transactions between Group and the associate is eliminated to the extent of the investment in associate. The aggregate of the Group's share of profit or loss in associate is shown on the face of the combined statements of comprehensive income outside operating profit. The Group's share of profit or loss in associate represents profit or loss after tax and non- controlling interest in the associate.

When the Group's share of losses in an associate equals or exceeds its investment in associate, including any long term interests that, in substance, form part of the Group's net investment in associate, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between recoverable amount of the associate and its carrying amount, then recognises the amount in the 'share of result of associate' on the face of the combined statements of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposals is recognised in the combined statements of comprehensive income.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 Material accounting policy information (cont'd)

(d) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciate them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of an asset begins when it is ready for its intended use. No depreciation is provided on the freehold land as it has indefinite useful life. Depreciation of property, plant and equipment is computed on the straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Leasehold land	86 years
Buildings	2 to 5 years
Furniture and fittings	20%
Motor vehicles	20%
Office equipment	20%
Plant and machinery	10 - 20%
Renovation	10%
Workshop building	20%
Site equipment	20%

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 5.3(g) to this report.

The residual values, useful lives and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****5.3 Material accounting policy information (cont'd)****(e) Investment properties**

Investment properties are properties which are held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the productivity or supply of goods or services or for administrative purposes. Such properties are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other cost directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Subsequent to the initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 5.3(g) to this report.

No depreciation is provided on the freehold land as it has indefinite useful life. All other investment properties are provided on the straight line basis to write off the cost of investment properties to their residual value over their estimated useful lives of the investment properties, at the following annual rate:

Freehold factory building	2%
Freehold apartment	2%
Leasehold apartment	2%

Investment properties are derecognised when they have been disposed off or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposals. The gain or loss arising from the retirement or disposal of an investment properties are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 5.3(d) to this report up to date of change in use.

(f) Other investment

Other investment is carried at fair value through profit or loss. Where an indication of impairment exists, the carrying amount of the other investment is assessed and written down immediately to its recoverable amount, in line with the accounting policy set out in Note 5.3(i) to this report.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 Material accounting policy information (cont'd)

(g) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset (except for inventories and tax recoverable) may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful lives or that are not available for use, the recoverable amount is estimated each period at the same time.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use cash-generating units ("CGU"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. Where the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in profit or loss except for assets that have been previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rated basis.

An impairment loss in respect of goodwill is not reversed. In respect of assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is credited to profit or loss in the financial year in which the reversal is recognised.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(h) Financial assets**

Financial assets are recognised in the statements of financial position when, and only when, the combining entities become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9 are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objectives are to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

(ii) Financial assets measured at fair value**a. At fair value through other comprehensive income ("FVTOCI")**

Financial assets that are debt instruments are measured at FVTOCI if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income, except impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

b. At FVTPL

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. The Group's financial asset measured at FVTPL is other investment.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(h) Financial assets (cont'd)****(ii) Financial assets measured at fair value (cont'd)****b. At FVTPL (cont'd)**

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group does not have any financial assets that are equity instruments.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group.

(i) Impairment of financial assets

The Group assesses at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group uses historical experience and other supportive information to assess deterioration in credit quality of a financial asset. The Group assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(i) Impairment of financial assets (cont'd)**

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group expects to receive. The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance account.

The Group measures the impairment loss on financial assets other than trade receivables and contract assets based on the two-step approach.

(i) 12-months expected credit loss ("ECL")

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(ii) Lifetime ECL

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Group. If in a subsequent period, the credit quality improves and reverses any previously assessed significant increase in credit risk since initial recognition, then the impairment loss reverts from lifetime Expected Credit Loss to 12-months ECL.

For trade receivables and contract assets, the Group measures impairment loss based on lifetime ECL at each reporting date until the financial assets are derecognised.

(j) Financial liabilities**(i) Initial recognition and subsequent measurement**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are measured initially at fair value plus directly attributable costs, except in the case of financial liabilities at FVTPL.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(j) Financial liabilities (cont'd)****(i) Initial recognition and subsequent measurement (cont'd)**

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

a. Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group does not have any financial liabilities at FVTPL in the current financial year and previous financial years.

b. Other financial liabilities

The Group's other financial liabilities consist of payables and borrowings.

Payables and borrowings are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 Material accounting policy information (cont'd)

(k) Provisions for liabilities

Provisions for liabilities are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(i) Provision for defects liability

A provision is recognised when contract customer issues Certificates of Practical Completion ("CPC") after the completion of contractual performance obligation. The Group has also considered their past experience with rectifying defects for certain type of building construction.

The provision for defect liability are reversed as and when expenses are incurred to perform defects rectification, and entirely at the end of defects liability period. Any under-provision will be charged to profit or loss during the financial year.

(ii) Provision for onerous contract

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

(l) Contract assets/(liabilities)

Contract assets is the right to consideration for goods or services transferred to the customers. Contract assets is the excess of cumulative revenue earned over the billings to date. When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract assets. The policy for the recognition and measure of impairment losses is in accordance with Note 5.3(i) to this report.

Contract liabilities is the obligation to transfer goods or services to customer for which the Group has received the consideration or have billed the customer. Contract liabilities is the excess of the billings to date over the cumulative revenue earned. Contract liabilities include advance payment and downpayments received from customers and other amounts where the Group has billed before the goods are delivered or services are provided to the customers.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(m) Borrowing costs**

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 ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All borrowing costs are recognised in profit or loss 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(n) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprises cash and bank balances and fixed deposits with licensed bank that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdrafts and excluded fixed deposits pledged to secure banking facilities.

(o) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the reporting date. A dividend proposed or declared after the reporting date, but before the report are authorised for issue, is not recognised as liability at the reporting date.

(p) Leases**(i) As lessee**

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(p) Leases (cont'd)****(i) As lessee (cont'd)**

The right-of-use assets are initially recorded at cost, which comprise:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets or lease term whichever is earlier. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The policy for the recognition and measurement of impairment losses is in accordance with Note 5.3(g) to this report.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

In determining the enforceable period of the lease, the Group considers the following:

- the broader economics of the contract, and not only contractual termination payments. If either party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is deemed enforceable beyond the date on which the contract can be terminated; and
- whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. A lease is no longer enforceable only when both parties have such a right. Consequently, if only one party has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, the contract is deemed enforceable beyond the date on which the contract can be terminated by that party.

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 Material accounting policy information (cont'd)

(p) Leases (cont'd)

(i) As lessee (cont'd)

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

The 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, as follows:

Leasehold land	86 years
Buildings	2 to 5 years
Motor vehicles	20%
Plant and machinery	10 - 20%

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If rate cannot be readily determined, the Group's incremental borrowing rate is used. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(q) Revenue

The Group recognises revenue from contracts with customers based on the five-step model as set out in MFRS 15:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the combining entities expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(q) Revenue (cont'd)**

The Group recognises revenue from contracts with customers based on the five-step model as set out in MFRS 15: (cont'd)

(iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

(v) Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time if the Group's performance:

- (i) 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; or
- (ii) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provides benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfy a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describe the performance obligation in contracts with customers:

Revenue from contract with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfied a performance obligation by transferring a promised good or service to the customer, which is when customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(q) Revenue (cont'd)****Revenue from contract with customers (cont'd)**Provision of construction services

The Group construct infrastructure work under long-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group 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.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of a performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

The Group become entitled to invoice customer for construction service based on achieving a series of performance-related milestones. The Group recognised a contract asset for any excess of revenue recognised to date over the billing-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivable at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any payment received from customers then the Group recognise a contract liability for the difference.

Trading of construction materials

Revenue from trading of construction material is recognised at the point in time when control of the assets is transferred to the customers, generally upon the transfer or significant risk and rewards of ownership of the goods to the customer.

Provision of machineries and commercial vehicles for hire

Hiring income is recognised on a straight line basis over the lease term on accrual basis.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(r) Other operating income****(i) Interest income**

Interest income is recognised on an accrual basis that reflects the effective yield of the asset.

(ii) Rental income

Rental income is recognised on a straight-line basis over the lease term on accrual basis.

(s) Employee benefits**(i) Short-term employee benefits**

Short-term employment benefits, such as wages, salaries and social security contributions, are recognised as an expenses in the financial year in which the associated services are rendered by employees of the Group.

Short-term accumulating compensated absences, such as paid annual leave, are recognised when the employees render services that increase their entitlement to future compensated absences.

Non-accumulating compensated absences, such as sick leave, are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

Profit-sharing and bonus plans are recognised when the Group has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when, and only when the Group has no realistic alternative but to make the payments.

(ii) Defined contribution plans

Defined contributions plans are post-employment benefits plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(t) Taxes****(i) Current tax**

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the reporting date, and adjustment of tax payable in respect of the previous financial year.

Current taxes is 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.

(ii) Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the combined statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from transaction which is recognised in other comprehensive income or directly in equity, in which case the deferred tax is charged or credited in other comprehensive income or directly in equity.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(t) Taxes (cont'd)****(iii) Sales and Service Tax ("SST")**

Revenue, expenses and assets are recognised net of SST except:

- where the SST incurred in a purchase of asset, the SST is recognised as part of cost of acquisition of asset; and
- receivables and payables that stated with SST inclusive.

The rate for Sales Tax is fixed at 10%, while the rate for Service Tax is at range from 6% to 8%.

(u) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different level in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within 1 level that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

5. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**5.3 Material accounting policy information (cont'd)****(v) Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations not under common control, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

(w) Earnings per share ("EPS")

The Group presents basic and diluted EPS data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the periods, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(x) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decision about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with MFRS requires management to exercise their judgement in the process of applying the Group's accounting policies and the use of accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date and which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is disclosed below:

(i) Construction revenue and expenses

The Group recognised construction revenue and expense in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimation total construction revenue and expenses, as well as the recoverability of the construction projects, in making the judgement, the Group evaluate based on past experience.

(ii) Measurement of income taxes

Liability for taxation is recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice of whether additional taxes will be payable. When the final outcome of the tax payable is determined with the tax authority, the amount might be different from the initial estimate of the tax payable. Such difference may impact the income tax in the period when such determination is made. The Group will adjust for the differences as over- or under- provision of income tax in the period in which those differences arise.

(iii) Estimated useful lives of property, plant and equipment and investment property

The cost of property, plant and equipment and investment property is depreciated on the straight line basis over the assets' useful lives. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT (CONT'D)

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is disclosed below: (cont'd)

(iv) Classification of non-current bank borrowings

Bank facilities agreements entered into by the Group include clauses for repayment on demand at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their right to demand for repayment. Accordingly, the carrying amount of loans at reporting date have been classified between current and non-current liabilities based on their repayment period.

(v) Impairment of financial assets

The Group recognised impairment for trade receivables and contract assets using the ECL model based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and experience, existing market conditions as well as forward looking estimates at the end of each reporting period.

(vi) Determining the lease term where the Group acts as a lessee

In determining the lease term and assessing the length of the non-cancellable period of a lease, the Group applies the definition of a contract and determines the period for which the contract is enforceable. The Group also considers whether the lessee and lessor each has the right to terminate the lease without the permission from the other party with no more than an insignificant penalty, in determining the lease term. In determining a penalty, the Group assesses monetary and non-monetary considerations.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The determination of the lease term is a significant judgment as it will directly affect the recognition of a lease as a short-term lease or a right-of-use asset with a corresponding lease liability.

(vii) Leases – estimating the incremental borrowing rate

The Group uses its incremental borrowing rate ("IBR") to measure lease liabilities as the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT (CONT'D)

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is disclosed below: (cont'd)

(viii) Classification of a property as an investment property or property, plant and equipment

Certain property comprises of a portion that is held to earn rental income or capital appreciation, or for both, whilst the remaining portion is held for use in the production or supply of goods and services or for administrative purposes. If the portion held for rental and/or capital appreciation could be sold separately (or leased out separately as a finance lease), the Group accounts for that portion as an investment property. If the portion held for rental and/or capital appreciation could not be sold or leased out separately, it is classified as an investment property only if an insignificant portion of the property is held for use in the production or supply of goods and services or for administrative purposes. Management uses its judgement to determine whether any ancillary services are of such significance that a property does not qualify as an investment property.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Leasehold land RM	Buildings RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation RM	Workshop building RM	Site equipment RM	Total RM
Audited Cost											
At 1 July 2020	1,345,735	1,500,000	1,523,177	17,500	37,197,234	546,069	46,086,501	79,214	517,896	174,657	88,987,983
Additions	-	-	-	-	-	13,082	81,888	-	-	-	94,970
Disposals	-	-	(297,953)	-	(756,470)	-	(1,807,576)	-	-	-	(2,861,999)
Written-off	-	-	(885,948)	-	-	-	(72,333)	-	(517,896)	(174,657)	(1,650,834)
At 30 June 2021/											
1 July 2021	1,345,735	1,500,000	339,276	17,500	36,440,764	559,151	44,288,480	79,214	-	-	84,570,120
Additions	-	-	414,185	9,488	2,855,015	333,307	1,460,000	-	-	14,600	5,086,595
Disposals	-	-	-	-	(1,672,737)	-	(1,080,000)	-	-	-	(2,752,737)
Remeasurement	-	-	(339,276)	-	-	-	-	-	-	-	(339,276)
At 30 June 2022/											
1 July 2022	1,345,735	1,500,000	414,185	26,988	37,623,042	892,458	44,668,480	79,214	-	14,600	86,564,702
Additions	-	-	56,681	-	15,260,484	123,353	29,801,000	-	-	105,932	45,347,450
Disposals	-	-	-	-	(7,118,650)	-	(12,202,000)	-	-	-	(19,320,650)
Remeasurement	-	-	57,348	-	-	-	-	-	-	-	57,348
At 30 June 2023/											
1 July 2023	1,345,735	1,500,000	528,214	26,988	45,764,876	1,015,811	62,267,480	79,214	-	120,532	112,648,850
Additions	-	-	-	25,539	8,815,384	218,441	5,140,889	11,735	-	679,366	14,891,354
Disposals	-	-	-	-	(619,898)	-	(1,194,667)	-	-	-	(1,814,565)
Written-off	-	-	-	-	(1,041,200)	-	(58,900)	-	-	(6,068)	(1,106,168)
Remeasurement	-	-	(56,681)	-	-	-	-	-	-	-	(56,681)
At 30 June 2024/											
1 July 2024	1,345,735	1,500,000	471,533	52,527	52,919,162	1,234,252	66,154,802	90,949	-	793,830	124,562,790
Additions	-	-	-	3,576	-	71,680	85,000	-	-	140,540	300,796
At 31 October 2024	1,345,735	1,500,000	471,533	56,103	52,919,162	1,305,932	66,239,802	90,949	-	934,370	124,863,586

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Leasehold land RM	Buildings RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation RM	Workshop building RM	Site equipment RM	Total RM
Audited											
Accumulated											
Depreciation											
At 1 July 2020	-	122,093	777,312	9,753	18,595,301	503,701	21,816,346	79,214	517,896	160,247	42,581,863
Depreciation charge	-	17,442	389,569	2,130	5,641,983	29,989	4,353,095	-	-	4,490	10,438,698
Disposals	-	-	(65,875)	-	(756,470)	-	(1,456,534)	-	-	-	(2,278,879)
Written-off	-	-	(885,948)	-	-	-	(72,333)	-	(517,896)	(164,737)	(1,640,914)
At 30 June 2021/											
1 July 2021	-	139,535	215,058	11,883	23,480,814	533,690	24,640,574	79,214	-	-	49,100,768
Depreciation charge	-	17,442	132,423	3,237	5,028,991	39,713	4,015,715	-	-	1,947	9,239,468
Disposals	-	-	-	-	(1,376,549)	-	(1,080,000)	-	-	-	(2,456,549)
Remeasurement	-	-	(271,255)	-	-	-	-	-	-	-	(271,255)
At 30 June 2022/											
1 July 2022	-	156,977	76,226	15,120	27,133,256	573,403	27,576,289	79,214	-	1,947	55,612,432
Depreciation charge	-	17,442	137,013	4,028	5,596,688	89,304	4,906,095	-	-	7,341	10,757,911
Disposals	-	-	-	-	(6,757,650)	-	(11,303,458)	-	-	-	(18,061,108)
At 30 June 2023/											
1 July 2023	-	174,419	213,239	19,148	25,972,294	662,707	21,178,926	79,214	-	9,288	48,309,235
Depreciation charge	-	17,442	128,593	5,792	7,289,607	136,522	6,023,577	2,227	-	80,204	13,683,964
Disposals	-	-	-	-	(619,898)	-	(1,062,196)	-	-	-	(1,682,094)
Written-off	-	-	-	-	(1,041,200)	-	(3,436)	-	-	(607)	(1,045,243)
Remeasurement	-	-	(8,266)	-	-	-	-	-	-	-	(8,266)
At 30 June 2024/											
1 July 2024	-	191,861	333,566	24,940	31,600,803	799,229	26,136,871	81,441	-	88,885	59,257,596
Depreciation charge	-	5,814	42,864	2,657	2,563,905	48,404	2,049,184	782	-	61,324	4,774,934
At 31 October 2024	-	197,675	376,430	27,597	34,164,708	847,633	28,186,055	82,223	-	150,209	64,032,530

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Leasehold land RM	Buildings RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation RM	Workshop building RM	Site equipment RM	Total RM
Audited Net Carrying Amounts											
At 31 October 2024	1,345,735	1,302,325	95,103	28,506	18,754,454	458,299	38,053,747	8,726	-	784,161	60,831,056
At 30 June 2024	1,345,735	1,308,139	137,967	27,587	21,318,359	435,023	40,017,931	9,508	-	704,945	65,305,194
At 30 June 2023	1,345,735	1,325,581	314,975	7,840	19,792,582	353,104	41,088,554	-	-	111,244	64,339,615
At 30 June 2022	1,345,735	1,343,023	337,959	11,868	10,489,786	319,055	17,092,191	-	-	12,653	30,952,270
At 30 June 2021	1,345,735	1,360,465	124,218	5,617	12,959,950	25,461	19,647,906	-	-	-	35,469,352

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)****(a) Right-of-use assets**

The right-of-use asset represents operating lease agreements entered into by the Group for the use of land, office and staff hostel. The leases are mainly for an initial lease of two to three (30.06.2024: two to three, 30.06.2023: two to three, 30.06.2022: two to three, 30.06.2021: two to four) years with option to renew for another two (30.06.2024: two, 30.06.2023: two, 30.06.2022: one to two, 30.06.2021: one) years.

The Group also have plant and machinery and motor vehicles with lease term of three to five (30.06.2024: three to five, 30.06.2023: three to five, 30.06.2022: three to five, 30.06.2021: three to five) years.

Additional information on the right-of-use assets is as follows: -

	Leasehold land RM	Buildings RM	Motor vehicles RM	Plant and machinery RM	Total RM
Audited Cost					
At 1 July 2020	1,500,000	1,225,224	14,517,582	18,680,000	35,922,806
Reclassification	-	-	4,384,226	(8,030,000)	(3,645,774)
Written-off	-	(885,948)	-	-	(885,948)
At 30 June 2021/ 1 July 2021	1,500,000	339,276	18,901,808	10,650,000	31,391,084
Additions	-	414,185	205,015	-	619,200
Disposals	-	-	(435,847)	-	(435,847)
Reclassification	-	-	(4,192,035)	(5,820,000)	(10,012,035)
Remeasurement	-	(339,276)	-	-	(339,276)
At 30 June 2022/ 1 July 2022	1,500,000	414,185	14,478,941	4,830,000	21,223,126
Additions	-	56,681	8,012,394	20,890,000	28,959,075
Reclassification	-	-	(5,179,722)	(4,250,000)	(9,429,722)
Remeasurement	-	57,348	-	-	57,348
At 30 June 2023/ 1 July 2023	1,500,000	528,214	17,311,613	21,470,000	40,809,827
Additions	-	-	7,609,352	3,087,788	10,697,140
Written-off	-	-	-	(58,900)	(58,900)
Reclassification	-	-	(2,209,247)	7,288,000	5,078,753
Remeasurement	-	(56,681)	-	-	(56,681)
At 30 June 2024/ 1 July 2024	1,500,000	471,533	22,711,718	31,786,888	56,470,139
Additions	-	-	-	85,000	85,000
Reclassification	-	-	(306,000)	1,755,000	1,449,000
At 31 October 2024	1,500,000	471,533	22,405,718	33,626,888	58,004,139

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

(a) Right-of-use assets (cont'd)

Additional information on the right-of-use assets is as follows: - (cont'd)

	Leasehold land RM	Buildings RM	Motor vehicles RM	Plant and machinery RM	Total RM
Audited					
Accumulated					
Depreciation					
At 1 July 2020	122,093	716,332	5,438,384	4,062,583	10,339,392
Depreciation charge	17,442	384,674	4,419,084	1,927,125	6,748,325
Reclassification	-	-	(1,553,880)	(2,920,167)	(4,474,047)
Written-off	-	(885,948)	-	-	(885,948)
At 30 June 2021/ 1 July 2021	139,535	215,058	8,303,588	3,069,541	11,727,722
Depreciation charge	17,442	132,423	4,041,028	1,065,000	5,255,893
Disposals	-	-	(322,236)	-	(322,236)
Reclassification	-	-	(4,296,931)	(2,326,250)	(6,623,181)
Remeasurement	-	(271,255)	-	-	(271,255)
At 30 June 2022/ 1 July 2022	156,977	76,226	7,725,449	1,808,291	9,766,943
Additions	-	-	-	9,666	9,666
Depreciation charge	17,442	137,013	3,688,881	1,701,292	5,544,628
Reclassification	-	-	(4,332,539)	(2,211,333)	(6,543,872)
At 30 June 2023/ 1 July 2023	174,419	213,239	7,081,791	1,307,916	8,777,365
Depreciation charge	17,442	128,593	5,657,775	3,100,564	8,904,374
Written-off	-	-	-	(3,436)	(3,436)
Reclassification	-	-	(6,436,098)	117,567	(6,318,531)
Remeasurement	-	(8,266)	-	-	(8,266)
At 30 June 2024/ 1 July 2024	191,861	333,566	6,303,468	4,522,611	11,351,506
Depreciation charge	5,814	42,864	1,563,131	1,120,896	2,732,705
Reclassification	-	-	(1,284,400)	21,375	(1,263,025)
At 31 October 2024	197,675	376,430	6,582,199	5,664,882	12,821,186
Net Carrying Amounts					
At 31 October 2024	1,302,325	95,103	15,823,519	27,962,006	45,182,953
At 30 June 2024	1,308,139	137,967	16,408,250	27,264,277	45,118,633
At 30 June 2023	1,325,581	314,975	10,229,822	20,162,084	32,032,462
At 30 June 2022	1,343,023	337,959	6,753,492	3,021,709	11,456,183
At 30 June 2021	1,360,465	124,218	10,598,220	7,580,459	19,663,362

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (b) Carrying amount for property, plant and equipment of the Group that have been pledged to financial institution to secure the loan and borrowings granted to the Group as disclosed elsewhere in the report as follows: -

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Freehold land	1,345,735	1,345,735	1,345,735	1,345,735	1,345,735
Leasehold land	1,302,325	1,308,139	1,325,581	1,343,023	1,360,465
Motor vehicles	2,326,166	2,630,833	3,544,833	2,517,500	-
Plant and machinery	1,817,250	1,893,683	2,122,983	-	-
	<u>6,791,476</u>	<u>7,178,390</u>	<u>8,339,132</u>	<u>5,206,258</u>	<u>2,706,200</u>

- (c) The Group's motor vehicles with carrying amount of Nil (30.06.2024: Nil, 30.06.2023: Nil, 30.06.2022: Nil, 30.06.2021: RM425,256) was registered under name of related party.

8. INVESTMENT PROPERTIES

	Freehold land	Freehold factory building	Freehold apartment	Leasehold apartment	Total
	RM	RM	RM	RM	RM
Audited					
Cost					
At 1 July 2020	4,297,173	4,800,000	619,800	676,200	10,393,173
Disposals	-	-	(619,800)	(676,200)	(1,296,000)
At 30 June 2021/					
1 July 2021	4,297,173	4,800,000	-	-	9,097,173
Disposals	(1,351,700)	(4,800,000)	-	-	(6,151,700)
At 30 June 2022/1 July					
2022/30 June 2023/					
1 July 2023/30 June					
2024/1 July 2024/					
31 October 2024	<u>2,945,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,945,473</u>

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**8. INVESTMENT PROPERTIES (CONT'D)**

	Freehold land RM	Freehold factory building RM	Freehold apartment RM	Leasehold apartment RM	Total RM
Audited Accumulated Depreciation					
At 1 July 2020	-	560,000	85,739	30,429	676,168
Depreciation charge	-	96,000	11,363	12,397	119,760
Disposals	-	-	(97,102)	(42,826)	(139,928)
At 30 June 2021/ 1 July 2021	-	656,000	-	-	656,000
Depreciation charge	-	36,000	-	-	36,000
Disposals	-	(692,000)	-	-	(692,000)
At 30 June 2022/1 July 2022/30 June 2023/ 1 July 2023/30 June 2024/1 July 2024/ 31 October 2024	-	-	-	-	-
Net Carrying Amount					
At 31 October 2024	2,945,473	-	-	-	2,945,473
At 30 June 2024	2,945,473	-	-	-	2,945,473
At 30 June 2023	2,945,473	-	-	-	2,945,473
At 30 June 2022	2,945,473	-	-	-	2,945,473
At 30 June 2021	4,297,173	4,144,000	-	-	8,441,173

- (a) Carrying amount for investment properties of the Group that have been pledged to financial institution to secure the loan and borrowings granted to the Group as disclosed elsewhere in the report as follows:

	Audited				
	31.10.2024 RM	30.06.2024 RM	30.06.2023 RM	30.06.2022 RM	30.06.2021 RM
Freehold land	2,945,473	2,945,473	2,945,473	2,945,473	4,297,173
Freehold factory building	-	-	-	-	4,144,000
	<u>2,945,473</u>	<u>2,945,473</u>	<u>2,945,473</u>	<u>2,945,473</u>	<u>8,441,173</u>

- (b) Rental income generated from investment properties amounted to Nil (30.06.2024: Nil, 30.06.2023: Nil, 30.06.2022: RM156,000, 30.06.2021: RM204,900).

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**8. INVESTMENT PROPERTIES (CONT'D)**

(c) The fair value of investment properties are as follows:

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Freehold land	12,437,908	12,437,908	10,779,870	10,779,870	10,848,905
Freehold factory building	-	-	-	-	8,741,220
	<u>12,437,908</u>	<u>12,437,908</u>	<u>10,779,870</u>	<u>10,779,870</u>	<u>19,590,125</u>

The fair value represent the amounts at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at each financial period/year end. The fair value disclosure of the investment properties was estimated by the Directors of the company and categorised in Level 3 of the fair value hierarchy.

9. INVESTMENT IN A SUBSIDIARY

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Unquoted shares, at cost:					
At the beginning of the period/year	-	-	950	950	1,010
Disposal	-	-	(950)	-	(60)
At the end of the period/year	<u>-</u>	<u>-</u>	<u>-</u>	<u>950</u>	<u>950</u>

The details of a subsidiary are as follows:

Name of subsidiary	Country of incorporation	Effective Equity Interest					Principal activities
		31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021	
<u>Direct interest</u>							
WD Solar Sdn. Bhd.	Malaysia	-	-	-	95%	95%	Engaged as suppliers of solar power.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

9. INVESTMENT IN A SUBSIDIARY (CONT'D)

The financial position, financial performance and cash flows of the subsidiary under investment in a subsidiary had been carved out from the combined financial statements as the subsidiary is not involved in the restructuring exercise as disclosed in Note 2 to this report and the subsidiary had been disposed to a related party, Pristine Multi-Vision (M) Sdn. Bhd. for a consideration of RM950 on 16 December 2022.

10. INVESTMENT IN AN ASSOCIATE

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Unquoted shares, at cost:					
At the beginning of the period/year	-	-	2,486,630	1,898,273	-
Addition	-	-	-	-	1,500,000
Share of post-acquisition reserve	-	-	261,398	588,357	398,273
Disposal	-	-	(2,748,028)	-	-
At the end of the period/year	-	-	-	2,486,630	1,898,273

The details of an associate are as follows:

Name of associate	Country of incorporation	Effective Equity Interest					Principal activities
		31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021	
<u>Direct interest</u>							
Landasan Angsana Sdn. Bhd. *^	Malaysia	-	-	-	30%	30%	Engaged as a general contractor.

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**10. INVESTMENT IN AN ASSOCIATE (CONT'D)**

The details of an associate are as follows: (cont'd)

* Associate company not audited by Ecovis Malaysia PLT.

^ The associate's share of profit is based on its unaudited management account as at 30 June 2023, 30 June 2022 and 30 June 2021.

On 15 June 2023, the Group had disposed its entire equity interest in Landasan Angsana Sdn. Bhd. for a consideration of RM3,000,000.

The summarised financial information of the above associate are follows:

	01.07.2024 to 31.10.2024 RM	01.07.2023 to 30.06.2024 RM	01.07.2022 to 30.06.2023 RM	01.07.2021 to 30.06.2022 RM	01.07.2020 to 30.06.2021 RM
Summarised statement of comprehensive income					
Revenue	-	-	-	32,671,021	12,605,177
Cost of sales	-	-	-	(28,719,548)	(10,570,995)
Other operating income	-	-	-	88,644	470,999
Expenses including taxation	-	-	-	(2,078,927)	(1,177,605)
Net profit/ total comprehensive income for the financial period/year	-	-	-	1,961,190	1,327,576
	31.10.2024 RM	30.06.2024 RM	30.06.2023 RM	30.06.2022 RM	30.06.2021 RM
Summarised statement of financial position					
Non-current assets	-	-	-	1,233,807	330,645
Current assets	-	-	-	29,567,881	25,223,852
Total assets	-	-	-	30,801,688	25,554,497
Total equity	-	-	-	9,623,782	7,662,592
Non-current liabilities	-	-	-	88,134	130,246
Current liabilities	-	-	-	21,089,772	17,761,659
Total liabilities	-	-	-	21,177,906	17,891,905
Total equity and liabilities	-	-	-	30,801,688	25,554,497

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**11. OTHER INVESTMENT**

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Non-current investment					
Unquoted securities, at fair value	570,965	569,739	389,223	250,000	-

The financial asset represents the keyman insurance policy. The fair value of this investment of the Group is categorised as Level 3 in the fair value hierarchy. The Group estimates the fair value based on the latest policy statement of the insurance contracts provided by the insurance company.

12. INVENTORIES

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
At cost					
Consumables and materials	215,148	44,225	189,558	210,552	146,976
Recognised in profit or loss:					
Inventories included in cost of sales	9,364,934	26,561,189	28,952,278	22,577,721	18,988,765

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

13. TRADE RECEIVABLES

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Receivables from contracts with customers					
- Associate	-	-	-	1,428,089	1,291,446
- Related parties	95,385	147,140	75,253	13,983,417	17,640,910
- Third parties	41,791,021	33,427,553	35,969,151	20,092,606	9,670,842
	41,886,406	33,574,693	36,044,404	35,504,112	28,603,198
Retention sum receivables					
- Associate	-	-	-	1,087,133	-
- Related parties	-	-	-	530,401	12,500
- Third parties	18,826,978	17,064,003	8,482,667	1,847,598	1,406,181
	18,826,978	17,064,003	8,482,667	3,465,132	1,418,681
Total trade receivables	60,713,384	50,638,696	44,527,071	38,969,244	30,021,879
Less: Accumulated impairment losses	(1,928,363)	(1,775,210)	(1,369,752)	(1,430,537)	(2,425,720)
	58,785,021	48,863,486	43,157,319	37,538,707	27,596,159

Trade receivables of the Group are non-interest bearing and the Group's normal trade credit term range from 14 to 90 days (30.06.2024: 14 to 90 days, 30.06.2023: 14 to 90 days, 30.06.2022: 14 to 90 days, 30.06.2021: 14 to 90 days).

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**13. TRADE RECEIVABLES (CONT'D)**Ageing analysis on trade receivables

The ageing analysis of trade receivables are as follows:

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Neither past due nor impaired	30,106,795	28,903,758	28,697,254	12,178,115	6,439,749
1 to 30 days past due not impaired	7,873,742	2,561,915	4,094,596	1,587,619	1,887,973
31 to 60 days past due not impaired	3,938,084	5,155,791	3,770,482	3,473,147	2,946,581
61 to 90 days past due not impaired	3,242,367	1,666,882	2,162,624	2,256,566	1,510,834
More than 91 days past due not impaired	13,624,033	10,575,140	4,432,363	18,043,260	14,811,022
	28,678,226	19,959,728	14,460,065	25,360,592	21,156,410
Impaired and provided for	1,928,363	1,775,210	1,369,752	1,430,537	2,425,720
	<u>60,713,384</u>	<u>50,638,696</u>	<u>44,527,071</u>	<u>38,969,244</u>	<u>30,021,879</u>

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

None of the trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM28,678,226 (30.06.2024: RM19,959,728, 30.06.2023: RM14,460,065, 30.06.2022: RM25,360,592, 30.06.2021: RM21,156,410) that are past due but not impaired at the reporting date. They are expected to be collected in the next 12 months.

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the Directors of the Group are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered recoverable.

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**13. TRADE RECEIVABLES (CONT'D)**Receivables that are impaired

The Group have trade receivables amounting RM1,928,363 (30.06.2024: RM1,775,210, 30.06.2023: RM1,369,752, 30.06.2022: RM1,430,537, 30.06.2021: RM2,425,720) that have been impaired.

Receivables that are individually determined to be impaired at the end of the financial period/year relate to receivables that are in significant financial difficulties and have defaulted on payments or the Directors of the Group are of the opinion that it is not recoverable.

The movement of the impairment loss on trade receivables of the Group are as follows:

	Lifetime ECL allowance RM	Specific allowance RM	Total RM
At 1 July 2020	56,987	2,416,545	2,473,532
Charge for the year	(47,812)	-	(47,812)
At 30 June 2021/1 July 2021	9,175	2,416,545	2,425,720
Charge for the year	89,106	164,275	253,381
Reversal for the financial year	-	(710,000)	(710,000)
Written off for the year	-	(538,564)	(538,564)
At 30 June 2022/1 July 2022	98,281	1,332,256	1,430,537
Charge for the year	-	345,815	345,815
Reversal for the financial year	-	(406,600)	(406,600)
At 30 June 2023/1 July 2023	98,281	1,271,471	1,369,752
Charge for the year	61,049	633,941	694,990
Reversal for the financial year	-	(289,532)	(289,532)
At 30 June 2024/1 July 2024	159,330	1,615,880	1,775,210
Charge for the period	174,289	88,003	262,292
Reversal for the financial period	-	(109,139)	(109,139)
At 31 October 2024	333,619	1,594,744	1,928,363

14. CONTRACT ASSETS/(LIABILITIES)

	Audited				
	31.10.2024 RM	30.06.2024 RM	30.06.2023 RM	30.06.2022 RM	30.06.2021 RM
Contract assets	47,004,716	36,931,334	20,561,624	15,969,312	309,510
Contract liabilities	(19,864,144)	(3,899,257)	(6,013,493)	(1,062,177)	(595,456)
	<u>27,140,572</u>	<u>33,032,077</u>	<u>14,548,131</u>	<u>14,907,135</u>	<u>(285,946)</u>

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)**

Contract assets are transferred to receivables when the rights become unconditional at the point of invoicing to customers. Contract liabilities primarily relate to the obligation to transfer goods or services to customer for which the Group has received the consideration or have billed the customer according to contracts works certified. Contract liabilities are recognised as revenue as the Group performs under the contract.

(a) Movement in contract assets and contract liabilities

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Contract assets/ (Contract liabilities)					
At the beginning of the period/year	33,032,077	14,548,131	14,907,135	(285,946)	3,009,633
Net revenue recognised	53,606,990	162,833,916	92,968,207	55,791,948	25,196,454
Net progress billing	(59,498,495)	(144,349,970)	(93,327,211)	(40,598,867)	(28,492,033)
At the end of the period/year	27,140,572	33,032,077	14,548,131	14,907,135	(285,946)

Revenue recognised that was included in contract liabilities at the beginning of the financial period/year are RM3,899,257 (30.06.2024: RM6,013,493, 30.06.2023: RM1,009,339, 30.06.2022: RM493,105, 30.06.2021: RM282,477).

(b) Amount due from companies in which certain Directors have financial interest

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Contract assets	-	-	-	10,277,621	-
Contract liabilities	-	-	-	(85,049)	(123,518)
	-	-	-	10,192,572	(123,518)

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (c) Transaction price allocated to remaining performance obligation

The Group expects to recognise revenue from remaining performance obligation for the construction contracts as follows:

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Within one year	204,590,552	218,980,743	168,632,463	38,152,563	15,888,814
Later than one year but less than five years	139,089,307	163,313,715	262,915,935	23,885,290	-
Later than five years	8,686,613	15,987,205	46,295,901	-	-
	<u>352,366,472</u>	<u>398,281,663</u>	<u>477,844,299</u>	<u>62,037,853</u>	<u>15,888,814</u>

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Other receivables	4,766,173	3,318,909	5,301,728	4,541,678	926,277
Deposits	1,019,486	740,820	589,694	346,258	169,053
Prepayments	3,503,606	3,481,462	3,613,884	992,968	1,666,279
	<u>9,289,265</u>	<u>7,541,191</u>	<u>9,505,306</u>	<u>5,880,904</u>	<u>2,761,609</u>

- (a) Included in deposits of the Group is an amount of Nil (30.06.2024: Nil, 30.06.2023: Nil, 30.06.2022: RM1,300, 30.06.2021: RM1,300) paid to related parties.
- (b) Included in deposits of the Group is an amount of Nil (30.06.2024: Nil, 30.06.2023: Nil, 30.06.2022: Nil, 30.06.2021: RM19,550) paid to a Director.

16. AMOUNT OWING BY HOLDING COMPANY

The amount owing by holding company are unsecured, interest free and payable on demand in cash and cash equivalents.

17. AMOUNT OWING BY A SUBSIDIARY

The amount owing by a subsidiary are unsecured, interest free and payable on demand in cash and cash equivalents.

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

18. AMOUNT OWING BY AN ASSOCIATE

The amount owing by an associate are unsecured, interest free and payable on demand in cash and cash equivalents.

19. AMOUNT OWING BY/(TO) RELATED PARTIES

The amount owing by/(to) related parties are unsecured, interest free and payable on demand in cash and cash equivalents.

20. FIXED DEPOSITS WITH LICENSED BANK

Fixed deposits with licensed bank are pledged for banking facilities granted to the Group as disclosed in elsewhere in this report.

Fixed deposits with licensed bank bears effective of annual interest rate at 2.25% (30.06.2024: 2.25%, 30.06.2023: Nil, 30.06.2022: Nil, 30.06.2021: Nil) per annum and maturity period of 3 months.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

21. SHARE CAPITAL AND INVESTED EQUITY

For purpose of this report, the total number of shares for all financial year end represents the aggregate number of issued and fully paid-up shares of all entities within the Group, net of shares held by non-controlling interest.

The movement in the issued and paid-up share capital of the Company and its combining entities are as follows:

	Audited									
	31.10.2024		30.06.2024		30.06.2023		30.06.2022		30.06.2021	
	Number of Shares	RM	Number of Shares	RM	Number of Shares	RM	Number of Shares	RM	Number of Shares	RM
Company										
<u>Issued and fully paid:</u>										
At the date of incorporation and end of the financial period/year	100	10	100	10	100	10	100	10	-	-
Wawasan Dengkil Sdn. Bhd.										
<u>Issued and fully paid:</u>										
At the beginning and end of the financial period/year	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total share capital	<u>1,000,100</u>	<u>1,000,010</u>	<u>1,000,100</u>	<u>1,000,010</u>	<u>1,000,100</u>	<u>1,000,010</u>	<u>1,000,100</u>	<u>1,000,010</u>	<u>1,000,000</u>	<u>1,000,000</u>

On 13 April 2022, Wawasan Dengkil Holdings Berhad was incorporated with issued and paid-up share capital of RM10 comprising 100 ordinary shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Group and are entitled to one vote per ordinary share at meetings of the Group. All ordinary shares rank equally with regard to the Group's residual assets.

13. ACCOUNTANTS' REPORT (Cont'd)
WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)
22. LOANS AND BORROWINGS

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Current:					
Bank overdraft	3,376,597	3,289,505	1,204,876	5,072,870	3,457,363
Revolving credit	3,000,000	3,000,000	3,000,000	3,000,000	-
Term loans	1,424,292	1,224,219	1,166,614	428,076	366,663
Invoice financing	6,852,668	3,972,458	636,049	-	-
	<u>14,653,557</u>	<u>11,486,182</u>	<u>6,007,539</u>	<u>8,500,946</u>	<u>3,824,026</u>
Non-current:					
Term loans	<u>3,288,137</u>	<u>3,961,446</u>	<u>4,421,552</u>	<u>3,033,078</u>	<u>3,803,023</u>
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Maturity of borrowings:					
- within one year	14,653,557	11,486,182	6,007,539	8,500,946	3,824,026
- later than one year and not later than two years	1,431,550	2,469,422	1,169,307	454,035	382,472
- later than two years and not later than five years	1,429,674	1,169,524	2,730,196	2,579,043	1,343,484
- later than five years	426,913	322,500	522,049	-	2,077,067
	<u>17,941,694</u>	<u>15,447,628</u>	<u>10,429,091</u>	<u>11,534,024</u>	<u>7,627,049</u>

The above bank borrowings are obtained from financial institutions are secured on the followings:

- A registered open all monies 1st party charge stamped nominally over the property, plant and equipment as disclosed elsewhere in the report;
- A registered open all monies 1st party charge stamped nominally over the investment properties as disclosed elsewhere in the report;
- Pledge of 1st party fixed deposit together with the profit as disclosed elsewhere in the report;
- Specific debenture over plant and machinery as disclosed elsewhere in the report;
- Legal assignment over the rights and interest to the proceeds under the contract between the Company and Contract Awarder; and
- Joint and several guarantee by the existing and former Directors and shareholders of the Group.

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**22. LOANS AND BORROWINGS (CONT'D)**

The interest rate of the above bank borrowings at the end of reporting period are as follows:

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	%	%	%	%	%
Bank overdraft	2.60 - 3.10	2.80 - 3.30	2.00 - 2.50	2.00 - 2.50	2.00 - 2.50
Revolving credit	5.98	5.85	5.85	4.73 - 4.99	-
Term loans	6.89	6.89	6.89	5.89	3.27 - 6.97
Invoice financing	6.33 - 6.48	6.44 - 6.45	6.21	-	-

23. LEASE LIABILITIES

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Minimum lease payment:					
- not later than one year	14,839,412	14,069,432	9,142,775	4,511,999	5,947,485
- later than one year but not later than five years	26,456,041	28,893,645	20,941,452	1,787,345	4,878,694
	41,295,453	42,963,077	30,084,227	6,299,344	10,826,179
Less: Future finance charges	(3,856,415)	(4,272,278)	(3,084,400)	(306,456)	(610,582)
Present value of lease liabilities	37,439,038	38,690,799	26,999,827	5,992,888	10,215,597
Represented by:					
Current:					
Not later than one year	12,931,654	12,074,943	7,834,229	4,257,129	5,527,929
Non-current:					
- Later than one year and not later than five years	24,507,384	26,615,856	19,165,598	1,735,759	4,687,668
Total lease liabilities	37,439,038	38,690,799	26,999,827	5,992,888	10,215,597

The lease liabilities of the Group amounted to Nil (30.06.2024: Nil, 30.06.2023: Nil, 30.06.2022: Nil, 30.06.2021: RM143,071) are registered under the name of related party.

Certain lease liabilities of the Group are secured by the existing and former Directors of the Group.

The leases liabilities of the Group bear effective annual interest rate as at the end of the reporting period are range from 2.94% to 7.13% (30.06.2024: 2.94% to 7.13%, 30.06.2023: 2.94% to 7.76 %, 30.06.2022: 2.72% to 7.76%, 30.06.2021: 3.66% to 8.71%) per annum.

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**23. LEASE LIABILITES (CONT'D)**

	Audited				
	01.07.2024	01.07.2023	01.07.2022	01.07.2021	01.07.2020
	to	to	to	to	to
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Depreciation of right-of-use assets	2,732,705	8,904,374	5,544,628	5,255,893	6,748,325
Interest expense on lease liabilities	778,807	1,965,931	806,021	511,168	654,665
Gain on remeasurement of lease liabilities	-	(409)	(3,528)	(3,227)	-
Expense relating to short term lease and low value assets	3,759,504	11,148,556	5,666,589	3,146,446	3,348,319
	<u>7,271,016</u>	<u>22,018,452</u>	<u>12,013,710</u>	<u>8,910,280</u>	<u>10,751,309</u>
Total cash outflows for leases	<u>8,696,672</u>	<u>23,650,691</u>	<u>12,940,072</u>	<u>9,734,260</u>	<u>14,291,934</u>

24. DEFERRED TAX LIABILITIES

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
At the beginning of the period/year	(1,097,530)	(1,933,351)	(1,560,524)	(1,305,005)	(1,599,275)
Recognised in profit or loss (Note 30)	397,360	835,821	(372,827)	(255,519)	294,270
At the end of the period/year	<u>(700,170)</u>	<u>(1,097,530)</u>	<u>(1,933,351)</u>	<u>(1,560,524)</u>	<u>(1,305,005)</u>

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**24. DEFERRED TAX LIABILITIES (CONT'D)**

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Deferred tax assets:					
Unabsorbed capital allowances	-	-	-	283,789	468,361
Impairment loss on trade receivables	462,807	426,050	328,740	343,329	-
Construction contracts	1,100	11,053	21,299	154,938	-
	<u>463,907</u>	<u>437,103</u>	<u>350,039</u>	<u>782,056</u>	<u>468,361</u>
Deferred tax liabilities:					
Property, plant and equipment	(1,164,077)	(1,534,633)	(2,283,390)	(2,342,580)	(1,773,366)
	<u>(700,170)</u>	<u>(1,097,530)</u>	<u>(1,933,351)</u>	<u>(1,560,524)</u>	<u>(1,305,005)</u>
	Property, plant and equipment	Unabsorbed capital allowances	Impairment loss on trade receivables	Construction contracts	Total
	RM	RM	RM	RM	RM
Audited					
At 1 July 2020	(1,779,014)	179,739	-	-	(1,599,275)
Charge to profit or loss	5,648	288,622	-	-	294,270
At 30 June 2021/					
1 July 2021	(1,773,366)	468,361	-	-	(1,305,005)
Charge to profit or loss	(569,214)	(184,572)	343,329	154,938	(255,519)
At 30 June 2022/					
1 July 2022	(2,342,580)	283,789	343,329	154,938	(1,560,524)
Charge to profit or loss	59,190	(283,789)	(14,589)	(133,639)	(372,827)
At 30 June 2023/					
1 July 2023	(2,283,390)	-	328,740	21,299	(1,933,351)
Charge to profit or loss	748,757	-	97,310	(10,246)	835,821
At 30 June 2024/					
1 July 2024	(1,534,633)	-	426,050	11,053	(1,097,530)
Charge to profit or loss	370,556	-	36,757	(9,953)	397,360
At 31 October 2024	<u>(1,164,077)</u>	<u>-</u>	<u>462,807</u>	<u>1,100</u>	<u>(700,170)</u>

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**25. TRADE PAYABLES**

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Trade payables					
- Associate	-	-	-	1,040,569	3,565
- Related parties	25,524	22,500	18,313	2,207,559	360,094
- Third parties	36,360,607	36,894,125	29,796,151	23,367,825	13,997,603
	<u>36,386,131</u>	<u>36,916,625</u>	<u>29,814,464</u>	<u>26,615,953</u>	<u>14,361,262</u>
Retention sum payables					
- Third parties	3,739,616	3,392,307	2,025,619	822,039	89,333
	<u>40,125,747</u>	<u>40,308,932</u>	<u>31,840,083</u>	<u>27,437,992</u>	<u>14,450,595</u>

Trade payables are non-interest bearing and the Group's normal trade credit term ranges from 30 to 90 days (30.06.2024: 30 to 90 days, 30.06.2023: 30 to 60 days, 30.06.2022: 30 to 60 days, 30.06.2021: 30 to 60 days).

26. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Other payables	1,563,038	4,215,995	13,636,775	2,675,751	2,385,820
Accruals	1,055,705	1,311,015	1,010,056	4,825,382	1,235,954
Deposits received	-	-	-	51,000	36,000
Dividend payable	-	-	-	-	3,000,000
	<u>2,618,743</u>	<u>5,527,010</u>	<u>14,646,831</u>	<u>7,552,133</u>	<u>6,657,774</u>

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

27. REVENUE

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Trading of construction materials	7,007,579	6,671,660	19,316,298	21,435,426	20,453,154	24,098,053
Provision of construction services	53,606,990	46,727,292	162,833,916	92,968,207	55,791,948	25,196,454
Provision of machineries and commercial vehicles for hire	1,255,850	2,224,674	6,390,882	9,089,944	6,625,719	20,561,831
	<u>61,870,419</u>	<u>55,623,626</u>	<u>188,541,096</u>	<u>123,493,577</u>	<u>82,870,821</u>	<u>69,856,338</u>
Timing of revenue recognition:						
- At a point in time	7,007,579	6,671,660	19,316,298	21,435,426	20,453,154	24,098,053
- Over time	54,862,840	48,951,966	169,224,798	102,058,151	62,417,667	45,758,285
	<u>61,870,419</u>	<u>55,623,626</u>	<u>188,541,096</u>	<u>123,493,577</u>	<u>82,870,821</u>	<u>69,856,338</u>

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

28. FINANCE COSTS

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Bank overdraft interest	43,270	48,261	127,732	202,480	68,648	25,962
Bank guarantee interest	63,267	44,009	149,888	98,185	32,673	33,983
Invoice financing interest	79,479	-	33,307	9,082	-	-
Lease interest	778,807	544,831	1,965,931	806,021	511,168	654,665
Revolving credit interest	60,653	54,810	177,640	86,555	8,476	-
Term loans interest	106,270	119,552	350,503	282,415	133,367	177,272
	<u>1,131,746</u>	<u>811,463</u>	<u>2,805,001</u>	<u>1,484,738</u>	<u>754,332</u>	<u>891,882</u>

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

29. PROFIT BEFORE TAX

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Profit before tax is arrived at after charging/(crediting):						
Auditors' remuneration:						
<u>Statutory</u>						
- current year	-	24,333	73,000	72,000	48,000	40,000
- Under/(over)provision in prior year	-	14,000	14,000	-	-	(1,000)
<u>Non-statutory</u>						
- current year	75,000	-	68,000	-	-	-
- Overprovision in prior year	(20,000)	-	-	-	-	-
Depreciation of property, plant and equipment	4,774,934	4,310,952	13,683,964	10,757,911	9,239,468	10,438,698
Depreciation of investment properties	-	-	-	-	36,000	119,760
Bad debt written off	64,000	-	-	52,425	-	-
Employee benefits expenses						
- Salaries, bonuses, wages, allowances and incentives	4,646,962	3,499,815	12,366,472	12,717,502	11,936,760	12,622,384
- Defined contribution plan	272,112	261,138	739,284	597,981	457,531	481,966
- Social security contributions	43,337	37,789	113,229	88,587	59,027	70,476
- Other staff-related expenses	105,291	62,220	361,434	138,164	99,442	73,878
Gain on disposal of property, plant and equipment	-	(227,000)	(416,529)	(1,984,458)	(769,312)	(859,921)

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

29. PROFIT BEFORE TAX (CONT'D)

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Gain on disposal of investment properties	-	-	-	-	(3,857,039)	(108,242)
Gain on remeasurement of lease liabilities	-	(409)	(409)	(3,528)	(3,227)	-
Gain on disposal of investment in an associate	-	-	-	(251,972)	-	-
Interest income	(1,624)	(2,181)	(5,789)	(1,629)	(535)	(406)
Property, plant and equipment written off	-	55,464	60,925	-	-	9,920
Net impairment loss/(gain) on trade receivables	153,153	493,647	405,458	(60,785)	(456,619)	(47,812)
Rental income	-	-	-	-	(156,000)	(204,900)
Rental of hostel*	5,132	2,187	8,456	2,151	28,569	9,864
Rental of motor vehicles*	2,211,049	2,635,138	5,849,886	2,937,567	1,100,744	2,355,286
Rental of machinery and equipment*	1,525,899	1,535,716	5,242,482	2,710,029	2,004,438	863,169
Rental of office*	6,800	4,800	18,400	7,950	8,950	-
Rental of workshop*	-	-	-	-	-	120,000
Rental of portable toilet*	10,624	10,332	29,332	8,892	3,745	-
Subsidies received from Government	-	-	-	-	(127,200)	(126,600)

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

29. PROFIT BEFORE TAX (CONT'D)

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Expenses recognised in cost of sales:						
Depreciation of property, plant and equipment	4,590,890	4,092,505	13,031,795	10,334,997	9,029,563	10,224,508
Employee benefit expenses						
- Salaries, bonuses, wages, allowances and incentives	3,841,410	2,626,565	9,148,267	9,706,244	9,511,827	11,090,531
- Defined contribution plan	181,202	147,764	469,277	287,075	234,828	378,233
- Social security contributions	33,179	26,654	83,167	52,577	36,591	59,203
- Other staff-related expenses	87,522	39,567	184,819	58,204	45,809	42,646
Rental of hostel*	5,132	2,187	7,256	370	26,185	6,080
Rental of motor vehicles*	2,179,049	2,635,138	5,755,886	2,937,087	1,085,744	2,355,286
Rental of machinery and equipment*	1,523,631	1,535,716	5,236,128	2,703,175	1,999,892	859,785
Rental of office*	6,800	4,800	18,400	1,700	-	-
Rental of workshop*	-	-	-	-	-	120,000
Rental of portable toilet*	10,624	10,332	29,332	8,892	3,745	-

* The amount represent short-term lease and low value underlying assets under MFRS 16.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

30. TAX EXPENSE

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Income tax						
Current year	1,959,593	1,405,109	5,119,581	2,561,150	524,761	2,587,064
Under/(Over)provision of income tax in prior period/years	<u>17,358</u>	<u>77,082</u>	<u>77,082</u>	<u>-</u>	<u>(45,951)</u>	<u>10,986</u>
	1,976,951	1,482,191	5,196,663	2,561,150	478,810	2,598,050
Deferred tax (Note 24)						
Current year	(347,610)	45,900	(926,631)	372,827	767,585	(294,270)
(Over)/underprovision of deferred tax in prior period/years	<u>(49,750)</u>	<u>29,431</u>	<u>90,810</u>	<u>-</u>	<u>(512,066)</u>	<u>-</u>
	<u>(397,360)</u>	<u>75,331</u>	<u>(835,821)</u>	<u>372,827</u>	<u>255,519</u>	<u>(294,270)</u>
	<u>1,579,591</u>	<u>1,557,522</u>	<u>4,360,842</u>	<u>2,933,977</u>	<u>734,329</u>	<u>2,303,780</u>

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

30. TAX EXPENSE (CONT'D)

A reconciliation of tax expense applicable to profit before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Group is as follows:

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Profit before tax	5,587,570	5,128,797	15,684,799	11,673,711	7,737,939	10,078,511
Malaysian statutory tax rate of 24%	1,341,017	1,230,911	3,764,352	2,801,691	1,857,105	2,418,843
Tax effects in respect of:						
Non-taxable income	(390)	(10,808)	(10,808)	(192,322)	(1,127,471)	(163,423)
Non-deductible expenses	271,356	230,906	439,406	324,608	562,712	37,374
(Over)/underprovision of deferred tax in prior years	(49,750)	29,431	90,810	-	(512,066)	-
Under/(over)provision of current tax in prior years	17,358	77,082	77,082	-	(45,951)	10,986
Tax expenses for the financial period/year	1,579,591	1,557,522	4,360,842	2,933,977	734,329	2,303,780

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

31. DIVIDEND

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
<u>Wawasan Dengkil Sdn. Bhd.</u>						
Interim single-tier dividend of RM3 per ordinary share for the financial year ended 30 June 2021 paid on 28 August 2021	-	-	-	-	-	3,000,000

32. CASH AND CASH EQUIVALENTS

	Audited 31.10.2024 RM	Unaudited 31.10.2023 RM	Audited 30.06.2024 RM	Audited 30.06.2023 RM	Audited 30.06.2022 RM	Audited 30.06.2021 RM
Cash and bank balances	10,569,548	7,694,270	9,810,045	6,816,771	3,654,879	2,499,416
Fixed deposits with licensed bank	1,159,320	-	976,452	-	-	-
Bank overdraft (Note 22)	(3,376,597)	(2,776,647)	(3,289,505)	(1,204,876)	(5,072,870)	(3,457,363)
	<u>8,352,271</u>	<u>4,917,623</u>	<u>7,496,992</u>	<u>5,611,895</u>	<u>(1,417,991)</u>	<u>(957,947)</u>
Less: Fixed deposits pledged with licensed bank	(1,159,320)	-	(976,452)	-	-	-
	<u>7,192,951</u>	<u>4,917,623</u>	<u>6,520,540</u>	<u>5,611,895</u>	<u>(1,417,991)</u>	<u>(957,947)</u>

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

33. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit for the financial years attributable to owners of the Company by the weighted average number of ordinary shares in issue for the financial year.

For the purpose of this report, the number of ordinary shares for the FPE 31 October 2024, FPE 31 October 2023, FYE 30 June 2024, FYE 30 June 2023, FYE 30 June 2022 and FYE 30 June 2021 represents the weighted average aggregate ordinary shares issued of the Company and its combining entities.

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Net profit for the financial years attributable to owners of the Company (RM)	<u>4,007,979</u>	<u>3,571,275</u>	<u>11,323,957</u>	<u>8,739,734</u>	<u>7,003,610</u>	<u>7,774,731</u>
Weighted average number of ordinary shares at year end (units)	<u>1,000,100</u>	<u>1,000,100</u>	<u>1,000,100</u>	<u>1,000,100</u>	<u>1,000,021</u>	<u>1,000,000</u>
Basic and diluted earnings per ordinary share (RM)	<u>4.01</u>	<u>3.57</u>	<u>11.32</u>	<u>8.74</u>	<u>7.00</u>	<u>7.77</u>

There were no dilutive potential equity instruments in issue as at each FPE and FYE that have dilutive effect to the earnings per ordinary share.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

34. RELATED PARTY DISCLOSURES

34.1. Significant related party transactions

In addition to the information detailed elsewhere in the financial statements, the Group carried out the following transactions with its related parties during the financial period/year:

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Sales of construction material						
An associate	-	-	-	366,145	-	-
Related parties	-	-	77,550	139,115	176,096	2,129,339
Hiring revenue						
Charged to an associate	-	-	-	46,549	182,191	2,898,169
Charged to related parties	-	-	-	56,484	1,299,408	14,543,271
Construction revenue						
Charged to an associate	-	-	-	20,613,678	19,172,123	-
Charged to related parties	-	-	-	4,145,716	17,929,748	5,082,054
Subcontractor charges						
Charged from an associate	-	-	-	(277,001)	(584,524)	(34,619)
Charged from related parties	-	-	-	(320,458)	(1,021,661)	(401,693)
Purchase of material						
An associate	-	-	-	(923,505)	(1,247,612)	-
Related parties	-	-	-	(128,355)	(2,289,205)	(3,861,823)

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

34. RELATED PARTY DISCLOSURES (CONT'D)

34.1 Significant related party transactions (cont'd)

In addition to the information detailed elsewhere in the financial statements, the Group carried out the following transactions with its related parties during the financial period/year: (cont'd)

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Rock blasting charges						
Charged from related parties	-	-	-	-	(324,917)	(1,448,904)
Hiring expenditure						
Charged from an associate	-	-	-	(462,000)	(388,371)	-
Charged from related parties	-	-	(4,500)	(160,980)	(463,864)	(179,278)
Towing charges						
Charged from related parties	-	-	-	(3,350)	(81,950)	(66,500)
Labour charges						
Charged from related parties	(3,024)	-	-	(3,350)	(81,950)	(66,500)
Lease payment						
Paid to a Director	-	-	-	-	-	(12,000)
Paid to related parties	(40,000)	(40,000)	(120,000)	(120,000)	(124,000)	(588,000)

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

34. RELATED PARTY DISCLOSURES (CONT'D)

34.1 Significant related party transactions (cont'd)

In addition to the information detailed elsewhere in the financial statements, the Group carried out the following transactions with its related parties during the financial period/year: (cont'd)

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Advances / Repayment, net						
Advance to an associate, net	-	-	-	70,249	(882,357)	(1,335,173)
Repayment received from a subsidiary	-	-	-	75,157	-	-
Advance to holding company, net	-	-	(135,656)	-	-	-
(Repayment to)/ Advance received from related parties, net	-	(382,550)	(389,724)	651,117	2,487,318	1,495,186
Repayment to Directors, net	-	-	-	-	-	(1,548,182)
Disposal of shares						
Proceed from a related party	-	-	-	950	-	-
Disposal of property, plant and equipment						
Proceed from a related party	-	-	-	-	-	612,941
Disposal of investment properties						
Proceed from a related party	-	-	-	-	-	1,264,314
Acquisition of associate						
From related party	-	-	-	-	-	(1,500,000)

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

34. RELATED PARTY DISCLOSURES (CONT'D)

34.2 Compensation of key management personnel

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Directors' compensation:						
Directors' fee	-	-	-	-	-	480,000
Directors' remuneration and other emoluments	172,000	333,611	1,342,691	977,853	512,996	554,532
Directors' defined contribution plans	20,640	21,864	54,504	61,800	42,120	28,800
Other benefits	2,531	2,980	7,438	8,656	4,476	1,847
	<u>195,171</u>	<u>358,455</u>	<u>1,404,633</u>	<u>1,048,309</u>	<u>559,592</u>	<u>1,065,179</u>
Key management personnel's compensation:						
Salaries, bonus and allowances	272,942	254,000	718,000	485,929	634,000	277,154
Contribution to defined contribution plan	32,760	27,600	86,172	58,320	76,068	33,264
Other benefits	4,758	4,134	280,039	44,290	31,680	21,912
	<u>310,460</u>	<u>285,734</u>	<u>1,084,211</u>	<u>588,539</u>	<u>741,748</u>	<u>332,330</u>

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

35. SEGMENT INFORMATION

The Group has three reportable operating segments – trading, construction and hiring as described below. They have been segregated as three strategic business units for internal reporting to the Director for performance evaluation and resource allocation.

Operating segments	Nature
Trading	Buying and selling of construction materials.
Hiring	Providing of machineries and commercial vehicles for hire
Construction	Provision of earthworks and civil engineering services.

Operating segments

	Trading RM	Hiring RM	Construction RM	Total RM
Audited				
FPE 31 October 2024				
Revenue	7,007,579	1,255,850	53,606,990	61,870,419
Cost of sale	(5,854,570)	(1,163,368)	(45,565,233)	(52,583,171)
Gross profit	1,153,009	92,482	8,041,757	9,287,248
Other operating income				223,443
Net impairment loss on financial asset				(153,153)
Administration expenses				(2,574,222)
Other operating expenses				(64,000)
Finance costs				(1,131,746)
Profit before tax				5,587,570
Tax expense				(1,579,591)
Net profit for the financial period				4,007,979
Unaudited				
FPE 31 October 2023				
Revenue	6,671,660	2,224,674	46,727,292	55,623,626
Cost of sale	(5,421,809)	(2,103,066)	(39,814,529)	(47,339,404)
Gross profit	1,249,851	121,608	6,912,763	8,284,222
Other operating income				426,912
Net impairment loss on financial asset				(493,647)
Administration expenses				(2,221,763)
Other operating expenses				(55,464)
Finance costs				(811,463)
Profit before tax				5,128,797
Tax expense				(1,557,522)
Net profit for the financial period				3,571,275

13. ACCOUNTANTS' REPORT (Cont'd)
WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)
35. SEGMENT INFORMATION (CONT'D)
Operating segments (cont'd)

	Trading RM	Hiring RM	Construction RM	Total RM
Audited				
FYE 30 June 2024				
Revenue	19,316,298	6,390,882	162,833,916	188,541,096
Cost of sale	(15,625,057)	(5,958,544)	(140,348,128)	(161,931,729)
Gross profit	3,691,241	432,338	22,485,788	26,609,367
Other operating income				874,038
Net impairment loss on financial asset				(405,458)
Administration expenses				(8,527,222)
Other operating expenses				(60,925)
Finance costs				(2,805,001)
Profit before tax				15,684,799
Tax expense				(4,360,842)
Net profit for the financial year				11,323,957
Audited				
FYE 30 June 2023				
Revenue	21,435,426	9,089,944	92,968,207	123,493,577
Cost of sale	(18,982,164)	(8,491,558)	(79,273,047)	(106,746,769)
Gross profit	2,453,262	598,386	13,695,160	16,746,808
Other operating income				2,711,405
Net impairment gain on financial asset				60,785
Administration expenses				(6,569,522)
Other operating expenses				(52,425)
Finance costs				(1,484,738)
Share of profit of equity-accounted associate, net of tax				261,398
Profit before tax				11,673,711
Tax expense				(2,933,977)
Net profit for the financial year				8,739,734

13. ACCOUNTANTS' REPORT (Cont'd)
WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)
35. SEGMENT INFORMATION (CONT'D)
Operating segments (cont'd)

	Trading RM	Hiring RM	Construction RM	Total RM
Audited				
FYE 30 June 2022				
Revenue	20,453,154	6,625,719	55,791,948	82,870,821
Cost of sale	(18,456,564)	(6,597,777)	(50,196,999)	(75,251,340)
Gross profit	1,996,590	27,942	5,594,949	7,619,481
Other operating income				5,362,766
Net impairment gain on financial asset				456,619
Administration expenses				(5,498,952)
Other operating expenses				(36,000)
Finance costs				(754,332)
Share of profit of equity-accounted associate, net of tax				588,357
Profit before tax				7,737,939
Tax expense				(734,329)
Net profit for the financial year				7,003,610
	Trading RM	Hiring RM	Construction RM	Total RM
Audited				
FYE 30 June 2021				
Revenue	24,098,053	20,561,831	25,196,454	69,856,338
Cost of sale	(20,984,111)	(13,830,635)	(22,318,019)	(57,132,765)
Gross profit	3,113,942	6,731,196	2,878,435	12,723,573
Other operating income				1,446,709
Net impairment gain on financial asset				47,812
Administration expenses				(3,516,294)
Other operating expenses				(129,680)
Finance costs				(891,882)
Share of profit of equity-accounted associate, net of tax				398,273
Profit before tax				10,078,511
Tax expense				(2,303,780)
Net profit for the financial year				7,774,731

Segment assets and segment liabilities are neither included in the internal management reports nor provided regularly to the Group's Chief Operating Decision Maker for regular review. Accordingly, there is no further disaggregation on assets and liabilities.

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

35. SEGMENT INFORMATION (CONT'D)

Geographical segment

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

35.1. Major customers

Revenue from external customers contributed 10% or more to the total revenue recognised is as follows:

	Audited 01.07.2024 to 31.10.2024 RM	Unaudited 01.07.2023 to 31.10.2023 RM	Audited 01.07.2023 to 30.06.2024 RM	Audited 01.07.2022 to 30.06.2023 RM	Audited 01.07.2021 to 30.06.2022 RM	Audited 01.07.2020 to 30.06.2021 RM
Customer A	12,926,832	14,021,884	42,106,740	21,086,305	19,354,313	4,906,400
Customer B	464,177	6,560,262	9,250,628	15,642,529	-	-
Customer C	10,653,432	6,099,989	16,183,874	15,425,726	18,829,902	19,008,001
Customer D	4,173,669	3,628,990	11,890,275	12,035,235	7,910,654	2,392,993
Customer E	10,919,322	12,398,350	37,238,677	12,674,983	-	-
Customer F	-	-	-	-	4,592,838	18,228,909
Customer G	-	-	-	-	-	11,933,958
Customer H	19,136,002	6,410,574	58,990,153	-	-	-

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**36. FINANCIAL INSTRUMENTS****36.1. Classification of financial instruments**

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost based on their respective classification. The material accounting policy information in Note 5.3(h) and Note 5.3(j) describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The table below provides an analysis of financial instruments of the Group in the statement of financial position by the classes and categories of financial instruments to which they are assigned and therefore by the measurement basis, as follows:

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
<u>(a) Financial assets</u>					
<u>At fair value through profit or loss</u>					
Other investment	570,965	569,739	389,223	250,000	-
<u>At amortised cost</u>					
Trade receivables	58,785,021	48,863,486	43,157,319	37,538,707	27,596,159
Other receivables and deposits	5,785,659	4,059,729	5,891,422	4,887,936	1,095,330
Amount owing by holding company	135,656	135,656	-	-	-
Amount owing by a subsidiary	-	-	-	75,157	75,157
Amount owing by an associate	-	-	-	2,027,293	1,183,648
Amount owing by related parties	-	-	950	805,338	1,758,747
Fixed deposits with licensed bank	1,159,320	976,452	-	-	-
Cash and bank balances	10,569,548	9,810,045	6,816,771	3,654,879	2,499,416
	76,435,204	63,845,368	55,866,462	48,989,310	34,208,457
<u>(b) Financial liabilities</u>					
<u>At amortised cost</u>					
Trade payables	40,125,747	40,308,932	31,840,083	27,437,992	14,450,595
Other payables, accruals and deposits received	2,618,743	5,527,010	14,646,831	7,552,133	6,657,774
Amount owing to related parties	-	-	390,674	1,900,787	313,867
Loans and borrowings	17,941,694	15,447,628	10,429,091	11,534,024	7,627,049
Lease liabilities	37,439,038	38,690,799	26,999,827	5,992,888	10,215,597
	98,125,222	99,974,369	84,306,506	54,417,824	39,264,882

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**36. FINANCIAL INSTRUMENTS (CONT'D)****36.2. Net gains and losses arising from financial instruments**

	Audited				
	01.07.2024	01.07.2023	01.07.2022	01.07.2021	01.07.2020
	to	to	to	to	to
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Net gain/(losses) arising from:					
Financial assets measured at FVTPL	1,226	2,276	1,251	-	-
Financial assets measured at amortised cost	(216,755)	(401,945)	8,738	457,154	48,218
Financial liabilities measured at amortised cost	<u>(1,131,746)</u>	<u>(2,804,592)</u>	<u>(1,481,210)</u>	<u>(751,105)</u>	<u>(891,882)</u>

36.3. Financial risk management policies

The Group are exposed to financial risk arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk.

The Board of Directors review and agree policies and procedure for the management of these risks, which are executed by the Managing Director. The Group's financial risk management policies are to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its interest rate risk, credit risk and liquidity risk. The Group operate within clearly defined guidelines that are approved by the Board of Directors.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of those risks.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The management does not enter into interest rate hedging transactions as the cost of such instruments outweighs the potential risk of interest risk fluctuation.

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**36. FINANCIAL INSTRUMENTS (CONT'D)****36.3. Financial risk management policies (cont'd)****(i) Interest rate risk (cont'd)**

The interest rate profile of the Group's significant interest bearing financial instruments, based on the carrying amounts as at end of the financial period/year is as follows:

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Fixed rate instruments					
<i>Financial liabilities</i>					
Loans and borrowings	6,852,668	3,972,458	636,049	-	-
Lease liabilities	37,439,038	38,690,799	26,999,827	5,992,888	10,215,597
	<u>44,291,706</u>	<u>42,663,257</u>	<u>27,635,876</u>	<u>5,992,888</u>	<u>10,215,597</u>
Floating rate instruments					
<i>Financial liabilities</i>					
Loans and borrowings	<u>11,089,026</u>	<u>11,475,170</u>	<u>9,793,042</u>	<u>11,534,024</u>	<u>7,627,049</u>

Interest rate risk sensitivity analysis

Sensitivity analysis is not disclosed for fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

A 50 basis points strengthening in the interest rate of floating rate instruments as at the end of the reporting periods would have decreased profit before tax by RM55,445 (30.06.2024: RM57,376, 30.06.2023: RM48,965, 30.06.2022: RM57,670, 30.06.2021: RM38,135). A 50 basis points weakening would have had an equal but opposite effect on the profit before tax. This assumes that all other variables remain constant.

(ii) Credit risk

Credit risk is the risk of a financial loss to the Group that may arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables, contract assets, amount owing by a subsidiary, amount owing by an associate, amount owing by related parties, fixed deposits with licensed bank and cash and bank balances.

Trade receivables and contract assets

The management has in place a credit procedure to monitor and minimise the exposure of default. Trade receivables and contract assets are monitored on a regular and an ongoing basis. Credit evaluations are performed on all customers requiring credit over certain amount.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)**36.3. Financial risk management policies (cont'd)****(ii) Credit risk (cont'd)**Credit risk concentration profile

The Group has no significant concentration of credit risk except for the amounts owing by four (30.06.2024: four, 30.06.2023: three, 30.06.2022: three, 30.06.2021: two) customer which constituted 66% (30.06.2024: 58%, 30.06.2023: 52%, 30.06.2022: 67%, 30.06.2021: 67%) of its trade receivable as at the end of the reporting period.

Exposure to credit risk

At the end of the financial year, the Group's maximum exposure to credit risk is represented by the carrying amount of trade receivables and contract assets recognised in the statements of financial position.

Impairment of trade receivables and contract assets

The Group consider the probability of default upon initial recognition of trade receivables and contract assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group categorise a receivable and contract asset for as impaired when a debtor fails to make contractual payments more than 365 days past due. 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. Where receivables and contract assets have been written off, the Group continue to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

An impairment analysis is performed at each reporting date using provision matrix to measure expected credit losses for all trade receivables.

The Group provides for lifetime expected credit losses for all trade receivables and contract assets. The expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product is expected to deteriorate over the next year, leading to increase in the number of defaults.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.3. Financial risk management policies (cont'd)

(ii) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The amounts arising from expected credit losses for trade receivables and contract assets are as follows:

	Contract assets	Current	30 days past due	60 days past due	90 days past due	More than 90 days past due	Total RM
Audited							
FPE 31 October 2024							
Expected loss rate (%)	-	-	0.96	1.49	4.39	0.32	
Gross carrying amount (RM)	47,004,716	30,373,950	7,950,429	3,997,460	3,391,369	15,000,176	
Loss allowance provision (RM)	-	-	76,688	59,377	149,001	48,553	333,619
Impaired receivables (RM)							<u>1,594,744</u>
Total impairment (RM)							<u>1,928,363</u>
Audited							
FYE 30 June 2024							
Expected loss rate (%)	-	0.01	0.99	0.97	1.02	0.51	
Gross carrying amount (RM)	36,931,334	28,903,758	2,561,915	5,155,791	1,666,882	12,350,350	
Loss allowance provision (RM)	-	3,341	25,290	50,143	17,005	63,551	159,330
Impaired receivables (RM)							<u>1,615,880</u>
Total impairment (RM)							<u>1,775,210</u>

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.3. Financial risk management policies (cont'd)

(ii) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The amounts arising from expected credit losses for trade receivables and contract assets are as follows: (cont'd)

	Contract assets	Current	30 days past due	60 days past due	90 days past due	More than 90 days past due	Total RM
Audited							
FYE 30 June 2023							
Expected loss rate (%)	-	0.33	-	-	-	0.07	
Gross carrying amount (RM)	20,561,624	29,011,323	4,094,596	3,770,482	2,162,624	5,488,046	
Loss allowance provision (RM)	-	94,414	-	-	-	3,867	98,281
Impaired receivables (RM)							<u>1,271,471</u>
Total impairment (RM)							<u>1,369,752</u>
Audited							
FYE 30 June 2022							
Expected loss rate (%)	-	0.76	-	-	-	0.02	
Gross carrying amount (RM)	15,969,312	12,492,183	1,587,619	3,473,148	2,256,566	19,159,728	
Loss allowance provision (RM)	-	94,414	-	-	-	3,867	98,281
Impaired receivables (RM)							<u>1,332,256</u>
Total impairment (RM)							<u>1,430,537</u>

13. ACCOUNTANTS' REPORT (*Cont'd*)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.3. Financial risk management policies (cont'd)

(ii) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The amounts arising from expected credit losses for trade receivables and contract assets are as follows: (cont'd)

	Contract assets	Current	30 days past due	60 days past due	90 days past due	More than 90 days past due	Total RM
Audited							
FYE 30 June 2021							
Expected loss rate (%)	-	-	-	0.03	-	0.05	
Gross carrying amount (RM)	309,510	6,659,404	1,887,973	2,947,329	1,510,834	17,016,339	
Loss allowance provision (RM)	-	-	-	748	-	8,427	9,175
Impaired receivables (RM)							<u>2,416,545</u>
Total impairment (RM)							<u>2,425,720</u>

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)**36.3. Financial risk management policies (cont'd)****(ii) Credit risk (cont'd)****Other receivables****Exposure to credit risk, credit quality and collateral**

Other receivables balances are monitored on an ongoing basis.

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of other receivables as at the end of the reporting period.

Ageing analysis of other receivables and impairment losses

The Group does not maintain ageing analysis for other receivables. Based on past experience, the management determine that no impairment is necessary in respect of other receivables. There had been no allowance for impairment losses on other receivables during the financial year.

Amount owing by holding company, a subsidiary, an associate and related parties (non-trade balance)**Exposure to credit risk, credit quality and collateral**

The Group considers loan and advances to holding company, subsidiary, associate and related parties have low credit risks. The Group assumes that there is a significant increase in credit risk when the financial position of the receivables are deteriorates significantly. As the Group is able to determine the timing of payments of the receivables when they are payable, the Group considers the loan and advances to be in default when the receivables are not able to pay when demanded. The Group considers the loans and advances to be credit impaired when the receivables are unlikely to repay their loan or advance in full or the receivables having a deficit in its total equity.

Impairment losses

The Group determines the probability of default for these loans and advances individually using internal information available. The Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**36. FINANCIAL INSTRUMENTS (CONT'D)****36.3. Financial risk management policies (cont'd)****(ii) Credit risk (cont'd)****Other financial assets (including bank balances)**

Other financial assets are held with licensed financial institutions. The Group minimise credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk, credit quality and collateral

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of bank balances in the statement of financial position.

Impairment losses

The credit risk for other financial assets are low as those assets are held with licensed financial institutions which are reputable banks and with high quality external credit ratings. Consequently, the Group are of the view that loss allowance is not material and hence, it is not provided for.

Financial guarantees contracts

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Corporate guarantee given to licensed banks to secure credit facilities granted to related parties	-	-	1,636,034	8,510,026	10,961,869
Corporate guarantee given to licensed banks to secure credit facilities granted to third parties	-	-	30,330,386	1,403,698	1,597,988
Bank guarantee given to licensed banks as security for performance bond	10,259,276	10,447,991	11,071,250	1,997,758	1,155,508

All of the financial guarantees contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, there was no loss allowance as determined by the Group for the financial guarantee.

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**36. FINANCIAL INSTRUMENTS (CONT'D)****36.3. Financial risk management policies (cont'd)****(iii) Liquidity risk management**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group objectives is to maintain a balance between continuity of funding and flexibility of cash flow through the use of standby credit facilities.

The Group maintain a level of cash and cash equivalents deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on undiscounted contractual payment:

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
Audited					
FPE 31 October 2024					
Trade payables	40,125,747	40,125,747	40,125,747	-	-
Other payables, accruals and deposits received	2,618,743	2,618,743	2,618,743	-	-
Loans and borrowings	17,941,694	18,611,220	14,933,442	3,209,921	467,857
Lease liabilities	37,439,038	41,295,453	14,839,412	26,456,041	-
Financial guarantees contracts*	-	10,259,276	10,259,276	-	-
	98,125,222	112,910,439	82,776,620	29,665,962	467,857
Audited					
FYE 30 June 2024					
Trade payables	40,308,932	40,308,932	40,308,932	-	-
Other payables, accruals and deposits received	5,527,010	5,527,010	5,527,010	-	-
Loans and borrowings	15,447,628	16,312,538	11,805,728	2,852,934	1,653,876
Lease liabilities	38,690,799	42,963,077	14,069,432	28,893,645	-
Financial guarantees contracts*	-	10,447,991	10,447,991	-	-
	99,974,369	115,559,548	82,159,093	31,746,579	1,653,876

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**36. FINANCIAL INSTRUMENTS (CONT'D)****36.3. Financial risk management policies (cont'd)****(iii) Liquidity risk management (cont'd)**Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on undiscounted contractual payment: (cont'd)

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
Audited					
FYE 30 June 2023					
Trade payables	31,840,083	31,840,083	31,840,083	-	-
Other payables, accruals and deposits received	14,646,831	14,646,831	14,646,831	-	-
Amount owing to related parties	390,674	390,674	390,674	-	-
Loans and borrowings	10,429,091	11,480,095	6,356,428	4,406,449	717,218
Lease liabilities	26,999,827	30,084,227	9,142,775	20,941,452	-
Financial guarantees contracts*	-	43,037,670	43,037,670	-	-
	84,306,506	131,479,580	105,414,461	25,347,901	717,218
Audited					
FYE 30 June 2022					
Trade payables	27,437,992	27,437,992	27,437,992	-	-
Other payables, accruals and deposits received	7,552,133	7,552,133	7,552,133	-	-
Amount owing to related parties	1,900,787	1,900,787	1,900,787	-	-
Loans and borrowings	11,534,024	12,473,464	8,693,426	2,431,315	1,348,723
Lease liabilities	5,992,888	6,299,344	4,511,999	1,787,345	-
Financial guarantees contracts*	-	11,911,482	11,911,482	-	-
	54,417,824	67,575,202	62,007,819	4,218,660	1,348,723

13. ACCOUNTANTS' REPORT (Cont'd)
WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)
36. FINANCIAL INSTRUMENTS (CONT'D)
36.3. Financial risk management policies (cont'd)
(iii) Liquidity risk management (cont'd)
Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on undiscounted contractual payment: (cont'd)

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
Audited FYE 30 June 2021					
Trade payables	14,450,595	14,450,595	14,450,595	-	-
Other payables, accruals and deposits received	6,657,774	6,657,774	6,657,774	-	-
Amount owing to related parties	313,867	313,867	313,867	-	-
Loans and borrowings	7,627,049	8,472,821	3,986,655	2,116,368	2,369,798
Lease liabilities	10,215,597	10,826,179	5,947,485	4,878,694	-
Financial guarantees contracts*	-	13,715,365	13,715,365	-	-
	39,264,882	54,436,601	45,071,741	6,995,062	2,369,798

* This has been included for illustration purposes only as the related financial guarantees contracts have not crystallised as at the end of the reporting period.

13. ACCOUNTANTS' REPORT (Cont'd)**WAWASAN DENGKIL HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)**36. FINANCIAL INSTRUMENTS (CONT'D)****36.4. Fair value of financial instruments****(i) Financial instruments not carried at fair value**

- (a) The financial assets and financial liabilities maturing within the next 12 months approximate their fair values due to the relatively short-term maturity of the financial instruments.
- (b) The fair value of lease liabilities is determined by discounting the relevant cash flows using current interest rates for similar instruments as at end of the financial reporting period.
- (c) The carrying amount of the floating rate term loans approximated their fair values as these instruments bear interest at variables rates.

(ii) Financial instruments carried at fair value

Financial assets carried at fair value are disclosed in Note 36.1 to this report. The fair value of the financial asset at fair value through profit or loss is at Level 3. There was no material transfer between Level 1, 2 and 3 during the reporting periods.

37. 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 manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, the Group may adjust the dividend payment, return capital to shareholders or issue new shares.

	Audited				
	31.10.2024	30.06.2024	30.06.2023	30.06.2022	30.06.2021
	RM	RM	RM	RM	RM
Loans and borrowings	17,941,694	15,447,628	10,429,091	11,534,024	7,627,049
Lease liabilities*	37,340,647	38,549,106	26,682,944	5,652,169	10,085,334
Less: Fixed deposits with licensed bank	(1,159,320)	(976,452)	-	-	-
Less: Cash and bank balances	(10,569,548)	(9,810,045)	(6,816,771)	(3,654,879)	(2,499,416)
Net debt	43,553,473	43,210,237	30,295,264	13,531,314	15,212,967
Total equity	70,380,516	66,372,537	55,048,580	46,308,846	39,305,226
Net gearing ratio	0.62	0.65	0.55	0.29	0.39

* Excluded lease liabilities for right-of-use assets arising from rental of properties.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

38. MATERIAL LITIGATION**Kuala Lumpur High Court Civil Suit No.: WA-22C-11-1/2021**

Hatimuda Sdn. Bhd. ("HSB") is claiming against Landasan Angsana Sdn. Bhd. ("LASB"), a previous associate of the Group, a declaration that the subcontracts are terminated and damages in the sum of RM5,592,032 together with interest and costs. On 3 May 2021, LASB filed an application to strike out the suit on the grounds that HSB failed to disclose any reasonable cause of action against LASB.

On 24 May 2021, the High Court dismissed the striking out application and found that HSB has raised a reasonable cause of action against LASB and set this suit for trial from 4 April 2022 until 7 April 2022.

On 27 October 2021, HSB and LASB have engaged a private mediator to attempt to resolve the matter amicably but the mediation has met an impasse due to the inability to nominate and appoint a third-party licensed surveyor.

On 4 April 2022, the Trial proceeded and the Plaintiff's suit was dismissed with costs.

Civil Suit No: BA-23NCVC-51-08/2024

The Group have initiated civil action against Lim Chuin How ("Defendant") in the Shah Alam High Court (Civil Division) for defamation, tort of unlawful interference with business, and tort of harassment. The Defendant had sent letters containing false and unsubstantiated allegations regarding the Group to Bursa Malaysia Berhad and other parties involved in the Company's listing exercise, with the intent to disrupt the process. As part of the reliefs sought, the Group is requesting an apology, an injunction to prevent further harassment, and damages, including general, special, aggravated, and exemplary damages.

The civil suit is currently at the pleading stage, with the Defendant having filed a memorandum of appearance on 18 September 2024. Additionally, the Group have filed an application for an ex parte injunction ("Injunction Application") against the Defendant, whereby the inter-partes hearing for the Injunction Application is fixed on 10 December 2024. Pending the inter-partes hearing, the Court has granted an Ad-interim injunction which essentially prevents the Defendant from continuing his interruption with the Lising Exercise. The Court has directed the Defendant to file its statement of defence after the said inter-partes hearing.

On 4 December 2024, the Defendant filed another supplemental affidavit without the leave from the court ("Def's 2nd Supplemental Affidavit"). During the inter-partes hearing on 10 December 2024, the Group objected to the Def's 2nd Supplemental Affidavit on the grounds that the Defendant had filed the said affidavit without obtaining leave from the Court.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

38. MATERIAL LITIGATION (CONT'D)**Civil Suit No: BA-23NCVC-51-08/2024 (Cont'd)**

In response, the Court decided to reschedule the inter-partes hearing for the injunction application in order to allow the Group to reply to the Def's 2nd Supplemental Affidavit whereby the Court gave the following directions:

- (i) the Group to file an affidavit in reply to the Def's 2nd Supplemental Affidavit by 6 January 2025;
- (ii) the Group to provide an update on the Listing;
- (iii) the inter-partes hearing for the injunction application is rescheduled to 26 February 2025;
- (iv) the Ad-Interim Injunction to remain in force until the inter-partes hearing for the injunction application on 26 February 2025; and
- (v) the Defendants to file their defence against the Libel Claim by mid-January 2025.

On 6 January 2025, the Group filed their affidavit in reply to the Def's 2nd Supplemental Affidavit.

Sepang Sessions Court Suit No. BK-A52C-2-08/2024

On 22 August 2024, a Writ of Summons was served by Wellcocon Sdn. Bhd. ("the Plaintiff") to Wawasan Dengkil Sdn. Bhd. ("the Defendant") in respect of an alleged outstanding payment in the sum of RM127,422.72, together with interest thereon at the rate of 5% per annum. However, on 2 September 2024, the Plaintiff withdrew the aforementioned suit following the full settlement of the outstanding balance from Defendant.

39. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- (a) On 31 December 2023, Lim Kok Seong, Lim Kok Leong, Lim Kok Seng and Sich Ah Sing, being shareholders of Wawasan Dengkil Sdn. Bhd. entered into a share sale agreement with T Force Holdings Sdn. Bhd. for the sale of 80% equity interest in Wawasan Dengkil Sdn. Bhd. for a purchase consideration of RM44,000,000 to be satisfied in full by the allotment and issuance of 800,000 new ordinary shares in T Force Holdings Sdn. Bhd.. On the same date, T Force Holdings Sdn. Bhd. become holding company of Wawasan Dengkil Sdn. Bhd..
- (b) On 11 June 2024, the Company entered into a conditional share sale agreement with T Force Holdings Sdn. Bhd. and Lim Soon Yik to acquire the entire equity interest in Wawasan Dengkil Sdn. Bhd. comprising 1,000,000 ordinary shares for a total purchase consideration of RM60,494,400, satisfied by issuances of new ordinary shares of the Company of 432,102,860 at an issue price of approximately RM0.14 per share. The Acquisition was completed on 28 November 2024. The new shares issued under the Acquisition rank equally in all respects with existing shares. Thereafter, Wawasan Dengkil Sdn. Bhd. becomes a wholly-owned subsidiary of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

(Incorporated in Malaysia)

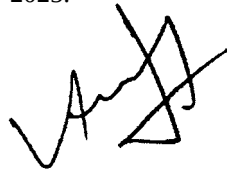
Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

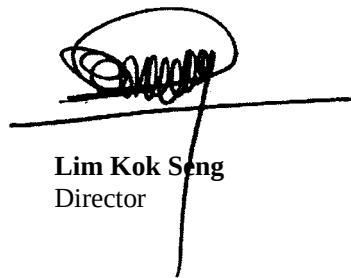
STATEMENTS OF DIRECTORS

We, **Lim Soon Yik** and **Lim Kok Seng**, being the Directors of **WAWASAN DENGKIL HOLDINGS BERHAD**, state that, in the opinion of the Directors, the combined financial statements set out on pages 4 to 101 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 30 June 2021, 30 June 2022, 30 June 2023, 30 June 2024 and 31 October 2024 and of their financial performance, changes in equity and cash flows for each of the financial years ended 30 June 2021, 30 June 2022, 30 June 2023, 30 June 2024 and financial period ended 31 October 2024.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 7 February 2025.



Lim Soon Yik
Director



Lim Kok Seng
Director

13. ACCOUNTANTS' REPORT (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD

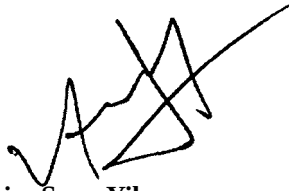
(Incorporated in Malaysia)

Registration no. 202201013605 (1459302-T)

ACCOUNTANTS' REPORT (CONT'D)

STATUTORY DECLARATION

I, **Lim Soon Yik**, being the Director primarily responsible for the financial management of **Wawasan Dengkil Holdings Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying combined financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.



Lim Soon Yik

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in the state of Selangor Darul Ehsan on 7 February 2025.

Before me,



14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION



ECOVIS MALAYSIA PLT

201404001750 (LLP0003185-LCA) & AF 001825
Chartered Accountants. Kuala Lumpur, Malaysia

Kuala Lumpur, Malaysia

Phone : +603 7986 0066

The Board of Directors

Wawasan Dengkil Holdings Berhad

1-5, 1-6, 1-7, 1-8 & 1-9, Jalan Intan 5/1,
Taman Intan,
43800 Dengkil,
Selangor.

7 February 2025

Dear Sirs

WAWASAN DENGKIL HOLDINGS BERHAD ("WDHB" OR "THE COMPANY") AND ITS COMBINING ENTITIES ("WDHB GROUP" OR "THE GROUP")

REPORT ON THE COMPILATION OF PRO FORMA COMBINED FINANCIAL INFORMATION AS AT 31 OCTOBER 2024

We have completed our assurance engagement to report on the compilation of pro forma combined statement of financial position of the Group as at 31 October 2024 by the Board of Directors of the Company (the "Directors") for inclusion in the Company's prospectus in connection with the listing of and quotation for the entire issued ordinary shares of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (the "Listing"). The pro forma combined statement of financial position consists of the pro forma combined statement of financial position and the accompanying notes thereon, for which we have stamped for identification.

The applicable criteria on the basis of which the Directors has compiled the pro forma combined financial information are described in notes to the pro forma combined statement of financial position, and are in accordance with the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Guidance Note").

The pro forma combined statement of financial position has been compiled by the Directors to illustrate the impact of the events or transactions as set out in the notes to the pro forma combined statement of financial position, on the Group's financial position as at 31 October 2024 as if the events or transactions had taken place at 31 October 2024. As a part of this process, information about the Group's financial position has been extracted by the Directors from the Group's audited financial statements for the financial period ended 31 October 2024.

Directors' Responsibility for the Pro Forma Combined Financial Information

The Board of Directors is responsible for compiling the pro forma combined financial information on the basis as described in the notes to the pro forma combined statement of financial position and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note.

ECOVIS MALAYSIA PLT 201404001750 (LLP0003185-LCA) & AF 001825 Chartered Accountants, D-10-03, Level 10, Exsim Tower, Millerz Square@Old Klang Road, Megan Legasi, No.357, Jalan Kelang Lama, 58000 Kuala Lumpur. Phone: +60(3) 7986 0066 E-Mail: kuala-lumpur@ecovis.com.my

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14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (*Cont'd*)



Reporting Accountants' Independence and Quality Control

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management (ISQM) 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 and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the pro forma combined financial information has been compiled, in all material respects, by the Directors of the Company on the basis as described in the notes of the pro forma combined statement of financial position, and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note.

We conducted our engagement in accordance with International Standards on Assurance Engagements ("ISAE") 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Accounting Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors have compiled, in all material respects, the pro forma combined financial information on the basis described in the notes to the pro forma combined statement of financial position, and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma combined financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma combined financial information.

The purpose of the pro forma combined financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the events had occurred or the transactions have 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 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma combined statement of financial position have been compiled, in all material respects, on the basis of the applicable involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma combined financial information provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- (i) the related pro forma adjustments give appropriate effect to those criteria; and
- (ii) the pro forma combined financial information reflects the proper application of those adjustments to the unadjusted financial information.

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)



Reporting Accountants' Responsibilities (cont'd)

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma combined financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma combined financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma combined statement of financial position has been compiled, in all material respects, on the basis described in the notes to the pro forma combined statement of financial position and in accordance with the requirements of the Prospectus Guidelines and the Guidance Note.

Other Matters

This report has been prepared solely for the purpose of inclusion in the prospectus of WDHB in connection with the Listing. As such, this report should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

A stylized handwritten signature in black ink, appearing to read "Ecovis".

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

Kuala Lumpur
7 February 2025

A stylized handwritten signature in black ink, consisting of a large, sweeping 'C' shape followed by a horizontal line.

CHUA KAH CHUN
02696/09/2025 J
Chartered Accountant

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024

ECOVIS MALAYSIA PLT
(AF 001825)
Chartered Accountants
For identification purposes only

1.0 Abbreviations

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:

WDHB or Company	:	Wawasan Dengkil Holdings Berhad (Registration No. 202201013605 (1459302-T))
WDSB	:	Wawasan Dengkil Sdn. Bhd. (Registration No. 200301005307 (607727-H))
WDHB Group or Group	:	WDHB and its subsidiary, collectively
ACE Market	:	ACE Market of Bursa Securities
Acquisition	:	Acquisition by WDHB of the entire equity interest of WDSB from T Force and Lim Soon Yik for a purchase consideration of RM60,494,400 which was wholly satisfied by the issuance of 432,102,860 new Shares at an issue price of approximately RM 0.14 per Share, which was completed on 28 November 2024
Act	:	Companies Act 2016
Board	:	Board of Directors of WDHB
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
Director(s)	:	An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
FPE 31 October	:	Financial period ended 31 October
FYE 30 June	:	Financial year ended 30 June
IFRS	:	International Financial Reporting Standards
Initial Public Offering or IPO	:	Our initial public offering comprising the Public Issue and Offer for Sale
IPO Price	:	Issue/offer price of RM 0.25 per Share under our Public Issue and Offer for Sale
Issue Share(s)	:	108,025,800 new Share(s) to be issued pursuant to Public Issue
Listing	:	Listing of and quotation for our entire enlarged share capital of RM87,500,860 comprising 540,128,760 Shares on the ACE Market
Listing Scheme	:	Comprising the Public Issue, Offer for Sale and Listing, collectively

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024



1.0 Abbreviations (Cont'd)

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report: (Cont'd)

LPD	:	28 January 2025, being the latest practicable date for ascertaining certain information contained in this Prospectus
Malaysian Public	:	Citizens of Malaysia and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia, but excluding WDHB's Directors, substantial shareholders and persons connected or associated with them (as defined in the Listing Requirements)
MFRS	:	Malaysian Financial Reporting Standards
NA	:	Net assets
Offer for Sale	:	Offer for sale by the Selling Shareholders of 54,013,000 Offer Shares at the IPO Price
Offer Share(s)	:	54,013,000 existing Share(s) to be offered by the Selling Shareholders pursuant to the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on the ACE Market
PPE	:	Property, plant and equipment
Prospectus	:	This prospectus dated 28 February 2025 in relation to our IPO
Public Issue	:	Public issue of 108,025,800 Issue Shares at the IPO Price
RM and sen	:	Ringgit Malaysia and sen respectively
Selling Shareholder(s)	:	T Force and Lim Soon Yik, who are undertaking the Offer for Sale
Share(s) or WDHB Share(s)	:	Ordinary share(s) in WDHB
T Force	:	T Force Holdings Sdn. Bhd. (Registration No. 202301028965 (1522888-V))

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14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024

ECOVIS MALAYSIA PLT
(AF 001825)
Chartered Accountants
For identification purposes only

2.0 Pro Forma Group and Basis of Preparation

2.1 Basis of Preparation

The pro forma combined statement of financial position of WDHB Group has been prepared by the Board in a manner consistent with the format of the audited financial statements and accounting policies of the Group for the FPE 31 October 2024, in accordance with MFRS, IFRS and the requirements of the Prospectus Guidelines. The pro forma combined statement of financial position has been prepared solely for illustrative purposes, to show the effects of transactions as disclosed in Note 3.

The pro forma combined statement of financial position is consolidated using the merger method as both WDHB Group are under the common control of the same party both before and after the Acquisition. When the merger method is used, the difference between the cost of investment recorded by WDHB and the share capital of the subsidiaries are accounted for as reorganisation reserve in the pro forma combined statement of financial position.

The Group is regarded as a continuing entity resulting from the reorganisation exercise because the management of all the entities within the Group, which took part in the reorganisation exercise, was under common control before and immediately after the reorganisation exercise. The Group has applied the merger method of accounting on a retrospective basis and restated its comparative as if the consolidation had taken place before the start of the earliest period presented in the financial statements.

The audited financial statements of the Group as at 31 October 2024 were not subject to any audit qualification.

The pro forma financial information of the Group comprises the pro forma combined statement of financial position as at 31 October 2024, adjusted for the impact of the Acquisition (Note 2.2.1), IPO (Note 2.2.2) and utilisation of proceeds from the IPO (Note 3.1.3).

The pro forma financial information, because of its nature, may not reflect the actual financial position of the Group. Furthermore, such information does not predict the future financial position of the Group.

2.2 Listing Scheme

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of WDHB on the ACE Market, the Company intends to undertake the following transactions:

2.2.1 Acquisition

On 11 June 2024, the Company entered into a conditional share sale agreement with T Force and Lim Soon Yik to acquire the entire equity interest in WDSB comprising 1,000,000 ordinary shares for a purchase consideration of RM60,494,400, satisfied by issuances of new Shares of the Company of 432,102,860 at an issue price of approximately RM0.14 per share.

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14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024



2.0 Pro Forma Group and Basis of Preparation (Cont'd)

2.2 Listing Scheme (Cont'd)

2.2.2 IPO

2.2.2.1 Public Issue

The Public Issue of 108,025,800 new Shares, representing approximately 20% of the enlarged issued share capital at IPO Price amounting to RM27,006,450, payable in full on application, upon such terms and conditions as set out in the Prospectus, and will be allocated and allotted in the following manner:

- (a) 27,008,000 new Shares made available for application by the Malaysian Public;
- (b) 10,803,000 new Shares made available for application by the eligible Directors, employees and persons who have contributed to the success of the Group;
- (c) 40,510,000 new Shares by way of private placement to Bumiputera investors approved by the Ministry of International Trade and Industry; and
- (d) 29,704,800 new Shares by way of private placement to selected investors.

2.2.2.2 Offer for Sale

The Offer for Sale of 54,013,000 Offer Shares at IPO price amounting to RM13,503,250, payable in full on application, upon such terms and conditions as set out in Prospectus, made available in the following manner:

(a) Private Placement

54,013,000 Offer Shares representing approximately 10% of the enlarged issued share capital will be made available by way of private placement to selected investors.

- 27,006,500 Offer Shares made available by way of private placement to Bumiputera investors approved by Ministry of International Trade and Industry; and

- 27,006,500 Offer Shares made available by way of private placement to selected investors.

2.2.2.3 Listing

The admission of WDHB to the Official List of Bursa Securities, and the entire enlarged issued share capital of RM87,500,860 comprising 540,128,760 WDHB Shares shall be listed and quoted on the ACE Market upon completion of the Listing.

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14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024

ECOVIS MALAYSIA PLT
(AF 001825)
Chartered Accountants
For identification purposes only

3.0 Pro Forma Combined Statement of Financial Position as at 31 October 2024

	Audited as at 31 October 2024 (1)	Pro Forma I		Pro Forma II		Pro Forma III	
	RM	Acquisition RM	After Acquisition RM	IPO RM	After Pro Forma I and IPO RM	Utilisation of proceeds RM	After Pro Forma II and utilisation of proceeds RM
Assets							
Non-current assets							
Property, plant and equipment	60,831,056	-	60,831,056	-	60,831,056	-	60,831,056
Investment properties	2,945,473	-	2,945,473	-	2,945,473	-	2,945,473
Other investment	570,965	-	570,965	-	570,965	-	570,965
	64,347,494	-	64,347,494	-	64,347,494	-	64,347,494
Current assets							
Inventories	215,148	-	215,148	-	215,148	-	215,148
Trade receivables	58,785,021	-	58,785,021	-	58,785,021	-	58,785,021
Contract assets	47,004,716	-	47,004,716	-	47,004,716	-	47,004,716
Other receivables, deposits and prepayments	9,289,265	-	9,289,265	-	9,289,265	-	9,289,265
Amount owing by holding company	135,656	-	135,656	-	135,656	-	135,656
Fixed deposits with licensed bank	1,159,320	-	1,159,320	-	1,159,320	-	1,159,320
Cash and bank balances	10,569,548	-	10,569,548	27,006,450	37,575,998	(6,783,034)	30,792,964
	127,158,674	-	127,158,674	27,006,450	154,165,124	(6,783,034)	147,382,090
Total assets	191,506,168	-	191,506,168	27,006,450	218,512,618	(6,783,034)	211,729,584
Equity and liabilities							
Equity							
Share capital	10	60,494,400	60,494,410	27,006,450	87,500,860	(913,000)	86,587,860
Invested equity	1,000,000	(1,000,000)	-	-	-	-	-
Reorganisation reserve	-	(59,494,400)	(59,494,400)	-	(59,494,400)	-	(59,494,400)
Retained earnings	69,380,506	-	69,380,506	-	69,380,506	(1,994,234)	67,386,272
Total equity	70,380,516	-	70,380,516	27,006,450	97,386,966	(2,907,234)	94,479,732

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024

ECOVIS MALAYSIA PLT
(AF 001825)
Chartered Accountants
For identification purposes only

3.0 Pro Forma Combined Statement of Financial Position as at 31 October 2024 (Cont'd)

	Audited as at 31 October 2024 (1)	Pro Forma I		Pro Forma II		Pro Forma III	
	RM	Acquisition RM	After Acquisition RM	IPO RM	After Pro Forma I and IPO RM	Utilisation of proceeds RM	After Pro Forma II and utilisation of proceeds RM
Liabilities							
Non-current liabilities							
Loans and borrowings	3,288,137	-	3,288,137	-	3,288,137	(2,855,738)	432,399
Lease liabilities	24,507,384	-	24,507,384	-	24,507,384	-	24,507,384
Deferred tax liabilities	700,170	-	700,170	-	700,170	-	700,170
	28,495,691	-	28,495,691	-	28,495,691	(2,855,738)	25,639,953
Current liabilities							
Trade payables	40,125,747	-	40,125,747	-	40,125,747	-	40,125,747
Contract liabilities	19,864,144	-	19,864,144	-	19,864,144	-	19,864,144
Other payables, accruals and deposits received	2,618,743	-	2,618,743	-	2,618,743	(25,800)	2,592,943
Loans and borrowings	14,653,557	-	14,653,557	-	14,653,557	(994,262)	13,659,295
Lease liabilities	12,931,654	-	12,931,654	-	12,931,654	-	12,931,654
Income tax payable	2,436,116	-	2,436,116	-	2,436,116	-	2,436,116
	92,629,961	-	92,629,961	-	92,629,961	(1,020,062)	91,609,899
Total liabilities	121,125,652	-	121,125,652	-	121,125,652	(3,875,800)	117,249,852
Total equity and liabilities	191,506,168	-	191,506,168	27,006,450	218,512,618	(6,783,034)	211,729,584
Number of WDHB Shares in issue	100	432,102,860	432,102,960	108,025,800	540,128,760		540,128,760
NA (RM)	70,380,516		70,380,516		97,386,966		94,479,732
NA per Share (RM)	703,805.16		0.16		0.18		0.17
Borrowings	55,282,341		55,282,341		55,282,341	(3,850,000)	51,432,341
Gearing (times) (2)	0.79		0.79		0.57		0.54
Current ratio (times) (3)	1.37		1.37		1.66		1.61

(1) Extracted from WDHB's audited combined financial statements for the financial period ended 31 October 2024

(2) Calculated based on the total borrowings (excluding lease liabilities arising from rental of land and buildings) of our Group divided by the total equity of our Group

(3) Calculated based on total current assets divided by total current liabilities of our Group

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024

ECOVIS MALAYSIA PLT
(AF 001825)
Chartered Accountants
For identification purposes only

3.1 Notes to Pro Forma Combined Statement of Financial Position

3.1.1 Pro Forma I

Pro Forma I incorporates the effects of Acquisition as set out in Note 2.2.1.

3.1.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and IPO as set out in Note 2.2.2.

3.1.3 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma II and the utilisation of proceeds from IPO.

The estimated gross proceeds from the IPO of RM27,006,450 will be utilised as follows:

	RM	Estimated time frame (from the listing date)
Purchase of machineries and commercial vehicles ⁽¹⁾	7,580,000	Within 12 months
Project working capital	9,850,000	Within 12 months
General working capital	1,426,450	Within 12 months
Repayment of bank borrowings	3,850,000	Within 6 months
Office renovations ⁽¹⁾	300,000	Within 12 months
Estimated listing expenses ⁽²⁾	4,000,000	Within 1 month
	<u>27,006,450</u>	

Notes:

⁽¹⁾ As at LPD, the Group has yet to enter into any contractual binding arrangements or issued any purchase orders in relation to the above purposes. Accordingly, the utilisation of proceeds earmarked for these purposes are not reflected in the Pro Forma Combined Statements of Financial Position.

⁽²⁾ The estimated listing expenses comprise the following:

	RM
Professional fees	2,713,000
Fees payable to authorities	80,000
Underwriting, placement and brokerage fees	640,000
Printing, advertising fees and contingencies	567,000
	<u>4,000,000</u>

From the total estimated listing expenses of RM4,000,000, RM913,000 will be set-off against equity and the remaining RM3,087,000 will be charged out to the profit or loss. As at 31 October 2024, the Group had charged out RM1,092,766 of listing expenses to the profit or loss.

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14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024

ECOVIS MALAYSIA PLT
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3.2 Pro Forma Effects on Financial Statement Line Items

3.2.1 Effects on Cash and Bank Balances

	RM	RM
As audited on 31 October 2024 and after effects of Pro Forma I		10,569,548
<u>Pro Forma II:</u>		
IPO		27,006,450
After effects of Pro Forma II		37,575,998
<u>Pro Forma III:</u>		
Utilisation of proceeds from IPO:		
- Repayment of bank borrowings	(3,850,000)	
- Payment for estimated listing expenses	(2,933,034)	(6,783,034)
After effects of Pro Forma III		30,792,964

3.2.2 Effects on Share Capital

	No. of shares 100	RM 10
As audited on 31 October 2024		
<u>Pro Forma I:</u>		
Acquisition:		
- Shares issued on Acquisition	432,102,860	60,494,400
After effects of Pro Forma I	432,102,960	60,494,410
<u>Pro Forma II:</u>		
IPO	108,025,800	27,006,450
After effects of Pro Forma II	540,128,760	87,500,860
<u>Pro Forma III:</u>		
Utilisation of proceeds from IPO:		
- Estimated listing expenses offset against equity	-	(913,000)
After effects of Pro Forma III	540,128,760	86,587,860

3.2.3 Effects on Invested Equity

	RM
As audited on 31 October 2024	1,000,000
<u>Pro Forma I:</u>	
Acquisition	(1,000,000)
After effects of Pro Forma I, II and III	-

3.2.4 Effects on Reorganisation Reserve

	RM	RM
As audited on 31 October 2024		-
<u>Pro Forma I:</u>		
Acquisition:		
- Shares issued on Acquisition	(60,494,400)	
- Elimination of ordinary shares of WDSB	1,000,000	(59,494,400)
After effects of Pro Forma I, II, III		(59,494,400)

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024

ECOVIS MALAYSIA PLT
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3.2 Pro Forma Effects on Financial Statement Line Items (Cont'd)

3.2.5 Effects on Retained Earnings

As audited on 31 October 2024 and after effects of Pro Forma I and II	RM
<u>Pro Forma III:</u>	69,380,506
Utilisation of proceeds from IPO:	
- Estimated listing expenses charged to profit or loss	(1,994,234)
After effects of Pro Forma III	67,386,272

3.2.6 Effects on Other Payables, Accruals and Deposits Received

As audited on 31 October 2024 and after effects of Pro Forma I and II	RM
<u>Pro Forma III:</u>	2,618,743
Utilisation of proceeds from IPO:	
- Payment for estimated listing expenses	(25,800)
After effects of Pro Forma III	2,592,943

3.2.7 Effects on Loans and Borrowings (Current and Non-current Liabilities)

As audited on 31 October 2024 and after effects of Pro Forma I and II	RM
<u>Pro Forma III:</u>	17,941,694
Utilisation of proceeds from IPO:	
- Repayment of bank borrowings	(3,850,000)
After effects of Pro Forma III	14,091,694

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14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

WAWASAN DENGKIL HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024

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4.0 Approval by the Board of Directors

The pro forma combined statement of financial position is approved by the Board of Directors of Wawasan Dengkil Holdings Berhad in accordance with Directors' resolution dated 7 February 2025.



Lim Soon Yik
Director



Lim Kok Seng
Director

15. STATUTORY AND OTHER INFORMATION**15.1 SHARE CAPITAL**

- (a) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another.
- (b) Save for the Pink Form Allocations as disclosed in Section 4.3.3,
 - (i) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiary; and
 - (ii) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiary.
- (c) Save for the issuance of our subscribers' shares, new Shares issued for the Acquisition and to be issued for the Public Issue as disclosed in Sections 6.1, 6.2 and 4.3.1 respectively, no Shares have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.
- (d) Other than our Public Issue as disclosed in Section 4.3.1, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.
- (e) As at the date of this Prospectus, we do not have any outstanding convertible debt securities.

15.2 SHARE CAPITAL OF OUR SUBSIDIARY

Details of our share capital are set out in Section 6.1. Details of the share capital of our subsidiary are set out below.

15.2.1 WDSB

WDSB's share capital as at LPD is RM1,000,000 comprising 1,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
28 February 2003	10,000	RM10,000/ Subscribers' shares	10,000
18 August 2004	190,000	RM190,000/ Cash	200,000
13 September 2004	50,000	RM50,000/ Cash	250,000
3 December 2007	750,000	RM750,000/ Cash	1,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in WDSB. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

15.3 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

15.3.1 Changes in share capital and variation of class rights

The provisions in our Constitution dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

Clause 8 - Issue of shares

- 8.1 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act, the Listing Requirements, any other statutory requirements, and to this Constitution, shares in our Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors, subject to any ordinary resolution of our Company, may determine.
- 8.2 No shares shall be issued at a discount except in compliance with the provisions of the Act.
- 8.3 The rights attaching to shares of a class other than ordinary shares, shall be expressed in this Constitution.
- 8.4 No issue of shares shall be made without the prior approval of the members of our Company in general meeting.
- 8.5 No Director shall participate in a scheme that involves a new issuance of shares to employees unless the members in a general meeting have approved the specific allotment to be made to such Director.

Clause 9 - Rights of preference shareholders

- 9.1 Subject to the Act, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are or at the option of our Company are liable to be redeemed and our Company has the power to issue such preference capital ranking equally with, or in priority to preference shares already issued.
- 9.2 A holder of preference shares must have a right to vote in each of the following circumstances:
 - (a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;
 - (b) on a proposal to reduce our Company's share capital;
 - (c) on a proposal for the disposal of the whole of our Company's property, business and undertaking;
 - (d) on a proposal that affects the rights attached to the preference shares;
 - (e) on a proposal to wind up our Company;
 - (f) during the winding up of our Company; and

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

- (g) our Company shall not, without the consent of the existing preference members at a class meeting, issue further preference capital ranking in priority above preference share already issued.
- 9.3 A holder of preference shares shall be entitled to the same rights as a holder of ordinary shares in relation to receiving notices, reports, and audited financial statements, and attending general meetings of our Company.
- 9.4 Our Company shall not allot any preference shares or convert any issued shares into preference shares unless in accordance with the right of the members with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividend in relation to other shares and other classes of preference shares as set out in this constitution.

Clause 10 - Repayment of preference capital

The repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholders' rights shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing obtained from the holders of 3/4 of the preference capital concerned within 2 months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

Clause 11 - 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 the shares of that class) may, whether or not our Company is being wound up, be varied or abrogated with the consent in writing of the holders of 3/4 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 this Constitution relating to general meetings shall *mutatis mutandis* apply so that the necessary quorum shall be 2 persons at least holding or representing by proxy 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 are necessary.

Clause 12 - Alteration of rights by issuance of new shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 13 - Commission on subscription of shares

Our Company may exercise the powers of paying commissions conferred by the Act, provided that the rate or the per centum of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 10% of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. Such commission may be satisfied by the payment of cash or the allotment of fully paid-up shares or partly paid-up shares or by a combination of any of the aforesaid methods of payment. Our Company may, on any issue of shares, also pay such brokerage as may be lawful.

Clause 14 - Interest on share capital during construction of works on building

Where any shares are issued for the purpose of raising money to defray the expenses of construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, our Company may pay interest on so much of such share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in Section 130 of the Act and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of the plant.

Clause 15 - Trust not to be recognised

Except as required by law, no person shall be recognised by our Company as holding any share upon any trust and our Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share except in an absolute right to the entirety thereof in the registered holder.

Clause 16 - Jumbo Certificate

The Depository shall be entitled to receive jumbo certificates requested by the Depository for Securities that are Deposited Security which shall be issued in accordance with the Depository, the Listing Requirements and the Rules PROVIDED ALWAYS every certificate shall be issued under the Seal of our Company with security features and of such size and other requirements as prescribed by Bursa Securities and bear the signatures or the autographic signatures of 1 Director and the Secretary or a second Director or by some other person authorised by the Directors and shall specify the shares to which it relates and the amount paid-up thereon provided that the Directors may by resolution to determine that signatures, or either of them, shall be dispensed with or shall be affixed by such other person as may be authorised by the Directors or some method or system of mechanical or electronic signatures.

Clause 17 - Issue of securities

Our Company must ensure that all new issues of securities for which listing is sought are made by way of crediting the securities accounts of the allottees with such securities save and except where they are specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event they shall so similarly be exempted from compliance with this provision. For this purpose, our Company must notify Bursa Depository of the names of the allottees and all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the securities accounts of such allottees.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

Clause 18 - Timing for allotment of securities

Subject to the provisions of the Act, the Central Depositories Act and the Depository Rules, our Company shall allot and/or issue securities, despatch notices of allotment to the allottees and make an application for the quotation of such securities within the period as may be prescribed by Bursa Securities and deliver to the Depository the appropriate certificates in such denominations as may be specified by the Depository and registered in the name of the Depository or its nominee company.

Clause 52 - Power to increase capital

Subject to the Act, this Constitution, the Central Depositories Act, the Depository Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, our Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as our Company by the resolution authorising such increase may direct.

Clause 53 - Offer of new shares to the Member

Subject to any direction to the contrary that may be given by our Company in general meeting, any new shares or other convertible securities of whatever kind for the time being unissued and not allotted and any new shares or securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from our Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to our Company. The Directors may also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

Clause 54 - Ranking of new shares

Except so far as otherwise provided by the conditions of issue in this Constitution, any share capital raised by the creation of new shares shall be considered as part of the original share capital of our Company and shall be subject to the same provisions with reference to the allotments, the payment of calls and instalments, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 55 - Power to alter capital

Our Company may by ordinary resolution and subject to the Act, the Central Depositories Act, the Depository Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution:

- 55.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 55.2 subdivide its share capital or any part thereof into shares of smaller amount subject nevertheless to the provisions of the Act and so that as between the resulting shares, 1 or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares;
- 55.3 cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; or
- 55.4 convert and/or reconvert and/or re-classify any class of shares into any other class of shares.

Clause 56 - Power to reduce capital

Our Company may by special resolution, subject to the Act, the Central Depositories Act, the Depository Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by law.

15.3.2 Borrowing and voting powers of the directors

The provisions in our Constitution dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested in are as follows:

Clause 98 - Directors' borrowing powers

The Directors may exercise all the powers of our Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of our Company or subsidiary company subject to the law including but not limited to the provisions of the Act and the Listing Requirements, as they may think fit.

Clause 111- Chairman to have a casting vote

- 111.1 Subject to this Constitution any question arising at any meeting of the Directors shall be decided by a majority of votes, each Director having 1 vote and a determination by a majority of the Directors shall for all purposes be deemed a determination of the Directors.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

111.2 In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote EXCEPT where only 2 of the Directors form a quorum and only such Directors are present at the meeting or where only 2 of the Directors are competent to vote on the question in issue, whereupon the resolution shall be deemed not to have been passed, without affecting any other businesses at the meeting.

Clause 113 - Disclosure of interest and restriction on discussion and voting

Every Director shall declare his interest in our Company and his interest in any contract or proposed contract with our Company as may be required by law. Subject to Section 222 of the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 221 of the Act and all other relevant provisions of the Act and this Constitution.

Clause 114 - Power to vote

Without prejudice to the provisions of any other Constitution, the Act and the Listing Requirements, a Director may vote in respect of:

- 114.1 any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of our Company; or
- 114.2 any arrangement for the giving by our Company of any security to a third-party in respect of a debt or obligation of our Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of security.

15.3.3 Remuneration of directors

The provisions in our Constitution dealing with remuneration of Directors are as follows:

Clause 93 - Directors' remuneration

93. The fees and benefits payable to the Directors of our Company including compensation for loss of employment of a Director or a former Director of our Company shall from time to time be approved by members in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree PROVIDED ALWAYS that:

93.1 salaries payable to executive Director(s) may not include a commission on or percentage of turnover; and

93.2 fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

Clause 94 - Reimbursement of expenses

- 94.1 The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of our Company including their travelling and other expenses incurred in attending board meetings of our Company.
- 94.2 If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of our Company or in giving special attention to the business of our Company as a member of a committee of Directors, our Company may remunerate the Director so doing a special remuneration in addition to his Director's fees and such special remuneration may be by way fixed sum or otherwise as may be arranged.

Clause 117 - Remuneration of Managing Director

The remuneration of a managing director or managing directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

15.3.4 Transfer of shares

The provisions in our Constitution dealing with transfer of shares are as follows:

Clause 31 - Transfer of deposited securities

Subject to the restriction imposed by this Constitution, the Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any listed security or class of listed security of our Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to subsection 148(2) of the Act and any exemption that may be made from compliance with subsection 148(1) of the Act, our Company shall be precluded from registering and effecting any transfer of the listed securities.

Clause 32 - Transfer of shares (Non-Deposited securities)

- 32.1 Subject to the provisions of the Act and this Constitution, any member may transfer all or any of his shares (which as not Deposited securities) by a duly executed and stamped instrument in writing. The instrument shall be executed by or on behalf of the transferor and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect thereof.
- 32.2 The instrument of transfer must be left for registration at the Office of our Company together with such fee not exceeding RM1.00 as the Directors from time to time may require accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and thereupon our Company shall subject to the powers vested in the Directors by this Constitution register the transferee as a shareholder and retain the instrument of transfer.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- 32.3 The Directors may, in their absolute discretion through passing of a resolution setting out the reasons of refusal or delay in the registration of any transfer of shares not being fully paid shares to a person of whom they do not approve and may also decline to register any transfer of shares on which our Company has a lien within 30 days from the receipt of the instrument of transfer. Such notice of the resolution including the reasons thereof shall be sent to the transferor and the transferee within 7 days of the resolution being passed.
- 32.4 Neither our Company nor its Directors nor any of its officers shall incur any liability for any transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to our Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred and although transferred, the transfer may, as between the transferor and transferee be liable to be set aside and notwithstanding that our Company may have notice of such transfer. And in every such case, the transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall so far as our Company is concerned, be deemed to have transferred his whole title hereto.
- 32.5 No shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.
- 32.6 Subject to the provisions of this Constitution, the Directors may recognise a renunciation of any shares by the allottee thereof in favour of some other persons.
- 32.7 All instruments of transfer which shall be registered shall be retained by our Company but any instrument of transfer which the Directors may decline or refuse to register shall on demand be returned to the person depositing the same. All powers of attorney granted by members for purpose (interalia) of transferring shares which may be lodged produced or exhibited to our Company or any of its proper officers shall as between our Company and the grantor of such powers be taken and deemed to continue and remain in full force and effect and the same may be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the registered office of our Company.

15.4 GENERAL INFORMATION

- (a) Save for the dividends paid to the shareholders of our subsidiary in FYE 2022, purchase consideration paid to T Force and Lim Soon Yik for the Acquisition as disclosed in Section 6.2 and Directors' remuneration as disclosed in Section 5.2.4, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoter, Director or substantial shareholder.
- (b) Save as disclosed in Section 10.1, none of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.
- (c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 16.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

- (d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

15.5 CONSENTS

- (a) The written consents of the Adviser, Sponsor, Underwriter, Placement Agent, financial adviser, solicitors, share registrar, company secretaries and issuing house to 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;
- (b) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma combined financial information in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and
- (c) The written consent of the IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

15.6 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

- (a) Our Constitution;
- (b) Audited financial statements of our Company since incorporation up to 30 June 2023, FYE 2024 and FPE 2025;
- (c) Audited financial statements of WDSB for FYE 2021 to 2024;
- (d) Accountants' Report as set out in Section 13;
- (e) Reporting Accountants' Report relating to our pro forma combined financial information as set out in Section 14;
- (f) IMR Report as set out in Section 8;
- (g) Material contracts as set out in Section 6.5;
- (h) Cause papers in respect of material litigation as set out in Section 12.7; and
- (i) Letters of consents as set out in Section 15.5.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

15.7 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and 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.

M&A Securities 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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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 28 February 2025

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 11 March 2025

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

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by our eligible Directors, employees and persons who have contributed to the success of our Group	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.2.2 Placement

Types of Application	Application Method
Applications by selected investors	The 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.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic 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.

16.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (a) You must be one of the following:
 - (i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (ii) 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

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (b) 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
- (c) You must submit Applications by using only one of the following methods:
 - (i) White Application Form;
 - (ii) Electronic Share Application; or
 - (iii) Internet Share Application.

16.3.3 Application by Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms and letters from us detailing their respective allocation.

16.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.25 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 795"** 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:

- (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) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

so as to arrive not later than 5.00 p.m. on 11 March 2025 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd), Malacca Securities Malaysia Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firm (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(a) reject Applications which:

- (i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable);
or
- (ii) are illegible, incomplete or inaccurate; or
- (iii) are accompanied by an improperly drawn up or improper form of remittance;
or

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (c) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER/ UNDER SUBSCRIPTION

In the event of oversubscription, our Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by our Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website at <https://tiih.online> within 1 Market Day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an undersubscription of our Issue Shares by the Malaysian Public and/or eligible Directors and employees of our Group, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

- (a) 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.
- (b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (c) 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 (a) and (b) above (as the case may be).
- (d) 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 last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (b) You may check your account on the 5th Market Day from the balloting date.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (c) 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 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 Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (a) Our IPO Shares allotted to you will be credited into your CDS Account.
- (b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (c) In accordance with Section 14(1) of the Central Depositories Act, 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 Central Depositories Act and Depository Rules.
- (d) In accordance with Section 29 of the Central Depositories Act, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution, Participating Securities Firm and Authorised Financial Institution

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at <https://tiih.online>, **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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