

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (a) Responsible for project planning, design and management of overall project execution and implementation, which also involve supervising works of subcontractors on-site, quality control, safety and environmental aspects of the projects.
- (b) Responsible for reviewing tender documents and/or project requirements, preparing and submitting tender documents, preparing supplier and subcontractor agreements as well as procurement.

As at the LPD, none of our employees belong to any labour union and there has been no industrial dispute in the past.

6.11 MATERIAL DEPENDENCY ON COMMERCIAL OR FINANCIAL CONTRACTS, INTELLECTUAL PROPERTY RIGHTS AND PRODUCTION OR BUSINESS PROCESSES

As at the LPD, save as disclosed in Sections 6.7 and 6.8 of this Prospectus, our Group's business or profitability is not materially dependent on any contracts, intellectual property rights and production or business processes.

6.12 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

Our Group recognises the importance of upholding principles of sustainability across our operations. This commitment is embedded in our Sustainability Policy, which serves as a guiding foundation for the continuous adoption of our environmental, social and governance practices by our Group.

As part of our ongoing efforts, we have formed a Management Working Sustainability Committee to oversee and monitor environmental, social, and governance compliance with the Group's sustainability-related framework, policies and strategies.

Our Group is committed and has implemented the following practices and measures, among others:

(i) Environmental

We are committed to minimising our environmental footprint by embedding sustainable practices into our business operations. Our commitment is reflected in the following initiatives:

- (a) **Energy consumption:** We consistently encourage our employees to switch off all lights and electronic devices when not in use, particularly during lunch breaks and at the end of the workday. Additionally, motion sensor lighting has been installed in our workplace to enhance energy efficiency.
- (b) **Environmental accreditation:** Our environmental management system is accredited with the ISO 14001:2015 certification, demonstrating our capability to identify and address environmental concerns related to our business activities while minimising our environmental footprint through efficient resource management and waste reduction. Additionally, we conduct an environmental impact assessment to ensure the sustainability of the environment surrounding our operational sites.

6. INFORMATION ON OUR GROUP (Cont'd)

- (c) **Waste management:** Our Group's operational sites generate non-scheduled (solid) waste, such as used plastic, metal, paper and carton boxes that are no longer in good condition. Roll-on roll off bins and recycling bins are placed at the operational sites to ensure proper waste management and storage. Effective waste management is crucial in reducing the environmental impact of our operations by preventing industrial waste from contaminating the natural environment. In addition, we engaged a licensed waste management company to collect and treat the waste generated appropriately, ensuring compliance with the environmental rules and regulations.
- (d) **Leading certifications:** We take pride in our Group's involvement in projects that have obtained LEED certification. This accomplishment reflects our success in developing green building projects while upholding high standards, delivering reliable services and ensuring sustainable quality products from our suppliers. During the Financial Years and Period Under Review and up to the LPD, we have completed 4 LEED-certified projects. We shall strive to secure more green building projects to contribute positively to environmental sustainability.
- (e) **Paperless trail:** We also strive to promote a paperless culture in our offices. Our Group has adopted various software to reduce paper consumption in various business processes, such as document storage, communication and marketing. Reducing paper consumption leads to lower deforestation, less energy consumption in paper production, and reduced waste.

(ii) Social

Our Group prioritises the well-being of our stakeholders, including employees, suppliers and sub-contractors, through implementing social initiatives to promote social equity, enhance quality of life and foster sustainable developments. In addition, we are dedicated to empowering our workforce by cultivating a positive, inclusive workplace culture that encourages continuous growth and development, and creating a safe environment while ensuring equal opportunities for all. To uphold these values, we have implemented the following practices:

- (a) **Occupational safety and health:** Our Group has obtained ISO 45001:2018 Occupational Health and Safety ("OHS") Management System certification, ensuring compliance with safety protocols and fostering a safe work environment that prevents workplace accidents and injuries.

To further strengthen workplace safety, we have established a Safety and Health Committee ("SHC") responsible for overseeing and implementing occupational health and safety measures and we strictly adhere to OSHA. The SHC holds regular meetings to enforce health and safety practices, review incidents, implement corrective actions, introduce preventive measures, and monitor their effectiveness. With the support of SHC, our Group has implemented the following initiatives to uphold workplace safety and health:

- developed an OHS compliance monitoring checklist to ensure our Group complies with the relevant safety and health rules and regulations;
- conduct safety inspections at project sites and workplace periodically to identify and mitigate potential hazards;
- provide safety training including safety induction, first aid briefing, weekly toolbox briefing before work commencement at project sites;
- provide personnel protection equipment to our workforce; and

6. INFORMATION ON OUR GROUP (Cont'd)

- conduct hazard identification, risk assessment and risk control assessment at all project sites to proactively address workplace safety concerns.
- (b) **Equal opportunities and employment diversity:** Our Group is committed to creating a work environment where mutual respect is practised across the entire organisation. We adopt an equal opportunity and hire local policy that fosters diversity and practice equal employment opportunities with regard to gender, age, ethnicity, religion, marital status, amongst other factors. As at the LPD, we have a total workforce of 62 employees, of which more than 30% of our employees are female.
- (c) **Work-life balance and social activities:** We are dedicated to attracting local talent to our Group by improving the work environment, prioritising employee well-being, and promoting work-life balance while ensuring a workplace free from all forms of discrimination. We host a variety of events, including festive celebrations such as Christmas, Chinese New Year, Hari Raya, and Deepavali. Furthermore, we actively participate in Corporate Social Responsibility efforts, including providing donations to non-profit organisations.
- (d) **Sustainable supply chain management:** To maintain economic sustainability, we support the local suppliers to foster stronger community relationships. In addition, we ensure the materials sourced are from qualified suppliers through a due diligence process identifying criteria to be fulfilled, ensuring compliance with our customers' requirements and quality standards.

(iii) Governance

Our Group understands that maintaining the relevant governance practices is imperative to safeguard the interests of and build trust with our investors and stakeholders. As at the LPD, our Board has progressively adopted the principles and practices as promulgated in MCCG which include, amongst others, the following:

- (a) a total of 4 out of our 6 Board members are Independent Directors;
- (b) our Board comprise 2 women directors, representing approximately 33.33% of the composition of the Board;
- (c) our ARMC comprises solely independent directors; and
- (d) our Independent Non-Executive Chairman is not a member of any of our Board committees.

In our efforts to uphold good corporate governance, we have also put in place the following policies:

- Code of Ethics and Conduct that sets out our internal control policies and procedures, which include managing conflicts of interest, money laundering, preventing bribery and corruption, and insider trading.
- Anti-Bribery and Corruption Policy that sets out our procedures to ensure compliance with applicable anti-bribery and corruption laws and regulations, including the Malaysian Anti-Corruption Commission Act 2009.

6. INFORMATION ON OUR GROUP (Cont'd)

- Whistleblowing Policy that enables stakeholders, including customers, employees, suppliers, and the local community, to report any real suspicions or accusations regarding fraud within our Group, alleged unethical actions, or inappropriate business practices conducted by our employees or external parties in business relations with us.
- Personal Data Protection Act Policy that acts as guidance for the processing of personal data in commercial transactions as well as for employment purposes, in compliance with the Personal Data Protection Act 2010.
- Enterprise Risk Management (“ERM”) framework that outlines the risk governance and structure, risk policies, risk assessment process and integration of risk management into significant activities and functions. The ERM framework is guided by the principles set out in ISO31000:2018 Risk Management, which is an internationally recognised risk management framework.
- Gender Diversity Policy that provides a framework for the Group to improve its gender diversity at the Board and key senior management level.

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7. BUSINESS OVERVIEW

7.1 OVERVIEW

We are an investment holding company. Through our Subsidiaries, we are principally involved in the provision of interior fit-out services.

Interior fit-out services typically involve the process of actualisation of designs in the interior space. We specialise in providing interior fit-out services for commercial and industrial properties mainly for use as corporate offices, F&B outlets and sales galleries.

Our customers comprise property owners and tenants, as well as interior fit-out consultants and project management consultants which may be either local corporations or MNCs. During the Financial Years and Period Under Review, we provided interior fit-out services for corporations operating in various industries which include, amongst others, financial services, manufacturing, professional services, F&B services and pharmaceutical industries.

A summary of our business model during the Financial Years and Period Under Review is depicted in the diagram below:

Principal activities	Type of property	Customer base	Geographical market ^(d)
Provision of interior fit-out services  Interior fit-out works  Turnkey fit-out services	Commercial - Corporate offices^(a) - F&B outlets - Sales galleries - Others^(b) Industrial - Corporate offices^(c)	- Property owners and tenants - Interior fit-out consultants and project management consultants	Principal - Malaysia Others - The Philippines^(e) - Others^(f)

Notes:

- (a) Include retail banking halls and other areas within the vicinity of the corporate offices such as technical support room and laboratory.
- (b) Include co-working spaces, beauty salons, healthcare premises and hotel.
- (c) Include other areas within the vicinity of the corporate offices such as laboratory as well as maintenance and repair area.
- (d) During the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, approximately 99.82%, 99.76%, 99.32% and 100.00% of our Group's revenue for the respective FYE/FPE were generated from projects undertaken in Malaysia. Meanwhile, we have also provided interior fit-out services for overseas markets, namely the Philippines, Australia, Indonesia, New Zealand and Singapore, contributing 0.18%, 0.24%, 0.68% and less than 0.01% of our Group's revenue in the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, respectively.
- (e) For information purposes, our Group has provided interior fit-out works for a customer in the Philippines, where we had sourced licensed subcontractors in the Philippines to carry out the interior fit-out works and we were mainly involved in the overall management of the interior fit-out works project.
- (f) Include Australia, Indonesia, New Zealand and Singapore where we were mainly involved in the preparation of drawings based on designs provided by customers.

7. BUSINESS OVERVIEW (Cont'd)

In addition to the above, we are also a G7 contractor registered with CIDB, which allows us to tender and undertake contracts for projects involving building, civil engineering as well as M&E with no limit to the contract value. As at the LPD, we have not undertaken any building construction projects.

7.2 PRINCIPAL ACTIVITIES

As at the LPD, our Group is involved in the following:

- (i) interior fit-out works, based on designs provided by our customers as approved by design consultant, M&E consultant engineer, civil and structural consultant engineer and/or architect appointed by the customer. This encompasses the supervision and coordination of on-site activities to ensure that the projects are completed with quality standards and in accordance with the project timeline, as well as in line with the design specifications provided by our customers; and
- (ii) turnkey fit-out services, where we are responsible for coordinating, managing and supervising the entire interior fit-out process from the initial conceptual design, project implementation up to the project completion and handover upon issuance of CPC and rectification of defects during the DLP.

In addition, we are able to manage our projects within a live office or operational facility environment without vacating the premises and with minimal disruptions to our customer's daily operations, while ensuring compliance to safety regulations.

Our Group's scope of work for the provision of interior fit-out services which comprise interior fit-out works and turnkey fit-out services, includes 1 or more of the following:

- **Design planning and coordinating** – includes overseeing, managing and coordinating the design concepts, space planning and layout plan designs as well as selection of materials, finishes, furnishings and fixtures. Throughout the design process, we work closely with our customers to ensure that all proposed designs meet their requirements as well as legislative requirements, based on advice provided by the appointed design consultant, M&E consultant engineer, civil and structural consultant engineer and/or architect and we will obtain our customer's approval on the design before proceeding to implementation;
- **Project planning and scheduling** – includes developing entire project timeline to align with customer requirements;
- **Engagement and appointment of professionals** – includes identifying and engaging relevant professionals, including M&E consultant engineer, civil and structural consultant engineer and/or architect, which may be appointed by our customers or directly by the Group, on a case-to-case basis. These professionals will provide advice, approve technical drawings and carry out submission of relevant documents pertaining to space planning and layout plan designs to local authorities for their approval. For clarification, our Group does not have in-house design consultant, M&E consultant engineer, civil and structural consultant engineer and/or architect;
- **Cost management** – involves:
 - (i) monitoring budgets and expenditure to maintain cost efficiency by adhering to the bill of quantities provided by the customers or consultants; or
 - (ii) preparation of estimated overall fit-out costs based on quotations from relevant professionals, suppliers and subcontractors as well as monitoring budgets and expenditure based on the said estimated overall fit-out costs. This allows us to provide input regarding materials or installation methods or solutions that optimise costs and to have better cost control without compromising the quality, time or design of the project;

7. BUSINESS OVERVIEW (Cont'd)

- **Procurement** – includes sourcing and procurement of materials, supplies and furniture in accordance with design or tender specifications and requirements;
- **Liaising with various parties for documentation submission** – involves liaising with various parties including property owner or landlord, tenant, consultants and building management to obtain necessary documents for submission pertaining to space planning and layout plan designs to be made by architect to local authorities. It also involves submission of necessary documents to the building management to obtain necessary permits to commence fit-out activities;
- **Appointment of subcontractors** – involves identifying and appointing subcontractors to provide various fit-out services such as manual labour, provision of MEP works, and installation of materials and equipment;
- **Supervision and coordination of on-site fit-out activities carried out by subcontractors** – includes demolition and preparatory works for new installations, partition works, ceiling, tiling and flooring works, MEP works (including wiring, cabling and lighting installation), carpentry and fixture installation, painting and plastering works, sanitaryware installation, fixtures and fittings installation, fire protection system installation, as well as air-conditioning system and piping installation. The on-site fit-out activities are carried out by our subcontractors under the supervision of our Project personnel to ensure that projects are completed in accordance with design specifications, quality standards and project timelines. This includes regular tracking and weekly reporting on project progress to ensure adherence to timelines and milestones;
- **Implementation of quality control and safety procedures** – includes implementing procedures to ensure compliance with quality and safety standards as well as design specifications; and
- **Manage and monitor rectification and repair of defects during the DLP** – includes managing and monitoring rectification and repair works which are carried out by the subcontractors during the DLP. The duration of the DLP is typically 12 months from the date of the CPC.

For clarity purposes, the difference between the scope of work for interior fit-out works and turnkey fit-out services are as follows:

Scope of work	Interior fit-out works	Turnkey fit-out services
Design planning and coordination	✗	✓
Project planning and scheduling	✗	✓
Engagement and appointment of professionals	✗	✓
Cost management	✓ ^(a)	✓ ^(b)
Procurement	✓	✓
Liaising with various parties for documentation submission	✓	✓
Appointment of subcontractors	✓	✓
Supervision and coordination of on-site fit-out activities carried out by subcontractors	✓	✓
Implementation of quality control and safety procedures	✓	✓
Manage and monitor rectification and repair of defects during DLP	✓	✓

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (a) Limited to monitoring budgets and expenditure based on bill of quantities provided by the customers or consultants.
- (b) Involves monitoring budgets and expenditure based on estimated overall fit-out costs prepared by the Group.

Some of the projects undertaken by our Group are as follows:



Reception area of a corporate office



Workstation area of a corporate office



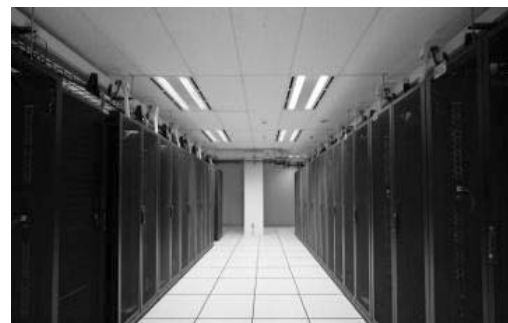
Cafeteria of a corporate office



Common area of a corporate office



Meeting room of a corporate office



Technical support room of a corporate office

7. BUSINESS OVERVIEW (Cont'd)

Dining area of an F&B outlet



Automotive sales gallery

Our Group has been certified with ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System. These certifications signify our commitment and ability to meet local and international standards in relation to the provision of interior fit-out services, in terms of our ability to meet our customers' requirements and quality standards, as well as our efforts in ensuring a safe and healthy working environment for our employees and workers. Further details on our ISO certifications are disclosed in Section 7.8 of this Prospectus.

We also have the capability to provide sustainable interior fit-out services which prioritise the use of eco-friendly materials and energy efficient equipment in order to minimise environmental footprint. We are able to source for relevant sustainable materials and equipment in accordance to the design specifications which also meets the budget requirement, such as low formaldehyde materials, energy efficient water fittings, energy efficient air-conditioners, LED lighting with sensors and green certified modular furniture. As a testament to this, 4 of our past interior fit-out projects have fulfilled the requirements of the LEED certification, which depicts that the project has met sustainability benchmarks. LEED certification evaluates a project based on sustainability criteria, such as water efficiency, energy efficiency and usage, materials and resources selection, indoor environmental quality and design innovation.

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7. BUSINESS OVERVIEW (Cont'd)

7.2.1 Completed and ongoing projects

(a) Completed projects

During the Financial Years and Period Under Review and up to the LPD, we have completed 253 projects with total contract value of RM223.74 million, which comprised RM149.20 million for interior fit-out works projects and RM74.54 million for turnkey fit-out services projects.

Our Group's completed projects with a contract value of RM2.00 million and above during the Financial Years and Period Under Review and up to the LPD are summarised below:

(i) Interior fit-out works projects

No.	Project description	Use of property	Type of customer	Commencement date ^(a)	Completion date ^(a)	Contract value ^(b)
						(RM' million)
1.	Interior fit-out works for the corporate office of a company involved in the provision of cybersecurity services located at Jalan Sultan Ismail, Kuala Lumpur (" Jalan Sultan Ismail 1 Project ")	Corporate office	Interior fit-out consultant/ project management consultant	December 2021	April 2022	4.12
2.	Interior fit-out works for the corporate office of a company involved in leasing business located in Petaling Lama, Kuala Lumpur (" Petaling Lama Project ")	Corporate office	Property owner/ tenant	February 2022	July 2022	2.46
3.	Interior fit-out works for the corporate office of a company involved in the provision of financial services located in Bukit Jalil, Kuala Lumpur (" Bukit Jalil 1 Project ")	Corporate office	Interior fit-out consultant/ project management consultant	July 2022	December 2022	11.89
4.	Interior fit-out works for co-working spaces located in Damansara Heights, Kuala Lumpur (" Damansara Heights Project ")	Co-working space	Property owner/ tenant	September 2022	January 2023	2.42

7. BUSINESS OVERVIEW (Cont'd)

No.	Project description	Use of property	Type of customer	Commencement date ^(a)	Completion date ^(a)	Contract value ^(b)
						(RM' million)
5.	Interior fit-out works for the corporate office and showroom (includes laboratory) of a company involved in the sales of home appliances located in Section 13, Petaling Jaya, Selangor (" Section 13 Project ")	Corporate office	Property owner/tenant	November 2022	May 2023	9.08
6.	Interior fit-out works for the corporate office for a company involved in the provision of professional services located in Taman Tun Dr Ismail, Kuala Lumpur (" TTDI 1 Project ")	Corporate office	Property owner/tenant	December 2022	March 2023	3.50
7.	Interior fit-out works for the common area of a commercial property located in Kuala Lumpur Sentral, Kuala Lumpur for a company involved in real estate (" KL Sentral Project ")	Corporate office	Property owner/tenant	December 2022	October 2023	3.72
8.	Interior fit-out works for an F&B outlet located in I-City, Shah Alam, Selangor (" I-City Project ")	F&B outlet	Property owner/tenant	June 2023	August 2023	4.20
9.	Interior fit-out works for the corporate office (includes laboratory) of a company involved in the manufacturing of household products located in Kota Damansara, Selangor	Corporate office	Property owner/tenant	July 2023	October 2023	2.50
10.	Interior fit-out works for an F&B outlet located in Puchong, Selangor (" Puchong Project ")	F&B outlet	Property owner/tenant	January 2024	June 2024	4.67
11.	Interior fit-out works for the corporate office of a company involved in the provision of financial services located in Bukit Jalil, Kuala Lumpur (" Bukit Jalil 2 Project ")	Corporate office	Interior fit-out consultant/ project management consultant	August 2024	December 2024	2.78

7. BUSINESS OVERVIEW (Cont'd)

No.	Project description	Use of property	Type of customer	Commencement date ^(a)	Completion date ^(a)	Contract value ^(b)
						(RM' million)
12.	Interior fit-out works for the corporate office of a company involved in the provision of financial technology services located in Tun Razak Exchange, Kuala Lumpur (" TRX 1 Project ")	Corporate office	Interior fit-out consultant/ project management consultant	September 2024	January 2025	2.64
13.	Interior fit-out works for the corporate office of a company involved in the provision of financial services located in Tun Razak Exchange, Kuala Lumpur (" TRX 2 Project ")	Corporate office	Property owner/ tenant	October 2024	December 2024	4.61
14.	Interior fit-out works for the corporate office of a company involved in the provision of financial services located at Jalan Ampang, Kuala Lumpur (" Jalan Ampang 1 Project ")	Corporate office	Property owner/ tenant	November 2024	January 2025	6.25
15.	Interior fit-out works for the corporate office of a company involved in the development and sales of pharmaceutical products at Jalan Tun Sambanthan, Kuala Lumpur (" Jalan Tun Sambanthan Project ")	Corporate office	Property owner/ tenant	November 2024	March 2025	2.84
16.	Interior fit-out works for the corporate office of a company involved in the provision of construction services located in Bukit Damansara, Kuala Lumpur (" Bukit Damansara Project ")	Corporate office	Property owner/ tenant	May 2025	August 2025	15.81
17.	Interior fit-out works for the corporate office of a company involved in the provision of financial services located at Jalan Ampang, Kuala Lumpur (" Jalan Ampang 2 Project ")	Corporate office	Property owner/ tenant	May 2025	July 2025	14.49

7. BUSINESS OVERVIEW (Cont'd)

No.	Project description	Use of property	Type of customer	Commencement date ^(a)	Completion date ^(a)	Contract value ^(b)
						(RM' million)
18.	Interior fit-out works for the corporate office of a company involved in the provision of financial services located in Petaling Jaya, Selangor ("Petaling Jaya Project")	Corporate office	Property owner/tenant	May 2025	July 2025	7.13
19.	Interior fit-out works for a healthcare facility located in Klang, Selangor ("Klang 1 Project")	Healthcare premises	Property owner/tenant	May 2025	October 2025	3.89
20.	Interior fit-out works for the corporate office of a company involved in the provision of financial services located in Johor Bahru, Johor ("Johor Bahru Project")	Corporate Office	Property owner/tenant	July 2025	December 2025	3.16
21.	Interior fit-out works for the corporate office of a company involved in the provision of financial services located at Jalan Melaka, Kuala Lumpur ("Jalan Melaka Project")	Corporate Office	Property owner/tenant	August 2025	November 2025	5.00
22.	Interior fit-out works for the corporate office of a company involved in the provision of financial services located in Puchong, Selangor	Corporate office	Property owner/tenant	November 2025	January 2026	2.05
						119.21

7. BUSINESS OVERVIEW (Cont'd)

(ii) Turnkey fit-out services projects

No.	Project description	Use of property	Type of customer	Commencement date ^(a)	Completion date ^(a)	Contract value ^(b) (RM' million)
1.	Turnkey fit-out services for the corporate office of a company involved in the development and sales of pharmaceutical products located in Damansara Utama, Petaling Jaya, Selangor (" Damansara Utama Project ")	Corporate office	Interior fit-out consultant/ project management consultant	November 2021	January 2022	4.17
2.	Turnkey fit-out services for the corporate office of a company involved in the provision of financial services located at Jalan Sultan Ismail, Kuala Lumpur (" Jalan Sultan Ismail 2 Project ")	Corporate office	Interior fit-out consultant/ project management consultant	March 2023	May 2023	3.59
3.	Turnkey fit-out services for the corporate office of a company involved in the development and sales of pharmaceutical products in Bangsar South, Kuala Lumpur (" Bangsar South Project ")	Corporate office	Property owner/ tenant	August 2023	September 2023	2.22
4.	Turnkey fit-out services for the corporate office of a company involved in the provision of financial services in Georgetown, Penang (" Georgetown 1 Project ")	Corporate office	Interior fit-out consultant/ project management consultant	October 2023	December 2023	4.69
5.	Turnkey fit-out services for the corporate office of a company involved in the manufacturing of dairy products located in Bandar Enstek Industrial Techpark, Negeri Sembilan (" Bandar Enstek Project ")	Corporate office	Interior fit-out consultant/ project management consultant	October 2023	March 2024	3.47
6.	Turnkey fit-out services for the corporate office of a company involved in the provision of financial services located in IOI Resort City, Putrajaya (" IOI Resort City Project ")	Corporate office	Interior fit-out consultant/ project management consultant	November 2023	February 2024	2.75

7. BUSINESS OVERVIEW (Cont'd)

No.	Project description	Use of property	Type of customer	Commencement date^(a)	Completion date^(a)	Contract value^(b) (RM' million)
7.	Turnkey fit-out services for the corporate office of a company involved in the provision of financial services located in Mid Valley City, Kuala Lumpur (" MV City 2 Project ")	Corporate office	Interior fit-out consultant/ project management consultant	July 2024	December 2024	3.02
8.	Turnkey fit-out services for the corporate office (includes maintenance and repair area) of a company involved in the provision of aerospace components-related services located in Section 15, Shah Alam, Selangor (" Section 15 Project ")	Corporate office	Property owner/ tenant	September 2024	December 2024	8.77
9.	Turnkey fit-out services for the corporate office of a company involved in the retail of gold products located at Jalan Tun Razak, Kuala Lumpur (" Jalan Tun Razak 1 Project ")	Corporate office	Property owner/ tenant	January 2025	March 2025	2.03
10.	Turnkey fit-out services for the corporate office of a company involved in the provision of professional services located in Taman Tun Dr Ismail, Kuala Lumpur (" TTDI 2 Project ")	Corporate office	Property owner/ tenant	February 2025	April 2025	2.92
11.	Turnkey fit-out services for the corporate office of a company involved in the provision of cybersecurity services located in Subang Jaya, Selangor (" Subang Jaya Project ")	Corporate office	Property owner/ tenant	August 2024	August 2025	3.17

7. BUSINESS OVERVIEW (Cont'd)

No.	Project description	Use of property	Type of customer	Commencement date^(a)	Completion date^(a)	Contract value^(b) (RM' million)
12.	Turnkey fit-out services for a healthcare facility located at Jalan Tun Razak, Kuala Lumpur (" Jalan Tun Razak 2 Project ")	Healthcare premises	Property owner/tenant	October 2025	November 2025	2.42
13.	Turnkey fit-out services for the corporate office of a company involved in the provision of financial services located at Jalan Sultan Ismail, Kuala Lumpur	Corporate office	Interior fit-out consultant/ project management consultant	August 2025	December 2025	2.01
14.	Turnkey fit-out services for the corporate office of a company involved in the manufacturing of snack food products located in Klang, Selangor (" Klang 2 Project ")	Corporate office	Property owner/tenant	September 2025	January 2026	4.13
						49.36

Notes:

- (a) The commencement date of each project is according to the respective LOAs or purchase orders. The completion date of each project is based on the date of handover or date of CPC.
- (b) Contract value of each project includes original contract value as per LOAs or purchase orders and subsequent variation orders, if any.

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7. BUSINESS OVERVIEW (Cont'd)**(b) Ongoing projects**

As at the LPD, we have 15 ongoing projects with a total contract value of RM50.42 million, comprising RM45.93 million for interior fit-out works projects and RM4.49 million for turnkey fit-out services projects, which is expected to be completed and realised progressively in the FYE 2026.

Our Group's ongoing projects with a contract value of RM2.00 million and above are summarised below:

(i) Interior fit-out works projects

No.	Project description	Use of property	Type of customer	Commencement date ^(a)	Expected completion date ^(a)	Contract value ^(b) (RM' million)	Unbilled order book as at the LPD (RM' million)	Stage of completion as at the LPD ^(c) (%)
1.	Interior fit-out works for a hotel located in Georgetown, Penang ("Georgetown 2 Project")	Hotel	Interior fit-out consultant/ project management consultant	July 2025	April 2026	10.12	8.77	13.34
2.	Interior fit-out works for co-working spaces located at Jalan Tun Mohd Fuad 3, Kuala Lumpur	Co-working space	Property owner/ tenant	December 2025	March 2026	4.47	2.97	33.56
3.	Interior fit-out works for the food court of a company involved in the provision of financial services located at Jalan Ampang, Kuala Lumpur	Food court	Property owner/ tenant	January 2026	July 2026	21.97	21.97	-(d)
4.	Interior fit-out works for the corporate office of a company involved in the provision of financial services located at Jalan Tun Perak, Kuala Lumpur	Corporate office	Property owner/ tenant	February 2026	April 2026	9.00	9.00	-(d)
						45.56	42.71	

7. BUSINESS OVERVIEW (Cont'd)**(ii) Turnkey fit-out services projects**

No.	Project description	Use of property	Type of customer	Commencement date^(a)	Expected completion date^(a)	Contract value^(b)	Unbilled order book as at the LPD	Stage of completion as at the LPD^(c)
						(RM' million)	(RM' million)	(%)
1.	Turnkey fit-out services for the corporate office of a company involved in the provision of vendor operations services located at Jalan Stesen Sentral, Kuala Lumpur	Corporate office	Property owner/tenant	March 2026	January 2027	2.00	2.00	– ^(e)
						2.00	2.00	

Notes:

- (a) The commencement date of each project is according to the respective LOA or purchase orders or management estimates on commencement date. The expected completion date of each project is based on the completion date set out in the respective LOAs and includes subsequent extension of time required to deliver variation orders from the customers to the Group, if any.
- (b) Contract value of each project includes original contract value as per LOAs or purchase orders and subsequent variation orders, if any.
- (c) Calculated based on progress billing issued as at the LPD over total contract value.
- (d) As at the LPD, no progress billing has been issued as the projects were only commenced in January/February 2026.
- (e) As at the LPD, no progress billing has been issued as the project will only commence in March 2026.

7. BUSINESS OVERVIEW (Cont'd)**7.3 PRINCIPAL MARKETS AND BUSINESS SEGMENTS**

The principal market of our Group is Malaysia with our head office located in Selangor. At present, we do not have physical presence in any foreign country. However, our Group has provided interior fit-out services for overseas markets during the Financial Years and Period Under Review. In this regard, our Group will source for and/or appoint licensed subcontractors in the respective overseas markets to carry out interior fit-out works while we will be responsible for overall management of the interior fit-out project.

The breakdown of our revenue for the Financial Years and Period Under Review segmented by geographical location are as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	30,856	99.82	46,519	99.76	49,884	99.32	67,119	100.00
Overseas	56	0.18	110	0.24	342	0.68	2	*
The Philippines	-	-	-	-	278	0.55	2	*
Others ^(a)	56	0.18	110	0.24	64	0.13	-	-
Total	30,912	100.00	46,629	100.00	50,226	100.00	67,121	100.00

Notes:

* Less than 0.01%.

(a) Others include Australia, Indonesia, New Zealand and Singapore.

The breakdown of our revenue for the Financial Years and Period Under Review segmented by business segment are as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interior fit-out works	27,748	89.76	31,459	67.47	25,913	51.59	52,122	77.65
Turnkey fit-out services	3,164	10.24	15,170	32.53	24,313	48.41	14,999	22.35
Total	30,912	100.00	46,629	100.00	50,226	100.00	67,121	100.00

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7. BUSINESS OVERVIEW (Cont'd)**7.4 PRINCIPAL PLACE OF BUSINESS AND LOCATION OF OPERATIONS**

As at the LPD, our Group operates at the following location:

Company	Main function	Address	Owned/ Rented	Built-up area (sq. ft.)
AISSB	Corporate office	K03-13-3A, K03-13-05 & K03-13-06 Level 13, Tower 3 UOA Business Park Jalan Pengaturcara U1/51A 40150 Shah Alam Selangor	Rented	4,252

In addition, as and when required, we also utilise co-working spaces in Penang and Johor Bahru to facilitate project execution in those regions.

7.5 COMPETITIVE STRENGTHS

The following are the competitive advantages and key strengths of our Group:

(i) We have the expertise and capability to provide quality interior fit-out services

We have the expertise and capability to provide comprehensive interior fit-out services. Our Group, through AISSB, is a G7 contractor registered with the CIDB, which allows us to tender and undertake contracts for projects involving interior fit-out works with no tender limit throughout Malaysia. This broadens the range of interior fit-out projects that we are able to tender for, including turnkey fit-out projects where we manage the entire interior fit-out process for customers.

As a turnkey fit-out service provider, we are responsible for the interior fit-out works as well as early involvement in the planning and coordination of the design concepts, planning and scheduling of project timeline, engagement and appointment of professionals which may be appointed by our customers or directly by our Group, on a case-to-case basis, and preparation of estimated overall fit-out costs for the interior fit-out project. This allows us to provide a total solution with a single point of contact to the customers for the overall implementation of the interior fit-out project.

We have an established track record of approximately 21 years in the interior fit-out industry since the commencement of business in 2004. With the extensive experience gained over the years, we are able to cater to interior fit-out services efficiently to meet our customer's strict timeline. We have also built our network of subcontractors and suppliers over the years that enable our Group to constantly engage those who are able to provide subcontractor services and supply the materials on a timely basis while meeting quality requirements.

As a testament to the quality of our services, we have obtained various awards, including the MIID REKA Awards (Silver award) in 2024 for interior builder (small category) from MIID and the MIIP Interior Industry Awards (Silver Awards) for completed interior fit-out projects for F&B outlet category in 2024 from MIIP. In addition, we have obtained certifications for ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Health and Safety Management System, which is a testament to the quality of our services and management systems.

7. BUSINESS OVERVIEW (Cont'd)

During the Financial Years and Period Under Review and up to the LPD, we have successfully completed 253 interior fit-out projects, and we have not received any claim from our customers for LAD during the DLP. This is also a testament to the quality of our services, and that we have been able to meet our customers' requirements.

(ii) We have the proven track record in meeting the stringent selection and quality requirements of our MNC customers

We provide interior fit-out services to customers from various industries that include both local corporations and MNCs. The number of MNC customers that our Group has served increased from 13 in FYE 2022 to 28 in FPE 2025, with revenue contribution from MNC customers growing from 43.77% in FYE 2022 to 62.95% in FPE 2025.

MNCs typically subject their suppliers and subcontractors, including interior fit-out service providers to a due-diligence process prior to including the suppliers and subcontractors in their approved vendor list. MNCs typically also conduct periodic re-assessments or re-evaluations to ensure that their vendors' quality standards have been maintained. Some of the requirements of the MNCs' due-diligence process include the following:

- company background, including CIDB registration grade;
- technical expertise based on past experiences;
- financial capability;
- legal and regulatory compliance;
- product and service quality;
- operating standards; and/or
- business conduct and environmental policies.

Further, we are able to retain our MNC customers whereby out of a total of 28 MNC customers as at the end of FPE 2025, 16 are repeat customers whom have engaged us for more than 1 project during the Financial Years and Period Under Review. Our ability to secure and retain these existing MNC customers as recurring customers is a testament to our service quality and capability in meeting their project requirements.

(iii) We have the ability to serve customers operating in a diverse range of industries and are well-positioned to capture upon the opportunities present in these industries

We have provided interior fit-out services for corporations operating in various industries which include, amongst others, financial services, manufacturing, professional services, F&B services and pharmaceutical industries. This enables us to reduce the risk of over-reliance on the performance of any particular industry, thus contributing to the sustainability of our business. Our ability to serve customers operating in a diverse range of industries also depicts our expertise to tailor our interior fit-out services to meet the different functional and aesthetics requirements of customers from different industries.

In addition, we are able to leverage on the growth of existing customers' business in line with the growth of their industries. Some of our existing customers have repeatedly engaged us to provide interior fit-out services as their business expanded. Such expansions may include:

- increase in the number of premises of similar concept such as increase in number of branches or retail outlets;
- setting up new business premises such as addition of new corporate offices, research and development laboratory or technical support centre; or
- expansion of existing corporate office space, refurbishments or upgrading works.

7. BUSINESS OVERVIEW (Cont'd)

This positions us well to capitalise on growth opportunities within our customers' industries, as their expansion drives increased demand for our interior fit-out services.

(iv) **We have an experienced Directors and Key Senior Management team to sustain and grow our business**

We have an experienced Key Senior Management team headed by Kan Wai Chun, the Non-Independent Executive Director / Managing Director and Kan Wai Peng, the Non-Independent Executive Director who bring with them approximately 26 years and 35 years of relevant industry experience. They have played vital roles in leading our Group's growth and success.

Our Executive Directors are supported by a team of experienced Key Senior Management team with extensive experience across a range of business activities, including operations, sales and marketing and finance.

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

(v) **We have the capability to provide sustainable interior fit-out services**

Our Group's environmental management system is accredited with the ISO 14001:2015 certification, demonstrating our capability to identify and address environmental concerns related to our business activities while minimising our environmental footprint through efficient resource management and waste reduction.

In addition, we have the capability to provide sustainable interior fit-out services which prioritise the use of eco-friendly materials and energy efficient equipment in order to minimise environmental footprint. We are able to source for relevant sustainable materials and equipment in accordance to the design specifications which also meets the budget requirement, such as low formaldehyde materials, energy efficient water fittings, energy efficient air-conditioners, LED lighting with sensors and green certified modular furniture for the interior fit-out works.

As a testament to this, 4 of our past interior fit-out projects have fulfilled the requirements of the LEED certification, depicting that the project has met sustainability benchmarks. LEED certification evaluates a project based on sustainability criteria, such as water efficiency, energy efficiency and usage, materials and resources selection, indoor environmental quality and design innovation.

7.6 MARKETING STRATEGIES AND ACTIVITIES

Our marketing and sales activities including business development are led by our Chief Operating Officer, Wong Hung Yeng. Our marketing and sales activities are focused on the following:

(i) **Direct approach**

We generally obtain new business opportunities via tendering process or submission of quotation to a new customer. We actively participate in tenders for interior fit-out projects to increase our presence in the interior fit-out industry and we typically target MNCs that operate in various industries within Malaysia.

7. BUSINESS OVERVIEW (Cont'd)**(ii) Fostering and maintaining relationships with our customers**

We emphasise on establishing and maintaining our relationship with our existing and prospective customers through regular contact including customer visits. The relationships we have built with our customers also act as a source of market intelligence. This allows us to keep abreast of industry trends and developments and enables us to adapt to market demands more quickly as well as keep us ahead of competition should any new opportunities arise.

(iii) Referrals

We receive referrals from past and existing customers, suppliers and subcontractors through word of mouth based on our proven track record. We will follow-up proactively and approach these referrals to introduce our range of services.

(iv) Participation in industry-related associations

We participate in industry-related associations to enhance and strengthen our market presence. These associations primarily serve as platforms for us to build and maintain relationships with industry peers and as channels for our business development purposes. At the same time, it also provides us with opportunities to build and expand our network of suppliers and subcontractors, as well as obtain interest from prospective customers.

As at the LPD, we are a member of the following associations:

First membership year	Year of expiry	Association	Purpose of association
2024	2026	MIID	The national institute representing the interior design profession in Malaysia
2024	2026	MIIP	An association aimed at propelling the interior builders and material supplier industry forward through a comprehensive approach

(v) Participation in exhibitions

We participate in local and international exhibitions to increase our presence in the industry and to establish contact with prospective customers. We are also able to expand our business network, gain industry insights and keep abreast with latest developments in the industry through participation in such events.

The exhibitions that we have participated in the Financial Years and Period Under Review up to the LPD are as follows:

Date	Name	Organiser	Location
June and July 2022	The 21 st International Archidex 2022	Pertubuhan Arkitek Malaysia (PAM) and C.I.S Network Sdn Bhd	Kuala Lumpur
July 2023	The 22 nd International Archidex 2023	Pertubuhan Arkitek Malaysia (PAM) and C.I.S Network Sdn Bhd	Kuala Lumpur
July 2025	The 24 th International Archidex 2025	Pertubuhan Arkitek Malaysia (PAM) and C.I.S Network Sdn Bhd	Kuala Lumpur

7. BUSINESS OVERVIEW (Cont'd)

(vi) Social media marketing

Our Group recognises the importance of digital marketing as a medium for disseminating information and increasing our brand exposure. As such, we maintain a profile on social media platforms such as Facebook, Instagram and LinkedIn where we post online content to attract prospective customers and engage with our existing customers. These platforms allow us to keep our existing and prospective customers informed about the latest updates on our services while strengthening our brand visibility.

In addition, we occasionally carry out advertisement boosting on Facebook and Instagram, which enable us to display targeted advertisements to specific user groups.

(vii) Corporate website

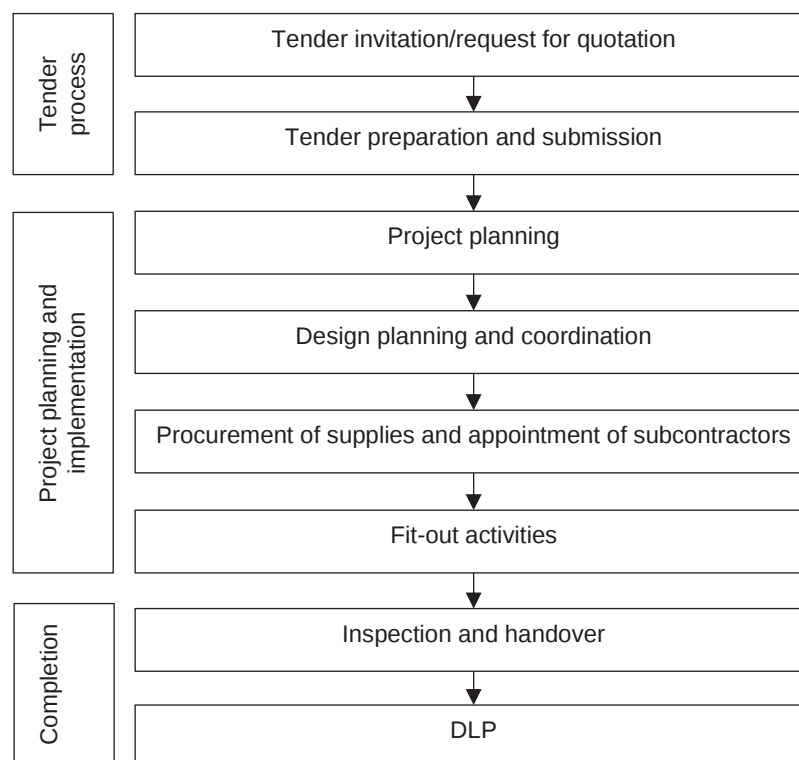
We have established a corporate website at <https://www.adnexinterior.com>, which provides details of our services and information about our Group. Our corporate website serves as a contact point for prospective customers who have enquiries about our services. Additionally, we feature photos of our completed projects on our corporate website as a source of reference for our prospective customers.

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7. BUSINESS OVERVIEW (Cont'd)

7.7 PROCESS FLOW

Our general process flow for the provision of interior fit-out services is as follows:



(a) Tender process

Tender invitation/request for quotation

Upon receiving a tender invitation or request for quotation from a prospective customer (who may either be property owners and tenants, or interior fit-out consultants and project management consultants), we will conduct a preliminary assessment of the project. This includes evaluating the requirements, complexity, size, type, timeline, feasibility of the project, internal manpower and financial resources.

Tender preparation and submission

We will hold an internal meeting and form a project management team for participation in the tender, comprising personnel from our Project and Commercial departments, for the preparation of tender documents or proposal. During the meeting, we will discuss key aspects of the project, including the timeline, cost and any technical issues that may arise.

For turnkey fit-out services projects, our project management team will commence planning and coordinating with the prospective customer to develop a preliminary design concept, which includes 3D design concepts, space planning and layout plan designs. The project management team will also arrange for a site visit.

Thereafter, we will submit the tender documents or proposal, along with our quotation, to the prospective customer based on the specifications and requirements of the project for their review and evaluation. We may also be required to submit a tender bond, depending on the terms stated in the tender documents. Subsequently, the prospective customers may invite us to attend tender interviews to present details and provide clarifications on our tender proposal.

7. BUSINESS OVERVIEW (Cont'd)

Once the project is awarded to us, a LOA and/or purchase order will be issued to us by the customer to formalise the engagement. If our tender bid is not successful, the full amount of the tender bond is refunded.

Performance bonds are commonly required to be provided to the customers in the form of bank guarantee, upon execution of the contracts awarded. The performance bond is typically valid until the completion of the project.

(b) Project planning and implementation

Project planning

For turnkey fit-out services projects, we will develop the entire project execution plan and timeline to align with our customer's requirements. We will also prepare the estimated overall fit-out costs based on quotations from relevant professionals, suppliers and subcontractors as well as monitoring budgets and expenditure based on the said estimated overall fit-out costs.

For both interior fit-out works and turnkey fit-out services projects, the project management team will be led by a project manager or project director to establish a project execution plan. The project management plan entails resource allocations, responsibilities of each team members, quality requirements, as well as project control and monitoring procedures. The project management team will also schedule a kick-off meeting with the customer to discuss the timeline, project requirements and technical specifications.

We will then liaise with various parties, including property owner or landlord, tenant, consultants and building management to obtain necessary documents for submission pertaining to space planning and layout plan designs to be made by architect to local authorities. The necessary documents will also be submitted to the building management to obtain necessary permits to commence fit-out activities.

Design planning and coordination

For turnkey fit-out services projects, our project management team will oversee, manage and coordinate the design concepts, space planning and layout plan designs together with our customer. This process entails our project management team conducting a site visit to gather additional requirements from customer, and also take site measurements and pictures for references. Based on the preliminary design concepts submitted during tender phase and feedback received from the customer, our Project personnel will then develop 3D perspective drawings.

For both interior fit-out works and turnkey fit-out services projects, we will proceed to prepare shop and MEP drawings. We will also prepare the material samples taking into account the customer's budget. Our Head of Design will approve the 3D perspectives and/or shop and MEP drawings, and material samples prior to sending it to our customer for approval.

Procurement of supplies and appointment of subcontractors

For turnkey fit-out services projects, upon receiving approval from the customer for the 3D perspectives, shop drawings, MEP drawings and material samples, our Commercial personnel will source materials and supplies based on the approved shop drawings and material samples, as well as assessing supplier's ability to meet the project timeline.

7. BUSINESS OVERVIEW (Cont'd)

For interior fit-out works projects, based on the design and specifications provided by our customer, we will request quotations and samples from our network of suppliers or from suppliers nominated by the customer. The samples will then be shared with the customer for approval. Once the selections are approved, we will proceed with the procurement process.

For both interior fit-out works and turnkey fit-out services projects, upon receipt of materials and supplies, our project management team will carry out an inspection to ensure that the quantity, specifications, and condition of the supplies align with our purchase orders and approved shop drawings and material samples. In the event where there are non-conformance of the materials and supplies, we will request for replacement or alternative from our suppliers and seek approval from customer for the change in materials and supplies.

Concurrently, subcontractors are appointed based on the scope of work, their capabilities and track record. We will also take into account their quality of workmanship, in addition to their competitiveness in terms of pricing and availability of manpower. We will provide them with the approved shop drawing and material samples, prior to the commencement of fit-out activities.

Fit-out activities

Upon taking possession of the site, fit-out activities will commence. Project personnel will be appointed to supervise on-site fit-out activities and ensure that all works are carried out in accordance with the approved material samples and specifications. Our Project personnel will also liaise with our subcontractors for daily updates on their work progress via an internal group chat.

Our Project personnel, together with our customer, will conduct weekly site meetings to review progress of the project, address any potential issues and implement necessary solutions to ensure adherence to the project timeline.

There may also be instances of variation orders. A variation order may increase, omit or vary the original scope of work and alter the original contract sum. Should the variation order lead to changes in our scope of works and materials, we will correspondingly negotiate with our customers, their appointed consultant, if any and also our subcontractors and suppliers in managing the cost approval and material lead time.

We will issue a progress claim at each stage of completion based on project milestone as stated in the LOA or purchase order. The stage of completion will be confirmed by either the customer or its appointed consultant by issuance of payment certification. Upon obtaining an approval on the progress claim, we will then issue an invoice to the customer.

(c) **Completion**

Inspection and handover

Upon completion of fit-out works, our project personnel will conduct a joint inspection with the customer and/or its appointed consultant. Any defects or outstanding works identified will be recorded and rectified accordingly.

Subsequently, we will hand over the necessary documents, including as-built drawings, operation and maintenance manuals, and other fit-out-related documentation to the customer. Our project management team will liaise with the customer or interior design consultant regarding the issuance of the CPC.

7. BUSINESS OVERVIEW (Cont'd)

The typical project duration, from project commencement to the issuance of CPC range between 2 and 6 months.

Within 6 months after the issuance of the CPC, we will issue a final account statement to our customer as a concluding financial document that reconciles the total cost of the project, including all variations, adjustments and claims.

DLP

The DLP begins upon the issuance of the CPC. The duration of the DLP is typically 12 months from the date of the CPC. If defects occur within the DLP, our project management team will coordinate with our subcontractors to carry out the necessary rectifications. Our project management team will issue a defect list, documenting any defects identified. We will supervise the rectification works performed by our subcontractors. Upon completion of rectification works, an inspection will be arranged with the customer or its appointed consultant to obtain their sign-off on the defect list.

Upon the expiration of the DLP, the project management team will follow up with the customer for the issuance of Certificate of Making Good Defects that signify the end of the DLP.

The retention sum which generally equivalent to 5.00% of the contract value will typically be released at the end of the DLP.

7.8 QUALITY ASSURANCE AND QUALITY CONTROL ACTIVITIES

Our Group places strong emphasis on maintaining quality assurance and quality control measures to ensure that the quality of our works comply with the relevant regulations and requirements of our customers.

As a testament to our commitment to quality, we have obtained the following quality management system certifications:

<u>Certificate</u>	<u>Certification body</u>	<u>Issuance date/ Expiry date</u>	<u>Scope of certification</u>
ISO 9001:2015 Quality Management System	Certification Partner Global	23 May 2025/ 23 May 2028	Provision of interior design and renovation services
ISO 14001:2015 Environmental Management System	Certification Partner Global	8 October 2024/ 8 October 2027	Provision of interior design and renovation services
ISO 45001:2018 Occupational Health and Safety Management System	Certification Partner Global	8 October 2024/ 8 October 2027	Provision of interior design and renovation services

In order to ensure the quality of our interior fit-out projects, we engage suppliers and subcontractors with relevant capabilities and track record based on the scope of work. Before onboarding them into our network of suppliers, we conduct a background check, as well as carry out an evaluation process, including reviewing their company profile, past performance and industry reputation, quality management certifications and product samples, where applicable.

Prior to appointing a supplier or subcontractor for a project, we will also assess their competitiveness in terms of pricing and availability of manpower to meet the project demands.

7. BUSINESS OVERVIEW (Cont'd)

Throughout the entire fit-out process, we continuously monitor the performance of our suppliers and subcontractors to ensure compliance with our quality and operational standards. This includes assessing the quality of their products or services, as well as adherence to project timelines and lead times.

7.9 RESEARCH AND DEVELOPMENT

Due to the nature of our business, we typically do not undertake research and development activities and we have not recognised any research and development expenditure during the Financial Years and Period Under Review up to the LPD.

7.10 TYPES, SOURCES AND AVAILABILITY OF MATERIALS AND SERVICES

The breakdown of the materials that we purchased and services that we engaged for our business operations during the Financial Years and Period Under Review are as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Subcontractors' costs	19,003	78.98	30,744	85.57	26,020	75.15	39,262	78.20
Installation of furniture and fittings	3,142	13.06	3,268	9.10	6,209	17.93	9,627	19.18
Interior fit-out works	8,924	37.09	17,902	49.83	5,067	14.64	4,565	9.09
Wall and ceiling finishes	1,058	4.40	2,025	5.64	4,648	13.42	6,747	13.44
MEP works	1,323	5.50	2,797	7.78	3,874	11.19	4,161	8.29
Air-conditioning works	1,154	4.80	400	1.11	2,309	6.67	4,078	8.12
Systems, hardware and signage and associated installation works	1,377	5.72	1,860	5.18	1,810	5.23	4,979	9.92
Demolition and structure works	420	1.74	525	1.46	995	2.87	2,095	4.17
Installation of fire protection system	424	1.76	285	0.79	636	1.84	1,307	2.60
Floor finishes	1,181	4.91	1,682	4.68	472	1.36	1,703	3.39
Material purchases	5,057	21.02	5,184	14.43	8,602	24.85	10,943	21.80
Furniture and fittings	2,316	9.63	1,896	5.28	3,342	9.65	3,944	7.86
Tiles, plasters and panel	1,529	6.35	1,930	5.37	1,661	4.80	3,498	6.97
Hardware and signage	513	2.13	425	1.18	1,542	4.45	1,059	2.11
Lightings	622	2.59	230	0.64	1,311	3.79	2,099	4.18
Air-conditioning system	77	0.32	134	0.37	485	1.40	343	0.68
Audio visual system	-	-	569	1.59	261	0.76	-	-
Total	24,060	100.00	35,928	100.00	34,622	100.00	50,205	100.00

For the Financial Years and Period Under Review, all of the abovementioned materials and services are procured from local suppliers or obtained from local service providers.

7. BUSINESS OVERVIEW (Cont'd)

7.11 OPERATIONAL CAPACITY AND UTILISATION

Operational capacity and utilisation do not apply to our business operations as our Group's business activities are service-based.

7.12 TECHNOLOGY USED OR TO BE USED

We do not use any machineries or equipment for our business operations.

As at the LPD, we are using the following key software for our business operations:

Software	Functions
- Autodesk 3ds Max - SketchUp Pro	This is a software used by our Project personnel for creating and visualising the interior designs and generate 3D perspectives of the premises.
- GStarCAD Professional - AutoCAD LT	This is a computer-aided design software used by our Project personnel to create layout and building plans, measure the spaces and areas of the fit-out, and carry out the calculations for materials and furniture.
- Adobe Illustrator - Adobe Photoshop	This is an image software used by our Project personnel to edit digital images.
- Chaos Corona Solo - Chaos V-Ray Solo	This is a software used by our Project personnel to create photorealistic renderings for visualising the interior designs and generate 3D perspectives of the premises.

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7. BUSINESS OVERVIEW (Cont'd)**7.13 MAJOR CUSTOMERS**

Our top 5 major customers and their contribution to our revenue for the Financial Years and Period Under Review are as follows:

FYE 2022

Major customers	Services provided	Revenue contribution		Length of business relationship^(a)
		(RM'000)	(%)	(years)
AES ID Creation Sdn Bhd ("AES ID")	Interior fit-out works and turnkey fit-out services for corporate offices located in Kuala Lumpur and Selangor	12,479	40.37	3
Customer A	Interior fit-out works and turnkey fit-out services for corporate offices located in Kuala Lumpur and Selangor	7,216	23.34	11
Synargym Sdn Bhd ^(b)	Interior fit-out works for a corporate office located in Petaling Lama, Kuala Lumpur	2,460	7.96	7
Damansara Business Centre Sdn Bhd ^(c)	Interior fit-out works for co-working spaces located in Damansara Heights, Kuala Lumpur	2,415	7.81	Less than 1
Customer B	Turnkey fit-out services for a corporate office located in Petaling Jaya, Kuala Lumpur	1,386	4.48	Less than 1
Total revenue of our top 5 customers		25,956	83.97*	
Total revenue of our Group		30,912	100.00	

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7. BUSINESS OVERVIEW (Cont'd)**FYE 2023**

Major customers	Services provided	Revenue contribution		Length of business relationship^(a)
		(RM'000)	(%)	(years)
AES ID	Interior fit-out works and turnkey fit-out services for corporate offices located in Kuala Lumpur, Selangor and Penang	9,338	20.03	4
Cushman & Wakefield Malaysia Sdn Bhd	Interior fit-out works for a corporate office and showroom (includes laboratory) located in Section 13, Petaling Jaya, Selangor	8,273	17.74	1
Zu Chuan Hot Pot (The Curve) Sdn Bhd	Interior fit-out works for an F&B outlet located in I-City, Shah Alam, Selangor	4,198	9.00	Less than 1
Customer C Group ^(d)	Interior fit-out works for corporate offices located in Kuala Lumpur and Penang	3,965	8.50	5
Sentral REIT Management Sdn Bhd on behalf of Maybank Trustees Berhad (as Trustee of Sentral REIT)	Interior fit-out works for the common area of a commercial property located in Kuala Lumpur Sentral, Kuala Lumpur	3,843	8.24	Less than 1
Total revenue of our top 5 customers		29,617	63.52*	
Total revenue of our Group		46,629	100.00	

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7. BUSINESS OVERVIEW (Cont'd)**FYE 2024**

Major customers	Services provided	Revenue contribution		Length of business relationship^(a) (years)
		(RM'000)	(%)	
Customer A	Interior fit-out works and turnkey fit-out services for corporate offices located in Putrajaya, Kuala Lumpur and Selangor	8,597	17.12	13
Eaton Aerospace Component Services Asia Sdn Bhd	Turnkey fit-out services for a corporate office (includes maintenance and repair area) located in Section 15, Shah Alam, Selangor	8,377	16.68	Less than 1
OCBC E2 Power Sdn Bhd <i>(formerly known as E2 Power Sdn Bhd)</i>	Interior fit-out works for a corporate office located at Jalan Ampang, Kuala Lumpur	4,703	9.36	Less than 1
Customer D	Interior fit-out works for a corporate office located in Tun Razak Exchange, Kuala Lumpur	4,573	9.10	Less than 1
Ishin Fine Dine 1 Sdn Bhd	Interior fit-out works for an F&B outlet located in Puchong, Selangor	4,342	8.64	14
Total revenue of our top 5 customers		30,592	60.91*	
Total revenue of our Group		50,226	100.00	

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7. BUSINESS OVERVIEW (Cont'd)**FPE 2025**

Major customers	Services provided	Revenue contribution		Length of business relationship^(a)
		(RM'000)	(%)	(years)
OCBC E2 Power Sdn Bhd (<i>formerly known as E2 Power Sdn Bhd</i>)	Interior fit-out works for corporate offices located at Jalan Ampang and Jalan Melaka, Kuala Lumpur	17,537	26.13	1
Richfield Builder (M) Sdn Bhd	Interior fit-out works for corporate office located in Bukit Damansara, Kuala Lumpur	13,339	19.87	Less than 1
Customer E	Interior fit-out works and turnkey fit-out services for corporate offices located in Selangor and Johor	7,335	10.93	8
Customer C Group ^(d)	Interior fit-out works and turnkey fit-out services for corporate office located in Taman Tun Dr Ismail, Kuala Lumpur	5,894	8.78	7
Customer A	Interior fit-out works and turnkey fit-out services for corporate offices located in Putrajaya, Kuala Lumpur and Selangor	3,367	5.02	14
Total revenue of our top 5 customers		47,472	70.73	
Total revenue of our Group		67,121	100.00	

Notes:

* Total does not add up due to rounding.

(a) Length of business relationship is determined as at each respective FYE and FPE.

(b) Synargym Sdn Bhd is a subsidiary of Malaysian Resources Corporation Berhad, a company listed on the Main Market of Bursa Securities.

(c) The ultimate holding company of Damansara Business Centre Sdn Bhd is International Workplace Group plc ("**IWG**"), a public company listed on the London Stock Exchange. In the FYE 2022, we also provided interior fit-out services to IWG and its other subsidiaries namely, Regus Management Sdn Bhd and Prestige Star Centre (MYS) Sdn Bhd. Collectively, our revenue generated from IWG group of companies accounted for 8.93% of our total revenue for the FYE 2022.

7. BUSINESS OVERVIEW (Cont'd)

- (d) Customer C Group comprises 2 private limited companies and 1 limited liability partnership, namely Customer C1, Customer C2 and Customer C3. For the Financial Years and Period Under Review, our Group's total revenue from Customer C Group comprised the following:

Name of customer	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Customer C1	1,149	3.72	3,965	8.50	710	1.41	41	0.06
Customer C2	-	-	-	-	-	-	3,015	4.49
Customer C3	50	0.16	-	-	-	-	2,838	4.23
Total	1,199	3.88	3,965	8.50	710	1.41	5,894	8.78

During the Financial Years and Period Under Review, 7 major customers namely, AES ID, Customer A, Cushman & Wakefield Malaysia Sdn Bhd, Eaton Aerospace Component Services Asia Sdn Bhd, OCBC E2 Power Sdn Bhd (*formerly known as E2 Power Sdn Bhd*), Richfield Builder (M) Sdn Bhd and Customer E had in some of the Financial Years and Period Under Review, contributed more than 10.00% of our Group's revenue.

Notwithstanding that, our Group is not dependent on the said 7 major customers due to the business nature of our Group which is project-based, where the revenue contribution from any customer may contribute a significant portion to our Group's revenue for any given financial year or period. Our Group may not secure similar projects in terms of size and scope with the same customers every year. As a result, our major customers vary from year to year.

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7. BUSINESS OVERVIEW (Cont'd)**7.14 MAJOR SUPPLIERS/SUBCONTRACTORS**

Our top 5 suppliers/subcontractors and their contribution to our purchases for the Financial Years and Period Under Review are as follows:

FYE 2022

Major suppliers/ subcontractors	Products/services provided	Purchase contribution		Length of business relationship ^(a)
		(RM'000)	(%)	(years)
AES ID	Provision of interior fit-out works	3,820	15.88	4
Supplier A Group ^(b)	Provision of joinery works and supply of loose furniture	1,768	7.35	7
HVAR Engineering Services Sdn Bhd	Provision of air conditioning works	864	3.59	3
Supplier B	Provision of painting and partition works	796	3.31	6
Bristol Technologies Sdn Bhd	Supply of loose furniture	652	2.71	Less than 1
Total purchases of our top 5 suppliers/ subcontractors		7,900	32.83*	
Total purchases of our Group		24,060	100.00	

FYE 2023

Major suppliers/ subcontractors	Products/services provided	Purchase contribution		Length of business relationship ^(a)
		(RM'000)	(%)	(years)
AES ID	Provision of interior fit-out works	12,700	35.35	5
Supplier A Group ^(b)	Provision of joinery works and supply of loose furniture	2,420	6.74	8
Exsto Malaysia Sdn Bhd	Supply and installation of acoustic panel	838	2.33	1
Supplier B	Provision of painting and partition works	667	1.86	7
SCA Partition Marketing Sdn Bhd	Supply of partition, rockwool and metal products	651	1.81	2
Total purchases of our top 5 suppliers/ subcontractors		17,276	48.09	
Total purchases of our Group		35,928	100.00	

7. BUSINESS OVERVIEW (Cont'd)**FYE 2024**

Major suppliers/ subcontractors	Products/services provided	Purchase contribution		Length of business relationship^(a)
		(RM'000)	(%)	(years)
Supplier A Group ^(b)	Provision of joinery works and supply of loose furniture	2,575	7.44	9
AES ID	Provision of interior fit-out works	1,734	5.01	6
Marimega Sdn Bhd	Provision of joinery works	1,730	5.00	5
Bond M&E Sdn Bhd	Provision of M&E works	1,711	4.94	Less than 1
Supplier C	Provision of air-conditioning works	1,281	3.70	6
Total purchases of our top 5 suppliers/ subcontractors		9,031	26.08*	
Total purchases of our Group		34,622	100.00	

FPE 2025

Major suppliers/ subcontractors	Products/services provided	Purchase contribution		Length of business relationship^(a)
		(RM'000)	(%)	(years)
Supplier A Group ^(b)	Provision of joinery works and supply of loose furniture	2,568	5.12	10
Kasillo Cabinetry Solution Sdn Bhd	Provision of joinery works and supply of loose furniture	2,103	4.19	Less than 1
JV Vision Sdn Bhd	Supply and installation of audio visual systems	1,743	3.47	Less than 1
Supplier C	Provision of air-conditioning works	1,586	3.16	7
SCA Partition Marketing Sdn Bhd	Supply of partition, rockwool and metal products	1,293	2.57	4
Total purchases of our top 5 suppliers/ subcontractors		9,293	18.51	
Total purchases of our Group		50,205	100.00	

Notes:

* Total does not add up due to rounding.

(a) Length of business relationship is determined as at each respective FYE and FPE.

7. BUSINESS OVERVIEW (Cont'd)

- (b) Supplier A Group comprises 2 private limited companies with common shareholders, namely Supplier A1 and Supplier A2. For the Financial Years and Period Under Review, our Group's total purchases from Supplier A Group comprised the following:

Name of supplier	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Supplier A1	-	-	1,610	4.48	2,489	7.19	2,568	5.12
Supplier A2	1,768	7.35	810	2.26	86	0.25	-	-
Total	1,768	7.35	2,420	6.74	2,575	7.44	2,568	5.12

Although the subcontractor services provided by AES ID accounted for more than 10.00% of our Group's total purchases for the FYE 2022 and FYE 2023, our Group is not dependent on AES ID nor any other suppliers or subcontractors as the subcontracted services and materials are widely available and can be easily sourced from other suppliers.

Our Group does not enter into any long-term agreements with our subcontractors and suppliers as our subcontractors' and suppliers' contracts are usually on contract-to-contract basis which is based on the requirements of the relevant contracts.

As at the LPD, the Group has a total of 1,306 approved subcontractors and suppliers (including sustainable quality products suppliers). Hence, the Group is able to source similar services and products from other subcontractors and suppliers in the market easily.

7.15 SEASONALITY OR CYCLICAL EFFECTS

During the Financial Years and Period Under Review, there was lower demand for our interior fit-out services during the first quarter of the year. This was mainly because customers generally aim to complete their interior fit-out projects before festive periods such as Chinese New Year which generally occur in the first quarter of the year.

7.16 INTERRUPTIONS TO OUR BUSINESS

We have not experienced any interruption in our business which had a significant adverse impact on our operations for the past 12 months preceding the date of this Prospectus.

7.17 IMPACT OF THE COVID-19 PANDEMIC

During the first MCO in March 2020, our business was not allowed to operate until we received MITI's approval on 4 May 2020 indicating that we were allowed to continue providing our interior fit-out services during other MCO periods, albeit with strict adherence to the standard operating procedures set out by the Government at the time.

A national lockdown policy was implemented from 1 June 2021 to 14 June 2021 and Phase 1 of the National Recovery Plan was implemented on 15 June 2021. Throughout this period, most economic sectors were not allowed to operate with the exception of essential economic and service sectors. While our Group was not able to continue our project activities at our customer's site, we continued to work from home and could carry out other business activities, such as project planning and design activities.

7. BUSINESS OVERVIEW (Cont'd)

By 3 January 2022, Malaysia entered into Phase 4 of the National Recovery Plan, where public and private sector workplaces were allowed to operate at full capacity, and physical meetings and gatherings were allowed with physical distancing. On 1 April 2022, Malaysia entered into the "Transition to Endemic" phase, and proceeded into the "Endemic" phase from 1 May 2022 onwards. Since then, all restrictions limiting business operations (such as working hours and number of employees in a workplace) have been uplifted.

There was no significant adverse impact on our financial performance for the Financial Years and Period Under Review since Malaysia entered into the "Endemic" phase, as evident by the growth in our revenue from RM30.91 million in the FYE 2022 to RM67.12 million in the FPE 2025.

Impact on our supply chain

Our supply chain was, to a certain extent, affected during the various MCO periods as our suppliers were also impacted by the temporary suspension of business operations arising from the various lockdowns imposed by the Government. This included delays in the supply of fit-out materials as some of our suppliers were unable to operate at full capacity during the various MCO periods.

7.18 BUSINESS STRATEGIES AND FUTURE PLANS

(i) We intend to expand our local operations

Presently, we serve local corporations and MNCs from various industries including the financial services, manufacturing, professional services, F&B services and pharmaceutical industries. Moving forward, we intend to further expand our customer base in Malaysia by actively approaching companies operating in other industries.

We have been actively approaching companies in the healthcare and private education industries. As at the LPD, we have completed interior fit-out projects for healthcare premises. We have also been pre-qualified as a supplier for an education service provider as at the LPD, and we are continuously seeking opportunities to be pre-qualified as interior fit-out service provider for other private education service providers.

Furthermore, we have had experience in interior fit-out project for industrial facilities where we provided interior fit-out services for the corporate office, including maintenance and repair area of a company involved in the provision of aerospace components-related services. We intend to actively approach companies to secure more interior fit-out projects for industrial premises moving forward.

Thus, we plan to carry out the following strategies to facilitate our business expansion locally:

(a) Expansion of our corporate office and workforce to cater for the growth in Kuala Lumpur and Selangor

Our current corporate office is located in Shah Alam, Selangor, where we occupy 3 office units with total built-up area of approximately 4,252 sq. ft. Our current corporate office has existing workstations to accommodate our present workforce, save for the Project personnel who have shared workstations at our corporate office as some of these personnel are primarily stationed at the respective project sites for project implementation.

7. BUSINESS OVERVIEW (Cont'd)

As part of our business expansion plan, we plan to increase our workforce. In particular, we intend to recruit 11 additional personnel, comprising 6 Project personnel, 2 Commercial personnel, 2 Finance, Human Resources and Administrative personnel and 1 Business Development personnel. We have allocated RM2.20 million of our Public Issue proceeds to fund the salaries of these new recruits over the next 30 months.

To accommodate the expanded workforce, we also intend to rent a new office unit with built-up area of approximately 3,000 sq. ft. to 4,000 sq. ft. within the vicinity of our current corporate office. As at the LPD, we have yet to identify any suitable office unit for rent.

We estimate that the cost of renting the new office premises over a 30-month period will amount to RM0.60 million, which will be fully funded by the Public Issue proceeds. Meanwhile, we estimate that it will cost RM1.20 million to defray the interior fit-out works for the new office premises, and this will be fully funded via the Public Issue proceeds. The interior fit-out works mainly comprising wall and partition works, ceiling and flooring finishes, demolition works, carpentry and joinery works, MEP works, air-conditioning works and procurement of furniture and fittings.

For clarification, our Group intends to rent and utilise the new office unit for long-term (on renewable basis) of which the estimated rental expense subsequent to 30 months will be funded via internally generated funds. As such, we have taken into consideration our long-term goals as well as durability and quality of the interior fit-out works while estimating the costs of interior fit-out works. Nevertheless, the costs of interior fit-out works are indicative and may be subject to change depending on the design and layout plan, type of fit-out materials and furniture and fittings upon commencement of fit-out activities at the point in time. For the avoidance of doubt, our estimated costs of interior fit-out works for an office unit with built-up area of approximately 3,000 sq. ft. to 4,000 sq. ft. will be the same regardless of whether acquiring or renting the new office unit.

The estimations for office rental, costs for interior fit-out works and payroll expenses were based on publicly available market information, information provided by property agents, our cost estimation of interior fit-out works based on our experience and/or our current payroll expenses.

The expected timeline for the setting up of the expanded corporate office is as follows:

Indicative timeline	Milestone
Second quarter of 2026	• Identification of premises to rent and signing of new tenancy agreement • Application for relevant approvals to commence interior fit-out works
Third quarter of 2026	• Commencement of interior fit-out works • Recruitment of new employees
Fourth quarter of 2026	• Complete interior fit-out works and commence operations at the new premises

7. BUSINESS OVERVIEW (Cont'd)

Upon completion of the expansion of our corporate office, the number of workstations will increase from 34 to 54, which will be sufficient to accommodate our increased headcount taking into account that some personnel from our Project department will be required to station at the project site to oversee project implementation.

(b) Setting up new branch offices in other states in Malaysia

Moving forward, we plan to set up branch offices in other states in Malaysia, specifically Penang, Johor and Sabah to accommodate dedicated personnel serving customers based in these states. During the Financial Years and Period Under Review, we have completed several interior fit-out projects in Penang and Johor. In addition, we have continued to receive enquiries for interior fit-out projects located in Penang and Johor as well as Sabah. Thus, setting up branch offices in these states will allow us to cater towards customer's demand, better serve our existing and prospective customers based in these states and at the same time, strengthen our market presence in these states.

We intend to recruit 3 personnel in each of these branch offices, comprising 2 Project personnel and 1 Finance, Human Resources and Administrative personnel.

For each state, we intend to set up our offices through the renting of co-working spaces. As at the LPD, our Group is still in the process of identifying a suitable location in Penang, Johor Bahru in Johor, and Kota Kinabalu in Sabah for the establishment of a branch office in each of these states.

The expected timeline for the establishment of a new branch offices in Penang, Johor and Sabah is as follows:

Indicative timeline	Milestone
<u>Penang</u>	
Third quarter of 2026	• Identification of premises to rent and sign tenancy agreement • Recruitment of new employees
Fourth quarter of 2026	• Commence operations at the premises
<u>Johor</u>	
Third quarter of 2026	• Identification of premises to rent and sign tenancy agreement • Recruitment of new employees
Fourth quarter of 2026	• Commence operations at the premises
<u>Sabah</u>	
Fourth quarter of 2026	• Identification of premises to rent and sign tenancy agreement • Recruitment of new employees
First quarter of 2027	• Commence operations at the premises

We have allocated RM0.13 million of our Public Issue proceeds to fund the rental costs of the new branch offices over span of 30 months, as well as RM0.67 million to fund the salaries of these new recruits over a 12-month period.

7. BUSINESS OVERVIEW (Cont'd)

(ii) We plan to enhance our operational efficiency through upgrading our digital infrastructure

We plan to upgrade our IT systems and infrastructure that will support the growth in our workforce and enhance our operational efficiency.

In particular, we intend to:

(i) Upgrade our IT systems and infrastructure

To enhance our customer interactions and improve internal collaboration, we will invest in audio visual equipment. This will include equipment such as digital screens that showcases multimedia content such as images, videos, or text, mobile touch display that allows users to interact with a device by touching it with their fingers or a stylus, and room scheduling system equipped with digital screen which streamlines the process of booking shared spaces such as meeting rooms. This equipment will facilitate video conferencing, interactive presentations, and real-time collaboration on design concepts and project management. This will allow us to engage with customers more effectively and improve communication across departments, supporting our service delivery.

(ii) Increase the number of hardware and software required

With the expected growth of our workforce and operations, we will need to scale up the number of licences and subscriptions for designer software. This will ensure that all personnel have access to the necessary tools to perform their duties efficiently. Additionally, we will upgrade and expand our hardware such as desktops and laptops as well as supporting software applications to meet the demands of larger-scale projects and enhance employee productivity.

(iii) Invest in cloud storage solutions

Due to the nature of our business, we accumulate and store a large quantity of documentations comprising contracts and technical drawings. As our business grows, we expect that we will require larger capacity to store the increased quantity of such documentations. Thus, we intend to subscribe for additional cloud storage solutions to increase the capacity of cloud storage space.

We estimate the abovementioned investments will amount to RM0.80 million which will be funded via our Public Issue proceeds. The estimation for the costs for upgrade and enhancement of digital infrastructure were based on quotations obtained from the respective suppliers and service providers. In the event that the actual cost is higher than estimated, the deficit will be funded via internally generated funds. These investments are an integral part of our business expansion strategy, allowing us to scale our operations, enhance customer service and operational efficiency. The upgrade of IT systems and infrastructure will support our long-term growth by improving our project management capabilities and increasing collaboration, ultimately positioning the Group for success in a competitive market.

These hardware and software upgrades are vital to maintaining operational efficiency as we scale our business.

7. BUSINESS OVERVIEW (Cont'd)**(iii) We intend to expand our reach in international markets**

Since the commencement of our business in 2004, our Group has primarily focused on the provision of interior fit-out services within Malaysia. Moving forward, we plan to continue to market our brand in overseas markets, specifically the Philippines and Indonesia. We have identified these 2 international markets in light of our track record of completing interior fit-out projects in the past. We intend to serve our existing customers that plan to expand into these markets.

To facilitate our overseas expansion, we intend to:

(a) Establish physical offices in these markets

We intend to establish physical offices in the Philippines and Indonesia as it will not only demonstrate our commitment to local growth but also serve as a base for expanding our operations, engaging with customers and managing projects effectively. We have identified Manila and Jakarta as our base locations in the Philippines and Indonesia respectively and are in the midst of identifying suitable co-working spaces to rent in both cities.

The expected timeline for the expansion of our business operations in the Philippines and Indonesia is as follows:

Indicative timeline	Milestone
<u>The Philippines</u>	
Fourth quarter of 2026	• Identification of co-working spaces to rent • Incorporation of a subsidiary in the Philippines
First quarter of 2027	• Recruitment of new employees • Commence operations at the premises
<u>Indonesia</u>	
Fourth quarter of 2026	• Identification of co-working spaces to rent • Incorporation of a subsidiary in Indonesia
First quarter of 2027	• Recruitment of new employees • Commence operations at the premises

The estimated cost for setting up each office, which comprise the respective office space rental for 24 months, will amount to approximately RM0.06 million, which will be funded through Public Issue proceeds.

(b) Recruit and hire local and regional personnel

We intend to recruit 1 Business Development personnel and 1 Project personnel for our branch offices in the Philippines and Indonesia. This will include experienced professionals in both business development and project management, ensuring that we have the right talent to navigate the local market and provide high-quality services to our customers. They will be tasked to engage in business development activities, facilitate project engagement and provide support for interior fit-out projects in the respective countries. The cost of salaries of the new personnel is estimated to cost approximately RM0.74 million over a span of 18 months, which will be funded via Public Issue proceeds.

By expanding into the Philippines and Indonesia, we aim to access new markets and strengthen our position as an interior fit-out service provider in the Southeast Asia region.

8. IMR REPORT

PROVIDENCE STRATEGIC PARTNERS SDN BHD
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 46200 Petaling Jaya, Selangor, Malaysia.
 T: +603 7625 1769

Date: 30 January 2026

The Board of Directors
ADNEX GROUP BERHAD
 K03-13-3A, K03-13-05 & K03-13-06
 Level 13, Tower 3, UOA Business Park
 Jalan Pengaturcara U1/51A
 40150 Shah Alam
 Selangor, Malaysia.

Dear Sirs,

Independent Market Research (“IMR”) Report on the Interior Fit-out Industry in Malaysia in conjunction with the Listing of ADNEX GROUP BERHAD on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD (“**PROVIDENCE**”) has prepared this IMR report on the Interior Fit-out Industry in Malaysia for inclusion in the Prospectus of ADNEX GROUP BERHAD.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics. We believe that this IMR report presents a balanced view of the industries within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive.

No part of this publication may be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, without the prior express written consent of PROVIDENCE.

For and on behalf of PROVIDENCE:

A handwritten signature in black ink, appearing to read 'Melissa Lim', with a stylized flourish at the end.

MELISSA LIM
 EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions, competitive landscape and government regulations.

About MELISSA LIM:

Melissa Lim is the Executive Director of PROVIDENCE. She has more than 15 years of experience in market research for capital market exercises. Melissa Lim holds a Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia.

8. IMR REPORT (Cont'd)



Adnex Group Berhad and its subsidiaries (collectively referred to as “**Adnex Group**” or “**the Group**”) is principally involved in the provision of interior fit-out services in Malaysia. During the financial years ended (“**FYE**”) 31 December 2022 to 2024 and financial period ended (“**FPE**”) 30 September 2025, 99.82%, 99.76%, 99.32% and 100.00% of the Group’s revenue were generated from projects undertaken in Malaysia. As such, this IMR report will focus on the interior fit-out industry in Malaysia, which is the industry in which Adnex Group operates. The IMR report also covers an overview of the interior fit-out industry in the Philippines and Indonesia, as these are the markets that the Group intends to expand into.

1 THE INTERIOR FIT-OUT INDUSTRY IN MALAYSIA

INTRODUCTION AND BACKGROUND

Interior fit-out services refer to the process of actualising designs in interior spaces, thereby making interior spaces suitable for occupation and aesthetically pleasing. It generally includes design planning, project planning and scheduling, identifying, sourcing and procuring materials, supplies and furniture, cost management, liaising with various parties for documentation to be submitted to relevant local authorities and building management, engagement and appointment of professionals (including mechanical and electrical (“**M&E**”) consultant engineer, civil and structural consultant engineer and/or architect) and subcontractors, as well as coordinating and managing on-site fit-out activities performed by various subcontractors, implementation of quality control and safety measures, and managing and monitoring rectification and repair of defects during the defect liability period. Subcontractors may be appointed to carry out various works including demolition and preparatory works for new installations, partition works, ceiling, tiling and flooring works, mechanical, electrical and plumbing works (including wiring, cabling and lighting installation), carpentry and fixture installation, painting and plastering works, sanitaryware installation, fixtures and fittings installation, fire protection system installation, as well as air-conditioning system and piping installation.

Interior fit-out services are provided to owners or tenants of properties. These services are required for:

- setting up new commercial, industrial or residential premises; or
- expansions of existing premises, and refurbishments and upgrading works of existing corporate offices or other premises.

In general, interior fit-out service providers may be involved in turnkey fit-out service projects or interior fit-out work projects. In the case of turnkey fit-out service projects, interior fit-out service providers coordinate, manage and supervise the entire interior fit-out process from the initial conceptual design, project implementation up to the project completion and handover upon issuance of Certificate of Practical Completion and rectification of defects during the defect liability period of the project. In the case of interior fit-out work projects, interior fit-out service providers typically provide interior fit-out works based on design provided by their customers.

Adnex Group provides both interior fit-out works and turnkey fit-out services. Adnex Group also specialises in providing interior fit-out services for commercial and industrial properties.

INDUSTRY PERFORMANCE, SIZE AND GROWTH

The interior fit-out industry in Malaysia is measured in terms of value of work done, which is computed based on work progress achieved by contractors in relation to interior fit-out services during the calendar year period for project owners or investors, as reported by contractors to the Department of Statistics Malaysia (“**DOSM**”).

The interior fit-out industry, as measured by the value of work done for interior fit-out services, declined from RM1.3 billion in 2019 to RM817.8 million in 2020. This was primarily due to lower work capacity in compliance with containment measures, labour shortages due to international border closures, supply chain disruptions and site shutdowns following the Coronavirus disease (“**COVID-19**”) outbreak that began in 2020.

Subsequently, the interior fit-out industry began to recover as it increased to RM1.1 billion in 2021. This was in line with the easing of the containment measures since August 2021 and the reopening of the economy which supported the gradual improvement in building completion and finishing works.

However, there was a decline in the value of work done between 2022 (RM1.5 billion) and 2023 (RM1.2 billion). This was mainly attributable to the lower year-on-year growth rate of total property transactions in 2023 (10.2%) compared to 2022 (21.6%) mainly due to the higher cost of living in 2023, which subsequently affected consumer spending and resulted in property owners and tenants being more careful with their spending. As a result, property owners and tenants began scaling back on interior fit-out services in 2023. Nonetheless, the interior fit-out industry in Malaysia rebounded in 2024, rising from RM1.2 billion in 2023 to RM2.0 billion in 2024.

Overall, the interior fit-out industry in Malaysia grew from RM1.3 billion in 2019 to RM2.0 billion in 2024 at a compound annual growth rate (“**CAGR**”) of 9.6%. For the period from the first quarter (“**Q1**”) to the third quarter

8. IMR REPORT (Cont'd)

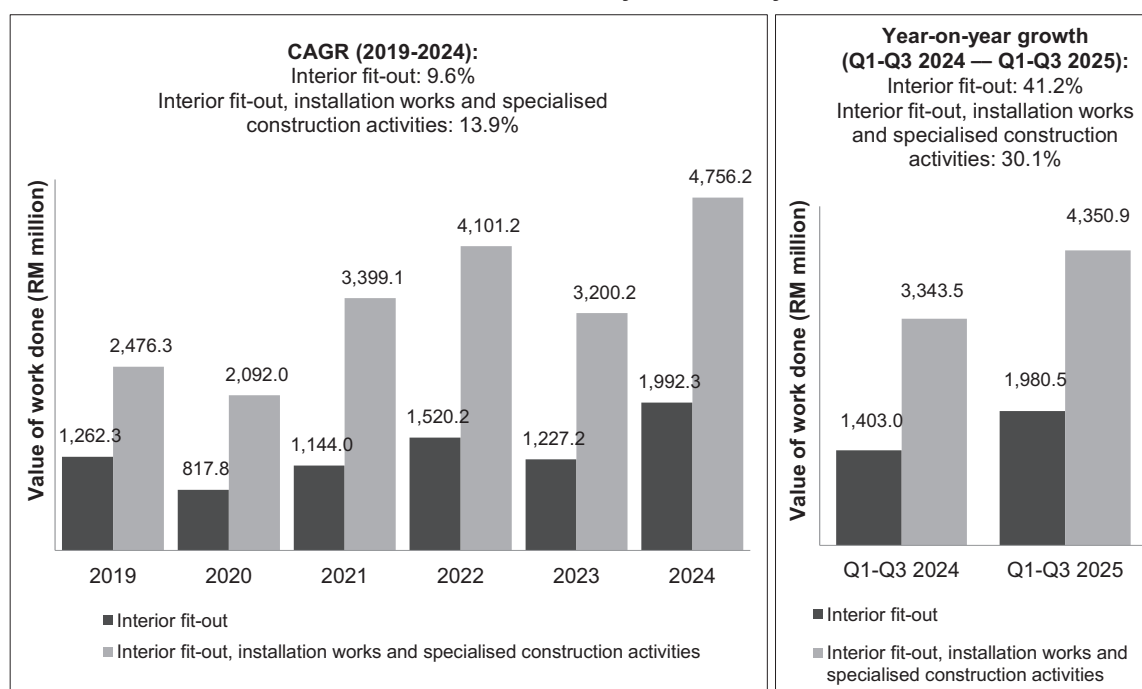


("Q3") of 2025, the interior fit-out industry in Malaysia recorded RM2.0 billion, representing a growth of 41.2% from RM1.4 billion for the corresponding period in 2024.

Moving forward, PROVIDENCE projects the interior fit-out industry in Malaysia to record RM2.3 billion in 2025 and rise to RM2.7 billion in 2027, registering a CAGR of 8.3% between 2025 and 2027. The projected growth is supported by the demand drivers elaborated in the **Demand Conditions: Key Growth Drivers** section of this IMR report.

Installation works and specialised construction activities which includes installation of elevators, escalators, automated and revolving doors, sound and/or vibration insulation in buildings or other construction projects, erection of non-self-manufactured steel elements, as well as bricklaying and stone setting, may be performed alongside interior fit-out services. The value of work done for interior fit-out, installation works and specialised construction activities grew from RM2.5 billion to RM4.8 billion between 2019 and 2024, registering a CAGR of 13.9%. Further, the value of work done for interior fit-out, installation works and specialised construction activities amounted to RM4.4 billion for the period between Q1 and Q3 in 2025, increasing by 30.1% from RM3.3 billion for the corresponding period in 2024.

Interior fit-out industry size in Malaysia



Source: DOSM, PROVIDENCE analysis

DEMAND CONDITIONS: KEY GROWTH DRIVERS

Growth in commercial and industrial properties supports demand for interior fit-out services

Over the period between 2019 and 2024, commercial property transactions rose from RM29.0 billion to RM58.1 billion at a CAGR of 14.9%, while industrial property transactions grew from RM14.8 billion to RM27.9 billion at a CAGR of 13.5%.¹ Between the first half ("H1") of 2024 and H1 of 2025, the transaction values for commercial properties and industrial properties increased by 3.4% and 5.9%, respectively.¹ This growth is driven by a growth in value of construction works performed for commercial and industrial buildings in light of new projects, including the Tun Razak Exchange, IND-TECH 5, Northern TechValley @ BKE and Sunway Square Mall.

The interior fit-out industry's growth is supported by the growth of the property market as commercial and industrial property owners will require interior fit-out services during the setting up of new offices and operational facilities. The value of commercial and industrial property transactions is an indicator of growth for Malaysia's property development and construction industries and indicator of demand for interior fit-out services. Thus, the

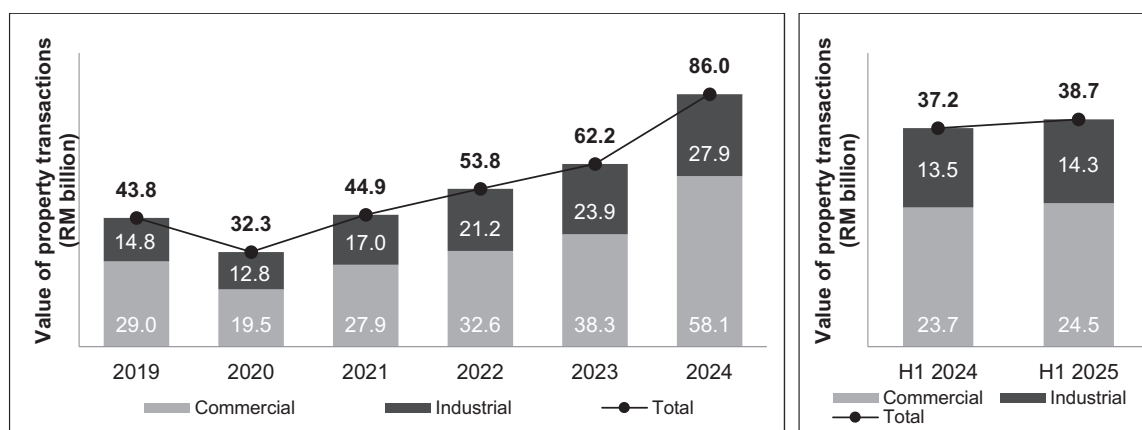
¹ Source: National Property Information Centre ("NAPIC")

8. IMR REPORT (Cont'd)



growth in commercial and industrial property transactions will bode well for industry players offering interior fit-out services.

Commercial and industrial property transactions in Malaysia



Source: NAPIC, PROVIDENCE analysis

The long-term growth of end-user industries will create demand for interior fit-out services

Interior fit-out services can be catered to different types of premises in a diverse range of end-user industries. It creates a space which is both functional and aesthetically appealing, as tailored to the customer's requirements. As such, the interior fit-out industry is generally driven by the growth of its end-user industries.

In particular, Adnex Group has mainly provided interior fit-out services for premises used as corporate offices, food and beverage ("F&B") outlets and sales galleries. During the FYE 2022 to FYE 2024 and FPE 2025, the Group provided interior fit-out services to corporations operating in various industries including, amongst others, financial services, manufacturing, professional services, F&B services and pharmaceutical industries. Adnex Group also intends to expand its local customer base of corporations operating in the healthcare and private education industries.

As such, the prospects of some of the key end-user industries that Adnex Group serves, and intends to expand its reach in, are as follows:

(a) Financial and professional services industries

The financial services industry encompasses services offered by financial institutions in relation to management of assets, lending and investment. Meanwhile, the professional services industry refers to the provision of specialised, knowledge-based services such as legal, accounting and consulting services.

The financial services industry in Malaysia can be measured by transaction value per capita of cash in circulation, or of electronic payments such as credit cards, debit cards, and mobile and internet banking. The transaction value per capita of cash in circulation grew from RM3,079.63 in 2019 to RM4,465.28 in 2023 while the transaction value per capita of electronic payments grew from RM671,276.83 in 2019 to RM902,076.94 in 2023.² Meanwhile, the professional services industry in Malaysia, as measured by revenue generated, grew from RM168.5 billion in 2019 to RM200.2 billion in 2024, registering a CAGR of 3.5%.³ The financial and professional services industry is expected to be driven by the increasing population, economic growth, technological advancements and globalisation.

Malaysia's population has been growing steadily from 32.5 million in 2019 to an estimated 34.2 million in 2025.⁴ Simultaneously, Malaysia's economy, as measured by gross national income ("GNI"), grew from RM1.5 trillion in 2019 to RM1.9 trillion in 2024, registering a CAGR of 4.8%.⁵ The increasing population and growing economy are expected to drive demand for financial and professional services in order to accommodate the growing clientele.

² Source: Bank Negara Malaysia. Latest publicly available information is as at 2023.

³ Source: DOSM. Latest publicly available information is as at 2024.

⁴ Source: DOSM

⁵ Source: DOSM. Latest publicly available information is as at 2024.

8. IMR REPORT (Cont'd)

Moreover, globalisation has led to increased trade and investment flows from foreign countries, thus directly driving demand for financial and professional services in Malaysia. Malaysia's total trade grew from USD445.2 billion (RM1.8 trillion⁶) in 2019 to USD629.0 billion (RM2.9 trillion⁶) in 2024, registering a CAGR of 7.2%.⁷ Concurrently, Malaysia's approved foreign investments has increased from RM82.4 billion in 2019 to RM170.4 billion in 2024, at a CAGR of 15.6%.⁸ Further, Malaysia's approved foreign investments amounted to RM150.8 billion for the Q1 to Q3 period in 2025, as compared with RM102.2 billion over the same period in 2024.⁸ The increased trade and foreign investments would require cross-border financial transactions, international legal expertise as well as consultancy services. As a result, there is expected growth in demand for financial and professional services to support these international activities.

(b) Manufacturing industry

The manufacturing industry is a broad industry, encompassing manufacturing of food, household and consumer goods, amongst other products. As the industry grows, there will be a growing number of operational facilities. The manufacturing industry size in Malaysia, as indicated by the total manufacturing sales value, grew from RM1.4 trillion in 2019 to RM1.9 trillion in 2024.⁹ The manufacturing industry in Malaysia recorded total sales value of RM1.8 trillion over the January to November period in 2025, increasing from RM1.7 trillion for the corresponding period in 2024.⁹

The growth of the manufacturing industry has been, and is expected to continue to be driven by demand for manufactured products.

(c) F&B services industry

The F&B services industry consists of all types of restaurants and cafes, as well as other specialty vendors such as food truck operators and kiosks. As the F&B services industry grows, there will be a growing number of F&B outlets.

The F&B services market size in Malaysia, as measured by service value, stood at RM47.2 billion in 2019. In 2020, the F&B services market size declined to RM37.2 billion as a result of the COVID-19 pandemic. However, it has been growing steadily at a CAGR of 6.1% since then, reaching RM47.1 billion in 2024.¹⁰ The growth of F&B services has been, and is expected to continue to be largely driven by urbanisation and rising income levels. This is because urban residents generally prefer to dine out due to the convenience and accessibility. In 2024, Malaysia's urbanisation rate stood at 79.2%¹¹, while GNI per capita had grown from RM45,298 in 2019 to RM54,894 in 2024, registering a CAGR of 3.9%.⁵

(d) Pharmaceutical industry

The pharmaceutical industry encompasses the research, development, manufacturing and distribution of medications, vaccines and other therapeutic products. As the pharmaceutical industry grows, there will be a growing number of pharmaceutical facilities and research centres to accommodate changing demands. The pharmaceutical industry size, as indicated by the sales value of pharmaceutical products in Malaysia grew from RM6.7 billion in 2019 to RM11.3 billion in 2024.¹² By November 2025, the sales value of pharmaceutical products in Malaysia had reached RM11.3 billion, increasing by 8.7% as compared to RM10.4 billion in the corresponding period in 2024.¹²

The growth of the pharmaceutical industry has been, and is expected to continue to be largely driven by Malaysia's growing ageing population and increasing healthcare expenditure. Malaysia's ageing population (comprising persons above 60 years old) has been rising from 8.8% of total population (2.7 million persons) in 2014 to an estimated 12.0% of total population (4.1 million persons) in 2025,¹³ thus signifying a higher prevalence of age-related and chronic diseases. The shift in demographics would result in higher demand for pharmaceutical products.

Furthermore, as mentioned above, healthcare expenditure has been on an uptrend, as indicated by the growth of healthcare expenditure illustrated below. Rising healthcare expenditure would drive the pharmaceutical industry to develop and manufacture medications, vaccines and other therapeutic products that cater to evolving healthcare needs and an ageing population. As such, this will result in

⁶ Exchange rates from USD to RM were converted based on average annual exchange rates extracted from published information from Bank Negara Malaysia at:

2019: USD1 = RM4.1427

2024: USD1 = RM4.5718

⁷ Source: United Nations Comtrade (inclusive of imports and exports). Latest publicly available information is as at 2024.

⁸ Source: Malaysia Investment Development Authority ("MIDA")

⁹ Source: DOSM

¹⁰ Source: Euromonitor. Latest publicly available information is as at 2024.

¹¹ Source: World Bank. Latest publicly available information is as at 2024.

¹² Source: DOSM

¹³ Source: DOSM

8. IMR REPORT (Cont'd)

increased demand for pharmaceutical products which will drive the growth of the pharmaceutical industry.

(e) Healthcare industry

The healthcare industry is a broad sector which revolves around the provision of medical services and medicine for the treatment of diseases and illnesses.

The healthcare industry, as measured by healthcare expenditure stood at RM64.0 billion in 2019 and grew to RM84.2 billion in 2023.¹⁴ The healthcare industry in Malaysia is expected to be driven by the growth in population, increased life expectancy and growing ageing population, as well as rise in medical tourism.

As depicted above, the population of Malaysia has been on an uptrend. Concurrently, the disposable income, as measured by GNI per capita grew from RM45,298 in 2019 to RM54,894 in 2024, registering a CAGR of 3.9%.⁵ The increased income will contribute to the increased ability to spend on healthcare services to enhance longevity and health. Thus, there will be increased demand for the development of healthcare facilities such as hospitals, clinics, ambulatory care centres, nursing homes and hospices.

Life expectancy in Malaysia has improved over the past decade, increasing from 74.5 years in 2014 to an estimated 75.3 years in 2025.¹³ During the same period, the ageing population has increased from 2.7 million to an estimated 4.1 million.¹³ As life expectancy and ageing population increase, the prevalence of age-related health conditions and chronic diseases is expected to increase in tandem, therefore requiring frequent and specialised medical care, or long-term medical treatments.

In addition, Malaysia has grown to be a prominent destination for medical tourism. In 2024, Malaysia attracted over 1.6 million international healthcare tourists, generating approximately RM2.7 billion in revenue.¹⁵ Malaysia has also received international recognition, including the “Medical Travel Destination of the Year” by the International Medical Travel Journal Medical Travel Awards 2020. The Malaysia Year of Medical Tourism 2026 was launched by Malaysia Healthcare Travel Council to enhance Malaysia’s competitiveness in the global medical tourism sector. The strategic goal of the initiative is to attract more international health travellers, enhance global visibility of Malaysia’s medical tourism capabilities through campaigns, strengthen healthcare infrastructure and services, develop strong industry partnerships, provide seamless patient care journeys, and highlight Malaysia’s hospitality.

According to the Malaysia Healthcare Travel Council, the most sought-after treatments in Malaysia include cardiology, fertility, oncology, orthopaedics, dental and aesthetics. Further, under the Healthcare Travel Industry Blueprint 2021 – 2025, Malaysia is expected to solidify its position as the Fertility Hub of Asia, Cardiology Hub of Asia and Cancer Care Centre of Excellence.

(f) Private education industry

The private education industry in Malaysia is a diverse sector encompassing non-governmental institutions that provide self-funded education services, including pre-primary education, primary education, secondary education and higher education. As the demand for specialised skills, global exposure and personalised syllabus grows, demand for private education is expected to grow in tandem which will result in expansion of learning facilities and development of new facilities to accommodate the rising demand. The number of establishments operating in the private education services sector has been on an uptrend, increasing from 11,722 establishments in 2015 to 18,242 establishments in 2022, registering CAGR of 6.5%.¹⁶ Concurrently, the private education industry in Malaysia has demonstrated steady growth, as measured by revenue, rising from RM14.6 billion in 2015 to RM24.2 billion in 2024, registering a CAGR of 5.8%.¹⁷ The private education industry in Malaysia, in terms of revenue, reached RM19.5 billion for the Q1 to Q3 period in 2025, as compared to RM17.9 billion for the corresponding period in 2024.¹⁷

The growth of the private education industry has been, and is expected to continue to be, supported by Malaysia’s growing economy. Malaysia is a growing economy, with a rising disposable income, as measured by GNI per capita. GNI per capita grew from RM45,298 in 2019 to RM54,894 in 2024, registering a CAGR of 3.9%.⁵ The rise in disposable income signifies a more affluent population with higher spending power, thus enabling them to invest more into their children’s education.

¹⁴ Source: Ministry of Health Malaysia (“MOH”). Latest publicly available information is as at 2023.

¹⁵ Source: Malaysia Healthcare Travel Council. Latest publicly available information is as at 2024.

¹⁶ Source: DOSM. Latest publicly available information is as at 2022.

¹⁷ Source: DOSM

8. IMR REPORT (Cont'd)



Furthermore, Malaysia aims to attract 250,000 international students by 2025,¹⁸ which is expected to contribute to demand for private education in Malaysia. The Government of Malaysia has also recently launched the National Education Plan 2026-2035, a blueprint aimed at reforming the country's education system throughout all levels, as an effort to improve Malaysia's status as a regional hub for education. The blueprint comprises various initiatives including improving access to and quality of education, strengthening infrastructure, promoting proficiency in multiple languages, placing greater emphasis on artificial intelligence (AI), science, technology, engineering, and mathematics (STEM), as well as revising preschool and year one age requirements. Additionally, sustained and strategic investments play a pivotal role in enhancing the quality and capacity of Malaysia's private education industry. According to MIDA, Malaysia's total approved investment for education services in 2024 was RM613.5 million for 96 projects.¹⁹ This indicates the reputation and appeal of Malaysia as an education hub in the region.

Growth in investments will support demand for interior fit-out services

The growth in investments will result in local and foreign companies setting up their offices and operating facilities in Malaysia. As these companies will require premises to carry out their business operations, this would result in an increase in demand for interior fit-out services in Malaysia to enhance the appeal, functionality and comfort of new offices or operating facilities.

Malaysia recorded a total of RM378.5 billion worth of approved investments in the services, manufacturing and primary sectors in 2024 across 6,700 projects. From the total investments approved, foreign investments accounted for RM170.4 billion or 45.0%, while domestic investments accounted for RM208.1 billion or 55.0%. The services sector accounted for the largest share of the total investments in 2024, amounting to RM252.7 billion (66.8%), followed by the manufacturing sector with RM120.5 billion (31.8%) and the primary sector with RM5.3 billion (1.4%). In 2024, foreign investments comprised 32.1%, 73.8% and 9.4% of approved investments in the services, manufacturing and primary sectors respectively.⁸

Between January and September of 2025, the approved foreign investments in Malaysia amounted to RM285.2 billion, comprising 4,874 approved projects.⁸ The services sector accounted for 65.9% (RM187.9 billion) of total approved investment, followed by the manufacturing sector at 32.9% (RM93.8 billion) and the primary sector at 1.2% (RM3.5 billion).⁸

Malaysia aims to attract quality foreign and domestic investments to drive economic growth towards becoming a high-income nation. Under Budget 2025, the Government of Malaysia has allocated RM1.0 billion towards the New Investment Incentive Framework which aims to attract high value-added activities such as integrated circuit design services in the electrical and electronics industry. This includes offering incentives to attract investments in technologically-advanced areas, thereby creating high-value products and services as well as high-paying employment opportunities. The Government of Malaysia launched the New Industrial Master Plan 2030 which aims to increase foreign and domestic investments across all states from an average of 13.0% of a state's gross domestic product ("GDP") to 25.0% of a state's GDP by 2030.²⁰

INDUSTRY DYNAMICS

Dependency on imports and foreign labour

The interior fit-out industry in Malaysia has a certain degree of dependency on the imports of building materials such as steel, copper, tiles and sanitaryware. While interior fit-out building materials are subject to certain levels of imports, interior fit-out services are typically provided by local interior fit-out service providers. Industry players in the interior fit-out industry also rely on foreign labour to carry out installation works at the project site.

Industry challenges

Interior fit-out activities are exposed to risks such as project delays, poor quality of work and on-site accidents that have consequences on the industry and its stakeholders. These risks may lead to customer and/or public complaints, as well as loss of reputation and revenue. Project delays affect the ability of industry players to complete projects on time which may result in financial shortages or budget overruns, and may cause a loss of opportunity if resources have been committed to a delayed project.

The oversupply of properties and economic downturn may also lead to a slowdown in construction and property development activities, thereby affecting demand for interior fit-out services.

Interior fit-out service providers require high initial capital for operational needs, including prepayments and deposits for subcontractors, suppliers and manufacturers. Failure to make timely payments may delay project schedules and affect the interior fit-out service provider's credibility. Moreover, interior fit-out service providers

¹⁸ Source: Ministry of Education Malaysia

¹⁹ Source: Latest publicly available data

²⁰ Source: New Industrial Master Plan 2030

8. IMR REPORT (Cont'd)

may also require large capital for the issuance of performance bonds to customers. New entrants without sufficient cash flow may therefore encounter difficulties in sustaining their operations. The requirement for high initial capital outlay is a high barrier to entry for new entrants.

When appointing interior fit-out service providers, customers seek industry players with experience and track record. An interior fit-out service provider with a good reputation and proven track record often stands out against other industry players, increasing the chance of securing a project. This will act as a high barrier for new market entrants as it takes time to build a portfolio of successful projects.

RELEVANT INDUSTRY LAWS AND REGULATIONS**Construction Industry Development Board ("CIDB") Act 1994**

The CIDB Act 1994 focuses on developing and regulating Malaysia's construction industry. It is primarily aimed at contractors, developers and other stakeholders within the industry. CIDB aims to promote contractor registration and grading, maintain quality and safety standards, provide training and accreditation as well as facilitate research and development. The goal of CIDB is to enhance the quality, efficiency and competitiveness of the Malaysian construction industry, thus ensuring sustainable growth and improved public safety.

Occupational Safety and Health Act 1994

The Occupational Safety and Health Act 1994 is designed to safeguard workplace safety and health including the welfare of all personnel at the workplace. The Act is broadly applicable to all employers and employees across various industries. Under the Act, employers are mandated to provide safe environments, risk assessments and safety committees, backed by inspections, while employees are required to cooperate with the relevant safety measures, thus enforcing safety, health and welfare measures in the workplace. The purpose of the Act is to prevent accidents and illnesses, while fostering a healthy work culture.

COMPETITIVE LANDSCAPE

In Malaysia, interior fit-out services may be provided by interior fit-out service providers, interior designers and renovation contractors. The range of services offered by interior fit-out service providers differ depending on their capabilities, with some industry players being able to offer design planning, project planning and scheduling, identifying, sourcing and procuring materials, supplies and furniture, cost management, liaising with various parties for documentation to be submitted to relevant local authorities and building management, engagement and appointment of professionals (including M&E consultant engineer, civil and structural consultant engineer and/or architect) and subcontractors, as well as coordinating and managing on-site fit-out activities performed by various subcontractors, implementation of quality control and safety measures, and managing and monitoring rectification and repair of defects during the defect liability period while others are able to carry out manufacturing of carpentry/ joinery parts, wooden furniture and fixtures, installation works and maintenance services. As at 28 January 2026, there were 136,964 contractors registered with CIDB Malaysia.

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8. IMR REPORT (Cont'd)

Examples of companies that are involved in the provision of interior fit-out services, which include initial conceptual design, project implementation, project completion and handover, and rectification of defects, with revenue ranging between RM15.0 million and RM400.0 million in the latest available audited financial statements are as follows:

Industry player	Business activities ^a	Latest available FYE	Revenue ^b (RM)	Gross profit (RM)	Gross profit margin ^c (%)	Profit before tax (RM)	Profit after tax (RM)	Profit after tax margin ^d (%)
Signature Alliance Group Berhad ^e	Involved in fit-out services including project planning and management of interior fit-out projects; customisation and supply of carpentry/ joinery parts and integral fixtures, and manufacturing of wooden furniture; installation works; and maintenance of the projects that it undertakes on an ad-hoc basis	31 December 2024	386,016,405	81,700,328	21.2	54,328,459	40,558,548	10.5
Sunray Construction & Interior Sdn Bhd	Involved in fit-out of diverse establishments such as hotels, restaurants, banks, offices, retail stores and museums.	30 June 2024	226,489,778	23,916,930	10.6	18,642,520	14,028,390	6.2
Jalex Sdn Bhd	Involved in project management and build services supported by in-house manufacturing facilities in timber, metal, and stone	31 December 2024	202,651,723	39,436,293	19.5	15,393,817	11,556,491	5.7
Eco Interiors International Sdn Bhd	Engaged in the business of fit-out services, decorators and interior design consultants	31 March 2025	151,320,150	23,781,621	15.7	9,942,185	7,585,123	5.0
Inspace Creation Berhad	Involved in the provision of interior fitting-out services which include project planning and management, design conceptualisation and build as well as servicing and maintenance works	30 November 2024	57,744,720	15,974,415	27.7	8,993,135	7,051,698	12.2
Adnex Group Berhad	Provision of interior fit-out services for commercial and industrial properties	31 December 2024	50,225,594	15,349,925	30.6	8,832,894	6,391,063	12.7
Pena Builders Sdn Bhd	Involved in project management, fit-out services, construction management and refurbishment	31 December 2024	114,694,217	10,586,162	9.2	5,252,250	3,565,471	3.1
Federal International Holdings Berhad ^f	Manufacturing and trading of furniture, renovation and fit-out services, construction business and investment holding	30 June 2025	63,930,425 ^g	13,642,917 ^h	17.7 ⁱ	93,178 ^h	3,460,072 ^j	5.4 ^k
GSIB Sdn Bhd	Involved in fit-out services and development of buildings for corporate retail, corporate workplaces, corporate facilities, commercial retail and hospitality sectors including green field projects	31 December 2024	25,482,140	3,904,931	15.3	613,963	471,342	1.8
D'Yakin Creation Sdn Bhd	Involved in interior architecture, fit-out services, construction, project management	31 December 2024	33,606,312	4,591,827	13.7	415,770	384,036	1.1

8. IMR REPORT (Cont'd)

Industry player	Business activities ^a	Latest available FYE	Revenue ^b (RM)	Gross profit (RM)	Gross profit margin ^c (%)	Profit before tax (RM)	Profit after tax (RM)	Profit after tax margin ^d (%)
BC Builders Concept Furnishing Sdn Bhd	Involved in interior designing, furnishing and renovation work	30 June 2024	44,217,531	Not available	Not available	545,368	233,471	0.5
PLM Interiors Sdn Bhd	Involved in fit-out services, building refurbishment, design and build, and mechanical and electrical engineering works	30 June 2024	39,636,940	8,761,264	22.1	212,853	196,040	0.5

Notes:

- (i) The list has been arranged based on the companies' profit after tax in descending order
- (ii) ^a Based on publicly available information as at 28 January 2026
- (iii) ^b Revenue may be derived from other businesses as segmental revenue is not publicly available from the audited financial statements of the identified private companies from the Companies Commission of Malaysia
- (iv) ^c Gross profit margin is computed based on gross profit over revenue
- (v) ^d Profit after tax margin is computed based on profit after tax over revenue
- (vi) ^e Listed on the ACE Market of Bursa Malaysia Securities Berhad
- (vii) ^f Listed on the Main Market of Bursa Malaysia Securities Berhad
- (viii) ^g Revenue is based on segmental financial information for construction and interior fit-out services
- (ix) ^h Gross profit and profit before tax are based on consolidated financial information as segmental financial information for construction and interior fit-out services is not publicly available
- (x) ⁱ Gross profit margin is computed based on consolidated gross profit over consolidated revenue (RM76,936,706), as segmental gross profit information is not publicly available
- (xi) ^j Profit after tax is based on segmental financial information for construction and interior fit-out services, and may include inter-company transactions
- (xii) ^k Profit after tax margin is based on segmental profit after tax over segmental revenue for construction and interior fit-out services, and may include inter-company transactions

Source: Various company websites, Companies Commission of Malaysia, PROVIDENCE analysis

MARKET SHARE

As Adnex Group is not involved in other specialised construction activities and installation works, the value of work done for interior fit-out services is used to compute the market share of Adnex Group. Based on the value of work done for interior fit-out services in Malaysia of RM2.0 billion in 2024, Adnex Group secured a market share of 2.5% in 2024, based on its revenue of RM50.2 million in FYE 2024.

OUTLOOK AND PROSPECTS

PROVIDENCE projects the interior fit-out industry in Malaysia to record RM2.3 billion in 2025 and rise to RM2.7 billion in 2027 at a CAGR of 8.3%.

The growth of the interior fit-out industry in Malaysia will be supported by:

- growth in commercial and industrial properties, where an increase in commercial and industrial property transactions will support demand for interior fit-out services as business owners require such services during the renovation or construction of offices and operational facilities; and
- foreign and domestic investment growth which will result in companies setting up their offices and operating facilities in the country, consequently supporting demand for interior fit-out services to enhance the appeal, functionality, and comfort of new offices and operating facilities.

8. IMR REPORT (Cont'd)

Adnex Group is also well-positioned to benefit from the long-term growth of end-user industries including the financial and professional services, manufacturing, F&B services and pharmaceutical industries as the Group's customers are primarily from these industries during the FYE 2022 to FYE 2024 and FPE 2025. Further, Adnex Group can also benefit from the growth of the healthcare and private education industries, as it intends to expand its customer base of corporations operating in these industries in the future. Thus, the continued growth of these industries is expected to drive demand for Adnex Group's interior fit-out services, as new premises including corporate offices, F&B outlets, sales galleries, healthcare and educational facilities will require interior fit-out services.

2 OVERVIEW OF THE INTERIOR FIT-OUT INDUSTRY IN THE PHILIPPINES

The growth of the interior fit-out industry in the Philippines can be depicted by the growth of the construction industry, which includes the construction of commercial, industrial and residential properties as well as infrastructure projects. In 2019, the construction industry's gross value-added was measured at PHP1.5 trillion (RM120.0 billion²¹). In the following year, it dipped to PHP1.1 trillion (RM93.2 billion²¹) due to the COVID-19 pandemic, before recovering to PHP1.7 trillion (RM126.6 billion²¹) in 2025.²² The construction industry in the Philippines registered a CAGR of 9.1% between 2020 and 2025.

The growth of the interior fit-out industry in the Philippines is expected to be driven by:

- growth in real estate activities, as measured by the gross value-added of real estate properties including commercial, industrial and residential properties, which grew at a CAGR of 6.7% between 2020 and 2025, from PHP472.5 billion (RM40.0 billion²¹) to PHP654.0 billion (RM48.7 billion²¹)²²;
- growth in total approved investments which increased from PHP1.3 trillion (RM104.0 billion²¹) in 2019 to PHP2.0 trillion (RM159.6 billion²¹) in 2024 at a CAGR of 9.0%.²² From Q1 to Q3 2025, the total approved investments in the Philippines amounted to PHP824.7 billion (RM61.4 billion²¹)²²; and
- Government incentives to attract local and foreign property buyers such as relaxed zoning regulations and tax exemptions.

3 OVERVIEW OF THE INTERIOR FIT-OUT INDUSTRY IN INDONESIA

The growth of the interior fit-out industry in Indonesia can be depicted by the growth of the construction industry, which includes the construction of commercial, industrial and residential properties as well as infrastructure projects. In 2019, the construction industry, as measured by the value of construction completed, stood at IDR1,594.2 trillion (RM467.1 billion²³) before declining to IDR1,321.8 trillion (RM382.0 billion²³) in the following year. The construction industry has recovered since, gradually increasing to reach IDR1,730.4 trillion (RM500.0 billion²³) in 2024.²⁴ Between 2020 and 2024, the construction industry in Indonesia registered a CAGR of 7.0%.

The growth of the interior fit-out industry in Indonesia is expected to be driven by:

- growth in real estate activities, which grew at a CAGR of 3.4% from IDR439.5 trillion (RM128.8 billion²³) in 2019 to IDR520.7 trillion (RM150.5 billion²³) in 2024, as measured by the contribution of real estate activities for commercial, industrial and residential properties to Indonesia's GDP²⁴;
- growth in investments, whereby foreign investments into Indonesia increased from USD28.2 billion (RM116.8 billion⁶) in 2019 to USD60.0 billion (RM274.3 billion⁶) in 2024, registering a CAGR of 16.3%²⁴; and
- Government initiatives to boost the real estate market, such as tax incentives for property investors.

²¹ Exchange rates from PHP to RM were converted based on average annual exchange rates extracted from published information from Bank Negara Malaysia at:

2019: PHP100 = RM8.0033

2020: PHP100 = RM8.4699

2024: PHP100 = RM7.9841

2025: PHP100 = RM7.4469

²² Source: Philippine Statistics Authority

²³ Exchange rates from IDR to RM were converted based on average annual exchange rates extracted from published information from Bank Negara Malaysia at:

2019: IDR100 = RM0.0293

2020: IDR100 = RM0.0289

2023: IDR100 = RM0.0299

2024: IDR100 = RM0.0289

²⁴ Source: Badan Pusat Statistik Indonesia. Latest publicly available data is as at 2024.

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 OPERATIONS

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

The provision of our interior fit-out services are typically project-based, with revenue recognised progressively from project execution through to the completion of works. As such, our financial performance, including revenue, profitability and operating cash flow, is subject to fluctuations depending on the number, value and completion stage of the projects undertaken in any given financial year or period. The duration of our interior fit-out projects differs, depending on our customers' requirements, scope of works and project timeline, generally ranges between 2 to 6 months.

As at the LPD, we have 15 ongoing interior fit-out projects with a total contract value of RM50.42 million.

In order to sustain our business operations and financial performance, we would have to continuously secure new interior fit-out projects. As our projects are typically awarded through tender process, we are required to actively participate in tender exercises and submit proposals for each potential project. However, there is no assurance that we will be successful in every tender or in securing new projects on a continuous basis in the future. If we are unable to consistently replenish our order book with new projects, it may materially and adversely affect our revenue, profitability and future prospects.

While our Group continuously seeks to maintain and strengthen existing business relationships, as well as establish relationships with new customers to expand our network, any adverse economic conditions or a slowdown in the industries in which our customers operate may negatively affect our ability to secure new projects. This may have a material adverse effect on our Group's business operations and financial performance.

9.1.2 We are dependent on the quality of services of our subcontractors and materials from our suppliers

We engage subcontractors to carry out on-site fit-out activities for all of our interior fit-out projects. The scope of works typically includes demolition and preparatory works for new installations, partition works, ceiling, tiling, and flooring works, MEP works (including wiring, cabling, and lighting installation), carpentry and fixture installation, painting and plastering works, sanitaryware, fixtures and fittings installation, fire safety system installation, as well as air-conditioning piping installation. Our subcontractors are also responsible for carrying out rectification works during the DLP by way of back-to-back arrangement to make good defects, at their own cost. In addition, we also procure materials from suppliers in accordance with our customers' specifications. As such, we are exposed to risks associated with the performance, timely delivery and quality of works or materials provided by our subcontractors or suppliers.

During the Financial Years and Period Under Review, subcontractors' costs accounted for 78.68% (RM19.00 million), 85.01% (RM30.74 million), 74.61% (RM26.02 million) and 77.55% (RM39.26 million) of our Group's total cost of sales for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, respectively, while material purchases accounted for 20.94% (RM5.06 million), 14.33% (RM5.18 million), 24.66% (RM8.60 million) and 21.61% (RM10.94 million) of our Group's total cost of sales for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, respectively.

9. RISK FACTORS (Cont'd)

Prior to onboarding the subcontractors or suppliers into our network of suppliers, we will conduct a comprehensive background check and evaluation on the subcontractors or suppliers, including reviewing their company profile, past performance and industry reputation, as well as quality management certifications and product samples to ensure the quality of services or products provided. Before engaging any subcontractors or procurement of materials, we also assess their pricing and availability to ensure the competitiveness and timeliness completion of works or products delivery. Furthermore, we place emphasis on continuous monitoring of our subcontractors throughout the entire fit-out process to monitor the progress and to promptly rectify any issue to minimise potential cost deviations and ensure adherence to project timeline.

In the event that our subcontractors fail to deliver the work in accordance with the project schedule and quality requirements, it may result in project delays, additional costs or potential claims from our customers. It may also affect our reputation, which could subsequently impact our ability to secure new projects from existing or new customers in the future.

For the Financial Years and Period Under Review and up to the LPD, we have not encountered any delays in completing our projects that have materially and adversely affect our financial performance, or received complaints from our customers relating to the work completed by our subcontractors, nor have we received any materials which negatively affected the quality of services. Nevertheless, there can be no assurance that we will not experience any claims or complaints from our customers relating to unsatisfactory, late or non-performance by our subcontractors or suppliers in the future.

9.1.3 Our business is dependent on certain registrations, licences and permits

As an interior fit-out service provider, we are required to obtain and hold valid registrations and/or licences with authorities such as CIDB. Please refer to Section 6.8 of this Prospectus for further details of the major licences, permits and approvals.

We must comply with any regulations, terms and conditions imposed by the relevant authorities to retain such registrations and/or licences. This includes notifying and submitting to CIDB information and documents relating to construction works secured, whether new or otherwise, including changes in the value of the interior fit-out works, as well as making levy payments. Failure to comply with the regulations, terms and conditions imposed by the relevant authorities may result in the imposition of fines and penalties, suspension, cancellation or non-renewal of our registrations and/or licences. The failure to keep or renew promptly the requisite registrations and/or licences could result in the suspension or restrictions in our business operations, including our ability to participate in tenders and to carry out interior fit-out services which would adversely affect our business operations and financial performance.

As at the LPD, we have obtained all required registrations, licences and permits to carry out our business and we have not encountered any suspension or non-renewal of registrations and/or licences.

9.1.4 Any breaches of HSE laws and regulations may result in penalties including the suspension of our operations

We must comply with the relevant HSE laws and regulations at the worksites. These HSE laws and regulations are concerned with, amongst others, the occupational health and safety of our employees and subcontractors as they perform their work, and the effect that our work may have on the environment as well as occupants and visitors of the buildings.

Failure to comply with the relevant HSE laws and regulations, and events such as worksite accidents that injure or harm our employees, subcontractors and people within the premises may lead to the relevant authorities taking action against us, such as suspending or restricting our operations at the affected worksite and/or taking administrative or legal action against us.

9. RISK FACTORS (Cont'd)

During the Financial Years and Period Under Review and up to the LPD, there were no workplace accidents which were caused by our Group and our subcontractors, and we have not made any insurance claims in relation to workplace injuries or accidents, or workmen's compensation claim. There have been no breaches or failure to comply with the relevant HSE laws and regulations by our Group and our subcontractors that resulted in any of the negative consequences described above. However, there can be no assurance that our business operations will not be adversely affected by workplace accidents, breaches or non-compliance with the relevant HSE laws and regulations in the future.

9.1.5 We face the risk of cost overruns for our interior fit-out projects

Upon receiving a tender invitation from a prospective customer, we will conduct a preliminary assessment on the project, which includes evaluating the requirements, timeline, feasibility of the project and the scope of work. In preparing our tender submission, we estimate the project costs and budget based on quotations obtained from our suppliers and subcontractors, as well as our internal cost estimations.

However, the profitability of our projects, and eventually our Group's financial performance, may be impacted by unforeseen increases in project costs that arise after the submission of our tender or proposal up until project completion. These may include variation orders, as well as unfavourable fluctuations in the price of materials and subcontractor costs. If we are unable to pass on these cost increases to our customers, such events may result in cost overruns, which could adversely affect our profit margins and overall financial results. Any prolonged delay in the project execution may require us to extend the engagement period with our subcontractors and may further contribute to cost overruns.

During the Financial Years and Period Under Review and up to the LPD, we have not experienced any cost overruns that have materially and adversely affect our financial performance. However, there is no guarantee that we will not encounter such circumstances in the future.

9.1.6 We are susceptible to the risk of defect liability claims and delay or non-recoverability in retention sums

We are liable for rectification of defects during the DLP, which is typically 12 months from the issuance of CPC. During the DLP, we are obliged to repair, rectify and make good any defects arising from the works carried out by our subcontractors. The relevant subcontractor will perform the repair and rectifications and bear the costs of such rectification works.

However, there is no assurance that we may successfully seek recourse from our subcontractors towards the claim for the repair and rectifications works that should be borne by them during the DLP. In the event that we fail to seek such recourse, we will be liable for the repair and rectification costs which will result in an increase in our overall project costs, and if such defects are material, our business operations and financial performance will be adversely affected. Furthermore, claims during the DLP may also lead to a delay in the collection of the retention sums from our customers, or its non-recoverability.

While we have not encountered any defect liability claims or non-collection of retention sums that have adversely affected our financial performance for the Financial Years and Period Under Review and up to the LPD, there is no guarantee that such claims will not arise in the future. A substantial claim, or substantial number of claims, in relation to defective works could have a material and adverse effect on our business operations, operating results and financial performance.

9. RISK FACTORS (Cont'd)

9.1.7 Our business is dependent on our Executive Directors and Key Senior Management

Our Group is reliant on the leadership capabilities and the experiences of our Executive Directors and Key Senior Management who play a significant role in our operations, as well as the development and implementation of our business strategies. Our Non-Independent Executive Director / Managing Director, Kan Wai Chun, has approximately 26 years of experience gained through his career in the interior fit-out industry, while our Non-Independent Executive Director, Kan Wai Peng, has approximately 35 years of industry experience. Our Executive Directors are supported by our Key Senior Management who possess extensive knowledge and experience in their respective fields.

Further details on the experience of our Directors and Key Senior Management team are set out in Sections 5.1.2 and 5.4.2 of this Prospectus.

Our continued success and growth in the future will depend on our ability to retain and attract skilled and experience employees. The loss of services from any of our Executive Directors or Key Senior Management without a suitable or prompt replacement, may have a negative impact on our business operations and financial performance.

9.1.8 There is no assurance that we will be able to successfully execute our business strategies and future plans

As disclosed in Section 7.18 of this Prospectus, our Group intends to expand our business locally and internationally, as well as upgrade our IT systems and infrastructure to enhance operational efficiency.

While we believe that these business strategies and future plans will be beneficial to our overall performance, the expected benefits may not materialise immediately, or at all, and may take a longer time to materialise than anticipated. This may, in turn, limit or reduce our profitability in the short term.

In implementing these future plans, we may be required to incur additional operational and capital expenditures. If we are unable to generate sufficient revenue through the securing of new projects to offset these additional costs, our profit margins and operating cash flow may be adversely affected.

There is also no guarantee that we will be able to successfully execute our business strategies and future plans, nor can we assure that we will be able to anticipate all business and operational risks that may arise. Any failure or delay in managing and implementing our business strategies and future plans may have a negative impact on our future business prospects and financial performance.

9.1.9 Our insurance coverage may not be adequate to cover all losses or liabilities

We are exposed to the risks of losses or liabilities arising from unforeseen events that may occur during our operational activities. As at the LPD, we have in place, among others, burglary, fire and public liability insurance policies in respect of our corporate office. In addition, we also maintain insurance policies related to our on-going interior fit-out projects, including but not limited to subcontractors' all risk insurance which covers us against damages incurred during the insured contract period, as well as third-party liability in the event of accidental bodily injury and accidental loss of or damage to property belonging to a third-party, workmen's compensation insurance for each of our interior fit-out projects.

Notwithstanding that, the insurance coverage taken by our Group does not cover certain types of losses that are not insurable or not economically insurable such as wars, riots, acts of terrorism, acts of God and outbreak of diseases.

9. RISK FACTORS (Cont'd)

Additionally, our insurance may not be adequate to cover the losses, damages or liabilities that may arise in the course of our business operations. Any losses, damages or liabilities in excess of our insured limits or in areas for which we are not fully insured may adversely affect our Group's business, financial performance or results of operations.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We are subject to risks inherent in the interior fit-out industry and property development industry

We are principally involved in the provision of interior fit-out services, particularly for commercial and industrial properties. As such, our business is subject to risks relating to the interior fit-out industry. Any challenges, downturns and/or decline in the demand for interior fit-out services, specifically for commercial and industrial properties, may negatively impact our business operations, financial performance and prospects.

As the interior fit-out industry is part of the value chain of the property development industry, any downturn in the property development industry may also adversely affect our Group. Such a downturn is generally characterised by a reduction in the number of property development projects, including commercial and industrial properties. This may indicate a decline in the demand for interior fit-out services, particularly for the setting up of new offices and operational facilities by commercial and industrial property owners and/or tenants. The property development industry may be affected by a number of factors such as general economic conditions, changes in Government initiatives and policies, as well as changes in lending policies and practices by financial institutions. The occurrence of any of such events is beyond our control, and there can be no assurance that we will not be affected by these events.

During the Financial Years and Period Under Review, our Group has not been engaged to provide interior fit-out services for any property development projects. However, there is no assurance that any downturn in the property development industry in the future which may lead to lower demand of interior fit-out services will not materially affect our business operations and financial performance.

9.2.2 We face competition from other industry players

We operate in a highly competitive industry where we face competition from other industry players who offer similar services as us. Key factors that affect our competitiveness include pricing, service quality, availability of manpower and financial resources, as well as timely delivery. Some of our competitors may have a longer operating history and greater financial resources as compared to us.

Whilst we compete based on the quality of our services, there can be no assurance that we will be able to compete effectively with our new or existing competitors. In the event where we fail to compete effectively or maintain our competitiveness in the market, our business operations, financial performance and prospects may be adversely affected.

9.2.3 We are subject to economic, social, political, regulatory and pandemic risks

Any changes in the political, social, economic, and regulatory conditions in Malaysia could have a negative impact on our business operations and financial performance. These events could include, but not limited to, changes in political leaderships, occurrence of civil war or disorder, changes in import tariffs and related duties, as well as modification to the conditions governing licences, registrations and permits to conduct business. Similarly, any global or regional economic downturn would also affect overall business conditions, consumer confidence and sentiments, as well as investments, which would subsequently affect the demand of our services.

9. RISK FACTORS (Cont'd)

Recently, the US and China government had imposed high tariffs on goods imported from the respective country. The sudden imposition of tariffs has led to economy uncertainties globally and volatility in the market. While the new tariffs do not have a direct impact on our Group's business operations due to the nature of our business, it may have an impact on our customer's business, which may in turn lead to a lower demand for our services due to a reduction in their budget for interior-fit out works.

We are also exposed to the risk of local epidemics or pandemics where we may face business interruptions including, among others, temporary suspension of our business operations. While our Group experienced interruptions to our business operations in 2020 and 2021 during the peak of the COVID-19 pandemic, our business operations has recovered since 2022 as evident by our improving financial performance for the Financial Years and Period Under Review.

There can be no assurance that any adverse political, social, economic, and regulatory developments, or outbreaks of diseases in the future, which are beyond our control, will not materially affect our business operations and financial performance.

9.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

9.3.1 There has been no prior market for our Shares

Prior to our Listing, there has been no public market for our Shares. Hence, there is no assurance that upon our Listing, an active market for our Shares will develop, or if developed, that such market can be sustained. Our IPO Price was determined after taking into consideration a number of factors, including but not limited to our financial and operating history, our competitive strengths, our future plans and strategies, as well as the industry overview as detailed in Sections 7 and 8 of this Prospectus. There is also no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the price at which holders would be able to sell our Shares.

There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the ACE Market upon our Listing and that the market price of our Shares will not decline below our IPO Price.

9.3.2 The trading price and volume of our Shares following our Listing may be volatile

After our Listing, the trading price and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include the followings:

- (i) material variation in our financial results and operations;
- (ii) success or failure of our management in implementing future plans, business and growth strategies;
- (iii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other related events or factors;
- (v) changes in market valuation and share prices of companies with similar businesses to our Group that may be listed on Bursa Securities;
- (vi) additions or departures of key personnel;
- (vii) fluctuations in stock market prices and volumes;

9. RISK FACTORS (Cont'd)

- (viii) involvement in claims, litigation, arbitration or other form of dispute resolution; and/or
- (ix) changes in government policy, legislation or regulation.

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of various sectors of the economy. These factors invariably contribute to the volatility of trading volume witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

9.3.3 Our Promoters will be able to exert significant influence over our Company

Upon our Listing, our Promoters will collectively hold 370,000,000 Shares, which represents 74.00% of our enlarged issued share capital upon Listing. As a result, our Promoters will be able to, in the foreseeable future, effectively control the business direction and management of our Group, including the election of Directors, the timing and payment of dividends as well as having majority voting control over our Company and as such, will likely influence the outcome of matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoters will be aligned with those of our other shareholders.

9.3.4 We may not be able to declare dividends to our shareholders

Our Group's ability to pay dividends to our shareholders is dependent on, amongst others, our future financial performance, cash flow positions, capital requirements, compliance with bank covenants as well as the implementation of our business plans. Our ability to pay dividends to our shareholders may be affected should these factors deteriorate and as such, there can be no assurance that we will be able to pay dividends to our shareholders. In addition, dividends are not guaranteed and our Board, at its discretion, may decide not to pay dividends at any time and for any reasons. If we do not pay our shareholders dividends, or if the dividends paid are lower compared to levels anticipated by our investors, the market price of our Shares may be negatively affected, reducing the value of any investment in our Shares.

9.3.5 Our Listing may be potentially delayed or aborted

Our Listing may be potentially delayed or aborted should any of the following events occur:

- (i) we are unable to meet the public shareholding spread requirements under the Listing Requirements, where at least 25.00% of our issued share capital for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares at the point of our Listing;
- (ii) our Sole Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligation therein; or
- (iii) revocation of approvals from relevant authorities for our Listing for whatever reason.

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

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company and the Selling Shareholders shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which the Company and the Selling Shareholders shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

9. RISK FACTORS (Cont'd)

- (ii) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the Applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, the Company and the Selling Shareholders shall be liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, the return of monies to our shareholders could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either:
 - (a) consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be recovered within a short period of time or at all under such circumstances; or
 - (b) solvency statement from our Directors.

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10. RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to certain exemptions, a “related party transaction” is a transaction entered into by a listed issuer or its subsidiary, which involves the interest, direct or indirect, of a related party. A “related party” is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding 6 months before the transaction was entered into). “Major shareholder” means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company.

10.1 RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions entered into by our Group

Save for the Acquisition and the transactions as disclosed below, our Board has confirmed that there are no other material related party transactions entered or to be entered into by our Group which involves the interest, direct or indirect, of our Directors, major shareholders and/or persons connected with them for the Financial Years and Period Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 October 2025
				RM'000	RM'000	RM'000	RM'000	up to the LPD ^(a) RM'000
1.	AISSB and Kan Brothers Management Sdn Bhd (“KBMSB”) (formerly known as Adnex Management Sdn Bhd)	Kan Wai Chun , being our Promoter, Substantial Shareholder and Non-Independent Executive Director / Managing Director, is also a director and major shareholder of KBMSB	(i) Rental of office premises located at K03-13-3A, Level 13, Tower 3, UOA Business Park, Jalan Pengaturcara U1/51A, 40150 Shah Alam, Selangor ^{(b)(i)}	-	-	32 (0.50% of our Group's PAT)	41 (0.63% of our Group's PAT)	18
		Kan Wai Peng , being our Promoter, Substantial Shareholder and Non-Independent Executive Director, is also a director and major shareholder of KBMSB	(ii) Utility fee for office premises located at K03-13-3A, Level 13, Tower 3, UOA Business Park, Jalan Pengaturcara U1/51A, 40150 Shah Alam, Selangor ⁽ⁱⁱ⁾	-	-	-	3 (0.05% of our Group's PAT)	7

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 October 2025
				RM'000	RM'000	RM'000	RM'000	up to the LPD ^(a) RM'000
2.	AISSB and AES Asia Sdn Bhd ("AES Asia")	Kan Wai Chun , being our Promoter, Substantial Shareholder and Non-Independent Executive Director / Managing Director, is also a director and major shareholder of AES Asia Kan Wai Peng , being our Promoter, Substantial Shareholder and Non-Independent Executive Director, is also a director and major shareholder of AES Asia	(i) Rental of office premises located at K03-13-05 and K03-13-06, Level 13, Tower 3, UOA Business Park, Jalan Pengaturcara U1/51A, 40150 Shah Alam, Selangor ^{(c)(iii)}	42 (1.23% of our Group's PAT)	42 (0.84% of our Group's PAT)	148 (2.32% of our Group's PAT)	127 (1.93% of our Group's PAT)	56
			(ii) Management fee for office premises located at K03-13-05 and K03-13-06, Level 13, Tower 3, UOA Business Park, Jalan Pengaturcara U1/51A, 40150 Shah Alam, Selangor ^(d)	78 (2.28% of our Group's PAT)	78 (1.55% of our Group's PAT)	13 (0.20% of our Group's PAT)	-	-
			(iii) Utility fee for office premises located at K03-13-05 and K03-13-06, Level 13, Tower 3, UOA Business Park, Jalan Pengaturcara U1/51A, 40150 Shah Alam, Selangor ^{(c)(ii)}	-	-	55 (0.86% of our Group's PAT)	47 (0.71% of our Group's PAT)	28

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 October 2025
				RM'000	RM'000	RM'000	RM'000	up to the LPD ^(a) RM'000
3.	AISSB and Kan Wai Chun	Kan Wai Chun is our Promoter, Substantial Shareholder and Non-Independent Executive Director / Managing Director	Disposal of 465,050 ordinary shares, representing 50% equity interest in AES Asia by AISSB to Kan Wai Chun ^(e)	-	-	465 (5.67% of our Group's NA)	-	-
4.	AISSB and JCC Trading	Kan Wai Peng , being our Promoter, Substantial Shareholder and Non-Independent Executive Director, was the sole proprietor of JCC Trading ^(f)	Provision of consultancy services by JCC Trading to AISSB ^(iv)	-	164 (0.45% of our Group's cost of sales)	-	-	-
5.	AISSB and AES ID	Wong Lee Yan , who was a director and major shareholder of AES ID, is the spouse of Kan Wai Chun , our Promoter, Substantial Shareholder and Non-Independent Executive Director / Managing Director ^(g)	(i) Provision of interior fit-out works by AISSB to AES ID ^(v)	12,479 (40.37% of our Group's revenue)	9,338 (20.03% of our Group's revenue)	3,399 (6.77% of our Group's revenue)	-	-
			(ii) Subcontractor fee for the provision of interior fit-out works by AES ID to AISSB ^(vi)	3,820 (15.82% of our Group's cost of sales)	12,700 (35.12% of our Group's cost of sales)	1,734 (4.97% of our Group's cost of sales)	-	-
		Tee Chai Ken , who was a director and major shareholder of AES ID, is the spouse of Kan Wai Peng , our Promoter, Substantial Shareholder and Non-Independent Executive Director ^(g)						

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	1 October 2025 up to the LPD ^(a) RM'000
6.	AISSB and Master Craftsmen Sdn Bhd ("MCSB")	Kan Wai Chun, being our Promoter, Substantial Shareholder and Non-Independent Executive Director / Managing Director, was a director of MCSB^(h) Kan Wai Peng, being our Promoter, Substantial Shareholder and Non-Independent Executive Director, was a director of MCSB^(h) Kan Wai Chun and Kan Wai Peng are also directors and major shareholders of All In Dynamics Sdn Bhd ("AIDSB"), which was a major shareholder of MCSB^(h)	Provision of interior fit-out works by AISSB to MCSB ^(v)	-	177 (0.38% of our Group's revenue)	-	-	-
7.	AISSB and Wong Lee Yan	Wong Lee Yan is the spouse of Kan Wai Chun , our Promoter, Substantial Shareholder and Non-Independent Executive Director / Managing Director	Purchase of motor vehicle by AISSB from Wong Lee Yan ^(vii)	30 (0.51% of our Group's NA)	80 (1.04% of our Group's NA)	-	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	1 October 2025 up to the LPD ^(a) RM'000
8.	AISSB and All Of Beauty Sdn Bhd ("ABSB")	Kan Wai Chun , being our Promoter, Substantial Shareholder and Non-Independent Executive Director / Managing Director, is also a major shareholder of ABSB	(i) Provision of interior fit-out works by AISSB to ABSB ^(v)	117 (0.38% of our Group's revenue)	*	-	-	-
		Wong Lee Yan , who is a director and major shareholder of ABSB, is the spouse of Kan Wai Chun , our Promoter, Substantial Shareholder and Non-Independent Executive Director / Managing Director	(ii) Disposal of motor vehicle by AISSB to ABSB ^(vii)	-	80 (1.04% of our Group's NA)	-	-	-

Notes:

* Negligible.

- (a) Percentage of contribution is not available as no audited financial statements were prepared for the period from 1 October 2025 up to the LPD.
- (b) AISSB had on 1 June 2024 entered into a tenancy agreement with KBMSB supplemented by a letter of agreement dated 27 March 2025 for the rental of office premises stated above. The tenancy has a tenure of 3 years at a monthly rental rate of RM4,593.60 (from 1 June 2024 to 31 May 2026) and RM5,011.20 (from 1 June 2026 to 31 May 2027) with an option to renew for further 3 years. The tenancy agreement will be terminated if the rent remains unpaid to KBMSB for 14 days after becoming payable, or if AISSB does not perform its covenants under the tenancy agreement, or is wound up, or if AISSB enters into arrangement or composition with its creditors. The rental of office premises from KBMSB is a recurrent transaction and will subsist after our Listing.

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (c) AISSB had entered into the following tenancy agreements with AES Asia for the rental of office premises stated above:
- (i) tenancy agreement dated 1 May 2021 which has a tenure of 5 years from 1 May 2021 to 30 April 2026 at a monthly rental rate of RM5,000.00 with an option to renew for further 2 years. Nevertheless, the rental was reduced to RM3,500 per month effective 1 May 2021 as a special deduction due to COVID-19. The tenancy agreement was terminated vide a termination letter dated 29 February 2024 as the parties entered into a new tenancy agreement to revise the rental rate based on prevailing market rate. The rental rate for the period from 1 January 2022 to 29 February 2024 was not at arm's length as the rate was based on negotiated terms and not at the market rate; and
 - (ii) tenancy agreement dated 1 March 2024 supplemented by a letter of agreement dated 27 March 2025. The tenancy has a tenure of 3 years at a monthly rental rate of RM14,115.20 (from 1 March 2024 to 28 February 2026) and RM15,398.40 (from 1 March 2026 to 28 February 2027) and utility fee at RM5,500.00 per month, with an option to renew for further 3 years. The tenancy agreement will be terminated if the rent remains unpaid to AES Asia for 14 days after becoming payable, or if AISSB does not perform its covenants under the tenancy agreement, or is wound up, or if AISSB enters into arrangement or composition with its creditors. The rental of office premises from AES Asia is a recurrent transaction and will subsist after our Listing.
- The utility fee was not at arm's length as the fee which consists of electricity, water, internet, cleaning fee and parking fee was charged based on an estimated lump sum instead of actual usage. Such transactions have been discontinued effective 1 June 2025 vide a termination letter dated 9 May 2025.
- (d) Management fee consists of utility fee such as electricity, water, internet and cleaning fee. The management fee for the period from 1 January 2022 to 29 February 2024 was not at arm's length as the fee was charged based on negotiated terms. The Group had ceased such transaction since 1 March 2024.
 - (e) AES Asia is principally engaged in the business of letting of properties. The disposal of 50.00% equity interest in AES Asia was undertaken to allow AISSB to focus and allocate resources to its core operations. This transaction was not conducted at arm's length as no valuation was conducted on AES Asia and the disposal consideration was determined based on original subscription cost of the shares in AES Asia by AISSB.
 - (f) JCC Trading has been terminated as sole proprietorship on 20 February 2024.
 - (g) Wong Lee Yan and Tee Chai Ken were directors and major shareholders of AES ID, holding 45.00% and 25.00% shareholdings respectively. They resigned as directors of AES ID on 14 August 2024 and subsequently disposed of all their shares in AES ID to a third party on 6 September 2024. AES ID ceased to be a related party to our Group from 6 September 2024 onwards.
 - (h) Kan Wai Chun and Kan Wai Peng were directors of MCSB and through AIDS B, holding 51.00% shareholdings in MCSB. They resigned as directors of MCSB on 15 April 2024. AIDS B had also disposed of all its shares in MCSB to a third party on 22 April 2024. MCSB ceased to be a related party to our Group from 22 April 2024 onwards.

10. RELATED PARTY TRANSACTIONS (Cont'd)

Save for rental expenses paid by our Group to AES Asia prior to 1 March 2024, management fee, utility fee paid by our Group to AES Asia prior to 1 June 2025 and disposal of shares in AES Asia by our Group to Kan Wan Chun, as disclosed under items 2 and 3 of the table above, our Board (excluding Kan Wai Chun and Kan Wai Peng, being the interested Directors), having considered all aspects of the related party transactions, is of the view that all the above related party transactions were conducted on an arm's length basis and based on normal commercial terms which are not more favourable to the related parties and were not detrimental to our minority shareholders. This was determined after taking into consideration of the following:

- (i) monthly rental rate charged by KBMSB to AISSB under item 1(i) of the table above was comparable to the prevailing market rental rate of similar properties within the vicinity;
- (ii) utility fee charged by KBMSB to AISSB under item 1(ii) of the table above and utility fee charged by AES Asia to AISSB since 1 June 2025 under item 2(iii) of the table above were based on actual amount incurred;
- (iii) monthly rental rate charged by AES Asia to AISSB under item 2(i) of the table above for the period from 1 March 2024 and up to the LPD was comparable to the prevailing market rental rate of similar properties within the vicinity;
- (iv) consultancy fee charged by JCC Trading under item 4 of the table above was comparable to market prices based on quotations obtained from third party service providers;
- (v) GP margin of the projects awarded by AES ID, MCSB and ABSB for the provision of interior fit-out works under items 5(i), 6 and 8(i) of the table above was within the range of GP margin of the other interior fit-out projects with similar scope of works secured by our Group;
- (vi) subcontractor fee for the provision of interior fit-out works by AES ID under item 5(ii) of the table above was comparable to market prices based on quotations obtained from third party subcontractors; and
- (vii) purchase of motor vehicles from Wong Lee Yan under item 7 of the table above and disposal of motor vehicle to ABSB under item 8(ii) of the table above were based on the prevailing market rate.

Our Board also confirms that there are no other material related party transactions that have been effected after the LPD or entered by our Group but not yet effected up to the date of this Prospectus.

10. RELATED PARTY TRANSACTIONS (Cont'd)

10.2 OTHER TRANSACTIONS

10.2.1 Related party transactions entered into that are unusual in nature or conditions

Our Board has confirmed that our Group has not entered into any transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, with a related party for the Financial Years and Period Under Review and up to the LPD.

10.2.2 Loans and/or financial assistance made to or for the benefit of related parties

Save as disclosed below, our Board has confirmed that there are no outstanding loans and/or financial assistance (including guarantees of any kind) made by us to or for the benefit of any related party for the Financial Years and Period Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	(a) Total amount of guarantee provided				
				FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	As at the LPD RM'000
1.	AISSB and KBMSB	Kan Wai Chun , being our Promoter, Substantial Shareholder and Non-Independent Executive Director / Managing Director, is also a director and major shareholder of KBMSB	(i) A corporate guarantee issued by AISSB in favour of Public Bank Berhad ("PBB") for a financing facility of RM2.61 million obtained by KBMSB to part finance the balance purchase price of a unit of 2-storey shop office and related insurance cost	-	2,611	2,611	2,611	2,611
		Kan Wai Peng , being our Promoter, Substantial Shareholder and Non-Independent Executive Director, is also a director and major shareholder of KBMSB	(ii) A corporate guarantee issued by AISSB in favour of United Overseas Bank (Malaysia) Berhad ("UOB") for a financing facility of RM0.90 million obtained by KBMSB to part finance the purchase of one unit of shop lot ^(b)	-	901	901	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	^(a) Total amount of guarantee provided				
				FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	As at the LPD RM'000
2.	AISSB and AES Asia	Kan Wai Chun , being our Promoter, Substantial Shareholder and Non-Independent Executive Director / Managing Director, is also a director and major shareholder of AES Asia	(i) A corporate guarantee issued by AISSB in favour of PBB for a financing facility of RM2.61 million obtained by AES Asia to part finance the balance purchase price of a unit of 2-storey shop office and related insurance cost	-	2,612	2,612	2,612	2,612
		Kan Wai Peng , being our Promoter, Substantial Shareholder and Non-Independent Executive Director, is also a director and major shareholder of AES Asia	(ii) A corporate guarantee issued by AISSB in favour of PBB for a financing facility of RM2.37 million obtained by AES Asia to part finance the balance purchase price of 2 units of office suite and related insurance cost	2,370	2,370	2,370	2,370	2,370

Notes:

(a) Represents the total credit facilities granted by the financial institutions.

(b) KBMSB has fully settled the banking facility extended by UOB on 18 June 2025 and the corporate guarantee has been fully discharged accordingly.

As at the LPD, KBMSB and AES Asia have received conditional approvals from PBB to discharge the corporate guarantees, subject to registration of the Prospectus.

10. RELATED PARTY TRANSACTIONS (Cont'd)**10.2.3 Loans and/or financial assistance from related parties to our Group**

Our Directors and Promoters, namely Kan Wai Chun and Kan Wai Peng, have jointly and severally provided personal guarantees for the banking facilities extended by AmBank (M) Berhad, CIMB Islamic Bank Berhad, Hong Leong Islamic Bank Berhad, Public Bank Berhad, Maybank Islamic Berhad and Standard Chartered Bank Malaysia Berhad (collectively referred to as “**Financiers**”) to AISSB. The details of the facilities secured by our Group as at the LPD are set out below:

Financiers	Type of facilities	Guarantors	(a)Total amount of guarantee provided RM'000	Outstanding amount as at the LPD RM'000
AmBank (M) Berhad	• 1 hire purchase facility	• Kan Wai Chun	221	102
CIMB Islamic Bank Berhad	• 1 term loan	• Kan Wai Chun • Kan Wai Peng	1,000	888
Hong Leong Islamic Bank Berhad	• 1 trade facility	• Kan Wai Chun • Kan Wai Peng	^(b) 4,000	2,407
Public Bank Berhad	• 1 trade facility • 1 term loan	• Kan Wai Chun • Kan Wai Peng	2,300	1,657
Maybank Islamic Berhad	• 1 trade facility • 1 term loan	• Kan Wai Chun • Kan Wai Peng	6,000	5,096
Standard Chartered Bank Malaysia Berhad	• 1 term loan	• Kan Wai Chun • Kan Wai Peng	^(c) 1,000	865
Total			14,521	11,015

Notes:

- (a) Represents the total credit facilities granted by the financial institutions.
- (b) Kan Wai Chun has also provided a third-party second open monies legal charge over a freehold land with 1 unit of double-storey detached bungalow erected thereon held under HSD 266762, PT 2065, Bandar Glenmarie, Daerah Petaling, Negeri Selangor, as a security for this facility.
- (c) As disclosed in Section 4.8.3 of this Prospectus, our Group intends to utilise part of the proceeds from our Public Issue to fully settle the banking facility with Standard Chartered Bank Malaysia Berhad. The personal guarantees provided by Kan Wai Chun and Kan Wai Peng will be discharged upon such settlement.

In conjunction with our Listing, we have applied to the Financiers to obtain a release and/or discharge of the guarantees and securities provided by our Promoters 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, the Directors and Promoters will continue to guarantee such banking facilities extended to our Group.

As at the LPD, we have received conditional approvals from AmBank (M) Berhad, CIMB Islamic Bank Berhad, Hong Leong Islamic Bank Berhad, Public Bank Berhad and Maybank Islamic Berhad to discharge the relevant personal guarantees, subject to the completion of the Listing and the execution of a corporate guarantee from our Company.

10. RELATED PARTY TRANSACTIONS (Cont'd)

10.3 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

Upon our Listing, our ARMC will review the terms of all related party transactions (including any recurrent related party transactions) to ensure that they are negotiated and agreed upon in the best interest of our Company on an arm's length basis, are in the ordinary course of business, not more favourable to the related party than those generally available to the public, and are not to the detriment to the interest of our Company's minority shareholders. Any such review will be reported to our Board for its further deliberation. In the event that there are any proposed related party transactions that involve the direct or indirect interest of our Directors, our interested Director(s) shall disclose to our Board the nature and extent of their interest, including all matters in relation to the proposed related party transactions that they are aware or should reasonably be aware of, which is not in our best interest. Our interested Director(s) shall also abstain from any ARMC and/or our Board's deliberations and voting on the relevant resolution(s) in respect of such proposed related party transactions.

Further, we will be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions are deemed as recurrent related party transactions, we may seek a general mandate from our non-interested shareholders to enter into these transactions, subject to annual renewal and that our Directors will disclose in our Company's annual report the aggregate value of material recurrent related party transactions conducted pursuant to the mandate during the financial year, if any. The interested person shall abstain from all deliberations and voting on the relevant resolutions in respect of such proposed related party transactions at our general meetings. Pursuant to the Listing Requirements, related party transactions may be aggregated to determine their materiality if the related party transactions occurred within a 12-month period, are entered with the same party or with parties connected to one another or if the transactions involve the acquisition or disposal of securities or interests in one particular corporation/asset or of various parcels of land contiguous to each other.

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11. CONFLICT OF INTEREST**11.1 INTEREST IN ENTITIES CARRYING ON A SIMILAR TRADE AS OUR GROUP OR WHICH ARE OUR CUSTOMERS AND/OR SUPPLIERS**

As at the LPD, none of our Directors and Substantial Shareholders has any interest, direct or indirect, in any entities which:

- (i) carry on a similar trade as that of our Group; or
- (ii) are customers or suppliers of our Group.

In order to mitigate any possible conflict of interest situation, the Directors will declare to the ARMC and the Board of their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside the Group.

Our ARMC will then evaluate if such a Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure is provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, the ARMC will then report its findings to our Board. Our Board upon reviewing the recommendation by our ARMC, will engage in deliberation, review the matter and decide on the next course of action. When a potential conflict of interest is disclosed, our ARMC and Board will carefully evaluate the situation and may consider various feedback and actions to address the matter. The options considered shall not be limited to the following:

- (a) request for additional information;
- (b) evaluate the nature of the conflict;
- (c) determine the impact;
- (d) seek independence expertise;
- (e) mitigation measures;
- (f) enforcement; and
- (g) disciplinary actions.

Where a Director has disclosed a conflict of interest, the conflicted Director shall abstain from any discussion of the Board and Board committees relating to the subject of the conflict of interest and the conflicted Director 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 the Board and Board committees, be present at the Board and Board committees' meeting for the purposes of answering any questions.

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 ARMC may take necessary disciplinary actions, such as reassignment, termination, or other appropriate measures.

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11. CONFLICT OF INTEREST (*Cont'd*)

11.2 DECLARATION OF CONFLICT OF INTEREST BY OUR ADVISERS

(i) PIVB

PIVB, being our Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent, is a wholly-owned subsidiary of PBB. PIVB together with PBB and its other subsidiary companies ("**PBB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses.

PBB Group has engaged and may in the future, engage in transactions with and perform services for our Group and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the PBB Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders, our and/or their affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity services or senior loans of any member of our Group and/or our affiliates.

This is a result of the businesses of the PBB Group generally acting independently of each other, and accordingly, there may be situations where parts of PBB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, PBB Group is required to comply with applicable laws and regulations issued by the relevant authorities, which required, among others, segregation between dealing and advisory activities and Chinese Wall between different business divisions within the PBB Group.

As at the LPD, PBB, has in its ordinary course of business, granted total credit facilities of RM2.80 million with an outstanding balance of approximately RM1.66 million to our Group.

In addition, as at the LPD, our Group had secured a contract for an interior fit-out works project from PBB for a contract sum of RM21.97 million via a restricted tender. For information purposes, our Group is an approved vendor of the PBB Group. Prior to being listed as an approved vendor, our Group was subject to an assessment conducted by PBB, which include amongst others, assessment on our company background, legal and regulatory compliance, technical expertise and financial capability. In respect of the abovementioned project that we have secured, PBB had conducted a pre-qualification assessment on all approved vendors that registered their interest to participate in the tender and had subsequently invited the pre-qualified approved vendors to participate in the tender.

The tender submitted by our Group was based on market price without favourable pricing/terms, benchmarked against the current market conditions and on a basis comparable with similar interior fit-out works projects undertaken by our Group. For clarification, the timing of award for the project was driven by PBB's operational requirements which were pre-determined by the property division of PBB.

For the FPE 2025, no revenue has been recognised by our Group for this project as the project had only commenced in January 2026 where the revenue is expected to be realised progressively in the FYE 2026. Nonetheless, the contract value of this project of RM21.97 million has contributed 33.14% to our unbilled order book as at the LPD.

11. CONFLICT OF INTEREST (Cont'd)

Notwithstanding the above, PIVB is of the view that the abovementioned does not give rise to an existing or potential conflict of interest situation in its capacity as Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent for our Listing due to the following:

- (a) the extension of credit facilities to our Group by PBB and the interior fit-out services provided by our Group to PBB arose in the ordinary course of business of the respective companies;
- (b) the conduct of PBB in its banking business is strictly regulated by among others, the Financial Services Act, 2013 as well as PBB's own internal controls and checks;
- (c) the outstanding balance of the total credit facilities granted to our Group by PBB, which represents less than 0.01% of the audited net assets of PBB Group as at 31 December 2024 is considered immaterial;
- (d) each division and entities within the PBB Group has separate and distinct operations and management whereby decisions are made independent of each other. As such, the property division of PBB that awarded the project to our Group operates as a separate division with distinct management from PIVB. Further, PIVB does not participate in the procurement, tender evaluation and award decision of PBB;
- (e) PIVB's role as the Principal Adviser for the IPO has been carried out professionally and objectively in accordance with the relevant terms of the due diligence planning memorandum. The due diligence processes and the verification exercises (which were participated by the Directors and Key Senior Management, the Reporting Accountants, the Solicitors, PIVB and other relevant advisers) have been duly undertaken and performed in relation to the preparation of relevant documents relating to our IPO;
- (f) none of the proceeds raised from the Public Issue are allocated for the repayment of bank borrowings by our Group to PBB; and
- (g) PIVB does not receive or derive any financial interest or benefit from our IPO other than the normal advisory and underwriting/placement fees charged.

(ii) Law Kuan Yew & Co

Law Kuan Yew & Co has confirmed that there is no existing or potential conflict of interest in its capacity as Solicitors to our Group in relation to our Listing.

(iii) TGS TW PLT

TGS TW PLT has confirmed that there is no existing or potential conflict of interest in its capacity as the Auditors and the Reporting Accountants to our Group in relation to our Listing.

(iv) Providence

Providence has confirmed that there is no existing or potential conflict of interest in its capacity as the IMR to our Group in relation to our Listing.

12. FINANCIAL INFORMATION**12.1 HISTORICAL FINANCIAL INFORMATION**

The historical audited combined financial information of our Group for the Financial Years and Period Under Review presented in this section have been extracted from the Accountants' Report set out in Section 14 of this Prospectus.

You should read the historical audited combined financial information below together with:

- Management's Discussion and Analysis of Financial Condition and Results of Operations set out in Section 12.3 of this Prospectus; and
- Accountants' Report set out in Section 14 of this Prospectus.

Adnex Group Berhad was only incorporated on 23 January 2025 to facilitate our Listing whereas Adnex Malaysia and Adnex International were both incorporated on 26 March 2025. As such, the historical combined financial information of our Group has been prepared as if our Group had been operating as a single economic entity throughout the Financial Years and Period Under Review. For the avoidance of doubt, no financial information of our Company, Adnex Malaysia and Adnex International was included for the FYE 2022, FYE 2023 and FYE 2024 as these companies were incorporated after FYE 2024.

The historical audited combined financial information included in this Prospectus does not reflect our Group's results of operations, financial position and cash flows in the future. Moreover, our Group's past operating results are not indicative of our Group's future operating performance.

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

	Audited			Unaudited	Audited
	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	30,912	46,629	50,226	24,360	67,121
Cost of sales	(24,151)	(36,166)	(34,876)	(17,624)	(50,629)
GP	6,761	10,463	15,350	6,736	16,492
Other income	75	1	231	47	54
Administrative expenses	(2,355)	(3,625)	(6,591)	(4,743)	(6,866)
Net (loss)/reversal on impairment of financial assets	(12)	(70)	6	-	(139)
Other expenses	*	-	-	*	(109)
Profit from operation	4,469	6,769	8,996	2,040	9,432
Finance costs	(47)	(69)	(163)	(84)	(462)
Share of results of an associate	99	(23)	-	-	-
PBT	4,521	6,677	8,833	1,956	8,970
Taxation	(1,099)	(1,648)	(2,442)	(859)	(2,494)
PAT for the financial year/period representing total comprehensive income for the financial year/period	3,422	5,029	6,391	1,097	6,476
EBITDA ^(a)	4,786	6,929	9,326	2,279	9,731
GP margin (%) ^(b)	21.87	22.44	30.56	27.65	24.57
PBT margin (%) ^(c)	14.63	14.32	17.59	8.03	13.36
PAT margin (%) ^(c)	11.07	10.79	12.72	4.50	9.65
Effective tax rate (%) ^(d)	24.31	24.68	27.65	43.92	27.80
Basic and diluted EPS (sen) ^(e)	0.68	1.01	1.28	0.22	1.30

12. FINANCIAL INFORMATION (Cont'd)

Notes:

* Less than RM500.

(a) EBITDA is computed as follows:

	Audited			Unaudited	Audited
	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
PAT	3,422	5,029	6,391	1,097	6,476
Add:					
Taxation	1,099	1,648	2,442	859	2,494
Depreciation	218	183	330	239	333
Finance costs	47	69	163	84	462
Less:					
Interest income	-	-	-	-	(34)
EBITDA	4,786	6,929	9,326	2,279	9,731

(b) GP margin is calculated based on GP divided by revenue.

(c) PBT margin and PAT margin are calculated based on the respective PBT and PAT divided by revenue.

(d) Effective tax rate is calculated based on taxation divided by PBT.

(e) Basic EPS is calculated based on PAT divided by our enlarged issued share capital of 500,000,000 Shares upon Listing. Our Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

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12. FINANCIAL INFORMATION (Cont'd)**12.1.2 Historical audited combined statements of financial position**

	Audited as at			
	31 December			30 September
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	442	763	1,698	1,820
Investment in an associate ^(a)	435	452	-	-
Deferred tax assets	3	-	-	7
	880	1,215	1,698	1,827
Current assets				
Trade receivables	4,527	4,069	7,564	9,502
Contract assets ^(b)	7,417	12,494	17,105	23,849
Other receivables ^(c)	267	274	1,079	2,533
Amount due from Directors	1,156	1,156	-	-
Fixed deposit with licensed bank	-	-	1	1
Cash and bank balances	3,321	1,910	2,975	8,718
	16,688	19,903	28,724	44,603
Total assets	17,568	21,118	30,422	46,430
EQUITY				
Share capital	-	-	-	1
Invested equity	1,000	1,000	1,000	1,000
Retained earnings	4,924	6,703	7,194	13,670
Total equity	5,924	7,703	8,194	14,671
LIABILITIES				
Non-current liabilities				
Loans and borrowings	607	531	1,823	2,454
Lease liabilities	158	239	839	877
Deferred tax liabilities	-	2	19	-
	765	772	2,681	3,331
Current liabilities				
Loans and borrowings	1,568	1,184	3,452	7,521
Lease liabilities	113	102	215	288
Trade payables	4,970	5,792	14,358	17,346
Contract liabilities ^(d)	3,077	399	74	930
Other payables ^(e)	159	3,052	414	908
Tax payable	992	2,114	1,034	1,435
	10,879	12,643	19,547	28,428
Total liabilities	11,644	13,415	22,228	31,759
Total equity and liabilities	17,568	21,118	30,422	46,430

Notes:

- (a) Our Group held 50.00% equity interest in AES Asia as at 31 December 2022 and 2023. The investment in an associate includes the share of post-acquisition results of the associate for FYE 2022 and FYE 2023.

On 30 October 2023, our Group subscribed for an additional 40,000 shares in AES Asia for a total cash consideration of RM40,000, which remained its ownership at 50.00%. On 2 January 2024, our Group disposed of its 50.00% equity interest in AES Asia for a cash consideration of RM465,050.

12. FINANCIAL INFORMATION (Cont'd)

For clarification, no share of results of associate was recorded for the FYE 2024 as the Group ceased to have significant influence over the associate upon transfer and registration of the shares in AES Asia to the purchaser dated 2 January 2024. However, the share sale agreement was completed on 14 May 2024, being the date of the full payment of purchase price in accordance with the terms of the share sale agreement.

- (b) Contract assets arise as a result of revenue recognised for satisfying the performance obligations but the progress billings have not been issued to our customers as such works have yet to reach the stage at which we are entitled to invoice our customers. Contract assets increased as a result of the significant progress in the interior fit-out services contract activities of which progress billings are pending to be issued to our customers.

The increase in contract assets from RM7.42 million as at 31 December 2022 to RM12.49 million as at 31 December 2023 was mainly attributed by I-City Project, Bandar Enstek Project and IOI Resort City Project. The increase in contract assets from RM12.49 million as at 31 December 2023 to RM17.11 million as at 31 December 2024 was mainly attributed by Jalan Ampang 1 Project and Section 15 Project. The increase in contract assets from RM17.11 million as at 31 December 2024 to RM23.85 million as at 30 September 2025 was mainly attributed by Bukit Damansara Project, Jalan Melaka Project and Johor Bahru Project.

- (c) The breakdown of other receivables is as follows:

	Audited as at		
	31 December		30 September
	2022	2023	2024
	2025		
	RM'000	RM'000	RM'000
Non-trade receivables	60	55	59
Deposits	207	209	736
Prepayments	-	10	284
Total	267	274	1,079
			2,533

Non-trade receivables represent staff advances, which were non-trade in nature, interest-free and repayable on demand.

Deposits mainly comprise (i) tender deposits in relation to projects; and (ii) renovation deposits paid to building management. The deposits increased by RM0.53 million as at 31 December 2024 as compared to 31 December 2023 mainly attributable to deposits paid to our subcontractor from the Philippines relating to the project secured in the Philippines.

Prepayments as at 31 December 2024 and 30 September 2025 comprise listing expenses which include professional and advisory fees payable to our Principal Adviser, Solicitors, Reporting Accountants, IMR, tax agent and internal control consultants in relation to our IPO. Such expenses are not charged out to profit or loss immediately when incurred as they are considered to be directly attributable to the Listing. The listing expenses will be apportioned and offset against share capital or charge out to profit or loss upon completion of the Listing.

- (d) The contract liabilities related to advance billings in excess of revenue recognised over time during the interior fit-out services contract activities.

12. FINANCIAL INFORMATION (Cont'd)

(e) The breakdown of other payables are as follows:

	Audited as at			
	31 December			30 September
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Non-trade payables	114	133	254	258
Accruals	45	419	160	572
Dividend payable	-	2,500	-	-
Sales and service tax payable	-	-	-	78
Total	159	3,052	414	908

Non-trade payables mainly comprise non-trade transactions such as secretarial fees, tax agent fees and professional fees in relation to our IPO.

Accruals mainly comprise accruals for employees' salaries, bonus and statutory contributions. Higher accruals as at 31 December 2023 was attributable to accrued bonus to employees. No bonus has been declared for the FYE 2024 up to the LPD and hence, no accrual was made for bonus to employees as at 31 December 2024. Higher accruals as at 30 September 2025 was mainly attributable to provision for Outstanding EPF Contributions as well as accrued dividend and estimated late payment charges for Outstanding EPF Contributions.

Dividend payable represents dividend declared in respect of FYE 2023, which was paid on 13 May 2024.

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12. FINANCIAL INFORMATION (Cont'd)**12.1.3 Historical audited combined statements of cash flows**

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
PBT	4,521	6,677	8,833	8,970
Adjustments for:				
Allowance for/(reversal of) expected credit losses	12	70	(6)	139
Bad debts written off	-	-	-	48
Depreciation of property, plant and equipment	218	183	330	333
Gain on early termination of lease contract	-	-	*	-
Gain on disposal of an associate	-	-	(13)	-
Gain on disposal of property, plant and equipment	(75)	-	(142)	-
Interest expenses	47	69	163	462
Interest income	-	-	-	(34)
Share of results of an associate	(99)	23	-	-
Waiver of debts from other payables	-	(1)	(62)	-
Operating profit before working capital changes	4,624	7,021	9,103	9,918
Changes in working capital:				
Contract balances	(3,657)	(7,755)	(4,935)	(5,888)
Receivables	(1,455)	380	(4,294)	(3,579)
Payables	2,021	1,216	8,490	3,482
Cash generated from operations	1,533	862	8,364	3,933
Tax paid	(135)	(520)	(3,505)	(2,119)
Net cash from operating activities	1,398	342	4,859	1,814
Cash flows from investing activities				
Repayment from Directors	-	-	1,156	-
Interest received	-	-	-	34
Investment in an associate	-	(40)	-	-
Purchase of property, plant and equipment	(208)	(384)	(415)	(145)
Proceeds from disposal of property, plant and equipment	144	80	311	-
Proceeds from disposal of an associate	-	-	465	-
Net cash (used in)/from investing activities	(64)	(344)	1,517	(111)
Cash flows from financing activities				
Interest paid	(47)	(69)	(163)	(462)
Proceeds from issuance of shares	-	-	-	1
Dividend paid	-	(750)	(8,400)	-
Net drawdown/(repayment) of bankers' acceptances	933	(387)	2,096	3,950
Net (repayment)/drawdown of term loans	(70)	(72)	1,463	750
Repayment of lease liabilities	(112)	(131)	(306)	(199)
Net cash from/(used in) financing activities	704	(1,409)	(5,310)	4,040
Net increase/(decrease) in cash and cash equivalents	2,038	(1,411)	1,066	5,743
Cash and cash equivalents at the beginning of the financial year/period	1,283	3,321	1,910	2,976
Cash and cash equivalents at the end of the financial year/period	3,321	1,910	2,976	8,719
Cash and cash equivalents at the end of the financial year/period comprise:				
Cash and bank balances	3,321	1,910	2,975	8,718
Fixed deposit with licensed bank	-	-	1	1
	3,321	1,910	2,976	8,719

12. FINANCIAL INFORMATION (Cont'd)

Note:

* Less than RM500.

12.2 CAPITALISATION AND INDEBTEDNESS

The table below summarises our capitalisation and indebtedness as at 31 December 2025, which has been adjusted for the effect of the Public Issue including utilisation of proceeds.

	Unaudited	Pro Forma I	Pro Forma II
	As at 31 December 2025	After Public Issue	After Pro Forma I and utilisation of proceeds
	RM'000	RM'000	RM'000
Indebtedness			
Current			
<i>Secured and guaranteed:</i>			
Loans and borrowings	6,831	6,831	6,831
Hire purchase payables	146	146	146
<i>Unsecured and not guaranteed:</i>			
Lease liabilities	197	197	197
Non-Current			
<i>Secured and guaranteed:</i>			
Loans and borrowings	2,364	2,364	1,164
Hire purchase payables	467	467	467
<i>Unsecured and not guaranteed:</i>			
Lease liabilities	537	537	537
Financial guarantees ^(a)	8,789	8,789	8,789
Total indebtedness	19,331	19,331	18,131
Capitalisation			
Shareholders' equity	17,332	35,432	31,832
Total capitalisation and indebtedness	36,663	54,763	49,963
Gearing ratio (times)^(b)	0.57	0.28	0.27

Notes:

- (a) Comprises bank guarantees for performance bonds issued to third parties and corporate guarantees provided to certain financial institutions for credit facilities granted to related parties.
- (b) Calculated based on total indebtedness (excluding financial guarantees and lease liabilities arising from rented offices classified as right-of-use assets) divided by total capitalisation.

12. FINANCIAL INFORMATION (Cont'd)**12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following management's discussion and analysis of our Group's financial condition and results of operations for the Financial Years and Period Under Review should be read together with the Accountants' Report and related notes as set out in Section 14 of this Prospectus.

12.3.1 Overview of our business operations

Our Group is principally involved in the provision of interior fit-out services which can be further segmented under the following business activities:

(i) Interior fit-out works

We provide interior fit-out works based on design provided by our customers, as approved by design consultant, M&E consultant engineer, civil and structural consultant engineer and/or architect appointed by the customer. This encompasses the supervision and coordination of on-site activities to ensure that the projects are completed with quality standards and in accordance with the project timeline, as well as in line with the design specifications provided by our customers.

(ii) Turnkey fit-out services

We offer turnkey fit-out services where we are responsible for design and fit-out works that include coordinating, managing and supervising the entire interior fit-out process from the initial conceptual design, project implementation up to the project completion and handover upon issuance of CPC and rectification of defects during the DLP.

We specialise in providing interior fit-out services for commercial and industrial properties mainly for use as corporate offices, F&B outlets and sales galleries.

We principally operate in Malaysia and do not have a physical presence in any foreign country. However, we have provided interior fit-out services for overseas markets during the Financial Years and Period Under Review. In this regard, our Group will source for and/or appoint licensed subcontractors in the respective overseas markets to carry out interior fit-out works while we will be responsible for overall management of the interior fit-out project.

Please refer to Section 7 of this Prospectus for detailed information on our business activities.

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12. FINANCIAL INFORMATION (Cont'd)**12.3.2 Segmental analysis by revenue**

Our revenue is measured and recognised over the period of the contract by reference to the progress towards complete satisfaction of our performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of fit-out costs incurred for work performed to date over the total estimated fit-out costs.

We are entitled to invoice our customers for interior fit-out services upon achieving a series of performance-related milestones. Our Group recognises a contract asset for any excess of revenue recognised to date over billing-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when an invoice is issued or timing for billing is due in the passage of time. If the milestone billing exceeds the revenue recognised to date and any deposits or advances are received from customers, then our Group recognises a contract liability for the difference.

(i) Revenue by business segments and property use

The table below sets out the breakdown and analysis of our revenue by business segments and property use for the Financial Years and Period Under Review:

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interior fit-out works	27,748	89.76	31,459	67.47	25,913	51.59	9,882	40.57	52,122	77.65
Corporate offices	27,522	89.03	24,742	53.06	21,206	42.22	5,619	23.07	47,604	70.92
F&B outlets	27	0.09	4,862	10.43	4,341	8.64	4,191	17.21	-	-
Sales galleries	-	-	953	2.05	363	0.72	69	0.28	84	0.12
Others ^(a)	199	0.64	902	1.93	3	0.01	3	0.01	4,434	6.61
Turnkey fit-out services	3,164	10.24	15,170	32.53	24,313	48.41	14,478	59.43	14,999	22.35
Corporate offices	2,795	9.04	12,591	27.00	24,096	47.98	14,261	58.54	12,156	18.11
Sales galleries	-	-	1,782	3.82	157	0.31	157	0.64	729	1.09
Others ^(a)	369	1.20	797	1.71	60	0.12	60	0.25	2,114	3.15
Total	30,912	100.00	46,629	100.00	50,226	100.00	24,360	100.00	67,121	100.00

Note:

(a) Others include co-working spaces, beauty salons, healthcare premises and hotel.

12. FINANCIAL INFORMATION (Cont'd)**(ii) Revenue by geographical location**

The table below sets out the breakdown and analysis of our revenue by geographical location for the Financial Years and Period Under Review:

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	30,856	99.82	46,519	99.76	49,884	99.32	24,356	99.98	67,119	100.00
Overseas	56	0.18	110	0.24	342	0.68	4	0.02	2	*
The Philippines	-	-	-	-	278	0.55	-	-	2	*
Others ^(a)	56	0.18	110	0.24	64	0.13	4	0.02	-	-
Total	30,912	100.00	46,629	100.00	50,226	100.00	24,360	100.00	67,121	100.00

Notes:

* Less than 0.01%.

(a) Others include Australia, Indonesia, New Zealand and Singapore.

(iii) Revenue by customer category

The table below sets out breakdown and analysis of our revenue by customer category for the Financial Years and Period Under Review:

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Property owners and tenants	9,616	31.11	25,622	54.95	35,131	69.95	14,836	60.90	60,408	90.00
MNCs	6,099	19.73	13,997	30.02	28,931	57.60	9,845	40.41	37,313	55.59
Local corporations	3,517	11.38	11,625	24.93	6,200	12.35	4,991	20.49	23,095	34.41
Consultants^(a)	21,296	68.89	21,007	45.05	15,095	30.05	9,524	39.10	6,713	10.00
MNCs	7,431	24.04	11,629	24.94	9,248	18.41	5,203	21.36	4,941	7.36
Local corporations	13,865	44.85	9,378	20.11	5,847	11.64	4,321	17.74	1,772	2.64
Total	30,912	100.00	46,629	100.00	50,226	100.00	24,360	100.00	67,121	100.00

Note:

(a) Comprise interior fit-out consultants and project management consultants that are either MNCs or local corporations.

12. FINANCIAL INFORMATION (Cont'd)**(iv) Commentary on revenue****FYE 2023 compared to FYE 2022**

Our Group's total revenue increased by RM15.72 million or 50.86% from RM30.91 million in FYE 2022 to RM46.63 million in FYE 2023, mainly due to an increase in revenue contribution from turnkey fit-out services segment of RM12.01 million or 380.06% and interior fit-out works segment of RM3.71 million or 13.37% during FYE 2023.

Our primary revenue contributor was interior fit-out projects for corporate offices, which contributed 98.07% and 80.06% of our total revenue in FYE 2022 and FYE 2023, respectively.

In FYE 2023, our total revenue was mainly derived from property owners or tenants which accounted for 54.95% of our total revenue (FYE 2022: 31.11%) whereby MNC customers accounted for 54.96% of our total revenue for FYE 2023 (FYE 2022: 43.77%).

Interior fit-out works

Interior fit-out works segment contributed 89.76% and 67.47% to our total revenue for FYE 2022 and FYE 2023, respectively. In FYE 2023, our revenue from this segment increased by RM3.71 million or 13.37% from RM27.75 million in FYE 2022 to RM31.46 million in FYE 2023. The increase in revenue was mainly attributable to:

- (i) commencement of following new interior fit-out works projects:
 - (a) I-City Project, which had contributed to a revenue of RM4.20 million, representing 13.35% of our revenue from interior fit-out works segment for FYE 2023; and
 - (b) interior fit-out works mainly comprising wall and partition finishes, ceiling finishes and floor finishes for a corporate office located at Mid Valley City, Kuala Lumpur for a total contract value of RM1.56 million ("**MV City 1 Project**"). This project had contributed to a revenue of RM1.35 million, representing 4.29% of our revenue from interior fit-out works segment for FYE 2023.
- (ii) higher level of interior fit-out activities performed which resulted in higher percentage of completion for the following ongoing interior fit-out work projects which commenced works in FYE 2022:
 - (a) Section 13 Project, which had contributed to a revenue of RM8.27 million, representing 26.29% of our revenue from interior fit-out works segment for FYE 2023 as compared to revenue of RM0.22 million recognised in FYE 2022;
 - (b) KL Sentral Project, which had contributed to a revenue of RM3.84 million, representing 12.21% of our revenue from interior fit-out works segment for FYE 2023 as compared to revenue of RM0.07 million in FYE 2022; and
 - (c) TTDI 1 Project, which had contributed to a revenue of RM3.29 million, representing 10.46% of our revenue from interior fit-out works segment for FYE 2023 as compared to revenue of RM0.11 million in FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)

The increase in revenue from interior fit-out works segment was partially offset by the decrease in revenue from the following ongoing interior fit-out works projects due to completion of the projects:

- (i) decrease in revenue of RM6.39 million or 69.96% from Bukit Jalil 1 Project which was completed in December 2022. The lower revenue recorded in FYE 2023 was due to lower percentage of work done of 22.94% as compared to 76.37% in the FYE 2022. The revenue recognised in FYE 2023 was due to the receipt of subcontractors' and suppliers' invoices subsequent to the completion of the project as our Group's revenue is recognised based on percentage of completion using the cost incurred method;
- (ii) decrease in revenue of RM3.92 million or 99.34% from Jalan Sultan Ismail 1 Project which was completed in April 2022;
- (iii) decrease in revenue of RM2.46 million or 100.00% from Petaling Lama Project which was completed in July 2022;
- (iv) decrease in revenue of RM2.42 million or 100.00% from Damansara Heights Project which was completed in January 2023; and
- (v) decrease in revenue of RM1.65 million or 99.62% from interior fit-out works for a corporate office located in Desa Parkcity, Kuala Lumpur which was completed in September 2022.

Turnkey fit-out services

Turnkey fit-out services segment contributed 10.24% and 32.53% to our total revenue for FYE 2022 and FYE 2023, respectively. In FYE 2023, our revenue from this segment increased by RM12.01 million or 380.06% from RM3.16 million in FYE 2022 to RM15.17 million in FYE 2023. The increase in revenue was mainly attributable to the commencement of 14 new turnkey fit-out services projects which recorded a total revenue of RM15.14 million in FYE 2023.

These new turnkey fit-out services projects mainly include:

- (i) Jalan Sultan Ismail 2 Project, which had contributed to a revenue of RM3.31 million, representing 21.82% of our revenue from turnkey fit-out services segment for FYE 2023;
- (ii) turnkey fit-out services comprising reinstatement works for a corporate office located at Jalan Sultan Ismail, Kuala Lumpur for a contract value of RM1.19 million. This project had contributed to a revenue of RM1.18 million, representing 7.78% of our revenue from turnkey fit-out services segment for FYE 2023;
- (iii) Bangsar South Project, which had contributed to a revenue of RM2.23 million, representing 14.70% of our revenue from turnkey fit-out services segment for FYE 2023;
- (iv) Georgetown 1 Project, which had contributed to a revenue of RM2.04 million, representing 13.45% of our revenue from turnkey fit-out services segment for FYE 2023;
- (v) turnkey fit-out services comprising wall finishes, ceiling finishes, floor finishes, door signage, built-in joinery work and MEP works for a sales gallery located in Cyberjaya, Selangor for a total contract value of RM1.94 million. This project had contributed to a revenue of RM1.78 million, representing 11.73% of our revenue from turnkey fit-out services segment for FYE 2023;

12. FINANCIAL INFORMATION (Cont'd)

- (vi) Bandar Enstek Project, which had contributed to a revenue of RM1.30 million, representing 8.57% of our revenue from turnkey fit-out services segment for FYE 2023; and
- (vii) IOI Resort City Project, which had contributed to a revenue of RM1.21 million, representing 7.98% of our revenue from turnkey fit-out services segment for FYE 2023.

The increase in revenue from the turnkey fit-out services segment was partially offset by the decrease in revenue from the following completed turnkey fit-out services projects:

- (i) decrease in revenue of RM1.76 million or 99.41% from Damansara Utama Project which was completed in January 2022; and
- (ii) decrease in revenue of RM0.60 million or 100.00% from turnkey fit-out services for a corporate office project located in Seksyen 16, Petaling Jaya, Selangor, which was completed in August 2022.

FYE 2024 compared to FYE 2023

Our Group's total revenue increased by RM3.60 million or 7.72% from RM46.63 million in FYE 2023 to RM50.23 million in FYE 2024, mainly due to an increase in revenue contribution from turnkey fit-out services segment of RM9.14 million or 60.25%. The increase in total revenue was partially offset by the decrease in revenue contribution from the interior fit-out works segment of RM5.55 million or 17.64% during FYE 2024.

Our primary revenue contributor was interior fit-out projects for corporate offices, which contributed 80.06% and 90.20% of our total revenue in FYE 2023 and FYE 2024, respectively.

In FYE 2024, our total revenue was mainly derived from property owners or tenants which accounted for 69.95% of our total revenue (FYE 2023: 54.95%) whereby MNC customers accounted for 76.01% of our total revenue for FYE 2024 (FYE 2023: 54.96%).

Interior fit-out works

Interior fit-out works segment contributed 67.47% and 51.59% to our total revenue for FYE 2023 and FYE 2024, respectively. In FYE 2024, our revenue from this segment decreased by RM5.55 million or 17.64% from RM31.46 million in FYE 2023 to RM25.91 million in FYE 2024. This was mainly attributable to the decrease in revenue from the following ongoing interior fit-out works projects due to completion of the projects:

- (i) decrease in revenue of RM7.68 million or 92.81% from Section 13 Project which was completed in May 2023. The revenue recorded in FYE 2024 of RM0.59 million was attributable to variation orders for upgrading of lifts lobby and installation of air conditioners;
- (ii) decrease in revenue of RM3.19 million or 96.82% from TTDI 1 Project which was completed in March 2023. The revenue recorded in FYE 2024 of RM0.10 million was attributable to variation orders for installation of audio visual systems and upgrade works for office rooms;
- (iii) decrease in revenue of RM2.73 million or 99.41% from Bukit Jalil 1 Project which was completed in December 2022. The revenue recognised in FYE 2024 was due to additional works requested by customer in FYE 2024;
- (iv) decrease in revenue of RM4.20 million or 100.00% from I-City Project which was completed in August 2023;
- (v) decrease in revenue of RM3.85 million or 100.29% from KL Sentral Project which was completed in October 2023. The decrease in revenue exceeding 100.00% was due to negative revenue recognised in FYE 2024, arising from the reversal of revenue over-recognised in FYE 2023 of RM0.01 million; and

12. FINANCIAL INFORMATION (Cont'd)

- (vi) decrease in revenue of RM1.34 million or 99.42% from MV City 1 Project which was completed in December 2023.

The decrease in revenue from interior fit-out works segment was partially offset by the commencement of the following new interior fit-out works projects:

- (i) Jalan Ampang 1 Project, which had contributed to a revenue of RM4.70 million, representing 18.14% of our revenue from interior fit-out works segment for FYE 2024;
- (ii) TRX 2 Project, which had contributed to a revenue of RM4.57 million, representing 17.64% of our revenue from interior fit-out works segment for FYE 2024;
- (iii) Puchong Project, which had contributed to a revenue of RM4.34 million, representing 16.75% of our revenue from interior fit-out works segment for FYE 2024;
- (iv) TRX 1 Project, which had contributed to a revenue of RM2.46 million, representing 9.49% of our revenue from interior fit-out works segment for FYE 2024; and
- (v) Bukit Jalil 2 Project, which had contributed to a revenue of RM2.43 million, representing 9.38% of the revenue from interior fit-out works segment for FYE 2024.

Turnkey fit-out services

Turnkey fit-out services segment contributed 32.53% and 48.41% to our total revenue for FYE 2023 and FYE 2024, respectively. In FYE 2024, our revenue from this segment increased by RM9.14 million or 60.25% from RM15.17 million in FYE 2023 to RM24.31 million in FYE 2024. The increase in revenue was mainly attributable to commencement of the following new turnkey fit-out services projects:

- (i) Section 15 Project, which had contributed to a revenue of RM8.38 million, representing 34.47% of our revenue from turnkey fit-out services segment for FYE 2024;
- (ii) MV City 2 Project, which had contributed to a revenue of RM2.86 million, representing 11.76% of our revenue from turnkey fit-out services segment for FYE 2024;
- (iii) turnkey fit-out services comprising wall finishes, floor finishes, ceiling finishes, built-in joinery work, system furniture and chairs, light fittings, wiring, audio visual and video conferencing systems for a corporate office located in Bandar Enstek Industrial Techpark, Negeri Sembilan for a contract value of RM1.92 million. This project had contributed to a revenue of RM1.92 million, representing 7.90% of our revenue from turnkey fit-out services segment for FYE 2024; and
- (iv) Subang Jaya Project, which had contributed to a revenue of RM1.42 million, representing 5.84% of our revenue from turnkey fit-out services for FYE 2024.

The increase in revenue from the turnkey fit-out services segment was partially offset by the decrease in revenue from the following completed turnkey fit-out services projects:

- (i) decrease in revenue of RM3.04 million or 91.75% from Jalan Sultan Ismail 2 Project which was completed in May 2023; and

12. FINANCIAL INFORMATION (Cont'd)

- (ii) decrease in revenue of RM2.23 million or 100.35% from Bangsar South Project which was completed in September 2023. The decrease in revenue exceeding 100.00% was due to negative revenue recognised in FYE 2024, arising from the reversal of revenue over-recognised in FYE 2023 due to cancellation of variation order.

FPE 2025 compared to FPE 2024

Our Group's total revenue increased by RM42.76 million or 175.53% from RM24.36 million in FPE 2024 to RM67.12 million in FPE 2025, due to an increase in revenue contribution from interior fit-out works segment of RM42.24 million or 427.53% and turnkey fit-out services segment of RM0.52 million or 3.59% in FPE 2025.

Our primary revenue contributor was interior fit-out projects for corporate offices, which contributed 81.61% and 89.03% of our total revenue in FPE 2024 and FPE 2025, respectively.

In FPE 2025, our total revenue was mainly derived from property owners or tenants which accounted for 90.00% of our total revenue (FPE 2024: 60.90%) whereby MNC customers accounted for 62.95% of our total revenue for FPE 2025 (FPE 2024: 61.77%).

Interior fit-out works

Interior fit-out works segment contributed 40.57% and 77.65% to our total revenue for FPE 2024 and FPE 2025, respectively. In FPE 2025, our revenue from this segment increased by RM42.24 million or 427.53% from RM9.88 million in FPE 2024 to RM52.12 million in FPE 2025. The increase in revenue was mainly attributable to commencement of the following new interior fit-out works projects:

- (i) Jalan Ampang 2 Project, which had contributed to a revenue of RM13.43 million, representing 25.77% of our revenue from interior fit-out works segment for FPE 2025;
- (ii) Bukit Damansara Project, which had contributed to a revenue of RM13.34 million, representing 25.59% of our revenue from interior fit-out works segment for FPE 2025;
- (iii) Petaling Jaya Project, which had contributed to a revenue of RM7.12 million, representing 13.66% of our revenue from interior fit-out works segment for FPE 2025;
- (iv) Klang 1 Project, which had contributed to a revenue of RM3.19 million, representing 6.12% of our revenue from interior fit-out works segment for FPE 2025;
- (v) Johor Bahru Project, which had contributed to a revenue of RM2.71 million, representing 5.20% of our revenue from interior fit-out works segment for FPE 2025;
- (vi) Jalan Melaka Project, which had contributed to a revenue of RM2.67 million, representing 5.12% of our revenue from interior fit-out works segment for FPE 2025;
- (vii) Jalan Ampang 1 Project, which had contributed to a revenue of RM1.44 million, representing 2.76% of our revenue from interior fit-out works segment for FPE 2025;

12. FINANCIAL INFORMATION (Cont'd)

- (viii) Jalan Tun Sambanthan Project, which had contributed to a revenue of RM1.31 million, representing 2.51% of our revenue from interior fit-out works segment for FPE 2025; and
- (ix) Georgetown 2 Project, which had contributed to a revenue of RM1.13 million, representing 2.17% of our revenue from interior fit-out works segment for FPE 2025.

The increase in revenue from interior fit-out works segment was partially offset by the decrease in revenue of RM4.19 million or 100.00% from Puchong Project which was completed in June 2024.

Turnkey fit-out services

Turnkey fit-out services segment contributed 59.43% and 22.35% to our total revenue for FPE 2024 and FPE 2025, respectively. In FPE 2025, our revenue from this segment increased by RM0.52 million or 3.59% from RM14.48 million in FPE 2024 to RM15.00 million in FPE 2025. The increase in revenue was attributable to the commencement of the following new turnkey fit-out services projects:

- (i) TTDI 2 Project, which had contributed to a revenue of RM2.84 million, representing 18.93% of our revenue from turnkey fit-out services segment for FPE 2025;
- (ii) Jalan Tun Razak 1 Project, which had contributed to a revenue of RM1.96 million, representing 13.07% of our revenue from turnkey fit-out services segment for FPE 2025;
- (iii) turnkey fit-out services comprising ceiling finishes, wall and partition finishes, floor finishes, built-in furniture and joinery works for a corporate office located in Taman Tun Dr Ismail, Kuala Lumpur for a total contract value of RM1.94 million. This project had contributed to a revenue of RM1.93 million, representing 12.87% of our revenue from turnkey fit-out services segment for FPE 2025;
- (iv) Subang Jaya Project, which had contributed to a revenue of RM1.84 million, representing 12.27% of our revenue from turnkey fit-out services segment for FPE 2025;
- (v) Jalan Tun Razak 2 Project, which had contributed to a revenue of RM1.51 million, representing 10.07% of our revenue from turnkey fit-out services segment for FPE 2025;
- (vi) turnkey fit-out services comprising wall finishes, floor finishes, ceiling finishes and joinery works for a corporate office located in Tun Razak Exchange, Kuala Lumpur for a total contract value of RM1.06 million. This project had contributed to a revenue of RM1.05 million, representing 7.00% of our revenue from turnkey fit-out services segment for FPE 2025; and
- (vii) Klang 2 Project, which had contributed to a revenue of RM0.81 million, representing 5.40% of our revenue from turnkey fit-out services segment for FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)

12.3.3 Segmental analysis by cost of sales

(i) Cost of sales by business segments

The table below sets out the breakdown and analysis of our cost of sales by business segments for the Financial Years and Period Under Review:

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interior fit-out works	21,710	89.89	25,432	70.32	19,017	54.53	8,490	48.17	39,165	77.36
Turnkey fit-out services	2,441	10.11	10,734	29.68	15,859	45.47	9,134	51.83	11,464	22.64
Total	24,151	100.00	36,166	100.00	34,876	100.00	17,624	100.00	50,629	100.00

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12. FINANCIAL INFORMATION (Cont'd)**(ii) Cost of sales by cost items**

The table below sets out the breakdown and analysis of our cost of sales by cost items for the Financial Years and Period Under Review:

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Subcontractors' costs^(a)	19,003	78.68	30,744	85.01	26,020	74.61	13,292	75.42	39,262	77.55
Installation of furniture and fittings	3,142	13.01	3,268	9.04	6,209	17.80	5,136	29.14	9,627	19.02
Interior fit-out works	8,924	36.95	17,902	49.50	5,067	14.53	2,824	16.02	4,565	9.02
Wall and ceiling finishes	1,058	4.38	2,025	5.60	4,648	13.33	1,179	6.69	6,747	13.33
MEP works	1,323	5.48	2,797	7.73	3,874	11.11	831	4.71	4,161	8.22
Air-conditioning works	1,154	4.78	400	1.11	2,309	6.62	787	4.47	4,078	8.05
Systems, hardware and signage and associated installation works	1,377	5.70	1,860	5.14	1,810	5.19	849	4.82	4,979	9.83
Demolition and structure works	420	1.74	525	1.45	995	2.85	320	1.82	2,095	4.14
Installation of fire protection system	424	1.75	285	0.79	636	1.83	640	3.63	1,307	2.58
Floor finishes	1,181	4.89	1,682	4.65	472	1.35	726	4.12	1,703	3.36
Material purchases^(b)	5,057	20.94	5,184	14.33	8,602	24.66	4,143	23.51	10,943	21.61
Furniture and fittings	2,316	9.59	1,896	5.24	3,342	9.58	1,594	9.04	3,944	7.79
Tiles, plasters and panel	1,529	6.33	1,930	5.34	1,661	4.76	1,323	7.51	3,498	6.91
Hardware and signage	513	2.12	425	1.17	1,542	4.42	812	4.61	1,059	2.09
Lightings	622	2.58	230	0.64	1,311	3.76	151	0.86	2,099	4.14
Air-conditioning system	77	0.32	134	0.37	485	1.39	263	1.49	343	0.68
Audio visual system	-	-	569	1.57	261	0.75	-	-	-	-
Project overhead and other related costs^(c)	91	0.38	238	0.66	254	0.73	189	1.07	424	0.84
Total	24,151	100.00	36,166	100.00	34,876	100.00	17,624	100.00	50,629	100.00

12. FINANCIAL INFORMATION (Cont'd)

Notes:

- (a) Subcontractors' costs were the largest component of our cost of sales, representing 78.68%, 85.01%, 74.61% and 77.55% of our total cost of sales for the Financial Years and Period Under Review, respectively. We generally engage the services of subcontractors to perform or assist us in performing certain aspects of our interior fit-out works, including ductwork, metal works and wet works under MEP works. Our subcontractors carry out all the fit-out works under our management and supervision.

The fluctuations in our subcontractors' costs were in tandem with the level and type of works that we outsourced to our subcontractors. This is part of our cost management strategy to engage subcontractors and avoid employing a large permanent workforce which may affect our profit margin due to high fixed costs during lower revenue periods.

- (b) Material purchases mainly comprise purchase of furniture and fittings, audio visual systems, air-conditioning systems, hardware and signage, tiles, plasters and panel as well as lightings. Material purchases were one of the main components of our cost of sales, representing 20.94%, 14.33%, 24.66% and 21.61% of our total cost of sales for the Financial Years and Period Under Review, respectively.

The fluctuations in material purchases during the Financial Years and Period Under Review were in tandem with the increase in our revenue and the implementation of our cost saving approach whereby the Group will procure the materials directly and only engage subcontractors for installation works.

- (c) Project overhead and other related costs mainly comprise subcontracted design and drawing fees, site expenses, custom duty and freight charges and project insurance.

(iii) Commentary on cost of sales

FYE 2023 compared to FYE 2022

Our Group's total cost of sales increased by RM12.02 million or 49.77% from RM24.15 million in FYE 2022 to RM36.17 million in FYE 2023, which corresponded with the increase in our revenue of 50.86% during the same period. The increase in total cost of sales was attributable to increase in subcontractors' costs of RM11.74 million or 61.79% from RM19.00 million in FYE 2022 to RM30.74 million in FYE 2023, which was in line with the increase in provision of interior fit-out services during FYE 2023. The increase in subcontractors' costs were mainly attributable to the increased manpower required for Section 13 Project, I-City Project, KL Sentral Project and TTDI Project as mentioned in Section 12.3.2(iv) of this Prospectus. In addition, a total of 14 new turnkey fit-out services projects commenced works in FYE 2023 which has resulted in the increase in subcontractors' costs.

FYE 2024 compared to FYE 2023

Our Group's total cost of sales decreased by RM1.29 million or 3.57% from RM36.17 million in FYE 2023 to RM34.88 million in FYE 2024, which mainly corresponded with our Group's lower revenue from interior fit-out works segment during the same period. The decrease in total cost of sales was attributable to decrease in subcontractors' costs of RM4.72 million or 15.35% from RM30.74 million in FYE 2023 to RM26.02 million in FYE 2024, which was in line with the decrease in revenue from interior fit out works segment during FYE 2024. The decrease in subcontractors' costs was mainly attributable to the decreased manpower required due to the completion of Section 13 Project, TTDI Project, I-City Project and KL Sentral Project as mentioned in Section 12.3.2(iv) of this Prospectus coupled with lesser materials were procured by subcontractors for FYE 2024 as compared with FYE 2023.

12. FINANCIAL INFORMATION (Cont'd)

The decrease in total cost of sales was offset by an increase in material purchases of RM3.42 million or 66.02% from RM5.18 million in FYE 2023 to RM8.60 million in FYE 2024, mainly attributable to the procurement of furniture and fittings, audio visual systems and air-conditioners for our interior fit-out projects in FYE 2024.

FPE 2025 compared to FPE 2024

Our Group's total cost of sales increased by RM33.01 million or 187.34% from RM17.62 million in FPE 2024 to RM50.63 million in FPE 2025, which corresponded with the increase in our revenue of 175.53% during the same period.

The increase in total cost of sales was attributable to the increase in subcontractors' costs of RM25.97 million or 195.41% from RM13.29 million in FPE 2024 to RM39.26 million in FPE 2025 as well as the increase in material purchases by RM6.80 million or 164.25% from RM4.14 million in FPE 2024 to RM10.94 million in FYE 2025, which was in line with the increase in our revenue during FPE 2025.

The increase in subcontractors' costs and material purchases was mainly attributable to the increased manpower and materials required for Jalan Ampang 2 Project, Bukit Damansara Project, Petaling Jaya Project, Klang 1 Project, Johor Bahru Project, Jalan Melaka Project and TTDI 2 Project as mentioned in Section 12.3.2(iv) of this Prospectus.

12.3.4 Segmental analysis by GP and GP margin

Our Group prices our projects based on project cost estimates after taking into consideration, amongst others, the size, complexity and specifications of the projects. The project cost is estimated at the beginning of the project based on expected purchases, subcontractors' cost, project overhead and project duration. Generally, the project cost estimates will be revised when required to reflect the actual incurred costs. Apart from project costs estimates, each project's GP may differ based on the scope of project, project duration and project margin.

(i) GP and GP margin by business segments

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interior fit-out works	6,038	21.76	6,027	19.16	6,896	26.61	1,392	14.09	12,957	24.86
Turnkey fit-out services	723	22.85	4,436	29.24	8,454	34.77	5,344	36.91	3,535	23.57
Total	6,761	21.87	10,463	22.44	15,350	30.56	6,736	27.65	16,492	24.57

12. FINANCIAL INFORMATION (Cont'd)

In general, turnkey fit-out services segment yields higher GP margin than interior fit-out works segment as the Group is involved in the design and conceptualisation of the interior fit-out project. This allows the Group to provide input regarding materials or installation methods or solutions that optimise cost and to have better cost control of the interior fit-out project.

(ii) Commentary on GP and GP margin**FYE 2023 compared to FYE 2022**

Our GP increased by RM3.70 million or 54.73% from RM6.76 million in FYE 2022 to RM10.46 million in FYE 2023, mainly contributed by the increase in GP from our turnkey fit-out services segment of RM3.71 million in FYE 2023. The increase was offset by the slight decrease in GP from our interior fit-out works segment of RM0.01 million in FYE 2023.

Our overall GP margin increased to 22.44% in FYE 2023 (FYE 2022: 21.87%). This was mainly contributed by the improved GP margin from turnkey fit-out services segment in FYE 2023.

Interior fit-out works

Our cost of sales for the interior fit-out works segment increased by RM3.72 million or 17.13% from RM21.71 million in FYE 2022 to RM25.43 million in FYE 2023, which was higher than our revenue growth rate for this segment of 13.37% during the same period.

Our GP for interior fit-out works segment decreased slightly by RM0.01 million or 0.17% from RM6.04 million in FYE 2022 to RM6.03 million in FYE 2023. We recorded a lower GP margin for the interior fit-out works segment of 19.16% in FYE 2023 (FYE 2022: 21.76%). This was mainly attributable to 2 corporate office projects (including Section 13 Project), which contributed 32.58% of our Group's revenue from the interior fit-out works segment in FYE 2023 that had a cost overrun with negative GP margins of 6.19% and 5.43% respectively, as a result of an increase in the cost of materials where the Company was unable to pass on such increases to the customers.

Nonetheless, the lower GP margin was partially cushioned by the higher margins of 21 projects, representing 50.78% of our revenue from our Group's interior fit-out works segment in FYE 2023, that had average GP margin of 36.77% in FYE 2023.

Turnkey fit-out services

Our cost of sales for the turnkey fit-out services segment increased by RM8.29 million or 339.75% from RM2.44 million in FYE 2022 to RM10.73 million in FYE 2023, which was lower than our revenue growth rate for this segment of 380.06% during the same period.

Our GP for the turnkey fit-out services segment increased by approximately RM3.72 million or 516.67% from RM0.72 million in FYE 2022 to RM4.44 million in FYE 2023 and we recorded higher GP margin for our turnkey fit-out services segment from 22.85% in FYE 2022 to 29.24% in FYE 2023. The higher GP margin was attributable to provision of turnkey fit-out services for 14 new projects, representing 99.80% of our revenue from turnkey fit-out services segment in FYE 2023, that had an average GP margin of 29.23% in FYE 2023.

FYE 2024 compared to FYE 2023

Our GP increased by RM4.89 million or 46.75% from RM10.46 million in FYE 2023 to RM15.35 million in FYE 2024, mainly contributed by the increase in the GP from our turnkey fit-out services segment of RM4.01 million or 90.32%.

12. FINANCIAL INFORMATION (Cont'd)

Our overall GP margin increased to 30.56% in FYE 2024 (FYE 2023: 22.44%). This was mainly contributed by the improved GP margin from both segments in FYE 2024.

The increase in our GP margin from 22.44% in FYE 2023 to 30.56% in FYE 2024 was due mainly to effective cost management whereby our cost of sales has decreased despite an increase in our revenue. Nevertheless, the sustainability of our GP margin depends mainly on our continued efforts to manage our costs and also subject to no material unfavourable fluctuations in the price of materials and subcontractors' costs which may have an adverse impact on our financial performance in the future.

Interior fit-out works

Our cost of sales for the interior fit-out works segment decreased by RM6.41 million or 25.21% from RM25.43 million in FYE 2023 to RM19.02 million in FYE 2024. The percentage of decrease in cost of sales of 25.21% was higher than the percentage of decrease in our revenue for this segment of 17.64% during the same period.

As a result, our GP for the interior fit-out works segment increased by RM0.87 million or 14.43% from RM6.03 million in FYE 2023 to RM6.90 million in FYE 2024 and our GP margin for our interior fit-out works segment increased from 19.16% in FYE 2023 to 26.61% in FYE 2024. This was mainly attributable to:

- (a) 11 new corporate office projects which individually contributed revenue of more than RM0.10 million. These projects collectively contributed approximately RM19.82 million to our total revenue, representing approximately 76.47% of our revenue from interior fit-out works segment in FYE 2024, that had an average GP margin of 34.11% in FYE 2024; and
- (b) our Group managed to negotiate for better pricing from our suppliers and subcontractors mainly for the purchase of partitions, paints, tiles and lightings in FYE 2024.

Turnkey fit-out services

Our cost of sales for the turnkey fit-out services segment increased by RM5.13 million or 47.81% from RM10.73 million in FYE 2023 to RM15.86 million in FYE 2024, which was lower than our revenue growth rate for this segment of 60.25% during the same period.

Our GP for the turnkey fit-out services segment increased by RM4.01 million or 90.32% from RM4.44 million in FYE 2023 to RM8.45 million in FYE 2024 and we recorded higher GP margin for our turnkey fit-out services segment of 34.77% in FYE 2024 (FYE 2023: 29.24%). The higher GP margin was attributable to an average GP margin of 41.08% for 12 projects performed of which these projects, representing 82.45% of our revenue from turnkey fit-out services segment in FYE 2024 were completed or near to completion in FYE 2024. The higher average GP margin for these projects was attributed to lower physical works involved at the final stage and upon finalisation of accounts.

FPE 2025 compared to FPE 2024

Our GP increased by RM9.75 million or 144.66% from RM6.74 million in FPE 2024 to RM16.49 million in FPE 2025, contributed by the increase in GP from our interior fit-out works segment of RM11.57 million in FPE 2025. The increase was offset by the decrease in GP from our turnkey fit-out services segment of RM1.80 million in FPE 2025.

Our overall GP margin decreased to 24.57% in FPE 2025 (FPE 2024: 27.65%). This was mainly contributed by the lower GP margin from turnkey fit-out services segment in FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)Interior fit-out works

Our cost of sales for the interior fit-out works segment increased by RM30.68 million or 361.37% from RM8.49 million in FPE 2024 to RM39.17 million in FPE 2025, which was lower than our revenue growth rate for this segment of 427.53% during the same period.

Our GP for interior fit-out works segment increased by RM11.57 million or 832.37% in FPE 2025. We recorded a GP margin of 24.86% for the interior fit-out works segment in FPE 2025 due mainly to the following:

- (a) 15 new interior fit-out works projects (including Jalan Ampang 2 Project, Bukit Damansara Project, Petaling Jaya Project, Klang 1 Project, Johor Bahru Project, Jalan Melaka Project, Jalan Ampang 1 Project, Jalan Tun Sambanthan Project and Georgetown 2 Project) which individually contributed revenue of more than RM0.10 million. These projects collectively contributed approximately RM50.51 million to our total revenue, representing approximately 96.91% of our revenue from interior fit-out works segment in FPE 2025, that had an average GP margin of 24.06% in FPE 2025; and
- (b) our Group managed to negotiate for better pricing from our suppliers and subcontractors mainly for the purchase of partitions, paints, tiles, lightings and loose furniture in FPE 2025.

Turnkey fit-out services

Our cost of sales for the turnkey fit-out services segment increased by RM2.33 million or 25.52% from RM9.13 million in FPE 2024 to RM11.46 million in FPE 2025 which was higher than our revenue growth rate for this segment of 3.59% during the same period.

Our GP for the turnkey fit-out services segment decreased by RM1.80 million or 33.71% from RM5.34 million in FPE 2024 to RM3.54 million in FPE 2025. We recorded lower GP margin for our turnkey fit-out services segment of 23.57% in FPE 2025 (FPE 2024: 36.91%). The lower GP margin was mainly attributable to variation order for Section 15 Project which led to a reduction in the contract sum and a consequent adjustment to our revenue and GP margin.

In addition, 2 corporate office projects undertaken for a recurring customer, which contributed 31.80% of our Group's revenue from the turnkey fit-out services segment in FPE 2025 had a lower average GP margin of 18.92% as the Group sought to maintain and strengthen the long-term business relationship with this recurring customer, who has been with the Group since 2019.

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12. FINANCIAL INFORMATION (Cont'd)**12.3.5 Other income**

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Gain on disposal of property, plant and equipment	75	100.00	-	-	142	61.47	34	72.34	-	-
Waiver of debts from other payables	-	-	1	100.00	62	26.84	-	-	-	-
Realised gain on foreign exchange	-	-	-	-	14	6.06	-	-	-	-
Gain on disposal of an associate	-	-	-	-	13	5.63	13	27.66	-	-
Gain on early termination of lease contract	-	-	-	-	*	-	*	-	-	-
Interest income	-	-	-	-	-	-	-	-	34	62.96
Refund of tender deposits	-	-	-	-	-	-	-	-	15	27.78
Others ^(a)	-	-	-	-	-	-	-	-	5	9.26
Total	75	100.00	1	100.00	231	100.00	47	100.00	54	100.00

Notes:

* Less than RM500.

(a) Comprise short notice compensation from an employee and credit card rebate.

FYE 2023 compared to FYE 2022

Other income decreased by RM0.07 million in FYE 2023 due to the absence of gain on disposal of property, plant and equipment in relation to the disposal of 2 units of motor vehicles in FYE 2022.

FYE 2024 compared to FYE 2023

Other income increased by RM0.23 million in FYE 2024 which was mainly attributable to gain on disposal of property, plant and equipment of RM0.14 million in relation to the disposal of 2 units of motor vehicles in FYE 2024. The increase in other income was further contributed by the increase in the waiver of debts from other payables of RM0.06 million in FYE 2024. Such waiver occurred due to reconciliation of outstanding balances with our creditor whereby no balances were recorded by the creditor.

FPE 2025 compared to FPE 2024

Other income in FPE 2025 of RM0.05 million remained relatively constant with FPE 2024. In FPE 2025, other income mainly comprised interest income of RM0.03 million and refund of tender deposits of RM0.02 million related to unsuccessful project tenders that had been written off in prior year.

12. FINANCIAL INFORMATION (Cont'd)**12.3.6 Administrative expenses**

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs ^(a)	1,171	49.72	2,239	61.77	4,009	60.82	2,934	61.86	4,785	69.69
Directors' remuneration ^(b)	402	17.07	504	13.90	834	12.65	510	10.75	675	9.83
Professional fee ^(c)	41	1.74	143	3.94	382	5.80	313	6.60	217	3.16
Depreciation	218	9.26	183	5.05	330	5.01	239	5.04	333	4.85
Office expenses ^(d)	158	6.71	156	4.30	489	7.42	317	6.68	452	6.58
Upkeep and maintenance ^(e)	119	5.05	106	2.92	138	2.09	80	1.69	95	1.39
Travelling expenses	65	2.76	67	1.85	135	2.05	115	2.42	74	1.08
Marketing expenses ^(f)	35	1.49	114	3.15	71	1.08	63	1.33	72	1.05
Rental expenses ^(g)	139	5.90	109	3.01	12	0.18	8	0.17	8	0.11
Others ^(h)	7	0.30	4	0.11	191	2.90	164	3.46	155	2.26
Total	2,355	100.00	3,625	100.00	6,591	100.00	4,743	100.00	6,866	100.00

Notes:

- (a) Mainly comprise salaries, wages and allowances, bonuses, EPF contributions, social security contributions and other staff related costs.
- (b) Mainly comprise directors' salaries, allowances, bonuses, EPF contributions and social security contributions.
- (c) Mainly comprise fees incurred for audit, tax, legal and secretarial services.
- (d) Mainly comprise utilities charges, subscription and renewal fees of software licences, printing, courier and stationery as well as bank charges.
- (e) Comprise insurance for motor vehicles and offices, as well as maintenance of motor vehicles, office equipment and office premises.
- (f) Comprise advertisements on online platforms for business marketing, gifts and donations.
- (g) Relate to rental of warehouse for the storage of our materials such as furniture and fittings, hardware, tiles, plasters and panel in FYE 2022 and FYE 2023 and rental of office equipment such as copiers as well as rental of co-working spaces in Penang and Johor Bahru, which commenced in October 2023 and February 2024, respectively.
- (h) Mainly comprise stamp duty for banking facilities agreement, service tax and penalty for underestimation of tax payable for year of assessment 2023 as well as estimated late payment charges for Outstanding EPF Contributions.

12. FINANCIAL INFORMATION (Cont'd)**FYE 2023 compared to FYE 2022**

Our administrative expenses increased by RM1.27 million or 53.81% from RM2.36 million in FYE 2022 to RM3.63 million in FYE 2023. This was mainly attributable to the following:

- (i) increase in staff costs of RM1.07 million or 91.45% due to:
 - (a) higher bonus and incentive payout as well as annual salary adjustments for our existing employees; and
 - (b) increase in our headcounts (excluding our Executive Directors) from 12 employees as at 31 December 2022 to 20 employees as at 31 December 2023 which was in line with the expansion of our business operations.
- (ii) increase in directors' remuneration of RM0.10 million or 25.00% due to annual salary adjustments for our Executive Directors.
- (iii) increase in professional fees of RM0.10 million or 250.00% due to higher professional fees incurred for audit and tax services in line with our revenue growth in FYE 2023.

FYE 2024 compared to FYE 2023

Our administrative expenses increased by RM2.96 million or 81.54% from RM3.63 million in FYE 2023 to RM6.59 million in FYE 2024. This was mainly attributable to the following:

- (i) increase in staff costs of RM1.77 million or 79.02% due to:
 - (a) increase in our headcounts (excluding our Executive Directors) from 20 employees as at 31 December 2023 to 44 employees as at 31 December 2024. This was mainly attributable to the increase in the number of employees of our project department which was in line with the expansion of our business operations; and
 - (b) annual salary adjustments for existing employees.
- (ii) increase in directors' remuneration of RM0.33 million or 66.00% due to annual salary adjustments for our Executive Directors which was in line with our business growth;
- (iii) increase in office expenses of RM0.33 million or 206.25% mainly due to:
 - (a) higher bank charges incurred for bank guarantees for performance bonds in relation to our projects which was in line with the increased number of projects in FYE 2024; and
 - (b) higher subscription fees incurred for various software licences attributable to the increased number of employees.
- (iv) increase in professional fees of RM0.24 million or 171.43%, mainly due to legal fees incurred for banking facilities secured during the year, fees paid for ISO review and professional fees incurred for our Listing exercise;
- (v) increase in depreciation expenses of RM0.15 million or 83.33% mainly from right-of-use assets as a result of an increase in rental charges as well as rental of an additional office unit commencing June 2024; and
- (vi) increase in other administrative expenses of RM0.19 million mainly due to penalty for underestimation of tax payable of RM0.13 million for year of assessment 2023 and stamp duty of RM0.03 million for newly secured banking facilities for working capital purposes.

12. FINANCIAL INFORMATION (Cont'd)

The increase in administrative expenses was partially mitigated by a decrease in rental expenses of RM0.10 million or 88.99% mainly due to cessation of the rental of warehouse in the FYE 2024 as the materials will be delivered directly to the project sites.

FPE 2025 compared to FPE 2024

Our administrative expenses increased by RM2.13 million or 44.94% from RM4.74 million in FPE 2024 to RM6.87 million in FPE 2025. This was mainly attributable to the following:

- (i) increase in staff costs of RM1.86 million or 63.48% due to:
 - (a) increase in our headcounts (excluding our Executive Directors) from 38 employees as at 30 September 2024 to 53 employees as at 30 September 2025. This was mainly attributable to the increase in the number of employees of our project and commercial department which was in line with the expansion of our business operations;
 - (b) annual salary adjustments for existing employees; and
 - (c) provision for Outstanding EPF Contributions and accrued dividend.
- (ii) increase in directors' remuneration of RM0.17 million or 33.33% due to annual salary adjustments for our Executive Directors which was in line with our business growth;
- (iii) increase in office expenses of RM0.13 million or 40.63% mainly due to:
 - (a) higher subscription fees incurred due to the subscription of new software coupled with the increase in the number of software licences for our increased headcounts in FPE 2025; and
 - (b) insurance charges for group medical insurance attributable to the increased headcounts in FPE 2025.

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12. FINANCIAL INFORMATION (Cont'd)**12.3.7 Net (loss)/reversal on impairment of financial assets and other expenses**

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

The breakdown of our net (loss)/reversal on impairment of financial assets and other expenses for the Financial Years and Period Under Review is as follows:

Net (loss)/reversal on impairment of financial assets

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Allowance for ECL	(12)	100.00	(70)	100.00	-	-	-	-	139	100.00
Reversal of impairment losses	-	-	-	-	6	100.00	-	-	-	-
Total	(12)	100.00	(70)	100.00	6	100.00	-	-	139	100.00

Other expenses

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Realised loss on foreign exchange	*	100.00	-	-	-	-	*	100.00	61	55.96
Bad debts written off	-	-	-	-	-	-	-	-	48	44.04
Total	*	100.00	-	-	-	-	*	100.00	109	100.00

Note:

* Less than RM500.

12. FINANCIAL INFORMATION (Cont'd)**FYE 2023 compared to FYE 2022**

In FYE 2022 and FYE 2023, the impairment losses on trade receivables were collective impairment, attributable to assessment on ECL from the application of MFRS 9.

FYE 2024 compared to FYE 2023

In FYE 2024, there is reversal of trade receivables of less than RM0.01 million after reassessing the ECL in FYE 2024.

FPE 2025 compared to FPE 2024

In FPE 2025, the impairment losses on trade receivables were collective impairment, attributable to assessment on ECL from the application of MFRS 9.

Other expenses for FPE 2025 mainly related to realised loss on foreign exchange of RM0.06 million arising from trade payables that were transacted in USD and bad debts written off of RM0.05 million.

12.3.8 Finance costs

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Term loans	25	53.20	26	37.68	48	29.45	11	13.09	178	38.53
Lease liabilities	11	23.40	12	17.39	58	35.58	41	48.81	55	11.90
Bankers' acceptances	11	23.40	31	44.93	57	34.97	32	38.10	229	49.57
Total	47	100.00	69	100.00	163	100.00	84	100.00	462	100.00

FYE 2023 compared to FYE 2022

Our finance costs increased by RM0.02 million or 40.00% from RM0.05 million in FYE 2022 to RM0.07 million in FYE 2023, which was mainly attributable to an increase in interest expenses on bankers' acceptances as a result of higher utilisation of banker's acceptances for payment to our suppliers and subcontractors during FYE 2023.

12. FINANCIAL INFORMATION (Cont'd)**FYE 2024 compared to FYE 2023**

Our finance costs increased by RM0.09 million or 128.57% from RM0.07 million in FYE 2023 to RM0.16 million in FYE 2024 which was attributable to:

- (i) higher interest expenses on lease liabilities of RM0.06 million arising from 1 additional unit of rented office and an increase in rental rates of 2 units of rented offices during FYE 2024;
- (ii) higher interest expenses on term loans in FYE 2024, due to drawdown of 2 new term loans with a total principal amount of RM2.00 million in FYE 2024 to finance our working capital; and
- (iii) higher interest expenses on bankers' acceptances in FYE 2024 due to higher utilisation of bankers' acceptances for payment to our suppliers and subcontractors in FYE 2024.

FPE 2025 compared to FPE 2024

Our finance costs increased by RM0.38 million or 475.00% from RM0.08 million in FPE 2024 to RM0.46 million in FPE 2025 which was attributable to:

- (i) higher interest expenses on term loans in FPE 2025, due to drawdown of 1 new term loan with a total principal amount of RM1.00 million in FPE 2025 to finance our working capital and recognition of 9-month interest expenses on 2 existing term loans with a total principal amount of RM2.00 million that were drawn down in December 2024; and
- (ii) higher interest expenses on bankers' acceptances in FPE 2025 due to higher utilisation of bankers' acceptances for payment to our suppliers and subcontractors in FPE 2025.

12.3.9 Share of result of an associate

Share of result of an associate related to the share of results of AES Asia for the FYE 2022 and FYE 2023. Our Group had disposed of entire equity interest held in AES Asia on 2 January 2024.

12.3.10 PBT, PAT and effective tax rate

	Audited			Unaudited	Audited
	FYE 2022	FYE 2023	FYE 2024	FPE 2024	FPE 2025
PBT (RM'000)	4,521	6,677	8,833	1,956	8,970
PBT margin (%)	14.63	14.32	17.59	8.03	13.36
Taxation (RM'000)	1,099	1,648	2,442	859	2,494
Effective tax rate (%)	24.31	24.68	27.65	43.92	27.80
PAT (RM'000)	3,422	5,029	6,391	1,097	6,476
PAT margin (%)	11.07	10.79	12.72	4.50	9.65

FYE 2023 compared to FYE 2022

Our PBT increased by RM2.16 million or 47.79% from RM4.52 million in FYE 2022 to RM6.68 million in FYE 2023, mainly due to higher GP recorded in FYE 2023 which was moderated by the higher administrative expenses incurred for FYE 2023. Despite the increase in GP margin from 21.87% in FYE 2022 to 22.44% in FYE 2023, our PBT margin decreased slightly from 14.63% in FYE 2022 to 14.32% in FYE 2023. The decrease in PBT margin was mainly due to the increase in administrative expenses of 53.81% higher than the increase in revenue of 50.86% in FYE 2023.

12. FINANCIAL INFORMATION (Cont'd)

Our effective tax rate of 24.68% in FYE 2023 (FYE 2022: 24.31%) was slightly higher than the statutory tax rate of 24.00%, mainly due to non-deductible expenses for tax purposes such as depreciation for non-qualifying assets and professional fees.

Our PAT increased by RM1.61 million or 47.08% from RM3.42 million in FYE 2022 to RM5.03 million in FYE 2023 which was contributed by the increase in GP as mentioned above. Our PAT margin decreased slightly from 11.07% in FYE 2022 to 10.79% in FYE 2023 mainly due to higher tax expense of RM1.65 million in FYE 2023, an increase of RM0.55 million or 50.00% as compared to FYE 2022.

FYE 2024 compared to FYE 2023

Our PBT increased by RM2.15 million or 32.19% from RM6.68 million in FYE 2023 to RM8.83 million in FYE 2024, mainly due to higher GP recorded in FYE 2024 which was moderated by the higher administrative expenses incurred for FYE 2024. Our PBT margin increased from 14.32% in FYE 2023 to 17.59% in FYE 2024. The increase in PBT margin was mainly due to the increase in GP margin from 22.44% in FYE 2023 to 30.56% in FYE 2024 as explained in Section 12.3.4(ii) above.

Our effective tax rate of 27.65% in FYE 2024 (FYE 2023: 24.68%) was higher than the statutory tax rate of 24.00%, mainly due to under provision of current tax in prior financial year of RM0.32 million and non-deductible expenses for tax purposes such as depreciation for non-qualifying assets and professional fees.

Our PAT increased by RM1.36 million or 27.04% from RM5.03 million in FYE 2023 to RM6.39 million in FYE 2024 following the improvement in PBT. Similarly, PAT margin also increased from 10.79% in FYE 2023 to 12.72% in FYE 2024.

FPE 2025 compared to FPE 2024

Our PBT increased by RM7.01 million or 357.65% from RM1.96 million in FPE 2024 to RM8.97 million in FPE 2025, mainly due to higher GP recorded in FPE 2025 which was moderated by the higher administrative expenses and finance costs incurred for FPE 2025. Our PBT margin increased from 8.03% in FPE 2024 to 13.36% in FPE 2025. The increase in PBT margin was mainly due to the increase in GP of 144.66% which is higher than the increase in administrative expenses of 44.94%.

The effective tax rate of 27.80% for FPE 2025 was higher than the statutory tax rate of 24.00%, mainly due to non-deductible expenses such as depreciation for non-qualifying assets, provision for Outstanding EPF Contributions, stamp duty and under provision of income tax for the year of assessment 2024.

Our PAT increased by RM5.38 million or 489.09% from RM1.10 million in FPE 2024 to RM6.48 million in FPE 2025 following the improvement in PBT. Similarly, PAT margin also increased from 4.50% in FPE 2024 to 9.65% in FPE 2025.

12. FINANCIAL INFORMATION (Cont'd)**12.4 SIGNIFICANT FACTORS AFFECTING OUR OPERATIONS AND FINANCIAL PERFORMANCE**

Section 9 of this Prospectus details a number of risk factors relating to our business and the industry in which we operate. Some of the risk factors have an impact to our Group's revenue and financial performance. The main factors which affect our revenue and profit include but not limited to the following:

(i) Our business and financial performance are dependent on our ability to secure new projects to replenish our order book

The provision of our interior fit-out services are typically project-based, with revenue recognised progressively from project execution through to the completion of works. As such, our financial performance, including revenue, profitability and operating cash flow, is subject to fluctuations depending on the number, value and completion stage of the projects undertaken in any given financial year.

In order to sustain our business operations and financial performance, we would have to continuously secure new interior fit-out projects. As our projects are typically awarded through tender process, we are required to actively participate in tender exercises and submit proposals for each potential project. However, there is no assurance that we will be successful in every tender or in securing new projects on a continuous basis in the future. If we are unable to consistently replenish our order book with new projects, it may materially and adversely affect our revenue, profitability and future prospects.

Please refer to Section 9.1.1 of this Prospectus for further details on risk factors.

(ii) We are dependent on the quality of services of our subcontractors and materials from our suppliers

During the Financial Years and Period Under Review, subcontractors' costs accounted for 78.68% (RM19.00 million), 85.01% (RM30.74 million), 74.61% (RM26.02 million) and 77.55% (RM39.26 million) of our Group's total cost of sales for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, respectively, while material purchases accounted for 20.94% (RM5.06 million), 14.33% (RM5.18 million), 24.66% (RM8.60 million) and 21.61% (RM10.94 million) of our Group's total cost of sales for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, respectively.

In the event that our subcontractors fail to deliver the work in accordance with the project schedule and quality requirements, it may result in project delays, additional costs or potential claims from our customers. It may also affect our reputation, which could subsequently impact our ability to secure new projects from existing or new customers in the future.

Please refer to Section 9.1.2 of this Prospectus for further details on risk factors.

(iii) Our business is dependent on certain registrations, licences and permits

As at the LPD, we have obtained all required registrations, licences and permits to carry out our business and we have not encountered any suspension or non-renewal of registrations and/or licences. We must comply with any regulations, terms and conditions imposed by the relevant authorities to retain such registrations and/or licences. This includes notifying and submitting to CIDB information and documents relating to construction works secured, whether new or otherwise, including changes in the value of the interior fit-out works, as well as making levy payments.

12. FINANCIAL INFORMATION (Cont'd)

Failure to comply with the regulations, terms and conditions imposed by the relevant authorities may result in the imposition of fines and penalties, suspension, cancellation or non-renewal of our registrations and/or licences. The failure to keep or renew promptly the requisite registrations and/or licences could result in the suspension or restrictions in our business operations including our ability to participate in tenders and to carry out interior fit-out services which would adversely affect our business operations and financial performance.

Please refer to Section 9.1.3 of this Prospectus for further details on risk factors.

(iv) Any breaches of HSE laws and regulations may result in penalties including the suspension of our operations

We must comply with the relevant HSE laws and regulations at the worksites. These HSE laws and regulations are concerned with, amongst others, the occupational health and safety of our employees and subcontractors as they perform their work, and the effect that our work may have on the environment as well as occupants and visitors of the buildings.

Failure to comply with the relevant HSE laws and regulations, and events such as worksite accidents that injure or harm our employees, subcontractors and people within the premises may lead to the relevant authorities taking action against us, such as suspending or restricting our operations at the affected worksite and/or taking administrative or legal action against us.

Please refer to Section 9.1.4 of this Prospectus for further details on risk factors.

(v) We face the risk of cost overruns for our interior fit-out projects

Upon receiving a tender invitation from a prospective customer, we will conduct a preliminary assessment on the project, which includes evaluating the requirements, timeline, feasibility of the project and the scope of work. In preparing our tender submission, we estimate the project costs and budget based on quotations obtained from our suppliers and subcontractors, as well as our internal cost estimations.

However, the profitability of our projects, and eventually our Group's financial performance, may be impacted by unforeseen increases in project costs that arise after the submission of our tender or proposal up until project completion. These may include variation orders, as well as unfavourable fluctuations in the price of materials and subcontractor costs. If we are unable to pass on these cost increases to our customers, such events may result in cost overruns, which could adversely affect our profit margins and overall financial results. Any prolonged delay in the project execution may require us to extend the engagement period with our subcontractors and may further contribute to cost overruns.

Please refer to Section 9.1.5 of this Prospectus for further details on risk factors.

(vi) We are subject to risks inherent in the interior fit-out industry and property development industry

We are principally involved in the provision of interior fit-out services, particularly for commercial and industrial properties. As such, our business is subject to risks relating to the interior fit-out industry. Any challenges, downturns and/or decline in the demand for interior fit-out services, specifically for commercial and industrial properties, may negatively impact our business operations, financial performance and prospects.

12. FINANCIAL INFORMATION (Cont'd)

As the interior fit-out industry is part of the value chain of the property development industry, any downturn in the property development industry may also adversely affect our Group. Such a downturn is generally characterised by a reduction in the number of property development projects, including commercial and industrial properties. This may indicate a decline in the demand for interior fit-out services, particularly for the setting up of new offices and operational facilities by commercial and industrial property owners and/or tenants. The property development industry may be affected by a number of factors such as general economic conditions, changes in Government initiatives and policies, as well as changes in lending policies and practices by financial institutions. The occurrence of any of such events is beyond our control, and there can be no assurance that we will not be affected by these events.

During the Financial Years and Period Under Review, our Group has not been engaged to provide interior fit-out services for any property development projects. However, there is no assurance that any downturn in the property development industry in the future which may lead to lower demand of interior fit-out services will not materially affect our business operations and financial performance.

Please refer to Section 9.2.1 of this Prospectus for further details on risk factors.

(vii) We face competition from other industry players

We operate in a highly competitive industry where we face competition from other industry players who offer similar services as us. Key factors that affect our competitiveness include pricing, service quality, availability of manpower and financial resources, as well as timely delivery. Some of our competitors may have a longer operating history and greater financial resources as compared to us.

Whilst we compete based on the quality of our services, there can be no assurance that we will be able to compete effectively with our new or existing competitors. In the event where we fail to compete effectively or maintain our competitiveness in the market, our business operations, financial performance and prospects may be adversely affected.

Please refer to Section 9.2.2 of this Prospectus for further details on risk factors.

12.5 LIQUIDITY AND CAPITAL RESOURCES**12.5.1 Working capital**

Our business operations are financed by a combination of internal and external sources of funds. Our internal sources of funds comprise cash generated from our business operations while external sources are mainly banking facilities from financial institutions. These funds are mainly used for our business operations and growth.

As at 30 September 2025, our cash and cash equivalents were RM8.72 million and our total borrowings were RM10.36 million (excluding lease liabilities arising from rented offices classified as right-of-use assets). As at 30 September 2025, our gearing ratio was 0.71 times and the current ratio was 1.57 times. As at the LPD, we have total banking facilities including term loans and trade line (which includes bank guarantees) of RM14.80 million available to our Group for working capital purposes, of which RM3.28 million has yet to be utilised.

After taking into consideration the funding requirements for our committed capital expenditures and our future plans as set out in Section 7.18 of this Prospectus, our existing level of cash and cash equivalents, expected cash flows to be generated from our operations and the estimated net proceeds from the Public Issue, our Board is of the view that we will have sufficient working capital for a period of 12 months from the date of this Prospectus.

At this juncture, we do not foresee any circumstances which will materially affect our liquidity.

12. FINANCIAL INFORMATION (Cont'd)**12.5.2 Review of cash flows**

The following table sets out the summary of the combined statements of cash flows for the Financial Years and Period Under Review which have been extracted from the Accountants' Report set out in Section 14 of this Prospectus and should be read in conjunction thereto:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	1,398	342	4,859	1,814
Net cash (used in)/from investing activities	(64)	(344)	1,517	(111)
Net cash from/(used in) financing activities	704	(1,409)	(5,310)	4,040
Net increase/(decrease) in cash and cash equivalents	2,038	(1,411)	1,066	5,743
Cash and cash equivalents at the beginning of the financial year/period	1,283	3,321	1,910	2,976
Cash and cash equivalents at the end of the financial year/period	3,321	1,910	2,976	8,719

Our cash and cash equivalents are primarily held in RM. There are no legal, financial or economic restrictions on our Subsidiary's ability to transfer funds to our Company in the form of cash dividends, loans or advances, subject to the availability of distributable profits and reserves, as well as compliance with any applicable financial covenants.

(i) FYE 2022**Net cash from operating activities**

For FYE 2022, our net cash from operating activities was RM1.40 million after taking into consideration our operating profit of RM4.62 million and the following working capital changes:

- (a) increase in net contract assets of RM3.66 million due to timing difference with higher revenue recognised for works performed based on the cost incurred method compared to the progress billings issued to our clients, which was pending their certification;
- (b) increase in receivables of RM1.46 million, mainly due to increase in trade receivables attributed to higher progress billings issued to clients for the provision of interior fit-out services in FYE 2022;
- (c) increase in payables of RM2.02 million, mainly due to increase in trade payables primarily attributed to higher purchases and subcontractors' costs incurred in FYE 2022; and
- (d) payment of income tax of RM0.14 million.

Net cash used in investing activities

For FYE 2022, we recorded a net cash outflow of RM0.06 million for our investing activities, mainly attributable to cash payment of RM0.21 million for the purchase of property, plant and equipment of RM0.44 million (mainly comprised 3 units of motor vehicles), of which the remaining balance of RM0.23 million was financed via hire purchase arrangement.

12. FINANCIAL INFORMATION (Cont'd)

The cash outflow for investing activities was partially offset by the proceeds of RM0.14 million received from the disposal of 2 units of motor vehicles in FYE 2022.

Net cash from financing activities

For FYE 2022, we recorded a net cash inflow of RM0.70 million from our financing activities due to net drawdown of bankers' acceptances of RM0.93 million in FYE 2022.

The cash inflow from financing activities was offset by interest payment of RM0.05 million and repayment of term loans and lease liabilities of RM0.18 million.

(ii) FYE 2023**Net cash from operating activities**

For FYE 2023, our net cash from operating activities was RM0.34 million after taking into consideration our operating profit of RM7.02 million and the following working capital changes:

- (a) increase in net contract assets of RM7.76 million due to timing difference with higher revenue recognised for works performed based on the cost incurred method compared to the progress billings issued to our clients, which was pending their certification;
- (b) decrease in receivables of RM0.38 million, mainly due to decrease in trade receivables attributed to improved collection from client during FYE 2023;
- (c) increase in payables of RM1.22 million, due to increase in trade payables primarily attributed to higher subcontractors' costs incurred in FYE 2023, as well as increase in other payables attributed to higher accrued bonus as well as dividend payable as at 31 December 2023; and
- (d) payment of income tax of RM0.52 million.

Net cash used in investing activities

For FYE 2023, we recorded a net cash outflow of RM0.34 million for our investing activities, mainly attributable to cash payment of RM0.38 million for the purchase of property, plant and equipment of RM0.58 million (mainly comprised 2 units of motor vehicles), of which the remaining balance of RM0.20 million was financed via hire purchase arrangement.

The cash outflow for investing activities was partially offset by the proceeds of RM0.08 million received from the disposal of 1 unit of motor vehicle in FYE 2023.

Net cash used in financing activities

For FYE 2023, we recorded a net cash outflow of RM1.41 million for our financing activities, due to:

- (a) dividend paid to our shareholders of RM0.75 million in respect of FYE 2023;
- (b) net repayment of borrowings including bankers' acceptance, term loans and lease liabilities of RM0.59 million; and
- (c) interest payment of RM0.07 million.

12. FINANCIAL INFORMATION (Cont'd)**(iii) FYE 2024****Net cash from operating activities**

For FYE 2024, our net cash from operating activities was RM4.86 million after taking into consideration our operating profit of RM9.10 million and the following working capital changes:

- (a) increase in net contract assets of RM4.94 million due to timing difference with higher revenue recognised for works performed based on the cost incurred method compared to the progress billings issued to our clients, which was pending their certification;
- (b) increase in receivables of RM4.29 million, due to increase in trade receivables attributed to higher progress billings issued to clients for the provision of interior fit-out services towards the last quarter of FYE 2024 as well as increase in other receivables attributed to higher tender deposits paid for project bids and prepayment in relation to professional fees incurred for our Listing exercise;
- (c) increase in payables of RM8.49 million, due to increase in trade payables primarily attributed to higher outstanding amount owing to subcontractors and suppliers as at 31 December 2024; and
- (d) payment of income tax of RM3.51 million.

Net cash from investing activities

For FYE 2024, we recorded a net cash inflow of RM1.52 million from our investing activities, mainly attributable to:

- (a) repayment from Directors of RM1.16 million in respect of the advances previously extended by our Group;
- (b) proceeds of RM0.47 million received from disposal of an associate namely, AES Asia on 2 January 2024; and
- (c) proceeds of RM0.31 million received from the disposal of 2 units of motor vehicles in FYE 2024.

The cash inflow from investing activities was offset by the cash payment of RM0.42 million for the purchase of property, plant and equipment (mainly comprising computer of RM0.17 million, furniture and fittings of RM0.11 million and renovation of our newly rented office of RM0.10 million in FYE 2024).

Net cash used in financing activities

For FYE 2024, we recorded a net cash outflow of RM5.31 million for our financing activities, due to:

- (a) dividend paid to our shareholders of RM8.40 million, including dividend of RM2.50 million in respect of FYE 2023 and RM5.90 million in respect of FYE 2024;
- (b) repayment of lease liabilities of RM0.31 million; and
- (c) interest payment of RM0.16 million.

The cash outflow for financing activities was offset by net drawdown of bankers' acceptances and term loans for working capital purposes of RM2.10 million and RM1.46 million in FYE 2024, respectively.

12. FINANCIAL INFORMATION (Cont'd)**(iv) FPE 2025****Net cash from operating activities**

For FPE 2025, our net cash from operating activities was RM1.81 million after taking into consideration our operating profit of RM9.92 million and the following working capital changes:

- (a) increase in net contract assets of RM5.89 million due to timing difference with higher revenue recognised for works performed based on the cost incurred method compared to the progress billings issued to our clients, which was pending their certification;
- (b) increase in receivables of RM3.58 million due to increase in trade receivables attributed to higher progress billings issued to clients for the provision of interior fit-out services towards the end of FPE 2025 as well as increase in other receivables attributed to prepayment for listing expenses which include professional and advisory fees payable to our Principal Adviser, Solicitors, Reporting Accountants, IMR, tax agent and internal control consultants in relation to our IPO;
- (c) increase in payables of RM3.48 million, mainly due to increase in trade payables primarily attributed to higher outstanding amount owing to subcontractors and suppliers as at 30 September 2025; and
- (d) payment of income tax of RM2.12 million.

Net cash used in investing activities

For FPE 2025, we recorded a net cash outflow of RM0.11 million for our investing activities, attributable to cash payment of RM0.15 million for the purchase of property, plant and equipment of RM0.46 million (mainly comprised computers and 1 unit of motor vehicle), of which the remaining balance of RM0.31 million in relation to the purchase of motor vehicle was financed via hire purchase arrangement.

The cash outflow for investing activities was partially offset by interest received of RM0.03 million.

Net cash used in financing activities

For FPE 2025, we recorded a net cash inflow of RM4.04 million from our financing activities due to net drawdown of bankers' acceptances of RM3.95 million and term loan of RM0.75 million.

The cash inflow from financing activities was partially offset by interest payment of RM0.46 million and repayment of lease liabilities of RM0.20 million.

12. FINANCIAL INFORMATION (Cont'd)**12.5.3 Borrowings**

We utilise banking facilities such as term loans to finance the working capital and bankers' acceptances for payment to our suppliers and subcontractors. In addition, we also utilise hire purchase to finance the purchase of motor vehicles which are classified under lease liabilities. Further, lease liabilities also arise from our rental obligation for our rented offices which is the financial obligation for the payments required by a lease and discounted to present value.

All of our borrowings (excluding lease liabilities arising from rented offices classified as right-of-use assets) are secured, interest-bearing and denominated in RM. Our total outstanding borrowings as at 30 September 2025 stood at RM10.36 million, details of which are set out below:

Type of borrowings	Purpose	Effective interest rates	As at 30 September 2025		
			Repayable within 12 months	Repayable after 12 months	Total
			RM'000	RM'000	RM'000
Bankers' acceptances	Payment to suppliers and subcontractors	3.84	7,157	-	7,157
Term loans	Working capital	6.77	364	2,454	2,818
Lease liabilities (hire purchase)	Purchase of motor vehicle	4.63	99	288	387
Total			7,620	2,742	10,362

Gearing ratio (times)^(a) **0.71**

Note:

- (a) Calculated based on total borrowings (excluding lease liabilities arising from rented offices classified as right-of-use assets) over total equity.

The maturity profile of our total outstanding borrowings as at 30 September 2025 is set out below:

	Bankers' acceptances	Term loans	Lease liabilities (hire purchase)	Total
	RM'000	RM'000	RM'000	RM'000
Within 1 year	7,157	364	99	7,620
1 to 5 years	-	1,547	288	1,835
More than 5 years	-	907	-	907
Total	7,157	2,818	387	10,362

Our total bank guarantees as at 30 September 2025 stood at RM2.41 million, details as set out below. All of our bank guarantees are secured, interest-bearing and denominated in RM.

Type of borrowings	Purpose	Tenure	Commission rate	As at 30 September 2025	As at the LPD
				(RM'000)	(RM'000)
Bank guarantees	Performance guarantees ^(a)	4 to 21 months	1.55	2,414	2,087

12. FINANCIAL INFORMATION (Cont'd)

Note:

- (a) The performance guarantees are issued to our customers as security for the performance of contractual obligations under the projects awarded.

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

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

Our Group does not encounter any seasonality in our borrowings trend.

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

During the Financial Years and Period Under Review, we did not experience any claw back or reduction in the facilities limit granted to us by our lenders.

12.6 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

As at the LPD, save as disclosed in Section 12.5.3 above, our Group did not use any financial instruments.

Our Group's operations have been funded through cash generated from our business operations and external sources of funds mainly consist of banking facilities from financial institutions. As at the LPD, we have total banking facilities including term loans and trade line of RM14.80 million available to our Group for working capital purposes, of which RM3.28 million has yet to be utilised.

The interest rates of our borrowings as at the LPD are based on fixed and floating rates, whereby the fixed rates are only applicable to hire purchase.

The main objective of our capital management is to ensure sustainable shareholders' equity to ensure our ability to support and grow our business in order to maximise shareholders' value. We review and manage our capital structure to maintain our gearing ratio at an optimal level based on our business requirements and prevailing economic conditions.

12.7 CAPITAL COMMITMENTS

As at the LPD, our Group's material capital commitments are summarised as follows:

	Capital commitment RM'000	Source of funds	
		Internally generated funds / bank borrowings RM'000	IPO proceeds RM'000
Approved but not contracted for:			
Interior fit-out works in respect of the expansion of corporate office	1,200	-	1,200
Upgrade and enhancement of digital infrastructure	800	-	800
Total	2,000	-	2,000

12. FINANCIAL INFORMATION (Cont'd)**12.8 MATERIAL LITIGATION AND CONTINGENT LIABILITIES****12.8.1 Material litigation**

As at the LPD, our Group is not involved in any material litigation or arbitration, whether as plaintiff, defendant or third party, including those relating to bankruptcy, receivership or similar proceedings which may have a material adverse effect on the business or financial position of our Group, and our Directors confirm that there are no legal proceedings, pending or threatened against our Group, or of any fact likely to give rise to any legal proceeding which may materially and adversely affect our business or financial position.

12.8.2 Contingent liabilities

As at the LPD, save as disclosed below, we do not have any material contingent liabilities which, upon becoming enforceable, may have a material adverse impact on our results of operations or financial position:

	RM'000
Bank guarantees for performance bonds issued to third parties	2,087
Corporate guarantees provided to certain financial institutions for credit facilities granted to related parties	6,904
Total	8,991

12.9 KEY FINANCIAL RATIOS

Our key financial ratios for the Financial Years and Period Under Review are as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Trade receivables turnover period (days) ^(a)	45	34	43	35
Trade payables turnover period (days) ^(b)	59	53	103	84
Current ratio (times) ^(c)	1.53	1.57	1.47	1.57
Gearing ratio (times) ^(d)	0.40	0.27	0.66	0.71

Notes:

- (a) Computed based on average trade receivables as at the beginning and end of the respective financial years/period over total revenue of the respective financial years/period multiplied by 365 days (for FYE 2022, FYE 2023 and FYE 2024) and 273 days (for FPE 2025), respectively.
- (b) Computed based on average trade payables (excluding retention sum) as at the beginning and end of the respective financial years/period over total cost of sales of the respective financial years/period multiplied by 365 days (for FYE 2022, FYE 2023 and FYE 2024) and 273 days (for FPE 2025), respectively.
- (c) Computed based on current assets over current liabilities.
- (d) Computed based on total borrowings (excluding lease liabilities arising from rented offices classified as right-of-use assets) over total equity.

12. FINANCIAL INFORMATION (Cont'd)**12.9.1 Trade receivables turnover period**

	Audited as at			
	31 December			30 September
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Opening trade receivables	3,003	4,527	4,069	7,564
Closing trade receivables	4,527	4,069	7,564	9,502
Average trade receivables ^(a)	3,765	4,298	5,817	8,533
Revenue	30,912	46,629	50,226	67,121
Average trade receivables turnover period (days) ^(b)	45	34	43	35

Notes:

- (a) Computed based on trade receivables as at the beginning and end of the respective financial years/period.
- (b) Computed based on average trade receivables of the respective financial year over total revenue of the respective financial years/period and multiplied by 365 days (for FYE 2022, FYE 2023 and FYE 2024) and 273 days (for FPE 2025), respectively.

The normal credit period granted by our Group to our customers for FPE 2025 are between 7 and 60 days (FYE 2022, FYE 2023 and FYE 2024: 30 days and 90 days) from the date of our invoice. We use ageing analysis to monitor the credit quality of our trade receivables.

Our average trade receivables turnover periods for the Financial Years and Period Under Review were 45 days, 34 days, 43 days and 35 days respectively, which were within our credit period granted to our clients.

Our average trade receivables turnover period decreased from 45 days in FYE 2022 to 34 days in FYE 2023. This was mainly due to our Group's efforts to follow up closely on collections and timely collection from our clients.

Our Group's average trade receivables turnover period increased from 34 days in FYE 2023 to 43 days in FYE 2024. This was mainly due to higher number of progress billings issued towards the end of FYE 2024.

Our Group's average trade receivables turnover period decreased from 43 days in FYE 2024 to 35 days in FPE 2025. This was mainly due to improved collection from our customers in FPE 2025.

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12. FINANCIAL INFORMATION (Cont'd)

The ageing analysis of our Group's trade receivables as at 30 September 2025 is as follows:

	Past Due				Total RM'000
	Not past due	1-30 days	31-90 days	More than 90 days	
	RM'000	RM'000	RM'000	RM'000	
Trade receivables	4,244	4,447	210	601	9,502
<i>Proportion of trade receivables (%)</i>	<i>44.66</i>	<i>46.80</i>	<i>2.21</i>	<i>6.33</i>	<i>100.00</i>
Subsequent collections as at the LPD	4,083	4,447	210	193	8,933
Net trade receivables after subsequent collections	161	-	-	408	569
<i>Proportion of trade receivables after subsequent collections (%)</i>	<i>28.30</i>	<i>-</i>	<i>-</i>	<i>71.70</i>	<i>100.00</i>

As at the LPD, we have collected RM8.93 million or 94.00% of the total trade receivables which were outstanding as at 30 September 2025. After taking into consideration the subsequent collections as at the LPD, RM0.41 million of the total trade receivables which relates to outstanding payments from a customer had past due for more than 90 days. Our Group has entered into a settlement agreement with the customer whereby the outstanding amounts will be settled via instalment payment. Our Group is closely following up on our collections and ensuring the recoverability of such receivables.

Our management closely monitors the recoverability of trade receivables on a regular basis, and, when appropriate, provides for specific impairment on these trade receivables. Our Board is of the view that the trade receivables are recoverable after taking into consideration the payment history of these customers.

12.9.2 Trade payables turnover period

	Audited as at			
	31 December			30 September
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Opening trade payables (excluding retention sum)	2,935	4,771	5,551	14,064
Closing trade payables (excluding retention sum)	4,771	5,551	14,064	16,842
Average trade payables (excluding retention sum) ^(a)	3,853	5,161	9,808	15,453
Cost of sales	24,151	36,166	34,876	50,629
Average trade payables turnover period (days) ^(b)	59	53	103	84

Notes:

- (a) Computed based on trade payables (excluding retention sum) as at the beginning and end of the respective financial years/period.
- (b) Computed based on average trade payables (excluding retention sum) of the respective financial year over total cost of sales of the respective financial years/period and multiplied by 365 days (for FYE 2022, FYE 2023 and FYE 2024) and 273 days (for FPE 2025), respectively.

12. FINANCIAL INFORMATION (Cont'd)

The normal credit terms granted by our suppliers and subcontractors are between 30 days and 60 days from the date of invoice.

Our average trade payables turnover period for the Financial Years and Period Under Review were between 53 days and 103 days, of which our average trade payables turnover period for FYE 2024 and FPE 2025 of 103 days and 84 days had exceeded the credit terms granted by our suppliers and subcontractors.

Our Group's average trade payables turnover period decreased from 59 days in FYE 2022 to 53 days in FYE 2023 due to timely payments made to our suppliers and subcontractors during FYE 2023. Our Group's average trade payables turnover period rose to 103 days in FYE 2024 from 53 days in FYE 2023 mainly due to higher outstanding balance owing to suppliers and subcontractors and in relation to new projects in FYE 2024.

Our Group's average trade payables turnover period decreased from 103 days in FYE 2024 to 84 days in FPE 2025 due to prompt payments made to our suppliers and subcontractors during FPE 2025.

We have established a long-standing relationship with our suppliers and subcontractors, and we have not encountered any issue in spite of the slower payment to them. Our suppliers and subcontractors have allowed a longer period for payment in view of our established relationship with them, our payment history and credentials.

The ageing analysis of our Group's trade payables (excluding retention sum) as at 30 September 2025 is as follows:

	Not past due	Past due			Total
		1 - 30 days	31 - 90 days	More than 90 days	
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables (excluding retention sum)	10,943	2,511	2,189	1,199	16,842
<i>Proportion of trade payables (%)</i>	<i>64.97</i>	<i>14.91</i>	<i>13.00</i>	<i>7.12</i>	<i>100.00</i>
Subsequent payments as at the LPD	9,264	2,092	2,118	1,018	14,492
Net trade payables after subsequent payments	1,679	419	71	181	2,350
<i>Proportion of trade payables after subsequent payments (%)</i>	<i>71.45</i>	<i>17.83</i>	<i>3.02</i>	<i>7.70</i>	<i>100.00</i>

As at the LPD, we have settled RM14.49 million or 86.05% of the total trade payables which were outstanding as at 30 September 2025. The remaining trade payables that are still outstanding as at the LPD accounted for 13.95% of our total trade payables as at 30 September 2025. The net trade payables after subsequent payments that remained past due of RM0.67 million, which represents approximately 28.55% of the total net trade payables after subsequent payments were mainly due to our working capital management to match the timing of payment to our suppliers and subcontractors with the collections from our customers as well as amount pending settlement subject to completion of rectification works to be carried out by our subcontractors for certain projects.

As at the LPD, we do not have any disputes in respect of our trade payables and no legal proceedings to demand for payment have been initiated by our suppliers against us.

12. FINANCIAL INFORMATION (Cont'd)**12.9.3 Current ratio**

	Audited as at			
	31 December			30 September
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Current assets	16,688	19,903	28,724	44,603
Current liabilities	10,879	12,643	19,547	28,428
Current ratio (times) ^(a)	1.53	1.57	1.47	1.57

Note:

(a) Computed based on current assets over current liabilities.

Our current ratio ranged from 1.47 to 1.57 times during the Financial Years and Period Under Review. 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 and bank balances, are sufficient to meet immediate current liabilities.

The increase in our current ratio as at 31 December 2023 to 1.57 times as compared to 1.53 times as at 31 December 2022 was mainly due to increase in net contract assets in relation to timing difference with higher revenue recognised for works performed based on the cost incurred method compared to the progress billings issued to our clients, which was pending their certification. The increase in our current ratio as at 31 December 2023 was partially offset by the increase in other payables due to higher accrued bonus as well as dividend payable as at 31 December 2023.

In FYE 2024, the decrease in our current ratio as at 31 December 2024 to 1.47 times as compared to 1.57 times as at 31 December 2023 was mainly due to increase in borrowings attributable to drawdown of 2 new term loans with total principal amount of RM2.00 million in FYE 2024 which were used for our working capital and the utilisation of bankers' acceptances of RM2.10 million, as well as increase in trade payables attributable to higher outstanding balance owing to subcontractors and suppliers in relation to the new projects in FYE 2024. Nevertheless, the decrease in our current ratio as at 31 December 2024 was cushioned by the increase in net contract assets due to timing difference with higher revenue recognised for works performed based on the cost incurred method compared to the progress billings issued to our clients, which was pending their certification, as well as increase in trade receivables attributed to higher progress billings issued to clients for the provision of interior fit-out services towards the last quarter of FYE 2024.

In FPE 2025, the increase in our current ratio as at 30 September 2025 to 1.57 times as compared to 1.47 times as at 31 December 2024 was mainly due to increase in cash and bank balances of RM5.74 million due to higher utilisation of bankers' acceptance for payment to our suppliers and subcontractors coupled with the increase in net contract assets of RM5.89 million, as well as increase in trade receivables attributed to higher progress billings issued to clients for the provision of interior fit-out services towards the end of FPE 2025.

Nevertheless, the increase in our current ratio as at FPE 2025 was partially offset by the increase in borrowings attributable to the higher utilisation of bankers' acceptances and drawdown of 1 new term loan with total principal amount of RM1.00 million in FPE 2025 for working capital purposes.

12. FINANCIAL INFORMATION (Cont'd)**12.9.4 Gearing ratio**

	Audited as at			
	31 December			30 September
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Total borrowings ^(a)	2,391	2,042	5,426	10,362
Total equity	5,924	7,703	8,194	14,671
Gearing ratio (times) ^(b)	0.40	0.27	0.66	0.71

Notes:

- (a) Excluding lease liabilities arising from rented offices classified as right-of-use assets.
- (b) Computed based on total borrowings (excluding lease liabilities arising from rented offices classified as right-of-use assets) over total equity.

Our gearing ratio decreased from 0.40 times as at 31 December 2022 to 0.27 times as at 31 December 2023, due to an increase in total equity as a result of the increase in retained earnings and decrease in total borrowings from the repayment of total borrowings during FYE 2023.

Our gearing ratio increased from 0.27 times as at 31 December 2023 to 0.66 times as at 31 December 2024, due to an increase in total borrowings as a result of drawdown of 2 term loans for working capital purposes and higher utilisation of bankers' acceptances for payment to our suppliers and subcontractors in FYE 2024. The increase in gearing ratio was cushioned by the increase in total equity as a result of the increased retained earnings.

Our gearing ratio increased from 0.66 times as at 31 December 2024 to 0.71 times as at 30 September 2025, due to an increase in total borrowings as a result of higher utilisation of bankers' acceptances for payment to our suppliers and subcontractors and drawdown of 1 term loan for working capital purposes in FPE 2025. The increase in gearing ratio was cushioned by the increase in total equity as a result of the increased retained earnings.

12.10 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Our business is subject to the risks relating to government, economic, fiscal or monetary policies. Any unfavourable changes in the government policies, economic conditions, or fiscal or monetary policies may materially affect our operations in Malaysia. Please refer to Section 9.2.3 of this Prospectus for further details.

12.11 IMPACT OF INFLATION

Our financial performance for the Financial Years and Period Under Review was not materially affected by the impact of inflation. Nevertheless, there can be no assurance that future inflation would not have an impact on our business and financial performance.

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

We are exposed to market risks arising from our operations. Our key market risk exposures are to foreign exchange risk.

12. FINANCIAL INFORMATION (Cont'd)**Interest rate risk**

All our borrowings are interest bearing obligations. Any hikes in interest rates would affect our financial performance. Our finance cost mainly comprises interest charges on term loans, bankers' acceptances and hire purchases that are granted by banks and financial institutions. In this respect, we may be exposed to the liquidity risk that arises principally from our borrowings and the timing of costs incurred and collections from our customers.

As at 30 September 2025, our bank borrowings of RM10.36 million were interest bearing. Save for hire purchase which were based on fixed rates, all our borrowings were based on the prevailing bank's base lending rate or base financing rate plus/minus a margin agreed with our financial institutions when respective financing facilities were granted. In this respect, any increase in interest rates may have an impact on our financial performance. For the Financial Years and Period Under Review and up to the LPD, we have not defaulted on any payments of either principal and/or interests in relation to our borrowings.

Commodity price fluctuation risk

Our material purchases mainly comprise furniture and fittings, hardware, audio visual systems, air-conditioners, tiles, plasters and panel as well as lightings which are not commodities.

Foreign exchange risk

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

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

12.13 ORDER BOOK

Details of our unbilled order book as at the LPD are as follows:

	As at 30 September 2025	As at the LPD
	RM'000	RM'000
Interior fit-out works	37,740	56,752
Turnkey fit-out services	13,262	9,548
Total	51,002	66,300

The above unbilled order book relates to the contract value of projects which are ongoing and completed (upon issuance of CPC) less progress billings issued up to the LPD. There may be variations from the contract amount as compared to the final works to be performed resulting from, amongst others, changes in project requirements, which may take place during implementation of the project.

Our Group continues to participate in tenders to secure new contracts in order to replenish our order book. As at the LPD, we have participated in tenders and/or submitted proposals for various interior fit-out projects. These projects, if awarded, will increase our order book.

12. FINANCIAL INFORMATION (Cont'd)**12.14 TREND INFORMATION**

As at the LPD, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations other than those discussed in this section, Sections 7 and 9 of this Prospectus;
- (ii) material commitments for capital expenditure, save as disclosed in Section 12.7 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this section, Sections 7 and 9 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our Group's revenue and/or profits save for those that have been disclosed in this section, Sections 7 and 9 of this Prospectus;
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section, Sections 7 and 9 of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this section, Sections 7 and 9 of this Prospectus.

12.15 SIGNIFICANT CHANGES

There are no significant changes that have occurred, which may have a material effect on our financial position and results subsequent to the FPE 2025 and up to the LPD.

12.16 ACCOUNTING POLICIES AND AUDIT QUALIFICATION

There are no accounting policies which are peculiar to our Group because of the nature of the business and industry which we are involved in. For further details on the significant accounting policies of our Group, please refer to Note 2 of the Accountants' Report as set out in Section 14 of this Prospectus. The Accountants' Report does not contain any audit qualification for the Financial Years and Period Under Review.

12.17 DIVIDEND POLICY

It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group. Nonetheless, our Company does not have any formal dividend policy.

Our Group's ability to distribute dividends to our shareholders is subject to various factors, including our Group's financial performance, capital expenditure requirements and any other factors considered relevant by our Board. Our ability to declare and pay dividends is subject to the discretion of our Board. Our Directors will take into consideration, amongst others, the following factors when recommending or declaring any dividends:

- (i) the availability of adequate reserves and cash flows;

12. FINANCIAL INFORMATION (Cont'd)

- (ii) our operating cash flow requirements and financing commitments;
- (iii) our anticipated future operating conditions and expansion taking into consideration projected capital expenditure and investment plans;
- (iv) our working capital requirements;
- (v) any contractual restrictions and/or commitments; and
- (vi) prior written consent from financial institutions, where required.

As at the LPD, save for any applicable financial covenants and the Act, and subject to the availability of distributable profits and reserves, there are no dividend restrictions imposed on us or our Subsidiaries.

We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. No inference should be made from any of the foregoing statements as to our actual future profitability and our ability to pay dividends in the future.

Dividend payments, capital gains and profits from dealing in our Shares will not be subject to Malaysian taxation other than the 2.00% dividend tax which will take effect in the 2025 assessment year on annual dividend income exceeding RM100,000.00 received by individual shareholders, and entities, including companies, with trading of shares as their principal activity. No withholding tax is imposed on the above transactions.

During the Financial Years and Period Under Review and up to the LPD, we have declared and paid the following dividends:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025	From 1 October 2025 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	-	3,250	5,900	-	-
Dividends paid	-	750	8,400	-	-
PAT	3,422	5,029	6,391	6,476	-
Dividend payout ratio ^(a)	-	64.63%	92.32%	-	-

Note:

- (a) Computed based on dividends declared divided by PAT.

No dividends were declared and paid for the FYE 2022 and FPE 2025. The dividends paid for the FYE 2023 and FYE 2024 were funded via internally generated funds. Subsequent to the Financial Years and Period Under Review and up to the LPD, there were no dividends declared or payable by our Group. Further, our Board does not intend to declare any dividends prior to our Listing.

**13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA
COMBINED STATEMENTS OF FINANCIAL POSITION**

ADNEX GROUP BERHAD
Registration No: 202501003741 (1605154-U)
(Incorporated in Malaysia)

**PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025**

TGS TW PLT
CHARTERED ACCOUNTANTS

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)



Date: 30 January 2026

The Board of Directors
Adnex Group Berhad
 K03-13-3A, K03-13-05 & K03-13-06, Level 13
 Tower 3, UOA Business Park
 Jalan Pengaturcara U1/51A
 40150 Shah Alam
 Selangor

TGS TW PLT
 202106000004 (LLP0026851-LCA) & AF002345
 Chartered Accountants
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 50400 Kuala Lumpur.
 Tel : +603 9771 4326
 Email: tgsaudit@tgs-tw.com
 www.tgs-tw.com

Dear Sirs,

**ADNEX GROUP BERHAD (“ADNEX” OR “THE COMPANY”)
 REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF
 FINANCIAL POSITION AS AT 30 SEPTEMBER 2025**

We have completed our assurance engagement to report on the compilation of Pro Forma Combined Statements of Financial Position of Adnex Group Berhad and its subsidiaries (collectively known as “the combining entities” or “the Group”) as at 30 September 2025, together with the notes and assumptions thereto (which we have stamped for the purpose of identification), prepared by the Board of Directors of Adnex (“Board”).

The applicable criteria on the basis of which the Board has compiled the Pro Forma Combined Statements of Financial Position are described in the notes to the Pro Forma Combined Statements of Financial Position (“Applicable Criteria”). The Pro Forma Combined Statements of Financial Position are prepared in accordance with the Prospectus Guidelines issued by the Securities Commission Malaysia (“Prospectus Guidelines”) and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Combined Statements of Financial Position have been compiled by the Board for illustrative purposes only and for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad (“Listing”).

As part of this process, financial information about the Group’s Combined Statements of Financial Position has been extracted by the Board from the audited combined statements of financial position of the Group as at 30 September 2025, on which was reported by us to the members of the Group on 30 January 2026 without any modification.

Directors’ Responsibility for the Pro Forma Combined Statements of Financial Position

The Board is solely responsible for compiling the Pro Forma Combined Statements of Financial Position on the basis of the Applicable Criteria.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (*Cont'd*)



Our Independence and Quality Control

We are independent 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 of 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.

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* and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express an opinion as required by the Prospectus Guidelines, about whether the Pro Forma Combined Statements of Financial Position have been properly compiled, in all material respects, by the Board on the basis of the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements ("ISAE") 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board has compiled, in all material respects, the Pro Forma Combined Statements of Financial Position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Combined Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Combined Statements of Financial Position.

The purpose of the Pro Forma Combined Statements of Financial Position included in the Prospectus is solely to illustrate the impact of a significant event or transaction or unadjusted financial information on the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board in the compilation of the Pro Forma Combined Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:-

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Combined Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

**Our Responsibility (Cont'd)**

The procedures selected depend on our judgement, having regard to our understanding of the nature of the combining entities, the event or transaction in respect of which the Pro Forma Combined Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Combined Statements of Financial Position.

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 Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria.

Other Matters

This report has been prepared solely for the purpose of inclusion in the Prospectus of the Company in connection with the Listing. It is not intended to be used for any other purposes. 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,

TGS TW PLT

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

QUEK KENG YEE
03852/10/2026 J
Chartered Accountant

Kuala Lumpur
30 January 2026

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

ADNEX GROUP BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

The Pro Forma Combined Statements of Financial Position of the Group as at 30 September 2025 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Combined Statements of Financial Position on the assumption that these transactions were completed on 30 September 2025, and should be read in conjunction with the notes accompanying the Pro Forma Combined Statements of Financial Position.

	Note	As at 30.9.2025 RM	Adjustments for Acquisition RM	Pro Forma I After Acquisition RM	Adjustments for Public Issue RM	Pro Forma II After Public Issue RM	Adjustments for Utilisation of Proceeds RM	Pro Forma III After Utilisation of Proceeds RM
ASSETS								
Non-current assets								
Property, plant and equipment	3.01	1,820,677		1,820,677		1,820,677	800,000	2,620,677
Deferred tax assets		6,564		6,564		6,564		6,564
Total non-current assets		1,827,241		1,827,241		1,827,241		2,627,241
Current assets								
Trade receivables		9,502,293		9,502,293		9,502,293		9,502,293
Contract assets		23,849,103		23,849,103		23,849,103		23,849,103
Other receivables	3.02	2,533,196		2,533,196		2,533,196	(1,984,868)	548,328
Fixed deposit with licensed bank		1,012		1,012		1,012		1,012
Cash and bank balances	3.03	8,717,663		8,717,663	18,100,000	26,817,663	(3,615,132)	23,202,531
Total current assets		44,603,267		44,603,267		62,703,267		57,103,267
Total assets		46,430,508		46,430,508		64,530,508		59,730,508
EQUITY								
Equity attributable to owners of Adnex Group Berhad:-								
Share capital	3.04	1,000	8,189,980	8,190,980	18,100,000	26,290,980	(945,850)	25,345,130
Invested equity	3.05	1,000,000	(1,000,000)	-		-		-
Merger deficit	3.06	-	(7,189,980)	(7,189,980)		(7,189,980)		(7,189,980)
Retained earnings	3.07	13,670,646		13,670,646		13,670,646	(2,654,150)	11,016,496
Total equity		14,671,646		14,671,646		32,771,646		29,171,646

* Extracted from the Group's audited combined financial statements for the financial period ended 30 September 2025



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

ADNEX GROUP BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025 (CONT'D)

The Pro Forma Combined Statements of Financial Position of the Group as at 30 September 2025 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Combined Statements of Financial Position on the assumption that these transactions were completed on 30 September 2025, and should be read in conjunction with the notes accompanying the Pro Forma Combined Statements of Financial Position. (Cont'd)

	Note	As at 30.9.2025 RM	Adjustments for Acquisition RM	Pro Forma I After Acquisition RM	Adjustments for Public Issue RM	Pro Forma II After Public Issue RM	Adjustments for Utilisation of Proceeds RM	Pro Forma III After Utilisation of Proceeds RM
LIABILITIES								
Non-current liabilities								
Loans and borrowings	3.08	2,454,317		2,454,317		2,454,317	(1,200,000)	1,254,317
Lease liabilities		877,289		877,289		877,289		877,289
Total non-current liabilities		3,331,606		3,331,606		3,331,606		2,131,606
Current liabilities								
Loans and borrowings	3.08	7,521,208		7,521,208		7,521,208		7,521,208
Lease liabilities		287,655		287,655		287,655		287,655
Trade payables		17,346,222		17,346,222		17,346,222		17,346,222
Contract liabilities		929,856		929,856		929,856		929,856
Other payables		906,998		906,998		906,998		906,998
Tax payable		1,435,317		1,435,317		1,435,317		1,435,317
Total current liabilities		28,427,256		28,427,256		28,427,256		28,427,256
Total liabilities		31,758,862		31,758,862		31,758,862		30,558,862
Total equity and liabilities		46,430,508		46,430,508		64,530,508		59,730,508
Number of ordinary shares (Units)		1,000	409,499,000	409,500,000	90,500,000	500,000,000		500,000,000
Net assets per share attributable to owners of Adnex Group Berhad (sen)		1,467,164.60		3.58		6.55		5.83
Lease liabilities (excluding lease liabilities arising from rented offices classified as right-of-use assets) and borrowings		10,362,935		10,362,935		10,362,935		9,162,935
Gearing ratio (times)		0.71		0.71		0.32		0.31

* Extracted from the Group's audited combined financial statements for the financial period ended 30 September 2025



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (*Cont'd*)

ADNEX GROUP BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

1. BASIS OF PREPARATION

The Pro Forma Combined Statements of Financial Position of the Group have been prepared for illustrative purposes and on the assumptions that all the events and transactions mentioned as per Note 2 to the Pro Forma Combined Statements of Financial Position had taken place on 30 September 2025.

The Pro Forma Combined Statements of Financial Position have been prepared based on accounting policies and basis which are consistent with those disclosed in the audited combined financial statements of the combining entities for the financial period ended 30 September 2025 and in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Prospectus Guidelines.

2. LISTING SCHEME

(i) Pro Forma I: Acquisition

The Acquisition entails acquisition by Adnex of the entire equity interest of Adnex Interior Solution Sdn. Bhd., for a purchase consideration of RM8,189,980 fully satisfied by the issuance and allotment of 409,499,000 new ordinary shares in Adnex ("Shares") at an issue price of RM0.02 per Share, which was completed on 15 December 2025.

(ii) Pro Forma II: Public Issue

The Company will undertake an initial public offering ("IPO") comprising a public issue of 90,500,000 new Shares ("Public Issue") and an offer for sale of 39,500,000 existing Shares ("Offer for Sale") at an IPO price of RM0.20 per Share.

The Offer for Sale does not have any impact on the Pro Forma Combined Statements of Financial Position as at 30 September 2025.

Upon completion of the IPO, the entire enlarged issued share capital of Adnex comprising 500,000,000 Shares shall be listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad.



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
ADNEX GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025 (CONT'D)
2. LISTING SCHEME (CONT'D)
(iii) Pro Forma III: Utilisation of Proceeds

Gross proceeds from the Public Issue of RM18,100,000 are expected to be utilised as follows:

Details of use of proceeds	Estimated timeframe for the use of proceeds from the date of Listing	RM	% of total gross proceeds from the Public Issue
1. Business expansion			
- Expansion of corporate office and workforce ⁽¹⁾	36 months	4,000,000	22.10%
- Expansion and establishment of branch offices ⁽¹⁾	36 months	800,000	4.42%
- Upgrade and enhancement of digital infrastructure	36 months	800,000	4.42%
- Expansion into international markets ⁽¹⁾	36 months	800,000	4.42%
2. Repayment of borrowings	12 months	1,200,000	6.63%
3. Performance bonds for interior fit-out projects	24 months	3,000,000	16.57%
4. Working capital	24 months	3,900,000	21.55%
5. Estimated listing expenses ⁽²⁾	3 months	3,600,000	19.89%
Total estimated proceeds		18,100,000	100.00%

⁽¹⁾ The utilisation of proceeds earmarked for the abovementioned purposes are not reflected in the pro forma combined statements of financial position as these are mainly for rental of co-working space and staff costs. Thus, the proceeds will be included in the cash and bank balances. The actual deployment of these funds will take place over time and is expected to contribute to increased operating expenses, which will be reflected in future financial periods.

⁽²⁾ If the actual listing expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual listing expenses are lower than the amount budgeted, the excess will be used for the general working capital requirements.

As at 30 September 2025, out of the total estimated listing expenses of RM3,600,000, RM1,984,868 had been incurred and recognised as prepayments. As disclosed in Notes 3.04 and 3.07, the estimated listing expenses of RM945,850 that is directly attributable to the Public Issue will be offset against share capital and the remaining estimated listing expenses of RM2,654,150 that is attributable to the Listing will be expensed off to profit or loss upon Listing.



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
ADNEX GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025 (CONT'D)
3. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
3.01 PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment are as follows:

	RM
As at 30 September 2025/Pro Forma I to II	1,820,677
Pursuant to Utilisation of Proceeds	
- Business expansion	<u>800,000</u>
As per Pro Forma III	<u><u>2,620,677</u></u>

3.02 OTHER RECEIVABLES

The movements in other receivables are as follows:

	RM
As at 30 September 2025/Pro Forma I to II	2,533,196
Pursuant to Utilisation of Proceeds	
- Estimated listing expenses	<u>(1,984,868)</u>
As per Pro Forma III	<u><u>548,328</u></u>

3.03 CASH AND BANK BALANCES

The movements in cash and bank balances are as follows:

	RM
As at 30 September 2025/Pro Forma I	8,717,663
Pursuant to Public Issue	<u>18,100,000</u>
As per Pro Forma II	26,817,663
Pursuant to Utilisation of Proceeds	
- Business expansion	(800,000)
- Estimated listing expenses	(1,615,132)
- Repayment of borrowings	<u>(1,200,000)</u>
As per Pro Forma III	<u><u>23,202,531</u></u>



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
ADNEX GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025 (CONT'D)
3. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
3.04 SHARE CAPITAL

The movements in share capital are as follows:

	RM
As at 30 September 2025	1,000
Pursuant to Acquisition	<u>8,189,980</u>
As per Pro Forma I	8,190,980
Pursuant to Public Issue	<u>18,100,000</u>
As per Pro Forma II	26,290,980
Pursuant to Utilisation of Proceeds	
- Estimated listing expenses*	<u>(945,850)</u>
As per Pro Forma III	<u><u>25,345,130</u></u>

* The estimated listing expenses of RM945,850 directly attributable to the Public Issue will be offset against share capital and the remaining estimated listing expenses of RM2,654,150 that is attributable to the Listing will be expensed off to profit or loss.

3.05 INVESTED EQUITY

The movements in invested equity are as follows:

	RM
As at 30 September 2025	1,000,000
Pursuant to Acquisition	<u>(1,000,000)</u>
As per Pro Forma I to III	<u><u>-</u></u>



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
ADNEX GROUP BERHAD
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025 (CONT'D)
3. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
3.06 MERGER DEFICIT

The movements in merger deficit are as follows:

	RM
As at 30 September 2025	-
Pursuant to Acquisition	<u>(7,189,980)</u>
As per Pro Forma I to III	<u><u>(7,189,980)</u></u>

3.07 RETAINED EARNINGS

The movements in retained earnings are as follows:

	RM
As at 30 September 2025/Pro Forma I to II	13,670,646
Pursuant to Utilisation of Proceeds	
- Estimated listing expenses*	<u>(2,654,150)</u>
As per Pro Forma III	<u><u>11,016,496</u></u>

* The estimated listing expenses of RM945,850 directly attributable to the Public Issue will be offset against share capital and the remaining estimated listing expenses of RM2,654,150 that is attributable to the Listing will be expensed off to profit or loss.

3.08 LOANS AND BORROWINGS

The movements in loans and borrowings are as follows:

	RM
As at 30 September 2025/Pro Forma I to II	9,975,525
Pursuant to Utilisation of Proceeds	
- Repayment of borrowings	<u>(1,200,000)</u>
As per Pro Forma III	<u><u>8,775,525</u></u>



13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)

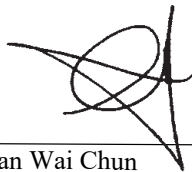
ADNEX GROUP BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

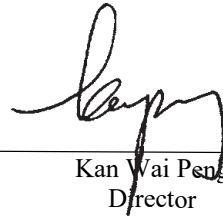
APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 30 January 2026.

On behalf of the Board of Directors



Kan Wai Chun
Director



Kan Wai Peng
Director

14. ACCOUNTANTS' REPORT

ADNEX GROUP BERHAD
Registration No: 202501003741 (1605154-U)
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2025 AND FOR THE FINANCIAL
YEARS ENDED 31 DECEMBER 2024,
31 DECEMBER 2023 AND 31 DECEMBER 2022

TGS TW PLT
CHARTERED ACCOUNTANTS

14. ACCOUNTANTS' REPORT (Cont'd)

Date: 30 January 2026

The Board of Directors
ADNEX GROUP BERHAD
 K03-13-3A, K03-13-05 & K03-13-06, Level 13
 Tower 3, UOA Business Park
 Jalan Pengaturcara U1/51A
 40150 Shah Alam
 Selangor

TGS TW PLT
 202106000004 (LLP0026851-LCA) & AF002345
 Chartered Accountants
 Unit E-16-2B,
 Level 16, Icon Tower (East)
 No.1, Jalan 1/68F, Jalan Tun Razak
 50400 Kuala Lumpur.
 Tel : +603 9771 4326
 Email: tgsaudit@tgs-tw.com
 www.tgs-tw.com

Dear Sirs,

Reporting Accountants' Opinion on the Financial Information Contained in the Accountants' Report of Adnex Group Berhad ("the Company")

Opinion

We have audited the accompanying combined financial statements ("Financial Information") of the Company and of its subsidiaries (collectively known as "the combining entities" or "the Group") which comprise the combined statements of financial position of the combining entities as at 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022 and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the combining entities for the financial period ended 30 September 2025 and for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022, and material accounting policy information and other explanatory notes, as set out on pages 4 to 43.

This Financial Information has been prepared solely for inclusion in the prospectus of the Company in connection with 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 Financial Information gives a true and fair view of the combined financial position of the combining entities as at 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022, and of their financial performance and cash flows for the financial period ended 30 September 2025 and for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Paragraph 10.04 of Chapter 10, Part II Division 1, Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the combining entities 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.

14. ACCOUNTANTS' REPORT (Cont'd)**Responsibilities of the Directors for the Financial Information**

The Directors of the Company are responsible for the preparation of Financial Information of the combining entities that give a true and fair view in accordance with the 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 Financial Information of the combining entities that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Information of the combining entities, the Directors are responsible for assessing the combining entities' 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 combining entities or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Financial Information

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

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

- Identify and assess the risks of material misstatement of the Financial Information of the combining entities, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the combining entities' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the combining entities' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountants' report to the related disclosures in the Financial Information of the combining entities 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 auditors' report. However, future events or conditions may cause the combining entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Information of the combining entities, including the disclosures, and whether the Financial Information of the combining entities represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the combining entities audit to obtain sufficient appropriate audit evidence regarding the Financial Information of the combining entities or business activities within the combining entities as a basis for forming an opinion on the Financial Information of the combining entities. We are responsible for the direction, supervision and review of the audit work performed for purpose of the combining entities audit. We remain solely responsible for our audit opinion.

14. ACCOUNTANTS' REPORT (Cont'd)**Reporting Accountants' Responsibilities for the Audit of the Financial Information (Cont'd)**

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

Restriction on Distribution and Use

This report has been prepared solely for complying with the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for no other purposes. We do not assume responsibility to any other person for the content of this report.

Other Matters

The significant events occurring after the end of the financial period ended 30 September 2025 have been disclosed in Note 1(d) to the combined financial statements.

The comparative information in respect of the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity, combined statements of cash flows and related notes to the combined financial statements for the financial period ended 30 September 2024 has not been audited.

TGS TW PLT

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Quek Keng Yee'.

QUEK KENG YEE
03852/10/2026 J
Chartered Accountant

KUALA LUMPUR
30 January 2026

14. ACCOUNTANTS' REPORT (Cont'd)

ADNEX GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025,
31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

	Note	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	1,820,677	1,698,482	763,233	441,862
Investment in an associate	4	-	-	451,773	434,814
Deferred tax assets	5	6,564	-	-	2,613
		<u>1,827,241</u>	<u>1,698,482</u>	<u>1,215,006</u>	<u>879,289</u>
Current assets					
Trade receivables	6	9,502,293	7,563,796	4,068,962	4,526,689
Contract assets	7	23,849,103	17,104,661	12,494,074	7,416,655
Other receivables	8	2,533,196	1,079,283	274,128	267,165
Amount due from Directors	9	-	-	1,156,450	1,156,450
Fixed deposit with licensed bank	10	1,012	1,000	-	-
Cash and bank balances		8,717,663	2,975,154	1,910,088	3,320,733
		<u>44,603,267</u>	<u>28,723,894</u>	<u>19,903,702</u>	<u>16,687,692</u>
Total assets		<u>46,430,508</u>	<u>30,422,376</u>	<u>21,118,708</u>	<u>17,566,981</u>
EQUITY					
Share capital	11(a)	1,000	-	-	-
Invested equity	11(b)	1,000,000	1,000,000	1,000,000	1,000,000
Retained earnings		13,670,646	7,194,266	6,703,203	4,923,854
Total equity		<u>14,671,646</u>	<u>8,194,266</u>	<u>7,703,203</u>	<u>5,923,854</u>
LIABILITIES					
Non-current liabilities					
Loans and borrowings	12	2,454,317	1,823,333	531,425	606,936
Lease liabilities	13	877,289	839,319	238,660	158,412
Deferred tax liabilities	5	-	18,872	2,169	-
		<u>3,331,606</u>	<u>2,681,524</u>	<u>772,254</u>	<u>765,348</u>
Current liabilities					
Loans and borrowings	12	7,521,208	3,451,701	1,184,180	1,567,747
Lease liabilities	13	287,655	214,530	101,600	112,607
Trade payables	14	17,346,222	14,357,844	5,792,040	4,970,503
Contract liabilities	7	929,856	74,415	398,937	3,076,597
Other payables	15	906,998	413,958	3,052,236	158,722
Tax payable		1,435,317	1,034,138	2,114,258	991,603
		<u>28,427,256</u>	<u>19,546,586</u>	<u>12,643,251</u>	<u>10,877,779</u>
Total liabilities		<u>31,758,862</u>	<u>22,228,110</u>	<u>13,415,505</u>	<u>11,643,127</u>
Total equity and liabilities		<u>46,430,508</u>	<u>30,422,376</u>	<u>21,118,708</u>	<u>17,566,981</u>

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

14. ACCOUNTANTS' REPORT (Cont'd)

ADNEX GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE FINANCIAL PERIODS ENDED 30 SEPTEMBER 2025 AND
30 SEPTEMBER 2024 AND FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

		Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
	Note					
Revenue	16	67,121,365	24,359,753	50,225,594	46,629,167	30,911,583
Cost of sales		<u>(50,628,578)</u>	<u>(17,623,835)</u>	<u>(34,875,669)</u>	<u>(36,165,692)</u>	<u>(24,151,293)</u>
Gross profit		16,492,787	6,735,918	15,349,925	10,463,475	6,760,290
Other income		53,985	47,301	231,189	1,186	74,837
Administrative expenses		(6,865,698)	(4,743,511)	(6,590,792)	(3,624,964)	(2,354,529)
Net (loss)/reversal on impairment of financial assets		(138,503)	-	6,171	(70,438)	(11,952)
Other expenses		<u>(109,627)</u>	<u>(453)</u>	<u>-</u>	<u>-</u>	<u>(115)</u>
Profit from operation		9,432,944	2,039,255	8,996,493	6,769,259	4,468,531
Finance costs	17	(462,251)	(83,647)	(163,599)	(69,086)	(47,224)
Share of results of an associate		<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,041)</u>	<u>99,204</u>
Profit before tax	18	8,970,693	1,955,608	8,832,894	6,677,132	4,520,511
Taxation	19	<u>(2,494,313)</u>	<u>(858,910)</u>	<u>(2,441,831)</u>	<u>(1,647,783)</u>	<u>(1,099,014)</u>
Profit for the financial period/year, representing total comprehensive income for the financial period/year		<u>6,476,380</u>	<u>1,096,698</u>	<u>6,391,063</u>	<u>5,029,349</u>	<u>3,421,497</u>
Earnings per share:						
Basic (sen)	20	<u>1.30</u>	<u>0.22</u>	<u>1.28</u>	<u>1.01</u>	<u>0.68</u>
Diluted (sen)	20	<u>1.30</u>	<u>0.22</u>	<u>1.28</u>	<u>1.01</u>	<u>0.68</u>

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

14. ACCOUNTANTS' REPORT (Cont'd)**ADNEX GROUP BERHAD**
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIODS
ENDED 30 SEPTEMBER 2025 AND 30 SEPTEMBER 2024 AND FOR THE FINANCIAL
YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

	Note	Share capital RM	Invested equity RM	Retained earnings RM	Total equity RM
Audited					
At 1 January 2022		-	1,000,000	1,502,357	2,502,357
Profit for the financial year, representing total comprehensive income for the financial year		-	-	3,421,497	3,421,497
At 31 December 2022		-	1,000,000	4,923,854	5,923,854
Profit for the financial year, representing total comprehensive income for the financial year		-	-	5,029,349	5,029,349
Transaction with owners:					
Dividends	21	-	-	(3,250,000)	(3,250,000)
At 31 December 2023		-	1,000,000	6,703,203	7,703,203
Profit for the financial year, representing total comprehensive income for the financial year		-	-	6,391,063	6,391,063
Transaction with owners:					
Dividends	21	-	-	(5,900,000)	(5,900,000)
At 31 December 2024		-	1,000,000	7,194,266	8,194,266
Profit for the financial period, representing total comprehensive income for the financial period		-	-	6,476,380	6,476,380
Transaction with owners:					
Issuance of shares	11(a)	1,000	-	-	1,000
At 30 September 2025		1,000	1,000,000	13,670,646	14,671,646

14. ACCOUNTANTS' REPORT (Cont'd)**ADNEX GROUP BERHAD**
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIODS
ENDED 30 SEPTEMBER 2025 AND 30 SEPTEMBER 2024 AND FOR THE FINANCIAL
YEARS ENDED 31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022 (CONT'D)**

	Note	Share capital RM	Invested equity RM	Retained earnings RM	Total equity RM
Unaudited					
At 1 January 2024		-	1,000,000	6,703,203	7,703,203
Profit for the financial period, representing total comprehensive income for the financial period		-	-	1,096,698	1,096,698
Transaction with owners:					
Dividends	21	-	-	(400,000)	(400,000)
At 30 September 2024		-	1,000,000	7,399,901	8,399,901

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

14. ACCOUNTANTS' REPORT (Cont'd)

ADNEX GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIODS ENDED
30 SEPTEMBER 2025 AND 30 SEPTEMBER 2024 AND FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022**

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Note					
Cash flows from operating activities					
Profit before tax	8,970,693	1,955,608	8,832,894	6,677,132	4,520,511
Adjustments for:					
Allowance for/(Reversal of) expected credit losses	138,503	-	(6,171)	70,438	11,952
Bad debts written off	48,316	-	-	-	-
Depreciation of property, plant and equipment	333,144	238,690	330,496	182,429	217,950
Gain on early termination of lease contract	-	(253)	(253)	-	-
Gain on disposal of an associate	-	(13,277)	(13,277)	-	-
Gain on disposal of property, plant and equipment	-	(33,740)	(141,740)	-	(74,816)
Interest expenses	462,251	83,647	163,599	69,086	47,224
Interest income	(33,533)	-	-	-	-
Share of results of an associate	-	-	-	23,041	(99,204)
Waiver of debts from other payables	-	-	(62,468)	(1,186)	-
Operating profit before working capital changes	9,919,374	2,230,675	9,103,080	7,020,940	4,623,617
Changes in working capital:					
Contract balances	(5,889,001)	1,803,544	(4,935,109)	(7,755,079)	(3,656,960)
Receivables	(3,579,229)	(2,942,249)	(4,293,818)	380,326	(1,455,197)
Payables	3,481,418	1,959,374	8,489,994	1,216,237	2,020,757
Cash generated from operations	3,932,562	3,051,344	8,364,147	862,424	1,532,217
Tax paid	(2,118,570)	(2,791,496)	(3,505,248)	(520,346)	(134,596)
Net cash from operating activities	1,813,992	259,848	4,858,899	342,078	1,397,621
Cash flows from investing activities					
Repayment from Directors	-	1,156,450	1,156,450	-	-
Interest received	33,533	-	-	-	-
Investment in an associate	-	-	-	(40,000)	-
Purchase of property, plant and equipment	A (145,339)	(361,604)	(415,329)	(383,800)	(208,007)
Proceeds from disposal of property, plant and equipment	-	203,000	311,000	80,000	144,000
Proceeds from disposal of an associate	-	465,050	465,050	-	-
Net cash (used in)/from investing activities	(111,806)	1,462,896	1,517,171	(343,800)	(64,007)

14. ACCOUNTANTS' REPORT (Cont'd)

ADNEX GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIODS ENDED
30 SEPTEMBER 2025 AND 30 SEPTEMBER 2024 AND FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022 (CONT'D)**

	Audited	Unaudited	Audited	Audited	Audited
	1.1.2025	1.1.2024	1.1.2024	1.1.2023	1.1.2022
	to	to	to	to	to
	30.9.2025	30.9.2024	31.12.2024	31.12.2023	31.12.2022
Note	RM	RM	RM	RM	RM
Cash flows from financing activities					
Interest paid	(462,251)	(83,647)	(163,599)	(69,086)	(47,224)
Proceeds from issuance of shares	1,000	-	-	-	-
Dividend paid	-	(2,900,000)	(8,400,000)	(750,000)	-
Net drawdown/(repayment) of bankers' acceptances	3,950,015	(163,210)	2,096,009	(387,076)	933,510
Net drawdown/(repayment) of term loans	750,476	509,900	1,463,420	(72,002)	(70,388)
Repayment of lease liabilities	B (198,905)	(253,130)	(305,834)	(130,759)	(111,682)
Net cash from/(used in) financing activities	<u>4,040,335</u>	<u>(2,890,087)</u>	<u>(5,310,004)</u>	<u>(1,408,923)</u>	<u>704,216</u>
Net increase/(decrease) in cash and cash equivalents	5,742,521	(1,167,343)	1,066,066	(1,410,645)	2,037,830
Cash and cash equivalents at the beginning of the financial period/year	<u>2,976,154</u>	<u>1,910,088</u>	<u>1,910,088</u>	<u>3,320,733</u>	<u>1,282,903</u>
Cash and cash equivalents at the end of the financial period/year	<u>8,718,675</u>	<u>742,745</u>	<u>2,976,154</u>	<u>1,910,088</u>	<u>3,320,733</u>
Cash and cash equivalents at the end of the financial period/year comprise:					
Cash and bank balances	8,717,663	742,745	2,975,154	1,910,088	3,320,733
Fixed deposit with licensed bank	1,012	-	1,000	-	-
	<u>8,718,675</u>	<u>742,745</u>	<u>2,976,154</u>	<u>1,910,088</u>	<u>3,320,733</u>

14. ACCOUNTANTS' REPORT (Cont'd)**ADNEX GROUP BERHAD**
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIODS ENDED
30 SEPTEMBER 2025 AND 30 SEPTEMBER 2024 AND FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022 (CONT'D)****NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS****A. Purchase of property, plant and equipment**

		Audited	Unaudited	Audited	Audited	Audited
		1.1.2025	1.1.2024	1.1.2024	1.1.2023	1.1.2022
		to	to	to	to	to
		30.9.2025	30.9.2024	31.12.2024	31.12.2023	31.12.2022
	Note	RM	RM	RM	RM	RM
Purchase of property, plant and equipment	3	455,339	1,388,004	1,441,729	583,800	438,007
Less: Purchase through lease arrangements		(310,000)	(1,026,400)	(1,026,400)	(200,000)	(230,000)
Total cash payment		<u>145,339</u>	<u>361,604</u>	<u>415,329</u>	<u>383,800</u>	<u>208,007</u>

B. Cash outflows for leases as a lessee

		Audited	Unaudited	Audited	Audited	Audited
		1.1.2025	1.1.2024	1.1.2024	1.1.2023	1.1.2022
		to	to	to	to	to
		30.9.2025	30.9.2024	31.12.2024	31.12.2023	31.12.2022
	Note	RM	RM	RM	RM	RM
<u>Included in net cash from operating activities:</u>						
Payment relating to lease of low-value assets	18	2,700	3,510	4,680	4,680	4,680
Payment relating to short-term leases	18	5,524	4,462	7,483	104,400	134,400
		<u>8,224</u>	<u>7,972</u>	<u>12,163</u>	<u>109,080</u>	<u>139,080</u>
<u>Included in net cash from/(used in) financing activities:</u>						
Payment of lease liabilities		198,905	253,130	305,834	130,759	111,682
Payment of interest on lease liabilities	17	54,798	41,190	58,395	12,352	11,310
		<u>253,703</u>	<u>294,320</u>	<u>364,229</u>	<u>143,111</u>	<u>122,992</u>
		<u>261,927</u>	<u>302,292</u>	<u>376,392</u>	<u>252,191</u>	<u>262,072</u>

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

14. ACCOUNTANTS' REPORT (Cont'd)**ADNEX GROUP BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. Corporate information****(a) Introduction**

This report has been prepared solely to comply with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of Adnex Group Berhad ("Adnex" or "the Company") in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (hereinafter defined as "the Listing") and should not be relied upon for any other purposes.

(b) Background

The Company was incorporated on 23 January 2025 as a private limited liability company and domiciled in Malaysia.

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

The principal place of business of the Company is located at K03-13-3A, K03-13-05 & K03-13-06, Level 13, Tower 3, UOA Business Park, Jalan Pengaturcara U1/51A, 40150 Shah Alam, Selangor.

On 13 May 2025, the Company was converted to a public limited liability company and assumed its current name of Adnex Group Berhad.

(c) Principal activities

The principal activity of the Company is investment holding.

The details of the subsidiaries as of the date of this report are as follows:

Name of company	Place of business/Country of incorporation	Effective interest	Date of incorporation	Principal activities
Adnex Interior Solution Sdn. Bhd. ("AISSB")	Malaysia	100%	8 December 2004	Provision of interior fit-out services.
Adnex Malaysia Sdn. Bhd. ("AMSB")	Malaysia	100%	26 March 2025	Provision of interior fit-out services.
Adnex International Sdn. Bhd. ("AISB")	Malaysia	100%	26 March 2025	Provision of interior fit-out services.

(d) Acquisition and incorporation of subsidiaries

On 26 March 2025, AMSB was incorporated and the Company subscribed for 1,000 ordinary shares in AMSB, which represents 100% of the equity interest in AMSB for RM1,000.

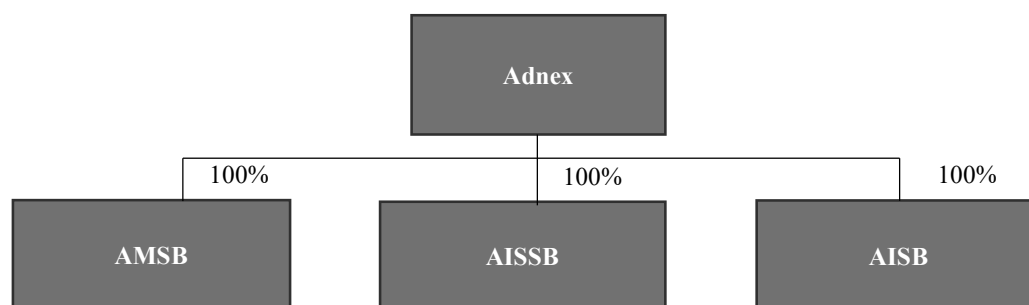
On 26 March 2025, AISB was incorporated and the Company subscribed for 1,000 ordinary shares in AISB, which represents 100% of the equity interest in AISB for RM1,000.

14. ACCOUNTANTS' REPORT (Cont'd)**1. Corporate information (Cont'd)****(d) Acquisition and incorporation of subsidiaries (Cont'd)**

The Company entered into a conditional Share Purchase Agreement on 5 May 2025 to acquire the entire equity interest in AISSB for a purchase consideration of RM8,189,980 to be satisfied by the issuance and allotment of 409,499,000 new ordinary shares in the Company at an issue price of RM0.02 per share ("Acquisition").

The Acquisition was completed on 15 December 2025 and the Group is consolidated using merger method of accounting.

Following the incorporation of subsidiaries and Acquisition of AISSB, the group structure of Adnex is as follows:

**(e) Auditors**

The relevant financial period/years of the audited financial statements used for the purpose of the combined financial statements ("Relevant Financial Period/Years") and the auditors are as follows:

Company	Relevant Financial Period/Years	Auditors
Adnex	30 September 2025	TGS TW PLT
AISSB	30 September 2025 31 December 2024 31 December 2023 31 December 2022*	TGS TW PLT TGS TW PLT TGS TW PLT F.S WONG & CO.
AMSB	30 September 2025	TGS TW PLT
AISB	30 September 2025	TGS TW PLT

* Reaudited by TGS TW PLT for the purposes of this Financial Information

The audited financial statements for the Relevant Financial Period/Years reported above were not subject to any qualification or modification.

2. Basis of preparation**(a) Statement of compliance**

The combined financial statements of the combining entities have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

The combined financial statements consist of the financial statements of combining entities as disclosed in Note 1(c) to this report, which were under common control throughout the reporting period/years by virtue of common controlling shareholders.

14. ACCOUNTANTS' REPORT (Cont'd)**2. Basis of preparation (Cont'd)****(a) Statement of compliance (Cont'd)**

The combined financial statements have been prepared using financial information obtained from the records of the combining entities during the reporting period/years.

The combined financial statements of the combining entities have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information in the respective notes.

The combining entities have consistently applied the accounting policies throughout all periods presented in the combined financial statements unless otherwise stated.

(i) Adoption of new and amended standards

During the financial period, the combining entities have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial period:

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

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

(ii) Standards issued but not yet effective

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

		Effective dates for financial periods <u>beginning on or after</u>
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvement – Volume 11	Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature- dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

14. ACCOUNTANTS' REPORT (Cont'd)**2. Basis of preparation (Cont'd)****(a) Statement of compliance (Cont'd)****(ii) Standards issued but not yet effective (Cont'd)**

The combining entities intend to adopt the above new and amendments to MFRSs when they become effective.

The initial applications of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the combined financial statements of the combining entities.

(b) Functional and presentation currency

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

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

The following are the judgements made by management in applying the combining entities' accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

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

The combining entities recognise revenue over time in the following circumstances:

- (i) The customer simultaneously receives and consumes the benefits provided by the combining entities' performance as the combining entities perform;
- (ii) The combining entities do not create an asset with an alternative use to the combining entities and have an enforceable right to payment for performance completed to date; and
- (iii) The combining entities' performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

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

Determining the lease term of contracts with renewal and termination options – combining entities as lessee

The combining entities determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if they are reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if they are reasonably certain not to be exercised.

14. ACCOUNTANTS' REPORT (Cont'd)**2. Basis of preparation (Cont'd)****(c) Significant accounting judgements, estimates and assumptions (Cont'd)****Judgements (Cont'd)**Determining the lease term of contracts with renewal and termination options – combining entities as lessee (Cont'd)

The combining entities have several lease contracts that include extension and termination options. The combining entities apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the combining entities reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The combining entities include the renewal period as part of the lease term for leases of building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

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

The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 3 to the combined financial statements.

Revenue recognition for contracts with customers

The combining entities recognise contract revenue by reference to the progress or milestones based on the work performed or services rendered by the combining entities. Significant judgements are required in determining the progress towards complete satisfaction of the performance obligations based on actual costs incurred to date over estimated total costs. The carrying amount of contract assets and contract liabilities as at the reporting date are disclosed in Note 7 to the combined financial statements.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised deferred tax assets are disclosed in Note 5 to the combined financial statements.

14. ACCOUNTANTS' REPORT (Cont'd)**2. Basis of preparation (Cont'd)****(c) Significant accounting judgements, estimates and assumptions (Cont'd)****Key sources of estimation uncertainty (Cont'd)**Determination of transaction prices

The combining entities are required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the combining entities assess the impact of any variable consideration in the contracts due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contracts.

There is no estimation required in determining the transaction price, as revenue from sale of goods are based on invoices values. Discounts are not considered as they are only given in rare circumstances.

Provision for expected credit loss of financial assets at amortised cost and contract assets

The combining entities review the recoverability of its receivables and contract assets at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables and contract assets are based on assumptions about risk of default and expected loss rates. The combining entities use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the combining entities' past history and existing market conditions at the end of each reporting period.

The combining entities use a provision matrix to calculate expected credit loss for receivables and contract assets. The provision rates are based on number of days past due.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. Information about the expected credit loss is disclosed in Note 6 to the combined financial statements.

Income taxes

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

The combining entities recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Discount rate used in leases

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

14. ACCOUNTANTS' REPORT (Cont'd)**3. Property, plant and equipment**

	Air-conditioner RM	Computer RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Office RM	Total RM
Audited Cost								
At 1 January 2022	7,339	147,910	7,741	1,086,308	106,926	16,265	121,030	1,493,519
Additions	-	10,241	-	413,643	14,123	-	-	438,007
Disposals	-	-	-	(358,595)	-	-	-	(358,595)
At 31 December 2022	7,339	158,151	7,741	1,141,356	121,049	16,265	121,030	1,572,931
Additions	-	63,028	-	514,576	6,196	-	-	583,800
Disposals	-	-	-	(80,000)	-	-	-	(80,000)
At 31 December 2023	7,339	221,179	7,741	1,575,932	127,245	16,265	121,030	2,076,731
Additions	13,940	167,448	108,422	-	23,631	101,888	1,026,400	1,441,729
Disposals	-	-	-	(786,436)	-	-	-	(786,436)
Early termination of lease contract	-	-	-	-	-	-	(121,030)	(121,030)
At 31 December 2024	21,279	388,627	116,163	789,496	150,876	118,153	1,026,400	2,610,994
Additions	-	82,851	10,710	359,311	2,467	-	-	455,339
At 30 September 2025	21,279	471,478	126,873	1,148,807	153,343	118,153	1,026,400	3,066,333
Accumulated depreciation								
At 1 January 2022	7,339	94,980	7,741	989,396	59,913	16,265	26,896	1,202,530
Charge for the financial year	-	18,613	-	134,457	24,537	-	40,343	217,950
Disposals	-	-	-	(289,411)	-	-	-	(289,411)
At 31 December 2022	7,339	113,593	7,741	834,442	84,450	16,265	67,239	1,131,069
Charge for the financial year	-	14,429	-	120,186	7,471	-	40,343	182,429
At 31 December 2023	7,339	128,022	7,741	954,628	91,921	16,265	107,582	1,313,498
Charge for the financial year	1,045	21,903	4,928	121,329	9,234	6,867	165,190	330,496
Disposals	-	-	-	(617,176)	-	-	-	(617,176)
Early termination of lease contract	-	-	-	-	-	-	(114,306)	(114,306)
At 31 December 2024	8,384	149,925	12,669	458,781	101,155	23,132	158,466	912,512
Charge for the financial period	1,046	25,811	8,238	129,025	7,422	7,642	153,960	333,144
At 30 September 2025	9,430	175,736	20,907	587,806	108,577	30,774	312,426	1,245,656

14. ACCOUNTANTS' REPORT *(Cont'd)*

3. Property, plant and equipment *(Cont'd)*

Carrying amount

At 30 September 2025	11,849	295,742	105,966	561,001	44,766	87,379	713,974	1,820,677
At 31 December 2024	12,895	238,702	103,494	330,715	49,721	95,021	867,934	1,698,482
At 31 December 2023	-	93,157	-	621,304	35,324	-	13,448	763,233
At 31 December 2022	-	44,558	-	306,914	36,599	-	53,791	441,862

14. ACCOUNTANTS' REPORT (Cont'd)**3. Property, plant and equipment (Cont'd)****(a) Material accounting policy information**

Property, plant and equipment, including right-of-use assets, are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of property, plant and equipment is recognised in the profit or loss on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Air-conditioner	10%
Computer	10%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	10%
Renovation	10%
Office	Over the lease term

(b) Included in net carrying amount of property, plant and equipment are right-of-use assets as follow:

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Motor vehicles	561,001	330,715	621,304	306,914
Office	713,974	867,934	13,448	53,791
	<u>1,274,975</u>	<u>1,198,649</u>	<u>634,752</u>	<u>360,705</u>

(c) Depreciation charge of right-of-use assets are as follows:

	Audited 1.1.2025 to 30.9.2025 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Motor vehicles	129,025	121,329	120,186	134,457
Office	153,960	165,190	40,343	40,343
	<u>282,985</u>	<u>286,519</u>	<u>160,529</u>	<u>174,800</u>

(d) Additions of right-of-use assets are as follows:

	Audited 1.1.2025 to 30.9.2025 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Motor vehicles	359,311	-	434,576	383,643
Office	-	1,026,400	-	-
	<u>359,311</u>	<u>1,026,400</u>	<u>434,576</u>	<u>383,643</u>

14. ACCOUNTANTS' REPORT (Cont'd)**3. Property, plant and equipment (Cont'd)**

- (e) The carrying amount of property, plant and equipment under hire purchase of the combining entities are as follows:

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Motor vehicles	<u>561,001</u>	<u>330,715</u>	<u>621,304</u>	<u>306,914</u>

4. Investment in an associate

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
In Malaysia				
At cost				
Unquoted shares	-	-	465,050	425,050
Share of post-acquisition reserve	-	-	(13,277)	9,764
	<u>-</u>	<u>-</u>	<u>451,773</u>	<u>434,814</u>

The combining entities account for the investment in associate using equity method.

Under the equity method, investment in an associate is carried in the combined statements of financial position at cost plus post-acquisition changes in the combining entities' share of net assets of the associate since the acquisition date.

Details of the associate are as follows:

Name of company	Place of business/ Country of incorporation	30.9.2025	Equity interest (%) 31.12.2024 31.12.2023	31.12.2022	Principal activities
AES Asia Sdn. Bhd. ("AASB")	Malaysia	-	- 50	50	Engaged in letting of properties

- * Not audited by TGS TW PLT. The associate's financial year end is 28 February, thus the combining entities have share of its results based on management accounts.

Summarised financial information of the combining entities' associate is set out below:

(a) Summarised statement of financial position

	30.9.2025 RM	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Non-current assets	-	-	2,857,814	2,953,273
Current assets	-	-	57,327	45,062
Non-current liabilities	-	-	(3,992)	(2,831)
Current liabilities	-	-	(2,007,604)	(2,125,876)
Net assets	<u>-</u>	<u>-</u>	<u>903,545</u>	<u>869,628</u>

14. ACCOUNTANTS' REPORT (Cont'd)**4. Investment in an associate (Cont'd)**

Summarised financial information of the combining entities' associate is set out below: (Cont'd)

(b) Summarised statement of profit or loss and other comprehensive income

	1.1.2025 to 30.9.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Revenue	-	-	240,000	240,000
(Loss)/Profit for the financial period/year, total comprehensive (loss)/ income representing for the financial period/year	<u>-</u>	<u>-</u>	<u>(46,083)</u>	<u>198,408</u>
Combining entities' share of (loss)/profit	<u>-</u>	<u>-</u>	<u>(23,041)</u>	<u>99,204</u>

The associate has no contingent liability and capital commitment as at the reporting date.

Additional investment in an associate**2023**

On 30 October 2023, the combining entities subscribed for an additional 40,000 shares in AASB for a total cash consideration of RM40,000, which remained its ownership at 50%.

Disposal of an associate**2024**

On 2 January 2024, the combining entities disposed of its 50% equity interest in AASB for a cash consideration of RM465,050.

5. Deferred tax assets/(liabilities)

	Audited 1.1.2025 to 30.9.2025 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
At the beginning of the financial period/year	(18,872)	(2,169)	2,613	(9,841)
Recognised in profit or loss	25,436	(16,703)	(4,782)	12,454
At the end of the financial period/year	<u>6,564</u>	<u>(18,872)</u>	<u>(2,169)</u>	<u>2,613</u>

14. ACCOUNTANTS' REPORT (Cont'd)**5. Deferred tax assets/(liabilities) (Cont'd)**

The components of deferred tax assets/(liabilities) are made up of temporary differences arising from:

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Property, plant and equipment	(56,171)	(48,366)	(33,144)	(11,457)
Provisions	62,735	29,494	30,975	14,070
	<u>6,564</u>	<u>(18,872)</u>	<u>(2,169)</u>	<u>2,613</u>

6. Trade receivables

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Trade receivables	9,763,687	7,686,687	4,198,024	4,585,313
Less: Allowance for expected credit losses ("ECLs")	(261,394)	(122,891)	(129,062)	(58,624)
	<u>9,502,293</u>	<u>7,563,796</u>	<u>4,068,962</u>	<u>4,526,689</u>

Trade receivables are non-interest bearing and are generally on credit terms of 7 to 60 (31.12.2024, 31.12.2023 and 31.12.2022: 30 to 90) days. They are recognised at their original invoice amounts which represent their values on initial recognition.

Movements in the allowance for ECLs of trade receivables are as follows:

	Audited 1.1.2025 to 30.9.2025 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
At the beginning of the financial period/year	122,891	129,062	58,624	46,672
Charge for the financial period/year	138,503	-	70,438	11,952
Reversal during the financial period/year	-	(6,171)	-	-
At the end of the financial period/year	<u>261,394</u>	<u>122,891</u>	<u>129,062</u>	<u>58,624</u>

The reversal of allowance of ECLs was made during the financial period/year when there is improvement in the credit quality of trade receivables.

14. ACCOUNTANTS' REPORT (Cont'd)**6. Trade receivables (Cont'd)**

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature:

	Gross amount RM	ECLs RM	Net amount RM
Audited 30.9.2025			
Not past due	28,107,383	(13,849)	28,093,534
Past due:			
Less than 30 days	4,481,300	(34,552)	4,446,748
31 to 60 days	192,061	(3,415)	188,646
61 to 90 days	22,088	(841)	21,247
More than 90 days	809,958	(208,737)	601,221
	<u>33,612,790</u>	<u>(261,394)</u>	<u>33,351,396</u>
Trade receivables	9,763,687	(261,394)	9,502,293
Contract assets (Note 7)	23,849,103	-	23,849,103
	<u>33,612,790</u>	<u>(261,394)</u>	<u>33,351,396</u>
Audited 31.12.2024			
Not past due	23,623,257	(37,513)	23,585,744
Past due:			
Less than 30 days	542,386	(7,126)	535,260
31 to 60 days	466,025	(14,765)	451,260
61 to 90 days	15,500	(1,144)	14,356
More than 90 days	144,180	(62,343)	81,837
	<u>24,791,348</u>	<u>(122,891)</u>	<u>24,668,457</u>
Trade receivables	7,686,687	(122,891)	7,563,796
Contract assets (Note 7)	17,104,661	-	17,104,661
	<u>24,791,348</u>	<u>(122,891)</u>	<u>24,668,457</u>
Audited 31.12.2023			
Not past due	14,973,495	(23,628)	14,949,867
Past due:			
Less than 30 days	1,235,825	(16,794)	1,219,031
31 to 60 days	123,341	(4,091)	119,250
61 to 90 days	53,560	(4,342)	49,218
More than 90 days	305,877	(80,207)	225,670
	<u>16,692,098</u>	<u>(129,062)</u>	<u>16,563,036</u>
Trade receivables	4,198,024	(129,062)	4,068,962
Contract assets (Note 7)	12,494,074	-	12,494,074
	<u>16,692,098</u>	<u>(129,062)</u>	<u>16,563,036</u>

14. ACCOUNTANTS' REPORT (Cont'd)**6. Trade receivables (Cont'd)**

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature: (Cont'd)

	Gross amount RM	ECLs RM	Net amount RM
Audited 31.12.2022			
Not past due	10,798,632	(19,017)	10,779,615
Past due:			
Less than 30 days	968,797	(10,048)	958,749
31 to 60 days	900	(24)	876
61 to 90 days	202,500	(13,369)	189,131
More than 90 days	31,139	(16,166)	14,973
	<u>12,001,968</u>	<u>(58,624)</u>	<u>11,943,344</u>
Trade receivables	4,585,313	(58,624)	4,526,689
Contract assets (Note 7)	7,416,655	-	7,416,655
	<u>12,001,968</u>	<u>(58,624)</u>	<u>11,943,344</u>

The foreign currency exposure profile of trade receivables is as follows:

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Australian dollars	<u>-</u>	<u>60,163</u>	<u>-</u>	<u>-</u>

7. Contract assets/(liabilities)

	Audited 1.1.2025 to 30.9.2025 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
At the beginning of the financial period/year	17,030,246	12,095,137	4,340,058	683,098
Revenue recognised during the financial period/year	67,121,365	50,225,594	46,629,167	30,911,583
Progress billings issued during the financial period/year	<u>(61,232,364)</u>	<u>(45,290,485)</u>	<u>(38,874,088)</u>	<u>(27,254,623)</u>
At the end of the financial period/year	<u>22,919,247</u>	<u>17,030,246</u>	<u>12,095,137</u>	<u>4,340,058</u>

14. ACCOUNTANTS' REPORT (Cont'd)**7. Contract assets/(liabilities) (Cont'd)**

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Presented as:				
Contract assets	23,849,103	17,104,661	12,494,074	7,416,655
Contract liabilities	(929,856)	(74,415)	(398,937)	(3,076,597)
	<u>22,919,247</u>	<u>17,030,246</u>	<u>12,095,137</u>	<u>4,340,058</u>

The contract assets primarily related to the combining entities' right to consideration for work performed but not yet billed at the reporting date for its interior fit-out services contracts activities. The contracts assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily related to the advance consideration received from customer from interior fit-out services contracts, which revenue is recognised during the interior fit-out services contract activities.

Contract yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially satisfied) at the reporting date is as follows:

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Within 1 year	<u>26,352,411</u>	<u>7,998,603</u>	<u>11,197,575</u>	<u>18,972,846</u>

8. Other receivables

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Non-trade receivables	37,378	58,500	55,500	60,500
Deposits	497,939	736,419	208,628	206,665
Prepayments	1,997,879	284,364	10,000	-
	<u>2,533,196</u>	<u>1,079,283</u>	<u>274,128</u>	<u>267,165</u>

Included in prepayments are listing expenses amounting to RM1,984,868 (31.12.2024: RM284,364, 31.12.2023 and 31.12.2022: RMNil).

The foreign currency exposure profile of other receivables is as follows:

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Philippine pesos	<u>-</u>	<u>462,000</u>	<u>-</u>	<u>-</u>

14. ACCOUNTANTS' REPORT (Cont'd)**9. Amount due from Directors**

Amount due from Directors are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

10. Fixed deposit with licensed bank

The fixed deposit with licensed bank of the combining entities at the end of the reporting period bears interest rate of 2.45% (31.12.2024: 2.50%, 31.12.2023 and 31.12.2022: Nil%) per annum. The fixed deposit with licensed bank has maturity period of 6 (31.12.2024: 6, 31.12.2023 and 31.12.2022: Nil) months and it is readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

11. Share capital and invested equity**(a) Share capital**

	Number of ordinary shares Units	Amount RM
Audited		
Issued and fully paid:		
At 1.1.2022/31.12.2022/31.12.2023/31.12.2024	-	-
Issuance of shares	1,000	1,000
At 30.9.2025	<u>1,000</u>	<u>1,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the combining entities's residual assets.

(b) Invested equity

	Number of ordinary shares Units	Amount RM
Issued and fully paid:		
At 1.1.2022/31.12.2022/31.12.2023/31.12.2024/30.9.2025	<u>1,000,000</u>	<u>1,000,000</u>

Invested equity comprised the aggregate number of issued and paid-up ordinary shares of AISSB.

14. ACCOUNTANTS' REPORT (Cont'd)**12. Loans and borrowings**

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Secured				
Term loans	2,818,458	2,067,982	604,562	676,564
Bankers' acceptances	7,157,067	3,207,052	1,111,043	1,498,119
	<u>9,975,525</u>	<u>5,275,034</u>	<u>1,715,605</u>	<u>2,174,683</u>
Non-current				
Term loans	<u>2,454,317</u>	<u>1,823,333</u>	<u>531,425</u>	<u>606,936</u>
Current				
Term loans	364,141	244,649	73,137	69,628
Bankers' acceptances	7,157,067	3,207,052	1,111,043	1,498,119
	<u>7,521,208</u>	<u>3,451,701</u>	<u>1,184,180</u>	<u>1,567,747</u>
	<u>9,975,525</u>	<u>5,275,034</u>	<u>1,715,605</u>	<u>2,174,683</u>

The loans and borrowings are secured by the following:

- (i) Third party legal charge over a Director's properties;
- (ii) Jointly and severally guaranteed by Directors of the Company;
- (iii) Letter of guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP") under Pemulih Government Guarantee Scheme-I (PGGS-i);
- (iv) Earmarking of current accounts maintained with respective banks; and
- (v) Half yearly Sinking Fund build-up until the facility is 50% secured upon expiry of guarantee coverage period.

The repayment terms of loans and borrowings are as following:

- (i) Term loans are repayable by 66 to 120 (31.12.2024: 66 to 120, 31.12.2023 and 31.12.2022: 66 to 360) monthly instalments.
- (ii) Bankers' acceptances are repayable within 3 to 4 months (31.12.2024: 1 to 4 months, 31.12.2023 and 31.12.2022: 3 to 4 months).

The average effective interest rates per annum are as follows:

	Audited 30.9.2025 %	Audited 31.12.2024 %	Audited 31.12.2023 %	Audited 31.12.2022 %
Term loans	6.77	7.08	4.24	3.50
Bankers' acceptances	<u>3.84</u>	<u>4.68</u>	<u>4.88</u>	<u>3.35</u>

14. ACCOUNTANTS' REPORT (Cont'd)**13. Lease liabilities**

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Non-current	877,289	839,319	238,660	158,412
Current	287,655	214,530	101,600	112,607
	<u>1,164,944</u>	<u>1,053,849</u>	<u>340,260</u>	<u>271,019</u>

The maturity analysis of lease liabilities at the end of the reporting period are as follows:

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Within 1 year	347,791	275,040	113,156	120,980
Between 2 to 5 years	948,090	932,101	249,689	167,009
	<u>1,295,881</u>	<u>1,207,141</u>	<u>362,845</u>	<u>287,989</u>
Less: Future finance charges	(130,937)	(153,292)	(22,585)	(16,970)
Present value of lease liabilities	<u>1,164,944</u>	<u>1,053,849</u>	<u>340,260</u>	<u>271,019</u>

The average effective interest rate of the lease liabilities is 4.63% (31.12.2024: 5.83%, 31.12.2023: 4.10% and 31.12.2022: 4.31%).

The combining entities lease motor vehicles and office. Lease terms are negotiated on an individual basis and contain different terms and conditions.

14. Trade payables

The normal trade credit terms granted to the combining entities range from 30 to 60 days (31.12.2024, 31.12.2023 and 31.12.2022: 30 to 60 days) depending on the term of the contracts.

15. Other payables

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Non-trade payables	257,385	253,622	133,064	113,655
Accruals	571,703	160,336	419,172	45,067
Dividend payable	-	-	2,500,000	-
Sales and Service Tax payable	77,910	-	-	-
	<u>906,998</u>	<u>413,958</u>	<u>3,052,236</u>	<u>158,722</u>

14. ACCOUNTANTS' REPORT (Cont'd)**16. Revenue**

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Revenue from contracts with customers:					
Rendering of services	<u>67,121,365</u>	<u>24,359,753</u>	<u>50,225,594</u>	<u>46,629,167</u>	<u>30,911,583</u>
Timing of revenue recognition:					
Over time	<u>67,121,365</u>	<u>24,359,753</u>	<u>50,225,594</u>	<u>46,629,167</u>	<u>30,911,583</u>
Geographical market:					
Malaysia	67,119,025	24,355,753	49,883,054	46,519,167	30,855,237
Philippines	2,340	-	278,377	-	-
Others	-	4,000	64,163	110,000	56,346
	<u>67,121,365</u>	<u>24,359,753</u>	<u>50,225,594</u>	<u>46,629,167</u>	<u>30,911,583</u>

Rendering of services

Revenue from interior fit-out services is recognised over time in which the services are rendered, which simultaneously received and consumes the benefit provided by the combining entities and the combining entities have a present right to payment for the services.

The combining entities apply the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

17. Finance costs

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Interest expenses on:					
- Term loans	178,587	10,385	48,306	26,118	25,308
- Lease liabilities	54,798	41,190	58,395	12,352	11,310
- Bankers' acceptances	228,866	32,072	56,898	30,616	10,606
	<u>462,251</u>	<u>83,647</u>	<u>163,599</u>	<u>69,086</u>	<u>47,224</u>

14. ACCOUNTANTS' REPORT (Cont'd)**18. Profit before tax**

Profit before tax is determined after charging/(crediting), amongst others, the following items:

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Auditors' remuneration					
- Current financial period/year	22,500	-	30,000	57,000	14,000
- Under/(Over) provision in prior financial year	-	-	13,634	5,080	(750)
Allowance for/(Reversal of) expected credit losses	138,503	-	(6,171)	70,438	11,952
Bad debts written off	48,316	-	-	-	-
Depreciation of property, plant and equipment	333,144	238,690	330,496	182,429	217,950
Gain on early termination of lease contract	-	(253)	(253)	-	-
Gain on disposal of an associate	-	(13,277)	(13,277)	-	-
Gain on disposal of property, plant and equipment	-	(33,740)	(141,740)	-	(74,816)
Interest income	(33,533)	-	-	-	-
Realised loss/(gain) on foreign exchange	61,311	453	(13,383)	-	115
Lease expenses					
- Low-value assets (a)	2,700	3,510	4,680	4,680	4,680
- Short-term leases (a)	5,524	4,462	7,483	104,400	134,400
Waiver of debts from other payables	-	-	(62,468)	(1,186)	-

- (a) The combining entities lease various property and equipment with contract terms of not more than one year or value of the asset is not more than RM20,000 when it is new. These leases are short-term leases and lease of low-value asset. The combining entities have elected not to recognise right-of-use assets and leases liabilities for these leases.

14. ACCOUNTANTS' REPORT (Cont'd)**19. Taxation**

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Tax expense recognised in profit or loss					
Current tax					
Current period/year provision	2,395,396	870,559	2,107,969	1,643,001	1,111,468
Under/(Over) provision in prior financial year	124,353	(11,649)	317,159	-	-
	<u>2,519,749</u>	<u>858,910</u>	<u>2,425,128</u>	<u>1,643,001</u>	<u>1,111,468</u>
Deferred tax					
Origination and reversal of temporary differences	(25,436)	-	16,703	4,782	(12,454)
	<u>2,494,313</u>	<u>858,910</u>	<u>2,441,831</u>	<u>1,647,783</u>	<u>1,099,014</u>

A reconciliation of income tax expense applicable to profit before tax at the statutory tax rate to income tax expense at the effective income tax rate of the combining entities are as follows:

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Profit before tax	<u>8,970,693</u>	<u>1,955,608</u>	<u>8,832,894</u>	<u>6,677,132</u>	<u>4,520,511</u>
At Malaysian statutory tax rate of 24%	2,152,966	469,346	2,119,895	1,602,512	1,084,923
Tax savings on first tranche of chargeable income	-	(45,000)	(45,000)	(45,000)	(42,000)
Expenses not deductible for tax purposes	216,994	457,497	101,973	90,556	74,052
Income not subject to tax	-	(11,284)	(52,196)	(285)	(17,961)
Under/(Over) provision of current tax in prior financial year	124,353	(11,649)	317,159	-	-
	<u>2,494,313</u>	<u>858,910</u>	<u>2,441,831</u>	<u>1,647,783</u>	<u>1,099,014</u>

14. ACCOUNTANTS' REPORT (Cont'd)**20. Earnings per share**Basic earnings per share

The basic earnings per share is calculated based on the combined profit for the financial period/year attributable to the owners of the combining entities and the number of enlarged ordinary shares to be issued after the Listing as follows:

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Profit attributable to owners of the combining entities	<u>6,476,380</u>	<u>1,096,698</u>	<u>6,391,063</u>	<u>5,029,349</u>	<u>3,421,497</u>
Number of enlarged ordinary shares (unit)	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Basic earnings per share (sen)	<u>1.30</u>	<u>0.22</u>	<u>1.28</u>	<u>1.01</u>	<u>0.68</u>

Diluted earnings per share

The combining entities have no dilution in their earnings per share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential shares outstanding as at end of the reporting period.

14. ACCOUNTANTS' REPORT (Cont'd)**21. Dividends**

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
AISSB					
<u>In respect of the financial year ended</u>					
<u>31 December 2024:</u>					
An interim single-tier dividend of RM0.40 per ordinary share, declared on 31 July 2024 and payable on 1 August 2024	-	400,000	400,000	-	-
An interim single-tier dividend of RM2.00 per ordinary share, declared on 1 November 2024 and payable on 2 November 2024	-	-	2,000,000	-	-
An interim single-tier dividend of RM3.00 per ordinary share, declared on 30 November 2024 and payable on 2 December 2024	-	-	3,000,000	-	-
An interim single-tier dividend of RM0.50 per ordinary share, declared on 20 December 2024 and payable on 20 December 2024	-	-	500,000	-	-
<u>In respect of the financial year ended</u>					
<u>31 December 2023:</u>					
An interim single-tier dividend of RM0.75 per ordinary share, declared on 1 September 2023 and payable on 5 September 2023	-	-	-	750,000	-
An interim single-tier dividend of RM2.50 per ordinary share, declared on 25 December 2023 and payable on 13 May 2024	-	-	-	2,500,000	-
	<u>-</u>	<u>400,000</u>	<u>5,900,000</u>	<u>3,250,000</u>	<u>-</u>

The Board of Directors does not recommend any dividend in respect of the current financial period.

14. ACCOUNTANTS' REPORT (Cont'd)**22. Staff costs**

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Salaries, wages and other emoluments	4,525,372	2,821,608	4,058,081	2,269,367	1,314,975
Defined contribution plans	876,623	334,757	485,107	205,397	144,380
Social security contributions	47,084	23,101	34,749	16,174	12,620
Employment insurance system	5,608	2,329	3,660	1,848	1,445
	<u>5,454,687</u>	<u>3,181,795</u>	<u>4,581,597</u>	<u>2,492,786</u>	<u>1,473,420</u>

23. Reconciliation of liabilities arising from financing activities

The table below shows the detailed changes in the liabilities of the combining entities arising from financing activities, including both cash and non-cash changes:

	At 1.1.2025 RM	New lease RM	Financing cash flows RM	Other changes ⁽ⁱ⁾ RM	At 30.9.2025 RM
Audited					
Term loans	2,067,982	-	750,476	-	2,818,458
Bankers' acceptances	3,207,052	-	3,950,015	-	7,157,067
Lease liabilities	1,053,849	310,000	(198,905)	-	1,164,944
	<u>6,328,883</u>	<u>310,000</u>	<u>4,501,586</u>	<u>-</u>	<u>11,140,469</u>
	At 1.1.2024 RM	New lease RM	Financing cash flows RM	Other changes ⁽ⁱ⁾ RM	At 30.9.2024 RM
Unaudited					
Term loans	604,562	-	509,900	-	1,114,462
Bankers' acceptances	1,111,043	-	(163,210)	-	947,833
Lease liabilities	340,260	1,026,400	(253,130)	(6,977)	1,106,553
	<u>2,055,865</u>	<u>1,026,400</u>	<u>93,560</u>	<u>(6,977)</u>	<u>3,168,848</u>
	At 1.1.2024 RM	New lease RM	Financing cash flows RM	Other changes ⁽ⁱ⁾ RM	At 31.12.2024 RM
Audited					
Term loans	604,562	-	1,463,420	-	2,067,982
Bankers' acceptances	1,111,043	-	2,096,009	-	3,207,052
Lease liabilities	340,260	1,026,400	(305,834)	(6,977)	1,053,849
	<u>2,055,865</u>	<u>1,026,400</u>	<u>3,253,595</u>	<u>(6,977)</u>	<u>6,328,883</u>

14. ACCOUNTANTS' REPORT (Cont'd)**23. Reconciliation of liabilities arising from financing activities (Cont'd)**

The table below shows the detailed changes in the liabilities of the combining entities arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1.1.2023 RM	New lease RM	Financing cash flows RM	Other changes ⁽ⁱ⁾ RM	At 31.12.2023 RM
Audited					
Term loans	676,564	-	(72,002)	-	604,562
Bankers' acceptances	1,498,119	-	(387,076)	-	1,111,043
Lease liabilities	271,019	200,000	(130,759)	-	340,260
	<u>2,445,702</u>	<u>200,000</u>	<u>(589,837)</u>	<u>-</u>	<u>2,055,865</u>
	At 1.1.2022 RM	New lease RM	Financing cash flows RM	Other changes ⁽ⁱ⁾ RM	At 31.12.2022 RM
Audited					
Term loans	746,952	-	(70,388)	-	676,564
Bankers' acceptances	564,609	-	933,510	-	1,498,119
Lease liabilities	152,701	230,000	(111,682)	-	271,019
	<u>1,464,262</u>	<u>230,000</u>	<u>751,440</u>	<u>-</u>	<u>2,445,702</u>

⁽ⁱ⁾ Other changes include early termination of lease.

24. Related party disclosures**(a) Identifying related parties**

For the purposes of these combined financial statements, parties are considered to be related to the combining entities if the combining entities have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the combining entities and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the combining entities either directly or indirectly. The key management personnel comprise the Directors and management personnel of the combining entities, having authority and responsibility for planning, directing and controlling the activities of the combining entities directly or indirectly.

14. ACCOUNTANTS' REPORT (Cont'd)**24. Related party disclosures (Cont'd)****(b) Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the combined financial statements, the significant related party transactions of the combining entities are as follows:

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Transactions with an associate					
- Management fee paid to	-	-	-	78,000	78,000
- Rental expense paid to	-	-	-	42,000	42,000
Transactions with companies in which Directors have interests					
- Disposal of property, plant and equipment	-	-	-	80,000	-
- Management fee paid to	-	13,000	13,000	-	-
- Project expense paid to	-	-	-	163,550	-
- Rental expense paid to	168,379	124,181	180,307	-	-
- Sales to	-	-	-	176,934	116,791
- Utility fee paid to	49,079	38,500	55,000	-	-
Transactions with companies in which persons connected to Directors have interests					
- Sales to	-	3,398,656	3,398,656	9,338,482	12,478,847
- Sub-contractor fee paid to	-	1,734,073	1,734,073	12,699,609	3,820,195
Transaction with a Director					
- Disposal of an associate to	-	465,050	465,050	-	-
Transaction with a person connected to a Director					
- Purchase of property, plant and equipment	-	-	-	80,000	30,000

14. ACCOUNTANTS' REPORT (Cont'd)**24. Related party disclosures (Cont'd)****(c) Compensation of key management personnel**

Compensation of Directors and other members of key management personnel are as follows:

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
Directors					
Salaries, wages and other emoluments	675,000	510,000	699,000	422,000	336,000
Defined contribution plans	128,250	96,900	132,810	80,180	63,840
Social security contributions	1,874	1,560	2,185	2,080	1,800
Employment insurance system	214	178	250	238	204
	<u>805,338</u>	<u>608,638</u>	<u>834,245</u>	<u>504,498</u>	<u>401,844</u>
Other key management personnel					
Salaries, wages and other emoluments	548,800	204,755	399,016	214,361	166,633
Defined contribution plans	64,764	24,576	44,808	16,920	12,900
Social security contributions	2,811	1,041	1,977	1,040	899
Employment insurance system	321	119	226	119	103
	<u>616,696</u>	<u>230,491</u>	<u>446,027</u>	<u>232,440</u>	<u>180,535</u>
	<u>1,422,034</u>	<u>839,129</u>	<u>1,280,272</u>	<u>736,938</u>	<u>582,379</u>

The estimated monetary value of a Director's and key management personnel's benefit-in-kind is RM31,689 and RM26,201 (1.1.2024 to 30.9.2024, 1.1.2024 to 31.12.2024, 1.1.2023 to 31.12.2023 and 1.1.2022 to 31.12.2022: RMNil and RMNil) respectively.

25. Financial guarantee

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Corporate guarantee in relation to banking facilities given to an associate	-	-	2,618,912	-
Corporate guarantee in relation to banking facilities to companies in which Directors have interest	6,982,760	8,040,775	2,620,246	-
Bank guarantee for performance bond given to third parties	<u>2,414,298</u>	<u>1,450,467</u>	<u>-</u>	<u>-</u>
	<u>9,397,058</u>	<u>9,491,242</u>	<u>5,239,158</u>	<u>-</u>

14. ACCOUNTANTS' REPORT (Cont'd)**26. Segment information****(a) Business segment**

Segment reporting is not presented as the combining entities are principally engaged in provision of interior fit-out services, which is substantially within a single business segment.

(b) Geographical information

Revenue information based on the geographical location of customers are disclosed in Note 16 to the combined financial statements.

(c) Major customers

The following is the major customers with revenue equal to or more than 10% of the combining entities' total revenue in any of the financial period/year presented:

	Audited 1.1.2025 to 30.9.2025 RM	Unaudited 1.1.2024 to 30.9.2024 RM	Audited 1.1.2024 to 31.12.2024 RM	Audited 1.1.2023 to 31.12.2023 RM	Audited 1.1.2022 to 31.12.2022 RM
- Customer A	3,366,589	4,599,169	8,597,468	3,355,943	7,216,122
- Customer S	676,829	3,420,698	3,421,018	9,338,482	12,478,847
- Customer T	444,160	603,607	650,117	8,272,898	215,102
- Customer U	168,572	1,907,234	8,377,263	-	-
- Customer V	1,329	4,026,345	4,115,472	1,302,332	-
- Customer W	-	4,191,933	4,341,700	332,519	-
- Customer X	17,536,848	-	4,702,600	-	-
- Customer Y	13,339,465	-	-	-	-
- Customer Z	<u>7,335,242</u>	<u>1,161,969</u>	<u>2,423,107</u>	<u>-</u>	<u>1,178,155</u>

27. Financial instruments**(a) Classification of financial instruments**

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost.

14. ACCOUNTANTS' REPORT (Cont'd)**27. Financial instruments (Cont'd)****(a) Classification of financial instruments (Cont'd)**

The following table analyses the financial assets and liabilities in the combined statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
At amortised cost				
Financial assets				
Trade receivables	9,502,293	7,563,796	4,068,962	4,526,689
Other receivables	535,317	794,919	264,128	267,165
Amount due from Directors	-	-	1,156,450	1,156,450
Fixed deposit with licensed bank	1,012	1,000	-	-
Cash and bank balances	8,717,663	2,975,154	1,910,088	3,320,733
	<u>18,756,285</u>	<u>11,334,869</u>	<u>7,399,628</u>	<u>9,271,037</u>
At amortised cost				
Financial liabilities				
Loans and borrowings	9,975,525	5,275,034	1,715,605	2,174,683
Trade payables	17,346,222	14,357,844	5,792,040	4,970,503
Other payables	829,088	413,958	3,052,236	158,722
	<u>28,150,835</u>	<u>20,046,836</u>	<u>10,559,881</u>	<u>7,303,908</u>

(b) Financial risk management objectives and policies

The combining entities' financial risk management policy is to ensure that adequate financial resources are available for the development of the combining entities' operation whilst managing its credit, liquidity and market risks. The combining entities operate within clearly defined guidelines that are approved by the Board and the combining entities' policy is not to engage in speculative transactions.

The following sections provide details regarding the combining entities' exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the combining entities if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The combining entities' exposure to credit risk arises principally from the trade receivables, other receivables, amount due from Directors, fixed deposit with licensed bank and cash and bank balances. There are no significant changes as compared to previous financial year.

The combining entities have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the combining entities assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the combining entities determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

14. ACCOUNTANTS' REPORT (Cont'd)**27. Financial instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(i) Credit risk (Cont'd)**

The carrying amounts of the financial assets recorded on the combined statements of financial position at the end of the financial period/year represent the combining entities' maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to an associate, companies in which Directors have interest and third parties.

There are no significant changes as compared to previous financial period/year.

Credit risk concentration

As at the end of the financial period/year, the combining entities have 2 customers (31.12.2024: 1, 31.12.2023: 2 and 31.12.2022: 3) that owed the combining entities more than 10% each and accounted for approximately 40% (31.12.2024: 46%, 31.12.2023: 45% and 31.12.2022: 91%) of the trade receivables.

(ii) Liquidity risk

Liquidity risk refers to the risk that the combining entities will encounter difficulty in meeting its financial obligations as they fall due. The combining entities' exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The combining entities' funding requirement and liquidity risk managed with the objective of meeting business obligations on a timely basis. The combining entities finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the combining entities can be required to pay.

	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amounts RM
Audited					
30.9.2025					
<u>Non-derivative</u>					
<u>financial</u>					
<u>liabilities</u>					
Loans and					
borrowings	7,732,863	2,101,107	1,103,395	10,937,365	9,975,525
Lease liabilities	347,791	948,090	-	1,295,881	1,164,944
Trade payables	17,346,222	-	-	17,346,222	17,346,222
Other payables	829,088	-	-	829,088	829,088
	<u>26,255,964</u>	<u>3,049,197</u>	<u>1,103,395</u>	<u>30,408,556</u>	<u>29,315,779</u>
Financial guarantee*	<u>9,397,058</u>	<u>-</u>	<u>-</u>	<u>9,397,058</u>	

14. ACCOUNTANTS' REPORT (Cont'd)**27. Financial instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the combining entities can be required to pay. (Cont'd)

	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amounts RM
Audited					
31.12.2024					
<u>Non-derivative</u>					
<u>financial</u>					
<u>liabilities</u>					
Loans and					
borrowings	3,608,407	1,372,378	1,040,009	6,020,794	5,275,034
Lease liabilities	275,040	932,101	-	1,207,141	1,053,849
Trade payables	14,357,844	-	-	14,357,844	14,357,844
Other payables	413,958	-	-	413,958	413,958
	<u>18,655,249</u>	<u>2,304,479</u>	<u>1,040,009</u>	<u>21,999,737</u>	<u>21,100,685</u>
Financial guarantee*	<u>9,491,242</u>	<u>-</u>	<u>-</u>	<u>9,491,242</u>	
Audited					
31.12.2023					
<u>Non-derivative</u>					
<u>financial</u>					
<u>liabilities</u>					
Loans and					
borrowings	1,209,635	228,051	547,734	1,985,420	1,715,605
Lease liabilities	113,156	249,689	-	362,845	340,260
Trade payables	5,792,040	-	-	5,792,040	5,792,040
Other payables	3,052,236	-	-	3,052,236	3,052,236
	<u>10,167,067</u>	<u>477,740</u>	<u>547,734</u>	<u>11,192,541</u>	<u>10,900,141</u>
Financial guarantee*	<u>5,239,158</u>	<u>-</u>	<u>-</u>	<u>5,239,158</u>	
Audited					
31.12.2022					
<u>Non-derivative</u>					
<u>financial</u>					
<u>liabilities</u>					
Loans and					
borrowings	1,596,289	294,771	579,606	2,470,666	2,174,683
Lease liabilities	120,980	167,009	-	287,989	271,019
Trade payables	4,970,503	-	-	4,970,503	4,970,503
Other payables	158,722	-	-	158,722	158,722
	<u>6,846,494</u>	<u>461,780</u>	<u>579,606</u>	<u>7,887,880</u>	<u>7,574,927</u>

* Based on maximum amount that can be called for under the financial guarantee contract.

14. ACCOUNTANTS' REPORT (Cont'd)**27. Financial instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk****(a) Interest rate risk**

The combining entities' fixed rate deposit with licensed bank and borrowings are exposed to a risk of change in their fair value due to the changes in interest rates. The combining entities' variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The combining entities manage their interest rate risk exposure from interest bearing financial instruments by obtaining financing with the most favourable interest rates in the market. The combining entities constantly monitor their interest rate risk by reviewing their debts portfolio to ensure favourable rates are obtained. The combining entities do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the combining entities' significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Fixed rate instruments				
<u>Financial asset</u>				
Fixed deposit with licensed bank	1,012	1,000	-	-
<u>Financial liabilities</u>				
Bankers' acceptances	(7,157,067)	(3,207,052)	(1,111,043)	(1,498,119)
Term loan	(49,787)	(97,807)	(159,920)	(219,905)
Lease liabilities	(1,164,944)	(1,053,849)	(340,260)	(271,019)
	<u>(8,371,798)</u>	<u>(4,358,708)</u>	<u>(1,611,223)</u>	<u>(1,989,043)</u>
	<u>(8,370,786)</u>	<u>(4,357,708)</u>	<u>(1,611,223)</u>	<u>(1,989,043)</u>
Floating rate instrument				
<u>Financial liability</u>				
Term loans	(2,768,671)	(1,970,175)	(444,642)	(456,659)

Interest rate risk sensitivity analysisFair value sensitivity analysis for fixed rate instruments

The combining entities do not account for any fixed rate financial liabilities at fair value through profit or loss ("FVTPL"). Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

14. ACCOUNTANTS' REPORT (Cont'd)**27. Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis (Cont'd)Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the combining entities' profit before tax by RM27,687 (31.12.2024: RM19,702, 31.12.2023: RM4,446 and 31.12.2022: RM4,567), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables, payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

28. Capital management

The combining entities' objective when managing capital are to safeguard the combining entities' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the combining entities may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The combining entities monitor capital using a net gearing ratio. The combining entities' policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The net gearing ratio at the end of the reporting period are as follows:

	Audited 30.9.2025 RM	Audited 31.12.2024 RM	Audited 31.12.2023 RM	Audited 31.12.2022 RM
Loans and borrowings	9,975,525	5,275,034	1,715,605	2,174,683
Lease liabilities (Hire purchase)	387,410	150,544	326,337	216,049
Less: Cash and bank balances	(8,717,663)	(2,975,154)	(1,910,088)	(3,320,733)
Less: Fixed deposit with licensed bank	(1,012)	(1,000)	-	-
Net debts/(cash)	<u>1,644,260</u>	<u>2,449,424</u>	<u>131,854</u>	<u>(930,001)</u>
Total equity	<u>14,671,646</u>	<u>8,194,266</u>	<u>7,703,203</u>	<u>5,923,854</u>
Net gearing ratio (times)	<u>0.11</u>	<u>0.30</u>	<u>0.02</u>	<u>N/A*</u>

* Net gearing ratio not applicable as the cash and cash equivalents of the combining entities are sufficient to settle the outstanding debt.

There were no changes in the combining entities' approach to capital management during the financial period/year.

14. ACCOUNTANTS' REPORT (Cont'd)**ADNEX GROUP BERHAD**
(Incorporated in Malaysia)**STATEMENT BY DIRECTORS**

We, the undersigned, being the Directors of the Company, do hereby state that, in the opinion of the Directors, the combined financial statements set out on pages 4 to 43 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 combined financial position of the combining entities as at 30 September 2025, 31 December 2024, 31 December 2023 and 31 December 2022 and of their combined financial performance and combined cash flows for the financial periods ended 30 September 2024 and 30 September 2025 and for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 January 2026.



KAN WAI CHUN

KAN WAI PENG

KUALA LUMPUR

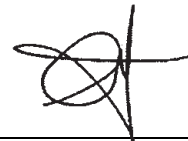
14. ACCOUNTANTS' REPORT (Cont'd)

ADNEX GROUP BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act 2016

I, Kan Wai Chun, being the Director primarily responsible for the financial management of Adnex Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 4 to 43 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.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the Federal)
Territory on 30 January 2026)



KAN WAI CHUN

Before me,



Commissioner for Oaths

No. 12-1, Jalan 9/23A,
Medan Makmur,
Off Jalan Usahawan, Setapak,
53200 Kuala Lumpur.

15. ADDITIONAL INFORMATION

15.1 SHARE CAPITAL

- (i) As at the date of this Prospectus, we have only one class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (ii) No securities will be allotted or issued on the basis of this Prospectus later than 6 months after the date of this Prospectus.
- (iii) None of the share capital of our Group is under option or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.
- (iv) Save as disclosed in Section 6.1.3 of this Prospectus, our Group has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within 3 years immediately preceding the date of this Prospectus.
- (v) As at the date of this Prospectus, save for the Issue Shares reserved for the Eligible Persons as disclosed in Section 4.3.1(ii) of this Prospectus, there is currently no other scheme involving our Directors or employees in the capital of our Group.
- (vi) As at the date of this Prospectus, our Group does not have any outstanding convertible securities, options, warrants or uncalled capital.
- (vii) Save as disclosed in Section 15.4 of this Prospectus and save as provided under our Constitution and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares.

15.2 EXTRACT OF OUR CONSTITUTION

The following provisions are extracted from our Constitution and are qualified in its entirety by the remainder of our Constitution and by applicable law. The words and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless otherwise defined or the context otherwise requires:

15.2.1 Remuneration, voting and borrowing powers of Directors

The provisions in our Constitution dealing with remuneration, voting and borrowing powers of Directors are as follows:

(i) Remuneration of Directors

Clause 104 – Directors’ remuneration

Subject to the Act and the Listing Requirements, the fees of the Directors and any benefits payable to the Directors shall from time to time be determined by way of an ordinary resolution of the Company in a general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine and in default of agreement equally, except that if a Director has held office for part only of the period in respect of which such fees are payable, such a Director shall be entitled only to that proportion of the fees as is related to the period during which he has held office PROVIDED ALWAYS that:-

- (i) salaries payable to executive Director(s) may not include a commission on or percentage of turnover;
- (ii) fees payable to non-executive Directors shall be a fixed sum and not by way of a commission on or percentage of profits or turnover;

15. ADDITIONAL INFORMATION (Cont'd)

- (iii) fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting; and
- (iv) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Clause 105 – Reimbursement of expenses

- (a) The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other things required of him as a Director.
- (b) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for any director's fees payable to him from time to time.

Clause 131 – Remuneration of chief executive, executive Director, managing Director

The remuneration of the chief executive, executive Director, managing Director or any person holding an equivalent position, shall, from time to time be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive a pension, gratuity or other benefits upon their retirement.

(ii) Borrowing powers of Directors**Clause 109 – Directors' borrowing powers**

- (a) Subject to the Act and the Listing Requirements, the Directors may exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any related party (as defined in Section 7 of the Act):
 - (i) borrow money;
 - (ii) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;
 - (iii) issue debentures and other securities whether outright or as security;
 - (iv) lend and advance money or give credit to any person or company;

15. ADDITIONAL INFORMATION (Cont'd)

- (v) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; and/or
- (vi) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or of any related party (as defined in Section 7 of the Act).
- (b) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

(iii) Voting of Directors**Clause 80 – Chairman's casting vote**

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to any other vote he may be entitled as a Member.

Clause 123 – Votes by majority and chairman of the meeting to have a casting vote

Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes of the Directors present and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote, except where at the meeting only two (2) Directors form a quorum, the chairman of the meeting at which only such a quorum is present, or only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.

Clause 126 – Restriction on voting

Subject to the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.

Clause 127 – Power to vote

A Director may vote in respect of:-

- (i) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company;
- (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security;
- (iii) any contract by the Director himself to subscribe for or underwrite shares or debentures of the Company; or

15. ADDITIONAL INFORMATION (Cont'd)

- (iv) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as a holder of shares or other securities in that company.

15.2.2 Changes to share capital

The provisions in our Constitution dealing with changes in share capital are as follows:

Clause 58 – Power to increase capital

Subject to the Act, this Constitution, the Central Depositories Act, the Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, the Company may from time to time by ordinary resolution, whether all the shares for the time being issued shall have been fully paid-up or not, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital, voting or otherwise as the resolution authorising such increase may direct.

Clause 59 – Issue of new shares to Members

Subject to any direction to the contrary that may be given by the Company in general meeting and the Listing Requirements, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or Securities which (by reason of the ratio which the new shares or Securities bear to the shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or Securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.

For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable.

In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible securities in proportion to the shareholdings of the existing Members.

15. ADDITIONAL INFORMATION (Cont'd)**Clause 61 – Power to alter capital**

Subject to the provisions of this Constitution and the Act, the Company may alter its share capital in any one or more of the following ways by ordinary resolution:

- (i) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (ii) convert all or any of its paid-up shares into stock and reconvert that stock into fully-paid shares; or
- (iii) subdivide its shares or any of its shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

Clause 62 – Power to reduce capital

The Company may by special resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Act and the Applicable Laws.

Clause 63 – Purchase by the Company of its own shares

The Company may, subject to it obtaining such approval from the relevant authorities (if required) and to its compliance with the Act, the Listing Requirements and the Applicable Laws, purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the Act, the Listing Requirements and all Applicable Laws. The provisions of Clauses 61 and 62 herein above shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers under this Clause. The cancellation of shares purchased shall not be deemed to be a reduction of share capital within the meaning of the Act.

15.2.3 Transfer of securities

The provision in our Company's Constitution in respect of the transfer of securities and restrictions on their free transferability are as follows:

Clause 31 - Transfer in writing

Subject to this Constitution, the Central Depositories Act, the Rules and the Listing Requirements, any Member may transfer all or any of his Securities (except those Deposited Securities which are for the time being designated as securities in suspense) by an instrument in writing in the form prescribed and approved by the Exchange. The instrument shall have been executed by or on behalf of the transferor and the transferee, and the transferor shall remain the holder of the Securities transferred until the transfer is registered and the name of the transferee is entered in the Record of Depositors.

Clause 32 – Transfers of Securities

Subject to the restriction imposed by this Constitution, the Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any Deposited Securities shall be made by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Securities.

15. ADDITIONAL INFORMATION (Cont'd)**Clause 33 – No restriction on the transfer of fully paid Securities**

Subject to this Constitution, the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid Securities except where required by law.

Clause 34(a) – Refusal to register

The Central Depository may, in its absolute discretion, refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and/or the Rules.

Clause 34(b) – Non-liability in respect of transfer

Subject to the Act, the Central Depositories Act and the Rules, neither the Company nor the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of Deposited Security although the same may, by reason of any fraud or other cause not known to the Company or the Directors or other officers, be legally inoperative or insufficient to pass the property in the Deposited Security proposed or professed to be transferred, and although transferred, as between the transferor and the transferee, be liable to be set aside and in every such case, the person registered as transferee, his executors, administrators and assignees alone, subject to compliance with the Act, the Central Depositories Act and the Rules, shall be entitled to be recognised as the holder of such Deposited Security and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

Clause 35 – Suspension of registration

Subject to the provisions of the Act, the Central Depositories Act, the Rules and the Listing Requirements, the registration of transfers of any Securities may be suspended at such times and for such periods as the Directors may from time to time determine PROVIDED ALWAYS that no part of the Register may be closed for more than thirty (30) days in any calendar year. Any notice of intention to close the Register and the reason therefor shall be given to the Exchange. Such closure of the Register shall be at least fourteen (14) days (or such other period as prescribed by the Exchange from time to time) after the date of notification to the Exchange stating the purpose or purposes for the suspension and the address of the share registry at which documents will be accepted for registration. In this respect, the Company shall request the Central Depository, in accordance with the Rules, to issue the appropriate Record of Depositors.

15.2.4 Rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights

The provisions in the Constitution in respect of the rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights are as follows:

Clause 6 – Class of shares

The share capital of the Company is its issued share capital. The shares in the original or any increased capital or any alteration of capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred and/or other special rights, privileges, conditions and/or restrictions as to dividends, capital, voting and/or otherwise.

15. ADDITIONAL INFORMATION (Cont'd)**Clause 7 – Allotment of shares**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, the Act, any Applicable Laws, and to the provisions of any resolution of the Company, the Board may issue, allot or grant rights to subscribe for or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred and/or other special rights and subject to such restrictions and at such times as the Board may determine but the Board in making any issue of shares shall comply with the following conditions:-

- (i) in the case of shares, other than ordinary shares, no special rights shall be attached until the same has been expressed in this Constitution and in the resolution creating the same;
- (ii) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meetings;
- (iii) every issue of shares or options to employees and/or Directors of the Company and/or its subsidiaries under an employee share option scheme shall be approved by the Members in general meeting;
- (iv) no Director shall participate in a scheme that involves a new issuance of shares or options unless the Members in a general meeting have approved the specific allotment to be made to such Director; and
- (v) except in the case of an issue of Securities on a pro-rata basis to all Members, or, pursuant to a back-to-back placement or a Dividend Reinvestment Scheme undertaken in compliance with the Listing Requirements, there shall be no issuance and allotment of Securities to a Director, major shareholder, chief executive or person connected with any Director, major shareholder or chief executive (hereinafter referred to as the “interested Director”, “interested major shareholder”, “interested chief executive” or “interested person connected with a Director, major shareholder or chief executive” respectively) unless the Members in a general meeting have approved of the specific allotment to be made to such aforesaid interested Director, interested major shareholder, interested chief executive or interested person connected with a Director, major shareholder or chief executive, as the case may be. In this Constitution, “major shareholder”, “chief executive”, “person connected with any Director, major shareholder or chief executive” and “Dividend Reinvestment Scheme” shall have the meaning ascribed thereto in the Listing Requirements.

Clause 8 – Rights of preference shareholders

Subject to the Act and the Listing Requirements, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and/or converted into ordinary shares and the Company shall not unless with the consent of the existing preference shareholders at a class of meeting issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have:

- (i) the same rights as ordinary shareholders as regards to receiving notices, reports and audited accounts and attending general meetings of the Company; and
- (ii) the right to vote at any meeting convened for the purpose of reducing the capital of the Company or on a proposal to wind up or during the winding up of the Company, or sanctioning a sale of the whole of the Company's undertaking, property or business, or where any resolution to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares or part of the dividend is in arrears for more than six (6) months.

15. ADDITIONAL INFORMATION (Cont'd)**Clause 10 – Variation of class rights**

Subject to Section 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with:

- (i) the consent in writing of the holders of not less than seventy-five per centum (75%) of the total voting rights of the Members in that class; or
- (ii) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy at least one-third of the number of the issued shares of the class (excluding any shares of that class held as treasury shares) and that any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one (1) vote for every such share held by him. For adjourned meetings, the quorum is one (1) person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.

Clause 11 – Ranking of class rights

The rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of such shares, as regards to participation in the profits or assets of the Company in some or in all respect be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Clause 43 – Person entitled may receive dividends

Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares as the registered holder would have been entitled to if he had not died or become bankrupt, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.

Clause 56 – Rights of stock holders

The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages with regards to dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such rights, privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such rights, privileges or advantages.

Clause 81 – Voting rights

Subject to this Constitution and to any rights or restrictions for the time being attached to any class of shares by or in accordance with this Constitution, (a) in the case of a show of hands or (b) in the case of a poll, each Member, or holder of preference shares who has a right to vote, present in person or by proxy or by an attorney or by duly authorised representative shall have one (1) vote, and on a poll, every Member present in person or by proxy or attorney or representative shall have one (1) vote for each share he holds.

15. ADDITIONAL INFORMATION (Cont'd)**Clause 151 – Application of profits**

The Directors may, if they think fit from time to time, pay to the Members such dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes, the Directors may pay such dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights, as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide, they shall not incur any responsibility to the holders of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be settled by them, any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

Clause 153 – Payment of dividends

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Constitution as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

15.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

15.4 LIMITATION ON THE RIGHT TO OWN SECURITIES

Subject to Section 15.3 above, there is no limitation on the right to own our Shares, including any limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

15.5 PUBLIC TAKE-OVERS

Since the beginning of the FYE 2024 and up to the LPD, there has been:

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

15. ADDITIONAL INFORMATION (Cont'd)**15.6 EXCHANGE CONTROLS**

Our Group has not established any other place of business outside Malaysia and is not subject to governmental laws, decrees, regulations and/or other requirements which may affect repatriation of capital and remittance of profit by or to our Group.

15.7 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) during the Financial Years and Period Under Review and up to the date of this Prospectus:

- (i) share sale agreement dated 2 January 2024 entered into between AISSB and Kan Wai Chun for the disposal of 465,050 shares owned by AISSB in AES Asia to Kan Wai Chun for a cash consideration of RM465,050.00, which was completed on 14 May 2024;
- (ii) AISSB SPA dated 5 May 2025 entered into between our Company and AISSB Vendors for the Acquisition as detailed in Section 6.2.1 of this Prospectus. The Acquisition was completed on 15 December 2025; and
- (iii) the Underwriting Agreement. Please refer to Section 4.10 of this Prospectus for further details of the Underwriting Agreement.

15.8 CONSENTS

Our Principal Adviser, Sponsor, Sole Underwriter, Sole Placement Agent, Company Secretary, Solicitors, Share Registrar and Issuing House have given and have not subsequently withdrawn their written consents before the issuance of this Prospectus for the inclusion of their names and all references thereto in the form, manner and context in which they are included in this Prospectus.

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consent before the issuance of this Prospectus for the inclusion of their name and all references thereto, the Accountants' Report and the Reporting Accountants' Report on the Compilation of Pro Forma Combined Statements of Financial Position as at 30 September 2025 in the form, manner and context in which they are included in this Prospectus.

Our IMR has given and has not subsequently withdrawn its written consent before the issuance of this Prospectus with the inclusion of its name and all references thereto and the IMR Report in the form, manner and context in which they are included in this Prospectus.

15.9 RESPONSIBILITY STATEMENTS

- (i) 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 contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.
- (ii) PIVB, being our Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent in relation to our IPO, acknowledges that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

15. ADDITIONAL INFORMATION (Cont'd)

15.10 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) IMR Report as included in Section 8 of this Prospectus;
- (iii) Reporting Accountants' Report on the Compilation of Pro Forma Combined Statements of Financial Position as at 30 September 2025 as included in Section 13 of this Prospectus;
- (iv) Accountants' Report referred to in Section 14 of this Prospectus;
- (v) material contracts referred to in Section 15.7 of this Prospectus;
- (vi) the letters of consent referred to in Section 15.8 of this Prospectus; and
- (vii) audited financial statements of our Company and Subsidiaries for the Financial Years and Period Under Review (as may be applicable).

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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 COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 26 FEBRUARY 2026

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 5 MARCH 2026

Applications for the IPO Shares will open and close at the times and dates stated above.

In the event of any change to the dates or time for closing, we will advertise the notice of the change in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia, and make an announcement on the website of Bursa Securities.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS**16.2.1 Application for our Issue Shares by the Malaysian public and the Eligible Persons**

Applications must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

<u>Types of Application and category of investors</u>	<u>Application method</u>
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
Applications by the Eligible Persons	PINK Application Form only

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.2.2 Application by selected investors and Bumiputera Investors approved by MITI via private placement**

Types of Application	Application Method
Applications by:	
(a) Selected investors	Our Sole Placement Agent will contact the selected investors directly. They should follow the Sole Placement Agent's instructions.
(b) Bumiputera Investors approved by MITI	MITI will contact the Bumiputera Investors directly. They should follow MITI's instructions.

Selected investors and Bumiputera Investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

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 accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts will not be accepted** for the Applications.

Only **ONE** Application Form for each category from each Applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

APPLICANTS WHO WISH TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST ENSURE THAT THE DETAILS PROVIDED BY THE FINANCIAL INSTITUTION TO THE ISSUING HOUSE MATCH THE INFORMATION REGISTERED UNDER THEIR CDS ACCOUNT. ANY DISCREPANCY BETWEEN THE INFORMATION PROVIDED BY YOUR FINANCIAL INSTITUTION AND THE CDS ACCOUNT RECORDS WILL RESULT IN THE REJECTION OF YOUR IPO APPLICATIONS. TO AVOID SUCH REJECTIONS, APPLICANTS ARE STRONGLY ADVISED TO CONTACT THEIR FINANCIAL INSTITUTION IN ADVANCE TO VERIFY AND CONFIRM THE DETAILS. PLEASE NOTE THAT OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE WILL NOT BE HELD RESPONSIBLE FOR ANY ISSUES OR LOSSES ARISING FROM DISCREPANCIES IN THE INFORMATION SUBMITTED.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.3.2 Application by the Malaysian Public**

You can only apply for our IPO Shares if you fulfil all of the following:

- (i) you must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) you must not be a director or employee of the Issuing House, or an immediate family member of a director or employee of the Issuing House; and
- (iii) you must submit Applications by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

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 as well as detailed procedures on how to subscribe for the allocated Issue Shares. The Eligible Persons must follow the notes and instructions in the said document and where relevant, in this Prospectus.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Issuing House, PIVB, participating organisations of Bursa Securities and members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

The Eligible Persons are not precluded from making additional application under the Malaysian Public category using either the White Application Form, Electronic Share Application, or Internet Share Application.

16.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.20 for each IPO Share.

Payment must be made out in favour of “**ACM SHARE ISSUE ACCOUNT NO. 103**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

AscendServ Capital Markets Services Sdn Bhd
 (Registration No: 202401031272 (1577121-P))
 Office Suite No. 603 Block C
 Pusat Dagangan Phileo Damansara 1
 No. 9, Jalan 16/11
 Off Jalan Damansara
 46350 Petaling Jaya
 Selangor

- (ii) **DELIVER BY HAND AND DEPOSIT** in the Issuing House's drop-in box provided in front of AscendServ Capital Markets Services Sdn Bhd's office at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor,

so as to arrive not later than 5.00 p.m. on 5 March 2026 or by such other time and date specified in any change to the date or time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 PROCEDURES FOR 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 Participating Financial Institutions and their branches, namely, Alliance Bank Malaysia Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 PROCEDURES FOR 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, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd, iFast Capital Sdn Bhd, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad, RHB Bank Berhad, UOB Kay Hian (M) Sdn Bhd (formerly known UOB Kay Hian Securities (M) Sdn Bhd). A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

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 OUR ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (i) reject Applications which:
 - (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful Applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 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 over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of Applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at <https://www.ascendserv.com> within one market day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.5 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

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

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House, as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful Applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) or Participating Securities Firms within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House, by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) or Participating Securities Firms not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

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 at telephone no. +603 7890 0238
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution, Participating Securities Firms and Authorised Financial Institution

The results of the IPO share allocation, based on successful balloting, will be published on the Issuing House's website at <https://www.ascendserv.com>. Applicants can also check the status of their application on the same website after 5.00 p.m. on the allotment date. Alternatively, you may contact the ADAs listed in the Detailed Procedures for Application and Acceptance, which is available in the Electronic Prospectus on the Bursa Securities' website.